

***Amended Bylaws in Full
The Institute of Internal Auditors
Los Angeles Chapter***

Amendments Bylaws in Full

July 11, 2009 – Submitted to the Los Angeles Chapter Membership for Their Vote

August 8, 2009 – Cut-off Date for Membership Vote on Amended Bylaws

August 8, 2009 – Approved by General Membership Vote with [86.6%] of Votes Cast

ARTICLE I – NAME

This Chapter of The Institute of Internal Auditors, Inc. shall be known as the Los Angeles Chapter.

ARTICLE II – ADHERENCE TO CORPORATE CHARTER, MISSION, PURPOSE, AND BYLAWS

The Los Angeles Chapter is empowered to perform any and all acts which are defined in the Corporate Charter (Certificate of Incorporation, Articles of Incorporation, and the Bylaws) of The Institute of Internal Auditors, Inc. and shall do nothing which is inconsistent with the provisions, pronouncements and resolutions incorporated in the minutes of The Institute of Internal Auditors, Inc. meetings and those of the Board of Directors.

The Los Angeles Chapter’s mission and purpose is to

- A. Provide progress through sharing for the internal audit profession, members, and nonmembers.
- B. Advocate and promote the value that internal audit professionals add to their organizations.
- C. Provide professional education and development opportunities regularly.
- D. Disseminate and promote to practitioners, stakeholders, and other relevant audiences knowledge concerning internal auditing and its appropriate role in control, risk management, and governance.
- E. Educate practitioners, stakeholders, and other relevant audiences on best practices in internal auditing.
- F. Bring together internal auditors to share information and experiences.

The Los Angeles Chapter members can only approve any changes or updates to the Amended Bylaws of The Institute of Internal Auditors Los Angeles Chapter by a majority vote of the total members or by a majority of the votes cast on the Amended Bylaws to be officially ratified with the effective date listed as the vote cut-off date.

The Board of Governors of the Los Angeles Chapter are tasked with ensuring that the officer listing at the State of California Secretary of State is appropriately updated and all Federal and State Tax Forms are filed to retain the Articles of Incorporation (Certificate of Incorporation) in an active status.

ARTICLE III – THE LOS ANGELES CHAPTER CORPORATE BOOK OF RECORDS & MINUTES

The Board of Governors of the Los Angeles Chapter will maintain and retain a Corporate Book of Records and Minutes that contains all the significant organizational documents that serve as legal evidence of organizational activities, meetings, decisions, actions, including the Corporate Charter (Certificate of Incorporation, Articles of Incorporation, and the Bylaws) and the Federal Internal Revenue Service tax-exemption determination letter.

The Board of Governors of the Los Angeles Chapter will maintain Corporate Minutes for all Board of Governors, Committees, and Officers meetings especially those with significant and important decisions impacting the Los Angeles Chapter including any general membership meetings that include election(s) for Governor(s) and Officer(s).

The Board of Governors of the Los Angeles Chapter will retain and preserve information and records for at least 10 years, preferably longer in an electronic softcopy format. The Board of Governors of the Los Angeles Chapter are tasked with ensuring the best method to preserve and handle information and records by converting hardcopies and documents to create electronic softcopies for storing, archiving, and retrieval. The Board of Governors approval is required prior to the permanent destruction or discarding of any Los Angeles Chapter information and records especially those impacting financials and tax returns.

ARTICLE IV – BOARD OF GOVERNOR MEETINGS – QUORUM AND PROXY

The Los Angeles Chapter defines a Quorum as a majority of the elected Governors and Officers present for purposes of conducting business. A Quorum only refers to those present and is not the same as a Proxy.

The Los Angeles Chapter defines a Proxy as power-of-attorney given by one individual to another named individual to vote on their behalf. An individual who has received a Proxy is designated to have a power-of-

attorney for the other individual for purposes of the Los Angeles Chapter meeting and debate and voting. A Proxy should be used carefully and be given only for and with a limit for a specific meeting or specific to a voting matter. It is important to not give a Proxy without any limits for meeting matters or subjects or issues and it is important to not give a Proxy with open and unlimited time periods.

ARTICLE V – REWARDS OF GOVERNOR AND OFFICER SERVICE TO LOS ANGELES CHAPTER

The Governors and Officers of the Los Angeles Chapter while delivering service to the membership and profession receive a lifetime of rewards and life enriching experiences that continue to grow over their careers by their on-going participation and contributions with the Los Angeles Chapter including, but not limited to, the following:

- A. Directly impact and positively influence the future direction of the Los Angeles Chapter, the members, the profession.
- B. Substantial expansion of key contacts and professional network of internal audit professionals, practitioners, stakeholders, and others in the Los Angeles Chapter.
- C. Build strong connections with leaders of other Chapters and leaders within The Institute of Internal Auditors, Inc.
- D. Improve and fine tune many leadership skills along with confidence while working closely and collaboratively with your professional colleagues.
- E. Make a positive career changing experience as a constructive leader that encourages and mentors less experienced professionals for a brighter career.
- F. There are numerous leadership positions with the Los Angeles Chapter with the initial opportunity being the first of many leadership positions.
- G. Experienced leaders from the Los Angeles Chapter continue their service to the profession by involvement in leadership roles within The Institute of Internal Auditors, Inc.
- H. Traditionally most employers have a strong preference for their employees and candidates for positions to have leadership roles in their professional organization because it demonstrates a significant commitment and makes an excellent reference as a clear distinguishing factor.
- I. The Governors and Officers who satisfactorily participate and contribute to the Los Angeles Chapter may receive their CPE at the Los Angeles Chapter at the variable costs (food, beverage, service, tax, etc.).
- J. Governors, Officers, and Committee members can earn 1 CPE hour for each hour of qualifying participation and contribution to the Los Angeles Chapter up to a maximum of 25 CPE hours over the two-year CPE reporting period.

