

Articles of Constitution
(Amended)

**Association of Public Finance Accountants
of Sri Lanka
(APFASL)**

INTERPRETATION

The words standing in the first column of the following table shall bear the meaning set opposite them respectively in the second column thereof.

WORDS	MEANING
Association	Association of Public Finance Accountants of Sri Lanka (APFASL)
Board of Management	The Board of Management of the association is entrusted with the management of the business and all affairs of the association.
Financial year	1 st January to 31 st December.
Formation Date	The date on which the Board of Management is appointed by the council of ICASL
General Meeting	A general meeting of members of APFASL convened by the Articles of the Constitution.
ICASL	Institute of Chartered Accountants of Sri Lanka.
IPFDA	Institute of Public Finance and Development Accountancy

1. ESTABLISHMENT

This constitution may be cited as the Articles of Constitution of the Association of Public Finance Accountants of Sri Lanka and shall come into operation on such date (hereinafter referred to as “the formation date” or “establishment date”) mentioned below.

The establishment date of the Association should be referred to as 01 January 2012.

1.1 Name

Association of Public Finance Accountants of Sri Lanka (APFASL)

1.1 Relationship with the Institute of Chartered Accountants of Sri Lanka

While the Association shall carry out its functions and duties broadly in line with the professional code of conduct promulgated by the Institute of Chartered Accountants of Sri Lanka (ICASL), the Association is an independent body by itself having its mandate scoped by this constitution. ICASL will therefore exercise a supervisory role.

1.2 Financial year

The financial year for the Association shall be from 1st January to 31st December.

2. PURPOSE AND OBJECTIVES

Initially to facilitate the grant of a qualification to be known as “ Public Finance Accountant” for the financial management professionals in the public sector which is determined by the Board of Management and to facilitate such persons by enhancing technical and other skills to strengthen them as high skilled professionals in the field of accounting, finance, audit, and related fields in public financial management, while endeavoring to enhance the public image of Public Finance Accountant and thereafter to facilitate the offer of professional level qualification such as Chartered Public Finance Accountant (CPFA) jointly by the ICASL and the CIPFA, London or by the ICASL itself.

The following sets out the other objectives to achieve the broad purpose,

1. Capacity building among public sector financial management professionals by launching professional qualifications on public financial management and conducting professional development programs.
2. Improving public sector financial reporting by rolling out Sri Lanka Public Sector Accounting Standards through training materials and training manuals.
3. Conducting seminars and workshops on public financial management.
4. Conducting conferences with regional participation on public sector financial reporting and public sector auditing.
5. To provide, or arrange for the provision of seminars, conferences and training leading to the professional qualification of Chartered Public Finance Accountant.
6. To award scholarships, certificates and diplomas to persons who have completed the courses, and achieved proficiency.
7. To specify the qualification for membership of the Association and the standards of professional conduct to be maintained by members of the Association, and to ensure the maintenance thereof.

8. To establish and maintain libraries and documentation centers and to provide services to members in other related areas such as finance, auditing and related fields.
9. To provide a platform for Public Finance Accountants to develop their leadership and entrepreneurial skills.
10. To promote the interests, welfare, rights and privileges of the profession of Public Finance Accountants and the interest of the public about that profession and of persons desiring to qualify as Chartered Public Finance Accountants.
11. To enhance the competence of members through a continuing Professional Development Program.
12. To create opportunities for Public Finance Accountants, to build up a close relationship with the Association and its activities, and also to encourage them to develop their network in the field of their profession and other communities.
13. To conduct disciplinary inquiries related to members in case of misconduct.
14. To liaise with universities to conduct programs leading to further education.

3. MEMBERSHIP

3.1 Eligibility

A person who is/has been.

