

THE
CONSTITUTION
OF
**ASSOCIATION OF CHIEF AUDIT EXECUTIVES OF
BANKS IN NIGERIA [ACAEBIN]**
(A Sub-Committee of the Bankers' Committee)

OFFICE ADDRESS:

*Plot 1398B, Tiamiyu Savage Street
Victoria Island, Lagos,
Lagos State, Nigeria.*

PREAMBLE: We, the members of the above mentioned Association, a non-profit, non-political Association, do firmly and solemnly resolve to provide for ourselves a Constitution and to be governed by the provisions therein contained.

ARTICLE 1: NAME:

The Association shall be called and addressed as **Association of Chief Audit Executives of Banks in Nigeria** and shall be hereinafter referred to as “The Association.”

Section One NATURE OF ASSOCIATION

The Association shall be a non-profit making body that would promote and foster interaction among Chief Audit Executives of Banks in Nigeria and shall strive to promote competence, ethical standards and professional behavior amongst member organisations.

ARTICLE 2: REGISTERED OFFICE:

The registered office of the Association shall be in **Plot 1398B, Tiamiyu Savage Street, Victoria Island, Lagos, Lagos state, Nigeria.**

ARTICLE 3: AIMS & OBJECTIVES:

The Association shall work in close cooperation with Bankers’ Committee, other Associations in the industry as well as other regulatory and security agencies with a view to achieving the following objectives:

- i. To sustain high ethical standards in the banking industry.
- ii. To promote inter-bank co-operation.
- iii. To educate members on emerging issues and technological challenges in the industry.
- iv. To collaborate with Bankers’ Committee and articulate ways of enhancing security of human capital and assets in the banking industry.
- v. To engage in research and publication on socio-economic issues of general interest to members.
- vi. To collaborate with the Bankers’ Committee in enforcing sanctions and staff discipline among its members.
- vii. To pursue any other lawful engagement that would be beneficial to the banking industry.
- viii. To engage members to communicate adequately and maintain database of dismissed and terminated staff and any other information required in the effective performance of Chief Audit Executive’s job.

ARTICLE 4: MEMBERSHIP (Composition, Rights & Obligations)

Section One: Membership of the Association

Membership consists of two categories;

- i. Every Chief Audit Executive (CAE) of a Deposit Money Bank (DMB)/Development Financial Institutions in Nigeria, including Central Bank of Nigeria (CBN)/Nigeria Deposit Insurance Corporation (NDIC) shall become an automatic member of the Association.
- ii. Honourary members – Representatives of the Central Bank of Nigeria (CBN), Nigerian Deposit Insurance Corporation (NDIC), Financial Institutions Training Centre (FITC), Nigeria Interbank Settlement Systems (NIBSS) and law enforcement agencies, and body(ies) that the Association may deem fit from time to time shall be admitted by the Association as honorary members of the Association.

A member shall be introduced to the Association through a letter signed by the Managing Director/Chief Executive of the member organization and addressed to the Association's Chairman with copies to other members.

Section Two: Rights of Financial Members

Members shall have rights to:

- i. Attend meetings and participate in all activities of the Association.
- ii. Receive publications and other information materials that may be made available by the Association from time to time.
- iii. Vote and be voted for.
- iv. Seek redress from the Association against other erring member(s).

Section Three: Obligations of members

- i. All members shall endeavor at all times to protect and project the good image and standing rules of the banking industry.
- ii. All organizations members shall pay Annual Dues as may be fixed by the Association from time to time.
- iii. Members are required to at least belong to one Sub-Committee of the Association.
- iv. All members shall attend 75% of both Association and Sub-Committee meetings subject to 50% by the substantive member.
- v. Attendance to meetings will be reflected on the annual report.

ARTICLE 5: MEETINGS OF THE ASSOCIATION

Section One: Types of Meetings

There shall be five types of meetings of the Association.

1. Annual General Meeting

The Annual General Meeting (AGM) of the Association will be held within three (3) months of the end of the financial year. The business at the Annual General Meetings shall include:

- a) Consideration and adoption of the Executive Committee's audited statement of account and report of the financial year.
- b) Election of members of the Executive Committee, in an election year.
- c) Any other business that may be referred to the AGM by the Executive of the Association (EXCO).

2. General Meeting

- The General Meeting of the association shall hold quarterly
- Members shall hold the meeting by rotation.
- The general Meeting shall discuss matters of interest as they arise.
- Fill vacancies in EXCO as they occur from time to time.

3. EXCO Meetings

- EXCO Meetings Shall hold on monthly basis to review activities of the Association.
- EXCO Meetings shall be called by Chairman through the Secretary of the Association.
- Notification of time, venue and business to be conducted at the EXCO Meeting shall be responsibility of the Secretary in liaison with the Chairman who shall send appropriate notice to EXCO members at least 7 days prior to the meeting.

