

Minutes approved by the Board
of Directors at its meeting held:

MINUTES

April 1st, 2020 California Housing Finance Agency (CalHFA)

Attest: Claire Tauriainen Audit Committee Meeting
November 21, 2019

Meeting noticed on November 8, 2019

1. ROLL CALL

The California Housing Finance Agency Audit Committee meeting was called to order at 9:33 a.m. by Chair Gunning. A quorum of members was present.

MEMBERS PRESENT: Agee (for Ma), Gunning, Sotelo

MEMBERS ARRIVING
AFTER ROLL CALL: None

MEMBERS ABSENT: None

STAFF PRESENT: Don Cavier, Ashish Kumar, Lori Hamahashi, Kate Ferguson, Claire Tauriainen, Melissa Flores

2. APPROVAL OF MINUTES – March 27, 2019

The minutes were approved by unanimous consent of members present.

3. CHAIRMAN COMMENTS

Chair comments:

- Chair Gunning thanked the Committee for coming in early.
- Although internet security restrictions have made accessing Agency documents more difficult, it's important to have such measures in place for the prevention of fraud and for the Agency's financial safety.

4. UPDATE FROM INFORMATION TECHNOLOGY ON INFORMATION SECURITY ASSESSMENTS, OVERSIGHT REQUIREMENTS, AND INITIATIVES

Presented by Ashish Kumar

Ashish Kumar, Chief Information Officer and Director of Information Technology, gave an overview of security systems in place and audits conducted in 2019. The Agency completed the Nationwide Cyber Security Review (NCSR), in addition to partnering with CliftonLarsonAllen to conduct an independent security assessment, in

compliance with AB 670. There were some areas identified in the independent security assessment as deficient and staff is working to remediate those concerns. He ended by reporting to the Committee that Mobile Device Management was recently implemented within the Agency.

5. **UPDATE ON AUDIT**

Presented by Lori Hamahashi and Kate Ferguson

CalHFA Comptroller Lori Hamahashi updated the Committee that a delay is expected in this year's final audit results due to external factors beyond the Agency's control. CalHFA Director of Multifamily Programs Kate Ferguson informed the Committee about a finding from the Single Audit of Federal Programs, under the Section 8 Housing Assistance Payment Program. While the final audit has not been completed, both Hamahashi and Ferguson felt it should be brought to the Committee's attention now. An Agency employee authorized a draw from a replacement reserve account that did not follow Agency protocols. New quality control measures have been put in place to reduce the risk of this happening again. The Committee asked for a follow-up report to the full Board on the Agency's monitoring of the federal Housing Assistance Program (HAP).

6. **ANNUAL REVIEW OF THE AUDIT COMMITTEE CHARTER**

The Committee agreed the Audit Committee Charter should remain unchanged at this time.

7. **PUBLIC COMMENT**

Chair Gunning asked if there were any comments from the public and there were none.

8. **ADJOURNMENT**

As there was no further business was to be conducted, Chair Gunning adjourned the meeting at 10:00 a.m.

9. **HANDOUTS**

- a. Cyber Security Update