

The professionalisation efforts of accountants in the Orange Free State, 1907–1927: An exploration of their first twenty years

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Abstract

Professionalisation forms an important domain in the accounting history arena. The geographical spread of professional organisations occurred via the relay of empire and the movement of international capital. Outcomes of professionalisation endeavours are strongly connected to the social and political context in which they occur. The mineral discoveries towards the end of the 19th century established South Africa's first industrial community. As the country's economy expanded, the virtues of simple living and conduct of business passed and there was a growing need for the services of individuals who had knowledge of accounting and of commerce. Most of the skilled accountants who migrated were of British descent. These accountants contributed to the development of the profession in South Africa. The Transvaal, Cape Colony, Natal and Orange River Colony (ORC) each established accounting societies around this time in response to the new industries and business. The Society of Accountants in the Orange River Colony was established in November 1907, five years after the conclusion of the South African War, by seven English gentlemen practising as accountants in Bloemfontein. This was the smallest society in comparison to the other colonies in Southern Africa at the time, and had grown from merely 16 foundation members in 1907 to 60 in 1927 with the passing of the Chartered Accountants Designation Act. The Society of Accountants and Auditors in the Orange River Colony (SAAORC) was a voluntary body, unlike the Transvaal and Natal societies. Accountants in the ORC could conduct their business as accountants and auditors and advertise themselves as such, whether they were members of the SAAORC or not. This article investigates the formation years of the accountants' society in the Free State and explains the difference between this development path and that of the earlier preceding societies. The article explains the establishment of a British profession in a former Boer Republic and the mechanisms of professional closure implemented to safeguard the status of the profession.

Keywords: Accounting; Orange River Colony; Orange Free State; Professionalisation; South Africa; The Society of Accountants and Auditors in the Orange River Colony (SAAORC); Chartered Accountant; CA(SA).

Introduction

The diamond fields were South Africa's first industrial community. Attention was diverted to Kimberley – the richest diamond deposit in the world¹, followed by the gold discovered on the *Witwatersrand* in 1886. Mineral discoveries transformed South Africa's economy irreversibly, and joint stock and limited liability companies were formed in response to the demands of the mining industry. The virtues of simple living and conduct of business in mainly an agrarian economy passed and there was a growing need for the services of individuals who had knowledge of figures and commerce.² Providers of capital required managerial accountability, as the opportunities for fraud and embezzlement by managers at locations far away from investors were significant.³ Britain was the primary supplier of international finance to the South African mines, and British accountants followed British capital throughout the Empire.⁴ Most of the immigrating accountants were members of recently established accounting bodies in Britain. The two most significant ones were the Institute of Chartered Accountants in England and Wales (ICAEW), incorporated under Royal Charter in 1880, and the Society of (Incorporated) Accountants and Auditors (SIAA), established in 1885.⁵ The professionalisation efforts of British accountants brought them to locations on the periphery of the Empire, such as the ORC. There they influenced the local accountancy professionalisation process.⁶

Efforts to institutionalise and create boundaries in professional bodies such as these were underscored by accountants' desire to achieve collective mobility, acquire socio-economic power, attain elevated social status and be categorised and recognised as men belonging to status professions, such

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- 1 A Keppel-Jones, *South Africa, Third edition* (London, Hutchinson and Co Ltd., 1966), pp. 84-85.
 - 2 GE Noyce, "The history of the profession in South Africa", *Die Suid-Afrikaanse Geoktrooieerde Rekenmeester*, March 1954, pp. 4.
 - 3 TA Lee, *The early history and development of company financial reporting* (Van Nostrand Reinhold, Chapman and Hall Ltd, 1982), pp. 79-98.
 - 4 TRH Davenport & C Saunders, *South Africa: A modern history* (London, Macmillan, 2000) pp. 213-217; C Poullaos, "Professionalisation", *JR Edwards and SP Walker: The Routledge Companion to Accounting History* (London, Routledge, 2009), p. 248.
 - 5 H Howitt, *The History of the Institute of Chartered Accountants in England and Wales, 1870-1965* (London, Garland Publishing Inc., 1984); AA Garrett, *History of the Society of Incorporated Accountants, 1885-1957* (London, Oxford University Press, 1961).
 - 6 C Poullaos, "Professionalisation", *JR Edwards and SP Walker: The Routledge Companion to Accounting History ...*, p. 248.

as the legal profession.⁷ The first modern professional accountants emerged in Scotland in the 1850s. The founders of these bodies were elite men of account who enjoyed close links with the legal profession and the higher echelons of society.⁸ The professional and social status of the accountants was linked to the concept of “gentlemanly conduct” and chivalry, and was seen as a “guarantee” of their integrity in the delivery of their services, which was in the public interest.⁹ Establishing formal organisations was necessary to mobilise support and resources, and to build a sense of group identity.¹⁰ Close links existed between the accountants associations and the legal profession, since mercantile and legal skills were required in winding up failed business enterprises.¹¹ In most countries, the founders of accounting bodies had close links with the legal profession because the work performed by these two “professions” overlapped.¹² Ability and integrity lay at the heart of a profession. A “profession” has been broadly explained by Southwick¹³ as:

... a disciplined group of individuals who adhere to high ethical standards and uphold themselves to, and are accepted by, the public as possessing special knowledge and skills in a widely recognised, organised body of learning derived from education and training at a high level, and who are prepared to exercise this knowledge and these skills in the interest of others.

Professionalisation is a process to transform an occupation into a profession, to achieve the status of a professional and to subsequently maintain and enhance

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- 7 JR Edwards & SP Walker, “Lifestyle, status and occupational differentiation in Victorian accountancy”, *Accounting, Organizations and Society* 35, 2010, pp. 2-22; JR Edwards, M Anderson & RA Chandler, “Claiming a jurisdiction for the Public Accountant in England prior to organizational fusion”, *Accounting, Organizations and Society*, 32, 2007, pp. 61-100.
 - 8 C Poullaos, “Professionalisation” in *JR Edwards and SP Walker: The Routledge companion to accounting History...*, p. 250.
 - 9 J Broadbent, M Dietrich & J Roberts, *The end of the professions? The restructuring of professional work* (London, Routledge, 1997), p. 3.
 - 10 C Poullaos, “Professionalisation” in *JR Edwards and SP Walker: The Routledge companion to accounting History...*, p. 249.
 - 11 Anon., *The origins of accountancy as a profession in Scotland: A history of the chartered accountants of Scotland from the earliest of times to 1954* (Institute of Chartered Accountants of Scotland, 1954), pp. 4-5.
 - 12 SP Walker, The genesis of professional organization in Scotland: A contextual analysis, *Accounting, Organizations and Society*, 20 (4), 1995, p. 292; C Poullaos, “Professionalisation” in *JR Edwards and SP Walker: The Routledge companion to accounting History...*, p. 250.
 - 13 J Southwick, “Australian Council of professions’ view” (Proceedings, Competition Law and the Professions, Perth, April, 1997), p. 1. For other definitions see JC Stewart, “The emergent professionals”, *The Accountants Magazine*, March, 1975, pp. 113-116; TA Lee, *The closure of the accounting profession*, Vol. 1 (New York, Garland Publishing Inc., 1990), pp. 137-141; JR Edwards & SP Walker, “Lifestyle, status and occupational differentiation in Victorian accountancy...”, pp. 2-3; JR Edwards, M Anderson & RA Chandler, “Claiming a jurisdiction for the public accountant in England prior to organizational fusion...”, *Accounting, Organizations and Society*, 32, 2007, p. 61-100.

that acquired status through professionalism.¹⁴ These processes take time and change over time. Abbott explains these processes as efforts to achieving workplace and public jurisdiction.¹⁵ Professionalisation includes measures to close off opportunities to those considered “undesirable”. Professionalisation is therefore a social system subject to the theory of closure, described by Max Weber as central to professionalisation.¹⁶ Typically, the accounting profession achieved closure by institutionalising its most significant functions by means of accredited training programmes, stringent examinations, the ultimate registration or licensing of practitioners and prescribed practical training.¹⁷ Through registration came closure and the presentation of status.¹⁸ Professions can also be better understood if one examines the behaviour and social characteristics of the individual members.¹⁹ The personalities of the founding members often reflect the nature of the professionalisation efforts.

