

# Exhibit 12

## Information/Action Item

### Consideration of the Audit Committee Charter

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The Audit Committee met on April 26, 2013 and approved the following draft charter:

#### Draft Charter

The audit committee shall be responsible for:

1. Examining and making recommendations on a comprehensive risk assessment to identify and prioritize potential audit areas which pose the greatest risk and liability to the Commission;
2. Establishing an audit plan based on the comprehensive risk assessment, which identifies those audits that could be performed by existing audit resources and evaluating the plan annually to determine if changes are warranted;
3. Monitoring the status of audits, including the implementation of audit recommendations, and informing the Commission of significant external audit issues;
4. Reviewing with management, the plans and activities of the internal audit function, including evaluating the effectiveness of the internal control systems;
5. Reviewing with management any Commission response to audits performed by various State Agencies (Bureau of State Audits, Department of Finance, State Controller), including the internal control reviews required by the Financial Integrity and State Manager's Accountability Act of 1983 (FISMA).

**Responsible Person(s):** Keri Tippins  
General Counsel and Chief  
Legal & Audit Services Division