

Governance Modernisation Phase 3 – Regulations Changes

Proposed Amendments to Regulations Flowing from Proposed Bye-law Changes

This document sets out the proposed changes to those Regulations that require adoption by a General Meeting, and which need amending flowing from the proposed changes to the Bye-laws as part of the Governance Modernisation Phase 3. These are:

- **Regulation 8. Appointment of Advisory Council Members to the Executive Board**
 - Changing Bye-law reference numbers
 - Replacing "divisions, societies and cross-cutting groups" with "Technical Communities"
 - Clarifying that, in accordance with normal practice and rules, amendment can be done at any General Meeting
- **Regulation 10. Appointment of Institute Officers**
 - Changing Bye-law reference numbers
 - Reflecting that the Honorary Treasurer need not be a corporate member
 - Clarifying that, in accordance with normal practice and rules, amendment can be done at any General Meeting
- **Regulation 11. The Advisory Council**
 - Changing Bye-law reference numbers
 - Replacing "divisions, societies and cross-cutting groups" with "Technical Communities"
 - Revising the limit on Technical Community membership of the Advisory Council to reflect recent decisions of the Advisory Council, and to allow for easier implementation of Governance Modernisation Phase 4 changes to Technical Communities
 - Clarifying that members stand for election and are voted for by members in the category they are intended to represent, including grades that are not corporate grades

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- Clarifying that, in accordance with normal practice and rules, amendment can be done at any General Meeting
- **Regulation 12. Nominations Committee**
 - Changing Bye-law reference numbers
 - Making the language gender-neutral
 - Clarifying that, in accordance with normal practice and rules, amendment can be done at any General Meeting
- **Regulation 13. Conduct of Executive Board Meetings**
 - Changing Bye-law reference numbers
 - Changing "post, fax or email" to "any suitable means" to allow for the use of web site, collaboration software, etc
 - Clarifying that the quorum is set in Bye-laws and need not be repeated in Regulations
 - Clarifying that, in accordance with normal practice and rules, amendment can be done at any General Meeting
- **Regulation 15. General Meetings**
 - Changing Bye-law reference numbers
 - Reflecting the wording in the proposed new Bye-laws on voting, being present etc to allow for hybrid or virtual meetings
 - Insertion of the Bye-law concept of "member in good standing"
 - Deletion of reference to Ordinary General Meeting in line with the proposed changes to the Bye-laws
 - Clarifying that, in accordance with normal practice and rules, amendment can be done at any General Meeting
- **Regulation 19. Internal Audit Committee**
 - Changing Bye-law reference numbers
 - Making the language gender-neutral
 - Clarifying that, in accordance with normal practice and rules, amendment can be done at any General Meeting

Regulation 8. Appointment of Advisory Council Members to the Executive Board (Bye-Law ~~1820~~(hf))

- 8.1. The Advisory Council is required to appoint two of its members to serve on the Executive Board.
- 8.2. One representative shall be from the elected representatives of the membership categories and regional (UK & overseas) groups.
- 8.3. One shall be from the ~~Chairs of the Technical Communities divisions, societies and cross-cutting groups.~~
- 8.4. The appointment shall be by election from amongst those members of the Advisory Council who are not ~~Officers~~ of the Institute. The election shall be by secret ballot overseen by the Nominations Committee.
- 8.5. Only those individuals who are not precluded from acting as a trustee of a charity may be nominated for election.
- 8.6. Each candidate for election must be nominated and seconded by other members of the Advisory Council and each shall have the opportunity to distribute a written statement to the Advisory Council in advance of voting.
- 8.7. The term of office of an Advisory Councillor on the Executive Board shall be not more than 4 years and the term of office shall end when they cease to be members of the Advisory Council. Arrangements shall be made to ensure that one representative changes every second year.
- 8.8. No individual is eligible to serve more than one term of office consecutively.

Amendment and Adoption of these Regulations

- 8.9. Proposals for amendment to these Regulations put forward by the Executive Board must be approved by an ~~Extraordinary~~ General Meeting prior to implementation.
- 8.10. This version was adopted in ~~[September 2021]~~November 2019.