The presence of British accountants led to the formation of local accounting societies. The Transvaal Society of Accountants (TSA) was formed in 1904, the Society of Accountants in the Cape Colony (SACC) in 1907, the Society of Accountants and Auditors in the Orange River Colony (SAAORC) in 1907 and the Natal Society of Accountants (NSA), formed in in 1909. Verhoef²⁰ explains that the TSA was the largest and leading society. Accountants belonging to the TSA and NSA enjoyed statutory sanction in terms of the Accountants’ Ordinance no. 3 of 1904 in the Transvaal, and the Natal Accountants’ Act of 1909. The SACC and SAAORC, however, were merely voluntary societies.

14 C Poullaos, “Professionalisation”, *JR Edwards and SP Walker: The Routledge companion to accounting History*, p. 247.

15 A Abbott, *The system of professions: An essay on the division of expert labour* (Chicago, University of Chicago Press, 1988), pp. 86-111.

16 See for example R Murphy, “The structure of closure: A Critique and Development of the Theories of Weber, Collins and Parkin”, *The British Journal of Sociology*, 35 (4), 1984, pp. 547-567; KM Macdonald, “Social Closure and Occupational Registration”, *Sociology*, November, 1985, pp. 541-556; W Chua & S Clegg, “Professional closure: The case of British nursing”, *Theory and Society*, 19 (2), 1990, pp. 135-172.

17 TA Lee, *The Closure of the Accounting Profession*, Vol. 1, pp. 167-273; MS Larson, *The rise of professionalism: A sociological analysis* (Berkeley, University of California, 1977), pp. xi -9.

18 T Hammond, BM Clayton & PJ Arnold, “South Africa’s transition from apartheid: The role of professional closure in the experiences of black chartered accountants”, *Accounting, Organizations and Society*, 34, 2009, pp. 705-721; KM Macdonald, “Social Closure and Occupational Registration...”, pp. 541-556. See also M Annisette, “The colour of accountancy: Examining the salience of race in a professionalisation project”, *Accounting, Organizations and Society*, 28, 2003, pp. 639-674; LM Kirkham and A Loft, “Gender and the construction of the professional accountant”, *Accounting, Organizations and Society*, 18, 1993, pp. 507-558.

19 A Abbott, *Sociology of professions: International encyclopedia of the social and behavioural sciences* (Amsterdam, Elsevier, 2002).

20 G Verhoef, “The state and the profession: Initiatives and responses to the organisation of the accounting profession in South Africa, 1904-1951”, *Historia*, 56 (2), November 2011, pp. 19-42.

This article investigates the establishment of the accounting profession in the Orange River Colony. It seeks to explain the professionalisation process of the SAAORC²¹ within the specific political, social and economic context of a British colony. How did an English profession establish itself in a former Boer Republic? What was this voluntary society's strategy of professional closure? This article therefore seeks to explore the intricacies of professional closure and settler societies in the ORC since the formation of the SAAORC in 1907 up until 1927, when the South African Chartered Accountants Designation Act was passed. The method applied is a qualitative critical analysis of primary and secondary sources. The most important primary sources used for this study were the SAAORC minute books from 1907 to 1927, as well as documents from the OFS Archives Repository dating between 1875 and 1926. This article will add to the discourse of Accountancy and Empire by adding a South African perspective and context, specifically as it relates to the OFS.

A historical background leading to the establishment of the SAAORC

In settler societies “sub-cultures” emerge as immigrant settlers establish themselves among the indigenous population. This occurred in the USA, Australia and New Zealand. While in most British settler societies and the USA the new “sub-culture” was an integrated, unified and predominantly (not exclusively) Anglo-Saxon entity.²² In the British colonies which later became the Union of South Africa, two European settler “sub-cultures” emerged. The first was the Afrikaner people, who displayed a general Dutch, Protestant and European nature and the British settlers, who perpetuated their Anglo-Saxon characteristics. The Afrikaner Dutch settlers perceived of themselves politically and psychologically “disengaged” from Europe and they developed a more distinct “South African” identity. They came to see themselves as an “indigenous ethnic group with a distinctive national culture and character”.²³ In the central parts of the interior, emigrant Voortrekkers had established themselves in dispersed farming communities. Once Britain had sent Major HD Warden to set up residency in the area in 1846,²⁴ Bloemfontein and its

21 After the formation of the Union of South Africa in 1910, the SAAORC changed its name to the Society of Accountants and Auditors in the Orange Free State (SAAOFS).

22 S Van Wyk, *Die Afrikaner in die beroepslewe van die stad* (Pretoria, Academica, 1968), pp. 2-7.

23 H Adam & H Giliomee, *The rise and crisis of Afrikaner power* (Cape Town, David Philip, 1979), p. 96.

24 AJH van der Walt, *Geskiedenis van Suid Afrika*, Vol. I (Kaapstad, Nasionale Boekhandel Bpk., 1955), p. 414.

surrounds began to present a distinct Voortrekker and English community, but Giliomee described the town as predominantly “English” even during the final days of the Republic.²⁵ Although Bloemfontein was a peaceful town, Dutch culture, language and values were generally looked down upon by the British inhabitants.²⁶ In 1848 Britain proclaimed the geographical area between the Orange – and the Vaal River as a British Territory, but in 1854 acknowledged Voortrekker sovereignty by the signing of the Bloemfontein Convention.²⁷ Despite political contestation, the inhabitants of Bloemfontein, then the capital of the Republic of the Orange Free State, co-existed in mutual benefit. As Collins observed, initial fierce Afrikaner opposition to the British presence turned to cooperation towards a stable and well-ordered society.²⁸ A general sense of collaboration characterised administration, education and commerce. Outside the capital, Afrikaners enjoyed limited education, but in Bloemfontein the English officials introduced more specialised and professional occupations. The Scottish Reverend, Dr. John Brebner, who was appointed as the First Superintendent General of Education in 1874, was responsible for the establishment of many schools in Bloemfontein.²⁹ Giliomee notes that “a unique republican spirit” existed in the Free State between English and Afrikaans, unlike the tense “colonial patriotism” in other colonies.³⁰

The largely agricultural economy of the Free State suffered when droughts hit, but the discovery of diamonds in 1867 and gold in 1886 soon integrated the Free State into the new economic welfare of the Witwatersrand.³¹ The need to transport goods through the Free State to the gold fields injected much needed capital into the Republic. The hostilities caused by the South African War placed strain on the relations between Afrikaner and English inhabitants, but after the war when the Republic was transformed into the Orange River Colony, a new social and economic entity developed. This post-war community drew upon the strengths of mutually beneficial political, social and economic collaboration between two language groups

25 H Giliomee, *The Afrikaners: A biography of a people* (Cape Town, Tafelberg, 2004) p. 186.

26 See for example CW De Kiewiet, *A history of South Africa: Social and economic* (London, Oxford University Press, 1957); H Giliomee, *The Afrikaners: A biography of a people* (Cape Town, Tafelberg, 2004); H Adam & H Giliomee, *The rise and crisis of Afrikaner power* (Cape Town, David Philip, 1979); S Van Wyk, *Die Afrikaner in die beroepslewe van die stad*.

