

Responses to Questions from the Webinar Structuring IIBA® for 2010 and Beyond June 16, 2009

Question: Will the operational roles (e.g., CEO, COO, CFO) be salaried positions? Can IIBA® currently fund all the salaried positions, or will additional income need to be generated?

Answer: Currently, only Kathleen Barret has a six month contract for her role as CEO. Over time, we expect the remaining officer roles will become salaried, but for the time being the roles of CFO and COO are filled by volunteers. The Human Resources and Compensation Committee of the Board will work with Kathleen over the next few months, along with a newly-appointed Director at Large, Arie Benaich, to begin the process of converting specific contract roles into employees of IIBA®. It is important that IIBA® move to an employee-based model for some of our contracts as Revenue Canada may hold IIBA® liable for taxes, and various employment benefits and insurance.

For the fiscal year of 2009, the Board approved budget included a specific line of funding for the CEO position for the full year. As we move into planning for fiscal 2010, the Board will ensure sufficient funding is allocated towards employment costs.

Question: Should there be an amendment to the Bylaws that restricts either Board of Directors (Chapter or International) from having any reporting relationships in their "regular" jobs to avoid the possibility of impropriety. This is a potential situation in our chapter—of the two new board members, one has an indirect reporting relationship to the other.

Answer: Having two board members with a reporting relationship outside IIBA® may impact the Board's independence if the two Board members vote in unison on issues and represent the views of their company or industry. The Chapter needs to consult its own legal counsel for a specific answer to this question. If the laws of the jurisdiction do not prohibit such a clause restricting Board composition, then the Chapter should devise guidelines or requirements for Board composition. Guidelines can fall outside the Bylaws, and requirements can form part of the Bylaws.

With respect to the IIBA® Bylaw, under the *Canada Corporations Act*, there is nothing prohibiting a clause in the Bylaw to restrict the composition of the Board so that it is not skewed with representatives from the same company or industry. There would have to be a mechanism in the nominations process to ensure the Board does not have members coming from the same company.

The Board will develop a specific policy regarding composition once we understand the mandate from the membership on the Bylaw. Up to now, we have informally applied a rule where over 50% of the Board are individuals who work in a business analysis role, and the

remainder may be individuals employed by companies with an interest in the business analysis community, such as education providers.

Question: How do you recruit/find board members, audit committee and risk committee members? Who validates their credentials and approves their placement?

Answer: The Nominations Committee of the Board is responsible for identifying and recruiting qualified candidates for Board positions. The Nominations Committee recommends the types of skills that should be pursued in potential Board positions based on current requirements of IIBA® (e.g., HR, legal, finance). In addition, the Nominations Committee ensures qualified candidates fill open positions in the Audit and Risk Committees. The specific nominations procedures and processes used for the selection of candidates will be made available after the AGM voting.

Question: I am on the Board of Directors for a non-profit organization and they have a model in which the Board of Directors is a governance body only, with board members serving as liaisons to the working committees for production, marketing, personnel, etc. Is that what the changes to the bylaws intends to do?

Answer: The amendments to the bylaws will change the IIBA® Board from a “Working Board” to a “Governing Board”. However, some board members will also retain active operational roles as volunteers. If the individual were to be compensated for performing his/her operational role, he/she would be expected to resign from the Board of Directors. Bylaw 3 includes a specific provision which states that any board member who takes an officer role (CIO, COO, CFO) may only do so until an appropriate non-board member is identified. No specific provision prevents a board member from taking a non-officer operational role.

Question: Are the financial results public? Could a member see them?

Answer: The Audited Financial Results are available for the public on the AGM 2009 page of the IIBA® website

http://www.theiiba.org/AM/Template.cfm?Section=AGM_2009&Template=/CM/HTMLDisplay.cfm&ContentID=5422

Question: What will be the effective date for approved changes to the Bylaws?

Answer: The changes to the bylaws are effective as soon as IIBA® receives approval from Industry Canada. Once Bylaw 3 is ratified by the membership in the voting after the AGM, IIBA® will submit the Bylaw to Industry Canada, and should receive approval within one to two months. We hope to get a response from Industry Canada in the July/August 2009 timeframe.

Question: One of the changes to Bylaw 3 allows for board members to terminate a person's membership by a majority board vote. Since the Board is moving away from operational decisions and to a governance role, shouldn't termination be handled by a professional ethics committee comprised of non-board members, similar to how other professional associations function?

Answer: The IIBA® Board will not act alone in determining whether or not to terminate a person's membership. Fortunately we have not terminated anyone's membership to date. Members of IIBA® are subject to the Code of Conduct for IIBA® and an associated disciplinary process will be defined. This is already in place for our CBAP® recipients.

