

# Bylaws of non-profit organization for private purpose

## ISACA Sofia Chapter

### *Section 1*

#### **General provisions**

##### *Subject of these bylaws*

Art. 1. /1/ These bylaws settle the constituting, the structure, the activity and termination of the non-profit organization Information Systems Audit and Control Association Sofia Chapter.

/2/ The Chapter is non-profit corporate body according to the Bulgarian Law for the non-profit corporate bodies and bears responsibility for all rights and obligations which are not related to the natural qualities of the physical persons – members of the association.

/3/ The Chapter is separated from its members and is liable to its creditors with its own property. The Chapter is not responsible for any liability of its members.

/4/ The Chapter is non-government, non-political, non-union and irreligious organization.

/5/ The Chapter is an affiliate of the international Information Systems Audit and Control Association (ISACA), referred hereafter in these Bylaws as “The Association”. The Chapter, apart from its innate affiliation with the international Association, is an independent entity from any other association, enterprise, or entity.

/6/ The Chapter shall pursue its goals and objectives in strict accordance to the Constitution of Republic of Bulgaria, the Bulgarian laws, the Ethic Code of the international Information Systems Audit and Control Association - ISACA, these Bylaws and decisions taken by its governing bodies.

##### *Name*

Art. 2. /1/ The name of this organization is "Information Systems Audit and Control Association – Sofia Chapter".

/2/ The name in English shall be written as “Information Systems Audit and Control Association – Sofia Chapter”.

##### *Headquarters and address*

Art. 3. /1/ The Headquarters of the Chapter is: Bulgaria, Sofia.

/2/ The address of management of the Chapter is: Sofia, Sredets Municipality, 7A "Graf Ignatiev" street.

*Terms of establishment*

Art. 4. The Chapter is established as a non-profit corporate body for an indefinite term.

*Purpose of the Chapter*

Art. 5. /1/ The primary purpose of the Chapter is to promote the education of individuals for the improvement and development of their capabilities relating to the auditing of, management consulting in, or direct management of the fields of IT governance, IS audit, security, control and assurance. The objectives of the Chapter are:

1. To promote the education of, and help expand the knowledge and skills of its members in the interrelated fields of IT governance, IS audit, security, control and assurance.
2. To encourage an open exchange of IT governance, IS audit, security, control, and assurance techniques, approaches, and problem solving by its members.
3. To endorse the ethical and scientific standards in the area of the information systems audit, management and risk assessment.
4. To promote adequate communication to keep members abreast of current events in IT governance, IS audit, security, control and assurance that can be of benefit to them and their employers.
5. To protect the rights and interests of the IT Auditors, Information Security Managers and specialists in the area of information systems risk and control within Bulgaria.
6. To promote throughout the society the work and profession of IT auditors, Information Security Managers, IT Governance professionals and specialists in the area of information systems risk and control certified by the Association.
7. To communicate to management, auditors, universities, and to IS professionals the importance of establishing controls necessary to ensure proper IT governance and the effective organization and utilization of IT resources.
8. To serve as a point of contact and dialogue between IT auditors, Information Security Managers, IT Governance professionals and specialists in the area of information systems risk and control certified by the Association and other interested public partners for the purpose of adding value and establishing public interest in development of governance, auditing, risk management and control in the area of information systems and resources in Bulgaria.

*Determination of activity*

Art. 6. /1/ The Chapter shall carry out its activity for private purpose and use its properties for:

1. Development of education in the area of quality control and risk management of information systems and technologies;
2. Development and promotion of ethical and scientific standards in the area of information systems auditing, management and risk assessment;
3. Promotion throughout the society the work and profession of IT auditors, Information Security Managers, IT Governance professionals and specialists in the area of information systems risk and control certified by the Association.

4. Initiation and/or support of events, projects and programs that contribute to establishment of effective control environment within the Bulgarian economy in the area of information systems and resources and reveal the benefit of adherence to high standards for corporate and public responsibility.