4. Sub-Committee Meetings

- Each Sub-Committee of the Association shall hold meetings on monthly basis to make inputs to the Association's activities or as may be called by the Sub-Committee Chairman.
- Each Sub-Committee meeting shall be called by the Sub-Committee Chairman through the Secretary of the Association.
- Notification of time, venue and business to be conducted at the meeting shall be the responsibility of the Secretary in liaison with the Sub-Committee Chairman who shall send appropriate notice to Sub-Committee members at least 2 working days prior to the meeting.

5. Emergency Meeting

- Emergency Meetings shall be summoned by the Executive Committee as the need arises. The meeting shall be held at a venue and time that shall be decided by the EXCO and notified to members.

Section Two: Notice of Meetings, Quorum and Direction of Proceedings

1. Notice of Meetings

All meetings except EXCO meetings shall be convened by giving at least one-week notice to all members. The Secretary shall mail to each member, a notice that shall state the time, date, venue and purpose of the meeting.

2. Direction of Proceedings at Meetings

- i. The Chairman shall preside over the meetings of the Association and EXCO Association meetings. In the absence of the Chairman, the 1st Vice-Chairman shall preside and in the absence of both Chairman and the 1st Vice-chairman, the 2nd Vice-chairman shall preside over the Association's meetings.
- ii. The Executive Association shall consider the audited financial report during the EXCO meeting preceding the Annual General Meeting.

3. Quorum at Meetings

a) Annual General Meeting

Members which must include:

- Simple majority of EXCO.
- Simple majority of members or their proxies shall form quorum for Annual General Meetings.

b) General Meetings

Members which must include:

- Simple majority of EXCO.
- Ten ordinary members or their proxies shall form the quorum for General Meetings.

c) Executive Committee Meetings

Simple majority of the members who shall appoint a Chairman amongst themselves where the Chairman, 1st Vice-Chairman and 2nd Vice-Chairman are absent.

d) Sub-Committee Meetings

- Simple majority of members who shall appoint a Chairman amongst themselves where the Sub-Committee Chairman is absent.

e) Emergency Meetings of the Association

- Simple majority of members.

4. Proxies at Meetings

The Proxy shall be formerly nominated in writing by the absentee Chief Audit Executive to represent him; no Proxy without a written letter of introduction shall be allowed into the meeting. The means of introduction can include emails or formal letters for the **Annual General Meeting, General Meeting and Emergency Meeting**. While for **Executive Association (EXCO)**, any member of Sub-Committee formerly nominated in writing by the Chairman of that Sub-Committee.

ARTICLE 6: ANNUAL SUBSCRIPTION AND DUES

Section One: Annual Subscription

Annual Subscription shall become due on the first day of every financial year and shall be paid not later than the end of the first quarter. Payment s shall be made directly into the **Association's Bank Account**.

Section Two Dues

This shall be agreed by members when the need arises and shall become payable immediately but not later than one month from the date of notification.

Section Three Failure to pay Annual Dues

Any member who fails to pay annual subscription and dues by the end of the first quarter shall be reminded in writing by the Treasurer.

Where a member fails to pay within one year, the member would be suspended but before such suspension, a letter shall be sent to the Managing Director/Chief Executive Officer of the affected institution informing him/her of the Association's decision to suspend the his CAE.

ARTICLE 7: THE BOARD OF TRUSTEES (BOT)

1. There shall be Trustees of **the ASSOCIATION OF CHIEF AUDIT EXECUTIVES OF BANKS IN NIGERIA** for the purpose of the Companies and Allied Matters Act NO. 1 of 1990, Part C.
2. For the purpose of 1 above, EXCO shall play the role of the BOT
3. Such Trustees (hereinafter referred to as "The Trustee") shall not be less than **Three (3)** nor more than **Five (5)** in number.

ARTICLE 8: THE COMMON SEAL

- a. The Trustees shall have a Common Seal.
- b. Such Common Seal shall be kept in the custody of the **Secretary** who shall produce it when required for use by the Trustees.
- c. All documents to be executed by the Trustees shall be signed by such number of them and sealed with the Common Seal.

ARTICLE 9:

Section One: Appointment of Members of Executive Committee

- i. Members of the Executive Committee (EXCO) shall be elected at the Annual General Meeting (AGM) of the Association. EXCO member shall serve for a tenor of 2 years with opportunity for re-election subject to a maximum of 2 terms.
- ii. The EXCO shall be made up of 9 members.
- iii. However, a member of EXCO who has not served as the Chairman and 1st Vice Chairman could be eligible to be voted into the 2 offices and section 1i shall then apply.
- iv. Whenever there is a vacancy in EXCO occasioned by any reason, an election shall be conducted at the next general meeting to fill the vacancy.
- v. **NOMINATION FOR ELECTIVE OFFICES**
Members shall drop their nominations with the secretariat or at meetings where elections are held.

