

**TEXAS HIGHER EDUCATION COORDINATING BOARD
Agency Operations Committee**

**Wednesday, April 19, 2017
Board Room, 1st Floor
Room 1.170
2:00 p.m.
1200 East Anderson Lane, Austin, Texas**

The Committee on Agency Operations convened at 2:00 p.m. on April 19, 2017, with the following members present: John Steen; presiding; David Teuscher; Javaid Anwar; Fred Farias; Ricky Raven; Stuart Stedman; and Bobby Jenkins (Ex-Officio).

Other Board Members present: Arcilia Acosta and Janelle Shepard

AGENDA ITEM	ACTION
I. Welcome and Committee Chair’s Opening Remarks	Chair John Steen called the meeting of the Agency Operations Committee to order.
II. Consideration of Approval of the Minutes from January 25, 2017, Committee Meeting	On a motion by Mr. Raven, seconded by Dr. Farias, the Committee approved the January 25, 2017, Agency Operations Committee meeting minutes.
III. Public Testimony on Agenda Items Relating to the Committee on Agency Operations	No action required
IV. Agency Operations	
A. Report on Major IT Projects in Progress	Ms. Zhenzhen Sun, Interim Assistant Commissioner, Information Solutions and Services, Mr. Ken Martin, Assistant Commissioner for Financial Services/CFO, and Mr. Bill Franz, General Counsel presented this item to the Committee. This item did not require any action.

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B. Report on grants and contracts, including those exceeding \$1 million	No action required.
C. Update on the Board's Budget Priorities for the 85th Texas Legislature	Ms. Linda Battles, Deputy Commissioner for Agency Operations and Communications/Chief Operating Officer, provided the Board with the latest update on the Board's LAR. Mr. David Young, Senior Director of Funding provided the latest update on higher education formula funding. This item did not require any action.
V. Finance	
A. Review of the Year to Date Fiscal Year 2017 Financial Report to the Board	Mr. Ken Martin, Assistant Commissioner for Financial Services/CFO presented this item to the Committee. This item did not require any action.
B. Consideration of the adopting the Commissioner's recommendation to the Committee to extend the existing contract with the Financial Advisor for the agency's student loan program for one additional year	On a motion by Mr. Stedman, seconded by Mr. Anwar, the Committee approved the extension of the existing contract with the Financial Advisor for the agency's student loan program for one additional year.
C. Consideration of adopting the staff's recommendation to the Committee relating to a contract with Pitney Bowes for postage services	On a motion by Dr. Teuscher, seconded by Mr. Stedman, the Committee approved the contract with Pitney Bowes for postage services.
VI. Internal Audit	
A. Discussion of Statements on Auditing Standards No. 114, The Auditor's Communication with Those Charged with Governance	Ms. Susan Warren with KPMG, LLP presented this item to the Committee. This item did not require any action.
B. Discussion of the State of Texas Federal Portion of the Statewide Single Audit for the Fiscal Year Ended August 31, 2016, Report Number 17-314 issued February 2017 by the Texas State Auditor's Office	Ms. Susan Warren with KPMG, LLP presented this item to the Committee. KPMG, LLP performed this audit under contract with the Texas State Auditor's Office. This item did not require any action.

AGENDA ITEM	ACTION
C. Discussion of the State of Texas Financial Portion of the Statewide Single Audit for the Fiscal Year Ended August 31, 2016, Report Number 17-555 issued February 2017 by the Texas State Auditor's Office	Mr. Mark Poehl, Director of Internal Audit and Compliance presented this item to the Committee. This item did not require any action.
D. Update on Internal Audit Reports and Activities	Mr. Mark Poehl, Director of Internal Audit and Compliance presented this item to the Committee. This item did not require any action.
VII. Compliance Monitoring	
A. Update on Compliance Monitoring Reports and Activities	Mr. Mark Poehl, Director of Internal Audit and Compliance presented this item to the Committee. This item did not require any action.

With no further business, on a motion by Mr. Anwar, seconded by Dr. Teuscher, the meeting adjourned at approximately 3:36 p.m.