/2/ The Chapter shall carry out its activities in consistency to the goals and the means for their achievement as described in these Bylaws and any type of lawful deals inclusive (but exclusive to any type of deals which require the establishment of a special type of business entity or licensing).

*Means for Chapter goals achievement*

Art. 7. /1/ For the purpose of attaining its goals, the Chapter shall use all legal means including:

1. Arranges specialized forums, exhibitions and other public and educational events to promote the audit, quality control and risk management of information systems and technologies;
2. Collects and distributes resources to support achievement of Chapter goals;
3. Arranges meetings, educational courses, seminars and lectures;
4. Issues informational booklets and other materials to support the achievement of Chapter goals;
5. Compiles and disseminates expert evaluations and analysis about practical, economic, legal and educational problems of audit, quality control and risk management of information systems and technologies;
6. Supports government and municipality authorities for the purpose of achieving its goals;
7. Provides information about its activities via mass media and the press;
8. Initiates mutual activities with local and international organizations sharing similar goals;
9. Initiates and participates in international activities, programs and projects.

/2/ In addition, the Chapter may perform the following profitable activities which are in conformity with the major activities basis for its establishment:

1. Publishing activities – preparation, publishing and distribution of materials in the area of audit, quality control, information security and information systems audit and control;
2. Educational activities – provision of special courses, training and seminars;
3. Scientific and research activities – study the needs of profession, project assessment and project management, analysis, etc.;
4. Organization of conferences – organization of conferences, presentations and other similar activities;
5. Other profitable activities, which are not prohibited by law and which could be classified as related to the Chapter main activity and support achievement of Chapter goals.

/3/ The Chapter shall use the revenues from any profitable activities to achieve the goals stated in these Bylaws.



/4/ Profitable activities shall be carried out under the rules and regulations established by the legal acts applicable to the respective type of economic activities.

/5/ The Chapter Board shall be held responsible for the execution and control over the profitable activities.

/6/ The Chapter does not distribute profits.

## *Section 2*

### **Membership**

#### *Right to membership*

Art. 9. /1/ Membership in the Association is a requirement for membership in a Chapter. Therefore, upon joining the Chapter, a person must also join the Association, with accompanying rights and responsibilities.

/2/ Members definition:

- A. Member — any person interested in the purpose and objectives of the Chapter as stated in Art 5 and Art 6 shall be eligible for membership in the Chapter, and the Association, subject to rules established by the Association Board. Members shall be entitled to vote and to hold office.
- B. Retired Member — any member, who presents proof of retirement status, subject to rules established by the Association Board. Retired members shall be entitled to vote and hold office at the Chapter level.
- C. Student Member — full time student currently enrolled in a degree program of an accredited college or university, subject to rules established by the Association Board. Student members shall be entitled to vote but not to hold office at the Chapter level.
- D. Academic Advocate Member – full time faculty member or a recognized adjunct instructor teaching in a functional discipline such as MIS, or Information Security, Accounting and audit, Enterprise Governance (including IT/IS), Executive Masters programs in business and specialist Finance degree courses at universities and/or colleges offering one or more degree courses in the areas outlined, subject to approval by ISACA International. Academic Advocate members shall be entitled to vote and hold office at the Chapter level.

#### *Admission*

Art. 10. /1/ Potential members who meet the provisions of art.9 shall apply for membership to the Association via completion of a membership application, where he/she acknowledges compliance to ISACA's Code of Ethics.

/2/ New members shall pay new member fee and annual membership fees due to the Association and the Chapter.



/3/ The initial fee and the annual membership dues to the Association are decided by the Association. The Chapter annual dues are defined by the Chapter Board and voted by Chapter members at the Annual General Meeting.

/4/ The new member fee, the annual membership fee to the Association and the annual membership fee to the Chapter shall be paid into the accounts of the Association.

/5/ The annual membership fee to the Association and the annual membership fees to the Chapter shall be paid by January 1<sup>st</sup>.