- i) the Accounts Executive Grade III or above of the Sri Lanka Accountants Service or,
Superintendent of Audit Class II Grade II or above of the Sri Lanka Audit Service or Assessors Class II Grade II or above of the Inland Revenue Service. Or
- ii) the Accountants in the Statutory Boards and Public Corporations, after reviewing their entry qualifications and the schemes of recruitment on a case-by-case basis;
and
two years of work experience in the respective services.
- iii) (Amendment)
The public servants who are working in finance, accounts and audit-related services with a basic degree or equivalent or higher qualifications or intermediate qualifications such as CBA/AAT with two years of experience in the service shall be allowed to become of APFASL members and to follow the CPFA examination, irrespective of their designations.
- iv) The public servants who are working in finance, accounts and audit-related services with advanced-level qualifications, similar to the criteria applicable for the CA examination shall be offered to students. membership for them to enter the CPFA examination from the beginning and offered APFASL membership once they passed the executive-level examinations.

- v) All APFASL members who became CPFA members would not be required to pay APFASL membership fee additionally.

3.2 Subscription

The association shall charge an annual membership fee from members of the Association except for student members who have to pay a nominal amount as decided by the board of management.

3.3 Registration of Members

Those who meet the criteria stipulated in section 3.1 in the constitution should apply to the Board of Management of the Association to register as a member of the Association of Public Finance Accountants for Associate / Fellow Membership. (those who have two years for Associate Membership (APFA) and those who have ten years for Fellow Membership (FPFA)).

4. BOARD OF MANAGEMENT

4.1 There shall be a Board of Management of the Association, in these Articles of Constitution referred to as the “Board of Management”.

4.2 Composition (Amended) To include CASL nominated member representing the council

The Board of Management shall consist of 16 members i.e., the President of ICASL, Vice President of ICASL, Auditor General, Director General of State Accounts, Director General of Public Finance, Commissioner General of Inland Revenue, Director General of Public Enterprises and a CA member nominated by the CASL council (alternate to Chairman) as ex-officio members and eight members appointed by the Council of ICASL from the members of APFASL.

4.3 The President of the Board shall be appointed by the Board of Management on the recommendation of the Council of ICASL. The Vice President shall be appointed by the members of the Board of Management.

4.4 Tenure of Office and Disqualification of Members of the Board

4.4.1 Every member of the Board of Management shall, unless he earlier vacates his office, hold office for two years from the date of appointment except for the first Board of Management, which shall hold office for four years.

4.4.2 A member of the Board of Management shall vacate office by resignation or if he ceases to be a member of the APFASL.

4.4.3 In the event of the death of, or vacation of office by a member of the Board of Management, such vacancy shall be filled by the Board of Management. The officer thus appointed will hold the same rights/privileges as exercised by other Board of Management members.

4.4.4 (Amendment) Any member of the Board of Management who vacates office by effluxion of time shall be eligible for reappointment or re-election as an officer in the Board of Management. The maximum period a member can serve on the Board of Management as a member (excluding as President) is six years, however, may carry on for a further period of two years up to a maximum of eight years if approved by the board.

4.4.5 Any existing Member of the Board who is absent for the Management Meetings consecutively for three times, will be automatically deemed to have vacated his position in the Board of Management. Such disqualified member shall have a right to make an appeal to the existing Board of Management for re-appointment at least five days before the next available meeting of the Board of Management. The Board of Management has a right to accept or reject such appeals for reappointment with or without reasons. Disqualified member shall only be Re-appointed by the Board of Management on their unanimous agreement.

4.5 Powers/Duties and Rights

4.5.1 The Board of Management shall be charged with the administration and management of the Association and shall be responsible for carrying out the provisions of these Articles of Constitution and the functions and duties conferred or imposed upon the Board of Management by these Articles of Constitution.

4.5.2 The Board of Management shall appoint committees consisting of its members to carry out the main functions of the Association.

4.5.3 It shall be the duty of the Board of Management to secure the maintenance of professional standards among members of the Association and to take such steps as may be necessary to acquaint them with the methods and practices necessary to maintain such standards.

