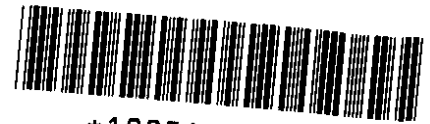


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# Incorporated Society Change of Rules Certification

Name of Society The Institute of Internal Auditors New Zealand Incorporated Society Number 286440

I certify that the rules have been altered in accordance with the society's rules and that the altered rules endorsed by the three members are the rules of the society.

Please tick if the rule change includes a name change for the society

Name Geoff McRobie Position Vice President

Date 4 May 2006 Signature [Handwritten Signature]

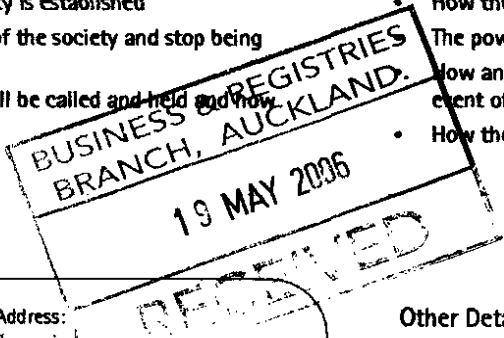
Note: This certification must be completed by an officer or solicitor of the society.

Checklist before filing:

- Has the Change of Rules Certification been completed by an office or solicitor of the society?
- Has the copy of the rule change been signed by 3 members of the society?
- Is a copy of the rule change(s) attached? This can either be a complete copy of the updated rules, or a copy of the individual rule(s) that were changed
- If the name of the society is being changed, have you checked the name is available by conducting a Register Search at [www.societies.govt.nz](http://www.societies.govt.nz) and [www.companies.govt.nz](http://www.companies.govt.nz)?

Note: Section 6 of the Incorporated Societies Act 1908 requires a society's rules to include the following:

- The name of the society (ending with the word Incorporated)
- The objects for which the society is established
- How people become members of the society and stop being members of the society
- How meetings of the society will be called and held and how voting will take place
- How officers of the society will be appointed
- How the society's funds will be controlled and invested
- The powers (if any) that the society has to borrow money
- How any property of the society will be disposed of in the event of the society being wound up
- How the rules of the society can be altered



**NFO# 27**  
**19 MAY 2006**

Your Contact Details

Name and Postal Address:  
Judy Third  
Administration manager  
PO Box 10468  
Wellington

Other Details

Telephone: 04 3874185  
 Email: \_\_\_\_\_

Post To

Incorporated Societies Register  
 Companies Office  
 Private Bag 92061  
 Auckland Mail Centre 1020

**THE INSTITUTE OF INTERNAL AUDITORS  
NEW ZEALAND INCORPORATED**

**CONSTITUTION**

**APRIL 2006**



Geoff McRobie  
Vice president IIANZ  
+ MIIANZ

Russell Thuid  
MIIANZ. (member).

Anna Swaine  
CA, CA, MIIA



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## **1 NAME**

- 1.1 The name of the Institution shall be The Institute of Internal Auditors New Zealand Incorporated, hereinafter referred to as "The Institute".**

## **2 REGISTERED OFFICE**

- 2.1 The Registered Office of The Institute shall be known as the National Office and shall be situated at such place in New Zealand ("NZ") as the NZ Board of Directors as defined in Section 8 of this Constitution (hereinafter referred to as "the Board") shall decide from time to time.**

## **3 ADHERENCE TO CORPORATE CHARTER**

- 3.1 The Institute is empowered to perform any and all acts that are defined in this Constitution and the By-Laws of The Institute and shall do nothing that is inconsistent with the provisions, pronouncements and resolutions incorporated in the minutes of meetings of The Institute and those of the Board.**
- 3.2 The Institute shall be affiliated with The Institute of Internal Auditors Inc. (IIA Inc.) a company incorporated in the State of New York, USA, and shall do nothing which is inconsistent with the By-Laws or pronouncements of IIA Inc.**

## **4 PURPOSES AND OBJECTIVES**

- 4.1 To develop the Profession of Internal Auditing ("the profession") and related disciplines in New Zealand.**
- 4.2 To encourage persons practicing Internal Auditing to adopt the Professional Standards and Code of Ethics approved by The Institute.**
- 4.3 To foster the training, education and qualifications of persons practicing or intending to practice the profession in New Zealand.**
- 4.4 To grant diplomas, certificates and classes of membership in recognition of a person's proficiency in the profession.**
- 4.5 To provide adequate communication to keep members abreast of current events in Internal Auditing which may be beneficial to them and to their employers.**
- 4.6 To develop or provide lectures, meetings, conferences and publications, to promote research in Internal Auditing and related disciplines and to liaise with other professional bodies or government departments (or agencies) on matters of common interest.**
- 4.7 To promote any other activities that are in the interest of The Institute.**
- 4.8 To represent the profession of Internal Auditing in New Zealand by being a national affiliate of IIA Inc.**

