



MINUTES

AUDIT AND RISK COMMITTEE

Public Meeting held in-person and telephonically on March 9, 2023 at 10:45 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
Roy Cobb, CLA*

Other Board Trustees Present/(Absent)

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

Others Present

Staff:

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

*present telephonically

† present videoconference

1 Call roll of Committee members

Committee Chair Michael Benson called the meeting to order at 10:53 a.m. The following Committee members were present in person: Benson, Granof, and Ross. The following Committee member was present via teleconference: Lavine.

2 Review order of business and establish meeting objectives

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

Committee Chair 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.

3 Review 2023 Audit and Risk Committee Work Plan

Mr. Christopher Hanson presented the Audit and Risk Committee Work Plan for 2023. Trustees discussed it and gave general approval.

4 Consider approval of the November 10, 2022 Audit and Risk Committee minutes

Committee Chair Benson asked the Committee to review the Audit and Risk Committee minutes. Mr. Anthony Ross moved approval of the November 10, 2022 minutes as presented. Mr. Michael Granof 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 2022 year-end financial statements

Ms. Amy Hunter arrived via videoconference at 11:08 a.m.

Ms. Yun Quintanilla presented the 2022 year-end unaudited financial statements that showed the net position compared to year-end 2021.

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

Ms. Bhakti Patel of CliftonLarsonAllen (CLA) outlined the required communications and summary of services to be performed for the December 31, 2022 financial statement audit. Ms. Patel reported that the team will conduct walkthroughs and individual meetings with Trustees and Staff in March and April, and that substantive testing of all audit areas are scheduled to conclude in May. Ms. Patel received input and answered questions from Trustees about the timeline and the audit approach.

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 legislative

Mr. Christopher Hanson presented a report on three of the key Enterprise Risk Management categories focusing on current risk trends and mitigation activities. Mr. Hanson covered trends and activities related to funding, market, and legislative risks. Trustees discussed the risk and provided feedback on the report.

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 11:42 a.m. and reconvened into Public Session at 11:58 a.m.

7 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 11:59 a.m.

These minutes were approved at the June 15, 2023 meeting.