

**BOTSWANA CHAPTER OF THE INSTITUTE OF INTERNAL  
AUDITORS INC.**

**CHAPTER BYE - LAWS**

**1.     ESTABLISHMENT**

There is hereby established a society known as The Botswana Chapter of the Institute of Internal Auditors Inc.

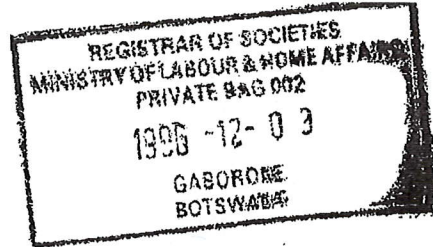
**2.     DEFINITION**

In this document unless otherwise specified or inconsistent with the context, words and expressions shall have the following meanings:-

- 2.1       "Chapter" Shall mean the Botswana Chapter of the Institute of Internal Auditors Inc;
- 2.2       "Members" Shall mean the ordinary and honorary members of the Chapter;
- 2.3       "the Institute"       Shall mean the Institute of Internal Auditors Inc Incorporated in 1941 in the State of New York, U.S.A;
- 2.4       "Governor"           Shall mean any person who for the time being is a governor of the Chapter holding office as such in terms hereof;
- 2.5       "the Board"           Shall mean the Board of Governors for the time being of the Chapter;
- 2.6       "the Bye-Laws" Shall mean the bye-laws of the Institute for the time being;
- 2.7       Words Importing:-

2.8.1 the singular shall include the plural  
vice versa.

2.8.2 the  
masculine  
shall  
include the  
feminine and  
vice versa.



### 3. OBJECTS

3.1 The promotion and development of the practice of internal auditing including but not limited to development activities and the setting of standards for the practice of Internal Auditing.

3.2 The promotion of knowledge and information concerning the practice of Internal Auditing.

3.3 Assisting members to obtain appropriate training through available training programmes in the region as well as providing an exam center to assist auditors writing the professional Certified Internal Auditor qualification, on behalf of the Institute of Internal Auditors, inc USA.

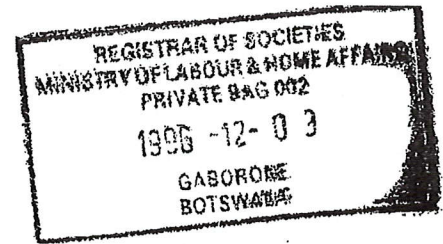
3.4 For the purposes of achieving, carrying out or furthering its objects;-

3.4.1 to co-operate or associate with or to assist any other body or persons whether or not associated in relation to any matter calculated or intended to advance any of the objects of the Chapter or the Institute.

3.4.2 to do all things desirable for the attainment and furtherance of its objects and for the benefit of the Chapter and the Institute and those associated with it, and generally to do all such things as may be incidental, ancillary or conducive to the attainment of any of the above objects.

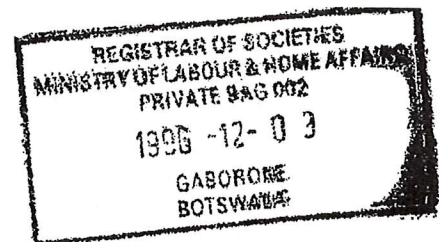
4. MEMBERSHIP

- 4.1 Membership except in the case of honorary and student membership shall be restricted to such natural persons who in the opinion of the Board, (which opinion shall be final and binding) qualify as internal auditors.
- 4.2 There shall be such classes of membership as are determined from time to time by the Board but which shall include:-



- 4.2.1 ordinary members, being persons who have become members on application; and
- 4.2.2 honorary members, being persons who, in recognition of exceptional and distinguished services rendered to the Chapter have been elected members by the Board.
- 4.2.3 Student members being persons who are studying to qualify as internal auditors.
- 4.3 The Board shall have the sole and exclusive right to refuse membership of any person and shall not be obliged to give reasons for such refusal.
- 4.4 Application for membership shall be in writing supported by such documentary evidence as the Board shall require.
- 4.5 Each ordinary and honorary member shall be entitled to vote at any annual general and/or special general meeting.
- 4.6 Each student member shall be entitled to receive notice of, attend and speak at any Annual General Meeting (AGM) or any Special General Meeting (SGM) and to vote as a proxy for any ordinary or honorary member thereat but shall not otherwise be entitled to vote at any AGM or SGM.
- 4.7 A member shall automatically cease to be a member of the Chapter upon the first of the following events to occur:-