## **5 PURSUANCE OF OBJECTIVES**

- 5.1 Establish bursaries or scholarships for educational purposes and to furnish and award competitive prizes for suggestions, essays, or otherwise tending to further interest in and to promulgate the objectives of The Institute.**
- 5.2 Enter into any amalgamation, affiliation, fusion or alliance with or co-operate or make any arrangement for the amalgamation or co-operation in whole or in part with any association having objectives altogether or in part similar to any of those of The Institute provided that The Institute shall not enter into any amalgamation or association that prohibits the payment or transfer directly or indirectly of its income or otherwise howsoever by way of profits to its members except as prohibited in accordance with clause 20.1.**
- 5.3 Raise or borrow money in such manner and upon such security (if any) and in particular upon the security of any mortgage or mortgages, charge or charges of all or any part of the property assets and rights of The Institute (both present and future) or by some issue of debenture charges or upon all or any part of the property assets and rights of The Institute (both present and future) and generally with such rights and upon such terms and conditions in all respects and to purchase, redeem or pay off any such securities and reissue the same.**
- 5.4 Act in conjunction with similar organisations throughout the world and appoint representatives to such body.**
- 5.5 Provide suitable premises for meetings and for carrying on the work of and for the purpose of carrying into effect the objectives of The Institute and to employ and dismiss officers, servants and agents.**
- 5.6 Acquire by purchase, take on lease or otherwise, lands and buildings and all other property, real and personal, or dispose of such property or any part thereof and to erect on any such land any building and to alter, add to and maintain any building erected on such land.**
- 5.7 Sell, improve, maintain, manage, exchange, lease, mortgage, dispose of, turn to account or otherwise deal with all or any part of the property assets and rights of The Institute.**
- 5.8 Give guarantees, bonds and indemnities and to make, draw, accept, endorse, discount, execute and issue promissory notes, bills of exchange, drafts, debentures and all or any negotiable or transferable instruments.**
- 5.9 Take or otherwise acquire and hold shares in any other association, company or corporation having objectives altogether or in part similar to those of The Institute or carrying on any business of whatsoever nature so as to further directly or indirectly the objectives for which The Institute has been established.**
- 5.10 Invest surplus monies from time to time in authorised investments on such terms and conditions as the Board may decide.**

5.11 To do such other things and partake in such other activities that enable The Institute to meet its objectives.

5.12 The Board shall ensure that The Institute complies with the requirements of Registrar of Incorporated Societies.

## **6 MEMBERSHIP**

### **6.1 ADMISSION**

Any person may belong to The Institute, subject to meeting the membership requirements specified in the By-Laws, upon:

a) Completion of the application form for membership of The Institute;

**AND**

b) Payment to The Institute of the appropriate fees as set out in the By-Laws from time to time;

**AND**

c) Acceptance for membership by the Board.

### **6.2 CLASSES OF MEMBERSHIP**

The classes of membership shall be established by the Board and referred to in the By-Laws of The Institute from time to time.

### **6.3 RIGHTS AND DUTIES OF MEMBERS**

All members shall agree to accept and uphold the Constitution, By-Laws, Code of Ethics, Rules and the Statement of Responsibilities of The Institute. They shall have equal rights of participation in the affairs of The Institute except in respect of classification and subscription, and except that nothing in this paragraph shall be construed as to affect the conduct of meetings as set out in this Constitution.

### **6.4 ENTRANCE FEES, SUBSCRIPTIONS AND LEVIES**

Entrance fees, subscriptions and levies shall be determined by the Board from time to time and shall be payable by members as directed in the By-Laws of The Institute.

### **6.5 TERMINATION OR SUSPENSION OF MEMBERSHIP**

a) **Non-Payment**

In the event of non-payment of the subscription of a member by due date The Institute may give the member notice in writing stating that if the member fails to pay his/her subscription within two [2] months the member will cease to be a member of The Institute. On expiration of the two months the Board may declare the membership lapsed

although a member shall remain legally liable for the subscription then due.

**b) Resignation**

Any member desirous of resigning their membership shall forward the member's written resignation to the Executive Director and The Institute shall accept the member's resignation on payment of all subscriptions and other amounts then due and payable. No reimbursement of subscription paid in advance at date of resignation will be made.

**c) Suspension / Expulsion**

- 1) Any member may be suspended, expelled or otherwise have their membership privileges reassessed by the Board if in the opinion of the Board the member's admission was obtained by improper means or the Board considers after due investigation that the member has been guilty of dishonourable conduct or conduct derogatory to The Institute.
- 2) Any member may be suspended, expelled or otherwise have their membership privileges reassessed by the Board if after due investigation the member is found to have committed a breach of the Code of Ethics of The Institute.
- 3) The member shall be informed in writing of the nature of the matter laid to the member's charge and the member shall be afforded the opportunity of being heard at the meeting of the Board at which the member's case is to be investigated, and at a meeting of the Disciplinary Committee of The Institute at which there is a calling of evidence to the member's defence.
- 4) No reimbursement of subscription paid in advance at date of suspension/expulsion will be made.

## **6.6 REINSTATEMENT**

The Board, on such terms and conditions as it decides, may reinstate a member whose membership has lapsed through non-payment of subscription or was suspended or terminated for other reasons.

## **7 BRANCHES OF THE INSTITUTE**

- 7.1 The activities of The Institute shall be conducted in such Branches as determined by the Board and in accordance with the Constitution, By-Laws and Branch Rules of The Institute.
- 7.2 The Board shall determine disbursement of funds for Branch activities in such manner as to allow Branches funds to carry out their functions.
- 7.3 Each Branch, except the Overseas Branch, shall hold an Annual General Meeting no later than 20<sup>th</sup> December in each year.



