

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

AUDIT AND FINANCE COMMITTEE MEETING

John H. Reagan Building, JHR 140
1400 Congress Avenue
Austin, Texas 78701

December 9, 2021
8:00 a.m.

MEMBERS:

AJAY THOMAS, Chair
PAUL A. BRADEN, Member
SHARON THOMASON, Member (absent)
LEO VASQUEZ, Member

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EXECUTIVE SESSION	none
OPEN SESSION	--

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P R O C E E D I N G S

1
2 MR. THOMAS: The Chair will call to order the
3 meeting of the Audit and Finance Committee of the Governing
4 Board of the Texas Department of Housing and Community
5 Affairs.

6 It is officially 8:01 a.m. Central Time on
7 December 9, 2021. Members of the audience, welcome to the
8 Committee meeting. If there is a need for public comment,
9 just a reminder that public comment is made at the rostrum
10 at the front of the room.

11 And if you would like to speak on an agenda
12 item, please come down to the first two rows and be present
13 and ready to speak on the agenda item you'd like to speak
14 to. When you do come up to the microphone, for purposes of
15 the record, please sign in at the rostrum, identify
16 yourselves by your name, and state if you represent someone
17 before getting into your public comment.

18 Let's go ahead and take roll call of the
19 Committee members present. Paul Braden?

20 MR. BRADEN: Here.

21 MR. THOMAS: Sharon Thomason has notified us she
22 will not be here today.

23 Leo Vasquez?

24 MR. VASQUEZ: Here.

25 MR. THOMAS: And I, A.J. Thomas, as Chair, is

1 present.

2 We have two action items and seven report items
3 on today's agenda. The first action item is the approval
4 of the minutes from the June 17, 2021, meeting of the Audit
5 and Finance Committee.

6 At that meeting, Joe Guevera presented the
7 fiscal year '22 operating budget. The Committee voted to
8 recommend approval by the full Board at that time. The
9 Director of Internal Audit, Mark Scott, presented three
10 report items, the internal audit of the Tenant Selection
11 Criteria and Affirmative Marketing Plans, the internal
12 audit of the Non-Performing Loans at TDHCA, and the report
13 on the status of the internal and external audit
14 activities.

15 The minutes are in the materials for this
16 month's meeting. At this time, may I have a motion to
17 approve the minutes from the June 17 Audit and Finance
18 Committee meeting?

19 MR. BRADEN: So moved.

20 MR. VASQUEZ: Second.

21 MR. THOMAS: Thank you.

22 MR. VASQUEZ: Would you like a second?

23 MR. THOMAS: I appreciate that. I've got a
24 motion made by Mr. Braden and seconded by Mr. Vasquez. All
25 members in favor of adopting the minutes from the June 17

1 Audit and Finance Committee meeting, say aye.

2 (A chorus of ayes.)

3 MR. THOMAS: Any opposed?

4 (No response.)

5 MR. THOMAS: Hearing none, the motion passes.

6 The next action item on today's agenda is
7 presentation and possible recommendation for approval of
8 the 2022 Internal Audit Annual Work Plan. Mr. Mark Scott
9 will present this item.

10 MR. SCOTT: Thank you, Chairman. We identified
11 the following projects for inclusion in the 2022 Annual
12 Audit Plan based on our annual risk assessments of the
13 auditable units. The project numbers are for
14 identification purposes and may not correspond to the order
15 in which the projects are performed.

16 Internal audit standards require that we audit
17 the highest risk areas. The following are the auditable
18 units that rated high on a risk assessment matrix: the
19 Texas Rent Relief Program procurement of administrative
20 contracts.

21 The Texas Rent Relief Program provides rental
22 and utility assistance to qualifying applicants to prevent
23 housing instability, potential eviction, utility
24 disconnections and financial hardships for tenants and
25 landlords as a result of the COVID-19 pandemic.

