PHILADELPHIA CHAPTER OF
THE INSTITUTE OF INTERNAL AUDITORS, INC.
BYLAWS

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Article I — NAME & LOCATION

Section 1. The name of this organization shall be the PHILADELPHIA CHAPTER OF THE INSTITUTE OF INTERNAL AUDITORS, INC., as incorporated as a nonprofit corporation on July 8, 1981 under the laws of the State of Pennsylvania.

Section 2. The “Chapter” as used within these Bylaws shall mean the PHILADELPHIA CHAPTER OF THE INSTITUTE OF INTERNAL AUDITORS, INC., an affiliated Chapter of the Institute of Internal Auditors, Inc. (the “Institute.”)

Article II – MISSION

The mission of the Institute of Internal Auditors is to provide dynamic leadership for the global profession of internal auditing. The Philadelphia Chapter promotes and supports this mission through the following activities:

- Providing comprehensive professional educational and development opportunities;
- Promoting knowledge of the internal audit profession and networking opportunities to members and non-members;
- Advocating and promoting the value internal audit professionals add to their organizations;
- Educating practitioners and other relevant audiences on leading practices in internal auditing;
- Promoting the value of integrity in the performance of our roles as internal auditors.

Article III - ADHERENCE TO CORPORATE CHARTER

The Chapter is empowered to perform any and all acts which are defined in the Bylaws of the Institute, and shall do nothing which is inconsistent with the provisions and with the pronouncements and resolutions incorporated in the minutes of the Institute's meetings and those of the Board of Directors as duly communicated to the Chapter President.

Article IV – CHAPTER MEMBERSHIP

Section 1. The Chapter membership shall consist of those duly admitted to any of the membership categories as defined in the Bylaws of the Institute and who are located in the Chapter area, and any other not located in the area, if any, and elects to become affiliated with the Chapter.

Section 2. Membership in the Chapter shall cease and terminate on transfer to another Chapter or because of resignation or termination for any of the causes set forth in the Bylaws of the Institute.

Section 3. As used in these Bylaws, the designation “member” shall apply only to members in good standing to vote, meaning in active status with the Institute and no outstanding fees with the Chapter. All categories of members may vote at membership meetings. Unless otherwise specifically provided by these Bylaws, a majority of those eligible members present and voting shall govern.
Article V—BOARD OF GOVERNORS

Section 1. The governing body of the Chapter shall be the Board of Governors (the “Board.”) The Board may establish and issue such policies and practices as it deems appropriate to conduct its affairs and/or the affairs and operations of the Chapter. Such policies shall be made available to the Chapter and shall not be in conflict with these Bylaws.

Section 2. Board composition:

a. The Board of Governors shall be composed of the following:
   - Officers as noted in Article VI, Section 1.
   - Two (2) most recent Chapter Presidents, not holding other offices in the Chapter, and;
   - Seventeen (17) Chapter members in good standing, including up to two non-voting members.

b. All governors of the Board, except officers as designated in Article VI, Section 1, will serve for three (3) year terms and may be reelected for up to two (2) additional terms as prescribed by the Board of Governors, not to exceed a 10 year consecutive term on the Board.

Section 3. Meetings of the Board: The Board shall meet on call of the President or upon written request to the President by three (3) members of the Board. At such meetings, a simple majority of officers and/or Governors shall constitute a quorum for the transaction of business. (Note – if six (6) officer positions a quorum by this definition is 13)

Section 4. Special Votes. The President may call special votes or resolutions either by mail or electronically, provided that every Board member responds and the vote is unanimous. Telephonic votes may be accomplished by a quorum provided that all members present to vote are in audible contact during the meeting.

Section 5. Notice of Meetings: Notice of meetings of the Board shall be sent by the President or Secretary or as the Board may otherwise direct at least thirty days prior to each regular meeting or ten days prior to each special meeting. Such notice may be by mail or by electronic method.

Section 6. Compensation: The Board shall receive no salaries for their services. However, they may be reimbursed for expenses incurred in the performance of their duties.

Section 7. Audit and Reporting: The Board shall ensure an independent audit review or compilation of the financial records of the Chapter is completed annually by August 31, as required by IIA HQ. The scope of such shall be determined annually by the Board or the Audit Committee. On an annual basis, the Audit Committee (AC) reviews the IRS Form 990 (Return of Organization Exempt from Income Tax), prepared by the outside accountant, for accuracy and completeness. The AC should formally recommend to the IRS Form 990 to the Board of Governors for approval prior to filing.
**Article VI — OFFICERS**

**Section 1. General:**

a. The elected Officers of the Chapter shall be a Chapter President, (up to) three Chapter Vice Presidents, a Chapter Secretary, a Chapter Treasurer, and other such Officers as appointed by the Board. All members shall be eligible for election to these offices.

b. No person shall hold more than one office at a time.

c. Officers shall be elected for a one-year term, with the exception of the Treasurer and Secretary elected to a minimum two-year term. The Treasurer and Secretary may be reelected for one additional consecutive term, for a maximum of four years in either position.