- 4.7.1 his death; or
- 4.7.2 the sequestration of his estate
- 4.7.3 the issue of a Reception Order pursuant to the Mental Disorders Act Cap 63:02;
- 4.7.4 his removal as a member by a simple majority vote of the members present and voting in person or by proxy at any annual general meeting of the Chapter;
- 4.7.5 upon the giving to the Board of 30 days written notice of his intention to resign;



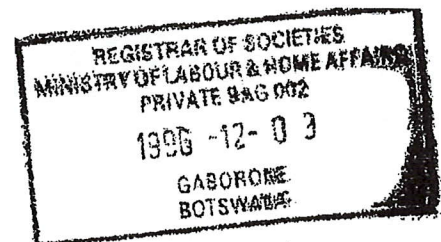
- 4.7.6 his failure to pay any subscriptions or other amounts due by him where the same remain unpaid after the giving of the second of two 30 day written notices calling upon him to remedy his default;
  - 4.7.7 upon the endorsement by the Board of a recommendation received from the disciplinary committee that his membership should be terminated;
  - 4.7.8 his conviction of any offence in Botswana or elsewhere and his sentence therefore to any term of imprisonment without the option of a fine.
- 4.8 All membership subscriptions, the amount of which shall be determined by the Board from time to time, shall become due and payable in advance on the first day of May in each year. In the event that membership is granted after 1<sup>st</sup> May in any year, the subscription for the first year of membership shall be pro-rata and shall be paid within 30 days of the date of written notification of approval of membership.



5. VOTES OF THE MEMBERS

- 5.1 Each Member, who is present in person or by proxy at any AGM or SGM shall have one vote.
- 5.2 Each member, shall be entitled to appoint a proxy to attend any AGM or SGM and to vote thereat on his behalf provided always that the proxy shall be a member or student member of the Chapter.
- 5.3 The form of proxy shall be in the form prescribed from time to time by the Board and shall be signed by the appointor.
- 5.4 The form of proxy shall be deposited with the secretary not less than 48 hours before the time allotted for the holding of the meeting (including an adjourned meeting) at which appointor through his proxy proposes to vote and in default thereof the proxy shall be of no force and effect.
- 5.5 The form of proxy shall be valid for a period of six months from the date of signature thereof.

- 5.6 The form of proxy is sent by fax and received by the secretary not less than 48 hours before the time for the holding of the meeting shall be deemed to be a proper lodging of the proxy and the person mentioned therein as the members proxy shall be entitled to attend the meeting and vote on behalf of the members according to the proxy.



6. THE BOARD

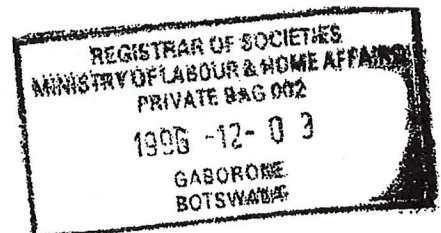
- 6.1 The Board, unless and until otherwise determined by the members in annual general meetings, shall be constituted by ten Governors all of whom shall be appointed by a simple majority vote of the members, present voting in person or by proxy at an AGM.
- 6.2 Only ordinary and honorary members shall be eligible for election to and to hold the office of Governor.

- 6.3 Nominations for Governors shall be made in writing seconded by two other members and submitted 21 days prior to the AGM at which the Governors are to be elected.
- 6.4 The Board shall have the power to continue functioning notwithstanding any vacancy provided that the total number of Governors shall not fall below five in number.
- 6.5 The Board shall have the power to fill any casual vacancy arising on the Board from the members, which appointment shall continue until the immediately succeeding annual general meeting.
- 6.6 The immediate President of the Board will automatically be a member of the Board of Governors other than the President shall retire by rotation each year. During the first 2 years after inception the Board shall decide which of the Governors shall retire. A retiring Governor may offer himself for re-election.