27 CW de Kiewiet, *A history of South Africa: social and economic...*, p. 66.

28 WW Collins, *Free Statia: Reminiscences of a lifetime in the Orange Free State* (Cape Town, Struik, 1965), p. 58.

29 AJH van der Walt, *Geskiedenis van Suid Afrika*, Vol. I, p. 652; WW Collins, *Free Statia: Reminiscences of a lifetime in the Orange Free State...*, p. 311.

30 H Giliomee, *The Afrikaners: A biography of a people...*, p. 187.

31 MH de Kock, *Economic history of South Africa* (Cape Town, Juta & Co. Ltd., 1924), p. 113.

before the war. British reconstruction policies were aimed at a return to economic stability and that could only be achieved through collaboration with the defeated Afrikaners.³² Politically, Afrikaner politics were revived in the ORC in 1906 when the culturally driven Orangia Unie was formed. The founder JBM Hertzog felt it impossible to co-operate with someone who had contempt for the [Afrikaans] language.³³ Hertzog was however moved by British descendants who had become loyal citizens of the OFS and who had fought devotedly for their country of adoption, and he did not harbour any hostility towards people of British descent, but expected of them a “certain political attitude”.³⁴ Beinart also alluded to the miscalculation by Milner that English speakers and Afrikaans speakers were racially and culturally divided, since visible congruence began to emerge between “culture and class”.³⁵

Tensions did however still exist, especially during and shortly after the South African War. A prominent English businessman who had lived and worked in Bloemfontein for many years before the The South African War was subsequently shunned in the ORC by the colonial authorities “due to the [Afrikaans] friends he kept”.³⁶ In 1907 the ORC was granted Responsible Government, which contributed to the stability of the colony and good relations between the two language groups. By the time of political consolidation of the four colonies into the Union in 1910, the Afrikaans speaking population was 79% of the total white population in the Free State, but the majority lived on farms and only a small number in larger towns, such as Bloemfontein. By 1910 only 3% of professionals in South Africa were Afrikaans speaking.³⁷

Three groups of white South Africans were present in the OFS: a group of conservative Afrikaners strongly opposed to anything British who were predominantly spread throughout the rural parts; a small group of English settlers very loyal to the crown who looked down on the Afrikaner; and a

32 See for example A Keppel-Jones, *South Africa*, Third ed. (London, Hutchinson & Co. Ltd., 1966); AJH van der Walt, *Geskiedenis van Suid Afrika*, Vol. I (Kapaad, Nasionale Boekhandel Bpk., 1955); H Giliomee, *The Afrikaners: A biography of a people* (Cape Town, Tafelberg, 2004).

33 AJH van der Walt, *Geskiedenis van Suid Afrika*, Vol. I, p. 636.

34 A Keppel-Jones, *South Africa*, Third ed., p. 137; AJH van der Walt, *Geskiedenis van Suid Afrika*, Vol. I, p. 631.

35 W Beinart, *Twentieth Century South Africa*, Second ed. (Oxford, Oxford University Press, 2001).

36 Free State Provincial Archives Repository (VAB), Bloemfontein, Colonial Office (CO), Reference 6 356/01: Letter, Secretary of the South African Mutual Life Assurance Society / Deputy Administrator ORC, 6 March 1901.

37 See JL Sadie, *The fall and rise of the Afrikaner in the South African economy* (Stellenbosch, US Annale, 2002); TJ Steenkamp, “*n Ekonomiese ontleding van sosio-politieke groepporming met spesiale verwysing na die Afrikaner*” (Doctoral dissertation, UNISA, 1989); H Giliomee, *The Afrikaners: A biography of a people...*, p. 406.

third group which consisted of more liberal, educated Afrikaners, and Englishmen who had decided to adopt the country as their own and serve it as “South Africans” rather than “Englishmen” who were concentrated in the larger towns.³⁸ It was under these conditions that 16 white men from the ORC were “desirous of being formed into a Bloemfontein [accountants’] Association” on 30 November 1907.³⁹ The following section will explain how English accountants as professional men gradually defined their social and economic position in the accommodating, moderate Free State society, especially in Bloemfontein. They represented the first organised entity of professional accountants in an otherwise rural agricultural society.

The formation of accounting professional organisation in the ORC

Profile of the professional leadership

The first minuted account of accountants in Bloemfontein assembling to form a society appears on 21 January 1908 and is titled “Minutes of meeting of gentlemen practising as Accountants in Bloemfontein”. George Smetham called the first meeting after receiving requests from several accountants practising in Bloemfontein, to ascertain the opinion of the “profession” as to whether a society of accountants similar to those already successfully formed in sister colonies should be formed, and as a first step in obtaining legal recognition for the profession. Smetham noted that the formation of such a movement would be in the interest of every practising accountant in, firstly, regulating the profession, and, secondly, safeguarding the public. Those present were unanimous in favour of a society for the “general betterment of the profession and obtaining legal recognition for the profession”.⁴⁰ Of the 16 foundation members, 15 were English,⁴¹ 11 resided in Bloemfontein,⁴²

38 See WW Collins, *Free Statia: Reminiscences of a lifetime in the Orange Free State* (Cape Town, Struik, 1965).

39 Society of Accountants and Auditors in the Orange Free State (SAAOFS), SAICA Central Region Bloemfontein, Membership List, June 1920; SAAOFS Memorandum and Articles of Association, 1921, p. 5.

40 Society of Accountants and Auditors in the Orange River Colony (SAAORC), SAICA Central Region Bloemfontein, Council Minutes, 21 January 1908.

41 This has been determined using only the Surname as a guide, and generally also includes Irish and Scottish names. The 15 English surnames are: Brebner, Fuller, Gee, Hodges, McDonald, Palmer, Smetham, Saunders, Scrivenor, Stainer, Steains, Thresher, Warner, Bretherton and Scott. The one Afrikaans name is De Villiers. All correspondence, discussions, minutes, reports and documentation of the SAAORC/SAAOFS are only in English throughout the time frame considered in this paper.

42 SAAOFS, Membership List, June 1920; SAAOFS Minutes, 21 January 1908.

three held partnership positions in law firms,⁴³ two were members of the Chartered Institute of Secretaries⁴⁴ (England), three were members of the SIAA,⁴⁵ and one was a member of the ICAEW.⁴⁶ The leaders were typical Free State Englishmen with professional education and respected social standing.

George Smetham was born in London in 1859 and came to South Africa in 1886.⁴⁷ He was a Fellow of the SIAA,⁴⁸ and a well-known and respected businessman in Bloemfontein until the age of 80, when he retired. Smetham opened an accountants' practice in Bloemfontein in 1892, where he conducted business as the chief agent of the Sun (Fire) Insurance Office in the ORC,⁴⁹ as agent of Star Life Assurance⁵⁰ and as executor in various clients' estates.⁵¹ He was a councillor of the Bloemfontein Town Council in 1898 before the outbreak of the South African War, during which time he left the country for England until peace had returned.⁵² He chaired the SAAORC council for 22 years, from its formation in 1907 until 1930, which was quite unheard of in the other three societies, where the leadership changed almost every year. He embraced the Boer Republic prior to colonisation, and was quite an unfrontational leader of the SAAORC. He was always well spoken, civil and gentlemanly. A similar profile characterised other founding members WJC Brebner, PFR de Villiers, George Scott, Hugh Scrivenor, and GW Warner.

