

Public Meeting Agenda

California Housing Finance Agency Audit and Risk Management Committee
Thursday, September 18, 2025
9:00 a.m.

Meeting Location:
California Department of Food and Agriculture
1220 N Street, Auditorium
Sacramento, CA 95814
916.326.8088

This meeting is also available to view on livestream. Please note, public comments cannot be made when viewing on livestream.

<https://www.calhfa.ca.gov/about/events/board-meetings/books/2025/20250918/2025-09-18-audit.htm>

1. Roll Call
2. Approval of the May 22, 2025 meeting minutes 1
3. Chairperson comments
4. Interviews and scoring deliberations of respondents to the Request for Quote (RFQ) 2025-001 – Independent Audit and Other Attestation Services
5. Annual review of the Audit and Risk Management Committee Charter 3
6. Other Committee matters
7. Public comment: Opportunity for members of the public to address the Committee on matters within the Committee’s authority
8. Adjournment

NOTES:

PARKING: 1114 P Street parking lot (\$7 per hour, \$24 daily max); minimal street parking available via meter.

REFRESHMENTS: Available at Kindred Seoul and The State Grind. No food or coffee is allowed in the Boardroom.

MINUTES

California Housing Finance Agency (CalHFA) Audit and Risk Management Committee Meeting

May 22, 2025

Meeting noticed on May 12, 2025

1. Roll Call

The California Housing Finance Agency Audit Committee meeting was called to order at 9:02 a.m. by Chair Sotelo. A quorum of members was present.

MEMBERS PRESENT: Sotelo, White

MEMBERS ARRIVING
AFTER ROLL CALL: Wiant (for Ma)

MEMBERS ABSENT: None

STAFF PRESENT: Rebecca Franklin, Kelly Madsen, Oksana Glushchenko, Erwin Tam, Courtney Pond

2. Approval of the minutes – February 20, 2025

The minutes were approved by the unanimous consent of members present.

3. Chairperson comments

Chair Sotelo shared that in April, CalHFA's Fiscal Year 2023–2024 Annual Comprehensive Financial Report (ACFR) received the highest form of recognition from the Government Finance Officers Association (GFOA). She commended the team on this achievement, noting that CalHFA has now received this prestigious award for eight consecutive years.

4. Presentation on Enterprise Risk Management Framework

Presented by Kelly Madsen, Director of Enterprise Risk Management and Compliance

Madsen reported to the Committee the roles and responsibilities for enhancing the Enterprise Risk Management framework. She provided a timeline, highlighting major milestones for the next year, including framework review, committee formation and risk assessment activities.

5. Update on Request for Quote for audit and other attestation services

Presented by Oksana Glushchenko, Comptroller

Glushchenko reported to the Committee that the selection process for a new auditor is progressing as planned. She provided details on the selection criteria and outlined the timeline for upcoming activities.

6. Other Committee matters

Chair Sotelo asked if there were any other matters to discuss and there were none.

7. Public comment

Chair Sotelo asked if there were any members of the public who wanted to provide a comment and there were none.

8. Adjournment

As there was no further business to be conducted, Chair Sotelo adjourned the meeting at 9:38 a.m.

**CALIFORNIA HOUSING FINANCE AGENCY
AUDIT AND RISK MANAGEMENT COMMITTEE CHARTER
October 2024**

Purpose, Role, and Functions

The Audit and Risk Management Committee (the “Committee”) assists the Board of Directors in its oversight of financial reporting, accounting integrity, and enterprise-wide risk management. In performing its duties, the Committee aims to maintain effective working relationships with the Board of Directors, Agency executive management, staff, and independent auditors.

Membership

The Committee shall consist of a minimum of three voting members, selected by the Chairman of the Board. Members will serve on a rotational basis with staggered terms. The Chairman will appoint one member as the Chair of the Committee. All members should possess the appropriate qualifications, knowledge, skills, and experience to effectively carry out the Committee’s responsibilities. The Committee will oversee its own succession planning for Board approval.

Authority

The Committee operates under limited powers delegated by Board Resolution 06-08 and serves in an advisory capacity concerning audits and enterprise risk matters. Management, staff, and independent auditors will provide resources to enhance the Committee’s understanding of the Agency’s financial reporting obligations, and any significant issues related to financial reporting, accounting, and risk management policies. All Agency employees are expected to cooperate with the Committee as requested. The Committee has the authority to conduct any review necessary to fulfill its responsibilities, including direct access to independent auditors and any other personnel within the organization. The Committee will review its duties and charter annually and make recommendations to the Board if it determines that any changes are appropriate.

Meetings

The Committee shall meet at least twice a year, with additional meetings as requested by the Chair or other members. It will report to the full Board at least once a year regarding audit processes and outcomes. All meetings of the Committee will be open to the public, following the same notice and agenda procedures as for meetings of the full Board of Directors.

Minutes

Minutes of each meeting will be prepared and distributed to all Board members. These minutes need not be verbatim and are considered public records subject to the privileges and exemptions of the California Public Records Act or other applicable law.

Duties and Responsibilities

The Committee will conduct its oversight activities in relation to the following:

Audit

1. Review with staff and applicable independent auditors the scope and extent of each such auditor's examination, including direct inquiries regarding significant risks or exposures identified and management's strategies to mitigate those risks. The review shall encompass:
 - a. External reporting requirements
 - b. Materiality of the Agency's activities
 - c. Internal control structure
 - d. Other areas covered during the audit engagement
2. Upon completion of the audit, review and discuss with Agency's management, staff, and independent auditors:
 - a. Agency annual financial statements and the independent auditors' opinion(s)
 - b. Current accounting and reporting issues, and relevant regulatory or professional pronouncements, ensuring management keeps the Committee informed of significant developments
 - c. Significant changes from prior years
 - d. Any illegal, improper, or sensitive transactions, reporting findings to the Board
 - e. Significant adjustments proposed by the independent auditors
3. Review all management letter items from independent auditors and written responses from management on each comment or finding.
4. Discuss with independent auditors the level of professional competence of the Agency's financial and accounting personnel, and any relevant recommendations, which the auditors may have.
5. Review and evaluate the Agency's selection process for obtaining multi-year auditing services contract with independent auditors.
6. Review legal and regulatory matters that may materially impact financial statements, compliance policies and programs.
7. Review and assess the Agency's Conflict of Interest / Code of Ethics policy and its enforcement.

Risk Management

1. Review and recommend to the Board, changes to the Agency's enterprise-wide risk management governance and framework, in line with the Agency's Strategic Plan and annual business plan objectives, including, but not limited to the following:
 - a. Credit risk
 - b. Market risk
 - c. Compliance risk
 - d. Technology and Strategic risk
 - e. Legal risk
 - f. Business Continuity

2. Review with Agency's management and staff, to identify significant enterprise risk exposures, monitor and manage existing risks, evaluate risk mitigation strategies, based on the Agency's risk tolerances, as necessary, and report findings to the Board.
3. Review with Agency's management and staff, risks related to statutory and regulatory requirements, that could potentially impact operations of the Agency and provide findings to the Board.
4. Review findings from non-financial audits and examinations conducted by government agencies, external auditors, or consultants engaged for specific purposes.
5. Review biennial State Leadership Accountability Act (SLAA) report on the effectiveness of the Agency's internal control system to reduce waste, strengthen internal controls to minimize fraud, errors, and abuse of government funds.
6. Review the annual report on information security risk assessment, focusing on key risks, and evaluate the effectiveness of practices designed to manage cybersecurity activities to reduce vulnerabilities and combat threats.