- 7.4 The Branch Annual General Meeting shall elect a Branch Committee. Members, provided they have paid their subscriptions up to the last due date as defined in the By-Laws, shall be entitled to one [1] vote each.
- 7.5 The Branch Committee shall comprise such number as is designated in the Branch Rules from time to time, and shall elect a Chairperson and other officers required from the Branch Committee so elected.
- 7.6 Branches shall be responsible for the banking and administration of income received, which shall be paid into a bank account designated by the Board.
- 7.7 Subject to direction by the Board each Branch Committee shall be responsible for the administration of all property held by it on behalf of the Institute.
- 7.8 Branches shall be required to make such returns on activities as stipulated by the Board and the By-Laws of The Institute.
- 7.9 A Branch shall exist within The Institute called the "Overseas Branch". The purpose of this Branch is to administer and look after the interests of members residing beyond the territorial boundaries of New Zealand for whom membership of another duly constituted Branch is not a practical matter. The Overseas Branch shall be administered by the Executive Director who shall assume the de facto role of Chairperson of the Branch. In recognition of the practical difficulties of administering this Branch, clauses 7.3 to 7.5 inclusive and clauses 8.9 to 8.12 of this Constitution shall not apply to the Overseas Branch.

## 8 NEW ZEALAND BOARD OF DIRECTORS

- 8.1 The Institute shall be governed by a New Zealand Board of Directors (referred to herein as "the Board"), which shall have the power to perform all acts to enable The Institute to meet the requirements of Clauses 4 and 5 of this Constitution.
- 8.2 The Board shall consist of representatives of each Branch elected in accordance with clause 8.9 of this Constitution. The Executive Director shall represent the views of the Overseas Branch, but the President shall be able to exercise an additional vote on matters pertaining to the Overseas Branch.
- 8.3 If a member of the Board is unavailable for any meeting then the Branch the member is representing may appoint an alternative member of the Board for that meeting by decision of the Branch Committee.
- 8.4 The Board shall elect a President and as many Vice Presidents as the Board deems necessary at the first Board meeting after the Annual General Meeting of The Institute.
- 8.5 The Board acting on behalf of The Institute shall have the ultimate responsibility for the management of the affairs of The Institute and of the property and income thereof.

- 8.6 No act or proceeding of the Board or of any person authorised to act as a member of the Board shall be invalidated in consequence of there being a vacancy in the membership of the Board at the time of the act or proceeding, or of subsequent discovery of some defect in the election or appointment of any member of the Board.
- 8.7 The President shall not be eligible for re-election as President if they have completed two [2] full years within the last six [6] years.
- 8.8 The Board at any time may fill any casual vacancy in the office of President or Vice President from existing members of the Board (other than co-opted members) to serve from the date of appointment until the end of the current term of the person being replaced. Such a term of office for the newly elected President shall not count as a full term in terms of clause 8.7 of the Constitution unless it exceeds nine [9] months duration.
- 8.9 The Board shall determine a "Branch Representative Ratio" whereby Branch Committees elected under clause 7.4 of the Constitution shall appoint one [1] representative from the members of that Committee to represent it on the Board, with one representative for up to fifty [50] Branch members, and one additional representative for each complete fifty [50] Branch members, or such other ratio as the Board may from time to time determine, thereafter provided that:
- i) There shall be no less than one [1] and no more than three [3] representatives from any Branch or such other number as may be determined from time to time in the event the Board determines to change the Branch Representative Ratio in accordance with this clause.
- 8.10 A member of the Board appointed by the Branch Committee in accordance with clause 8.9 shall hold office from the date of the Annual General Meeting in the year of election.
- 8.11 Any elected member of the Board shall cease to be a member of the Board if:
- (a) They cease to be a member of The Institute, or
  - (b) They cease to be a member of the Branch Committee, or
  - (c) They resign their seat on the Board, or
  - (d) They are absent from three [3] consecutive Board meetings without leave of absence granted by the Board or without just cause being shown for their absence, or
  - (e) The Institute passes in General Meeting a resolution to remove a member of the Board from office by a two-thirds majority of members voting at a General Meeting of which due notice has been given provided that the member has been given notice in writing at least fourteen [14] calendar days before the meeting of the intention to propose the resolution to remove them from office.
- 8.12 Any casual vacancy in the representatives appointed under clause 8.9 shall be filled by the elected Branch Committee.

- 8.13 The Board as appointed in accordance with clause 8.9, by a simple majority may co-opt from time to time additional members with or without full voting rights provided that at no time shall there be more than three [3] such co-opted members and their term of appointment shall expire at the next Annual General Meeting of The Institute following their appointment unless their appointment is earlier rescinded by the Board.