Section Two Electoral Committee

- i. The Electoral Committee members shall consist of **3** members one of which shall chair the Committee.

- ii. The composition of the Electoral Committee members shall be determined on the day of the election. It must exclude members already nominated for elective offices.
- iii. The Electoral Committee shall be appointed by a simple majority of members present at the AGM or at General Meetings where elections are held.
- iv. A candidate for any elective position shall be declared winner by the Chairman of the electoral body if s/he polls a simple majority of the total votes cast by members at the AGM or at General Meetings where elections are held.
- v. Elections shall be conducted by secret-open ballot method.
- vi. A formal report by the Association announcing the result of the election shall be presented to the main body at the conclusion of the Annual General Meeting or at General Meeting where elections are held.

Section Three Executive Committee (EXCO)

The EXCO shall be responsible for:

- a. The planning, management and organisation of the Association's affairs;
- b. Holding regular Quarterly General Meetings to which all members shall be invited.
- c. Conducting meetings in a fit and proper manner with respect to generally accepted meeting procedures:
- d. Appointing persons into adhoc, Sub-Committees to be responsible for activities in pursuance of the Association's aims and objectives.
- e. Entering into contracts binding on the Association.

The 9-member EXCO of the Association shall be constituted as follows:

- 1. Chairman.
- 2. 1st Vice Chairman & Chairman, Interbank Arbitration Sub-Committee.
- 3. 2nd Vice Chairman & Chairman, Emerging Issues Sub-Committee.
- 4. Treasurer.
- 5. Auditor.
- 6. Chairman, Security & Payment System Sub-Committee.
- 7. Chairman, Research & Publication Sub-Committee.
- 8. 2 Ex-Officio (Members of the previous EXCO) and in the absence of any previous EXCO members, as selected by the EXCO among members of the Association that have not defaulted financially.

The Administrative Secretary shall be in attendance **and act as Secretary at all meetings of the Association** and be responsible for the Secretariat except otherwise decided by EXCO.

Section Four Filling of Vacancy in the Executive Association

Eventual vacancies in any post in the Executive Association shall be filled by election at the next General Meeting.

Section Five Eligibility for Election/Appointment into Executive Association

Chairman

- i. The Chairman must be a subsisting Chief Audit Executive of a Bank.
- ii. Must have been a member of the Association for at least two (2) years.

Vice Chairman

As in (a) above.

Other Executive Association Positions

A member contesting for any other position in the Executive Committee must be a Chief Audit Executive.

Section Six Duties of Officers

Generally, the officers shall see to the successful running of the Association and its secretariat and act on behalf of the Association when required.

The Chairman shall:

- Represent the Association at the Bankers' Committee or any other Industry Association Meeting.
- Be a signatory to the account.
- Ensure proper conduct of the business of the Association and uphold the provisions of this constitution.
- Supervise general activities of the Association.
- Preside over EXCO Meetings and General Meetings.
- Take full ownership of the secretariat.

The 1st Vice Chairman shall:

- Act as Chairman in the absence of the substantive Chairman.
- Be the Chairman of Interbank Arbitration Sub-Committee.
- Be a signatory to the account.

The 2nd Vice Chairman shall:

- Act as Chairman in the absence of the substantive Chairman and 1st Vice Chairman.
- Be the Chairman of the Emerging Issues Sub-Committee.
- Be a signatory to the account.

The Treasurer shall:

- Keep financial records,
- Present financial report at general meetings and EXCO meetings.
- Collect Subscriptions.
- Disburse funds for approved expenses.
- Be a signatory to the account.
- Prepare and monitor the annual budget of the Association in consultation with the Chairman and Sub-Committee Chairmen.

The Auditor Shall:

- Audit and submit a report to members at every Annual General Meeting.

Section Seven Sub-Committees and their Duties

1. Emerging Issues

- Is responsible for ensuring continuous professional development of members and their Internal Audit staff.

- Organize and plan Retreats, Send-forth programmes etc.
- Monitor and contribute to Exposure Drafts from the Central Bank of Nigeria and other regulatory agencies.
- Liaise with the Police, EFCC, NFIU and other Law enforcement agencies with a view to tackling identified problems (or challenges) facing the banking industry from time to time.