1 The funding for this program is part of the
2 Coronavirus Stimulus Bill passed by Congress. As part of
3 this program, the State of Texas received initially
4 approximately 1.3 billion to assist landlords and tenants
5 through the Texas Rent Relief Program. Local communities
6 in Texas with population greater than 200,000 had an
7 opportunity to receive roughly 700 million in additional
8 direct allocations of these funds. This program was
9 launched in February 2021.

10 The State Auditor's Office and
11 CliftonLarsonAllen will include this program in the federal
12 compliance and financial portions of the statewide audit.
13 They will audit requirements in the federal compliance
14 supplements, such as payments and eligibility.

15 The program did receive a waiver from the
16 Governor's Office in procuring an outside vendor to process
17 applications, and there also have been other administrative
18 contracts for TRR. The Internal Audit department will
19 audit operational aspects of TRR, primarily procurement of
20 the administration -- of the administrative contracts and
21 develop lessons learned for future similar situations.

22 The SAO conducted an audit of TWC, the Workforce
23 Commission procurements recently with regard to similar
24 procurements and waivers. So our audit will follow along
25 similar parameters.

1 So I'll pause there in case there's any
2 questions about that.

3 MR. VASQUEZ: Mr. Chairman, I have a question
4 about this. So we're not going to audit the actual
5 performance of the contract? You're trying to audit the
6 contracting portion of it, which was waived under special
7 conditions --

8 MR. SCOTT: Correct.

9 MR. VASQUEZ: -- by the Governor's Office?

10 MR. SCOTT: I mean, it could be the case that,
11 as we're auditing the procurement and we see something that
12 relates to the performance that may spill over, but as far
13 as the actual -- the sending of the payments and
14 eligibility and all of those accounting issues, those are
15 audited by the federal auditors.

16 So we're not going to duplicate that.

17 MR. VASQUEZ: Okay. And when is the Department
18 going to do another emergency procurement like this? And
19 so --

20 MR. SCOTT: No --

21 MR. VASQUEZ: -- I'm just trying to figure out
22 when this is going to be useful for us, again to --

23 MR. SCOTT: That's a -- I don't know, but I've
24 got enough feedback from the SAO on this issue. It's kind
25 of pinned me a corner as far as -- it would be hard not to

1 audit it.

2 MR. VASQUEZ: Okay. So the SAO is the one
3 that's really pushing us to do this audit?

4 MR. SCOTT: They don't come out and tell me to
5 do it, but yeah. Yeah.

6 MR. VASQUEZ: Okay. I mean -- okay. So there
7 is some -- there's a reason, even though we've not going
8 to --

9 MR. SCOTT: Correct.

10 MR. VASQUEZ: -- be in this position --

11 MR. SCOTT: Correct.

12 MR. VASQUEZ: -- hopefully ever again.

13 That's --

14 MR. SCOTT: Yeah. And it's kind of just an
15 audit to say, okay, this is what happened, and you know, it
16 shows transparency and --

17 MR. VASQUEZ: I thought it was a pretty
18 transparent --

19 MR. SCOTT: No.

20 MR. VASQUEZ: -- program that we did --

21 MR. SCOTT: It is, but I --

22 MR. VASQUEZ: Okay, okay. Let me switch to --
23 how long do you -- how much effort do you think you're
24 going to have to put into this, as compared to -- because
25 we know you have limited resources, and there's all these

1 other audits that I think --

2 MR. SCOTT: Hopefully --

3 MR. VASQUEZ: -- we really need to understand --

4 MR. SCOTT: -- hopefully not too much. For all
5 I know, everything was done perfect.

6 MR. VASQUEZ: Well, I mean -- okay. I mean,
7 this isn't going to -- as compared to the other audit
8 items, this shouldn't take nearly as long to undertake,
9 as --

10 MR. SCOTT: That's correct.

11 MR. VASQUEZ: -- a regular --

12 MR. SCOTT: Yes.

13 MR. VASQUEZ: -- full-blown audit of --

14 MR. SCOTT: Yes. It's -- I've been doing this a
15 long time, and when something like this comes up, to not
16 audit it is a bigger risk than to audit.