ARTICLE VI – MEMBERSHIP AND INITIAL ELIGIBILITY FOR GOVERNOR AND OFFICER

- Section 1. The Los Angeles Chapter membership shall consist of those duly admitted to any of the classes of membership as defined in the Rules of Eligibility and Bylaws of The Institute of Internal Auditors, Inc. and who are located in the Los Angeles Chapter’s area, and any others not located in the Los Angeles Chapter’s area who, by their own or their organizations audit group request, have elected to become affiliated with the Los Angeles Chapter.
- Section 2. Membership in the Los Angeles Chapter shall terminate on permanent relocation or transfer outside the Los Angeles Chapter area, and any others who, by their own or their organizations audit group request, have elected to not affiliate with the Los Angeles Chapter, or on the resignation or termination for any of the causes set forth in the Bylaws of The Institute of Internal Auditors, Inc.
- Section 3. Membership in The Institute of Internal Auditors, Inc. and the Los Angeles Chapter are required in order to serve as a Governor or Officer in the Los Angeles Chapter. If a Governor’s or Officer’s membership terminates or lapses at any time for any reason, their

office and position shall immediately and automatically become vacant effective on the date of membership termination or lapse.

Section 4. Governors and Officers are required to set up their membership profile to 'Opt In' to receive information and communications to stay informed of activities and issues that involve The Institute of Internal Auditors, Inc. and Los Angeles Chapter and our profession and members in order to fulfill the duty of care and fiscal and fiduciary responsibilities.

ARTICLE VII – GOVERNORS AND OFFICERS – DUTY OF CARE

Section 1. Duty of Care requires a Governor and Officer to act in a reasonable and informed manner when taking part in board deliberations and activities. The Governor and Officer are expected to use the same degree of care as an ordinarily prudent person in a like position would believe appropriate under similar circumstances. The Governor and Officer is expected to read board packet materials in advance; regularly attend Board and Committee meetings; dialogue together on how best to serve Los Angeles Chapter members based on Committee objectives and responsibilities; and actively participate in board discussions. The Governor and Officer should also ask enough questions to accurately assess and determine if proper resources are available to assure procedures are in place for the Los Angeles Chapter to comply with applicable law.

The Duty of Care requires use of informed, independent judgment when participating as a member of the board. Thus the Governor and Officer should:

- a. Understand and act in a manner that supports the Los Angeles Chapter's mission and purposes.
- b. Act in a manner and make decisions with the best interest of the Los Angeles Chapter members first and foremost.
- c. Ask for and receive the level of factual information necessary to make informed decisions.
- d. Avoid undue reliance and over reliance on opinions of board members and executive management without a basis in fact.
- e. Distinguish and focus the right amount of time to the most significance and important matters for the successful operations of the Los Angeles Chapter for its members and the profession.
- f. Ask questions; be diligent and persistent if necessary to make sure issues are clarified, understood, and answered.
- g. Disclose the existence of any conflict of interest (actual or possible) including financial interest for any proposed transaction or arrangement.
- h. Strive to attend at least two-thirds (preferably all) of the meetings of the Board of Governors.

Section 2. Governors and Officers should be knowledgeable and understand the duty of care concept and the fiscal and fiduciary responsibilities that come with these important positions with the Los Angeles Chapter. There are a number of resources available for Non-profit Boards and Officers with three links provided below (links may change over time).

- a. American Society of Corporate Secretaries and The National Center for Non-Profit Boards.

Governance for Nonprofits – From Little Leagues to Big Universities – A Summary of Organizational Governance Issues & Principles For Directors of Nonprofit Organizations – August 2008

<http://www.governanceprofessionals.org/Document.asp?DocID=1559&SnID=1027261883>

- b. California Attorney General's Guide for Charities
http://ag.ca.gov/charities/publications/guide_for_charities.pdf
- a. American Bar Association Tax Section May 2005 Meeting
The Tax Exempt Tool Kit
<http://www.abanet.org/tax/pubs/tetk/tetk.pdf>

ARTICLE VIII – BOARD OF GOVERNORS AND THEIR ELECTION

Section 1. Determining policies of the Los Angeles Chapter shall be vested in the Board of Governors.

Section 2. The Board of Governors is comprised of the elected Governors and Officers who all have voting rights in matters of the Los Angeles Chapter.