2. Interbank Arbitration

- Is responsible for ensuring adherence to ethics and professional practice. They shall investigate complaints, seek out facts, report and make recommendation to EXCO on matters of conflict, unethical and unprofessional practices between members.
- Shall engage in deliberations and by 2/3 votes of members present at the meeting recommend action on disputes to EXCO. Following approval of recommendation by the Arbitration Sub-Committee, the EXCO will present the decisions to members at the General Meeting for information and ratification. Decisions will then be communicated to the parties (Complainant and Respondent) in writing for implementation.
- Any decision of the Sub-Committee shall be communicated to the parties and the body that referred the case to the Association.

EXCO/Sub-Committee Members as Complainant or Respondent

Where a member of EXCO/Sub-Committee is the Complainant/Respondent, the said member shall be excused from participation in discussion, voting or any of EXCO/Sub-Committee's activity relating to the case in which his/her institution is involved.

3. Payment and Systems

- Liaise with the CBN, NIBSS and other regulatory agencies to improve currency handling, payment systems, technological issues etc.
- Liaise with the Payment Systems Security and Risk Management Centre (PSSRMC).
- Liaise with the Nigeria electronic Fraud Forum (NeFF).

4. Research & Publication

- Is responsible for research into new areas requiring attention of the general house.

- Handles the publication of the Association’s official publication, “the Eagle Eye” magazine, which shall be published quarterly.
- Promote the image of the Association.

a. Create positive visibility of the Association’s events, General Meetings, etc.

ARTICLE 10: SOURCES OF INCOME

- i. The Association shall be funded through annual subscriptions from member organisations. The subscription, which is subject to review, shall be approved by a simple majority of the general house.
- ii. The financial year shall run from January 1 to December 31 each year.
- iii. The Association shall hold accounts in Banks as approved by the EXCO.
- iv. EXCO shall nominate signatories and **ANY TWO** of these signatories are expected to sign instruments and instructions for the Association’s transactions.
- v. **Budgets**

An annual budget will be prepared to the Association for consideration and approval at the last General Meeting of the financial year.

ARTICLE 11: DISBURSEMENT AND APPLICATION OF FUNDS

- i. All monies collected on behalf of the Association shall be deposited in the Association’s account in such banks as the EXCO may from time to time approve.
- ii. The signatories to the account shall be minimum of **two** among the Chairman, 1st Vice Chairman, 2nd Vice Chairman and the Treasurer.
- iii. The disbursements of the Association’s funds shall be approved by the Chairman.
- iv. Any Sub-Committee Chairman anticipating the use of the Association’s fund for the work of the Association will make his/her request in writing to the Treasurer and such will be presented for approval of EXCO prior to disbursement. Such disbursement shall be duly accounted for.

ARTICLE 12: KEEPING OF ACCOUNT

1. All monies must be paid into the account immediately upon receipt and on no account shall the Treasurer keep a cash of more than **N50,000.00** with him/her at any point in time.
2. Financial year of the Association shall be from 1st January to 31st December of every year.
3. The Association shall ensure the accurate keeping of all income and Expenditure.

ARTICLE 15: AMENDMENT OF CONSTITUTION

The Association may alter the provisions of its Constitution at a General Meeting by a resolution passed by simple majority of its members and approved by the Registrar-General, Corporate Affairs Commission.

ARTICLE 16: SPECIAL CLAUSE:

- 1) **THE INCOME AND ESTATE OF THE ASSOCIATION OF CHIEF AUDIT EXECUTIVES OF BANKS IN NIGERIA** whatsoever derived shall be applied solely towards the promotion of the Association as set forth in this Rules and

Regulations/Constitution and no portion thereof shall be paid or transferred directly or indirectly by the way of dividend, bonus, or otherwise however by way of profit, to the members of the Association.

- 2) PROVIDED that nothing herein shall prevent the payment, in good faith, or reasonable and proper remuneration to an officer or servant of the **ASSOCIATION OF CHIEF AUDIT EXECUTIVES OF BANKS IN NIGERIA** in return for any service actually rendered to the Association.
 - a. **No** member of EXCO shall be appointed to any salaried office of the Association.
 - b. No remuneration or other benefits in money's worth shall be given by the body to any member of EXCO except repayment of out-of-pocket expenses or reasonable and proper rent for premises demised, or let to the Association or reasonable fees for services rendered.

If in the event of Winding up or Dissolution of the Corporate Body if there remains after the satisfaction of all the debts and liabilities, any Estate whatsoever, the same shall not be paid to and distributed among the members of the Association but shall be given or transferred to some other institution(s), having objects similar to that of **ASSOCIATION OF CHIEF AUDIT EXECUTIVES OF BANKS IN NIGERIA**, such institution(s) to be determined by the members of the Association at or before the time of dissolution.

If effect cannot be given to the aforesaid provision, then the remaining Estate shall be transferred to some charitable object.

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Signature of Chairman & Date

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Signature of Secretary & Date

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Name of Chairman & Tel No.

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Name of Secretary & Tel No.