17 MR. VASQUEZ: Well, again, auditing the
18 performance, absolutely. I think that -- I think we should
19 do an extra audit beyond the federal audit --

20 MR. SCOTT: Okay.

21 MR. VASQUEZ: -- but that's -- I mean, that's
22 neither here nor there.

23 I mean, it just seems like taking away a lot of
24 limited resources that we know you don't have enough,
25 almost, to get done everything else you're trying to do.

1 But okay. You've answered my question.

2 MR. SCOTT: Okay. Okay. The previous
3 participation review, that function evaluates contractors
4 and subrecipients when TDHCA is considering whether to
5 award them a new contract for the following fiscal year.
6 The function is involved with new and renewed contracts for
7 several different programs and has not been audited before.

8 But the next audit is IT general controls. The
9 Internal Auditing Act requires --

10 MR. VASQUEZ: I'm sorry.

11 MR. SCOTT: Yes?

12 MR. VASQUEZ: Were we breaking for questions?

13 MR. SCOTT: Oh, sorry.

14 MR. VASQUEZ: Mr. Chairman, can I --

15 MR. THOMAS: Yes.

16 MR. VASQUEZ: So what type of -- this was kind
17 of a real high-level summary. So what types of contracts
18 are we talking about that are going to be evaluated?

19 MR. SCOTT: Okay. So the previous participation
20 review, when somebody comes up, a new contractor or an old
21 contractor that's getting a new contract, the previous --
22 the group will get together and evaluate to determine
23 whether or not their past performance merits higher --

24 MR. VASQUEZ: So this would be, like, the
25 Galveston County Community Action Council --

1 MR. SCOTT: Yes. Yeah.

2 MR. VASQUEZ: -- as in we view that they did a
3 horrible, horrible job. So --

4 MR. SCOTT: Right. So yeah. So the previous
5 participation review, we look at their old single audits,
6 for example, look at their performance as determined by the
7 monitoring section, and --

8 MR. VASQUEZ: Okay. So these are contracts of
9 program funds, program --

10 MR. SCOTT: Right, right. And then the thing
11 we're auditing is this group that gets -- that the
12 processes for this group that gets together to determine
13 whether or not to renew the contracts.

14 MR. VASQUEZ: Would this include the advisors on
15 our bonding programs and things like that?

16 MR. SCOTT: I don't think so.

17 MR. VASQUEZ: Well, I'm asking. I mean --

18 MR. SCOTT: Yeah. No. This is internal. This
19 is an internal group at the agency that determines whether
20 to renew the contracts, and usually, it's the
21 subrecipients.

22 MR. VASQUEZ: Okay. Well, you have contractors
23 and subrecipients, so --

24 MR. SCOTT: Yeah.

25 MR. VASQUEZ: -- through the bonding law firms,

1 and such are contractors.

2 MR. SCOTT: Well, when we delve into the audit,
3 we'll see to what extent that pertains.

4 MR. VASQUEZ: Okay. Well, it would just be
5 helpful for the -- I imagine, for the Committee and then
6 full Board to understand what we're doing there.

7 MR. SCOTT: Okay. The IT general controls --
8 the Internal Auditing Act requires periodic audits for an
9 agency's information systems. TDHCA's technology is
10 delivered by internal TDHCA information systems staff with
11 support from the Department of Information Resources.

12 The audit will primarily focus on the functions
13 of Internal Audit TDHCA IS staff and will consider areas
14 such as governance systems, development life cycle
15 controls, physical and logical access to critical hardware
16 and software, backup and recovery, programming change
17 management procedures and computer operations controls.

18 MR. THOMAS: Any questions from Committee
19 members?

20 MR. VASQUEZ: I must have woken up on the wrong
21 side of the bed. So --

22 MR. SCOTT: I am prepared for this question.

23 MR. VASQUEZ: -- so you realize what that means
24 about the other two --

25 MR. THOMAS: The other two questions.

1 MR. SCOTT: Yeah, yeah.

2 MR. VASQUEZ: -- all right. Okay. So this --
3 and probably the next one as well, IT application controls,
4 who in your organization's staff is qualified and trained
5 to do this kind of analysis?

