



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

RULES

1. NAME

- 1.1 The name of the Incorporated Society shall be The Institute of Internal Auditors New Zealand Incorporated.

2 DEFINITIONS AND INTERPRETATIONS

- 2.1 **The Institute** shall mean The Institute of Internal Auditors New Zealand Incorporated.
- 2.2 **Board** means the elected governing committee of The Institute.
- 2.3 **Chairperson** means a Board member voted as Chairperson by The Institute.
- 2.4 **Financial Year** shall mean the 12-month period ending on 31 December every year.
- 2.5 **In writing**, means hand-written, printed or electronic communication of words or a combination of these methods.
- 2.6 **Member** means a current member of The Institute with voting rights.
- 2.7 **Registered Office** shall be the New Zealand street address of the Secretariat of The Institute or at any other New Zealand street address, which may be decided by the Board.
- 2.8 **Secretariat** means the administrative arm of The Institute, which manages the day-to-day operations and undertakes other duties as delegated by the Board. Board members, members of The Institute, paid staff, consultants or any other person or body as determined by the Board from time to time may undertake secretariat activities.
- 2.9 **Special Resolution** means a resolution that requires not less than three quarters majority of the members voting

at a general meeting, whether in person or by proxy, to vote in favour of the resolution or not less than two thirds majority of Board members voting at a Board meeting.

- 2.10 **The Act** means the Incorporated Societies Act 1908 and any amendments or substitutions.
- 1.11 **IIA Global** means the Institute of Internal Auditors (IIA Global) having its headquarters located in the United States of America.

3. ADHERENCE TO CORPORATE CHARTER

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

4. PURPOSES AND OBJECTS

The Institute is required to operate within the scope of its objects. The following objects outline the activities that The Institute may undertake.

- 4.1 To develop the profession of Internal Auditing and related disciplines in New Zealand.
- 4.2 To encourage persons practising Internal Auditing to adopt the Professional Standards and the Code of Ethics approved by The Institute.
- 4.3 To promote and advocate the Policies of The Institute.
- 4.4 To foster the training, education and qualifications of persons practising or intending to practice the profession in New Zealand.

- 4.5 To grant diplomas, certificates and classifications of membership in recognition of a person's proficiency in the profession.
- 4.6 To provide adequate communication to keep members abreast of current events in Internal Auditing which can be beneficial to them and to their employers.
- 4.7 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.
- 4.8 To promote any other activities which are in the interest of The Institute.
- 4.9 To represent the Profession of Internal Auditing in New Zealand by being a National Institute of IIA Global.

5. PURSUANCE OF OBJECTS

- 5.1 Establish bursaries or scholarships for educational purposes and to furnish and award prizes
- 5.2 To establish, subscribe to, promote, become a member of, support, amalgamate, affiliate or cooperate with any other association, institution or association whose objects are altogether or in part similar to those of the association, 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 if The Institute is wound up.
- 5.3 To obtain any Act of Parliament or Charter for all or any of the objects of The Institute.
- 5.4 To originate and promote improvements in the law and to support or oppose alterations to any legislative body or authority and to promote deputations and take such other steps and proceedings as may be deemed expedient for the furtherance of any of the objects of The Institute.
- 5.5 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 re-issue same.
- 5.6 Act in conjunction with similar organisations throughout the world and appoint representatives to any such bodies.
 - 5.7 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.
 - 5.8 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.
 - 5.9 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.
 - 5.10 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.
 - 5.11 Take or otherwise acquire and hold shares in any other Institute, 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 objects for which The Institute has been established.
 - 5.12 Invest surplus monies from time to time in authorised investments on such terms and conditions as the Board may decide.
 - 5.13 To do such other things and partake in such other activities that enable The Institute to meet its objectives.

6. MEMBERSHIP

6.1 Admission

Any person, who completes the application form, pays the appropriate membership fee and agrees to comply with the Rules and By-Laws and any Codes of Conduct approved by the Board from time to time will be deemed a member.

