



Proposed Changes to Rules and Standing Orders

Proposed changes to Rules and Standing Orders for consideration by the Standing Orders Committee, 2023

1. Proposed change to Rule XX Funds (Page 28)

The proposed wording would be included as an addition to **Rule XX**, within which it would sit as a new **Paragraph 5**.

Proposed Wording

“5 Arrangements on a Winding Up

In the event that the affairs of Institute are wound up, residual funds (which will include surplus funds returned to the General Fund as a result of the consequential dissolution of Local Associations) are to be dealt with as follows:

(a) Where Council has nominated an appropriate successor organisation with purposes and values consistent with those of the Institute, the members, in an Annual General Meeting or Special General Meeting, may agree that residual funds should be transferred to the nominated organisation.

(b) Where no such organisation has been identified, the residual funds of the Institute will be returned pro-rata to the Ordinary Members of the Institute as at the date on which the winding up of the Institute is approved.”

Notes

1. The proposed wording was reviewed with the Institute’s solicitors, Balfour + Manson on 1 November 2022 and was approved as appropriate.
2. The Institute’s Royal Charter includes a general power to “alter or modify” “the existing Rules and Regulations of the said institute” “providing that the same are not inconsistent with this Charter, or contrary to the laws of the Realm”. This means that the proposed amendment will not require the approval of Privy Council.

Commentary

Further to the recommendation of the Finance Sub-Committee, which was presented to the meeting of Executive Committee held on 13 September 2022, Executive requested that a paper be prepared setting out a proposed addition to the EIS Constitution to be presented to Council and tabled for approval at the 2023 AGM.

The amendment is designed to set out in writing for the first time how the Institute would distribute a residual surplus in the event of its affairs being wound up.

EXTRACT FROM CONSTITUTION

**(The following page from the Constitution contain the sections
where the change has been proposed)**

XX. FUNDS

1. **Application of Funds**

The income of the Institute from the national subscriptions of members and the self-governing subscription of members shall in the first instance be recorded in a General Fund which will be used for the operational expenses of the Institute. The Council may determine from time to time the amounts or extent of members' subscription income which can be applied to support other Institute Funds.

2. **Financial Year**

The financial year of the Institute shall end on 31 August annually or on such other date as may be determined by the Council from time to time.

3. **Auditors**

The accounts of the Institute shall be audited or independently examined by professional auditors, who shall be appointed by the Annual General Meeting and who shall normally hold office from the close of one Annual General Meeting until the close of the succeeding Annual General Meeting. Casual vacancies in the professional auditors shall be filled by the Council. The qualifications and appointment and removal of the professional auditors shall be in accordance with the provisions of the legislation in force from time to time relating to Auditors of Trades Unions.

4. **Accounts of the Institute**

1 General, Professional, Political, & Consolidated Local Association Funds

- (a) Accounts comprising Income and Expenditure Accounts for the year ended 31 August in each year and Balance Sheets, showing the assets and liabilities of the Funds at 31 August in each year, shall be prepared and, after approval by the Executive Committee, shall be submitted to the Council at a stated meeting before the Annual General Meeting. Thereafter, they shall be submitted to the Annual General Meeting.
- (b) The accounts of the Funds, once signed by the Auditors and approved by the Annual General Meeting, shall be conclusive against all members of the Institute.

2 Benevolent and Donated Funds

- (a) Accounts comprising Statements of Financial Activities for the year ended 31 August in each year and Balance Sheets, showing the assets and liabilities of the Funds at 31 August in each year, shall be prepared and approved by the Employment Relations Committee prior to 31 May in the subsequent year. After approval by the Employment Relations Committee the accounts shall be submitted to the Council and the Annual General Meeting for information only.
- (b) The accounts of the Funds, once signed by the independent examiners and approved by the Employment Relations Committee shall be conclusive against all members of the Institute.