6 MR. SCOTT: Well, I --

7 MR. VASQUEZ: I mean, it's technical, right?

8 MR. SCOTT: Yeah. I'm a certified information
9 systems auditor. I've done audits like these before. Ms.
10 Suzi Nelson has expertise in audit of IT systems. In fact,
11 I think everybody will tell you, all of the audits she
12 does, she has recommendations on IT, so she's expert in
13 that regard.

14 MR. VASQUEZ: Good answer. Thank you.

15 MR. SCOTT: Okay. Okay. So the next one is IT
16 application controls. Application controls are related
17 specifically to critical information system software
18 programs and are necessary for the accurate and proper
19 processing of critical business functions on the software.

20 The audit would include areas such as input and
21 access controls, filing data processing controls, output
22 controls and master files and daily controls. Application
23 controls will be reviewed for select applications used by
24 TDHCA to manage program and administrative data and
25 activity.

1 Pause for that.

2 MR. THOMAS: Any questions from Committee
3 members?

4 MR. VASQUEZ: I got nothing.

5 MR. SCOTT: As my -- as the brain fog cleared, I
6 recall that on the participation review, it's usually these
7 developers that have maybe in the past -- when Patricia was
8 here, she had written them up for various things. So
9 that's the kind of things they talk about in the previous
10 participation review. Okay.

11 The next MH installation inspection, physical
12 inspection. Okay. So the Manufactured Housing Division
13 administers the Manufactured Housing Standards Act.

14 Because of its regulatory nature, MHD has its
15 own board and executive director, but is administratively
16 attached to TDHCA and receives audit-related services from
17 OIA at TDHCA. So what all -- what that means is, we have
18 an MOU with them, and I'm supposed to provide a certain
19 amount of internal audit services to that agency, even
20 though it's a separate agency, or I don't know the exact
21 legal status of it.

22 They are administratively attached to our -- the
23 agency. And the physical inspection section of the
24 Compliance Monitoring Division was selected for audit
25 during fiscal year '20 and a report was issued on August

1 14, 2020. However, due to the scope -- to a scope
2 limitation imposed by COVID-19 pandemic, this unit will be
3 reviewed more comprehensively during fiscal year '22, and
4 since the inspections are performed by MHD, similar to
5 those performed by physical inspections at TDHCA.

6 OIA will conduct these audits together to
7 achieve some economy of scale. During the course of this
8 audit, OIA also plans to conduct follow-up work on the
9 Migrant Labor Housing audit that was conducted in 2019, as
10 well as follow-up work on the audit of MHD that was
11 performed by SAO in 2020. So what that means is, we're
12 going to do an audit of inspections.

13 In that audit of inspections, we're going to
14 cover these items, one of which is a separate agency, but
15 that we're responsible for auditing. And we'll do the
16 follow-up on the Migrant Labor Housing that we did back in
17 2019 and we'll do the last part of the audit that we
18 started a couple years ago, but we weren't able to do the
19 actual site visits and testing because of the COVID.

20 Any questions on that one?

21 MR. VASQUEZ: Just for clarity, the Migrant
22 Labor Housing is completely separate from Manufactured
23 Housing. I mean, they're two different --

24 MR. SCOTT: Not really, because --

25 MR. VASQUEZ: -- programs.

1 MR. SCOTT: -- their staff is the ones that
2 still do it. They do the inspections.

3 MR. VASQUEZ: So the inspection staff is --

4 MR. SCOTT: Right.

5 MR. VASQUEZ: -- similar, but the programs
6 are --

7 MR. SCOTT: Correct. One of them inspects the
8 manufactured houses. One of them inspects the migrant
9 labor houses -- housing.

10 MR. VASQUEZ: Under the same inspection
11 umbrella, basically?

12 MR. SCOTT: Right. Yeah. And so after we did
13 that audit of Migrant Labor Housing in 2019, the SAO came
14 along and they wrote a really scathing report. And so it's
15 kind of incumbent on me to follow up on that, on their
16 report.