Senator William John Cormack Brebner was born in the Cape Colony in 1866 and was the son of Dr John Brebner, the Supt. Genl. of Education in the OFS. He came to Bloemfontein at the age of eight, and was educated at Grey College. He qualified as attorney at law, notary and conveyancer and was a

43 VAB, Colonial Treasurer (CT), Reference 136: Letter, Fraser & Scott / Colonial Treasurer, 16 November 1908; Letter, De Villiers & Brebner / Colonial Treasurer, 17 November 1908.

44 K Donaldson, *South African who's who in Business* (Cape Town, Ken Donaldson, 1912), p. 492 (GW Warner); K Donaldson, *South African who's who in Business* (Cape Town, Ken Donaldson, 1915), p. 171 (WG Hodges).

45 Society of [Incorporated] Accountants and Auditors (SIAA), *The incorporated accountants year book, 1907-1908* (SIAA, London, 1907/8).

46 Institute of Chartered Accountants in England and Wales (ICAEW), *List of members 1908* (ICAEW, London, July 1908).

47 Anon., "The First President of the Orange Free State Society", *The South African Chartered Accountant*, June 1965, p. 26

48 Society of [Incorporated] Accountants and Auditors (SIAA), *The incorporated accountants year book, 1907-1908*, List of members (SIAA, London, 1907/8).

49 VAB, CT, Reference 136: Letter, G Smetham / Colonial Treasurer, 13 November 1908.

50 VAB, High Court (HG), Reference 4/2/2/1/15 52/1906: Plaintiffs declaration, *Hulscher v Star Life Assurance Society*, 12 May 1906.

51 VAB, Deeds Office (AKT), Reference 1/5/25 D6/1/24 (12): Various correspondence regarding Emily Jenkins Estate, 1924.

52 VAB, Government Office (GS), Reference 2170 (1128): Various correspondence Geo Fraser/Goevernements-kantoor regarding Smetham business banking account during his absence from the Colony, 1900.

senior partner in the Brebner and Reitz Law Firm.⁵³

Image 1: Mr George Smetham (1859-1948). SAAORC foundation member and its first and longest serving chairman, from 1908-1930



Source: The South African Chartered Accountant, June 1965

Brebner held the position of Inspector of Chests under the OFS government⁵⁴ before the outbreak of war in 1899, and during the war served on the Commissariat Commission. He acted on behalf of the OFS government and defeated Boers who signed the Peace Treaty on 31 May 1902. When Brebner reported the signing of peace to the paralysed OFS President Steyn, Brebner was devastated and said: “Had I not wife and children, death would have been welcome”.⁵⁵ Brebner, whose father was Scottish, fought devotedly for the OFS against the English during the South African War: his loyalty to the Boer Republic appears to have been unquestionable. Brebner was not an “accountant”, but a prominent solicitor and politician in the OFS. This was typical of the close link between accountants and the legal profession in the early days. Brebner was a member of the Bloemfontein Club, and in partnership with another founding member, PFR de Villiers. These characteristics explain the nature of the network that developed amongst professionals in the Free State.

53 K Donaldson, *South African who's who social & business, 1917-1918* (Cape Town, Ken Donaldson, 1917) (WJC Brebner).

54 VAB, AMPT PUBS, Reference ORC 225: ORC Budget statement of Colonial Treasurer in House of Assembly, 17 July 1908.

55 DJ Potgieter, *Standard encyclopaedia of Southern Africa* (Cape Town, NASOU, 1970), p. 288.

Pieter Frederick Ryk de Villiers (the only founding member with an Afrikaans name) was born in the Cape in 1852 and educated at the South African College in Cape Town. He joined the civil service in 1871 when he came to the OFS. He served in various capacities of trust in the civil service and was later acting *Landdrost* (Magistrate) of Bloemfontein and the *Weesheer* (Orphan Master).⁵⁶ De Villiers was also the Master of the High Court and Treasurer General in 1885 until he was taken as a prisoner of war by the English Forces in 1900.⁵⁷ De Villiers was a local director of the SA Mutual Life Assurance Society from 1891 and a director of the National Bank of the ORC from 1888, in which institution he held the position of Chairman in 1915. De Villiers' career shows that he was educated in law, but referred to himself as an accountant and auditor. The De Villiers and Brebner Firm letterhead indicated the "types" of work these men undertook – among other things, financial, land and general agents, administrators of estates, accountants, sworn translators, conveyancing and law agency and agents for the Norwich Insurance Society.⁵⁸

The one other name that features significantly with De Villiers as administrator of insolvent and deceased estates between 1875 and 1910 is Sir John George Fraser.⁵⁹ He was a prominent OFS politician, secretary to the president, statesman and member of the *Volksraad*. He was a protagonist of friendly cooperation between the British government and the Boer Republics, and was a presidential candidate in the OFS in 1896. After the war, Fraser served as a member on the Inter Colonial Council,⁶⁰ and remained involved in politics as well as in his firm. He established a practice in Bloemfontein in 1877 and was joined by his partner, George Scott, another prominent SAAORC foundation member. The Fraser and Scott firm specialised as insurance agents in the OFS for Commercial Union Assurance Co, acted as auctioneers, house agents, accountants and auditors,⁶¹ executors in insolvent and deceased estates, loan-

56 VAB, Treasurer General (TG), Reference 112: Various Administrateur der Fondsen ledger entries, eg. "Weeskamer Fondsen" 16 January 1880; VAB, TG, Reference 113: Various Administrateur der Fondsen ledger entries, April 1880; JH Jordaan, "A further chapter in history", *Master of the High Court: Masters Newsletter*, 1, May 2002, pp. 4-5.

57 K Donaldson, *South African who's who...*, 1915, p. 86.

58 VAB, CT, Reference 136: Letter De Villiers & Brebner / Colonial Treasurer, 17 November 1908.

59 See VAB, ORC CT, Reference 136, 167, 168: Various correspondence JG Fraser / Colonial Treasurer, 1908-1910; VAB, TG, Reference 112, 113, 143: Administrateur der Fondsen ledgers indicating various entries relating to the executor, JG Fraser, 1880-1890; VAB, Executive Council (EC), Reference 8, 11: Various correspondence between JG Fraser and Colonial Executive Council, 1908-1909; VAB, Receiver of Revenue (OVI), Reference 1/2: Various letters JG Fraser & G Scott / Receiver of Revenue, 1910-1914.

60 VAB, AMPT PUBS ORC, Reference 312: 1 January-30 June 1904, *Government Gazette*, Index.

61 K Donaldson, *South African who's who social & business, 1917-1918*, p. 432.

and bond agents.⁶² The firm's letterheads also indicated that the firm offered the services of advocate, solicitor, conveyancer, notary, and patent and trade mark agents. The firm of Fraser and Scott regularly negotiated rates of transfer and estate duties payable between clients and the OFS and ORC government.

