

**CREDIT UNION COMMISSION AUDIT COMMITTEE  
MEETING MINUTES  
914 East Anderson Lane, Austin, Texas  
March 10, 2022**

**A. CALL TO ORDER** – Chairman James Minge called the meeting to order at 1:05 p.m. pursuant to Chapter 551 of the Texas Government Code. Other Commission members present included Kay Swan, Liz Bayless, Karyn Brownlee and Ex-officio Yusuf Farran. The Chair introduced general counsel Nancy Elmilady, who will serve as legal counsel for the committee at this meeting. Staff member in attendance was John J. Kolhoff, Commissioner. 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 (**February 24, 2022, TRD#2022001229**).

❖ **INVITATION FOR PUBLIC INPUT FOR FUTURE CONSIDERATION**  
– Chairman Minge invited public input for future consideration by the committee. There was none.

**B. RECEIVE MINUTES OF PREVIOUS MEETING (June 29, 2021)** – Mrs. Swan moved to approve the minutes of June 29, 2021, as presented. Mrs. Bayless seconded the motion, and the motion was unanimously adopted.

**C. DISCUSSION, CONSIDERATION AND POTENTIAL ACTION OF INTERNAL AUDITING SERVICES CONTRACT** – Commissioner Kolhoff reported that as part of the sunset review process, a recommendation was made asking the Department to initiate an internal audit program that exceeds statutory requirements for an agency of the Department's size and nature. The Department's management and the Commission agreed to implement a program and formed an Audit Committee, whose first meeting was held on June 2021. Furthermore, Commissioner Kolhoff stated that he would be speaking on the recommendation of

our procurement staff member, Cheli Castro, who could not be present. On behalf of Ms. Castro, staff recommendation to the committee is to recommend “no award” for the recent Request for Qualifications (RFQ) procurement contract for the internal auditor and to rebid the procurement contract at a future date to be determined.

Chairman Minge stated that the Committee would be entering into Executive Session as provided under Section 551.071(2) of the Government Code for the purposes of consultation and advice of counsel for legal matters subject to attorney-client privilege. The Committee entered into Executive Session at 1:08 pm., and reconvened in open session at 2:26 p.m. Chairman Minge noted that no formal action was taken by the Committee during the closed session.

Mr. Farran made a motion that the Committee recommend to the Commission approve the proposed action of not awarding an Internal Auditing Services Contract for the published RFQ and to repost the solicitation at a future date with a goal of posting by December 31, 2022. Mrs. Brownlee seconded the motion, and the motion was unanimously adopted.

**D. DEPARTMENT’S ANNUAL RISK ASSESSMENT REPORT FOR FY 2022 AS REQUIRED BY SECTION 2102.004, GOVERNMENT CODE –**

Commissioner Kolhoff noted that Section 2102.013 of the Texas Government Code requires state agencies which meet certain requirements to conduct a formal risk assessment each year and submit the assessment to the State Auditor’s Office. He indicated that staff had completed the internal risk review for 2022 and had prepared a written assessment of the risks along with the controls the Department has in place to mitigate those risks.

After a short discussion, Mrs. Swan moved that the Commission approve the Department's Internal Risk Assessment Report for 2022 and authorize its submission to the State Auditor's Office. Mrs. Bayless seconded the motion, and the motion was unanimously adopted.

**E. NEXT COMMITTEE MEETING** – Chair Minge reminded everyone that the next meeting of the Committee has been tentatively scheduled for June 9, 2022.

**ADJOURNMENT** – There being no further business for the Committee, Chair Minge adjourned the meeting at 2:35 p.m.

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Kay Swan  
Chair

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Isabel Velasquez  
Recording Secretary

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