Section 3. The Board of Governors shall be constituted as follows:

- a. There are 8 elected Officers (no more) of the Los Angeles Chapter:
 - i. President and seven (7) Vice Presidents as follows:
 - ii. First Vice President, Professional Development
 - iii. First Vice President, Internal Auditor Legacy
 - iv. First Vice President, Conference Series
 - v. Second Vice President, Administration
 - vi. Second Vice President, Finance
 - vii. Third Vice President, Communications
 - viii. Third Vice President, Membership
- b. There are up to 15 elected Governors (no more) of the Los Angeles Chapter:
 - i. There shall be only 1 Chair with a 1 year term limit as Chair, 2 Vice-Chair's with either a 1 or 2 year term limit as Vice Chair, and 12 other Governors with a 1, 2, or 3 year term.
 - ii. Up to 12 of the 15 Governors can be elected through the Nomination process with the Succession Planning and Nominating Committee and election by a majority vote of members at the regular general membership meeting in March, or as determined necessary another membership meeting during the year to complete Governor elections, or alternatively by an electronic, software, or Internet vote methodology.
 - iii. Up to 3 of the 15 Governors can be elected through their service as a Past President from the most recent 3 Los Angeles Chapter years, who are not holding other offices in the chapter and who have satisfactorily fulfilled their responsibilities and performed the required duties of the President by serving the membership consistently throughout their term. The Past President's initial term shall be consistent with a Governor's first appointment which is a 1 year term unless a 2 or 3 year term helps to accomplish the staggering of terms of the Governor noted below.
- c. To the extent possible consideration for Governor appointments should be given to staggering the terms of the Governors to ensure sufficient, adequate, and reasonable continuity of Board activities, knowledge transfer, and important Los Angeles Chapter business matters. In addition, an initial Governor appointment should be limited to a 1

year term with assessment of contributions made for consideration of second term. The preference for length of terms and staggering of terms among the 15 Governors is:

- i. The Governor(s) first term will be for 1 year.
 - ii. The Governor(s) second and third terms can be for either a 1, 2, or 3 years.
 - iii. 5 Governors to have a term of 1 year.
 - iv. 5 Governors to have a term of 2 years.
 - v. 5 Governors to have a term of 3 years.
- d. The Board of Governors has a term limit for each Governor of not more than 6 consecutive years after which the Governor must roll off for at least a 2 year period prior to serving as Governor again unless there are special circumstances. The best interest of the Los Angeles Chapter and members is for the Former Governor to continue to share and transfer knowledge to the Committees of the Chapter during the 2 year break. This preferably includes serving as a Chair / Co-chair of a Committee or Member of 1 or more Committees. The effective date of the term limit is the date the Amended Bylaws are approved by a vote of the Los Angeles Chapter members with special rules to extend term limits only during the initial transition years for purposes of continuity on the Board allowing Governors to serve no more than 2 additional years through fiscal year 2011 even though they may have already exceeded 6 consecutive years at the time members approve the Amended Bylaws in the Summer of 2009.

Section 4. Governor Nominations shall be made by the Succession Planning and Nominating Committee who will exercise transparency and due diligence during the nomination process, interviews, and use criteria with measureable accomplishments for the Los Angeles Chapter and profession. In addition, nominations may be presented to the Second Vice President Administration in writing by five or more chapter members prior to the regular annual general membership meeting at which the election will be held.

Section 5. Governors of the Los Angeles Chapter shall be elected at the regular annual general membership meeting in March with coordinated transition and integration to May 31 and shall hold office from June 1 until the next May 31 with election of successors again at the next March general membership meeting unless the term of office terminates or is terminated, as provided in the Bylaws of The Institute of Internal Auditors, Inc., or as provided in the Bylaws of the Los Angeles Chapter.

Section 6. Governors shall be elected by a majority vote of members present at the regular annual general membership meeting in March or as determined necessary to complete the election of Governor(s) at another membership meeting during the year. Notice of the regular annual general membership meeting and nominated Governors shall be published or communicated at least 30 days in advance of the meeting. Nominations for Governors will not be accepted from the floor at any membership meeting. Alternatively, voting for Governors may be completed by electronic, software, or Internet methodology.

Section 7. A Governor may be removed by a two-thirds vote of the Board provided such Governor was granted an opportunity for a hearing before the Board and if determined necessary a full and complete report of the action taken in removing the Governor(s) along with the reasons.

Section 8. If the office of any Governor shall become vacant by reason of death, resignation, or otherwise, including as provided in Section 7 of this article, the Succession Planning and Nominating Committee of the Board of Governors is empowered to nominate a Governor to fill this office for the remainder of the term who must still be elected by a majority vote of members present at the next regular membership meeting.