#### *Member rights and obligations*

Art. 11. /1/ Members have the following rights:

1. To take part in Chapter governance;
2. To be informed on Chapter activities;
3. To vote on decisions within the competence of the Chapter General Meeting;
4. To be supported in their professional growth and qualification;
5. To make proposals and introduce projects for Chapter development in front of Chapter Board;
6. To access information resources provided on ISACA International website.

/2/ All members shall:

1. comply to these bylaws and the rules and tenets established by ISACA's Code of Ethics;
2. comply to decisions taken by the Chapter Board;
3. Withhold actions that may not be in conformity to Chapter goals or which may derogate Chapter reputation or the profession of ISACA's professional certifications (for example, CISA, CGEIT, CISM or CRISC).

/3/ Membership rights and obligations cannot be subject to transfers and do not pass over to another person in case of death or membership termination.

#### *Dues and Resignation*

Art. 12. /1/ Chapter dues shall be payable on or before 1 January of each year, in the amount determined by the Chapter Board, plus Association dues.

/2/ a member whose dues are in arrears for more than 60 days shall no longer be deemed a member.

/3/ a member shall forfeit membership if dues have not been paid to the Association and to the Chapter as required.

/4/ any member who resigns shall not be entitled to a refund of his/her annual membership dues.

#### *Chapter Meetings*

Art. 13. /1/ For the purpose of completion of the goals stated in this Bylaws, the Chapter shall organize general and educational meetings for its members. The meetings are called by the Chapter Board. The general and educational meetings

of members do not comprise General Annual Meeting. During the general and educational meetings members cannot take decisions within the competence of the General Annual Meeting.

/2/ The regular and educational meetings could also be called upon written request by one or more Chapter members. The purpose of the meeting shall be stated in the call. The call shall be put forward before the Chapter Board.

/3/ The Board must inquire into members' interests towards the purpose of the calls and arrange for at least 4 meeting per annum

/4/ The Board cannot reject a member's call for a meeting if/when at least 10% of the members have shown interest in the subject of the meeting.

/5/ The Chapter Board shall disseminate via e-mail details about date, place, time, subject and other relevant information for each general or educational meeting planned.

### *Section 3*

## **Chapter Bodies and Reporting**

### *Bodies*

Art. 14. /1/ Supreme body of the association is the general assembly.

/2/ Managing body of the association is the Board.

/3/ Chapter Bodies shall maintain a register of records for meetings held. Both meeting Chairperson and the person recording the meeting bear responsibility of its accuracy and truthfulness.

### *General assembly of members*

Art. 15. /1/ Supreme body of the association is the general assembly of Chapter members.

### *Rights of the General assembly*

Art. 16. /1/ The General assembly of the Chapter members shall :

1. Amend and supplement the Bylaws;
2. Pass other internal acts;
3. Define the number of, elect and release the Chapter Officers servicing at the Board;
4. Elect and release Chapter President, Chapter Vice President and define their representative power;

5. Take decision for transformation or termination of the Chapter and the ways for distribution of the property left after payment of all its liabilities;

6. Define the basic trends and program for the activity of the Chapter;

7. Approve the annual budget of the Chapter;

8. Decide on the Chapter membership dues;

9. Approve the annual report of the Board and the annual financial statements of the Chapter.

/2/ The rights under art. 1, points 1, 3, 4, 5 and 9 cannot be delegated to other governing bodies of the Chapter.

/3/ All decisions of the General assembly shall be obligatory for the other governing bodies of the Chapter.

/4/ The decisions of the general assembly shall be subject to a judiciary control regarding their lawfulness and compliance with these bylaws.

/5/ The decisions of the bodies of the association, taken in contradiction with the law, the bylaws or a preceding decision of the general assembly, can be contested before the general assembly upon request of the interested members of the Chapter or its body, extended within one month from learning about them, but not later than one year from the date of taking the decision.

