

**Action/Information Item**

***Joint California Student Aid Commission  
and EDFUND Board of Directors Workshop***

**Planning for Commission's Performance Review of EDFUND**

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California Education Code (CEC) §69522(c)(2) requires the California Student Aid Commission (Commission) to conduct regular performance evaluations of the operations of EDFUND in furtherance of its fiscal and fiduciary responsibilities for approved programs.

Additionally, the current Operating Agreement between the Commission and EDFUND facilitates the Commission's compliance with its mandated responsibilities by providing that "[t]he Commission may, in its discretion, perform periodic contract performance reviews and audits of EDFUND's operations in order to evaluate the efficiency and effectiveness of EDFUND's administrative and operational systems, including analyzing EDFUND's compliance with this Agreement, applicable state and federal laws and regulations and with Commission and EDFUND internal policies" (Article VII, 7.2).

The most recent Commission performance evaluation report of EDFUND was issued June 2005. During the last performance evaluation, Commission staff recognized the need for an agreed upon process for reviewing EDFUND's performance. To ensure a more systematic approach, staff would perform a risk assessment determine high risk areas to focus the performance evaluation. Also, staff expects to leverage other work such as internal and external audits when possible to complete work.

Staff has developed the enclosed tentative timeline for the Commission's next performance evaluation of EDFUND.

***Recommended Action:***

Approve the enclosed timeline and direct staff to proceed with developing a draft performance evaluation plan.

***Responsible Staff:***

Janet McDuffie, Chief  
CSAC Management Services Division

**TENTATIVE PERFORMANCE REVIEW TIMELINE**

Date	Event	Recommended Action
September and October 2006	Fiscal Policy and Long-Range Planning Committee (TBD)	<ul style="list-style-type: none"> <li>Review draft plan for the Performance Review of EDFUND.</li> </ul>
November 29-30, 2006	Commission Meeting	<ul style="list-style-type: none"> <li>Approve the plan for the Performance Review of EDFUND and direct staff to begin the review in January 2007.</li> </ul>
January 2007	Staff	<ul style="list-style-type: none"> <li>Begin Performance Review of EDFUND.</li> </ul>