

**MINUTES OF THE
AUDIT COMMITTEE MEETING
Friday, August 18, 2017**

The Audit Committee of the Finance Commission of Texas convened at 8:00 a.m. on August 18, 2017, with the following members present:

Audit Committee Members in Attendance:

Molly Curl, Chairman
Hector Cerna
Lori McCool

Additional Members in Attendance:

Stacy G. London
Bob Borochoff
Phillip Holt
Will Lucas
Matt Moore
Paul Plunket
Vince E. Puente

Audit Committee Chairman Curl announced that there was a quorum of the Audit Committee of the Finance Commission of Texas with three members present.

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
A. Review and Approval of the Minutes of the June 16, 2017, Audit Committee Meeting	Lori McCool made a motion to Approve the Minutes of the June 16, 2017 Audit Committee Meeting. Hector Cerna seconded and the motion passed.	0:10 start of discussion 0:41 vote
B. Audit Committee Review of Agencies' Activities	No Action Required.	0:56 start of discussion
C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' May 31, 2017 Investment Officer Reports	Lori McCool made a motion to Recommend that the Finance Commission Approve the Agencies' May 31, 2017 Investment Officer Reports. Hector Cerna seconded and the motion passed.	04:11 start of discussion 7:46 vote

<p>D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Texas Department of Banking's 2017 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates</p>	<p>Lori McCool made a motion to Recommend that the Finance Commission Approve the Texas Department of Banking's 2017 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates. Hector Cerna seconded and the motion passed.</p>	<p>08:08 start of discussion 15:51 vote</p>
<p>E. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Office of Consumer Credit Commissioner's 2017 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzales and Associates</p>	<p>Lori McCool made a motion to Recommend that the Finance Commission Approve the Office of Consumer Credit Commissioner's 2017 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzales and Associates. Hector Cerna seconded and the motion passed.</p>	<p>16:30 start of discussion 29:29 vote</p>
<p>F. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2017 Third Quarter Financial Statements</p>	<p>Hector Cerna made a motion to Recommend that the Finance Commission Approve the Agencies' 2017 Third Quarter Financial Statements. Lori McCool seconded and the motion passed.</p>	<p>30:03 start of discussion 37:44 vote</p>
<p>G. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' Fiscal Year 2018 Operating Budgets</p>	<p>Lori McCool made a motion to Recommend that the Finance Commission Approve the Agencies' Fiscal Year 2018 Operating Budgets. Hector Cerna seconded and the motion passed.</p>	<p>38:12 start of discussion 1:19:56 vote</p>
<p>H. Report on Activities Relating to the Texas Financial Education Endowment Fund</p>	<p>No Action Required.</p>	<p>1:19:56 start of discussion</p>
<p>I. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action to Approve an Amount for the Upcoming 2018-19 Grant Cycle for the Texas Financial Education Endowment Fund</p>	<p>Lori McCool made a motion to Recommend that the Finance Commission Approve the amount of \$250,000 for the upcoming 2018-2019 Grant Cycle for the Texas Financial Education Endowment Fund. Hector Cerna</p>	<p>1:20:09 start of discussion 1:28:56 vote</p>

	seconded and the motion passed.	
J. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Readoption of the Investment Policy for the Texas Department of Banking	Lori McCool made a motion to Recommend that the Finance Commission Approve the Readoption of the Investment Policy for the Texas Department of Banking. Hector Cerna seconded and the motion passed.	1:29:24 start of discussion 1:31:40 vote

There being no further business of the Audit Committee of the Finance Commission of Texas, Molly Curl adjourned the meeting at 9:32 a.m. (1:31:52) *on the audio file*

/s/Molly Curl

Molly Curl, Audit Committee Chair
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