/6/ The disputes under paragraph 4 can be raised before the District court of the registration of the Chapter by every member or of its body, or by the prosecutor within one month from learning about them, but not later than one year from the date of taking the decision.

#### *Convening the General Assembly*

Art. 17. /1/ The general assembly shall be convened by the Board at its initiative or upon request of one third of the members of the Chapter. If, in the latter case, the Board does not send a written invitation, within two weeks, for convening the general assembly it shall be convened by the court at the headquarters of the Chapter upon written request of the interested members or a person authorized by them.

/2/ The invitation must contain the agenda, the date, the hour and the place of holding the general assembly and the initiative by which it is convened.

/3/ The invitation shall be declared in the Register of Non-Profit Legal Entities kept by the Registry Agency and shall be placed at the place of announcement in the building where the management of the Association is located at least one month before the scheduled date. Additionally, the invitation shall be sent via e-mail to the members of the Chapter who have provided a valid e-mail address.

#### *Quorum*

Art. 18. /1/ The general assembly shall be considered legal if more than half of all members are present. For lack of quorum, the assembly shall be postponed by one hour at the same place and with the same agenda and can be held, regardless of the number of the present members according to art.27 of the Law for the non-profit corporate bodies.



### *Voting*

Art. 19. /1/ Each member of the Chapter has one vote.

/2/ A member cannot vote on matters concerning:

1. self, spouse or relative on the ascending line - without restriction, on the collateral line - up to fourth degree, or by marriage - up to second degree including;

2. Corporate bodies where he/she is a manager or can impose or impede taking of decisions.

/3/ One person can represent no more than three members of the general assembly on the grounds of a letter of attorney. Re-authorization shall not be admitted.

### *Taking decisions*

Art. 20. /1/ The decisions of the general assembly shall be taken by a majority of the present.

/2/ Decisions under art. 16, paragraph 1, item 1 and item 5 shall be taken by a majority of 2/3 of those present.

/3/ Decisions cannot be taken on issues not included in the agenda announced by the invitation.

### *Managing Board*

Art. 21. /1/ The Managing Board shall consist of at least 5 and maximum 13 directors, all of whom must be members. The members of the managing board shall be elected for a period of 2 years and could be reelected consecutively no more than once.

/2/ By a decision of the general assembly the functions of a managing board can also be fulfilled by the President and a Vice President of the Chapter.

### *Authority of the Managing Board*

Art. 22. /1/ The Managing Board shall:

1. Represent the Chapter;
2. Provide fulfillment of the decisions of the general assembly;
3. Define the long-term strategy of the Chapter;
4. Administer the property of the Chapter in compliance with the requirements of these Bylaws;
5. Prepare and present to the general assembly a draft budget;



6. Prepare and present to the general assembly annual financial statements and a management report on the activity of the association;
7. Prepare and present to the general assembly other general documents of the Chapter: working rules of general assembly, managing board, Chapter committees, etc.
8. Determine the order, organize the activity of the Chapter and shall be responsible for that;
9. Fulfill the obligations stipulated by these Bylaws;

Art. 23. /1/ The Chapter president shall represent the Chapter if decided by the general assembly.

/2/ In case of long absence of the Chapter President, the Board may delegate this authority to the vice president or the immediate past president.

#### *Board meetings*

Art. 24. /1/ The Board shall meet at least 4 times annually. At all meetings of the Board, the President, if present, shall act as Chairperson. In the President's absence, the Chairperson shall be the Vice President. In the absence of the president and vice president, the chairperson shall be the most immediate Past President serving on the Board.

/2/ The Board Chairperson shall also call a Board meeting by a written request of 1/3 of the Board members. In case he has not done so within 7 days, the meeting could be called by any interested member of the Board.

/3/ The Board can vote on decisions in case a quorum of more than one-half of the total Board members is present at the meetings. A member is considered present either in person, electronically or by any other established type of communication, which allow for member identification and member participation in the discussions and decision making process. Voting of such member must be stated in the meeting protocol.

