

MINUTES OF THE MEETING OF THE
AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF THE
INDIANA ECONOMIC DEVELOPMENT CORPORATION

August 24, 2007

The Audit Committee ("Committee") of the Board of Directors of the Indiana Economic Development Corporation (the "Corporation") met on August 24, 2007, at the Indiana Economic Development Corporation, One North Capitol, Indianapolis, Indiana. Present at the meeting were committee members James Marcuccilli and Tim Solso. Representing BKD, LLP was Richard T. Wittgren, CPA. Representing the Corporation were Tom Skidmore and Patrick Henn.

James Marcuccilli, as chairman of the Committee, called the meeting to order. Mr. Marcuccilli noted that a sufficient number of the members of the Committee were present to constitute a quorum.

Mr. Marcuccilli also recognized that the meeting of the Committee was being held in full compliance with the open door and open records laws of the State of Indiana and noted that all postings and other related requirements were observed.

At the request of the Committee Mr. Skidmore and Mr. Henn excused themselves to allow independent discussion between the Committee and BKD. When they rejoined the meeting Mr. Marcuccilli stated that he called upon Richard T. Wittgren to present the audit findings of the Corporation's internal control review conducted by BKD. Mr. Wittgren summarized the findings of the review provided to the Committee members in advance of the meeting and the Committee engaged in general discussion regarding the same.

Mr. Marcuccilli inquired if there were any points in the review that were inaccurate or with which management was uncomfortable. Mr. Skidmore noted that the Corporation did not feel it was appropriate to change the reporting structure of the Internal Auditor from the Chief Financial Officer to the Executive Vice President. The Committee commented that they agreed with the BKD recommendation and requested that the Internal Auditor report directly to the Audit Committee, including attending all Audit Committee meetings and meeting independently with the Audit Committee. Mr. Skidmore and Mr. Henn agreed with the recommendation.

Mr. Skidmore then discussed the Accounts Payable recommendation of BKD to note the invoices as "Paid" only after the claim voucher is returned from the Auditor of State's office. Mr. Skidmore noted that the Auditor of State's office will begin utilizing PeopleSoft in January 2008 and the conversion to PeopleSoft will address the internal control issue. Additionally, management will begin generating a weekly report from PeopleSoft to monitor the accounts payable process and identify any unpaid invoices. The Committee agreed with the plan.

Mr. Skidmore stated that the Corporation was fully agreeable to the remaining recommendations made by BKD in the report.

Mr. Solso inquired when the action plans other than the PeopleSoft conversion would be implemented. Mr. Skidmore stated that the planned implementation date for the remaining recommendations was September 1, 2007. The Committee was comfortable with that date.

Mr. Marcuccilli inquired if the PeopleSoft data could be encrypted. Mr. Skidmore stated that the Indiana Office of Technology (IOT) maintains PeopleSoft and is responsible for data security. He also stated that PeopleSoft is an online system only accessible with a secure login and password. Mr. Skidmore will follow up with IOT to determine the current level of data encryption.

Mr. Skidmore then discussed that the Corporation is waiting for the final report to be issued by BKD so that it can be provided to the State Board of Accounts (SBoA). The SBoA will then review the report and the findings therein. The BKD report will be utilized by SBoA to fulfill some of the audit requirements for the IEDC. The Corporation anticipates that the SBoA will start their audit in early fall.

Having no further business, Mr. Marcuccilli asked for a motion to adjourn the meeting of the Committee. Such a motion was made and seconded and upon unanimous vote the Committee meeting was adjourned.

Respectfully submitted,



Tom Skidmore, Acting Secretary

Approved:



James Marcuccilli, Chairman

Attachments:

1. Public Notice of Meeting
2. Meeting Agenda dated August 24, 2007

**NOTICE OF A MEETING OF THE AUDIT COMMITTEE OF THE
BOARD OF DIRECTORS OF
THE INDIANA ECONOMIC DEVELOPMENT CORPORATION**

Notice is hereby given that the Audit Committee of the Board of Directors of the Indiana Economic Development Corporation will hold a public meeting on August 24, 2007, at 1:30 p.m., at Indiana Economic Development Corporation, One North Capitol, Indianapolis, Indiana 46204.

Indiana Economic Development Corporation Audit Committee Meeting

August 24, 2007 (1:30 p.m.)

- I. Welcome
 - Recognition of Quorum
 - Recognition of Compliance with Open Door Law
- II. Presentation of IEDC Review of Internal Controls by BKD, LLP
- III. Discussion of Potential Issues Identified in the Review
- IV. Update on State Board of Accounts Audit