



MINUTES

AUDIT AND RISK COMMITTEE

Public Meeting held in-person and telephonically on August 25, 2022 at 11:45 a.m. CT
Pursuant to Texas Govt. Code 551.127

Committee Members Present/(Absent)

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

Guests:

Paige Saenz*, General
Counsel

Other Board Trustees Present/(Absent)

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

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
Teresa Cantu*

*present telephonically

† present videoconference

1 Call roll of Committee members

Committee Chair Brad Sinclair called the meeting to order at 12:20 p.m. The following Committee members were present in person: Sinclair, Granof, and Ross. The following Committee members were present via videoconference: Thomas and Lavine.

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.

2 Review order of business and establish meeting objectives

Committee Chair Sinclair reviewed the order of business and meeting objectives with the Committee. No changes were made to the order of business.

3 Consider approval of the June 2, 2022 Audit and Risk Committee minutes

Committee Chair Sinclair asked the Committee to review the Audit and Risk Committee minutes. Mr. Anthony B. Ross Sr. moved approval of the June 2, 2022

minutes as presented. Dr. Michael Granof seconded, and the motion passed unanimously.

4 Discuss and consider the COAERS Enterprise Risk Management program including reports on counterparty, physical, reputational and adaptability

Mr. Christopher Hanson presented a report on the Enterprise Risk Management program, focusing on the following risk categories: counterparty, physical, reputational, and adaptability. Mr. Hanson reviewed ongoing risk management activities in each category. He reminded Trustees that the risk management program operates with a quarterly review on four risk categories, and in November the Staff and Committee will look at the overall risk management reporting system to ensure the categories and identified risks remain current.

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

Ms. Cathy Edwards presented the second 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 12:46 p.m. and reconvened into public session at 12:59 p.m.

6 Receive report on annual review of financial statement auditor

Mr. Russell Nash delivered the report of the financial statement auditor. He noted that in 2023 the auditors would discuss which Trustee positions would be included in the interview process. An engagement letter for the 12/31/22 audit would be presented to the Committee in November.

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 1:01 p.m.