## 9 PROCEEDINGS OF THE BOARD

- 9.1 The Board shall meet, adjourn and otherwise regulate its business as it thinks fit. No less than seven [7] calendar days notice shall be given by the President or nominated Vice President for a Board meeting, setting out the date, time and place of that meeting, or any other period of notice, if unanimously agreed by those members of the Board appointed in accordance with clause 8.9.
- 9.2 The Board may set up committees to deal with particular aspects of the affairs of The Institute and to report back to the Board and any of its representative bodies, officers, servants or agents as set out in this Constitution as the Board so directs.
- 9.3 The quorum for a meeting of the Board shall be four [4] of the members of the Board appointed in accordance with clause 8.9 as long as proper notice of the meeting has been provided in accordance with paragraph 9.1 above or such other number as the Board determines in the event that the Board changes the size of the Board in accordance with clause 8.9.
- 9.4 Except as stated elsewhere in this Constitution decisions of the Board shall be by simple majority of those Board members eligible to vote. At any meeting of the Board the members shall have one [1] vote each and in the case of an equality of votes the Chairperson shall have a second or casting vote in favour of the status quo.
- 9.5 At all meetings of the Board the President, or in the President's absence a Vice-President shall be the Chairperson. In the absence of these, a Chairperson shall be elected from among the members of the Board (other than co-opted members) present.
- 9.6 Minutes of all meetings of the Board shall be recorded in proper books and retained in accordance with relevant legislation. The minutes shall contain the names of all those present and of all resolutions and proceedings of the Board and shall be signed by the Chairperson as a true and proper record of the Board meeting.
- 9.7 The minutes of any meeting signed by the Chairperson of the meeting or the succeeding meeting shall be prima facie evidence of the transactions recorded therein.
- 9.8 A resolution in writing, a copy of which has been forwarded to all members of the Board and which has been signed as considered by at least three-fourths in number thereof, shall be as valid and as effectual as if passed at a meeting

of the Board duly called and constituted, provided it is passed by the required majority of those voting.

## **10 GENERAL MEETINGS**

- 10.1** Not less than twenty-one [21] calendar days notice of every General Meeting specifying the date, time and place of the meeting and the general nature of the business to be dealt with shall be sent to each member by the Executive Director by post or electronic means to the member's last known address but the want of receipt of notice on the part of any member shall not invalidate the proceedings at any General Meeting.
- 10.2** An Annual General Meeting of The Institute shall be held following the end of the financial year (ref: clause 17.1), at such date, time and place as the Board shall determine as long as it is no later than the last day of the third month following the end of the financial year.
- 10.3** The business of the Annual General Meeting of The Institute shall be to receive and consider the Financial Statements of The Institute for the preceding year, the election of an Auditor and consideration of such other business as any member on due notice or the Board may bring before it.
- 10.4** A member wishing to bring before the Annual General Meeting any notice of motion or business not relating to the ordinary business of The Institute shall give notice in writing to the Executive Director not less than fourteen [14] calendar days before the day of the meeting and no notice of motion or business other than the business brought forward by the Board shall come before the meeting unless such notice has been given.
- 10.5** The Board may at any time convene a Special General Meeting in accordance with clause 10.1.
- 10.6** The Board shall within twenty-one [21] calendar days of the receipt of a requisition to that effect in writing stating the purpose of such meeting and signed by not less than twenty-five [25] financial members, convene a Special General Meeting of The Institute in accordance with clause 10.1.

## **11 PROCEEDINGS AT GENERAL MEETINGS**

- 11.1** At all General Meetings of The Institute all members, provided they have paid their subscriptions up to the last due date as defined in the By-Laws, shall be entitled to one vote each.
- 11.2** Except as otherwise noted in this Constitution (clauses 8.11(e), 20.1 and 22.1) all resolutions shall be decided by simple majority.
- 11.3** No member shall be entitled to vote at any meeting or be considered in a quorum if their subscription for the current financial year has not been received by the Executive Director prior to the time appointed for the meeting as defined in the By-Laws

**OR**

If they were not paid up members at the end of the financial year

OR

If pursuant to clause 6.5 of the Constitution their membership had been declared lapsed or suspended/expelled by The Institute and the member has not been reinstated at least one [1] week prior to the meeting.

- 11.4 Members may vote at any General Meeting of The Institute either personally or by proxy.
- 11.5 All instruments appointing a proxy shall be in writing under the hand of the appointer whose signature shall be attested by a witness.
- 11.6 No person shall be appointed a proxy unless they are a member of The Institute.
- 11.7 To be valid the instrument appointing a proxy shall be received at the postal address of the Executive Director not less than forty-eight [48] hours prior to the appointed time of the meeting at which the proxy vote is to be used.
- 11.8 A proxy may be appointed for a specified period or a specific meeting and any adjournments thereof.
- 11.9 A proposal may be submitted in writing to all members for their consideration and, provided that the appropriate majority of members in accordance with clause 11.2 agree in writing, such decision shall have the same effect as if it had been passed at a properly constituted meeting of The Institute.
- 11.10 The NZ President, or in the President's absence a Vice-President of The Institute shall take the Chair at a General Meeting, but in their absence a member of the Board elected by those present shall be entitled to chair the meeting. However, if at any such meeting no person so entitled shall be present within fifteen [15] minutes after the time appointed for the holding of the meeting or if all persons so entitled decline to take the chair, then the members shall elect one of their number to be the Chairperson.
- 11.11 Except as described in clause 11.12 ten [10] members personally present and entitled to vote shall be a quorum for any General Meeting of The Institute and no business shall be transacted unless the requisite quorum shall be present.
- 11.12 If a quorum is not present within half an hour after the time appointed for a General Meeting properly convened upon a requisition of members in accordance with clause 10.6 the meeting shall be dissolved. In every other case, that is in the case of General Meeting properly called in accordance with clauses 10.1 or 10.5, the General Meeting shall stand adjourned to a time and place fixed by the Chairperson on adjourning the meeting. If at the adjourned meeting a quorum in accordance with clause 11.11 is not present within fifteen minutes of the time appointed for the meeting the members present shall form a quorum.