6.2 Classifications of Membership

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

6.3 Entrance Fees, Subscriptions and Levies

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

6.4 Termination or Suspension of Membership

- i. The membership of a person ceases on receipt of a resignation in writing to The Institute, expulsion or death.
- ii. A member is taken to have resigned if
 - a. The member's annual subscription is more than two months in arrears; or
 - b. A written request to the member to confirm that he or she wishes to remain a member has not been responded to within one month after the request has been sent.
- iii. No reimbursement of subscription paid in advance at date of resignation will be made.

6.5 Discipline and Grievances

- i. The Institute may take disciplinary action against a member if it is determined that the member
 - a. Has failed to comply with the Rules and By-Laws; or
 - b. Refuses to support the purposes of The Institute; or
 - c. Has engaged in conduct prejudicial to The Institute.
- ii. A member may be suspended, expelled or otherwise have their membership privileges reassessed by the Board as a result of disciplinary action.
- iii. Grievances and discipline action or member suspension / expulsion will be managed in accordance with the By-laws.

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.

6.7 Register of Members

The Secretariat shall keep a register of all members containing such particulars as from time to time may be required by the Registrar of Incorporated Societies, the Board or IIA Inc.

7 NATIONAL BOARD OF DIRECTORS

- 7.1 The Institute shall be governed by a National Board of Directors [The Board] which shall have the power to perform all acts to enable The Institute to meet the requirements of these Rules.
- 7.2 The Board acting on behalf of The Institute shall have the ultimate responsibility for the governance of the affairs of The Institute and of the property and income thereof.
- 7.3 The Board shall consist of representatives of the membership elected in accordance with processes as set out in the By-Laws.
- 7.4 A member elected to the Board shall serve for a term of two [2] years from the date of the Annual General Meeting at which the member was elected. A member may be elected for a second, concurrent term of two [2] years, after which they must resign from the Board.
- 7.5 The Board shall elect a Chairperson at the first Board meeting after the Annual General Meeting of The Institute.
- 7.6 The Board at any time may fill any casual vacancy in the office of Chairperson or Vice Chairperson 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 Chairperson shall not count as a full term unless it exceeds nine [9] months duration.
- 7.7 The Duties of the Board shall be set out in the By-Laws.
- 7.8 **Delegation**
- i. The Board may delegate to a member of the Board, a subcommittee or Secretariat, any of its powers and functions other than
 - a. This power of delegation; or
 - b. A duty imposed on the Board by the Act or any other law.
 - ii. The delegation must be in writing and may be subject to the conditions and limitations the Board considers appropriate.

- iii. The Board may, in writing, revoke a delegation wholly or in part.

7.9 Vacation of Office

- i. A Board member may resign from the Board by written notice.
- ii. A person ceases to be a Board member if he or she
 - a. Ceases to be a member of The Institute; or
 - b. Fails to attend three consecutive Board meetings without a leave of absence from the Chairperson.
- iii. A Board member may be removed from office by the Chairperson by reason of:
 - a. Inability to perform the requirements of the position
 - b. Neglect of duty
 - c. Misconduct
 - d. Bankruptcy.

7.10 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. PROCEEDINGS OF THE BOARD

8.1 The Board shall meet, adjourn and otherwise regulate its meetings as it thinks fit.

8.2 Quorum

No business shall be transacted at any Board meeting unless a quorum is present at the time when the meeting proceeds to business. A quorum shall be not less than half the Board members plus one, all personally present and eligible to vote.

8.3 Use of Technology

- i. A Board member who is not physically present at a Board meeting may participate in the meeting by the use of technology that allows that member and the Board members present at the meeting to clearly and simultaneously communicate with each other.

- ii. A Board member participating in a Board meeting is taken to be present at the meeting and, if the member votes at the meeting, is taken to have voted in person.

8.4 **Conflict of Interest**

- i. A Board member who has a material personal interest in a matter being considered at a Board meeting must disclose the nature and extent of that interest to the Board.
- ii. Policy and procedures for dealing with conflicts of interest will be set out in the By-Laws.

8.5 **Minutes of meetings**

- i. The Board must ensure that Minutes are taken and kept of each Board meeting.
- ii. The Minutes must record the following
 - a. The names of the members in attendance at the meeting;
 - b. The business considered at the meeting;
 - c. Any resolution on which a vote is taken and the result of the vote;
 - d. Any material personal interest disclosed by a member

8.6 Except as stated elsewhere in these Rules decisions of the Board shall be by simple majority of those Board members eligible to vote.

