

**MINUTES OF THE  
AUDIT COMMITTEE MEETING  
Friday, August 21, 2020**

The Audit Committee of the Finance Commission of Texas convened at 8:30 a.m. on August 21, 2020 with the following members present:

**Audit Committee Members in Attendance (via webinar):**

Molly Curl, Chairman  
Hector Cerna  
Larry Long

Chairman Curl announced there was a quorum of the Audit Committee of the Finance Commission of Texas with three members present. (:21 on audio file).

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
A. Review and Approval of the Minutes of the June 19, 2020 Audit Committee Meeting	Larry Long made a motion to Approve the Minutes of the June 19, 2020 Audit Committee Meeting. Hector Cerna seconded and the motion passed.	1:15 start of discussion  1:32 Vote
B. Review of Agencies' Activities 1. Department of Savings and Mortgage Lending 2. Office of Consumer Credit Commissioner 3. Texas Department of Banking	No Action Required.	1:58 start of discussion
C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2020 Third Quarter Investment Officer Reports 1. Department of Savings and Mortgage Lending 2. Office of Consumer Credit Commissioner 3. Texas Department of Banking	Hector Cerna made a motion to recommend that the Finance Commission Approve the Agencies' 2020 Third Quarter Investment Officer Reports. Larry Long seconded and the motion passed.	5:32 start of discussion  17:40 Vote
D. 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	Larry Long made a motion to recommend that the Finance Commission Approve the Readoption of the Investment Policies for the Department of Savings and Mortgage Lending, Office of Consumer Credit Commissioner and the Texas Department of Banking. Molly Curl seconded and the motion passed.	18:09 start of discussion  18:38 Vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<p>E. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2020 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>Hector Cerna made a motion to recommend that the Finance Commission Approve the Agencies' 2020 Third Quarter Financial Statements. Larry Long seconded and the motion passed.</p>	<p>19:44 start of discussion</p> <p>32:19 Vote</p>
<p>F. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' Fiscal Year 2021 Operating Budgets</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>Public comment was made by Chris Furlow on behalf of the Texas Bankers Association (TBA) and Chris Williston on behalf of the Independent Bankers Association of Texas (IBAT). Larry Long made a motion to recommend that the Finance Commission Approve the Agencies' Fiscal Year 2021 Operating Budgets. Hector Cerna seconded and the motion passed.</p>	<p>32:52 start of discussion</p> <p>1:05:29 Vote</p>
<p>G. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Department of Savings and Mortgage Lending's 2020 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez &amp; Associates</p>	<p>Hector Cerna made a motion to recommend that the Finance Commission Approve the Department of Savings and Mortgage Lending's 2020 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez &amp; Associates. Molly Curl seconded and the motion passed.</p>	<p>1:05:56 start of discussion</p> <p>1:16:28 Vote</p>
<p>H. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Office of Consumer Credit Commissioner's 2020 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez &amp; Associates</p>	<p>Larry Long made a motion to recommend that the Finance Commission Approve the Office of Consumer Credit Commissioner's 2020 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez &amp; Associates. Hector Cerna seconded and the motion passed.</p>	<p>1:17:00 start of discussion</p> <p>1:22:11 Vote</p>
<p>I. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Texas Department of Banking's Revenue Accounting Process Audit Report as Prepared and Presented by Garza/Gonzalez &amp; Associates</p>	<p>Larry Long made a motion to recommend that the Finance Commission Approve the Texas Department of Banking's Revenue Accounting Process Audit Report as Prepared and Presented by Garza/Gonzalez &amp; Associates. Molly Curl seconded and the motion passed.</p>	<p>1:22:45 start of discussion</p> <p>1:25:01 Vote</p>

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
J. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Texas Department of Banking's 2020 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez & Associates	Molly Curl made a motion to recommend that the Finance Commission Approve the Texas Department of Banking's 2020 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez & Associates. Hector Cerna seconded and the motion passed.	1:25:33 start of discussion  1:30:05 Vote
K. Report on Activities Relating to the Texas Financial Education Endowment Fund	No Action Required.	1:30:34 start of discussion

There being no further business of the Audit Committee of the Finance Commission of Texas, Chairman Curl adjourned the meeting at 10:02 a.m. *(1:31:53 on the audio file)*.

/s/ Molly Curl

Molly Curl, Chairman, Audit Committee  
Finance Commission of Texas

/s/ Charles G. Cooper

Charles G. Cooper, Executive Director  
Finance Commission of Texas

/s/ Brenda Medina

Brenda Medina, Executive Assistant  
Finance Commission of Texas