Section 155(2) of the *Canada Corporations Act* requires bylaws to address (a) conditions of membership and ... "(f) whether or how members may withdraw from the corporation". Hence, paragraph 14 of the Bylaw dealing with termination of membership by the Board, fulfills the minimum requirement under the Act addressing how members may withdraw from the corporation.

Article 9 of the Bylaw requires IIBA® to set up a disciplinary procedure for enforcement of the Code of Ethics. In the rare exception where the termination of membership falls outside of discipline and ethical matters, the Board still has a residual power under paragraph 14 of the Bylaw to impose a termination.

I agree that a Discipline Committee should be formalized with procedural rules on how to handle breaches of ethics. The question is whether the Discipline Committee at this stage in the evolution of IIBA® should have the power to terminate the membership or whether it should only recommend a termination to the Board, after other remedies (e.g., warning, suspension etc.) prove ineffective.

Once IIBA® formalizes its Discipline Committee and procedures, paragraph 14 can be revised to specify that the Board's power to terminate membership has been delegated to the Discipline Committee. The Board will still reserve a residual power.

Question: Why offer membership to companies?

Answer: Corporate membership provides a number of benefits to both IIBA® and the member company. For IIBA®, it is a committed revenue stream. Corporate members provide a lump sum payment for its BAs. As well, corporate members can utilize the newly formed IIBA® Advisory Services, providing IIBA® with an opportunity to improve the quality of BA practices within that organization. For the company, corporate membership enables it to leverage the full benefit of IIBA® knowledge at a discounted price.

Question: Is IIBA® considering offering discounts for the CBAP® exam in countries with lower purchase power parity (PPP)?

Answer: Yes, but not until 2010

Question: Would IIBA® consider a waiver for persons with MS in Computer Science or any other higher degrees (e.g., waiver in eligibility hours).

Answer: No, but if the training was within the specified time requirement, the hours can be used to qualify to write the CBAP® exam.

Question: Have any decisions been made as to a certification for less experienced BAs?

Answer: Yes, IIBA® will be developing a certification for less experienced BAs in 2010. We had to defer work on the program this year due to funding constraints.

Question: A question on membership fees/dues collected. In the past, Kathleen has mentioned that IIBA® will be doing a revenue sharing of the membership dues with the Chapters. Is this in the plans and/or mentioned in the bylaws or addressed in the AGM?

Answer: Revenue sharing is one component of a very significant initiative to align chapters with corporate. Requirements sessions have recently begun across a number of areas. Kitty Hass, Head of the Chapter Governance Committee and Glen Brûlé, VP Chapters, should be providing more information on this later in the year once the plan has been formalized.

Question: Is there a plan to reduce renewal fees for members in good standing?

Answer: No. Membership fees are the primary source of revenue for IIBA®. With the money we receive from members, we are able to improve the features of the website, develop additional certifications, expand the *BABOK® Guide* and more.

Question: Is there a chapter in Plymouth/Minneapolis, Minnesota area?

Answer: The best way to find out about new chapters is to go to the website http://www.theiiba.org/AM/Template.cfm?Section=United_States&Template=/CM/HTMLDisplay.cfm&ContentID=5237

Question: Which link on the website would show the different chapters?

Answer: Check out this link: http://www.theiiba.org/AM/Template.cfm?Section=Chapter_Browse_Search

Question: As organizations are allowed to join, are you concerned this will diminish the role an individual's voice will make?

Answer: No. Corporate Membership provides a vehicle for BAs within one organization to join more easily, at a discounted rate. Corporate Membership is actually many individual memberships.

Question: How do we ask for new Bylaw amendments if we have an idea for an amendment?

Answer: Send an email to Indy.Mitra@theIIBA.org. Indy Mitra is Secretary of the Board and Head of Operational Compliance on the Senior Leadership Team. She facilitates the management and updating of IIBA® bylaws.

Question: Would my company, BCBSNC, be considered an organization? How much is an organization's membership fee?

Answer: Yes. Corporate membership rates vary based on the type of maturity assessment it selects. Prices range from \$15,000 and up. Membership rates are discounted 15%.

Question: Is there going to be a consideration made for those out of work and who can't pay the \$95 membership fee?

Answer: Yes. Individuals who have been members in good standing for two years will get a free membership. Individuals who are not currently members can get a 15% discount. In both cases, the individual must be able to demonstrate that he/she is currently unemployed.

Question: Are the resolutions to the bylaws available on the IIBA® website?

Answer: Yes on the AGM page, in the "AGM Notice" document
<http://www.theiiba.org/Content/NavigationMenu/About/2009AGM/default.htm>

Question: When will the details of the 'organization' membership type become available?

Answer: By the end of June.

Question: Would Jamaica be in that tiered rate as well?

Answer: Yes.