/4/ Decisions shall be taken by majority of Board members having a voting right and present at the meeting. Decisions regarding art.22, item 4 and item 8, and art.43 section 2 shall be taken by a majority of all Board members who must be present at the meeting.

/5/ The Board may take decisions without calling for a meeting if the decision protocol is signed without objection by all Board members.

#### *Board members*

Art. 25. /1/ The Chapter President who will be acting as the Board Chairperson shall be elected by the general assembly and shall:

1. be the executive head of the Chapter and give direction of its management;
2. preside at meetings of the Chapter and the Chapter Board;
3. appoint all committee members as proposed by the respective committee director;
4. be an ex-officio member of all committees except the Nominating Committee;



5. represent the Chapter at Leadership Conferences, and other conferences and functions, where appropriate or appoint another Chapter Board member as a representative;
6. present an annual report to members at the annual general meeting;
7. maintain communications with the Association and respond to Association enquiries;
8. be responsible for submission of the required annual chapter reports to the Association within 30 days after the annual general meeting;
9. supervise budgetary matters and bears responsibility for the design and operation of proper internal control system over Chapter finances and assets;
10. Perform other duties as pertain to the office of President, or which may be delegated by the Chapter Board.

Art. 26. /1/ The Chapter Vice President shall be elected by the general assembly and shall:

1. perform the duties of the President in the event of his/her absence or disability;
2. perform long-term planning;
3. Perform other duties as pertain to this office.

Art. 27. /1/ The Chapter Secretary shall be elected by the general assembly and shall:

1. take minutes of the meetings of the Chapter Board, membership meetings, and maintain a copy of the records;
2. maintain accurate attendance records;
3. be responsible for the legal affairs, Chapter records and correspondence pertaining to the Chapter;
4. assist the President in the administration of Chapter membership meetings, and
5. Perform other duties as pertain to this office.

Art. 28. /1/ The Chapter Treasurer shall be elected by the general assembly and shall:

1. be custodian of Chapter funds;
2. receive and disburse such funds of the Chapter as shall be required in the conduct of its affairs and the carrying on of its activities or as directed by the Chapter Board or decided by the general assembly;
3. remit dues to the Association as required;
4. organize submission and present the annual financial statements to the membership at the annual general meeting;
5. in concert with the President, authorize expenditures from, or transfers of funds from/to, the Chapter US dollar credit account held at the Association,
6. organize submission of books and records for audit when required;
7. prepare and file any and all tax forms required;
8. Perform other duties as pertain to this office.

Art. 29. /1/ The Immediate Past President of the Chapter is a member of the Board and shall:

1. provide advice and guidance to the new President and Chapter Board;
2. Perform other duties as pertain to this office.

Art. 30. /1/ Chapter Committee Directors shall be elected at the Chapter Annual General Meeting. Committee Directors are members of the Chapter Board. Each Committee Director authority is defined within the scope of authority delegated to the respective committee.

#### *Chapter Committees*

Art. 31. /1/ The Chapter defines standing and appointed committees.

/2/ Standing committees are: Membership, Education and Certification, Audit, Long-term planning and Budgeting, Marketing and Communications.

/3/ Appointed committees are: Bylaws and Nominating.

/4/ Chapter Board may approve and appoint such other Committees as deems appropriate for purpose achieving Chapter goals defined in these Bylaws.

Art. 32. /1/ Membership committee shall:

1. maintain accurate lists of membership;
2. disseminate membership lists as directed by Chapter Board, with due regard to security and privacy issues as stipulated by the Bulgarian data protection act and the Association;
3. report on membership data from the Association;
4. coordinate plans for maintaining and increasing Chapter membership;
5. perform other activities as pertain to this committee.