## 7. POWERS OF THE BOARD OF GOVERNORS

The general administration and management of the chapter is vested in the Board of Governors and shall include;-

- 7.1 generally to deal with the property and funds of the Chapter for the objects and purposes of the Chapter to enter into all such contracts and to do all such other acts and things as may be necessary or expedient from time to time;
- 7.2 to enter into contracts, sign leases, acquire permits or insurance as necessary;
- 7.3 to open and close banking accounts in the name of the Chapter with commercial banks, and to operate on such accounts by way of deposit and withdrawal as may be necessary for the proper conduct of the Financial affairs of the Chapter;
- 7.4 all cheques, promissory notes, bills of exchange and other instruments or documents which may be required in the conduct and administration of the financial affairs



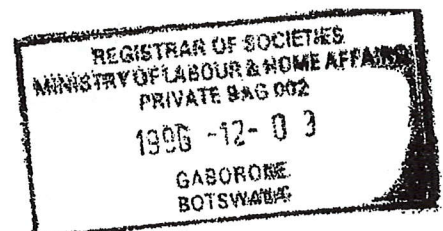
of the Chapter shall be signed by such persons as the Board may by resolution from time to time appoint;

- 7.5 to appoint, hire, dismiss and insure agents and to set their conditions of service and remuneration;
- 7.6 to fix and pay allowances and pay costs and charges to any person or body in furtherance of the object of the Chapter;
- 7.7 to form standing or ad hoc committees in the interest of the Chapter and to determine the membership duties, rights and obligations of such committees as it sees fit, and to dissolve such standing or ad hoc committees at its discretion;
- 7.8 to delegate powers to such agents or committees of the Chapter as it sees fit;
- 7.9 to institute, conduct, defend, compound or abandon any legal proceedings by or against the Chapter or any of its agents or otherwise concerning the affairs of the Chapter and also to compound and allow time for payment or satisfaction of any debts due to the Chapter or satisfaction of any claims or demands by or against the chapter;
- 7.10 to employ agents and professional advisors and experts in any sphere where deemed necessary or advisable in the interests of and for the furtherance of the objects of the Chapter;
- 7.11 to collect dividends, rentals, subscriptions, interest and other income from time to time accruing to the Chapter and to grant and issue valid receipts and acquittances.

**8. RESPONSIBILITIES OF THE BOARD OF GOVERNORS**

It shall be the duty of the Board:-

- 8.1 to manage the Chapter on behalf of its members for the stated objects of the Chapter;
- 8.2 to cause proper books of account to be kept of the Chapter and to ensure





that these are audited at least once in each financial year;

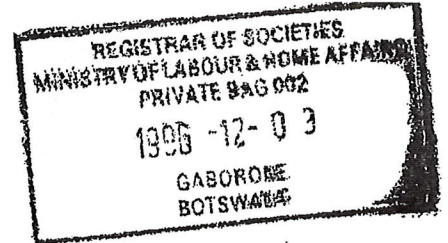
- 8.3 to keep a register showing the names of donors to the Chapter and their addresses as supplied by them, including all such changes of addresses as they may from time to time advise and the amount of money or details of the assets donated by them;
- 8.4 to review the financial and operational activities of the Chapter and to report regularly to its members on those activities;
- 8.5 to declare any conflicts of interest with activities or issues being discussed, voted upon or managed by the Chapter. No Governor shall be entitled to vote on any decision concerning any such matter where a conflict of interest exists;
- 8.6 to prepare at the end of each financial year a report and financial statement to be signed by the president or failing him the vice-president and the Treasurer of the assets and liabilities of the Chapter and of the manner in which the income thereof has been dealt with during the financial year in question;
- 8.7 to prepare at the end of each financial year a balance sheet and income and expenditure account to be certified by a Certified Public Accountant;

**9. PROCEEDINGS OF THE BOARD**

- 9.1 Meetings of the Board shall be convened at the direction of the President or on a written request signed by not less than three Governors.
- 9.2 The Board shall meet as often as it may deem necessary but not less than six times a year.
- 9.3 Five Governors present shall constitute a quorum.
- 9.4 Written notice of the holding of a Board meeting shall be served on all Governors by the Secretary at least 7 clear days before the proposed date of the meeting. The notice shall be accompanied by an agenda containing details of all resolutions proposed to be discussed at the meeting



and shall provide for the consideration of any other business that may arise thereat.

