

**MINUTES OF THE  
AUDIT COMMITTEE MEETING  
THURSDAY, AUGUST 16, 2018**

The Audit Committee of the Finance Commission of Texas convened at 1:00 p.m. on August 16, 2018, with the following members present:

**Audit Committee Members in Attendance:**

Molly Curl, Chairman  
Lori McCool  
Vince E. Puente

**Additional Members in Attendance:**

Stacy G. London  
Phillip Holt

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 VIDEO FILE
A. Review and Approval of the minutes of the June 15, 2018, Audit Committee Meeting	Vince Puente made a motion to Approve the Minutes of the June 15, 2018, Audit Committee Meeting. Lori McCool seconded, and the motion passed.	Recording unavailable – Manual Minutes Taken
B. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Readoption of the Investment Policies for:  1. Department of Savings and Mortgage Lending 2. Office of Consumer Credit Commissioner 3. Texas Department of Banking	Lori McCool made a motion to Recommend that the Finance Commission Approve the Readoption of the Investment Policies for the Department of Savings and Mortgage Lending, the Office of Consumer Credit Commissioner, and the Texas Department of Banking. Vince Puente seconded, and the motion passed.	Recording unavailable – Manual Minutes Taken

C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Department of Savings and Mortgage Lending's 2018 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzales and Associates	Vince Puente made a motion to Recommend that the Finance Commission Approve the Department of Savings and Mortgage Lending's 2018 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzales and Associates. Lori McCool seconded, and the motion passed.	00:01 start of discussion  18:57 vote
D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Office of Consumer Credit Commissioner's 2018 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzales and Associates	Lori McCool made a motion to recommend that the Finance Commission Approve the Office of Consumer Credit Commissioner's 2018 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzales and Associates. Vince Puente seconded, and the motion passed.	19:15 start of discussion  26:30 vote
E. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Texas Department of Banking's 2018 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzales and Associates	Vince Puente made a motion to Recommend that the Finance Commission Approve the Texas Department of Banking's 2018 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzales and Associates. Lori McCool seconded, and the motion passed.	27:10 start of discussion  37:03 vote
F. Interviews of Selected Respondents for the Internal Auditor Contract	No Action Required.	37:47 start of discussion
G. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Selection of an Internal Auditor for the Finance Commission Agencies for Fiscal Year 2019	Deferred to August 17, 2018.	n/a
H. Audit Committee Review of Agencies' Activities	No Action Required.	2:52:14 start of discussion

<p>I. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies May 31, 2018, Investment Officer Reports</p> <ol style="list-style-type: none"> <li>1. Department of Savings and Mortgage Lending</li> <li>2. Office of Consumer Credit Commissioner</li> <li>3. Texas Department of Banking</li> </ol>	<p>Lori McCool made a motion to Recommend that the Finance Commission Approve the Agencies May 31, 2018, Investment Officer Reports. Vince Puente seconded and the motion passed.</p>	<p>3:00:05 start of discussion 3:12:45 vote</p>
<p>J. Discussion of and Possible Vote to Recommend that the Finance Commission take Action on the Agencies' 2018 Third Quarter Financial Statements</p> <ol style="list-style-type: none"> <li>1. Department of Savings and Mortgage Lending</li> <li>2. Office of Consumer Credit Commissioner</li> <li>3. Texas Department of Banking</li> </ol>	<p>Vince Puente made a motion to Recommend that the Finance Commission Approve the Agencies 2018 Third Quarter Financial Statements. Lori McCool seconded, and the motion passed.</p>	<p>3:13:06 start of discussion 3:24:40 vote</p>
<p>K. Report on Activities Relating to the Texas Financial Education Endowment Fund</p>	<p>No Action Required.</p>	<p>3:24:50 start of discussion</p>
<p>L. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' Fiscal Year 2019 Operating Budgets</p>	<p>Deferred to August 17, 2018.</p>	<p>n/a</p>

Chairman Molly Curl recessed the meeting at 4:40 p.m. (3:25:22) *on the audio file*)

/s/ Lori McCool (in place of Molly Curl's absence)  
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