

**NOTICE OF REGULAR MEETING  
AUDIT COMMITTEE  
October 1, 2025 - 2:00 PM  
CITY OF MISSION CITY HALL**

**PRESENT:**  
David Penoli  
Marissa Gerlach  
Dr. Charles Austin

**ABSENT:**  
Ruben D. Plata  
Efrain Reyna

**STAFF PRESENT:**  
Andy Garcia  
Ezeiza Garcia  
Vidal Roman  
Juan Pablo Terrazas

**ALSO PRESENT:**  
Guillermo Reyna

**1. Call to order**

Chairman David Penoli called the meeting to order at 2:00 p.m. Present at the call to order: Mr. David Penoli, Mrs. Marissa Gerlach, and Dr. Charles Austin. Staff present at call to order included Mr. Andy Garcia, Mr. Juan Pablo Terrazas, Mr. Vidal Roman, Mr. Vidal Roman and Mrs. Ezeiza Garcia.

**2. Approval of Minutes – August 27, 2025**

Dr. Charles Austin moved to approve the minutes presented for the August 27, 2025, Audit Committee meeting. The motion was seconded by Mrs. Marissa Gerlach and approved 3-0.

**3. New Business**

**A. Discussion on Action Items**

Mr. David Penoli explained the new Action Items Report presented and asked to create an appendix for completed items.

Mr. Penoli inquired the status on the bank reconciliation process for which Mr. Vidal Roman responded they are working on the month of June 2025. Mrs. Ezeiza Garcia added the 10/1/2024 - 9/30/25 bank reconciliation would be completed by the end of October.

Mr. Penoli asked if finance staff have been trained on bank reconciliation for which Mrs. Garcia replied Mrs. Angie Vela was providing the training on bank reconciliation.

Mr. Penoli asked for an update on the 2024 Annual Comprehensive Financial Report, and Mr. Roman discussed the update on the progress fulfilled, reviewed audit tasks and provided an estimated completion of audit by November 2025.

Mr. Penoli requested staff to create a schedule for the Fire, Police and Utility Billing audits and schedule a presentation of the 2024 Annual Comprehensive Financial Report for Fiscal Year 2025 with the Audit Committee. In addition, a memo stating EMS is presenting financial reports to the Ambulance Board and City Council meetings, was requested by Mr. Penoli, after discussion on the EMS by Dr. Austin.

There was further discussion on the Utility Billing collection report presented by staff.

**B. Presentation of Revised Internal Audit Tiers and Process**

Mr. Garcia and Mr. Guillermo Reyna presented the Revised Internal Audit Tiers and Process. Mr. Penoli recommended a timeline be in place for each of the specified audits to be conducted. It was recommended that Mr. Guillermo Reyna attend the next upcoming staff meeting to discuss the internal audit function, its plans, and expectations.

**C. Presentation of Fire Scope of Audit Work**

Mr. Guillermo Reyna presented the Fire Department Scope of Work. Mr. Penoli discussed prioritizing the focus on financial controls and assessments prior to any operational controls. The Fire Department, Police Department, and Utility Billing department audit scopes were reviewed.

Mrs. Gerlach moved to approve all three audit scopes of work to include the Fire Department, Police Department, and Utility Billing department. The motion was seconded by Dr. Austin and approved 3-0.

**D. Presentation of Police Scope of Audit Work**

This item was approved as a part of Item C.

**E. Presentation of Utility Billing Scope of Audit Work**

This item was approved as a part of Item C.

**F. Fraud Hotline Policy and Procedures**

Mr. Andy Garcia presented the Fraud Hotline Policy and Procedures. The Committee recommended the use for internal purpose only to test the process.

Mr. Penoli moved to approve the Fraud Hotline Policy and Procedures as presented with the recommendation that it is used internally first. The motion was seconded by Mrs. Gerlach and approved 3-0.

**G. Presentation of July 2025 Financials**

Mr. Penoli discussed the signature page for the financial statements and the inclusion of a balance sheet with any necessary disclosures for representation. He also requested a

schedule for departmental financial statement reviews. Mr. Penoli also added the need for at least twelve months of scheduled Audits A and B, as well as financial reviews.

Mr. Garcia discussed the reporting of Audit Committee to City Council.

5. Closed Session Pursuant to Local Government Code Section 551.074, The Audit Committee may convene in a closed, non-public meeting to discuss any matters related to appointment, employment, evaluation, reassignment, duties and discipline or dismissal of a public officer or employee and to hear any complaints or charges against an officer or employee. The Audit Committee and its attorney may also discuss such issues with the appropriate staff, including members, to obtain necessary and relevant information so that such discussion is informative and developed.

There was no executive session.

6. Date and time of next meeting

Mr. Penoli moved to schedule the next Audit Committee meeting for October 29, 2025, at 2:00 p.m. Motion was seconded by Mrs. Gerlach and approved 3-0.

7. Chairman's comments

There were no comments.

8. Member's comments

There were no comments

9. Adjournment

At 4:15 p.m., Ms. Gerlach moved to adjourn. The motion was seconded by Mr. Penoli and approved 3-0.

D. M. Penoli:



Chairman  
10/29/2025

Andy Garcia:

  
Secretary  
10/29/2025