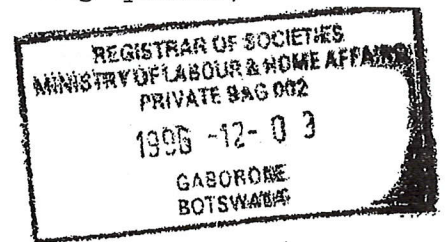


- 9.5 If the President and Secretary or Treasurer agree that a matter is urgent a special meeting of the Board may be called on three days written notice. Only matters of which notice has been given may be dealt with at a special meeting of the Board.
- 9.6 The President or, if absent the Vice-President, shall preside at every meeting of the Board or in the absence of both, the Governors present shall choose one of their number to preside at the meeting.
- 9.7 The first item of business of every meeting shall be to read and confirm the Minutes of the previous meeting. The second item of business shall be matters arising from those minutes and thereafter the meeting shall deal in terms of each of the matters set out in the agenda.
- 9.8 All motions except those specified elsewhere in this document proposed for a decision by the Board at a meeting at which a quorum is present shall be determined by a majority of votes of the Governors thereof present and voting.
- 9.9 Voting at a meeting of the Board shall be on a show of hands unless otherwise provided herein or agreed upon at the meeting.
- 9.10 Each Governor present including the president shall have one vote, and in the event of a tie the President or other person presiding shall have in addition to an original vote, a casting vote.
- 9.11 Subject hereto:-
- 9.11.1 a resolution in writing including through the medium of telefax signed by the Governors present in Botswana and not being less in number than the quorum fixed hereunder shall be as valid and effectual as if it had been passed at a meeting of the Board duly called, convened and

constituted. The resolution may consist of several documents each signed by one or more Governors.

- 9.11.2 In the case of matters requiring urgent resolution or if for any reason it is impracticable to meet as provided for herein, or to pass a resolution as provided for herein, the meeting may be conducted and a resolution be passed utilising conference telephone facilities subject always to such meeting being quorat;

- 9.12 Any Governor ("Appointor") may appoint an alternate Governor being a person who is also a Governor who shall in the absence of the Appointor be entitled to cast the vote of himself and of the Appointor.

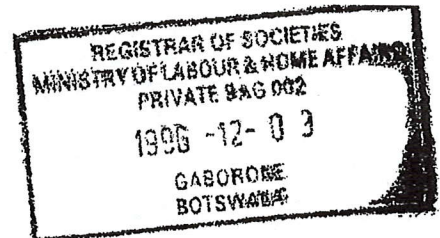


- 9.13 The President or such other person presiding at a meeting of the Board may, with the consent of any meeting of the Board at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place;

**10. RESIGNATION, DISQUALIFICATIONS AND EXPULSION FROM THE BOARD**

- 10.1 Any Governor may resign by giving to the Board 30 days written notice of his intention so to do.
- 10.2 A Governor shall be disqualified and his position as Governor automatically terminated by:-
- 10.2.1 the death of the Governor; or
  - 10.2.2 he files an application for the surrender of his estate or an application for an administration order; or
  - 10.2.3 upon the declaration by a court of competent jurisdiction that he is insolvent; or

- 10.2.4 if he makes any arrangement or compromise with his creditors; or
- 10.2.5 his conviction of any offence in Botswana or elsewhere and being sentenced therefore to any term of imprisonment without the option of a fine; or
- 10.2.6 a two thirds majority vote of members passed at any Annual General Meeting; or



10.2.7 a recommendation of the disciplinary committee approved by a two thirds majority at a duly convened meeting of the Board that there is a serious impropriety in the conduct of the Governor, which conduct would include but not be limited to failure of disclosure of interest, mismanagement of Chapter assets or funds, or conduct detrimental to the interests or purposes of the Chapter, or the engagement of a Governor in any trade or pursuit which in the opinion of the Board is of such a nature as to bring the name of the Chapter into disrepute.

10.2.8 He is otherwise removed in accordance with any provisions hereof.

10.3 Any Governor who resigns or is disqualified from holding the position of Governor or expelled from the Board and who holds one of the offices of the Principal Officers shall automatically cease to be a Principal Officer.

## 11. PRINCIPAL OFFICERS

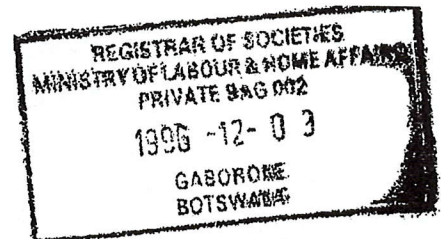
11.1 There shall be the following Principal Officers of the Chapter:-



- 11.1.1 the President;
  - 11.1.2 the Vice-President
  - 11.1.3 the Treasurer; and
  - 11.1.4 the Secretary
- 11.2 Only Governors shall be eligible to hold the office of Principal Officers. The Principal Officer shall be elected by the Board in its first meeting after the Annual General Meeting.

