



MINUTES

AUDIT AND RISK COMMITTEE

Public Meeting held in-person and telephonically on June 2, 2022 at 10:00 a.m. CT
Pursuant to Texas Govt. Code 551.127 – COVID-19 circumstances

Committee Members Present/(Absent)

Brad Sinclair, Committee
Chair
Anthony B. Ross, Sr.
Diana Thomas†
Michael Granof
Dick Lavine†

Guests:

Paige Saenz*, General
Counsel
Bhakti Patel, CLA

Other Board Trustees Present/(Absent)

Michael Benson
Kelly Crook
(Amy Hunter)
(Leslie Pool)
(Yuejiao Liu)
Chris Noak, ex officio

Others Present

Staff:
Christopher Hanson
Russell Nash
Sarah McCleary
Amy Kelley*
Mehrin Rahman
Yun Quintanilla*
Jenni Bonds*
Cathy Edwards*
Michelle Mahaini*
Bertie Corsentino*
David Kushner

*present telephonically

† present videoconference

1 Call roll of Committee members

Committee Chair Brad Sinclair called the meeting to order at 10:01 a.m. The following Committee members were present in person: Sinclair, Ross, and Granof. The following Committee members were present via videoconference: Thomas and Lavine.

2 Review order of business and establish meeting objectives

Committee Chair Sinclair reviewed the order of business and meeting objectives with the Committee.

Committee Chair Sinclair asked if there were any members of the public who wished to speak, either now or during an agenda item. There were no comments.

3 Consider approval of the March 10, 2022 Audit and Risk Committee minutes

Committee Chair Sinclair asked the Committee to review the Audit and Risk Committee minutes. Mr. Anthony B. Ross moved approval of the March 10, 2022 minutes as presented. Dr. Michael Granof seconded, and the motion passed unanimously.

4 Discuss and consider acceptance of financial statement audit report as of December 31, 2021

Ms. Bhakti Patel from CliftonLarsonAllen presented the results of the December 31, 2021 audit. Ms. Patel reported to the Committee that CLA has issued an unqualified opinion on the financial statements. She further stated that CLA found no significant corrected or uncorrected adjustments during the 2021 audit of the financial statements. Ms. Patel reviewed significant accounting policies used by COAERS and reported that there were no unusual transactions. Trustees discussed the format of the presentation from CLA and asked questions of Ms. Patel.

Mr. Ross moved to refer to the Board acceptance of the December 31, 2021 financial statements and auditor's report from CLA. Dr. Granof seconded, and the motion passed unanimously.

5 Discuss and consider the COAERS Enterprise Risk Management program including reports on operations, governance, legislative, and mission

Mr. Christopher Hanson presented a report on the Enterprise Risk Management program focusing on the four of the risk areas of operations, governance, legislative, and mission. Mr. Hanson outlined what each category entailed and the ways that Staff was addressing risks within each category. Mr. Hanson also noted updates to the risk management dashboard in response to comments at the previous Committee meeting. Trustees agreed that the updates addressed their prior comments.

**6 Receive Staff reports on the following matters:
A. First quarter 2022 Unaudited Financial Statements**

Ms. Cathy Edwards presented the first quarter financial statements.

B. Cybersecurity update

Committee Chair Sinclair announced that the Committee would convene into Executive Session pursuant to Section 551.071, Texas Government Code, Section 1.05, Texas Disciplinary Rules of Professional Conduct, and Section 551.089, Texas Government Code, to consult with legal counsel and deliberate security assessments or deployments relating to information resources technology, network security information described in Section 2059.055, Texas Government Code, and deployment and implementation of security personnel, critical infrastructure, and security devices.

The Committee convened into Executive Session at 11:43 a.m. and reconvened into public session at 11:56 a.m.

7 Review key meeting takeaways and call for future agenda items

Committee Chair Sinclair summarized the actions taken and information discussed at the meeting and provided an opportunity to add future agenda items.

As there were no other items to address, the meeting adjourned at 11:57 a.m.

These minutes were approved at the August 25, 2022 Audit and Risk Committee Meeting.