- 11.13 Voting at any General Meeting shall normally be by voice or at the discretion of the Chairperson a show of hands.
- 11.14 At any General Meeting unless a written poll is demanded by at least two members present and entitled to vote a declaration by the Chairperson that the resolution has been carried or lost and an entry to that effect made in the minute book of The Institute shall be conclusive evidence of the fact.
- 11.15 If a poll is demanded as aforesaid it shall be taken forthwith and the result of the poll shall not prevent the continuation of a meeting for the transaction of any business other than the question on which the poll has been demanded. The demand for a poll may be withdrawn. Any poll duly demanded concerning the election of a Chairperson of a meeting, or on any question of adjournment shall be taken at the meeting.
- 11.16 The General Meeting at which a written poll is demanded shall appoint two [2] scrutineers who shall open the voting papers and report the result of the voting to the Chairperson and the Chairperson shall communicate the report to the meeting and this report shall be conclusive evidence of the result of the poll.
- 11.17 In the case of equality of votes the Chairperson both on a show of hands and at a poll shall have a second casting vote in addition to the vote to which the Chairperson is entitled as a member in favour of the status quo.
- 11.18 The Chairperson with the consent of those present and eligible to vote may adjourn the meeting and at the resumption of the adjourned meeting no business shall be transacted other than the business unfinished at the meeting from which the adjournment was made.
- 11.19 Minutes of all General Meetings of The Institute shall be recorded in proper books to be provided for the purpose in accordance with clause 9.6. The minutes of any General Meeting of The Institute shall be signed by the Chairperson of the next convenient Board Meeting and the recorded minutes shall then be sufficient record of the proceedings.

## 12 EXECUTIVE DIRECTOR

- 12.1 One or more persons may be appointed by the Board to administer the affairs of The Institute to perform such duties and on such terms and conditions as it shall determine from time to time. The person(s) may or may not be domiciled in New Zealand. In the context of this Constitution the person(s) is(are) referred to as "Executive Director(s)", but may not necessarily be called by that title in practice.

## 13 REGISTER OF MEMBERS

- 13.1 The Executive Director shall keep a register of all members containing such particulars as from time to time may be required by the Registrar of Incorporated Societies and the Board.

## 14 INSTITUTE BY-LAWS AND BRANCH RULES

- 14.1 The Board by resolution passed by a two-thirds majority of members of the Board appointed in accordance with clause 8.9 may make By-Laws and Branch Rules for the administration of the affairs of The Institute provided these do not conflict with this Constitution. The Board may suspend, alter, add to, or revoke the By-Laws or Branch Rules so made by a similar majority resolution.

## 15 PRECEDENCE

- 15.1 In the event of inconsistency, the order of precedence shall be:

- (a) The Institute's Constitution
- (b) The Institute's By-Laws
- (c) The Branch Rules

## 16 LEGAL PROCEEDINGS

- 16.1 The Board shall have the sole responsibility to initiate and conduct legal proceedings brought against any individuals or organisations by The Institute and to defend legal proceedings brought against The Institute or its officers being agents of The Institute. Notwithstanding anything to the contrary in this Constitution, a resolution of the Board to initiate legal proceedings must be passed by a two-thirds majority of those members of the Board appointed in accordance with clause 8.9.

## 17 ACCOUNTS AND AUDIT

- 17.1 The financial year of The Institute shall end on 31<sup>st</sup> December.
- 17.2 When an organisation outside New Zealand is contracted to provide accounting services to The Institute the contract will provide for reporting and auditing to be of the same standard as is required as if the service was provided within New Zealand.
- 17.3 An Auditor or Auditors shall be appointed by The Institute at the Annual General Meeting each year and shall hold office until the next Annual General Meeting and shall be eligible for re-appointment.
- 17.4 The Auditor or Auditors shall be members of the New Zealand Institute of Chartered Accountants and may also be members of The Institute but a member of the Board shall not be eligible for election as Auditor.
- 17.5 It shall be the duty of the Auditor to report to members of The Institute whether the financial statements properly reflect the financial position of The Institute and the results of its activities for the year. A copy of these accounts together with the Auditor's report therein shall be submitted to each Annual General Meeting of The Institute.
- 17.6 The Board may fill any casual vacancy in the office of Auditor.

## 18 FUNDS AND PROPERTY

- 18.1 The income and property of The Institute shall be titled in the name of The Institute and shall be held by the Board for the benefit of the Institute in accordance with the Board's obligations as set out in clauses 4.1 - 4.8 inclusive, clauses 5.1 - 5.12 inclusive and clause 8.5 and nothing in this paragraph shall be construed as derogating from the Board's responsibilities under paragraph 8.5.
- 18.2 Authorities for the handling of funds and operation of bank accounts shall be as required by the Board as set out in the By-Laws of The Institute from time to time, and held by the Executive Director who shall be the custodian of the funds.