4.5.4 For the purpose of discharging the responsibilities entrusted, the Association has the right to engage and negotiate with any outside party as appropriate and all decisions/actions taken within the normal proceedings shall be deemed to have been the legitimate decision/action of the Association.

4.5.5 No member of the Board /officer shall be personally accountable to any such legitimate action of the Board and thus the Members of the Board are absolved of any consequences. It shall be deemed to have been ratified by the general membership of the Association.

4.5.6 The Board of Management may fill temporary vacancies during the tenure of its office.

4.5.7 The Board of Management will have the authority to change the constitution with 75% majority.

4.5.8 All cheques, promissory notes, drafts bills of exchange and other negotiable instruments and all receipts for monies paid to the Association shall be signed, drawn,

accepted endorsed or otherwise executed, as the case may be, in such manner as the Members of the Board shall from time to time determined by resolutions.

4.5.9 To invest money of the Association not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject nevertheless to such condition (if any) and such consent (if any) as may for the time being be imposed or required by law and subject also as hereinafter provided.

4.5.10 To purchase, take on lease or on exchange, hire or otherwise acquire any real or personal property and any rights or privileges which the Association may think necessary or convenient for the promotion of its objects, and to construct, equip, maintain and alter any buildings or erections necessary or convenient for the work of the Association.

4.6 President

4.6.1 The President of the Association will chair the meetings of the Association and it is the responsibility of the President to adopt the appropriate course of actions, policies, procedures and operational road map with the consent of the Board of Management to achieve the objectives of the Association.

4.6.2 By virtue of being the President, he shall exercise the rights of representing the Association and he will be the official representative of the Association in all external matters. He may assign any officer of the Board of Management or any member from the membership to represent the Association in circumstances where he is unable to be present on such occasions.

4.6.3 The President shall approve the expenses of the Association that may be incurred in the day-to-day affairs of the Association. Such expenses will be tabled at a meeting of the Board of Management on a quarterly basis for ratification.

4.6.4 He shall propose any member from the Association to the Board of Management to fill the temporary vacancies of the Board of Management

4.7 Vice President

4.7.1 The Vice President is appointed in the Board of Management meeting by the majority of the members voting in the proceedings of the Board of Management.

4.7.2 He shall exercise the same rights and duties as a member of the Board.

4.7.3 (Deleted) In the absence of the President, the Vice President shall convene and chair the Board meetings.

4.7.4 He shall represent the Association in the absence of the President where the President has not identified any specific member/officer to represent the Association.

4.8 General Secretary

4.8.1 There shall be an appointed General Secretary to the Association who is a member of the Board of Management. He shall be in charge of the following:

- (a) Maintain members' database and reflect the up-to-date status of the membership and their employment, titles etc.
- (b) He shall be the sole officer in charge of the communication with the membership and spokesman of the Board of Management to the membership.
- (c) He shall exercise due care to ensure that all the members in the general membership are informed of the Board decisions and the programs that the Association may engage in.
- (d) He shall convene the Board Meetings with an agenda and record the proceedings and maintain proper documentation of the Board Meetings including the attendance sheet of the Board meetings.
- (e) He shall ensure the quorum for both Board Meetings and Annual General Meetings.
- (f) He shall prepare an annual report of the Association setting out the activities undertaken by the Association for the fiscal year and present it to the membership in the Annual General Meetings for members' adoption.
- (g) He shall ensure that the proper notices are given to the membership in terms of the Constitution with respect to the AGM.
- (h) He shall keep a stock of past annual reports of the Association from the inception of the Association
- (i) He shall distribute minutes of meetings of the Board of Management to the Members of the Board within 14 days of holding meetings of the Board of Management.

4.9 The Treasurer

4.9.1 A member of the Board who has been appointed as a Treasurer to the Association shall be in charge of the following;

- (a) He shall maintain the books of accounts of the Association and be the custodian of the finance of the Association including the bank and cash balances.
- (b) He shall present half-yearly financial statements within two months of the end of the period.
- (c) Prepare the annual budget for the fiscal year for the Members of the Board and get the approval at the commencement of the fiscal year.
- (d) He shall keep a stock of all the past financial statements.