- Section 9. The resignation of any Governor shall be tendered to the Board of Governors and may be acted on at any regular or special meeting of the Board.
- Section 10. The Board of Governors shall strive to meet at least six times annually during even months of the year. Each Governor will strive to attend at least two-thirds (preferably all) of the Board of Governor meetings during the year.
- a. 1 meeting is the Annual June Retreat and Kick-Off Planning Session
 - b. 1 meeting is the Annual August FY Plan Approval and Review of Required Reports
 - c. 2 meetings prior to lunch in either October, December, February, or April
 - d. 1 meeting post breakfast in either October, December, February, or April
 - e. 1 meeting either prior to lunch, or post breakfast, or Saturday morning
- Section 11. As soon as practical after the regular annual regular general membership meeting in March, the Board of Governors shall meet and determine the number of Governors and Officers who shall constitute a quorum at all board meetings during the Los Angeles Chapter year. At this meeting, at least half of the Board members must be present to vote. Notice of the meetings of the Board of Governors shall be communicated by the Second Vice President Administration or as the Board may otherwise direct, but no failure or defect of notice shall invalidate the meeting or any business transacted or action taken thereat.
- Section 12. The Governors who are Advisors to Officers and Committees shall have at least six either in-person or teleconferences during odd months of the year in order to report progress at the Board of Governors Meetings during even months. Each Governor Advisor will strive to attend at least two-thirds (preferably all) of the meetings with Officers and Committees during the year.
- The most important period for the Governor Advisors and Officers and Committees is during the period from March to July to have the best success with planning the next fiscal year activities for the Los Angeles Chapter members and profession.
- Section 13. At all meetings of the Board of Governors, the majority vote of the elected Governors and Officers present (must have quorum) to vote (appropriate use of Proxy) will decide all issues except as provided elsewhere in these Bylaws.
- Section 14. The Governors of the Los Angeles Chapter shall receive no salaries or fees for their services. Governors may be reimbursed for expenses incurred in the performance of their duties subject to the approval by the Board.
- Section 15. The Governors who satisfactorily participate and contribute to the Los Angeles Chapter may receive their CPE at the Los Angeles Chapter at the variable costs (food, beverage, service, tax, etc.).

ARTICLE IX – BOARD OF GOVERNORS AND THEIR COMMITTEES

- Section 1. There shall be three standing committees of the Board of Governors.
- a. Strategic Long Range Planning Committee – Consisting of no more than 9 committee members including the President, 3 First Vice Presidents, up to 3 Governors who are Past Presidents, and up to 2 other Governors.
 - b. Best Practices, Quality Improvements, and Bylaws – Consisting of no more than 9 committee members including the President, 3 First Vice Presidents, up to 3 Governors who are Past Presidents, and up to 2 other Governors.

- c. Succession Planning and Nominating Committee – Consisting of no more than 7 committee members including the President, up to 3 Governors, up to 3 other members who are not a Governor and not an Officer. The President is Committee Chair with full responsibility for the Committee.

ARTICLE X – BOARD OF GOVERNORS AND KEY CALENDAR ACTIVITIES

Section 1. The Board of Governors has important Los Angeles Chapter activities to take care of during each fiscal year at a minimum to fulfill their basic duty of care and fiscal and fiduciary responsibilities that includes, but is not limited to, participation and completion of the key activities below.

June	Annual Retreat and Kick-Off Planning Session
August	Annual FY Plan Approval and Review of Required Reports
December	Succession Planning and Nominating Committee Kick-Off for Next Fiscal Year Governors and Officers
February	Board Meeting to Present Nominations for Next Fiscal Year Governors and Officers
February	Notice of Regular Annual General Membership Meeting Published 30 Days in Advance of the March Meeting including Nominated Governors and Officers
March	Regular Annual General Membership Meeting to Hold Elections of Next Fiscal Year Governors and Officers
April	Leadership Conference for Next Fiscal Year Governors and Officers

ARTICLE XI – MEETING OF MEMBERS AND LOS ANGELES CHAPTER YEAR

- Section 1. The regular March lunch meeting shall be the regular annual general membership meeting for each Los Angeles Chapter year.
- Section 2. The Los Angeles Chapter year is the time intervening between June 1 and the next May 31 for purposes of the terms of Governors and Officers and Chapter Achievement Program (CAP) Report.
- Section 3. At all Los Angeles Chapter meetings, a majority vote of members present and voting will decide all issues except as provided elsewhere in these Bylaws.
- Section 4. The Los Angeles Chapter financial year is from July 1 to the next June 30.

ARTICLE XII – OFFICERS AND THEIR ELECTION

- Section 1. No person shall hold more than one office at a time.
The Officers of the Los Angeles Chapter shall be:
 - i. President and seven (7) Vice Presidents as follows:
 - ii. First Vice President, Professional Development
 - iii. First Vice President, Internal Auditor Legacy
 - iv. First Vice President, Conference Series

- v. Second Vice President, Administration
- vi. Second Vice President, Finance
- vii. Third Vice President, Communications
- viii. Third Vice President, Membership