## 19 COMMON SEAL

- 19.1 The common seal shall be kept in the custody of the Executive Director or other member of the Board as nominated by, and agreed by a resolution of, the Board.
- 19.2 The common seal of The Institute shall only be affixed to any document with the approval of a majority of the members of the Board appointed in accordance with clause 8.9, such action to be recorded in the minutes of the next Board meeting at which it shall be reported.

## 20 WINDING UP

- 20.1 Authority for the liquidation of The Institute shall be by resolution at a Special General Meeting passed by a two-thirds majority of such members voting in person or by proxy. Such a Special General Meeting shall be called in accordance with clause 10.1, 10.5 or 10.6 specifying the intention to propose the resolution to put The Institution into liquidation. Upon liquidation all surplus funds of The Institute shall be paid to such other Institutes having objectives similar to the objectives of The Institute and in no way may the funds be returned to the members of The Institute.

## 21 INDEMNITY OF OFFICERS

- 21.1 No officer of The Institute shall be liable for the acts, receipts, neglects, or defaults of any other officer of The Institute or for any loss occasioned by any error of judgement, or oversight on their part, or for any loss, damage, or misfortune whatever which shall happen in the execution of the duties of their office, or in relation thereto, unless the same happen through their own willful default or dishonesty.

## 22 ALTERATION OF CONSTITUTION

- 22.1 This Constitution or any amended Constitution for the time being in force may be altered or replaced by a new Constitution only by the Institute at a Special General Meeting. A resolution altering or replacing the Constitution shall be passed by a two-thirds majority of such members entitled to do so who vote in person or by proxy after proper notice specifying the intention to propose such a resolution has been duly given in accordance with clause 10.1, 10.5 or 10.6.

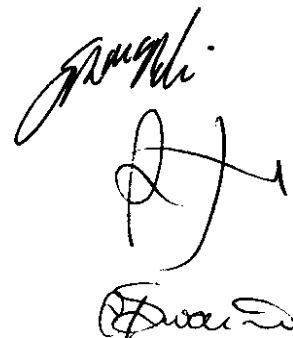


**22.2** Nothing whether contained in the Constitution for the time being in force or otherwise shall be construed as implying or creating any privilege, priority or right in favour of any member so as to limit the power of The Institute at any time, or rescind any clause of the Constitution, or to add any clause thereto, provided that no addition to, or alteration, or rescission of the clauses of the Constitution shall be approved if it in any way affects clause 20.1 without the approval of the Registrar of Incorporated Societies.

**THE INSTITUTE OF INTERNAL AUDITORS  
NEW ZEALAND INCORPORATED**

**BY-LAWS**

**APRIL 2006**



Three handwritten signatures in black ink, arranged vertically. The top signature is the most legible, appearing to read 'Graham'. The middle signature is a stylized 'A' followed by a horizontal line. The bottom signature is a cursive name that is difficult to decipher but appears to start with 'Diana'.

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# 1 MEMBERSHIP

## 1.1 Membership Classes and Designations

Individual membership classifications shall be determined by the New Zealand Board (hereinafter referred to as "the Board") on receipt of a Membership Application.

### (a) Honorary Fellow

The classification of HONORARY FELLOW of The Institute of Internal Auditors New Zealand Incorporated ("The Institute") may be awarded by the Board to those persons, not being a member of The Institute, who have made a significant contribution to the development and progress of the profession of Internal Auditing in New Zealand or elsewhere. Subject to the limitations detailed in this clause of the By-Laws.

Nominations are to be made in writing to the Executive Director for submission to the Board at its next meeting and are subject to the following criteria:

- (i) The award is the highest award The Institute can make.
- (ii) The award is limited to twelve [12] persons at any one time.
- (iii) The award carries no voting rights in The Institute.
- (iv) The award carries the designation of (Hon) FIIA(NZ)
- (v) The award is subject to approval by all members of the Board present at a duly constituted meeting.

### (b) Fellow

The classification FELLOW of The Institute may be awarded by the Board to those who hold the classification of "Associate" who have performed meritorious service to The Institute. Subject to the limitations detailed in this clause of the By-Laws.

Nominations are to be made in writing to the Executive Director for submission to the Board at its next meeting and are subject to the following criteria:

- (i) A Fellow must have attained the age of thirty-five [35] years.
- (ii) The award of Fellow will be limited to 15% of total membership of The Institute.
- (iii) Nomination by any five [5] members of The Institute.
- (iv) The award is subject to approval by all members of the Board present at a duly constituted meeting.
- (v) The award carries the designation of FIIA(NZ) and such designation will be lost if membership of The Institute is not maintained.

(c) Associate

The classification of ASSOCIATE of The Institute may be awarded by the Board to those members who meet the qualification criteria required and detailed in this clause of the By-Laws.

Nominations are to be made in writing to the Executive Director for submission to the Board at its next meeting and are subject to the following criteria:

- (i) Have completed a minimum of two [2] years practical experience in internal auditing, certified as having been completed to a standard determined by the Board;

AND

- (ii) (a) have passed the Certified Internal Auditor examination;

OR

- (b) have passed the Diploma of Business Studies (Internal Auditing) awarded by Massey University, but such shall include a pass in paper 10.606;

OR

- (c) have other qualifications as may be deemed appropriate and approved by all members of the Board present at a duly constituted meeting of the Board. Such approved qualifications form part of these By-Laws and shall be incorporated into a policy document.
- (iii) The designation will be lost if membership of The Institute is not maintained.
- (iv) The classification of Associate Member carries with it the designation AIIA(NZ).