Art. 33. /1/ Education and certification committee shall:

1. encourage the Chapter and its members to participate in the review of the Association standards and guidelines;
2. coordinates activities aiming development of awareness of strong control environment for the purpose of supporting the effectiveness of the IT governance processes within corporate bodies, university lecturers and IT professionals;
3. stay current with the offerings of the Association as related to COBIT and other IT-governance, IT risk and control resources;
4. assist in the inclusion of COBIT and IT governance presentations in the chapter education sessions;
5. maintain up-to-date resource material related to ISACA certifications;
6. promote ISACA certification accreditation within the Chapter membership, including exam preparation sessions;
7. maintain information about the number of certification candidates and the exam pass rates for each accreditation program;
8. report to Chapter Board on exam results;
9. act as a liaison between exam participants and the Association;
10. Perform other activities as pertain to this committee.

Art.34 /1/ Audit committee shall:

1. monitor the financial reporting process of the Chapter;
2. monitor the effectiveness of the Chapter internal control system;
3. monitor the effectiveness of the Chapter risk management system;
4. monitor the financial audit of the Chapter;

Art. 35. /1/ Long-term planning and budgeting committee shall:

1. develop the long-term development strategy and its tactical implementation for the purpose of achieving the goals stated in these Bylaws;
2. develop long-term and annual budgets to support the Chapter strategy;
3. coordinate mutual activities with Bulgarian and European Union institutions regarding participation in EU programs and/or application for funding Chapter activities with EU funds;
4. Perform other activities as pertain to this committee.



Art. 36 /1/ Bylaws committee shall consist of a Chairperson and minimum 2 members. Bylaws committee Chairperson shall be appointed by the general assembly amongst the Chapter President, the Vice President, the Secretary, the Treasurer and the standing committee Directors. Bylaws committee members shall be appointed by the Chapter Board as proposed by the Bylaws committee director. The Bylaws committee shall:

1. monitor Bylaws compliance by Chapter members and Chapter management;
2. review proposals for Bylaws changes;
3. suggest wording for proposed changes and compile draft version of the Bylaw amendments;
4. coordinate the Bylaws approval process with the Association;
5. disseminate amongst Chapter members the Bylaw amendments draft at least 30 days before the date of general meeting where these changes shall be subject to voting;
6. forward draft changes and changes voted by the general assembly to the Association;
7. Perform other activities as pertain to this committee.

/2/ The Bylaws committee shall be established when Bylaws changes are considered necessary.

Art. 37. /1/ The marketing and communications committee shall:

1. coordinate initiatives involving partnerships and alliances;
2. acquire any required marketing materials from ISACA International as authorized by the Chapter Board;
3. promotes events and other public initiatives undertaken by the Chapter;
4. bears responsibility for Chapter web-site maintenance;
5. conduct general marketing and publicity of the Chapter in respect of ISACA certifications, COBIT and any other new initiative of the Association;
6. exercise general policy control and direction of any mail-out kits, publications, editorial or advertising which the Chapter may issue, authorize or sponsor under the direction of the Chapter Board;
7. Perform other activities as pertain to this committee.

Art. 38 /1/ Nominating committee shall consist of a Chairperson and minimum 2 members. The Nominating committee Chairperson shall be appointed by the general assembly amongst, the Vice President, the Secretary, the Treasurer and the standing committee Directors. Nominating committee members shall be appointed by the Chapter Board as proposed by the Nominating committee director. The Nominating committee shall:

1. establish the rules and procedures for nominating Board members;
2. solicit board member nominations from Chapter membership via email;
3. collect information about the nominees and approve the final nominee list;
4. publish up to date information on the Chapter website;
5. require completion of a written consent from each nominee;
6. Perform other activities as pertain to this committee.

/2/ The Nominating committee is established at least 45 days prior the date of the next general meeting where the agenda includes election of new Chapter Board.