Hugh Scrivenor was another prominent SAAORC foundation member. He was born in Lincolnshire in 1867, was educated at a private school in England, whereafter he spent four years in Germany. He came to the OFS in 1889, where he acted as manager of a German company, Borkenhagen and Co. Scrivenor held the position of Secretary of the Bloemfontein Board of Executors and Trust Company between 1899 and 1917, served on various charitable committees and was a member of the Bloemfontein Club.⁶³ George Wilfred Warner, born in 1872 and educated in Birmingham, was the only SAAORC foundation member who was an associate of the ICAEW.⁶⁴ He came to the ORC after the war, in November 1902, where he set up an Accountancy Practice in Kroonstad. He married a prominent Kroonstad doctor's daughter in 1907.

The profile of these foundation members explain the respect they enjoyed in society, the trust with Government and confidence of business, such as insurance companies, banks and commercial enterprise. They distinguished themselves as educated gentleman, moderate members of society and promoters of the general well-being of the colony. The vast majority of the SAAORC foundation members were of British origin, many appear to have been loyal to the Boer Republic, set up accounting practices and served in various high-ranking positions of government prior to the English occupation. Tension between Afrikaner and English speakers appears not to have had an impact on how these men interacted with each other or with wider society by 1907. The minority were members of recognised English accounting bodies. These men were refined and respected businessmen and well educated, predominantly in the law. They engaged in various forms of commerce that required mercantile skill, and advertised a wide selection of services on offer: "accountancy" practice on its own appears not to have been

62 See VAB, ORC CT, Reference 136, 167, 168: Various correspondence Fraser & Scott / Colonial Treasurer, 1908-1910; VAB, TG, Reference 112, 113, 143: Administrateur der Fondsen ledgers indicating various entries relating to the executor, JG Fraser, 1880-1890; VAB, EC, Reference 8, 11: Various correspondence between JG Fraser & G Scott / Colonial Executive Council, 1908-1909; VAB, OVI, Reference 1/2: Various letters JG Fraser & G Scott / Receiver of Revenue, 1910-1914.

63 K Donaldson, *South African who's who..., 1917-1918*.

64 Institute of chartered accountants in England and Wales (ICAEW), *List of members 1908* (London, ICAEW, July 1908).

a sufficient enough draw card for potential clients. They served in leadership positions in a variety of financial and banking institutions, conducted business together in partnerships and even married into each others' families. The accountants in the ORC were a close-knit group and members of the higher strata of society in the ORC. The longstanding chairman of the SAAORC Council, George Smetham, was an un confrontational and placid leader. His personality and manner was later mirrored in the professionalisation efforts of the SAAORC. This comprehensive social and economic engagement of these men facilitated the formation of an English-speaking dominated professional society of accountants in a former Afrikaner Republic.

The SAAORC

After due deliberation, the foundation members decided to follow the example of the SACC in the formation of the SAAORC.⁶⁵ Accountants belonging to the TSA and NSA in Transvaal and Natal enjoyed statutory sanction, but the Cape society failed to obtain similar legal sanction for its members, and was therefore only a voluntary society. This meant that "accountants" could practise and advertise their services in the Cape and ORC without having to belong to a recognised society. The SAAORC wanted to follow the TSA model, but needed to follow the Cape model in the absence of legislation. The SACC Memorandum and Articles of Association (MAA) showed a significant resemblance to the MAA of the SIAA.⁶⁶ The SIAA had no charter similar to that of the ICAEW, but exerted a dominant presence in the settler colonies.⁶⁷ The initial constitution of the SAAORC was almost identical to that of the SACC, which in turn was almost identical to that of the SIAA. Discussion on an appropriate title for members of the society showed the close association with the "Free State" rather than "home". WB Fowler, preferred the title of "Incorporated Accountant ORC" instead of "Registered Accountant ORC", but the vote went in favour of the "Registered Accountant ORC" designation. Fowler wanted close alignment with the "English" SIAA, but the rest of the accountants sought recognition of their distinct Free State identity

65 SAAORC Council Minutes, 30 January 1908.

66 Society of [Incorporated] Accountants and Auditors (SIAA), *The incorporated accountants year book, 1907-1908* (London, SIAA, 1907/8).

67 TJ Johnson & M Caygill, "The development of accountancy links in the Commonwealth", *Accountancy and Business Research*, Spring 1971, pp. 155-173.

and interests.⁶⁸ The voluntary society used membership and designation as tools to effect professional closure in claiming a jurisdiction. From the very beginning the SAAORC indicated its desire to professionalise independently and on its own terms, without closely aligning with any foreign accountants' society that could dictate to it.

The first SAAORC council was elected on 3 February 1908, and consisted of G Smetham (President), PFR de Villiers (Vice-President), H Scrivenor, G Scott and WG Hodges acting as secretary. Much of the deliberations were on membership. Three classes of membership existed, being "fellows (class 1)", "associates (class 2)" and "registered accountants (class 3)". Fellows and associates of other recognised Institutes or Societies with similar admission requirements were eligible for admission. Registered accountants were persons who did not qualify under any of the previous provisions.⁶⁹ It is not clear what criteria were applied in the admittance of Registered Accountants – this seems to have been a mechanism for the council to use at their discretion to approve membership in the absence of Fellow and Associate criteria having been met. These requirements for admission to the SAAORC were adopted on 30 January 1908.⁷⁰ The accountancy profession used membership to close ranks and protect their professional standing. In the context of a British colony, this exclusivity was sanctioned, not on racial or cultural grounds, but professional criteria.

Apart from trying to define the membership criteria clearly, the most important matter on the SAAOFS Council's agenda was the effort to obtain legal sanction by means of an act of the colonial legislature. The SAAORC council found it increasingly difficult to increase membership numbers in the absence of statutory sanctioning in the colony, as membership to a recognised body was not mandatory for public practise. Council members were instructed to "attend upon the Prime Minister with a view to getting him to introduce a bill to regulate the profession".⁷¹ Meetings were held with the Assistant Colonial Secretary over the next few months. After consultation with the Transvaal and Natal Societies on clauses included in their respective Ordinance and Act, a draft bill was prepared. Council made concerted efforts to obtain an interview with the Prime Minister during 1908 to induce government to introduce a bill at the next sitting of parliament, but their efforts were in

68 SAAORC, Council minutes, 24 February 1908.

69 Society of Accountants in the Cape Colony (SACC), Memorandum and Articles of Association, 1907.

70 SAAORC, Council Minutes, 30 January 1908.

71 SAAORC, Council Minutes, 1 October 1908.

vain. The SAAORC was unable to convince the colonial authorities of the importance of regulating the accountancy profession in the ORC, perhaps because of the focus on the pending unification of the colonies.

Attempts at unification of the profession: Different strategies

No SAAORC meetings took place between October 1908 and September 1912. No reasons for this were provided for in subsequent minutes, but a devastating drought between 1910 and 1912 where 75% of OFS farms were bonded⁷² might explain a general downturn in economic activity and therefore a demand for accounting services. The more relaxed Free state accountants took a more “wait-and-see” attitude. They showed less urgency, probably as a result of the comparatively small economy and lack of significant wealth.

The first unification attempt by the organised accounting profession was in January 1911,⁷³ where the four societies formulated the Draft Union Accountants Registration Bill. This Bill would require all accountants to be registered under a Union Act of Parliament. The members of the SAAOFS agreed to undertake the winding-up of its affairs and cease to exist (concurrently with similar action being taken by the other societies) with the object of incorporating all practising accountants from all four provinces under one national register. The SAAOFS became a joint sponsor of the Bill with the other three societies, but was not leading the initiative. The Bill was considered by a Select Committee, but never referred for the second reading because of dissatisfaction⁷⁴ about the preamble, and because of opposition from “certain other societies”.⁷⁵ Smetham reported on 7 April 1913 after his visit to Cape Town that “everything possible had been done to further promote the bill”. The SAAOFS was clearly disappointed at the outcome. Then the SAAOFS seemed to become dormant again. Only two meetings were held during 1914, before the outbreak of the Great War. When SAAOFS meetings resumed in July 1919, their business was of local professional concern.

