



ICMEESA news

June 2005

THE INSTITUTION OF CERTIFICATED MECHANICAL AND ELECTRICAL ENGINEERS, SOUTH AFRICA

Tel: +27(11) 487 1683

Fax: +27(11) 487 0001

Faxmail: 0866718533

Website: www.icmeesa.com

Email: icmee@pixie.co.za

Street Address: 18A Gill Street,
Observatory
Johannesburg
2198

Postal Address: PO Box 93480
Yeoville,
2143



President: Mr Vaughan Townsend

Member Feedback – Letter from Frans Jooste

Hi there all you hard working Engineers,

Thank you for your newsletter for Jan 2005. My very best wishes for the incoming President and I wish you a pleasant and fruitful year of office. From your history I note you started your career as an appie in 1980 almost 30 years after I went the same route. I did so with a princely salary of One Pound 13 shillings and 6 pence a week. My first pay was a ceremonial affair. I had to push a wheelbarrow from the workshops accompanied by all the artisans to the pay office where I collected this huge some of money in pennies. This was to the cheer of everyone. I then had to push this wheelbarrow along the outside walkway to a window with a sign BARCLAYS DCO and ask the good lady to open an account for me. I responded by lashing all the pennies on to the counter. I was a member of that bank for 47 years. Another interesting milestone was joining your association on the 7th December 1959. The President, Mr. FA Cotton and the Secretary GS Adams signed the certificate. I retired from a position of Engineering Manager in 1984 serving most of my Engineering life on the Gold Mines.

I love reading your bulletin and please keep up the good work

Yours truly

Frans Jooste.

ED: Thanks for the positive feedback Frans. The intent of this newsletter was to have articles and comment from members to publish. Hopefully you will have started the trend.

Repeal of the 2.13.1 mandatory appointment of the Engineer in the mining industry.

Thought this heading would get the attention of a few engineers. It was surprising to discover that there was a move by Employer's to have the current 2.13.1 (mines) mandatory appointment of the Engineer repealed and not be replaced. The general control of the design, installation, operation and maintenance of machinery, structures, and buildings, mechanical and electrical should be, and requires remaining under the control of a competent engineer, who is in possession of the requisite qualifications and competencies. Law presently prescribes this subject to the installed KW rating being greater than 2,500KW. The Government Certificate of Competency currently ensures this competency.

I am sure we would all agree that until such time as a suitable alternative mechanism is in place to ensure the minimum level of required competency, the Mandatory Appointment (2.13.1) of the Engineer must remain.

Regulations applicable to the mines refer to a host of appointments of which all are just as prescriptive as that applicable to the engineer. The question, therefore is, who or what prompted someone, or an employer, to pursue the repeal of this specific regulation with reference to the engineer? Perhaps we need to better understand the meaning of "registration and, or, licence to practice being considered as an elective option for the mining industry", as opposed to the present prescriptive status. Quite clearly, my interpretation is that it leaves the employer to determine the need to employ an engineer, his competency, and the geographical extent of his area of responsibility. Historically the "Government Certificate of Competency" was introduced to stem the poor accident tends, specifically in mining.

It would appear that the proposed change appears to have come to nought. However without being defensive on the issue, perhaps we need to reflect on ourselves. Are you, as the appointed engineer, adding value to the business, or, just fulfilling the requirement as prescribed by statutory regulation? Perhaps too many of us are only fulfilling the latter, hence the perception that the 2.13.1 regulation is now redundant.

Any member's comments on this?

Personality Profile – Jerome Horne

The photograph below has reference to the article in the January newsletter. In 1995, Jerome volunteered to act as editor for a Western Cape News Bulletin. He was very instrumental in the setting up of the format and layout, including the heading on the leading page. He also managed to talk his son-in-law, Revere

Jerome has indeed had a very active life and has spent a lot of his time on ICMEESA and Certificated Engineer related issues in the Western Cape. He is still a serving member on the WC Committee.

We salute you, Jerome, for your dedication to ICMEESA, Certificated Engineers and the profession as a whole!



Jerome Horne with his wife Estelle

Membership Numbers Changing

As mentioned on numerous previous occasions, the problem persists whereby member's pay subscriptions or their firms pay on their behalf, without the correct reference numbers. This makes it impossible to determine the source of the payment. The negative side is that paying members will either be annoyed with, or ignore, a second reminder. We are also unable to determine which membership has lapsed due non-payment of subscriptions.

