



**BROWNSVILLE**  
PUBLIC UTILITIES BOARD

# AUDIT COMMITTEE MEETING

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• • • Wednesday, February 18, 2026



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# Call Open Meeting To Order

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# Public Comments

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# 1. Presentation and Discussion of Audit Committee Calendar

# 2026 Audit Committee Meeting Schedule

<b>Audit Committee Meeting Date</b>	<b>Agenda Items Due</b>	<b>Review Agenda with Committee Chair</b>	<b>Agenda Posting Date</b>
<b>2/18/2026</b>	<b>2/6/2026</b>	<b>2/9/2026</b>	<b>2/11/2026</b>
<b>5/20/2026</b>	<b>5/8/2026</b>	<b>5/12/2026</b>	<b>5/14/2026</b>
<b>8/19/2026</b>	<b>8/7/2026</b>	<b>8/11/2026</b>	<b>8/13/2026</b>
<b>11/18/2026</b>	<b>11/6/2026</b>	<b>11/9/2026</b>	<b>11/12/2026</b>





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## **2. Presentation and Discussion of Annual Audit Plan Fiscal Year (FY) 2024/2025 Status Update**

# FY 24/25 – Quarter 4 Status Report – Audits

<b>Audit</b>	<b>Start</b>	<b>End</b>	<b>Status</b>
<i>Unannounced Cash Count #6</i>	<i>7/31/2025</i>	<i>8/18/2025</i>	<i>Completed</i>
<i>Training &amp; Organizational Development</i>	<i>7/31/2025</i>	<i>10/31/2025</i>	<i>Completed</i>
<i>Asset Management &amp; CIP Delivery</i>	<i>7/31/2025</i>	<i>9/17/2025</i>	<i>Completed</i>
<i>Calpine Hidalgo Meeting</i>			<b><i>Meeting not Scheduled</i></b>
<i>Unannounced Cash Count #7</i>	<i>8/28/2025</i>	<i>9/4/2025</i>	<i>Completed</i>
<i>Accounting &amp; Treasury – Petty Cash #2</i>	<i>8/28/2025</i>	<i>9/4/2025</i>	<i>Completed</i>
<i>Overtime – Companywide</i>	<i>8/18/2025</i>	<i>9/17/2025</i>	<i>Completed</i>
<i>Compensation &amp; Benefits</i>	<i>8/18/2025</i>	<i>10/31/2025</i>	<i>Completed</i>
<i>Accounting &amp; Treasury – Accounts Receivable</i>	<i>8/18/2025</i>	<i>9/30/2025</i>	<i>Completed</i>
<i>Unannounced Cash Count #8</i>	<i>9/10/2025</i>	<i>9/17/2025</i>	<i>Completed</i>
<i>Accounting &amp; Treasury – Accounts Payable</i>	<i>9/4/2025</i>	<i>10/31/2025</i>	<i>Completed</i>
<i>Legal Services – Contracts</i>	<i>9/4/2025</i>	<i>10/31/2025</i>	<i>Completed</i>
<i>Warehouse Annual Inventory Count</i>	<i>9/29/2025</i>	<i>1/22/2026</i>	<i>Completed</i>



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# **3. Presentation and Discussion of Audit Report for FY 2024/2025**

# Audit Report With Findings

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A Warehouse Annual Inventory Count was performed for FY 2024/2025.

1. Warehouse Annual Inventory Count
  - Fuel Inventory Process
  - Sand, Caliche & Limestone Process
  - Contract Management



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# **4. Presentation and Discussion of Pending Certain Items not Completed FY 2024/2025**

# Pending Certain Items not Completed FY 24/25

Follow-Up Audits	Completed Audit Date	Follow-up Report Date	Findings	Implemented	In Progress
Electric Meter Shop	4/2/2024	11/7/2024	4	4	0
Energy Efficiency & Conservation	4/2/2024	11/7/2024	3	2	1
Talent Acquisition & Staffing	4/26/2024	11/7/2024	2	1	1
Customer Service	7/17/2024	1/31/2025	4	3	1
Electric T&D - New Connections	9/30/2024	3/27/2025	8	8	0
Human Resources	9/30/2024	3/27/2025	3	2	1
P-Card Audit	9/30/2024	3/27/2025	6	6	0
WWW Engineering	9/4/2024	4/11/2025	7	4	3
WWW Project Development	9/4/2024	4/11/2025	9	6	3
Real Estate	9/4/2024	3/27/2025	4	3	1
Facility Maintenance - 511 Service Yard	10/11/2024	5/2/2025	5	4	1
Warehouse Inventory Count	11/15/2024	6/13/2025	2	2	0
Legal Services - Contracts	11/27/2024	6/27/2025	5	5	0
Safety & Security Operations	1/15/2025	7/31/2025	4	4	0
Wastewater Lift Stations	3/4/2025	9/26/2025	3	3	0
Purchasing	3/7/2025	9/17/2025	1	1	0
Warehouse	3/12/2025	9/17/2025	9	9	0
Certain Items not Completed			79	67	12



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# **5. Presentation and Discussion of Annual Audit Plan FY 2025/2026 Status Update**

# FY 25/26 – Quarter 1 Status Report – Audits

Audit	Start	End	Status
<i>Electric Engineering</i>	<i>10/2/2025</i>		<i>In Progress</i>
<i>Southmost Regional Water Authority</i>	<i>10/2/2025</i>	<i>12/23/2025</i>	<i>Completed</i>
<i>Power Production</i>	<i>11/3/2025</i>		<i>In Progress</i>
<i>Energy Control Center Operations</i>	<i>12/1/2025</i>	<i>1/22/2026</i>	<i>Completed</i>
<i>Fuel &amp; Purchased Energy Control</i>	<i>11/3/2025</i>	<i>12/23/2025</i>	<i>Completed</i>
<i>Calpine Hidalgo</i>	<i>11/12/2025</i>	<i>12/1/2025</i>	<i>Completed</i>
<i>Unannounced Cash Count #1</i>	<i>10/31/2025</i>	<i>12/1/2025</i>	<i>Completed</i>
<i>Unannounced Cash Count #2</i>	<i>11/25/2025</i>	<i>12/1/2025</i>	<i>Completed</i>