- (e) He shall advise the Members of the Board on financial affairs as and when appropriate.
- (f) He shall prepare annual financial statements to be adopted in the Annual General Meeting.
- (g) It is the responsibility of the Treasurer to have the financial statements approved by the Board and have it audited by the auditor of the Association. He should ensure that the annual financial statements consist of audit reports as an integral part of the financial statements.

4.10 Responsibility of Other Members of the Board other than Secretary and Treasurer.

4.10.1 The Board of Management assigns a specific portfolio of work to each Member of the Board in addition to powers/duties and rights specified in section 4.6 of the constitution.

4.10.2 Members of the Board are responsible for carrying out their assigned work in good faith and in a timely manner.

4.11 Quorum of the Board Meetings

There shall be a minimum of 5 Members of the Board to constitute the minimum quorum including either the President or the Vice President of ICASL. For Board proceedings, such minimum quorum shall include the President or General Secretary or Vice President. In the absence of the minimum quorum, the meeting is adjourned void. Any decision taken in the Board in the absence of the minimum quorum shall be null and void and has no enforceability.

4.12 Vote

Decisions at meetings of the Board of Management require a simple majority.

4.13 Ratification

All the decision taken by the Board is deemed to be automatically ratified by the general membership and the Board members jointly or personally will not be liable for the consequences of any such decision that is taken in on Bonafede. The Association at large will be collectively responsible for all the decisions/actions taken by the Board of Management

4.14 Delegation of authority

The Board of Management may appoint a member, a group of members or a sub-committee as it may think suitable for the proper functioning of the Association. Any decision/action taken by such party shall be deemed to have been, as if, taken by the Board of Management.

5. ACCOUNTS AND AUDIT

5.1 The Association shall establish and maintain a fund with an initial contribution of Rs. 10 million each by ICASL and IPFDA under its management and control into which shall be paid all money received by the Association and out of which shall be met all expenses and liabilities incurred by the Association in carrying out its powers, functions and

duties under these Articles of Constitution.

- 5.2** The Association shall not seek any grant or financial assistance from the ICASL, except for donations or contributions received from the ICASL for the advancement of the profession.
- 5.3** The Association will be self-supporting and funds for meeting the expenses shall be raised in the form of members' enrollment fees, subscriptions, donations, sponsorship etc. from among the members or by other means.
- 5.4** The Association may levy such other fees as considered necessary from members participating in specific activities.
- 5.5** The income of the Association from its members' subscription, property or donations, shall be applied solely towards the promotion of the objectives of the Association as set out in the constitution and no portion thereof shall be paid or transferred directly or indirectly to persons who at any time are or have been members of the Association or to any of them or to any person claiming through them provided that nothing herein contained shall prevent the payment of remunerations to any person called upon to perform any work for the Association.
- 5.6** The financial statements of the Association shall be prepared annually at the conclusion of a fiscal year in accordance with Sri Lanka Financial Reporting Standards and shall contain the statement of Comprehensive Income, Statement of Financial Position, cash flow statement, and notes to the financial statements. In addition, the financial statements shall carry the audit report by the auditor of the Association.
- 5.7** Such financial statements shall be approved by the Board of Management and shall be audited by an independent auditor who is appointed by the general membership in the Annual General Meeting.
- 5.8** The Board of Management shall distribute the audited financial statements of the Association at the General Assembly of the members to be held annually and such financial statements be adopted at the Annual General Meeting with majority of the voting.
- 5.9** Surplus of the Association will be held for members' professional development and welfare purposes and such surplus shall be given to the ICASL on the occasion of dissolution in which event the fund will be either be spent for collective welfare purpose or be granted towards any good cause as the General Membership feels best.
- 5.10** The Board of Management may set aside out of funds of the Association, such amount as they think proper as Reserve Funds to meet contingencies or for repairing or improving and maintaining any properties of the Association or for such other purposes as the Board of Management may, in its absolute discretion, think conducive to the welfare of the Association.