17 Okay. Texas Ownership Program. The Texas
18 Ownership Program helps eligible Texas homeowners by
19 providing financial assistance such as down payment
20 assistance, low interest rate mortgages and mortgage
21 certificates -- mortgage credit certificates.

22 The program also offers technical assistance and
23 educational resources for first home -- for first-time
24 homebuyers throughout the process. This program rated high
25 on a risk assessment due to lack of any prior audits by

1 OIA.

2 So I'll pause on that one.

3 MR. THOMAS: Questions from the Committee
4 members?

5 (No response.)

6 MR. THOMAS: Hearing none, continue.

7 MR. SCOTT: Okay. So that's the presentation of
8 the audit plan. So -- and at this point, I'll ask for a
9 recommendation to approve the 2022 Internal Audit Plan,
10 recommendation to the full Board to approve the plan.

11 MR. THOMAS: The Chair will entertain a motion
12 to recommend to the full Board the approval of the 2022
13 Internal Audit Plan.

14 MR. BRADEN: So moved.

15 MR. THOMAS: Thank you, Mr. Braden. Do I have a
16 second?

17 MR. VASQUEZ: I'm thinking about it.

18 MR. SCOTT: We could -- when we do the audit of
19 the TRR, we can model the scope in such a way that everyone
20 is happy.

21 MR. VASQUEZ: Yeah. I --

22 MR. BRADEN: What are your concerns?

23 MR. VASQUEZ: Well, just one on that, it seems
24 like a waste of time on the first one, on the TRR. The
25 Texas Rent Relief Program, you know, actual investigations,

1 audits into performance of our programs are doing what
2 they're -- we're supposed to do, and when we're putting out
3 just millions and millions of dollars, that seems to be the
4 focus that we should be working on.

5 Like, the Texas Homeownership Program, yeah,
6 absolutely. That makes complete sense. I just don't
7 think -- I just don't feel like there's enough of that meat
8 in this audit plan for this year.

9 MR. BRADEN: Considering the high profile of the
10 TRR Program and if we're getting encouragement from other
11 agencies to do this, it seems like we ought to do it. I
12 agree that, you know, since the Governor waived it, you
13 know, how -- really how much of an audit can it be?

14 And it seems like it's all cured. So that just
15 means, like, it won't take that many resources to do it.

16 MR. SCOTT: A potential result of the audit
17 would be, if we waive the requirements, and everything went
18 perfectly fine nonetheless.

19 MR. VASQUEZ: Yeah. And there was still a
20 competitive -- we get bids and such. I second the motion.

21 MR. THOMAS: Thank you, Mr. Vasquez. We have a
22 motion from Mr. Braden and a second from Mr. Vasquez. All
23 in favor of taking the full report to the full Board of the
24 2022 Internal Audit Plan, say aye.

25 (A chorus of ayes.)

1 MR. THOMAS: Any opposed?

2 (No response.)

3 MR. THOMAS: Hearing none, the motion passes.

4 MR. SCOTT: Thank you so much.

5 MR. THOMAS: At this point, while we have Mr.

6 Scott in the hot seat, any additional questions from

7 Committee members for Mr. Scott at this time?

8 (No response.)

9 MR. THOMAS: Hearing none and seeing no folks in

10 the audience for public comment, if there are no more

11 questions or discussions, this meeting is officially

12 adjourned.

13 MR. SCOTT: Don't you have report items?

14 MR. THOMAS: We have to do report items.

15 MR. SCOTT: Yeah.

16 MR. THOMAS: Thank you for the reminder. All

17 right. Report items.

18 We have seven report items, or -- yeah, seven

19 report items. Mr. Scott is here to present those items.

20 Mr. Scott?

21 MR. SCOTT: Yes. If it's okay, I'll just run

22 through them all, and ask for questions --

23 MR. THOMAS: Okay. Great. At the end?

24 MR. SCOTT: Yeah.

25 MR. THOMAS: Yeah.

1 MS. SCOTT: Okay. Multifamily Direct Loans
2 Program. We reviewed the Multifamily Direct Loans Program,
3 and we found that the program has been consistently
4 successful in committing federal and repayment funds when
5 allocated. The program rated high on our annual risk
6 assessments and was selected for audit due to complexity of
7 the application process across multiple divisions.

