

MINUTES

AUDIT AND RISK COMMITTEE

Public Meeting held in-person and telephonically on June 15 2023 at 10:30 a.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*
Bhakti Patel, CLA
Lewis Ward, GRS*

Other Board Trustees
Present/(Absent)

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

Others Present

Staff:

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

*present telephonically
† present videoconference

1 Call roll of Committee members

As the Committee Chair attended virtually, Board Vice Chair Brad Sinclair called the meeting to order at 10:31 a.m. The following Committee members were present in person: Granof, and Ross. The following Committee members were present via videoconference: Lavine, Hunter, and Benson.

2 Review order of business and meeting objectives

Vice Chair Sinclair reviewed the order of business and meeting objectives with the Committee. Mr. 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 9, 2023 Audit and Risk Committee minutes

Vice Chair Sinclair asked the Committee to review the Audit and Risk Committee minutes. Mr. Anthony Ross moved approval of the March 9, 2023 minutes as presented. Mr. Michael Granof seconded, and the motion passed unanimously.

4 Discuss and consider acceptance of financial statement audit report as of December 31, 2022

Ms. Bhakti Patel from CliftonLarsonAllen (CLA) presented the results of the December 31, 2022 financial statement audit. Ms. Patel reported to the Committee that CLA issued an unqualified opinion on the financial statements. She further stated that CLA found no significant corrected or uncorrected adjustments during the 2022 audit of the financial statements. Ms. Patel reviewed significant accounting policies used by COAERS and reported that there were no unusual transactions.

Mr. Ross moved to refer to the Board acceptance of the December 31, 2022 financial statements and auditor's report from CLA. Mr. Granof seconded, and the motion passed unanimously.

Mr. Chris Noak joined at 10:53 a.m.

5 Discuss and consider the COAERS Enterprise Risk Management program including the following risk categories: operations, counterparty, mission, and personnel

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 operations, counterparty, mission, and personnel risks.

6 Receive Staff reports on the following matters:

A. First quarter 2023 unaudited financial statements

Ms. Yun Quintanilla presented the March 31, 2023 unaudited financial statements.

B. Cybersecurity update

Vice 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.

Ms. Leslie Pool joined the meeting at 11:33 a.m.

The Committee convened into Executive Session at 11:18 a.m. and reconvened into public session at 11:42 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 11:42 a.m.

These minutes were approved at the August 31, 2023 Audit and Risk Committee meeting.