

**TEXAS ANIMAL HEALTH COMMISSION
AUDIT SUBCOMMITTEE MEETING MINUTES
August 22, 2017**

Item 1: Welcome and Call to Order by Chair

Chairman Joe Leathers called the meeting to order at 8:00 am.

Item 2: Approval of Minutes

A motion to APPROVE the December 13, 2016 minutes of the Audit Subcommittee was made by Commissioner Vermedahl and seconded by Commissioner Eggleston. The motion carried.

Item 3: Region 2 Internal Audit Report

Mr. Monday N. Rufus, P.C. presented the report on the internal audit of Region 2. The report found that Region 2 is in compliance with the Commission's E-permits standard operating procedures under Texas Administrative Code (TAC), Chapter 51 – Entry Requirements. Weekly activity reports were also found to be properly prepared when tested. It was found that annual employee performance evaluations were not consistently conducted but efforts were made to correct the situation by June of 2017. Region 2 was found to be reconciling the petty cash checkbook in a timely basis. There was one instance where payment was made without proper documentation, but with the implementation of CAPPs, that issue will be rectified.

A motion to APPROVE the Region 2 Internal Audit was made by Commissioner Vermedahl and seconded by Commissioner Eggleston. The motion carried.

Item 4: Region 3 Internal Audit

Mr. Monday N. Rufus, P.C. presented the report on the internal audit of Region 3. The report found that Region 3 lacked adequate control related to data input, making it difficult to establish accountability for documents entered into the SCS database. Controls should be enhanced related to data input to ensure the integrity of the reporting system. The audit also found that the office's E-permit verification compliance process needed to be improved as 55 out of 133 permits had not been verified. It was also found that annual employee performance evaluations were not consistently conducted, and weekly activity reports were often improperly coded.

A motion to APPROVE the Region 3 Internal Audit was made by Commissioner Vermedahl and seconded by Commissioner Eggleston. The motion carried.

Item 5: Public Comment

There was no Public Comment at this meeting.

Item 6: Adjournment

The motion to adjourn was made by Commissioner Vermedahl and seconded by Commissioner Eggleston. The motion carried. The meeting was adjourned at 8:24 am.