When the four accountants’ societies met in Johannesburg in 1919 to discuss joint examinations, the SAAOFS supported uniformity in examinations.⁷⁶ To

72 H Giliomee, *The Afrikaners: A biography of a people...*, p. 379.

73 SAAOFS, Council Minutes, 23 September 1912.

74 GE Noyce, “The history of the profession in South Africa”, *Die Suid-Afrikaanse Geoktrooierde Rekenmeester*, March 1954, p. 7.

75 SAAOFS, Annual General Meeting (AGM) Minutes, 18 December 1923.

76 SAAOFS, Council Minutes, 30 March 1921.

the SAAOFS it meant closing its membership roll, after which admission would depend on such joint examination as per the agreement with the other societies. The SAAOFS 1908 MAA provided for the admission of new fellows through the passing of examinations, but the SAAOFS membership applications were limited. Since formation only 10 new members had been admitted. The total number of members by 1919 was only 23.⁷⁷ Provision was made to allow new members through the passing of examinations, but no SAAOFS examinations were ever held. The 10 members admitted between 1908 and 1919 were admitted once the council was satisfied that the men were “fit and proper” to join. Proof of practice as accountants, the nature and size of their clients, and character References formed part of the admission criteria for eligibility.⁷⁸ The SAAOFS had therefore admitted members who had not passed examinations, but who, in its opinion, were eligible and fit. The SAAOFS did therefore not make a contribution to educational developments in the colony, but relied on accounting education acquired elsewhere.

The SAAOFS followed the other accountants’ societies in adopting the Memorandum of Agreement between the societies in June 1920.⁷⁹ This agreement was significant in that it was the first formal move towards joint professional action. The General Examining Board (GEB) established in 1921 harmonised entrance into the profession. Fear of exclusion from a future SAAOFS membership roll, suddenly delivered numerous applications for membership. 32 applicants were granted, more than doubling its membership. The minutes reveal that applications from accountants in government service and larger municipalities in the OFS (town clerks, treasurers, etc.) were received and considered favourably.⁸⁰ The collective action on the GEB offered the SAAOFS an opportunity to strengthen membership in two ways: by advocating a high professional standing on the grounds of reputable examination access requirements, and by being in a position for the first time since its inception to disqualify applicants who did not comply with the new standards. These new qualifications enhanced the status of the OFS professional organisation. The SAAOFS also displayed its inclusive character by permitting “respected accountants” who worked in Government service, as members.⁸¹

77 SAAOFS, Membership List, June 1920.

78 SAAOFS, Council Minutes, 16 July 1914.

79 SAAOFS, Council Minutes, 22 June 1920.

80 SAAOFS, Council Minutes, 1907-1921.

81 VAB, TG, Reference 112, 113, 114, 115, 132, 143, 149, 404 & 405: Ledger and cash books of Administrateur der Fondsen (Treasurer) of the OFS, 1875-1895.

Some of these accountants brought advanced accounting knowledge⁸² and thus strengthened the professionalisation process of accountants in the Free State. The SAAOFS was more inclined to accept civil servants as members.

An interesting observation on the list of rejected members was that of a woman, as she is the only person on the list who has been given a title of “Miss” (the other applications have no designation of “Mr”). Miss S Belfort from Bloemfontein was one of the rejected and refused membership. No reason, legitimate or otherwise, was provided for her rejection.⁸³ When the SAAOFS membership roll was closed, membership stood at 55, 50 of whom were English and 31 of whom resided and practised in Bloemfontein. The profession was still dominated by white English men, and although concentrated in Bloemfontein, members had also set up practices in smaller towns across the OFS.

The SAAOFS MAA was amended to align it with the new GEB agreement. Full reciprocity now existed among the five societies (including the Rhodesia society), the only examinations that would be accepted for membership were the GEB examinations, and membership could be awarded to members of “approved foreign societies”.⁸⁴ Prof Finlay (C.A.) was instrumental in the education of accountants during the formative years of the profession in South Africa. He offered correspondence courses for accountants (across the Union) preparing to sit for the GEB examinations.⁸⁵ The SAAOFS council praised Finlay on his enterprise and encouraged all students to utilise this opportunity. Admission to sit for the GEB examinations did not require a university degree, but the OFS had no educational institution to offer accountancy education. The University of the OFS was established in 1904, but only taught a course in accountancy from the 1930s.

82 VAB, Public Works Department (PWD), Reference 106 812/06: Colonial Treasurer’s instructions to the PWD Accountant, 28 July 1903; VAB, AMPT PUBS ORC, Reference 200: ORC, Estimates of revenue and expenditure, year ending 30 June 1910 presented to both Houses of Parliament by the Governor; VAB, AMPT PUBS ORC, Reference 201: ORC, Estimates of expenditure and revenue, year ending 30 June 1903 presented to Legislative Council; VAB, AMPT PUBS ORC, Reference 224: ORC, Budget Statement of Colonial Treasurer in Legislative Council, 18 July 1907; VAB, AMPT PUBS ORC, Reference 230: ORC, Colonial Treasurer’s Annual Accounts, 1906-1907; VAB, Kroonstad Magistrate Office(K), Reference 2/2/07 & 2/2/08: Various circulars Treasury / Resident Magistrates providing detailed instructions for recordkeeping, financial reporting and financial controls in the collection of revenue, 1907-1908.

83 SAAOFS, Council Minutes, 22 June 1920. The SAAOFS’s first female article clerk on record was Miss MH Gibson, who registered her clerkship in 1936, and passed the intermediate exam in 1937.

84 SAAOFS, Memorandum and articles of association, 1921, p. 6.

85 SAAOFS, Council Minutes, 14 February 1922.

In the absence of a supportive academic relationship with a university, the GEB agreement strengthened the SAAOFS's professional educational standing. This agreement enhanced the status of the SAAOFS in that it, a small voluntary society, was considered an equal partner with the far larger, more powerful societies in the other three provinces. The persistent lack of legislation for the SAAOFS was still an important issue on the agenda, since the lack thereof impacted negatively on their control of access to the market of accounting in the province. It seems that the formation of the GEB mobilised the profession in the OFS, to claim a jurisdiction more vigorously. Competition in accountancy in the OFS therefore began to emerge in the 1920s, after the GEB was formed.

Professional contestation, market control and failed attempts at legislation

The Boer Republic of the OFS earned a significant income through the sale of various licences. After the British occupation, the Stamps and Licences Ordinance of 1903 governed the issuance of these licences in the ORC. "Professionals" were required to purchase such licences, thus giving regulatory power to the state. Professionals' duties and functions were defined. Auctioneers, admitted agents and law agents were among the first professionals obliged to take out licences.⁸⁶ "Accountants" only required licences for public practise in the OFS much later. On 10 June 1921 the SAAOFS minutes revealed for the first time a proposed "provincial licence" whereby "accountants" specifically were subjected to an annual licence of £10. It was the duty of the authorities to inspect if people who signed balance sheets ("accountants" required licences - not "bookkeepers")⁸⁷ had acquired the necessary licence. A problem with these licences was that anyone who signed balance sheets, and who styled himself an "accountant", could acquire a licence. Competency constituted no explicit condition, as Inland Revenue authorities had no mechanism to determine their competence. Since membership of the SAAOFS was subject to restrictive membership criteria and was only a voluntary organisation, it was difficult for society members to differentiate themselves in the eyes of the public. As far as the public was concerned, an "accountant" who

⁸⁶ VAB, K, Reference 2/2/08: Circular 34 of 1908, CT/Resident Magistrates pertaining to the issuance of licences to lawyers and admitted agents, 16 September 1908.

