

**CREDIT UNION COMMISSION AUDIT COMMITTEE
MEETING MINUTES
(Via video/teleconference only)
914 East Anderson Lane, Austin, Texas
June 29, 2021**

A. CALL TO ORDER – Chairman James Minge called the meeting to order at 9:02 a.m. via audio/videoconference pursuant to Chapter 551 of the Government Code. Other members present included Kay Swan, Liz Bayless, and Karyn Brownlee. Assistant Attorney General Melissa Juarez was in attendance to serve as legal counsel. Staff members in attendance were John J. Kolhoff, Commissioner, and Cheli Castro, Staff Services Officer. Isabel Velasquez was appointed as recording secretary. The Chair inquired and the Commissioner confirmed that the notice of the meeting was properly posted with the Secretary of State (**June 21, 2021, TRD#2021003712 and 2021003713**).

❖ INVITATION FOR PUBLIC INPUT FOR FUTURE CONSIDERATION

– Chairman Minge invited public input for future consideration by the committee. There was none.

B. COMMITTEE CHARTER AND PURPOSE – Commissioner Kolhoff explained that the purpose of the Audit Committee is to implement and oversee an independent audit program of the Department's financial reporting process. Furthermore, the Committee's purpose and in addition to any other responsibilities that may be assigned to from time to time by the Commission, the Committee will have additional responsibilities and duties:

- Recommend to the Commission for approval of the development, implementation and performance monitoring of an independent audit plan.
- Recommend to the Commission for approval and oversight of appropriately qualified vendors to audit the Department.

- Encourage and facilitate cooperation between auditors hired by the Commission and auditors assigned by other state agencies to audit the Department.
- Recommend to the Commission for approval a solicitation document, a vendor, or a contract for auditing services only if the solicitation document, vendor's proposal, or the proposed contract, as applicable, includes a clause that requires the selected vendor to cooperate with an auditor assigned by a state agency to audit the Department, and only if it includes any other clauses required by the Commission.

After a brief discussion, the Committee took no action.

C. PROCUREMENT PROCESS – Commissioner Kolhoff highlighted the requirements included in the meeting packet outlining the Government Code that relates to professional and consulting services as well as defining the scope and specification requirements needed. Mr. Kolhoff reported that currently we do not have an acquisition plan ready for the Committee to review since we want to be sure that we are going in the right direction before formalizing the acquisition plan, with the next step after that being to put out a bid/Request for Proposal (RFP).

After a lengthy discussion, the Committee took no action.

D. Audit Delegation Request 469-2021-001 – Commissioner Kolhoff reported on the letter included in the meeting packet from the State Auditor's Office delegating to the Department the authority to employ a private auditor to provide internal audit services. Mr. Kolhoff further explained that in accordance with the Government Code, anytime you bring in an internal auditor you have to seek a delegation of authority by the State Auditor's Office, and that moving forward with

this process, a request has been already been submitted on behalf of the Committee and the delegation approved by the State Auditor's Office.

After a lengthy discussion, the Committee took no action.

E. Draft Acquisition Plan Internal Audit Services – Commissioner Kolhoff suggested the Committee might want to meet before the Commission meeting on August 27 to review and approve the acquisition plan. After a brief discussion, Mrs. Swan made a motion for the Committee to meet on August 16 @ 11:00 am. Mrs. Bayless seconded the motion and the motion carried.

ADJOURNMENT

Without objection, the meeting was adjourned at 9:42 a.m.

Jim Minge
Chair

Isabel Velasquez
Recording Secretary

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