8.7 The Chairperson, shall be the Chairperson for all meetings of the Board, or in his or her absence, a Chairperson for the meeting shall be elected from among the members of the Board (other than co-opted members) present.

8.8 The Board 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. Their term of office shall expire at the next Annual General Meeting of The Institute following their appointment unless their appointment is earlier rescinded by the Board. A person may be co-opted because they bring particular expertise to the Board and such person(s) may or may not be a current financial member.

9 **GENERAL MEETINGS**

A Meeting is either an Annual General Meeting or a Special General Meeting.

9.1 **Notice of Meeting**

- i. Members shall be given at least 21 days notice of any general meeting.
- ii. The Institute may give the notice of meeting to its members
 - a. By sending it by post to the address of the member in the register of members; or
 - b. By sending it to the electronic mail address nominated by the member.
- iii. The notice of meeting must
 - a. Set out the place, date and time for the meeting (and, if the meeting is to be held in two or more places, the technology that will be used to facilitate this); and
 - b. State the business of the meeting; and
 - c. State that members have the right to appoint a proxy; and
 - d. State that the business of the meeting will be restricted to those items of which due notice has been given.

9.2 **Annual General Meeting**

- i. The Annual General Meeting shall be held once every year no later than five months after The Institute's Financial Year end.
- ii. The Board shall determine when and where The Institute shall meet within those dates.
- iii. At each Annual General Meeting the Board shall present a report covering the previous year's work and other matters pertaining to the welfare of The Institute, The Institute's audited year-end financial statements and the meeting shall elect the Auditor for the next financial year.
- iv. 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 Secretariat 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.

9.3 **Special General Meeting**

- i. The Board may call Special General Meetings.

- ii. The Board must call a Special General Meeting if the Chairperson receives a written request signed by at least 25 of the Members.
- iii. A request for a special general meeting must
 - a. Be in writing; and
 - b. State the business to be considered at the meeting and any resolutions to be proposed; and
 - c. Include the names and signatures of the members requesting the meeting; and
 - d. Be given in writing to the Board.
- iv. The Board shall convene a Special General Meeting within twenty-one [21] calendar days of the receipt of a requisition to that effect in writing.
- v. If the Board does not convene a special general meeting within one month after the date on which the request is made
 - a. The members making the request (or any of them) may convene the Special General Meeting.
 - b. The Institute must reimburse all reasonable expenses incurred by the members convening the Special General Meeting.
- vi. A Special General Meeting convened by members
 - a. Must be held within three months after the date on which the original request was made; and
 - b. May only consider the business stated in that request.

10 PROCEEDINGS AT GENERAL MEETINGS

10.1 Quorum

- i. No business shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business.
- ii. A quorum shall be at least 10 members.

10.2 Adjourning Meetings

- i. The Chairperson may, with the consent of any meeting at which a quorum is present (and must, if so directed by the meeting) adjourn the meeting but only business left unfinished at the meeting from which the adjournment took place may be transacted at the adjourned meeting.

- ii. If a meeting is adjourned for 21 days or more, notice of the adjourned meeting must be given as in the case of an original meeting.

10.3 Chair at Meetings

- i. The Chairperson for the purposes of any General Meeting of The Institute shall be the Chairperson of the Board, appointed in accordance with these Rules and By-Laws.
- ii. The Chairperson will be entitled to take the chair at every General Meeting of The Institute.
- iii. If at any General Meeting the Chairperson is not present within 15 minutes after the appointed meeting time, the members present will choose a member from their number to be the Chairperson.

10.4 Equality of Votes

In the case of an equality of votes, the Chairperson of the meeting shall not be entitled to have a second or casting vote. The resolution put to the vote shall be deemed lost.

10.5 Minutes

All Minutes of General Meetings shall be kept at the registered office of The Institute or by electronic means, as determined from time to time by the Board.