8 Since 2016, TDHCA has funded approximately 152
9 million direct MFDLs, representing a mix of federal funds
10 from various programs such as Home Investments Partnership
11 and the National Housing Trust Fund. Based on our reviews,
12 OIA found that the Multifamily Direct Loans Program is
13 performing effectively overall, with some suggestions for
14 consistency and efficiency.

15 We provided some suggestions to improve the
16 efficiency of the processes, such as change management
17 tracking system to be implemented to better manage
18 applications throughout the process. And we also had some
19 other suggestions relating to leveraging technology and
20 updating the standard operating procedures. And the
21 management of all the programs involved was very
22 cooperative and the audit went smoothly.

23 Any questions on that?

24 (No response.)

25 MR. SCOTT: Okay. Ending Homelessness Fund and

1 the Homeless Housing and Services Program. The Ending
2 Homelessness Fund and Homeless Housing and Services Program
3 rated high on the annual risk assessments due to
4 legislative interest, as well as the economic effects of
5 current pandemic on low income individuals.

6 This is also the first internal audit of the
7 Ending Homelessness Fund and Homeless Housing and Services
8 Program. The Single Family and Homeless Programs Division
9 awards funds to assist units of general local governments,
10 public housing authorities, nonprofits and local agencies
11 in the provision of assistance to low income Texans with a
12 focus on housing and housing-related assistance and
13 services.

14 The Ending Homelessness Program is a statewide
15 program to benefit persons experiencing or those at risk of
16 homelessness and has its own designated fund. As of 2021,
17 the program assisted 1,475 households during 2021. We
18 reviewed rules and regulations under which the programs
19 operate, as well internal controls based on our reviews and
20 testing.

21 The EH fund and HHSP fund provide good services
22 and housing activities to local cities and municipalities
23 in combating homelessness and to encourage self-sufficiency
24 and help the homelessness -- the homeless secure stable
25 housing.

1 Okay. The next audit was the Housing Resource
2 Center. Texas Government Code outlines the duties and
3 responsibilities fulfilled by TDHCA's Housing Resource
4 Center.

5 The Division provides educational materials and
6 technical assistance to the public, community-based housing
7 organizations, nonprofit housing developers and other State
8 and federal agencies. They also offer assistance to the
9 general public in locating the appropriate service providers
10 in their community, process complaints regarding program
11 activity, and are responsible for plans and reports that
12 TDHCA is required to submit in compliance with State and
13 federal government regulations.

14 We had audited the complaint resolutions
15 function in 2019, and therefore, our audit review did not
16 include that section of the HRC Division this time around,
17 except for complaints related to the TRR Program, which was
18 not in existence at the time of our earlier audit.

19 Based on our reviews, the HRC Division is
20 functioning effectively and efficiently with a few
21 suggestions that we had, specifically regarding complaints
22 management process for the Texas Rent Relief Program.

23 Implementation for improvements to the TRR
24 complaints management was in progress at the time of the
25 audit reporting. So they had already started to fix it.

1 OIA recommended a wrap-up of implementation of the process
2 changes and to make updates to the TDHCA general phone line
3 and to forms on the TRR website to allow for more direct
4 and expedient access to the TRR Call Center.

5 So those are the three audit reports. These
6 next items are Internal Audit administrative -- yes, sir?

7 MR. VASQUEZ: Can I ask a question? So on this
8 one, when you're talking about the coordination of TRR, was
9 this audit done at the very beginning of the TRR Program?