### **Resignation or Removal of Chapter Board Member**

Art.38a. /1/ A Chapter Board member shall be considered to have resigned his or her Chapter Board position who is known to have:

1. Violated either the Bylaws of the Chapter or the Bylaws of the Association as determined by the Association.

2. Violated the Code of Professional Ethics of the Association as determined by the Association.
3. Failed to attend, excluding any excused absences, a minimum of either two (2) Chapter Board meetings in a single calendar quarter or 50% of regularly scheduled Chapter Board meetings for two (2) consecutive calendar quarters.
4. Been removed previously from the Chapter Board, other than due to resignation.
5. Been convicted of a felony crime. In the case of an indictment for a felony crime, the Chapter Board shall suspend all Chapter Officer/Director responsibilities and privileges currently held by that Chapter Board member, including the right to stand for upcoming election, until the matter is resolved or that Chapter Board member's term expires, whichever occurs first.
6. Been declared of unsound mind by a final order of a court of law.

/2/ Removal of any Chapter Board member shall also constitute removal of that individual from any Chapter Officer, Committee, or other Chapter Board-related position.

/3/ Removal of a Chapter Board member is final and shall cancel all rights, interest, or privileges of such Director in the services or resources of the Chapter, but does not expel the Director in question from membership in the Association.

/4/ Any Chapter Board member may resign at any time through a formal communication to the President.

/5/ the resigning Chapter Board member shall transition all duties to Chapter Board members to ensure continuity of Chapter tasks and initiatives in support of Article II.

/6/ At any meeting at which a quorum is present, the Chapter Board, acting in good faith, may, by a 2/3 vote of those present, remove from the Chapter Board any member who in its judgment has violated the Bylaws, or Code of Ethics of the Association, or who has not fulfilled their duties related to their assigned responsibilities.

### *Chapter Property*

Art. 39. /1/ The Chapter may be in possession of property. Chapter possessions constitutes of member fees, donations, testament, profitable activities and any other lawful sources.

/2/ Chapter property constitutes a right of ownership and other proprietary rights over fixed and current assets, property contributions by members, receivables and other rights established by law.

/3/ Spending of Chapter possessions gratuitously could be done after a justified decision taken by the Supreme Chapter Body taken by majority 2/3 of all its members, when the spending shall benefit:

1. persons participating in the Chapter's other management bodies, that person's spouse and other relatives in direct line of descent - with no restriction, the lateral branch of their families – up to fourth level, or by marriage – up to second level inclusive;
2. Persons who have been serving on the Chapter management bodies 2 years preceding the date of the decision;
3. Incorporations that have been funding the Chapter 3 years prior decision date;
4. Incorporations where the persons under para 1 and 2 are serving on their management bodies or may impose or hinder decision-making.

/4/ The Chapter shall not bargain with the persons defined under para 1 and incorporations where these persons serve as executives or may impose or hinder decision-making unless the transaction proceedings obviously favor of the Chapter or the transaction has been concluded under general conditions.

#### *Reporting period and Chapter reports*

Art. 40. /1/ The Chapter shall compile statement of annual activities, which shall contain information about:

1. significant activities, funds spent and their relation to Chapter goals and programs and results achieved;
2. the value of property received by donation and proceeds from other fund raising activities;
3. the type, amount, value and purpose of funds contributed and received as well as information about their source;
4. the financial result.

/2/ Chapter fiscal year shall be the calendar year.

/3/ The statement of annual activities and the Chapter financial statement shall be represented on paper and via electronic file and shall be published on the Chapter website.

/4/ The Chapter annual financial statements are not subject to an independent financial audit unless required by law. In cases where the law requires a mandatory independent audit to be performed, the registered auditors shall be appointed by the Chapter General Assembly. Where the Chapter General Assembly has not appointed the registered accountant by the end of the financial year, he/she shall be appointed by the Board.

#### *Limits on Chapter funds spending*

Art. 41 /1/ Chapter spending shall be done in accordance to the approved annual activities plan and budget.

/2/ For the purpose of funds spending on the approved annual budget the following limits are established:

1. expenditures amounting by 1000.00 (thousand) BGN shall be approved by the Chapter President or the person serving as a Chapter President;
2. expenditures amounting over 1000.00 (thousand) BGN shall be approved by the Board.
3. authorized non-budgeted expenditures not to exceed 10% of total budget expenditures (monetary BGN amount) without prior approval of the General Assembly.