10.6 Resolutions Decided by Show of Hands Unless a Poll is Demanded

- i. At any General Meeting, a resolution put to the vote of the meeting must be decided on a show of hands unless any member, either in person or by proxy, demands a poll. Such demand must be made before or immediately on the declaration of the result of the show of hands.
- ii. If a resolution is to be voted on by show of hands, each member present shall have one vote.
- iii. Unless a poll is demanded in accordance with these Rules and By-Laws a declaration by the Chairperson that a resolution has on a show of hands been carried unanimously or by majority, or lost.
- iv. An entry to that effect in the Minutes of The Institute is conclusive evidence of the fact provided that the Chairperson's declaration reflects either the show of hands or the votes received.

- v. If a poll is demanded, it will be conducted in accordance with procedures set out in the By-laws.

10.7 Proxies

- i. A member may appoint another member as his or her proxy to vote and speak on his or her behalf at any General Meeting.
- ii. The appointment of a proxy must be in writing and signed by the member making the appointment.
- iii. The member appointing the proxy may give specific directions as to how the proxy is to vote on his or her behalf, otherwise the proxy may vote on behalf of the member in any matter as he or she sees fit.
- iv. If the Board has no approved form for the appointment of a proxy, the member may use any other form that clearly identifies the person appointed as the member's proxy and which the member has signed.
- v. A form appointing a proxy sent in writing is of no effect unless The Institute receives it no later than 48 hours before the commencement of the meeting.

11 SECRETARIAT

- 11.1 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. In the context of these Rules the person(s) is (are) referred to as the Secretariat, but may not necessarily be called by that title(s) in practice.

12 INSTITUTE BY-LAWS

The Board by resolution may make By-Laws for the administration of the affairs of The Institute provided these do not conflict with the Rules. The Board may suspend, alter, add to, or revoke the By-Laws

13 PRECEDENCE

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

- i. The Institute's Rules
- ii. The Institute's By-Laws

14 LEGAL PROCEEDINGS

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

15 ACCOUNTS AND AUDIT

- 15.1 The Institute must keep true and fair accounts.
- 15.2 The Board is responsible for keeping proper accounting records of The Institute's financial transactions to allow The Institute's financial position to be readily ascertained.
- 15.3 Annual financial statements for presentation at each Annual General Meeting will be prepared in accordance with The Institute's accounting policies.
- 15.4 The income and property of The Institute shall be applied solely towards the promotion of the objects of The Institute and no portion shall be paid or transferred directly or indirectly by way of dividend, bonus or profit to any member or those who have previously been members.
- 15.5 Nothing shall prevent the payment in good faith of remuneration or payment for services or goods provided by any member or employee of a member for any service actually rendered to The Institute, provided that any contract for the engagement with The Institute has been fully disclosed to the Board. If the service is to be rendered by a Board member, that person shall not be present at any deliberations or vote on any matter in which he or she is financially interested.
- 15.6 Nothing shall prevent the reimbursement from the funds of The Institute, as may be decided by the Board, of expenses which are incurred by Board members, or officers in carrying out duties for The Institute which, by reason of offices held by them under these Rules and By-Laws they are required to perform, or duties for which they are specifically appointed by the Board.

- 15.7 The Board may use the funds of The Institute as it considers necessary, expedient or proper in payment of the costs and expenses in furthering or carrying out the objects of The Institute including the employment of Secretariat services, solicitors, auditors, officers, agents, consultants and employees or others authorised to perform the functions delegated to the secretariat.
- 15.8 The Institute may invest and deal with funds of The Institute not immediately required in such a manner as decided by the Board.

16 COMMON SEAL

The Secretariat shall have custody of the common seal, which shall only be used by the authority of the Board.

17 WINDING UP

The Institute shall not be dissolved except by special resolution passed in accordance with the provisions of section 24 of the Incorporated Societies Act 1908 and if upon winding up or dissolution of The Institute there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the members, but shall be given or transferred to such other organisations, having objects similar to the objects of The Institute, as may be decided at or before the time of dissolution by the members.

18 INDEMNITY OF OFFICERS

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 judgment, 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 wilful default or dishonesty.

19 ALTERATION OF RULES

These Rules may only be altered by special resolution of a general meeting of The Institute.