

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE  
HELD ON FEBRUARY 23, 2021

Pursuant to the call of the Committee Chairman and notice duly given, the meeting of the Audit Committee of the Board of Commissioners of the Virginia Housing Development Authority (the “Authority”) was held on February 23, 2021.

COMMITTEE MEMBERS PRESENT:

Thomas A. Gibson, IV, Chairman  
Nathalia Artus  
Manju Ganeriwala  
Michael J. Schewel  
William C. Shelton

COMMITTEE MEMBERS ABSENT:

None

OTHER COMMISSIONERS PRESENT:

Barbara Blackston  
Carlos Larrazabal  
Lisa R. Porter

OTHERS PRESENT:

Susan F. Dewey, Chief Executive Officer  
Patrick J. Carey, Chief of Program Strategy  
Paul Brennan, Chief Counsel  
Janet Wigglesworth, Chief of Operations  
Tammy Neale, Chief of Staff  
Arthur N. Bowen, Managing Director of Rental Housing  
Fred Bryant, Deputy Chief Counsel  
David Henderson, Managing Director of Finance and Administration  
Ross Strodel, Internal Audit Director  
Jeff Quann, Senior Counsel Manager  
Courtney Insley, Senior Executive Assistant  
Ellie Rigsby, JLARC

The meeting of the Audit Committee was called to order by Chairman Gibson via WebEx at approximately 4:00 p.m. on February 23, 2021. The Committee met by electronic communication means (WebEx) as permitted by the Governor’s declared state of emergency due to novel coronavirus (COVID-19) that made it unsafe to assemble in a single location. The members of the Committee listed above as being present at the meeting were present at that time and remained present throughout the meeting.

Mr. Brennan advised the members of the Committee that, because the meeting was being held electronically without members of the Committee physically assembled at one location, all actions that require approval of the Committee would be done with a roll-call vote.

On motion duly made and seconded, the minutes of the meetings of the Audit Committee held on September 30, 2020, were approved by the affirmative roll-call vote of each of the members of the Committee noted above as present at the meeting.

Mr. Quann provided an update on the Authority's Anti-Money Laundering Policy (the "Policy"). Mr. Quann reported he has completed the required annual Policy review and the Policy complies with current law and regulations. He also reported on the two Suspicious Activity Report (SAR) filings made to Financial Crimes Enforcement Network (FinCEN) during the past year. The Committee requested that staff provide an additional update on the risks associated with the programs covered by the Policy, including potential remedies against homeownership mortgage loan recipients and originating lenders that are the subject of SAR filings, at a future meeting.

Mr. Strodel presented revisions to the Audit Committee Charter. On motion duly made and seconded, a recommendation to the full Board of Commissioners to adopt the revised Audit Committee Charter was approved by the affirmative roll-call vote of each of the members of the Committee noted above as present at the meeting. The Committee requested that staff provide an additional update at a future meeting on the applicable professional standards and statutory authority for the Committee to directly hire an external auditor and directly engage outside counsel.

Mr. Strodel presented proposed changes to the Internal Audit Charter. The Charter identifies the purpose, authority and responsibilities of the Authority's Internal Audit activity. On motion duly made and seconded, the Internal Audit Charter was approved by the affirmative roll-call vote of each of the members of the Committee noted above as present at the meeting.

Mr. Strodel provided an update on Internal Audit activity, specifically a completed internal audit of the Rental Housing Development department. No reportable findings were found in connection with the audit.

There being no further business, the meeting was adjourned at approximately 5:00 p.m. on February 23, 2021.