



MINUTES

AUDIT AND RISK COMMITTEE

Public Meeting held in-person and telephonically on August 31 2023 at 12:00 p.m. CT
Pursuant to Texas Govt. Code 551.127 – COVID-19 circumstances

Committee Members
Present/(Absent)

Michael Benson, Committee
Chair
Michael Granof
Amy Hunter†
Dick Lavine†
Anthony Ross

Guests:

Paige Saenz, General
Counsel

Other Board Trustees
Present/(Absent)

Kelly Crook
(Yuejiao Liu)
Chris Noak†
(Leslie Pool)
Brad Sinclair
Diana Thomas

Others Present

Staff:

Christopher Hanson
Russell Nash
Sarah McCleary
Teresa Cantu
Jenni Bonds
Yun Quintanilla
Mehrin Rahman
Cathy Edwards*
David Kushner*
Amy Kelley*

*present telephonically

† present videoconference

1 Call roll of Committee members

Committee Chair Michael Benson called the meeting to order at 12:01 p.m. The following Committee members were present in person: Benson, Granof, and Ross. The following Committee members were present via videoconference: Hunter and Lavine.

2 Review order of business and meeting objectives

Committee Chair Benson reviewed the order of business and meeting objectives with the Committee. Mr. Benson asked if there were any members of the public who wished to speak, either now or during an agenda item. There were no comments.

Ms. Thomas joined the meeting at 12:09 p.m.

3 Consider approval of the June 15, 2023 Audit and Risk Committee minutes

Committee Chair Benson asked the Committee to review the Audit and Risk Committee minutes. Mr. Michael Granof moved approval of the June 15, 2023 minutes as presented. Mr. Anthony Ross seconded, and the motion passed unanimously.

4 Receive report on annual review of financial statement auditor

Mr. Russell Nash presented a Staff report on CliftonLarsonAllen. Mr. Nash reviewed improved efficiencies during the financial audit process since the hiring of CLA as the financial statement auditor. Mr. Nash also reported that CLA will be providing an engagement letter at the November 2023 Committee meeting for the December 31, 2023 financial statement audit.

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

Mr. Christopher Hanson presented a report on four of the key Enterprise Risk Management categories focusing on current risk trends and mitigation activities. Mr. Hanson covered trends and activities related to governance, physical, reputational, and adaptability risks.

Ms. Crook left the meeting at 12:33 p.m. and returned to the meeting at 12:38 p.m.

6 Receive second quarter 2023 unaudited financial statements

Ms. Yun Quintanilla presented the June 30, 2023 unaudited financial statements.

7 Receive Cybersecurity update

A. 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

B. 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

The Committee convened into Executive Session at 12:45 p.m. and reconvened into public session at 1:16 p.m.

Ms. Hunter left the meeting at 1:09 p.m.

8 Review key meeting takeaways and call for future agenda items

Committee Chair Benson 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 1:17 p.m.

These minutes were approved at the November 9, 2023 Audit & Risk Committee Meeting.