



MINUTES

AUDIT AND RISK COMMITTEE

Public Meeting held in-person and telephonically on November 10, 2022 at 9:30 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
Bhakti Patel*

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*
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 9:31 a.m. The following Committee members were present in person: Granof, Lavine, Ross, Sinclair, and Thomas. No Committee members were present via videoconference.

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 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 August 25, 2022 Audit and Risk Committee minutes

Committee Chair Sinclair asked the Committee to review the Audit and Risk Committee minutes. Ms. Diana Thomas moved approval of the August 25, 2022 minutes as presented. Mr. Anthony Ross seconded, and the motion passed unanimously.

4 Discuss and consider CliftonLarsonAllen (CLA) statement of work for 12/31/2022 financial statement audit

Mr. Russell Nash reviewed the timeline that led to CLA's first financial statement audit for COAERS and expressed Staff's satisfaction with the firm. Ms. Bhakti Patel outlined the statement of work planned for the year ended December 31, 2022 including the scope of audit services, objectives, and management's responsibilities.

After a discussion about the standards regarding communicating key audit matters, Ms. Thomas moved to refer the statement of work with CLA for the 12/31/2022 financial statement audit to the Board for approval as presented. Mr. Dick Lavine seconded, and the motion passed unanimously.

5 Discuss and consider the COAERS Enterprise Risk Management Program

Mr. Christopher Hanson presented the proposed Enterprise Risk Management Program for 2023. He noted that the categories had not changed, though the ranking and action items were updated. He discussed with the Committee key strategic and risk management plans for 2023. The Committee provided feedback on the risk management dashboard.

Mr. Michael Granof moved to approve the 2023 Enterprise Risk Management Program as presented. Ms. Thomas seconded, and the motion passed unanimously.

6 Receive Staff reports on the following matters:

A. Third quarter 2022 Unaudited Financial Statements

Ms. Yun Quintanilla presented the third quarter unaudited 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 10:17 a.m. and reconvened into public session at 10:32 a.m.

7 Review 2022 Committee Work Plan and discuss development of 2023 Work Plan

Mr. Hanson noted that the Committee had completed all goals on the 2022 Work Plan. A draft of the 2023 Work Plan was presented.

8 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 10:35 a.m.

These minutes were approved at the March 9, 2023 Committee Meeting.