**12. RESPONSIBILITIES OF THE PRINCIPAL OFFICERS**

- 12.1 The President as the executive head of the Chapter shall when present preside at all AGMs and SGMs of the Chapter and of the Board. The President shall be responsible for the enforcement of the bye-laws of the Institute and of the Chapter and shall keep the Board of Directors of the Institute and the Board fully informed of the affairs of the Chapter. The President shall consult with the Board of Directors of the Institute and the Board whenever necessary concerning the business of the Chapter and its activities.
- 12.2 The Vice-President shall have the duties and powers as may be prescribed by the Board or delegated by the President from time to time. In the absence or disability of the President, the vice-President shall perform the President's duties.
- 12.3 The Treasurer shall be charged with the custody of the funds of the Chapter and their proper disbursement as prescribed and laid down by the Board. The Treasurer shall make periodic reports as required by the Treasurer of the Institute and any other reports which the Board, may require. At the termination of the Treasurer's term of office the treasurer shall turn over to the Board all funds, records, papers, books, documents and all other property of the Chapter having to do with the financial or other transactions or business which might have come into his possession or might have been compiled or created during his term of office.



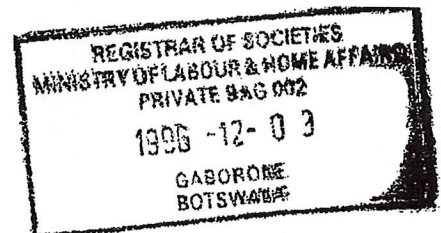


12.4 The Secretary shall perform the duties delegated by the President or prescribed from time to time by the Board. The books of account shall be kept under the Secretary's jurisdiction. The Secretary shall make such reports as shall be required by the Board or by the Secretary of the Institute. The Secretary shall notify the members of all meetings and shall do any and all other things normally required by a Secretary to keep the Board and Members informed of the affairs of the Chapter. At the termination of his office the Secretary shall return to the Board all records, papers, books, documents and all other property of the Chapter which might have been compiled or created during his term of office,

### 13. COMMITTEES

There shall be the following standing committees:-

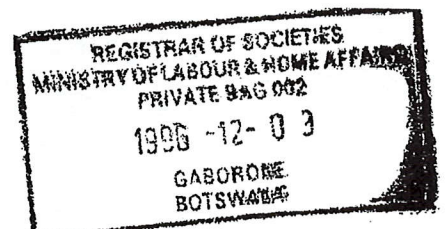
- 13.1 An audit committee consisting of the vice-President, the Treasurer and one other Governor, which committee shall have the responsibility of liaising with the independent auditor and recommending the appointment of the independent auditor.
- 13.2 A membership committee constituted of a minimum of 3 and a maximum of 5 members, and one of whom shall be a Governor. The membership committee will be responsible for membership promotion, administration and liaison, and for the making of recommendations to the Board for the approval of membership.
- 13.3 A Certified Internal Audit programme committee comprising a minimum of 1 and a maximum of 3 members, of which at least one must be a Governor. The Certified Internal Audit programme committee shall be responsible for the promotion, administration, management and liaison in respect of the Certified Internal Audit Professional Examination.
- 13.4 A disciplinary committee which shall be appointed from time to time by the Board for the purposes of hearing disciplinary matters which committee shall comprise three



members. The disciplinary committee shall act in accordance with the disciplinary procedure as shall be prescribed by the Board from time to time.

14. ANNUAL GENERAL MEETING

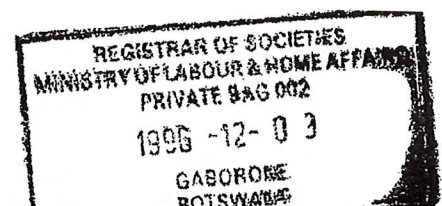
- 14.1 The Board shall within 3 months of the end of the financial year, convene an AGM, except that the Board may authorize the postponement of the AGM for a further month to allow adequate time for the preparation of the annual account and annual audit report if it is satisfied that such a postponement is absolutely necessary.
- 14.2 Written notice specifying the date, place and time of the proposed AGM shall be given to each Member by posting the same to the Member at his last known address. The President shall preside at every AGM. If at any meeting the President is not present within 15 minutes after the time appointed for the holding thereof or is unwilling so to preside, the vice-President shall preside and , if the Vice-President is not available or unwilling so to preside, the members present shall choose one of the Governors present to preside at the AGM. In the event that there is no Governor available or willing so to preside, the Members shall choose one of the Members present to preside at the AGMs.
- 14.3 A quorum shall constitute 50% of the membership entitled to vote, present or by proxy.
- 14.4 If within 30 minutes from the time appointed for the annual general meeting a quorum is not present, the meeting shall be adjourned to the same day, time and place in the immediately succeeding week, or in the event that shall be a public holiday, to the immediately succeeding day not being a public holiday and if at such adjourned meeting a quorum is not present within 30 minutes from the time appointed for the meeting, the Members present shall constitute a quorum.
- 14.5 The President may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the annual general meeting from time to time and