# FY 25/26 – Quarter 1

## Status Report – Follow-up Audits

Audit	Start	End	Status
<i>Payroll</i>	<i>10/10/2025</i>	<i>10/31/2025</i>	<i>Completed</i>
<i>Environmental Compliance</i>	<i>11/3/2025</i>	<i>12/1/2025</i>	<i>Completed</i>
<i>Water &amp; Wastewater Operations</i>	<i>11/3/2025</i>	<i>12/1/2025</i>	<i>Completed</i>
<i>Unannounced Cash Count #5</i>	<i>12/1/2025</i>	<i>12/23/2025</i>	<i>Completed</i>
<i>Accounting &amp; Treasury – Petty Cash Count #1</i>	<i>12/1/2025</i>	<i>1/22/2026</i>	<i>Completed</i>
<i>Analytical Laboratory</i>	<i>12/1/2025</i>	<i>12/23/2025</i>	<i>Completed</i>
<i>Raw Water Supply</i>	<i>12/1/2025</i>	<i>12/23/2025</i>	<i>Completed</i>

# FY 25/26 – Quarter 2 Status Report – Audits

Audit	Start	End	Status
<i>Robindale Wastewater Treatment Plant</i>	<i>1/12/2026</i>		<i>In Progress</i>
<i>South Wastewater Treatment Plant</i>	<i>1/12/2026</i>		<i>In Progress</i>
<i>Information Technology Applications Support</i>	<i>2/9/2026</i>		<i>In Progress</i>
<i>Information Technology Hardware, Cyber &amp; Network Management</i>	<i>2/9/2026</i>		<i>In Progress</i>
<i>Information Technology Solutions &amp; Project Management</i>	<i>2/9/2026</i>		<i>In Progress</i>
<i>Unannounced Cash Count #4</i>	<i>February</i>		<i>Not Initiated</i>
<i>Calpine – Hidalgo</i>	<i>March</i>		<i>Not Initiated</i>
<i>Accounting &amp; Treasury – Petty Cash #1</i>	<i>March</i>		<i>Not Initiated</i>
<i>Records Management</i>	<i>March</i>		<i>Not Initiated</i>
<i>Risk Insurance Management</i>	<i>March</i>		<i>Not Initiated</i>
<i>Unannounced Cash Count #5</i>	<i>March</i>		<i>Not Initiated</i>

# FY 25/26 – Quarter 2

## Status Report – Follow-up Audits

<b>Audit</b>	<b>Start</b>	<b>End</b>	<b>Status</b>
<i>Cross Connection Control</i>	<i>1/26/2026</i>		<i>In Progress</i>
<i>Facility Maintenance – Annex</i>	<i>1/26/2026</i>		<i>In Progress</i>
<i>Water &amp; Wastewater Plant Maintenance</i>	<i>1/12/2026</i>	<i>1/22/2026</i>	<i>Completed</i>
<i>Unannounced Cash Count #6</i>	<i>2/9/2026</i>		<i>In Progress</i>
<i>Asset Management &amp; CIP Delivery</i>	<i>March</i>		<i>Not Initiated</i>
<i>Call Center</i>	<i>March</i>		<i>Not Initiated</i>
<i>Overtime</i>	<i>March</i>		<i>Not Initiated</i>
<i>Pretreatment</i>	<i>March</i>		<i>Not Initiated</i>
<i>Communications &amp; Public Relations</i>	<i>March</i>		<i>Not Initiated</i>
<i>Digital Information Platforms</i>	<i>March</i>		<i>Not Initiated</i>
<i>Electric Trans &amp; Dist. &amp; Const &amp; Maintenance</i>	<i>March</i>		<i>Not Initiated</i>
<i>General Manager</i>	<i>March</i>		<i>Not Initiated</i>
<i>Accounting &amp; Treasury – Accounts Receivables</i>	<i>March</i>		<i>Not Initiated</i>



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## **6. Presentation and Discussion of Audit Reports for FY 2025/2026**

# a. Audit Reports with No Findings

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1. Calpine Hidalgo Energy Center Meeting
2. Energy Control Operations Center
3. Fuel & Purchased Energy Supply
4. Unannounced Cash Count #3

# b. Audit Reports with Findings

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1. Southmost Regional Water Authority
2. Unannounced Cash Count #1
3. Unannounced Cash Count #2

# c. Six Month Follow-up Recommendations Implemented

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1. Analytical Laboratory
2. Raw Water Supply
3. Unannounced Cash Count #5
4. Water & Wastewater Operations
5. Water & Wastewater Plant Maintenance

# **d. Six Month Follow-up (Pending) Certain Items not Completed**

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1. Environmental Compliance
2. Unannounced Petty Cash Count #1

# Environmental Compliance Follow-up

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**Objective:** To report status of management's responses to audit issued May 2025.

**Status:** Recommendation still not implemented.

**Still Pending:**

- Procedure & Work Instructions

# Unannounced Petty Cash Count #1

## Follow-up

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**Objective:** To report status of management's responses to audit issued May 2025.

**Status:** Recommendation still not implemented.

**Still Pending:**

- Procedure



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# **7. Discussion and/or Requests for Future Agenda Items**

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# Questions

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# Adjournment

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