



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

BY-LAWS

1 DEFINITIONS AND INTERPRETATIONS

- 1.1 **The Institute** shall mean The Institute of Internal Auditors New Zealand Incorporated.
- 1.2 **Board** means the elected governing committee of The Institute.
- 1.3 **Chairperson** means a Board member voted as Chairperson by The Institute.
- 1.4 **Financial Year** shall mean the 12-month period ending on 31 December every year.
- 1.5 **In writing**, means hand-written, printed or electronic communication of words or a combination of these methods.
- 1.6 **Member** means a current member of The Institute with voting rights.
- 1.7 **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.
- 1.8 **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.
- 1.9 **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.
- 1.10 **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.

2 MEMBERSHIP

2.1 Membership Classifications and Designations

Individual membership classifications shall be determined by the Board on receipt of a Membership Application.

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

- i who hold an IIA Global certification (certified)
- or
- ii who have a direct jurisdiction over Internal Audit activities or who are engaged as Internal Auditors or employed in disciplines relating to internal audit

or

iii who hold current financial membership of another Chapter of The Institute of Internal Auditors or another related professional membership as decided by the Board from time to time.

Members with one of the above classifications can use the designation MIIANZ.

Full voting rights will be accorded to Members.

Associate

The classification of ASSOCIATE member of The Institute may be awarded by the Board to those members who are not working in the profession of internal audit but who wish to hold membership of The Institute:

- i. Other professional: Anyone working in a related field to internal audit such as risk management, information systems auditing, or directorship.
- ii. Educator: Those individuals principally employed as educators at Colleges, Technical Institutes and Universities in the field of business, finance, accounting, risk, assurance and audit.

No voting rights will be accorded to an Associate Member. The Board may set a reduced membership fee for Associate members.

Retired / On Leave

The classification of RETIRED / ON LEAVE member of The Institute may be awarded by the Board to individuals / members of good standing, and who have retired, be on sabbatical or parental leave, or taking a leave of absence from their workplace. Retired / On Leave members may not perform any form of internal auditing and may be required to satisfy membership requirements that are in place at the time they re-apply for full membership. Retired / On Leave members need to meet the criteria below:

1. May be in paid employment for a maximum of 20 hours per week on average in any given calendar year, or earn less than \$70,000 dollars (excluding GST) in any given tax year.
2. Be officially retired or on extended leave from their primary Internal Auditing (IA) professional role.
3. Applicants may be required to provide evidence of their retired / leave status and be required to obtain endorsement of their status from a current full member of good standing.
4. Continued Interest: Retired Members should demonstrate a continued interest in our organisation's mission, activities, and objectives.

No voting rights will be accorded to a Retired / On Leave Member. The Board may set a reduced membership fee for Retired / On Leave members.

Student

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 an individual member or Associate Member. Proof of student status needs to be presented on application.

A student member will have no voting rights. The Board may set a reduced membership fee for student members.

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 following criteria:

- i. ~~Life Members will be aged 55 and over.~~
Amended by Board ratification 30 October 2019
- 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

Nominations are to be made in writing to the Secretariat for submission to the Board at its next meeting.

Honorary Fellow

The classification of HONORARY FELLOW 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. Nominations are to be made in writing to the Secretariat for submission to the Membership Committee who will make recommendations 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.
- vi. No membership fee is payable

Fellow

The classification FELLOW of The Institute may be awarded by the Board to those who hold the classification of Member who have performed meritorious service to The Institute. Nominations are to be made in writing to the Secretariat for submission to the Membership Committee who will make recommendations 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.~~
Amended by Board ratification 30 October 2019
- 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.

~~Organisation Membership~~

Group Membership

Amended by Board ratification 28 November 2020

~~Organisation~~ Group membership of The Institute may be awarded by the Board to organisations who employ internal auditors or staff in related fields. An individual, who is granted membership through being employed within the organisation which has ~~organisation~~ group membership, will lose that membership when they resign from that organisation.

Amended by Board ratification 28 November 2020

2.2 Admissions

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.

2.3 Fees and Subscriptions

- i. Subscriptions shall be set by the Board and shall be chargeable to members on the 1st day of the financial year. The due date for the payment shall be the ~~last day of the first month of the financial year.~~ 20th of the month following the date of the invoice.
Amended by Board ratification 28 November 2020
- ii. Applications for membership with the appropriate fee shall be forwarded to the Secretariat for action. Specific procedures to incorporate this shall be created as a policy document.
- iii. Annual subscriptions shall be paid directly to The Institute at its registered address.

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 Secretariat.
- 3.2 Nothing in the Policies and Procedures shall take precedence over the Rules or By-Laws of The Institute.