from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

- 14.6 A resolution put to the vote of the annual general meeting shall be determined by a show of hands unless a poll is demanded by a minimum of 10 members present, in which event the president shall appoint one or more polling officers from amongst the Members present who shall be responsible for the conduct and declaration of the result of the vote by secret ballot by the Members and/or their duly appointed proxies.
- 14.7 All motions except those specified elsewhere herein shall be carried by a majority of votes of Members present at the meeting of which quorum is present.
- 14.8 Each Member present in person or by proxy shall have one vote and in the event of a tie, the president or such other person presiding shall have in addition to an original vote, a casting vote.
- 14.9 The agenda for the annual general meeting shall include but not be limited to:-
- 14.9.1 the reading and adoption of the minutes of the previous AGM and any special general meeting held during the previous year;
  - 14.9.2 matters arising from those minutes;
  - 14.9.3 the presentation of the annual report of the President on the activities and operations of the Chapter during the previous year;
  - 14.9.4 the presentation of the financial report of the president and the Treasurer which will include:-
    - a) audited financial statements.
- 14.10 The Secretary shall record the Minutes of the annual general meeting including a list of all Members present.

15. SPECIAL GENERAL MEETING





15.1 A SGM may be convened by the Board or on the written request of at least 10 members for the purpose of considering specific motions for the amendment of this the Chapter's bye - laws, for the expulsion of a member or for the dissolution of the Chapter.

15.2 The provisions of Clause 14.2 shall apply in respect of the service of notice of the time, date, place and agenda of the Special General Meeting.

15.3 A quorum shall constitute 50% of the members entitled to vote, present or by proxy.

15.4 A special General Meeting shall be competent only to deal with the matters set out in Clause 15.1 above of which due notice shall have been given.

15.5 The provisions of Clauses 14.4 - 14.8 inclusive shall be applicable to the conduct of SGMs.

#### 16. RENUMERATION

Neither the Governors nor Principal Officers shall receive any remuneration or fee for their services but where necessary the Chapter shall have the right to pay the Governors and/or the Principal Officers for the reasonable expenses incurred by them in attending official meetings of the Chapter, out of the funds of the Chapter.

#### 17. AMENDMENT

17.1 The provisions of this document may be amended provided that all Members have been duly notified as specified in Clauses 14 and 15.1 of such motions for amendment, and that such a motion be approved by a two thirds majority vote at a duly convened annual general meeting or special general meeting.

17.2 No such amendment shall be of any force or effect until approved by the Institute and approved and duly registered by the Register of Societies of Botswana.

#### 18. SETTLEMENT OF DISPUTES AND APPEALS



18.1 In the event of a dispute between the Board and the Members and/or in the event of a dispute as to the interpretation and effect of this document, such dispute shall be referred to arbitration by an arbitrator to be manually agreed between the parties.

18.2 In the event of the parties being unable to agree a mutually acceptable arbitrator, the arbitrator shall be such person as shall be appointed by the President for the time being of the Botswana Institute of Accountants.

18.3 The decision of the arbitrator shall be final and binding upon the parties.

19. INDEMNITY

No governor or Principal Officer shall be in any way liable for any loss or damage that may be suffered by the Chapter as the result of any investments or any of the funds or other assets of the Chapter, or through any act or omission of himself or of any other Governor or Principal Officer in the execution of the functions, powers and duties of the Board or of a Governor or a Principal Officer acting in good faith pursuant hereto or in relation thereto unless the same happens through his own fraud or dishonesty.

20. DISSOLUTION

20.1 In the event that the Members decide to dissolve the Trust, any funds or assets remaining after the liquidation of liabilities shall be paid, made over and distributed to the Institute.

20.2 A quorum of 50% of the members of the Chapter in person or by proxy, can vote in favour of the dissolution of the Chapter at a special meeting called for this purpose.

