

AGENDA ITEM 8.

APPROVAL AND ADOPTION OF AUDIT COMMITTEE CHARTER

Submitted for: Action

Summary: During the March 26, 2011, Commission meeting, the Commission approved the Audit Committee Charter, with Commissioner Mark Donovan’s recommendation to add a statement regarding the cooperation with Audit Committee’s requests. The copy of the Audit Committee Charter that was signed at that meeting did not include the recommended wording.

The attached version of the Audit Committee Charter has been revised to include the recommended wording by Commission Donovan.

Action requested: Staff requests that the Commission approve the following resolution:

“**BE IT RESOLVED** that the revised Audit Committee Charter is approved and adopted by the Commission. On an annual basis, the Audit Committee will review the Audit Committee Charter to reassess its adequacy and recommend any proposed changes to the Commission.”

ILLINOIS STUDENT ASSISTANCE COMMISSION AUDIT COMMITTEE CHARTER

PURPOSE

To assist the Commissioners of the Illinois Student Assistance Commission (“the Commission”) in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the Commission’s process for monitoring compliance with laws and regulations and the code of conduct.

AUTHORITY

The Audit Committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

- Retain independent counsel or others to advise the Audit Committee or assist in the conduct of an investigation in accordance with applicable laws and policies, including but not limited to, those relating to procurement.
- Seek any information it requires from employees – all of whom are directed to cooperate with the Audit Committee’s requests – or external parties. **Any employee who fails to fully cooperate will be subject to discipline by the Executive Director, up to and including dismissal.**
- Meet with Commission staff members, external auditors, or outside counsel, as necessary.

COMPOSITION

The Audit Committee will consist of at least three Commissioners. The committee members shall be appointed and an Audit Committee Chair named pursuant to a resolution adopted by the Commission. The term of each member shall run concurrently with his or her term on the Commission. Nothing shall prevent a committee member from resigning from the committee prior to the expiration of their Commission term as personal or business reasons may require.

MEETINGS

Meetings will be held in accordance with the requirements of the Illinois Open Meetings Act. Audit Committee Members shall attend each meeting in person or via telephone or videoconference, to the extent permitted by the Commission’s Administrative Rules and applicable Illinois law.

Meeting agendas for Audit Committee meetings will be prepared by the Commission’s Internal Audit Department staff and will be posted as required under the Open Meetings Act or other applicable laws. In addition, the meeting agenda and supporting materials will be provided to the Audit Committee Members prior to the scheduled Audit Committee meeting. The Audit Committee may invite other individuals, such as the Commission’s executive and legal staff, employees, auditors, and other technical experts, to attend meetings and provide information, as necessary. Minutes of the Audit Committee meetings will be prepared by Commission staff and will be approved by Members of the Audit Committee.

RESPONSIBILITIES

The Audit Committee will carry out the following responsibilities:

1. Review the proposed scope of the internal audit plan and make a recommendation for final approval by the Commission.
2. Review results and recommendations of the external auditors on completion of the annual audit.
3. Review the system of internal controls of the Agency.
4. Review the performance of the Agency's internal audit function including compliance with the professional standards for the practice of internal auditing.
5. Review significant audit findings and management's response.
6. Review any additional reports on additional audit work engaged by management or internal audit department.
7. The Audit Committee will meet at least four times a year and at such additional times as necessary. Ensure there are no unjustified restrictions or limitations placed upon the internal audit department auditor functions.
8. Review and make recommendations in the appointment, replacement, or dismissal of the Director of Internal Audit, as described in the Fiscal Control Internal Auditing Act.
9. Review the committee's charter annually to reassess its adequacy, and recommend any proposed changes to the Commission. The Audit Committee Charter shall be updated as applicable laws, regulations, accounting and auditing standards change.
10. Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the charter.
11. Regularly report to the Commission about Audit Committee activities, issues, and related recommendations.

Kym Hubbard, Chair
Illinois Student Assistance Commission

Adopted Date

Kim Savage, Audit Committee Chair
Illinois Student Assistance Commission

Adopted Date