**Section 2. President:** The President shall be the chief administrative executive of the Chapter. The President shall be responsible for the administration and operations of the Chapter within limitations of the Bylaws and the policies, programs, and budgets approved by the Board of Governors. These responsibilities include strategic planning, governance and advising on activities of the Chapter Committees, as designated in Article VIII, Section 1. The President is also the main conduit to the Institute.

**Section 3. Secretary:** The Secretary shall be responsible for ensuring accurate and sufficient documentation exists to meet the requirements of the Chapter Bylaws, Chapter Reporting to IIA HQ and other legal requirements.

**Section 4. Treasurer:** The Treasurer is assigned the primary responsibility of overseeing the preparation, management and reporting of the Chapter’s finances; as guided by the Chapter Treasurer’s Manual published by IIA HQ. **Section 5. Other Officers:** The Vice President(s), and such other Officers as may be appointed by the Board shall have such duties and powers as may be prescribed by the Board of Governors and by the Charters of each Board Committees, as designated in Article VIII, Section 1, including:

a. The First Vice President or Officer shall be the Vice President of Events responsible for all training Programs, networking and coordination of Social activities for the chapter.

b. The Second Vice President or Officer shall be responsible for the communications of the Chapter including overseeing all activities related to the website, social media, newsletter and publicity.

c. The Third Vice President or Officer shall be responsible for the services to members including membership, employment, certifications, student activities, NextGen and volunteer coordination.

**Article VII— ELECTION, REMOVAL, AND REPLACEMENT OF OFFICERS AND GOVERNORS**

**Section 1. Nominations:** Nominations shall be made by Nominating Committee at the February Board meeting; in addition, nominations may be made from the floor at the time of the election or in writing and received by the Secretary at least 30 days prior to the meeting called for the purposes of elections.
Section 2. Election: All Chapter members may vote in the Chapter elections. Election of the officers and governors shall take place at the Chapter’s spring event and such officers and governors shall take office on June 1 of that year. The First Vice President will normally be considered the President-Elect for the following chapter year. The nominee for First Vice President will usually be selected by the nominating committee from any of the officers below the level of the First Vice President.

Section 3. Removal for Cause: Any officer or governor can be removed for cause by a two-thirds vote of a quorum of the Board, provided such officer or governor has been granted an opportunity for a hearing before the Board.

In addition, excluding extenuating circumstances which are properly and timely communicated to the Chapter President, any officer or governor failing to attend more than fifty percent (50%) of the meetings of the Board of Governors over a 12 months period, will be contacted by the Chapter President for an informal discussion to suggest their resignation, or removal for cause, as noted above, will be initiated.

Section 4. Resignation: The resignation of any officer or governor shall be tendered to the Secretary or President.

Section 5. Vacancy: If any vacancy shall occur in any Board position by reason of death, resignation, or otherwise, the President is empowered to fill such office pro tem until the Chapter shall elect a member to fill the said vacancy at the next regular or special meeting of the members.

Article VIII — COMMITTEES

Section 1. Standing committees: The Board of Governors may appoint committees it deems necessary to carry on the activities of the Chapter, including, but not limited to the following:

Nominating Committee: The Nominating Committee is responsible for the identification and nomination of potential governors or officers and is chaired by the most recent past President.

Finance Committee: The Finance Committee is responsible for the review of the financials of the Chapter and is chaired by the President. At a minimum the committee should include the current president, past president, treasurer, and a non-officer board member.

Audit Committee: The Audit Committee is responsible for the oversight and mitigation of Risk for the Chapter, including the preparation and presentation of the Annual Risk Assessment to the Board for approval. The Committee is also responsibility to ensure that the annual independent audit’s Agreed Upon Procedures (AUP) are aligned with the Chapter By-Laws. At a minimum the committee should include five (5) non-officer board members, and the Chairperson should be elected by the committee members. A new Chairperson is elected annually by the Committee members.

Events Committee: The Events Committee is responsible for planning and execution of training, networking and social events for the Chapter and chaired by the First Vice President.