- Section 2. Officer Nominations shall be made by the Succession Planning and Nominating Committee who will exercise transparency and due diligence during the nomination process, interviews, and use criteria with measureable accomplishments for the Los Angeles Chapter and profession. In addition, nominations may be presented to the Second Vice President Administration in writing by five chapter members prior to the regular annual general membership meeting at which the election will be held.
- Section 3. The Succession Planning and Nominating Committee will look first at the current Officers to determine the most qualified candidate for potential promotion from Third Vice President to Second Vice President, from Second Vice President to First Vice President, from First Vice President to President. At least 1 year of service as the Second Vice President Finance or the Second Vice President Administration is required in order to be President.
- Section 4. Officers of the Los Angeles Chapter shall be elected at the regular annual general membership meeting each year in March with coordinate transition and integration to May 31 and shall hold office from June 1 until the next May 31 with election of successors again at the next March regular annual general membership meeting unless the term of office terminates or is terminated, as provided in the Bylaws of The Institute of Internal Auditors, Inc. or as provided in the Bylaws of the Los Angeles Chapter.
- Section 5. Officers shall be elected by a majority vote of members present at the regular annual general membership meeting in March or as determined necessary to complete the election of Officer(s) at another membership meeting during the year. Notice of the regular annual general membership meeting and nominated Officers shall be published or communicated at least 30 days in advance of the meeting. Nominations for Officers may be accepted from the floor at the regular annual general membership meeting or at another membership meeting during the year to complete the election of Officer(s). Alternatively, voting for Officers may also be completed by electronic, software, or Internet methodology provided it is accurate and secure.
- Section 6. An Officer may be removed by a two-thirds vote of the Board provided such Officer was granted an opportunity for a hearing before the Board and if determined necessary a full and complete report of the action taken in removing the Officer(s) along with the reasons.
- Section 7. If a vacancy occurs in any office by reason of death, resignation, or otherwise, including as provided in Section 6 of this article, the Succession Planning and Nominating Committee of the Board of Governors is empowered to nominate an Officer to fill this office for the remainder of the term who must still be elected by a majority vote of members present at the next regular membership meeting.
- Section 8. All Officers are eligible for reelection for successive terms but cannot serve more than 3 consecutive years in the same position.
- Section 9. An Officer's resignation shall be tendered to the Board of Governors and may be acted on at any regular or special board meeting.

ARTICLE XIII – DUTIES OF OFFICERS AND PRESIDENT’S COMMITTEES

- Section 1. The Los Angeles Chapter President is the elected executive head and leader of the Los Angeles Chapter and, when present, shall preside at all meetings of the Los Angeles Chapter

and of the Board of Governors. He or she shall be responsible for the enforcement of the Bylaws of The Institute of Internal Auditors, Inc. and the Bylaws of the Los Angeles Chapter and the resolutions and proceedings of the Board of Directors and of the Board of Governors. He or she shall keep the President and The Executive Board of The Institute of Internal Auditors, Inc. and the Board of Governors of the Los Angeles Chapter fully informed of the affairs of the Chapter. He or she shall also consult with the President and the Board of Directors of The Institute of Internal Auditors, Inc. and the Board of Governors of the Los Angeles Chapter, whenever necessary, concerning the business of the Los Angeles Chapter and its activities.

The President shall have standing working committees each fiscal year to accomplish the goals and objectives of service to the Los Angeles Chapter and the internal audit profession as the President and Vice President (Officers) and Governor Advisor shall deem beneficial to the operation of the Los Angeles Chapter. The President will appoint the Governor Advisors, and Chairs and Co-chairs of the standing working committees that are specific to each Vice President's primary oversight. Prior to the President's appointment of the Governor Advisor, each Governor will provide input on their preferences for advising Vice President(s) (Officers) and standing working committees. In addition, each Los Angeles Chapter Vice President along with the designated Governor Advisors will determine and select for the President's appointment the respective leader members who can best assist with accomplishing each of the President's standing working committee objectives, responsibilities, and plans including as a Chair, Co-chair, or member.

Section 2. Each Los Angeles Chapter Vice President shall have duties and powers as may be prescribed by the Board of Governors or delegated by the Los Angeles Chapter President. In the absence or disability of the President, a First Vice President or Second Vice President Administration shall perform the Los Angeles Chapter President's duties.

Section 3. The First Vice President Professional Development shall be responsible for professional development and service to the members. He or she shall be responsible for obtaining speakers for meetings and seminars. He or she shall make periodic reports as required by the Board of Governors. At the termination of his or her term of office, he or she shall turn over to the Board of Governors all hardcopies and softcopies of the books and records and other related property of the Los Angeles Chapter that came into or might have come into his or her possession or were compiled or might have been compiled or created during their term of office.

The First Vice President Professional Development has primary oversight along with the designated Governor Advisors for the committees below and their associated responsibilities and activities for the Los Angeles Chapter members and the profession. This includes the identification and selection of member leaders for each committee.

- a. Workshop Series
- b. Lunch Programs
- c. Breakfast Programs
- d. Advanced Technology
- e. Pre-meeting Seminar
- f. CAE Roundtable
- g. Event Arrangements

Section 4. The First Vice President Internal Auditor Legacy shall be responsible for activities that highlight the internal auditor, the profession of internal audit, and careers in internal audit. He or she shall also be responsible for coordinating the academic relations activities with the Los Angeles Chapter and local colleges and universities. He or she shall make periodic reports as required by the Board of Governors. At the termination of his or her term of office, he or she shall turn over to the Board of Governors all hardcopies and softcopies of the books and records and other related property of the Los Angeles Chapter that came into or might have come into his or her possession or were compiled or might have been compiled or created during their term of office.

The First Vice President Internal Auditor Legacy has primary oversight along with the designated Governor Advisors for the committees below and their associated responsibilities and activities for the Los Angeles Chapter members and the profession. This includes the identification and selection of member leaders for each committee.