**(d) Member**

The classification of **MEMBER** may be awarded by the Board to those who satisfy the following criteria:

- (i) Individuals who have a direct jurisdiction over Internal Audit activities or who are engaged as Internal Auditors but who do not qualify as an Associate;

OR

- (ii) Corporate officers, Chartered Accountants and others who are employed in fields related to Internal Auditing.
- (iii) The classification of Member carries with it the designation **MIA(NZ)**

**(e) Educational Member**

The classification of **EDUCATIONAL MEMBER** may be awarded by the Board to those individuals principally employed as educators at Colleges, Technical Institutes and Universities.

**(f) Student Member**

The classification of **STUDENT MEMBER** may be awarded by the Board to those individuals principally engaged full time in the study of Internal Auditing or related courses at Colleges, Technical Institutes or Universities who cannot qualify as either an Associate, Member or Educational Member.

**(g) Retired Member**

The classification of **RETIRED MEMBER** is open to anyone who has been a member of good standing of The Institute and who has retired.

**(h) Life Member**

The classification of **LIFE MEMBER** may be awarded by the Board to Honorary Fellows, Fellows, Associates, Members, Educational Members or Retired Members, who have contributed significantly to the cause of Internal Auditing in New Zealand. Subject to the limitation of this clause of these By-Laws.

Nominations are to be made in writing to the Executive Director for submission to the Board at its next meeting and are subject to the following criteria:

- (i) Life Members will be aged 55 and over.

- (ii) The award will be limited to 5% of total membership of The Institute.
- (iii) Life Members retain any designation that they held prior to the award of Life Membership.
- (iv) The award is subject to approval by all members of the Board present at a duly constituted meeting

## 1.2 Admissions/Nominations Subcommittee

Decisions relating to the classification of members is the responsibility of the Board or a subcommittee specifically set up by the Board for that purpose. Specific procedures to incorporate this shall be created as a policy document.

## 1.3 Continuing Professional Development Requirements

The Board shall establish Continuing Professional Development requirements and Associates and Fellows will be required to meet those requirements to enable that level of membership to be retained.

## 2 FEES AND SUBSCRIPTIONS

- 2.1 Subscriptions shall be set by the Board and shall be chargeable to members on the 1<sup>st</sup> day of the financial year. The due date for the payment for the purposes of clause 6 of the Constitution shall be the last day of the first month of the financial year.
- 2.2 Applications for membership with the appropriate fee shall be forwarded to the Executive Director for action. Specific procedures to incorporate this shall be created as a policy document.
- 2.3 Annual subscriptions shall be paid directly to The Institute at its registered address.
- 2.4 A Branch Committee may recommend to the Board the reduction of the annual subscription or any arrears thereof of any member on account of ill health or other sufficient reason.

## 3 POLICIES AND PROCEDURES

- 3.1 Policies and Procedures adopted by the Board from time to time for the guidance and facilitation of the operations of the Board and The Institute as a whole, shall be held by the Executive Director.
- 3.2 A copy of all such Policies and Procedures as they affect Branches shall be incorporated into a Branch Membership manual. Two copies shall be supplied to Branches and held by the Branch Committee.

- 3.3 The Policies and Procedures shall be made available by the Executive Director or the Branch Committee upon request to any member who wishes to sight them.
- 3.4 Nothing in the Policies and Procedures shall take precedence over the Constitution, By-Laws or Branch Rules of The Institute.

#### **4 PROFESSIONAL DEVELOPMENT**

- 4.1 The Board will consider financial and other support (as appropriate) for Branch activities for the professional development of members.

#### **5 BOARD COMMITTEES AND SUBCOMMITTEES**

- 5.1 Committees and subcommittees may be set up within an organisational structure established by the Board. Each shall comprise one or more persons and the Board may delegate responsibility thereto subject to:
- (a) Reporting of action taken to the next appropriate Board meeting.
  - (b) A member having the right of appeal to the Board in respect of any decisions made.
  - (c) The specific rules of a Committee or subcommittee may be created as a Policy Document.
  - (d) Membership of Committees and subcommittees of the Board need not be confined to members of the Board. Committees or subcommittees so staffed will report to the Board through a member of the Board designated for that purpose.

#### **6 CODE OF ETHICS**


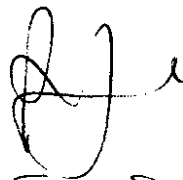
- 6.1 The Institute, registered as a national affiliate with The Institute of Internal Auditors Inc. has adopted the Code of Ethics issued by The Institute of Internal Auditors Inc. and reference in that document to the Board of Directors is deemed to refer to the New Zealand Board of The Institute.