Regulation 10. Appointment of Institute Officers (Bye-Law 246)

- 10.1. The Officers of the Institute as identified by Bye-law 235 are required to be appointed in line with these regulations (Bye-law 246).
- 10.2. The Nominations Committee shall be responsible for making nominations for these posts to the Executive Board. Nominees for the President and the Vice-Presidents shall be drawn from the Corporate Membership.
- 10.3. All shall serve terms of 2 years and all shall be for the same periods commencing on 1 January and ending on 31 December.
- 10.4. Nominations Committee shall bear in mind in their recommendations the professional standing, integrity, reputation and skills that individuals might bring to the Institute. The Committee shall also bear in mind that the path to President is a long one, with most passing through Vice-President and Senior Vice-President before occupying the post of President and additionally serving for a further two years as Immediate Past-President, a commitment of eight years in all.
- 10.5. In making a nomination the Committee may take soundings or make enquiries and gain an understanding from the potential nominees, without commitment, that they are comfortable to agree to a significant term of office if selected from a shortlist of potential candidates.
- 10.6. The Committee shall normally make only one recommendation per vacancy but the Executive Board is not required to accept all nominations and may refer any or all nominations back to the Nominations Committee and may see the shortlist from which the nominated candidate was selected.

Amendment and Adoption of these Regulations

- 10.7. These Regulations may be amended by an ~~Extraordinary~~ General Meeting.
- 10.8. This version was adopted in ~~November 2019~~ September 2021.

Regulation 11. The Advisory Council (Bye-Laws ~~257-2931~~)

Composition

11.1. The composition of the Advisory Council is set out in Bye-Laws ~~268-2830~~. The officers of the Institute are specified in Bye-Law ~~253~~ and comprise the President, Senior Vice President, two Vice-Presidents and Honorary Treasurer.

11.2. Additionally, there shall be:

- ~~Up to 2520~~ members drawn from ~~the Technical Communities of the Institutedivision/society and cross-cutting group chairs~~.
- 8 members elected from the membership to represent the grades of membership, industrial members and school members in proportions agreed by the Advisory Council.
- 6 members elected from the UK regions and 1 overseas.

Election

11.3. The ~~elected~~ Advisory Council members shall serve terms of four years with half of the elected members standing down and being replaced every second year. The year shall be the period commencing on 1 January until 31 December.

11.4. It shall be the duty of the Nominations Committee to oversee the elections to the Advisory Council. The ballot shall be a secret ballot of all ~~Corporate m~~Members ~~in the appropriate category~~ and all ~~Corporate m~~Members shall be eligible to stand in at least one category.

11.5. At the creation of the Advisory Council all elected vacancies shall be open for election and from the successful candidates, half of each category shall serve for four years and half for two in order to establish a two-yearly series of elections. The Nominations Committee shall decide how those individuals shall be selected for different terms but shall take into account the need to ensure the maximum continuity of representation. Elected members of Advisory Council may stand for re-election at the end of their term of office.

Duties

11.6. The Advisory Council shall consider matters relating to strategic planning for the Institute and all matters concerning the future direction, long term viability and influence for the Institute and shall convey their recommendations and concerns to the Executive Board for consideration.

11.7. The Advisory Council may receive presentations from staff and volunteers active within the Institute to assist them in their deliberations.

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11.8. It shall have secretarial and administrative assistance from the staff of the Institute to maintain records, call and hold meetings and to arrange the procurement of information to further its deliberations.

Meetings

11.9. The Advisory Council shall meet at least twice in each year at approximately equal intervals.

Amendment and Adoption of these Regulations

11.10. Changes to these regulations shall be agreed by the Executive Board but shall then additionally be subject to approval by the membership at a ~~an~~ ~~Extraordinary~~ General Meeting.

11.11. This version was adopted in ~~November 2019~~ [September 2021].

Regulation 12. Nominations Committee (Bye-law 302)

13.1. The Nominations Committee shall lead the process for appointment to the Executive Board, Institute Officers and Chairs of Primary Boards and other Boards which are not already prescribed by regulations or election.