- a. Internal Audit Education Partnership
- b. Academic Relations
- c. Certifications
- d. Speakers Bureau
- e. Professional Standards and Quality
- f. Research

Section 5. The First Vice President Conference Series shall be responsible for professional development and service to the members by providing a series of 1 day conferences during the fiscal year. He or she shall be responsible for obtaining speakers for the Conference Series. He or she shall make periodic reports as required by the Board of Governors. At the termination of his or her term of office, he or she shall turn over to the Board of Governors all hardcopies and softcopies of the books and records and other related property of the Los Angeles Chapter that came into or might have come into his or her possession or were compiled or might have been compiled or created during their term of office.

The First Vice President Conference Series has primary oversight along with the designated Governor Advisors for the committees below and their associated responsibilities and activities for the Los Angeles Chapter members and the profession. This includes the identification and selection of member leaders for each committee.

- a. Programs
- b. Facilities
- c. Sponsorships
- d. Publicity
- e. Registrations
- f. Finance
- g. Administration
- h. Logistics

Section 6. The Second Vice President Administration shall perform those duties delegated by the Los Angeles Chapter President or prescribed by the Board of Governors. The Los Angeles Chapter Corporate Books of Records and Minutes shall be kept under the Second Vice

President Administration's jurisdiction. He or she shall make reports as required by the Board of Governors or as required by the Secretary of The Institute of Internal Auditors, Inc. He or she shall do any and all other things normally required to keep the officers and the Executive Board of The Institute of Internal Auditors, Inc. and the Board of Governors and the chapter officers and members informed of the affairs of the Los Angeles Chapter. The Board of Governors may authorize the bonding of the Second Vice President Administration. At the termination of his or her term of office, he or she shall turn over to the Board of Governors all hardcopies and softcopies of the books and records and other related property of the Los Angeles Chapter that came into or might have come into his or her possession or were compiled or might have been compiled or created during their term of office.

The Second Vice President Administration shall assist the Board of Governors of the Los Angeles Chapter with record keeping and retention (preservation) of information and records for at least 10 years, preferably longer in an electronic softcopy format. The Second Vice President Administration and the Record Keeping and Retention Committee, in coordination with the Board of Governors of the Los Angeles Chapter will have a reasonable method to preserve and handle information and records by converting hardcopies and documents to create electronic softcopies for storing, archiving, and retrieval. No Los Angeles Chapter information and records will be permanently destroyed or discarded especially those impacting financials and tax returns without and unless prior approval is received from the Board of Governors.

The Second Vice President Administration has primary oversight along with the designated Governor Advisors for the committees below and their associated responsibilities and activities for the Los Angeles Chapter members and the profession. This includes the identification and selection of member leaders for each committee.

- a. Chapter Secretary Function
- b. Record Keeping and Retention
- c. CAP – Chapter Activity Program
- d. History / Historian
- e. Required Reports and Filings

Section 7.

The Second Vice President Finance shall be charged with the custody of the funds of the Los Angeles Chapter and their proper disbursement under the rules prescribed by the Board of Governors. He or she shall make periodic reports as required by the treasurer of The Institute of Internal Auditors, Inc. and any other reports which the Board of Governors may require. The Second Vice President Finance shall be the disbursing officer of the Los Angeles Chapter. Unless specifically authorized by the international organization, he or she shall not have the authority to receive monies for application fees and dues, which authority is reserved to the Headquarters Office of The Institute of Internal Auditors, Inc. The Board of Governors of the Los Angeles Chapter may authorize the bonding of the Second Vice President Finance. At the termination of his or her term of office, he or she shall turn over to the Board of Governors all funds, hardcopies and softcopies of the books and records and other related property of the Los Angeles Chapter having to do with financial or other transactions or business that came into or might have come into his or her possession or were compiled or might have been compiled or created during their term of office.

The Second Vice President Finance has primary oversight along with the designated Governor Advisors for the committees below and their associated responsibilities and activities for the

Los Angeles Chapter members and the profession. This includes the identification and selection of member leaders for each committee.

- a. Chapter Treasury Function
- b. Budget and Finance
- c. Tax Returns – Federal and State
- d. Financial Statements – Audited

The Financial Statements – Audited Committee shall audit the accounts and records of the Los Angeles Chapter and review its operations and financial transactions at such times and to such extent as it deems appropriate. It shall make a report of its activities at least annually to the Board of Governors and the Los Angeles Chapter membership. It shall prepare an audit statement in the prescribed form and manner for submission to the international organization

Section 8. The Third Vice President Communications shall be responsible for the newsletter, publicity and public relations, editorials, and the website to communicate items of interest to our Los Angeles Chapter members and the internal audit profession. He or she shall make periodic reports as required by the Board of Governors or as required by The Institute of Internal Auditors, Inc. At the termination of his or her term of office, he or she shall turn over to the Board of Governors all hardcopies and softcopies of the books and records and other related property of the Los Angeles Chapter that came into or might have come into his or her possession or were compiled or might have been compiled or created during their term of office.

The Third Vice President Communications has primary oversight along with the designated Governor Advisors for the committees below and their associated responsibilities and activities for the Los Angeles Chapter members and the profession. This includes the identification and selection of member leaders for each committee.