4 BOARD MEMBERSHIP AND COMMITTEES

- 4.1 ~~The National Board will comprise 7 – 10 members.~~

The Board shall comprise of up to seven (7) directors elected by the membership. The Board has the ability to co-opt up to three (3) additional directors. The maximum number of Board members shall not exceed ten (10) in total.

Amended Board ratification 28 January 2015

- 4.2 The process for identifying and nominating members for the National Board will be through a Nominations Committee. The membership, role and function of the Nominations Committee will be specified in a Policy Document.
- 4.3 In seeking nominations for the National Board, the Nominations Committee will observe the following criteria and principles:
- Nominees must be current, financial members
 - Nominees are able to contribute to ensuring the Board has the most desirable range of skills and strengths, e.g. financial and stewardship skill, marketing, advocacy ability, strategic thinking.
 - Nominees will have the ability and capacity to commit time and energy to The Institute
 - There will be a spread of members that ensures the best representation of the membership, i.e.
 - geographical distribution
 - large / small teams
 - organisation type
 - ethnicity and gender
- 4.4 The Nominations Committee shall present a slate of candidates for election at the AGM.
- 4.5 The Board will be elected by eligible voting members present at the AGM and/or by postal and/or electronic ballot as determined by the Board.
- 4.5 **Duties of the Board**
- i. As soon as practicable after being elected or appointed to the Board, each member must become familiar with these Rules and By-Laws and the Act.
 - ii. The Board is collectively responsible for ensuring that The Institute complies with the Act and that individual members of the Board comply with these Rules and By-Laws.
 - iii. Board members must exercise their powers and discharge their duties
 - a. In good faith in the best interests of The Institute; and
 - b. For a proper purpose
 - c. With care and diligence
 - d. To avoid and declare any potential or perceived conflicts of interest.
 - iv. Board members and former Board members must not make improper use of
 - a. Their position
 - b. Information acquired by virtue of holding their position so as to gain an advantage for themselves or any other person
 - c. Or to cause detriment to The Institute.
 - v. The business of The Institute must be managed by or under the direction of the Board.
 - vi. The Board may exercise all the powers of The Institute except those powers that these Rules and By-Laws or the Act require to be exercised by General Meetings of the members of The Institute.
 - vii. The Board may
 - a. Appoint and remove the Secretariat;
 - b. Establish subcommittees consisting of members and non-members with terms of reference it considers appropriate.
- 4.6 **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. If the chair determines that the member has a material conflict, the member
 - a. Must not be present while the matter is being considered at the meeting; and

- b. Must not vote on the matter.
- iii. If there are insufficient Board members to form a quorum after all members who have a material personal interest are disqualified from voting on a matter, a general meeting may be called to deal with the matter.
 - a. This rule does not apply to a material personal interest
 - (i) That exists only because the member belongs to a class of persons for whose benefit The Institute is established; or
 - (ii) That the member has in common with all, or a substantial proportion of, the members of The Institute.
- 4.7 Committees and special interest groups may be set up within an organisational structure established by the Board. The specific rules and terms of reference of a Committee or special interest group may be created as a Policy Document.

5 CODE OF ETHICS

- 5.1 The Institute, registered as a national affiliate with IIA Global, has adopted the Code of Ethics issued by IIA Global and reference in that document to the Board of Directors is deemed to refer to the National Board of The Institute.
- 5.2 A breach of the Code of Ethics by a Member holding an IIA Global certification must be referred to IIA Global for disciplinary action as appropriate.

6 DISCIPLINE AND GRIEVANCES

- 6.1 The Institute may take disciplinary action against a member in accordance with the Rules if it is determined that the member
 - i. Has failed to comply with these Rules; or
 - ii. Refuses to support the purposes of The Institute; or
 - iii. Has engaged in conduct prejudicial to The Institute.

The processes for receiving complaints, conducting inquiries and resolving discipline and grievance matters will be recorded in a policy document.

- 6.2 **Suspension / Expulsion**
 - i. 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.
 - ii. 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.

7 MEETINGS

- 7.1 **How and When Poll Taken**
 - i. If a poll is demanded in accordance with these Rules and By-Laws it must be taken

- a. At once;
- b. After an interval or adjournment not exceeding one hour; or
- c. Otherwise as the chairperson directs.
- ii. The result of the poll is the resolution of the meeting at which the poll was demanded.
- iii. A poll demanded on the election of a chairperson or on a question of adjournment must be taken immediately.
- iv. On a poll, a member holding more than one vote need not exercise all votes in the same way.
- v. A demand for a poll may be withdrawn.

7.2 Votes of Members if Poll is Demanded

- i. If at any General Meeting a resolution is put to the vote of the meeting by a poll, either at the meeting or by postal or electronic ballot, each member who is entitled to vote has one vote.