The evaluation of opportunities to co-sponsor regional conferences or other events must be presented for consideration and voted on by the Board.
Section 2. The Chairperson of each standing committee shall attend Board of Governors meetings to present a summary of their assignments, or failing to attend in person, shall report in writing to the President or Secretary in advance of the meeting. Chairpersons of Committees, who are not also Governors, shall have no vote at Board meetings. Any member of any committee may be removed at the discretion of those appointing such members. A majority of each committee shall constitute a quorum thereof.

Section 3. Special Committees: There shall be such special committees as may be authorized and directed by the Board or by the members in regular or special meetings and approved by the Board.

Section 4. Responsibilities of Committees: The committees shall have such duties and powers as may be prescribed by the Board of Governors.

Article IX—OFFICERS AND GOVERNORS DUTY OF CARE

Section 1. Duty of care requires a governor or officer to act in a reasonable and informed manner when taking part in board deliberations and activities. The governor or officer is expected to use the same degree of care as ordinarily is expected to read board meeting materials in advance, regularly attend Board and Committee meetings, dialogue together on how best to serve Chapter members, and actively participate in Board discussions. The duty of care requires use of informed, independent judgment when participating on the Board. Thus, the governor or officer should:

a. Understand and act in a manner that supports the Chapter’s Bylaws;

b. Act in an open and transparent manner and make decisions with the best interest of the Chapter members first and foremost;

c. Ask for and receive the level of factual information necessary to make informed decisions;

d. Distinguish and focus the right amount of time to the most significant and important matters for the successful operations of the Chapter for its members and the profession;

e. Ask questions, be diligent and persistent if necessary to make sure issues are raised, clarified, understood and answered;

f. Disclose the existence of any conflict of interest (actual or perceived) including financial interest for any proposed transaction or arrangement;

g. Strive to attend all of the meetings of the Board of Governors;

h. Actively participate in the Chapter by leading or co-leading a committee;

i. Maintain appropriate confidentiality of matters discussed during board and committee meetings;

j. Identify, develop and educate new leaders of the Chapter.

Article X—LIMITATION ON LIABILITIES AND INDEMNIFICATION

Section 1. No member, officer, or governor of the Chapter shall be liable for the acts or failure to act on the part of any other member, officer, or governor of the Chapter. Nor shall members, officers, or governors be liable for their acts or failure to act under these Bylaws, excepting only acts or omissions to act arising out of their willful transgression(s).

Section 2. The Treasurer or any other person entrusted with the handling of the funds of the chapter shall, at the expense of the Chapter, be covered by a fidelity bond or crime insurance policy approved by the Board in such manner as the Board shall prescribe.

Section 3. Criminal / credit background checks should be conducted on key chapter positions who are tasked with handling chapter funds, i.e. President, Treasurer and Secretary, annually or when a new
individual assumes the role. Background checks should be directed by the Audit Committee and conducted in a manner to ensure the confidentiality of any related records.

Article XI—RULES OF PROCEDURE AT MEETINGS

Section 1. Rules of Procedure: The rules of procedure at meetings of the Chapter and of committees shall be according to Robert’s Rules of Order (Newly Revised) so far as applicable and when not inconsistent with these Bylaws.

Section 2. Suspension of Rules: The rules of procedure may be suspended by two-thirds vote of those present and voting at any meeting.

Article XII—INTERPRETATION AND AMENDMENT OF BYLAWS

Section 1. Interpretation: All questions of interpretation of the Bylaws shall be decided by the Board of Governors.

Section 2. Amendment: These Bylaws may be amended or repealed at any regular or special meeting of the Chapter by two-thirds vote of the members present and voting, provided that written notice of the proposed change(s) and of the meeting have been mailed or distributed electronically to all members at least ten (10) days prior to the date of said meeting.

Annually, the Bylaws should be subject to a review by a sub-committee of the board of governors to determine what if any changes may be required. Any amendments made to the Bylaws would follow procedures for presentation and voting by the members as identified above.

Article XIII—DISSOLUTION

The Chapter shall use its funds only to accomplish the mission and purposes specified in these Bylaws. No part of said funds shall inure, or be distributed to the members of the Chapter. On dissolution of the Chapter, any funds remaining shall be distributed, as directed by the Board of Governors to the Institute of Internal Auditors North America or to one or more regularly organized and qualified professional, educational, scientific, or philanthropic organizations which have a similar purpose as the Chapter.

ARTICLE XIV—ADOPTION OF BYLAWS

ADOPTED AND APPROVED by the Board of Governors on this 2nd day of May 2019.