Membership

13.2. Members of the Nominations committee shall be as follows:

- The President (who should act as Chair of the Nominations Committee)
- The Senior Vice-President
- The Immediate Past President
- Three members of the Advisory Council as appointed by Advisory Council and who are not members of any Institute Board. The normal term of office for members of the Advisory Council on this committee will be four years.

Attendees

13.3. The Chief Executive, members of ~~the IOM3 team~~ ~~his staff~~ and other Institute members may be invited to attend to give advice but they must not play any part in decision making.

Quorum

13.4. The quorum necessary for the business of the meeting shall be four members with no excess of Advisory Council members over Executive Board members.

Decision Making

13.5. Although the Committee should endeavour to reach a consensus on all issues in the event of a vote where there is an equality of votes for and against a motion the Chair shall have an additional casting vote. No member of the Committee shall participate in any discussion or decision in which they have an interest.

13.6. The Committee shall take such advice as may be necessary in arriving at a recommendation.

Frequency of meetings

13.7. The Committee shall meet at least twice per year and at other times as particular needs arise.

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Responsibilities

- (1) To review annually the structure, size, composition skills and experience of the Executive Board, Advisory Council and other Boards to ensure ongoing and effective leadership of the organisation.
- (2) To give full consideration for succession planning for senior officers of the Institute and for its senior operating staff, providing proposals to the Executive Board's agreement where appropriate.
- (3) To review leadership needs of the organisation both in an executive and non-executive capacity.
- (4) To review the various contributions of Board Chairs and members of Boards to ensure that sufficient involvement and time is being provided to fulfil the obligations of these bodies.
- (5) To ensure that Board appointments and induction procedures are completed in a formal and thorough manner.
- (6) To oversee the administration of all elections and ensure that they are fair and in line with the Bye-laws and Regulations.

Line of authority

13.8. The Committee will report to the Executive Board.

Amendment and Adoption of these Regulations

13.9. Changes to these regulations shall be agreed by the Executive Board but shall then additionally be subject to approval by the membership at an ~~Extraordinary~~ General Meeting.

13.10. This version was adopted in ~~November 2019~~ [September 2021].

Regulation 13. Conduct of Executive Board Meetings (Bye-law 313)

- 13.1. These Regulations govern the conduct of all meetings of the Executive Board.
- 13.2. Meetings of the Executive Board shall be held according to a programme issued at least three months in advance of the year to which it applies. Where an additional meeting is necessary this shall be arranged as far in advance as is practicable. All meetings shall be notified to all members of the Executive Board in writing (by ~~any suitable means post, fax or e-mail~~) which shall include an agenda, which carries all the primary business of the meeting, and any supporting information papers and reports for the business on the agenda.
- 13.3. The Executive Board should attempt to settle all questions by discussion and consensus.
- 13.4. Where informal debate does not lead to consensus it shall be necessary to debate formally with a vote on a motion following the debate. For all decisions on which a vote is taken a simple majority is required except in respect of amendments to regulations where a two thirds majority is required.
- 13.5. The quorum for a meeting of the Executive Board ~~is set in Bye-law 31~~ shall be eight. Where a meeting is inquorate the formal business of the meeting shall be carried forward to the next meeting. Nothing however shall preclude an informal discussion on the items included in the agenda.
- 13.6. The chair shall be taken at all meetings of the Executive Board by the Immediate Past President. In the absence of the Immediate Past President the chair shall be taken by the following officers in this order of precedence, President, the Senior Vice President, a Vice President or any other Trustee agreed by a majority of those present. The chair shall never be taken by an employee in any form of the Institute.
- 13.7. The Chief Executive shall be in attendance at all meetings of the Executive Board. The Finance Director should also be present.
- 13.8. Any or all team members in attendance may be instructed to leave the meeting for any items designated by the meeting.
- 13.9. The Executive Board shall take responsibility for succession planning for the Chief Executive.

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13.10. The Chief Executive should keep the Executive Board fully informed about the planning for succession and this should routinely be included on the Executive Board Meeting Agenda (at least annually).