- a. Newsletter
- b. Publicity and Public Relations
- c. Editorial
- d. Website

Section 9. The Third Vice President Membership shall be responsible for retaining and increasing the membership of the Los Angeles Chapter and publishing the directory in coordination with the Third Vice President Communications and the Website Committee. The Membership Committee shall formulate and promote plans for increasing membership in the Los Angeles Chapter. It shall promote interest of prospective and eligible members and present members to the Los Angeles Chapter. The membership records shall be kept under the jurisdiction of the Third Vice President Membership. He or she shall make periodic reports as required by the Board of Governors or as required by The Institute of Internal Auditors, Inc. At the termination of his or her term of office, he or she shall turn over to the Board of Governors all hardcopies and softcopies of the books and records and other related property of the Los Angeles Chapter that came into or might have come into his or her possession or were compiled or might have been compiled or created during their term of office.

The Third Vice President Membership has primary oversight along with the designated Governor Advisors for the committees below and their associated responsibilities and activities for the Los Angeles Chapter members and the profession. This includes the identification and selection of member leaders for each committee.

- a. Membership
- b. Hospitality
- c. Awards
- d. Attendance and Registration
- e. Employment
- f. Government Relations

- Section 10. If the President is absent from any meeting of the Los Angeles Chapter or of the Board of Governors, and no one authorized to perform his duties is present, or if the Second Vice President Administration is absent, a chairperson or secretary pro tem or both, as may be needed, shall be appointed by a majority vote of the members present.
- Section 11. If a Vice President is absent from any meeting of the Los Angeles Chapter or of the Board of Governors and no one authorized to perform the duties is present, the absent Vice President can request another Vice President or Chair or Co-chair to share the relevant and pertinent information.
- Section 12. The Officers of the Los Angeles Chapter shall receive no salaries for their services. Officers may be reimbursed for their expenses incurred in the performance of their duties subject to such approval as may be determined by the Board of Governors.
- Section 13. The Officers who satisfactorily participate and contribute to the Los Angeles Chapter may receive their CPE at the Los Angeles Chapter at the variable costs (food, beverage, service, tax, etc.).
- Section 14. There shall be such other committees as may be authorized and directed by the Board of Governors or by the members in regular or special meetings – the members of such committees to be appointed by the President, by the Board, or by the members, as may be decided by the Board or by the members at the time the committee is authorized.
- Section 15. The President and Second Vice President Administration shall be member’s ex-officio of all committees, except the Financial Statements – Audited Committee and the Succession Planning and Nominating Committee.
- Section 16. Any member of any committee may be removed at the discretion of those appointing such member, with the exception of the Financial Statements – Audited Committee.
- Section 17. The Board of Governors may institute any procedures which it deems necessary to appoint committees to carry on the activities of the Los Angeles Chapter. Such committees shall not be inconsistent in their purpose with the objectives of The Institute of Internal Auditors, Inc., as set forth in the Certificate of Incorporation, the Bylaws and the pronouncements of the Board of Directors.

ARTICLE XIV – PERFORMANCE OF GOVERNORS AND OFFICERS

- Section 1. Each Governor and Officer will be evaluated at least annually or more often if determined necessary based on established performance criteria measurements that primarily focus on their attendance, participation, contribution, and involvement with the Los Angeles Chapter Board and Committees within certain established categories.
- Section 2. The basis for each Governor’s evaluation and each Officer’s evaluation is their regular, steady, and consistent attendance, participation, contribution, and involvement with the Los Angeles Chapter Board and Committees within certain established categories during the year.

Section 3. The Established Categories are:

Category A – Most Important and Crucial Activities for Los Angeles Chapter

Governor and Officer contributions and participation in developing and mentoring current and future chapter leaders and improving chapter operations including knowledge transfer among colleagues (governors, officers, committee chairs, co-chairs, and members).

Category B – Important Activities for Los Angeles Chapter

Governor and Officer visibility and attendance at chapter events (lunches, breakfasts, workshops, conferences) including greeting and networking members, speaking at these events for CPE along with those for the profession, and at local schools (colleges, etc.) all to promote the internal auditor, the profession, the chapter, and point contribution to the CAP (Chapter Achievement Program) Report.

Category C – Other Important Activities for Los Angeles Chapter

Governor and Officer activities not captured in categories A and B can still contribute to the chapter which will be identified annually as the unique activities come to light.

Section 4. Each category has established baseline criteria for a record of individual Governor's and Officer's activities, involvement, participation, and contributions to simply and easily determine if it is at an optimal, satisfactory, or unsatisfactory level. The evaluation ratings are designed to simply identify the commitment to fulfill the duty of care, and fiscal and fiduciary responsibilities necessary to serve on the Board of Governors and serve the best interest of the chapter members. The final overall rating for each Governor and Officer will be based on a cumulative review of all the categories in A, B, and C. The final overall ratings can be either:

- a. Optimal level is considered exceeds expectations and indicates the Governor or Officer presently has a best practice (most favorable) commitment.
- b. Satisfactory level is considered meets expectations and indicates the Governor or Officer presently has an acceptable and adequate (reasonably favorable) commitment.
- c. Unsatisfactory level is considered below expectations and indicates the Governor or Officer presently does not have the necessary (least favorable) commitment.

Section 5. The Board of Governor Chair, 2 Vice Chairs, President, along with the Succession Planning and Nominating Committee will have responsibility for the evaluation and final overall rating of each individual Governor and Officer. Each Governor and Officer shall ensure independence and objectivity in their own evaluation and final overall rating by removing themselves and not participating in their own scoring. It is important to note that each Governor and Officer must have the right level of commitment to fulfill the duty of care, and fiscal and fiduciary responsibilities to serve on the Board of Governors and serve the best interest of the Los Angeles Chapter members and the internal audit profession.