#### *Section 4*

### **Termination, liquidation and property distribution**

#### *Termination*

Art. 42. /1/ This non-profit organization shall be terminated:

1. by decision of Chapter General Assembly

2. by court decision of the district court by the location of Chapter founding when:

a) the Chapter has been found to not be in accordance with the law;

b) the Chapter performs activities that are contradictory to the Constitution of the Republic of Bulgaria, the law or against the public peace or the good morals;

в) a bankruptcy has been declared.

/2/ The court decision in relation to para 1, p.2 shall be issued by request of any interested party or a public prosecutor.

/3/ The court may allow suitable period of time for correction of the reason for termination and its consequences.

/4/ In the case of para 2, the termination shall be registered ex officio and the court shall appoint a liquidator.

/5/ In case of termination the Chapter shall give a written notice to the Chief Executive Officer of the Association explaining the reason for termination. The procedure for notification is defined by the rules of the Association.

### *Liquidation*

Art. 43. /1/ In case of termination a liquidation procedure shall be initiated.

/2/ The liquidation shall be done by the Board or a person appointed by the Board.

/3/ In case a liquidator has not been appointed under para 2 or under art.42, para 1, p.2 the liquidator shall be appointed by the regional court at the headquarters of the Chapter.

/4/ Regarding insolvency, bankruptcy respectively, the liquidation procedure and authority of the liquidator are defined by the Bulgarian Trade Act.

/5/ Property distribution after indemnification of the creditors shall be done by the supreme management body in accordance to art. 15, 43 and 44 of the Law For The Non-profit Corporate Bodies.

### *Property remaining after liquidation*

Art. 45. /1/ The distribution of the property remained after the indemnification of the creditors shall be settled according to the statutes or the foundation act of the Chapter.

/2/ The property under the preceding para cannot be distributed, sold or transferred to a liquidator in any way whatsoever, with exception of the due remuneration.



/3/ The property remaining after the indemnification of the creditors shall be distributed to a welfare, education, or civic project designated by the Chapter General Assembly according to the rules of the Law For The Non-profit Corporate Bodies and after the approval of the Association's International President and Chief Executive Officer.

## **Final provisions**

Art. 45. /1/ Amendments to these bylaws may be initiated in accordance to the procedures established herewith and the Law For The Non-profit Corporate Bodies.

/2/ Any changes of the Bylaws shall go through a Bylaws approval process as follows:

1. Chapter Board agrees on Bylaws changes proposed;
2. Bylaws committee shall be held responsible for translation and submission of these changes to the ISACA International chapter relationships team responsible for ISACA Sofia Chapter.
3. ISACA International sends comments back to the Chapter for review;
4. After the Chapter approves comments/edits made by ISACA International and reply to all inquiries, ISACA International informs Sofia Chapter when the changes agreed are ready to be sent to Chapter members for review.

/3/ All changes of these bylaws shall be presented in writing on a preceding regular general assembly or disseminated to all members at least 10 calendar days prior the date of the general assembly where these changes would be discussed.

Art. 46. The Law for the Non-profit Corporate Bodies, other relevant acts of Republic of Bulgaria and decision of Chapter Bodies are applicable for all issues not resolved within these bylaws.

Art. 47. These bylaws have been approved by the Chapter General Assembly held on 31/10/2014 and was amended and supplemented by a decision of the Chapter General Assembly held on 23/10/2014 and a decision under item 2 of the agenda of the Chapter General Assembly dated 23/11/2017 and shall replace the Bylaws of year 2005.

### **Parliamentary Authority**

The rules contained in the current edition of *Roberts Rules of Order Newly Revised*, [or reference the appropriate parliamentary authority in your country] shall govern the chapter in all cases to which they are applicable and in which they are not inconsistent with these bylaws and any special rules the chapter may adopt.