To resolve our problem, we have this year introduced "forced referencing" with the bank. This facility will not allow payment to be processed if the reference does not conform to the required number of digits. This has necessitated us to revisit the format of our membership numbers. The original membership numbers had no formal rationale.

We have followed a rationale of membership numbering as follows:

The number is 5 digits. The left hand number is either a 1 or a 2, representing the century 1900 or 2000. The second two numbers represents the year the member joined. The last two numbers represents the number recruited for that specific year. Member number 20423 implies that the member joined in

2004 and was the 23rd person to join in that year. The membership number is then preceded by the year of the invoice to accommodate the 7 digit referencing number. This year's invoice for the above member will be 0520423

Interestingly, the database shows that only in 1977 did new membership for a single year exceed 100. This required us to borrow numbers from the previous and following years. Except for the invoice number, the relationship with our members remains on a more personal footing with the use of names. The above change should therefore not affect the members. If you have any problems with the changed membership number, or, in making subscription payments, please contact the secretary.

Registration as a Non Profit Organisation – NPO Act. Act No 71 of 1977

In 2004 all Non Profit Organisations were required by SARS to re-register with SARS as such an organisation, which ICMEESA has done. The benefit being that we are exempt from paying Tax on profits. It has also been thought that it would be prudent to register as a Non Profit Organisation (NPO) with the Department of Social Welfare, as it may possibly become a necessity in future to maintain the tax exemptions.

Also, we need to revise ICMEESA's constitution for our own needs. While revising the constitution it would be opportune to consider the further amendments required should we consider registration as a NPO. Even if we do not register, it would be to our benefit to have our rules and constitution aligned with what is officially considered correct for a NPO.

The Act defines a NPO as

"nonprofit organisation" means a trust, company or other association of persons

- (a) established for a public purpose; and*
- (b) the income and property of which 'me not distributable to its members or office-bearers except as reasonable compensation for services rendered;*

Also, the registration referred to is presently not compulsory, as the Act reads:

Requirements for registration

12. (1) Any nonprofit organisation that is not an organ of state may apply to the director for registration.

Changes to our constitution to comply with the requirements as a NPO.

The Act also requires the constitution of a non-profit organisation that intends to register to accommodate the following criteria. (The right hand column

designates where we do or do not comply in our present constitution.)

| Requirement of the NPO Act | ICMEE Constitution |
|---|------------------------------------|
| (a) state the organisation's name; | Para 1.1 |
| (b) state the organisation's main and ancillary objectives; | Para 1.3.1 to 1.3.14 |
| (c) state that the organisation's income and property are not distributable to its members or office-bearers, except as reasonable compensation for services rendered; | Para 1.6 Para 3.13 Para 3.14 |
| (d) make provision for the organisation to be a body corporate and have an identity and existence distinct from its members or office-bearers; | Newly added extension of Para 1.5 |
| (e) make provision for the organisation's continued existence notwithstanding changes in the composition of its membership or office-bearers; | Section 3. |
| (f) ensure that the members or office-bearers have no rights in the property or other assets of the organisation solely by virtue of their being members or office-bearers; | Para 1.6 Para 3.13 Para 5.25 |
| (g) specify the powers of the organization; | Para 1.3.1 to 1.3.14 |
| (h) specify the organisational structures and mechanisms for its governance; | Section 3 |
| (i) set out the rules for convening and conducting meetings, including quorums required for and the minutes to be kept of those meetings; | Section 3 Section 4 |
| (j) determine the manner in which decisions are to be made; | Para 3.1 Para 3.13 |
| (k) provide that the organisation's financial transactions must be conducted by means of a banking account; | Para 3.21 |
| (l) determine a date for the end of the organisation's financial year; | New para 1.7 added |
| (m) set out a procedure for changing the constitution; | Para 4.12 |
| (n) set out a procedure by which the organisation maybe wound up or dissolved; and | Para 1.6 |
| (o) provide that, when the organisation is being wound up or dissolved, any asset remaining after all its liabilities have been met, must be transferred to another nonprofit organisation having similar objectives. | Para 1.6 |

