



ILLINOIS BOARD OF HIGHER EDUCATION

431 EAST ADAMS STREET, 2ND FLOOR
 SPRINGFIELD, ILLINOIS 62701-1404

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Carrie J. Hightman
 Buffalo Grove

Executive Director

Judy Erwin

April 27, 2007

Vice Chair

Lucy A. Sloan
 Carbondale

Honorable William G. Holland
 Auditor General
 Iles Park Plaza
 740 East Ash Street
 Springfield, Illinois 62703

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 DuQuoin

Dear Mr. Holland:

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 Oak Lawn

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 Rantoul

An evaluation of the internal fiscal and administrative controls of the Illinois Board of Higher Education in effect during the reporting period ending March 31, 2007 was performed in accordance with guidelines established by the Comptroller in consultation with the Director of Central Management Services.

The objectives of the system of the internal fiscal and administrative controls of the Illinois Board of Higher education are to provide reasonable assurance that:

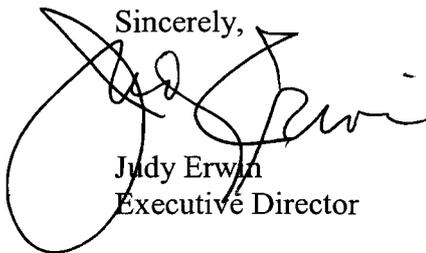
1. resources are utilized efficiently, effectively, and in compliance with applicable law;
2. obligations and costs are in compliance with applicable law;
3. funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriations;
4. revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources; and
5. funds held outside the State Treasury are managed, used, and obtained in strict accordance with the terms of their enabling authorities and that no unauthorized funds exist.

The concept of reasonable assurance recognizes that the cost of inherent control should not exceed the benefits expected to be derived therefrom, and that the benefits consist of reductions in the risks of failing to achieve the stated objectives. Estimates and judgments are required to assess the expected benefits and related costs of control procedures. Furthermore, errors or irregularities may occur and not be detected because of inherent limitations in any system of internal accounting and administrative control, including those limitations resulting from resource constraints, legislative restrictions, and other factors.

Finally, projection of any evaluation of the system to future periods is subject to the risk that procedures may be inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate. Nonetheless, I have taken the necessary measures to assure that the evaluation, identified in the first paragraph, has been conducted in a thorough and conscientious manner.

The systems of internal fiscal and administrative controls of the Illinois Board of Higher Education comply with the requirements of this Act.

Sincerely,

A handwritten signature in black ink, appearing to read "Judy Erwin", is written over the typed name and title. The signature is stylized and cursive.

Judy Erwin
Executive Director