**THE INSTITUTE OF INTERNAL AUDITORS  
NEW ZEALAND INCORPORATED**

**BRANCH RULES**

**APRIL 2006**

Swain

## **1 STATUS AND AUTHORITY**

- 1. The Branch has been established within The Institute of Internal Auditors New Zealand Incorporated (hereinafter referred to as The Institute) and is empowered to operate for the betterment of the profession of Internal Auditors as authorised by the Constitution and By-Laws of The Institute.**

## **2 RULES**

- 2.1 Branches must meet the requirements of The Institute and as supplemented by these Branch Rules.**
- 2.2 Where there is no provision in these rules, the Constitution and By-Laws of The Institute shall apply, but in the event of any conflict with The Institute, that body's requirements shall take precedence.**
- 2.3 Changes to these Branch Rules can only be made in accordance with clause 14.1 of the Constitution.**

## **3 BRANCH COMMITTEE**

- 3.1 The Branch shall be governed by a Branch Committee in respect of its operation and the handling of projects and any finances, subject to the requirements of The Institute.**
- 3.2 The Branch shall give any reports to the Board of The Institute that it may require from time to time.**
- 3.3 The Branch Committee shall be elected at the Annual General Meeting of the Branch for a period of two [2] years subject to the following Rules:**
  - (a) Members elected shall hold office until the conclusion of the second Annual General Meeting after the one at which they were elected;**
  - (b) At any and all Annual General Meetings not less than half the existing Committee positions shall be available for re-election; and**
  - (c) Should there be insufficient positions available for re-election, the remaining positions to be made available for re-election shall be determined by either volunteers or by ballot.**
- 3.4 The Branch Committee shall elect its own office holders from the Committee members elected by the Branch members at the Annual General Meeting.**
- 3.5 The elected Branch Committee shall consist of six [6] persons, subject to the following Rules:**
  - (a) In accordance with clause 7.5 of the Constitution, there shall be a Chairperson;**
  - (b) Other positions shall be allocated within the Committee as required;**
  - (c) The maximum term of office for the Chairperson is two [2] years;**
  - (d) No person can offer themselves for election as Chairperson within four [4] years of completing a previous term as Chairperson; and**

- (e) Branch appointments to the Board shall be made in accordance with clauses 8.9 and 8.10 of the Constitution.

3.6 The immediate past Chairperson may be a full non-elected member of the Branch Committee at the discretion of the Committee and the Board.

3.7 The Branch Committee may co-opt other members as required to assist the Committee in its operations. Such members are not full Committee members and do not have the rights and responsibilities under the Rules that pertain to full members. The term of office of co-opted members shall cease when their explicit tasking from the Committee ceases or at the next Annual General Meeting, whichever is the sooner.

3.7.1 The Branch Committee may nominate an alternate to attend Board meetings if required due to the absence of an elected Board member.

3.7.2 If a member of the Branch Committee is unavailable for any meeting then the Chair at their discretion prior to the meeting can accept or decline the attendance of a non-voting, alternate nominated by the member.

3.8 At the first meeting after the Branch Annual General Meeting the Branch Committee shall appoint its representatives on the Board in accordance with clause 8.9 of the Constitution. This appointment will take effect after The Institute Annual General Meeting.

3.9 Any member of the Branch Committee shall cease to be a member of the Committee if:

- (a) They cease to be a member of The Institute; or
- (b) They resign their seat on the Committee; or
- (c) They are absent from three [3] consecutive Committee meetings without leave of absence granted by the Committee or without just cause being shown for the absence.

3.10 The Branch Committee may fill casual vacancies on the Committee by common consent of not less than two-thirds of those full Committee members present at a bona fide Committee meeting. The term of office of Committee members so appointed ceases at the 31<sup>st</sup> December unless earlier rescinded by the Branch Committee. Newly elected Committee members take office from 1 January following the Branch Annual General Meeting.

#### 4 MEETINGS OF BRANCH COMMITTEES

4.1 Meetings of the Branch Committee shall be held at such frequency as the Committee shall decide except that at least six [6] meetings shall be held in a year.

4.2 A quorum for a meeting of the Branch Committee shall be four [4] members.

4.3 Minutes shall be maintained on Branch Committee meetings in accordance with clause 9.6 of the Constitution.

## **5 BRANCH GENERAL MEETINGS**

- 5.1** A Branch Annual General Meeting shall be held at such time and place, as the Committee shall decide, except that a Branch Annual General Meeting shall be held no later than 20<sup>th</sup> December of each year.
- 5.2** Not less than fourteen [14] days notice of every Branch Annual General Meeting specifying the date, time and place of the meeting and the general nature of the business to be dealt with shall be sent to each member of the Branch by post or electronic means to the last known address; but the want of notice on the part of any member shall not invalidate the proceedings of any Branch Annual General Meeting.
- 5.3** Branch General Meetings that are not Annual General Meetings shall be conducted in accordance with the Constitution except that the quorum for a Branch General Meeting shall be six financial members.

## **6 PROCEEDINGS AT BRANCH ANNUAL GENERAL MEETINGS**

- 6.1** The business of the Annual General Meeting of the Branch shall be to:
- (a)** Approve the minutes of the last Annual General Meeting;
  - (b)** Receive the report of the Branch Chairperson on the activities of the Branch for the preceding year;
  - (c)** Elect a Branch Committee as described in clause 3 of these Rules;
  - (d)** Consider such other business as any member on due notice to the Branch Committee may bring before it; and
  - (e)** The quorum shall be six financial members of the Branch.