The NPO Act also requires that the constitution of a non-profit organisation that intends to register, needs to make provision for matters relevant to conduct its affairs, including matters that:

| Requirement of the NPO Act | ICMEE Constitution |
|--|--------------------------------------|
| (a) specify qualifications for and admission to membership of the organisation; | Para 2.1 |
| (b) determine the circumstances in which a member will no longer be entitled to the benefits of membership; | Para 2.11 Para 2.13 |
| (c) provide for termination of membership | Para 2.10 Para 2.12 Para 2.13 |
| (d) provide for appeals against loss of the benefits of membership or against termination of membership and specify the procedure for those appeals and determine the body to which those appeals maybe made; | Extension of 2.12 to be done. |
| (e) provide for membership fees and matters determining membership fees and other payments by members; | Para 5.4 |
| (f) provide that members or office-bearers do not become liable for any of the obligations and liabilities of the organisation solely by virtue of their status as members or office-bearers of the organisation; | Para 1.6 Para 3.13 Para 5.25 |
| (g) provide for the appointment of office-bearers and define their respective functions; | Para 3.1 to 3.4 |
| (h) set out a procedure for nominating, electing or appointing office-bearers; | Para 3.4 |
| (i) determine the circumstances and manner in which office-bearers may be removed from office and provide for appeals against such removal and specify procedures for those appeals and determine a body to which those appeals can be made; | <u>Needs to be done</u> See 3.4.a |
| (j) provide that its office-bearers are not personally liable for any loss suffered by any person as a result of an act or omission which occurs in good faith while the office-bearer is performing functions for or on behalf of the organisation; | Para 3.23 |
| (k) provide for making investments; | Para 1.3.10 |
| (l) determine the purposes for which the funds of the organisation maybe used; and | Para 3.13 |
| (m) provide for acquiring and controlling assets. | Para 1.3.6 to 1.3.11 |

Proposed Changes the ICMEESA constitution.

Below are the proposed changes to the constitution. The reason for the change stipulated in the right hand column.

| Paragraph | Proposed Change | Reason for change |
|-------------|--|--|
| New 1.2a | Inclusion of Mission Statement | Required for NPO registration |
| New 1.2b | Inclusion of Vision | Required for NPO registration |
| 1.3.12 | Inclusion of word "professional" | Registration as Pr Cert Eng with ECSA |
| 1.5 | Inclusion of definition of NPO | Required for NPO registration |
| New 1.7 | Define the financial year | Required for NPO registration |
| 2.1 and 2.2 | Include "Retired" membership as a membership grade | Required to resolve invoicing of retired members |
| 2.9.a | Paragraph 5.6 moved to 2.9.a . | Required to resolve invoicing of retired members |
| 2.12 | Expand rules for expulsion | Required for NPO registration |
| New2.12.a | Procedure for appeal against expulsion | Required for NPO registration |
| 2.15 | Include "SA" in abbreviations | The official name includes the suffix "South Africa" |
| 3.4.a New | Include procedure for removal of office bearers | Required for NPO registration |
| 3.4.b New | Include procedure for appeal against 3.4.a above | Required for NPO registration |
| 3.8.1 | Redefine a quorum for a Council meeting | Meeting attendance numbers need to be revised. |
| 3.8.2 | Redefine a quorum for an Exco meeting | Meeting attendance numbers need to be revised |

| Paragraph | Proposed Change | Reason for change |
|-----------|--|---|
| 3.21 | Specify payments procedures and sanctioning of transactions. | Outdated reference to cheques and signatures. Electronic banking in place now. |
| 4.1 | Delete reference to Johannesburg as venue for all meetings. | Is restrictive and unnecessary. |
| 4.3 | Specify certain requirements for the AGM agenda. | Required for NPO registration |
| 4.10 | Redefine a quorum for the AGM or special meeting. | Meeting attendance numbers need to be revised. |
| 5.6 | Deleted and moved to 2.9a | |
| 5.7 | Delete requirement for entrance fees. | Need for a once of entrance fee questioned. Will discourage new membership and desire to change from student to member. |
| 5.20 | Delete | Reference to "journal" outdated and not applicable. |
| 5.22 | Redefine "Branch" quorum | Include clarity on set by "Branch" committee. |
| 5.23 | Redefine the control of Branch funds | Change outdated reference to cheques and signatures |
| 5.26 | Delete paragraph | Reference to "employment register" no longer valid. |
| | | |

Members are invited to contact the secretary for a copy of the constitution to be emailed or faxed to you. Alternately you can visit the website at www.icmeesa.com to view the constitution and the proposed changes.

Any contributions from members as to proposed changes will be welcomed. Please communicate these to the secretary.