⁸⁷ SAAOFS, Council Minutes, 10 June 1921; 14 February 1922; 3 April 1922; 13 September 1922; 15 February 1923; 30 May 1923; 11 July 1923; 25 September 1923; 10 April 1924; SAAOFS, Council Report, year ended 30 June 1922; SAAOFS, Council Report, year ended 30 June 1923.

“had a licence” could “sign their balance sheets”. The council of SAAOFS experienced frustration with the Inland Revenue Services’ inability to define the term “practising accountant” and their apparent lack of investigation into the abilities, qualifications and ethical behaviour of “accountants” they sold licenses to. There was no link between the issuing of licences and the granting of membership to the SAAOFS. This created confusion in the public domain. Various attempts to obtain cooperation from the Inland Revenue Authorities on the matter proved fruitless. Various other professional jurisdiction matters began to arise with government in the 1920s.

In 1921, members complained vigorously about government and public audits, and civil servants doing tax work for taxpayers. A specific case related to the Bloemfontein Municipality having called for tenders for the audit of the Bloemfontein Steam Laundries. The tender was awarded to a local government auditor in his private capacity.⁸⁸ Attempts to discuss the matter with the Auditor General were fruitless. After numerous similar incidents over the years, a decision was taken by the SAAOFS council in 1925 to notify the local government that members of the SAAOFS would not quote for public tenders. The council had resolved that public tendering for work constituted “unprofessional conduct”.⁸⁹ Furthermore, the question whether government officials could perform tax work for taxpayers was raised. The society could not object to this, provided no remuneration was received for the work. It appeared that the society felt that government audits should be done by government employees in their official capacity, and that tax work could be done by public officials in their official capacity as long as they weren’t being paid by the taxpayers for this work.⁹⁰ This tension between the civil servant accountants and the SAAOFS members who were in public practice continued for a long time. It reached its pinnacle during the negotiations surrounding the second attempt at the Union Accountants Registration Bill in 1924.

When numerous attempts by the SAAOFS for statutory recognition in the OFS failed,⁹¹ the SAAOFS joined the national initiatives again.⁹² For the first time a Private Bill attempt was driven by the two non-legislated societies, the SACC and SAAOFS. Membership applications again rose towards the end of

88 SAAOFS, Council Minutes, 12 November 1921; 14 February 1922; 3 April 1922.

89 SAAOFS, Council Minutes, 1 October 1925.

90 SAAOFS, Council Minutes, 12 November 1921; 14 February 1922; 3 April 1922.

91 SAAOFS, Annual Report, year ended 30 June 1922.

92 SAAOFS, Council Minutes, 25 September 1923; Council Minutes, 10 April 1924.

1923 as a result of the publication of the proposed provisions of the Bill.⁹³ At the 1924 AGM Smetham explained that the majority of the SAAOFS efforts that year had been in relation to promoting the Bill, and “they might happily anticipate the success of their endeavours”. The council explained that there had been considerable opposition to the Bill from civil servants who desired admission to the society proposed to be formed if the Bill was promulgated. A body that styled itself as the Transvaal Society of Bookkeepers “which had no status and only came into existence when the Bill was published” was also strongly opposed to the bill and according to the President, “left no stone unturned to gain their objective”.⁹⁴ The primary difficulty he remarked was the “ignorance of the Members of Parliament of what the Bill stood for”. Further attempts at consensus failed, which left Smetham despondent.⁹⁵

After the disappointment of the second failed Bill, the societies considered forming a Society by Incorporation,⁹⁶ on a voluntary basis. Legislation and the platform it would provide for public trust and acknowledgement of the members’ status and ability, was becoming vital, as some Bloemfontein businesses were increasingly approaching Johannesburg (registered) accountants. The lack of statutory sanction resulted in the perception that OFS accountants were not “good enough”.

The frustration at the lack of national legislation brought a new strategic focus to the activities of the SAAOFS. SAAOFS members were encouraged to maintain certain standards of etiquette and professionalism, and in that way indicate to the public that even in the absence of legislation, these were the professional accountants in the province. Matters concerning what type of activities constituted “proper” advertising of services, and the general principles of professional etiquette were addressed more frequently by the SAAOFS council since 1923.⁹⁷ The professionalisation project clearly gained momentum in the Free State. Members were encouraged to buy licences and refrain from ordinary business advertisements of their professional services. In 1927 a list of items that constituted unprofessional conduct was drafted.⁹⁸ The question of what precisely constituted “Professional Conduct / Practice” became increasingly prevalent once initiatives were mobilised to secure a

93 SAAOFS, Council Minutes, 28 November 1923.

94 SAAOFS, AGM Minutes, 11 December 1924.

95 SAAOFS, AGM Minutes, 10 December 1925.

96 SAAOFS, Annual Report, year ended 30 June 1926.

97 SAAOFS, Council Minutes, 1923-1927.

98 SAAOFS, Council Minutes, 17 October 1927.

Designation Act by 1927. Many members subsequently requested guidance on professional conduct. A preliminary list of “Unprofessional Conduct” was prepared.⁹⁹ The SAAOFS was actually “educating” the public and the business community in the Free State. This was a long process, especially because of the failure to secure statutory sanction

The SAAOFS formed the Students’ Society in April 1924.¹⁰⁰ This was a useful vehicle to offer assistance to aspiring accountants. Between 1921 and 1927, only two Accountants in the OFS managed to pass the preliminary, intermediate and final examinations of the GEB and were admitted as SAAOFS members. The president noted that the pass rates of the SIAA’s examinations were much higher than those of the GEB, but that was due to the superior standard of the GEB examinations.¹⁰¹ The GEB soon requested the SIAA to terminate its examinations in South Africa,¹⁰² but the SAAOFS was still convinced that legislation was the only way to protect the profession in South Africa and aid the SAAOFS in solving jurisdictional issues.

A victory at last: The 1927 Chartered Accountants Designation Act

Subsequent to the failed Accountants Registration Bill towards the end of 1925, a joint conference of the four SA Societies was held in Cape Town in April 1926 to consider alternative closure strategies. The conference prepared the first draft of the “Chartered Accountants Designation Private Act 1927”. This Private Bill was entirely different from the previous two. It aimed at securing a designation for members of the four societies. Opposition was expected from persons who would be excluded from the designation. The SAAOFS council supported the joint initiative without conditions. The Bill would regulate public practising rights of “Accountants”, the societies, and who would exclusively be authorised to use the designation “Chartered Accountant (South Africa)”.¹⁰³ If the title was used without the appropriate membership to one of the four SA societies, it would constitute an offence and the transgressor would be liable on conviction to a fine.

99 SAAOFS, Council Minutes, 17 October 1927.

100 SAAOFS, Council Minutes, 10 April 1924.

101 SAAOFS, Annual Report, year ended 30 June 1926; SAAOFS, AGM Minutes, 19 February 1927; SAAOFS, AGM Minutes, 10 December 1925.

102 An agreement was reached with SIAA in 1932 on this matter, which did not provide absolute reciprocity, but the SIAA agreed to abstain from holding further examinations in South Africa.