Amendment and Adoption of these Regulations

13.11. Changes to these regulations shall be agreed by the Executive Board but shall then additionally be subject to approval by the membership at a ~~an~~ ~~Extraordinary~~ General Meeting.

13.12. This version was adopted in ~~November 2019~~ [September 2021].

Regulation 15. General Meetings (Bye-Laws ~~38-4941, 48 & 50~~)

- 15.1. Bye-law ~~4850~~ requires regulations to set out certain conditions with regard to General Meetings as follows:
- a) Members in arrears of subscription for more than 3 months shall not be entitled to vote.
 - b) The Chair shall be taken by the President but in the absence of the President it shall be taken by an officer of the Institute in the following order of Precedence, Immediate Past-President, Senior Vice-President, a Vice-President (longest serving taking precedence) and Honorary Treasurer.
 - c) For motions put to the membership in advance of the meeting a simple votepoll shall be taken ~~by a show of hands~~ and this shall be added to written proxies provided to the Institute not less than one working week prior to the date of the meeting. Such proxies shall be counted in secret by tellers independent of the Executive Board who shall reveal the count once the ~~show of hands~~simple vote is complete. The count shall be overseen by two corporate members of the Institute independent of Executive Board. Evidence of the proxies shall be retained for one calendar year following the date of the meeting.
 - d) A meeting shall be adjourned if the quorum for the meeting (Bye-law ~~435~~) is not present within 30 minutes after the time at which the meeting is due to commence. It shall be reconvened within 30 days of the adjourned meeting at a time and place agreed by the Executive Board.
 - e) The notice period to be given to all members prior to any General Meeting shall be not less than 21 days. The notice period for a reconvened meeting shall be as great as possible and shall use email to all members for which an email address is held, prominent notices on the website, and post for those members with no email addresses held by the Institute. All such notices shall be sent as soon as practicable after the time and place are agreed.

Extraordinary General Meetings – Convening (Bye-Law 41)

- 15.2. An Extraordinary General Meeting (EGM) can be convened at any time by the Executive Board or by requisition of the members.
- 15.3. For members to requisition an EGM they shall:

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- (1) Submit a statement in writing giving the reasons for calling the meeting, a specific item to be placed on the agenda and a motion to be put to the meeting.
 - (2) The motion should have a proposer and a seconder to speak to the motion on the day of the meeting. ~~Both must be corporate members in good standing of the Institute. and if~~ either the proposer and/or seconder are unable to ~~be present~~ attend these individuals may nominate substitutes who are corporate members in good standing of the Institute.
 - (3) The requisition for the meeting shall be supported by at least 50 corporate members of the Institute who shall provide evidence of their support by signing the requisition or an annex to it.
- 15.4. The requisition shall be provided to the Chief Executive who shall, without delay, advise the Executive Board of the receipt of the requisition.
 - 15.5. The Executive Board shall then arrange for the meeting to be held on a date convenient to the Institute and also convenient so far as reasonably practicable to the proposer and seconder of the motion.
 - 15.6. The date of the meeting shall be within 3 calendar months of the date of receipt of the requisition and proper notice shall be given to all corporate members of the Institute as specified in the Bye-laws. It shall also be publicised through the members' magazines and the Institute website. The notice shall contain a full reproduction of the motion and the reasons for calling the meeting.
 - 15.7. Provision must be made for all corporate members unable to be present to appoint a Proxy to vote on their behalf on the motion.
 - 15.8. The meeting must have no other substantive items on the agenda other than those requisitioned by the members.

Annual General Meetings

- 15.9. The requirement for an agenda of an AGM is as specified in the Bye-Laws.

Ordinary General Meetings

- ~~15.10. Ordinary General Meetings of The Institute are no longer held although the Bye Laws give the facility for them to be reinstated~~

Amendment and Adoption of these Regulations

~~15.11.15.10.~~ These Regulations may be amended by an ~~Extraordinary~~ General Meeting.

~~15.12.15.11.~~ This version was adopted in ~~November 2019~~ [September 2021].