Section 6. When Governor and Officer participation, involvement, attendance or contributions are seen as lacking at any time during the year even during a period as short as 2 or 3 months, the Los Angeles Chapter President in consultation with the other members of the Succession Planning and Nominating Committee should notify the Governor or Officer in question of their concerns and stress the need for either enhanced involvement or seek the recognition that their time constraints are such that they are unable to satisfactorily meet their duty of care and fiscal and fiduciary responsibilities and stepping down from their position on the Board would be in the best interests of the Los Angeles Chapter members and operations.

Section 7. The evaluation and recommendations of the Succession Planning and Nominating Committee as outlined above should be presented to the Board of Governors. Any recommendation to not

extend an existing term or a vote for removal of a Governor or Officer based on their inability to satisfactorily fulfill their duty of care and fiscal and fiduciary responsibilities as a member of the Board of Governors must follow the guidelines for Governors in Article VIII Section 7 of the Bylaws and for Officers in Article XII Section 6 of the Bylaws.

ARTICLE XV – ESTABLISHED CATEGORIES AND BASELINE PERFORMANCE CRITERIA

Category A – Most Important and Crucial Activities for Los Angeles Chapter – Governor and Officer contributions and participation in developing and mentoring current and future Los Angeles Chapter leaders and improving Los Angeles Chapter operations including knowledge transfer among colleagues (Governors, Officers, Committee Chairs, Co-chairs, and Members). This includes active attendance and participation at Board meetings, appropriate use of proxy, and their ability to leverage their position in the audit profession to foster the best interests of the Los Angeles Chapter. This includes serving as an active Governor Advisor to Officers and Committees (Chairs, Co-chairs, or Members).

Category A – Established Baseline Performance Criteria	Favorable Rating	Governor	Officer
A1 – Governor Advisor to Officers and Their Committees	Higher #, More	X	
A2 – Governor Meetings with Officers & Their Committees	Higher #, More	X	
A3 – Officer Meetings with Their Committees	Higher #, More		X
A4 – Attended Board Meetings & Contributions	Higher #, More	X	X
A5 – Prevent Quorum by Not Attending Board Meeting	Zero, Low #, Less	X	X
A6 – No Proxy Given for Unattended Board Meetings	Zero, Low #, Less	X	X
A7 – Number Quality Nominations for Officers & Chairs	Higher #, More	X	X
A8 – Leverage Audit Leadership for Best Interest of Chapter	Higher #, More	X	X
A9 – On-Boarding of New Governors, Officers, Chairs, etc.	Higher #, More	X	X
A10 – Quality Execution of Committee Current Year Plan	Higher #, More	X	X
A11 – Implementation of Significant Committee Responsibilities	Higher #, More	X	X
A12 – Sustainability of On-going Committee Responsibilities	Higher #, More	X	X

Category B – Important Activities for Los Angeles Chapter – Governor and Officer visibility and attendance at Los Angeles Chapter events (lunches, breakfasts, workshops, conferences) including greeting and networking members, speaking at these events for CPE along with those for the profession, and speaking at local universities and colleges to promote the internal auditor, the profession, and chapter. This includes point contributions to the CAP (Chapter Achievement Program) Report.

Category B – Established Baseline Performance Criteria	Favorable Rating	Governor	Officer
B1 – Number of Attended Lunch Programs	Higher #, More	X	X
B2 – Number of Attended Breakfast Programs	Higher #, More	X	X

B3 – Number of Attended Workshops	Higher #, More	X	X
B4 – Number of Attended Conferences & Seminars	Higher #, More	X	X
B5 – Number Times Speaker for CPE, Profession, University, etc.	Higher #, More	X	X
B6 – Point Contributions to Chapter Achievement Program	Higher #, More	X	X

Category C – Other Important Activities for Los Angeles Chapter – Governor and Officer activities not captured in categories A and B can still contribute to the chapter which will be identified annually as the unique activities come to light. This includes survey results received during the year and input and feedback and comments from fellow colleagues (Governors, Officers, Chairs, and Committee Members).

Category C – Established Baseline Performance Criteria	Favorable Rating	Governor	Officer
C1 – Assess Other Activities That Contribute to the Chapter	Higher #, More	X	X
C2 – Results of Surveys Received During the Year	Higher #, More	X	X
C3 – Officer, Chair, Committee Input on Governor Participation	Higher #, More	X	
C4 – Governor, Chair, Committee Input on Officer Participation	Higher #, More		X

ARTICLE XVI – RULES OF PROCEDURE

- Section 1. The rules of procedure at meetings of the Los Angeles Chapter, of the Board of Governors, and of Committees, shall be according to Robert's Rules of Order, so far as is applicable and when not inconsistent with these Bylaws.
- Section 2. The rules of procedure may be suspended by two-thirds vote of those present and voting at any membership meeting.
- Section 3. The rules of procedure may be suspended by two-thirds vote of the elected Governors and Officers present (must have quorum) and voting (appropriate use of Proxy) at any Board of Governor Meeting.