10 MR. SCOTT: No, toward the end.

11 MR. VASQUEZ: It was toward the end --

12 MR. SCOTT: Yeah.

13 MR. VASQUEZ: -- when we still had these
14 coordination issues?

15 MR. SCOTT: Yeah. And given the -- you know,
16 I'm not here to criticize anything about TRR, because they
17 did a great job in a short time period. So -- but yeah. I
18 mean, as far as --

19 MR. VASQUEZ: Well, this is Housing Resource
20 Center that they coordinate properly with the --

21 MR. SCOTT: Right, right. The two together.
22 They did. We found some things that could have been
23 coordinated better. So --

24 MR. VASQUEZ: Did we come up with solutions
25 to --

1 MR. SCOTT: Yes, yes, sir, we did.

2 MR. VASQUEZ: Okay. Just because this report is
3 different than your other ones on -- because it actually
4 has some findings related to that. So --

5 MR. SCOTT: Okay. So the next report we do
6 is -- administrative report is follow-up audit of prior
7 audit findings and recommendations. This report is on the
8 status of the prior internal audit and external audit
9 findings and recommendations.

10 Internal Audit is required to submit an annual
11 report to comply with internal auditing standards. As
12 shown in the report, the findings and recommendations have
13 been addressed by managements. So we don't have any
14 problems with responses.

15 Self-Assessment report. We do it as part of the
16 internal -- as part of the ongoing quality controls.
17 Internal Audit has a Self-Assessment that's required.

18 Our analysis indicated organizational structure
19 of the internal audit function -- our analysis included
20 organizational structure of the internal audit function,
21 internal processes, scope areas covered by Internal Audit,
22 as well as operations of the Division. We identified a
23 couple of minor opportunities and staff implemented new
24 processes that would address those.

25 Then we have the annual report on Internal

1 Audit, and this is a statutorily required report that is
2 submitted to all the oversight bodies annually. In this
3 report, we reconcile audits that have been completed during
4 the past year to the audits that were on the approved audit
5 plan. And this year, I'm happy to say, we completed all of
6 the audits on fiscal year '21 audit plan.

7 And any questions at this point?

8 (No response.)

9 MR. SCOTT: Okay. The status of Internal and
10 External Audit activity. The State Auditor's Office is
11 completing their audits of the TDHCA financial statements.

12 At this point, they're expected to issue unqualified
13 opinions on all the areas they audited.

14 CliftonLarsonAllen is conducting the federal
15 compliance component of the statewide audit and will issue
16 their reports in January or February, and their audit is
17 going to include the rental relief funds. So I'll be happy
18 to answer any questions on External Audits.

19 (No response.)

20 MR. THOMAS: Thank you, Mr. Scott. Any
21 Committee members have questions for Ms. Scott on Report
22 Items 1 through 7?

23 (No response.)

24 MR. THOMAS: Hearing none at this time, the
25 Chair will entertain a motion to accept Reports 1 through

1 7.

2 MR. BRADEN: So moved.

3 MR. THOMAS: Thank you, Mr. Braden. Do I have a
4 second?

5 MR. VASQUEZ: Second.

6 MR. THOMAS: Thank you, Mr. Vasquez.

7 The motion in front of the Committee is to
8 accept Report Items 1 through 7. All in favor, say aye.

9 (A chorus of ayes.)

10 MR. THOMAS: Any opposed?

11 (No response.)

12 MR. THOMAS: Hearing none, we will accept the
13 report items.

14 Thank you so much, Mr. Scott. While we have Mr.
15 Scott in front of the Committee, any additional questions
16 for Mr. Scott at this time?

17 (No response.)

18 MR. THOMAS: Now seeing still no members of the
19 public wanting to comment, I think we're at that junction.
20 Right?

21 MR. VASQUEZ: Yes.

22 MR. THOMAS: So if there are no more questions
23 or discussions, the Committee meeting is adjourned
24 officially at 8:31 a.m. Central on December 9, 2021.
25 Committee adjourned. Thank you.

1 (Whereupon, at 8:31 a.m., the committee meeting
2 was adjourned.)

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C E R T I F I C A T E

MEETING OF: TDHCA Board Audit & Finance Committee

LOCATION: Austin, Texas

DATE: December 9, 2021

I do hereby certify that the foregoing pages, numbers 1 through 29, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Elizabeth Stoddard before the Texas Department of Housing and Community Affairs.

DATE: December 15, 2021

(Transcriber)

On the Record Reporting
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