

**CREDIT UNION COMMISSION AUDIT COMMITTEE
MEETING MINUTES
914 East Anderson Lane, Austin, Texas
November 3, 2022**

A. CALL TO ORDER – Chair Kay Swan called the meeting to order at 10:00 a.m. pursuant to Chapter 551 of the Texas Government Code. Other Commission members present included Liz Bayless, David Bleazard and Ex-officio Jim Minge. The Chair introduced General Counsel Nancy Elmilady, who will serve as legal counsel for the committee at this meeting. Staff members in attendance were Michael S. Riepen, Commissioner, Robert W. Etheridge, Deputy Commissioner, and Executive Assistant, Isabel Velasquez. The Chair appointed Isabel Velasquez as recording secretary. The Chair inquired and the Commissioner confirmed that the notice of the meeting was properly posted with the Secretary of State (**October 17, 2022, TRD#2022006257**).

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

B. RECEIVE MINUTES OF PREVIOUS MEETING (March 10, 2022) – Mr. Bleazard moved to approve the minutes of March 10, 2022, as presented. Mrs. Bayless seconded the motion, and the motion was unanimously adopted.

C. STATE AUDITOR’S OFFICE (SAO) AUDIT DELEGATION REQUEST – General Counsel Elmilady reported that Section 321.020 of the Texas Government Code requires a state agency seeking to employ a private auditor to audit the agency, to submit to the State Auditor’s Office (SAO) a Request for Audit Delegation. The Department has submitted this request to SAO for purposes of procuring and contracting with an internal auditor for FY 2023. Ms. Elmilady reported that SAO has since approved the Department’s Audit

Delegation Request and the Department may move forward with posting the RFQ for solicitation of a private internal auditor. The Department may award one contract resulting from this solicitation to the responsible Respondent, whose Response meets or exceeds qualifications that is most advantageous to the Department. Furthermore, Ms. Elmilady reported that the cost or price will be considered after the qualifications have been evaluated to determine the best value.

After a short discussion, the Committee took no action.

D. PROPOSED INTERNAL AUDITOR SOLICITATION REQUEST FOR QUALIFICATIONS (RFQ) – General Counsel Elmilady briefly highlighted that as part of the sunset review process, a recommendation was made asking the Department to initiate an internal audit program that exceeds statutory requirement for an agency of the Department’s size and nature. The Department’s staff and Commission agreed to implement a program and formed an Audit Committee. The Committee has been working with the Department’s staff to initiate the required procurement process including a Request for Qualifications (RFQ) to procure and contract with such vendor. During FY 2022 the Department solicited bids via RFQ 469-22-001, for which no contract was awarded. The Department is seeking solicitation for an internal auditor for FY 2023, via RFQ 469-2023-001.

After a lengthy discussion, Mrs. Bayless moved that the Committee approve Staff’s proposed RFQ to solicit bids for a private internal auditor and incorporate within the proposed RFQ two +non-substantive edits made by the Committee. Mr. Bleazard seconded the motion, and the motion was unanimously adopted.

E. NEXT COMMITTEE MEETING – Chair Swan reminded everyone that the next meeting of the Committee has been tentatively scheduled for Thursday, March 9, 2023.

ADJOURNMENT – There being no further business for the Committee, Chair Swan adjourned the meeting at 10:13 a.m.

Kay Swan
Chair

Isabel Velasquez
Recording Secretary

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