103 ICAEW, Royal Charter, ICAEW Library, Moorgate London, 11 May 1880.

Opposition from Mr Charles Pearce (M.L.A. and Labour M.P.) threatened to table another Private Bill, the “South African Chartered Accountants Bill”. This was intended to block the Private Bill of the societies. The four societies interpreted this as obstructive tactics. Pearce argued that the Act would seriously prejudice persons who had been practising for a long period as public accountants, but who were not registered with one of the four Provincial Societies.¹⁰⁴ This related specifically to practitioners in the Cape and OFS Provinces, since these two voluntary Provincial Societies had no legal restriction on the practising of the accountancy profession. Long drawn out negotiations followed between Pearce and the four Societies, ultimately leading to an agreement to consider written applications by those potentially excluded, but with a long public practice record, for admission to the SACC or SAAOFS. That would secure them the designation.¹⁰⁵ Three OFS accountants in 1927¹⁰⁶ and another two in 1928¹⁰⁷ were successfully admitted as SAAOFS members under the Pearce Agreement out of a total of 16 applicants. Most of the Pearce applicants, however, came from the Cape, with 73 out of 245 applicants successfully admitted.¹⁰⁸ This proved a lengthy process: it took over two years to complete, with 30% of applicants successfully admitted in the OFS and the Cape.

On 9 June 1927 the Chartered Accountants Designation (Private) Act, No. 13 of 1927, was promulgated, conferring upon members of the four Provincial Societies the exclusive right to use the Chartered Accountant (SA) designation.¹⁰⁹ This was a significant milestone for the profession in South Africa, and, most especially, for the SAAOFS and the SACC, who for the first time after 20 years of struggling as voluntary bodies had a form of legislative protection of the profession in those two provinces. Non-members in the OFS and Cape could of course continue practising as “accountants”, but not as “chartered accountants”.

104 MJJ Van Rensburg, *The Presidents I have known* (Transvaal Society of Accountants, Johannesburg, 1990), p. 38.

105 SAAOFS, AGM Minutes, 5 November 1927; GE Noyce, “The history of the profession in South Africa...”, p. 8.

106 SAAOFS, Report of the Committee on Applications under Pearce Agreement, 1927.

107 SAAOFS, Council Report, 30 June 1928.

108 GE Noyce, “The history of the profession in South Africa...”, p. 9.

109 SAAOFS, Chartered Accountants Designation (Private) Act, 1927.

Conclusion

The SAAOFS introduced into the Free State the first organised professional accountancy association. The accountants enhanced the quality of human capital in the Republic (later Colony) through their education and notable mercantile skills, and qualifications as accountants and professional solicitors. Primarily British trained, they delivered a wide range of services of which “accountancy” was merely one. Their contribution to the Afrikaner community was their expertise that they applied to the advancement of their adopted country. These predominantly, but not exclusively, English speaking persons promoted good relations across language, race and cultural divisions. They rendered professional services also to improve the quality of administration. The leaders of the SAAOFS lived primarily in Bloemfontein, they were distinguished gentlemen who moved in higher social strata and they wished to organise their profession to become “recognised” as a distinct professional entity. Professionalisation of accountancy would enhance the public appreciation of their work and thus contribute to adherence to a professional code of conduct and ethics. The English accountants assimilated into society, maintained professional and social relationships with Afrikaans inhabitants, and delivered expert professional services based on professional education and qualifications.

Many of the well-known foundation members had close links with the Boer government, having served in high-ranking government positions prior to the South African War. Although they remained well connected, they did not wield any real political power once a colonial government was in place. In fact, throughout the period 1907-1927, the SAAOFS was quite unable to achieve cooperation from the Colonial authority or Union Government. The SAAOFS remained a small (and therefore poor) society, which resulted in a drawn-out struggle to establish any form of dominant position in professional society. The OFS was, unlike the Transvaal, not a teaming hub of financial activity. What the OFS did have on its side was a more cooperative, unified white community, experiencing less nationalistic antagonism between English and Afrikaner as some of the other provinces experienced.¹¹⁰ Collaboration between the English-speaking and Afrikaans-speaking inhabitants of the Free State assisted the formation of the SAAOFS. The moderation of this relationship favoured the development of a primarily British profession in a basically agricultural community. The Free State was a

110 H Giliomee, *The Afrikaners: A biography of a people...*, p. 187.

place of moderation, liberated attitudes, openness towards foreigners and filled with less animosity. This aided professionalisation because it reduced political agitation and it gave rise to the un-confrontational “backseat” approach of the SAAOFS that explains its slow development. The nature of society in the OFS contributed to this seemingly unmotivated, less professionally driven accounting society. In times of adversity, the SAAOFS adopted a “wait-and-see” approach. It experienced prolonged periods of inactivity, lacked positive strategy, responded to developments in a reactive manner instead of behaving pro-actively, and was generally always “following” the other provinces and waiting for instructions or guidance. The SAAOFS did not ever seem to take the first step or take the initiative in any national professionalisation efforts. This indicates a more relaxed, less driven and less aggressive attitude towards professionalisation. Complacency was part of the social fabric of the OFS, and, also, of the SAAOFS.

The lack of a booming economy meant that fewer accountants settled in the area, resulting in the SAAOFS not needing to effect “as strict” functional professional closure mechanisms, as was the case in the larger centres. The SAAOFS was handicapped by the dualism of openness for practice by a larger “variety of accountants”, which was a function of a smaller and less active economy. On the other hand, the SAAOFS tried to enhance professionalism through admission requirements. The SAAOFS exercised a more inclusive approach to membership, rather than one of exclusion. The complete lack of numbers and interest necessitated this more “open” approach. The limited economic activity in the OFS meant that the society could not afford to be too exclusive. It should be highlighted, though, that the SAAOFS never appeared to allow any persons who did not, in its opinion, fit the profile of a professional accountant, who was in public practice and who performed their duties with adequate precision, honesty and diligence. These new members were generally well-established public accountants, who had been in practice for many years and who were known to the SAAOFS council members. The SAAOFS did not simply “open the doors” to persons who were not “fit and proper” accountants, but, nevertheless, the admission system was clearly less restrictive in the OFS compared to other provinces. The closure strategy was a definition of admission requirements and alignment with the other larger and more influential South African societies’ statutory closure initiatives. The interesting point is that this small society did not initiate any explicit closure strategies, but followed the larger South African societies. This distinguished the SAAOFS from the more aggressive professionalisation initiatives on a

national scale.

What was quite different from the professionalisation efforts in the field of accountancy in many other Commonwealth countries, however, was the firm decision by the SAAOFS not to align itself with a recognised British accounting body. The SAAOFS had from the very first meeting made it clear that it did not wish to be affiliated to a British society, and would continue without interference or domination by a “home” body. The SAAOFS sought independence and preferred to organise itself autonomously.

The history of professional organisation of accountancy in the OFS is a unique one, in comparison to the other three South African accounting societies. It was the only former Boer Republic that spawned an English profession that was without statutory sanction. It functioned in a reactionary manner, following rather than leading and not exercising strict closure. It was not intent on aligning with British bodies, but aimed instead to be a “South African” society. It did, however, manage to be included in national professionalisation and unification efforts, which provided it with increased status and the necessary strength and motivation to continue its efforts. The foundation had been laid for stronger cooperation with the other four societies. The SAAOFS was an equal partner, and stood alongside the TSA, NSA and SACC in an equal capacity. Until that point, however, as this article makes clear, the SAAOFS had a distinct character and history.