



MINUTES

AUDIT AND RISK COMMITTEE

Public Meeting held in-person and telephonically on March 10, 2022 at 1:00 p.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
Roy Cobb*, CLA

Other Board Trustees Present/(Absent)

Michael Benson
Kelly Crook
(Amy Hunter)
(Leslie Pool)
(Brad Sinclair)
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*

*present telephonically

† present videoconference

1 Call roll of Committee members

Committee Chair Brad Sinclair called the meeting to order at 1:34 p.m. The following Committee members were present in person: Sinclair, Ross, Granof, 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 Review 2022 Audit and Risk Committee Work Plan

Mr. Christopher Hanson presented the Audit and Risk Committee Work Plan for 2022. Trustees discussed it and gave general approval.

4 Consider approval of the November 16, 2021 Audit and Risk Committee minutes

Committee Chair Sinclair asked the Committee to review the Audit and Risk Committee minutes. Mr. Anthony Ross moved approval of the November 16, 2021 minutes as presented. Mr. Sinclair seconded, and the motion passed 4-0.

5 Discuss and consider the December 31, 2021 financial statements including the following:

A. Review of the unaudited 2021 year-end financial statements

Interim Controller Cathy Edwards presented the 2021 year-end unaudited financial statements that showed a favorable net position compared to year-end 2020.

B. Presentation of required auditor communications in conjunction with the financial statement audit

Ms. Bhakti Patel and Mr. Roy Cobb of CliftonLarsonAllen (CLA) outlined the required communications and summary of services to be performed for the December 31, 2021 financial statement audit. Ms. Patel reported to the Committee that a review of internal controls and substantive procedures will be conducted in March and April. Ms. Patel noted that audit activities are scheduled to be concluded in May including a review of the Annual Comprehensive Financial Report. Ms. Patel stated that it is expected CLA will provide a final report to the Committee in June. Ms. Patel received input and answered questions from Trustees about the engagement.

6 Discuss and consider the Enterprise Risk Management Policy and Report including the following:

A. Receive report on the following risk categories: funding, market, and personnel

Mr. Christopher Hanson presented a report on the Enterprise Risk Management Policy focusing on activities related to the following risk categories: funding, market, and personnel. Trustees discussed both the content and the format of the newly developed risk dashboard and requested additional visual changes to certain risk areas. Trustees also suggested a prioritization of notable risks in each category.

B. Receive report on the cybersecurity risk

1. 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

2. Reconvene into open session to take action as determined appropriate regarding 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

Trustees convened into Executive Session at 2:46 p.m. and reconvened into Public Session at 3:05 p.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 3:07 p.m.

DRAFT