

**MINUTES OF THE
AUDIT COMMITTEE MEETING
Friday, August 21, 2015
8:00 a.m.**

The Audit Committee of the Finance Commission of Texas convened at 8:00 a.m. on August 21, 2015, with the following members present: Audit Committee Chair Cindy Lyons, Susan Burton, and Larry Patton. Members absent: Lori McCool.

Audit Committee Chair Lyons announced that there was a quorum of the Audit Committee of the Finance Commission of Texas with three members present. *(0:07 on audio file)*.

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
A. Review and Approval of Minutes of the June 19, 2015, Audit Committee Meeting	Susan Burton made a motion to approve the minutes. Larry Patton seconded and the motion passed.	0:16 start of discussion 0:56 vote
B. Audit Committee Review of Agencies' Activities	No Action Required	1:10 start of discussion
C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' May 31, 2015 Investment Officer Reports: 1. Texas Department of Banking 2. Department of Savings and Mortgage Lending 3. Office of Consumer Credit Commissioner	Larry Patton made a motion to recommend approval of the Agencies' May 31, 2015 Investment Officer Reports. Susan Burton seconded and the motion passed.	3:55 start of discussion 14:25 vote
D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Department of Savings and Mortgage Lending's 2015 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates	Susan Burton made a motion to recommend approval of the Department of Savings and Mortgage Lending's 2015 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates. Larry Patton seconded and the motion passed.	15:20 start of discussion 21:43 vote

<p>E. Discussion of and Possible Vote to Recommend that the Finance Commission approve the Office of Consumer Credit Commissioner's 2015 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates</p>	<p>Susan Burton made a motion to recommend approval of the Office of Consumer Credit Commissioner's 2015 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates. Larry Patton seconded and the motion passed.</p>	<p>41:50 start of discussion 42:02 vote</p>
<p>F. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2015 Third Quarter Financial Statements</p> <ol style="list-style-type: none"> 1. Texas Department of Banking 2. Department of Savings and Mortgage Lending 3. Office of Consumer Credit Commissioner 	<p>Larry Patton made a motion to recommend approval of the Agencies' 2015 Third Quarter Financial Statements. Susan Burton seconded and the motion passed.</p>	<p>42:20 start of discussion 48:50 vote</p>
<p>G. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2016 Operating Budgets</p> <ol style="list-style-type: none"> 1. Texas Department of Banking 2. Department of Savings and Mortgage Lending 3. Office of Consumer Credit Commissioner 	<p>Susan Burton made a motion to recommend approval of the Agencies' 2016 Operating Budgets. Larry Patton seconded and the motion passed.</p>	<p>49:45 start of discussion 1:28:07 vote</p>
<p>H. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action to Approve an Amount for the Upcoming 2016-17 Grant Cycle for the Texas Financial Education Endowment Fund</p>	<p>Larry Patton made a motion to recommend approval of \$250,000 for the Upcoming 2016-17 Grant Cycle for the Texas Financial Education Endowment Fund. Susan Burton seconded and the motion passed.</p>	<p>1:28:45 start of discussion 1:31:35 vote</p>
<p>I. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Revised Texas Financial Education Endowment Fund Grant Administration & Advisory Policy Manual, 2016-17 Funding Priorities, and New Grant Advisory Committee Member</p>	<p>Larry Patton made a motion to recommend approval of the Revised Texas Financial Education Endowment Fund Grant Administration & Advisory Policy Manual, 2016-17 Funding Priorities, and New Grant Advisory Committee Member, Eric Norrington. Susan Burton seconded and the motion passed.</p>	<p>1:32:50 start of discussion 1:42:42 vote</p>

There being no further business of the Audit Committee of the Finance Commission of Texas, Chair Cindy Lyons adjourned the meeting at 9:47 am (1:43:05 on audio file).

/s/Cindy Lyons

Cindy Lyons, Chair of the Audit Committee
Finance Commission of Texas

/s/Charles G. Cooper

Charles G. Cooper, Executive Director
Finance Commission of Texas

/s/Anne Benites

Anne Benites, Executive Assistant
Finance Commission of Texas