

RESOLUTION AFFIRMING STRUCTURE FOR INTERNAL AUDIT DEPARTMENT

RESOLUTION NUMBER 2007-78

WHEREAS, the State Board of Trustees of the College has received and reviewed the report of the Planning Committee dated November 30, 2007, and in particular, the discussion and recommendations regarding the form and structure of the Internal Audit Department;

WHEREAS, the Internal Audit Charter, adopted by the State Board of Trustees on April 13, 2006, states that “The College has established an Internal Audit Department to independently review and appraise the soundness, adequacy, and application of accounting, financial, and other operating controls”;

WHEREAS, the Internal Audit Charter further provides that “the Internal Audit Department also exists as an extension of the State Board of Trustees Audit Committee for the purpose of assisting the Board in satisfying their fiduciary responsibilities for the College”;

WHEREAS, the Internal Audit Charter further provides that “while the Internal Audit Department is an integral part of the College and functions in accordance with the policies established by the State Board of Trustees, it has an independent, functional reporting responsibility to the Audit Committee of the State Board of Trustees. Operationally, the Executive Director of Internal Audit reports to the chairman of the Audit Committee”; and

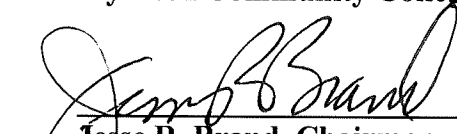
WHEREAS, the Audit Committee Charter, adopted by the State Board of Trustees on April 13, 2006, provides that “the Audit Committee shall authorize the hiring, dismissal, oversight and compensation of any external auditor/consultant.” For this purpose, an “external auditor/consultant” is defined as “any individual, company/firm, or non-state agency that is engaged to assess operational risk, internal controls or issue an opinion on the financial status of the College or the College’s system of internal controls...”

NOW THEREFORE BE IT RESOLVED, that the State Board of Trustees of the College directs that the Internal Audit Department shall continue to report to the Audit Committee of the State Board of Trustees. For these purposes, the State Board of Trustees directs that the Audit Committee shall have functional and exclusive authority and oversight of the Executive Director of Internal Audit, the Internal Audit Department, the Internal Audit budget, the Internal Audit staffing size and plan, and market based salary adjustments for the Internal Audit personnel; and

FURTHER BE IT RESOLVED, that the Executive Director of Internal Audit shall have administrative reporting responsibility to the president of the College to ensure that the Internal Audit Department is appropriately involved in the development and implementation of the strategic plan of the College and can therefore design and implement an effective internal audit plan; and

FURTHER BE IT RESOLVED, that recognizing that the responsibility for retaining external auditors or consultants rests with the Audit Committee, the State Board of Trustees directs the Audit Committee to consider and evaluate whether to retain an external auditor or consultant to conduct a review of the College's internal control processes and environment and to provide its recommendations back to the Board of Trustees for consideration.

**State Trustees
Ivy Tech Community College of Indiana**



Jesse R. Brand, Chairman



Martha E. Rivas-Ramos, Secretary

Dated December 13, 2007