Regulation 19. Internal Audit Committee (Bye-Law 624(i))

Membership

- 19.1. Members of the Audit Committee shall be proposed by the Nominations Committee and shall comprise a Chair and five other members not more than two of whom shall be trustees.
- 19.2. The President, Honorary Treasurer, Finance Director, Chief Executive or other members, staff or others shall be required to attend as and when appropriate.
- 19.3. The Executive Board shall formally endorse the appointment of the Committee Chair and Committee members
- 19.4. The Institute's staff will assist in arranging meetings and may be invited to provide secretarial assistance as required.
- 19.5. One member of the Committee should have recent and relevant financial experience.
- 19.6. The term of office is 4 years in any role, renewable once. This does not prevent a member of the committee being promoted to Chair which may entail more than eight years on the Committee.
- 19.7. Any member of the Committee considered to be behaving inappropriately towards the Institute may be removed from the Committee by a decision of the other members of the Committee

Quorum

- 19.8. The quorum necessary for the business of the meeting shall be four members not including any other persons invited to attend.

Frequency of Meetings

- 19.9. The Committee shall normally meet at least twice a year or as the chairman of the committee requires. Meetings will be confirmed in advance with at least four weeks' notice. For time-critical matters, decisions may also be made by email.

Responsibilities

- 19.10. The Committee shall keep under review the effectiveness of the Institute's financial reporting, internal control policies and operating procedures, together with a broad remit to review all elements and levels of Institute governance and function. Responsibilities of the Audit Committee include:
- Advising on the appointment of external auditors.
 - In conjunction with the Finance Committee making recommendation to the Executive Board on whether the audited financial statements should be approved and submitted, including adopted accounting policies and trustees' report content.
 - Undertaking internal audits of the activities of the Institute that may be subject to external requirements and licensing.
 - Undertaking an ongoing programme of internal audits of all activities, finance, practice, process or control of the Institute including its subsidiaries that it may wish or be requested to undertake on the basis of valid concerns expressed to it.
 - Ensuring co-ordination between internal audit reviews and external audit reports.
 - Ensuring management addresses issues highlighted by external and internal auditors in their reports.
 - Advising on the development and review of a risk management plan and to highlight those internal controls to mitigate the impact of risks.
 - Reporting its findings to the Executive Board. The committee may additionally report within the Institute as it deems necessary. In the event that it has concerns about impropriety which may involve criminal activity it has a duty to report to appropriate external regulatory and enforcement agencies.
 - Providing an Annual Report of the Audit Committee which shall also be provided to the Annual General Meeting

Authority

- 19.11. Where appropriate to an activity within its terms of reference the Committee is to be provided with any information it requires from employees and members. It may also request relevant information from regulatory bodies and suppliers to the Institute.

Audit Process

- 19.12. Any internal audit initiated or controlled by the Committee shall be effected by a small team comprising of at least one member of the Committee who shall chair the audit and a senior staff member not involved with the purpose of the audit who has additional expertise within the Institute to aid its enquiries. During any audit process the team may decline to reveal details of its investigations or findings until its investigations are complete.
- 19.13. The Chief Executive and/or Finance Director may advise the Chair of the Audit Committee of any concerns relating to the operation of the Institute and ask the Audit Committee to investigate.
- 19.14. Any member of staff may raise matters relating to the operation of The Institute confidentially with the Audit Committee.
- 19.15. Other members or outside bodies including regulators would normally raise issues through the CEO/President.

Minutes and Annual Report

- 19.16. An action list and minutes of each meeting will be developed promptly by the Committee Secretary and circulated to all members of the Committee. The Internal Audit Committee will prepare an annual report of its activities and findings which shall be presented to the Executive Board and to the Advisory Council.
- 19.17. The ~~Chair~~chairman of the Committee in matters of urgency shall have the right to report on an ad hoc basis as the Committee shall see fit

Amendment and Adoption of these Regulations

- 19.18. Changes to these regulations in line with best practice from Regulators shall be agreed by the Executive Board and reported to the AGM. Other changes shall then additionally be subject to approval by the membership at an ~~Extraordinary~~ General Meeting.
- 19.19. This version was adopted in ~~November 2019~~[September 2021].