



Chinese American Citizens Alliance 52nd Biennial Convention 2013

RESOLUTION # 04 — Submitted by Grand Lodge Governance Committee

TITLE: Removal of Conflicts of Interest in the Office of Grand Auditor *Constitutional Amendment

WHEREAS, Grand Auditors are elected by the Grand Council and therefore serve as members of the Board of Grand Officers;

WHEREAS, in the last four years, the Board of Grand Officers has adopted financial policies and practices;

WHEREAS, in the development of said policies and practices, it has been revealed that the office of Grand Auditor is defined with an internal conflict of interest, namely that the Grand Auditor is allowed to deliberate and vote on policies and practices that officer must later audit;

WHEREAS, such voting participations include issues with direct or indirect financial consequences, such as:

Planning, strategic or tactical, including budgeting and budget review; Finance, including management, transactions of the Grand Treasury;

Investment, including planning and execution and management of the portfolio, especially and including real estate;

Education, insofar as grant applications and fundraising may be involved;

WHEREAS, therefore on the Board of Grand Officers, the Grand Auditor shall not be a member of the Planning, Finance, or Real Estate standing committees, or any other ad hoc committees related to the finances of the Board;

WHEREAS, therefore on the Board of Grand Officers, the Grand Auditor shall not vote on matters and issues outlined above that affect financial actions of the Board of Grand Officers; and that the position of the Grand Auditor on any such motion on the Board of Grand Officers shall be recorded as “abstained”;

WHEREAS further, therefore on the Board of Grand Officers, the Grand Auditor shall not actively participate in discussions of matters and issues outlined above but may be present at any Board meeting where such discussions take place;

WHEREAS further therefore, the Grand Auditors cannot be members of the Executive Committee of the Board of Grand Officers, which deals mainly in financial matters;

THEREFORE BE IT RESOLVED, that in accordance with the revision the Constitution of Article V, Functions and Duties of Board of Grand Officers, Section 7, *Grand Auditors*, shall be amended to:

The Grand Auditors shall informally audit monthly cash inflow and cash outflow of the Board of Grand Officers and shall report the findings to the Grand President and Grand Treasurer. The Grand Auditors shall provide the annual audit in compliance with legal corporate requirements. The Grand Auditors shall assess annually the legal compliance of all financial accounts and records, shall oversee any certified audits if conducted, and shall also review the compliance of financial policies and practices.

The Grand Auditors, in order to avoid financial conflicts of interest in the execution of their duties, shall not participate actively in Board discussions and shall not vote on any issues and

motions of the Board of Grand Officers pertaining to financial transactions, policies, and practices. Therefore Grand Auditors shall not be members of any Standing or other Board committee dealing directly or indirectly with financial matters.

The Grand Auditor shall not be a member of Planning, Membership, Real Estate, Finance, or Investment Committee, or any other standing or ad hoc committee related to the direct or indirect finances of the Board of Grand Officers.

FURTHER BE IT RESOLVED that Article IV, Executive Department, Section 3. *Executive Committee*, Subsection a. be amended to delete the membership of the Grand Auditors as follows:

a. The Executive Committee shall consist of the Grand President, the Grand Vice Presidents, Grand Secretary, Grand Assistant Secretary, Grand Treasurer, Grand Marshal, and Grand Sentinel, and one Past Grand President to be appointed by the Grand President.

FURTHER BE IT RESOLVED that in Bylaws, Article IV, Standing Committees of the Board of Grand Officers, a Section 8, Participation of Grand Auditors, shall be added as follows:

Section 8. *Participation of Grand Auditors*. To avoid conflicts of interests in their audit function, Grand Auditors shall not be active members of the Finance, Planning, or Education committees. Further, Grand Auditors shall not be active members of other Board committees involving financial matters such as Investment or Real Estate.

Assigned: Governance

Action: <For Grand Council>

Date: <For Grand Council>