5.11 All operational instructions to bankers of the Association will be issued jointly by the President and Treasurer of the Association.

5.12 The financial statements of APFASL will be consolidated with the financial statements of ICASL for purposes of financial reporting.

6. ANNUAL GENERAL MEETING

6.1 Time

The Annual General Meeting (AGM) of the general membership shall be held before 120 days after the conclusion of the financial year at a convenient location for all the members.

6.2 Meeting notice

6.2.1 A notice of the AGM shall be served to the general membership before 21 days of the date of the AGM by the General Secretary of the Association

6.2.2 Such notice shall have at the minimum, the date of the notice, the date of the AGM, the venue for the meeting, the time of the AGM, the agenda and the nomination sheet for the members of the Board of Management for the succeeding fiscal years.

6.2.3 Mode of communication will be email, fax, postage and delivery or any electronic media which the Board of Management thinks is the best mode.

6.2.4 It shall be the duty of the Board of Management to ensure that the notices reach all the members, 14 days before the AGM.

6.3 Minimum Agenda of the AGM

In addition to any matter that may be submitted to the AGM by the Board of Management, the following minimum items shall be included in the proceedings of the AGM.

(a) General Secretary confirming the minimum quorum of the AGM.

(b) General Secretary reading out the preceding year's meeting proceedings and having it confirmed by the members.

(c) Presentation of Annual Report and Annual Financial Statements and adoption of the same

(d) Appointment of a new President to the Board of Management of the succeeding fiscal years.

(e) Appointment of the Auditor to the Association.

6.4 Appointment/Removal of the Auditor

6.4.1 An auditor shall be appointed to the Association for a financial year in the AGM for the purpose of auditing the financial affairs of the Association.

6.4.2 Such Auditor shall possess the practicing certificate awarded by ICASL

6.4.3 Such appointed auditor shall hold the office until the end of the next AGM.

- 6.4.4** If there is no nomination for the Auditor the existing auditor is deemed to have been re-appointed for the succeeding financial year.
- 6.4.5** The auditor shall present an audit report that is attached to the financial statements giving his audit findings and opinion on the true and fair view of the financial statements.
- 6.5 Adoption of financial statements**
Financial statements together with the auditor's report, once presented shall be adopted by the members at AGM by a voice vote.
- 7. SEAL OF THE ASSOCIATION**
The seal of the Association shall not be affixed to any instrument whatsoever except in the presence of such number of persons as may be provided for in the rules in force for the time being who shall sign their names to the instrument in token of their presence and such signing shall be independent of the signing of any person as witness.
- 8. LIMITATION OF LIABILITIES OF MEMBERS OF BOARD OF MANAGEMENT**
No members of the Board of Management shall for the purpose of discharging the debts and liabilities of the Association or for any other purposes be liable to make any contribution exceeding the amount of such membership fees as may be due from him as at that date to the Association.
- 9. AMENDMENT TO THE CONSTITUTION**
- 9.1** Amendments to the constitution should be proposed 14 days before the Board of Management Meetings and such amendments as deemed to be fair and just in view of the objectives of the Association shall be adopted in the Board of Management Meeting.
- 9.2** For proper adoption of such amendments, 75% of the voting from the attended quorum is required.
- 10 DISSOLUTION**
- 10.1** The Board of Management may propose a dissolution in the AGM if it thinks that dissolution is required by the circumstances.
- 10.2** Dissolution could be made if the circumstances, legal or otherwise, are beyond the control of the Association that compels the members to dissolve the Association.
- 10.3** Upon dissolution, the Association will cease to exist, and a receiver will be appointed from within the membership by the Board of Management and in case the funds of the Association are a surplus as at the date of the dissolution.