

**MINUTES OF THE
AUDIT COMMITTEE MEETING
Friday, August 15, 2025**

The Audit Committee of the Finance Commission of Texas convened at 8:30 a.m., on August 15, 2025, with the following members present:

Audit Committee Members in Attendance:

Kathleen Fields, Chairman

Laura Warren, Vice-Chair, Finance Commission of Texas

David Osborn

Audit Committee Members Absent:

Roselyn "Rosie" Morris

Chairman Fields announced there was a quorum of the Audit Committee of the Finance Commission of Texas with three (3) members present. *(0:36 on audio file).*

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
A. Review and Approval of the Minutes of the June 20, 2025 Audit Committee Meeting	David Osborn made a motion to Approve the Minutes of the June 20, 2025 Audit Committee Meeting. Laura Warren seconded, and the motion passed.	0:56 Start of Discussion 1:12 Vote
B. Review of Agencies' Activities 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking	No Action Required.	1:35 Start of Discussion
C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2025 Third Quarter Investment Officer Reports 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking	Laura Warren made a motion to recommend that the Finance Commission Approve the Agencies' 2025 Third Quarter Investment Officer Reports. David Osborn seconded, and the motion passed.	8:39 Start of Discussion 11:35 Vote
D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Readoption of the Investment Policies for: 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking	David Osborn made a motion to recommend that the Finance Commission Approve the Readoption of the Investment Policies for the Office of Consumer Credit Commissioner, Department of Savings and Mortgage Lending and the Texas Department of Banking. Laura Warren seconded, and the motion passed.	11:59 Start of Discussion 17:09 Vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
E. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2025 Third Quarter Financial Statements 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking	Laura Warren made a motion to recommend that the Finance Commission Approve the Agencies' 2025 Third Quarter Financial Statements. David Osborn seconded, and the motion passed.	17:36 Start of Discussion 23:43 Vote
F. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' Fiscal Year 2026 Operating Budgets 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking	David Osborn made a motion to recommend that the Finance Commission Approve the Office of Consumer Credit Commissioner's Fiscal Year 2026 Operating Budget. Laura Warren seconded, and the motion passed. Laura Warren made a motion to recommend that the Finance Commission Approve the Department of Savings and Mortgage Lending's Fiscal Year 2026 Operating Budget. David Osborn seconded, and the motion passed. David Osborn made a motion to recommend that the Finance Commission Approve the Texas Department of Banking's Fiscal Year 2026 Operating Budget. Laura Warren seconded, and the motion passed	24:05 Start of Discussion 1:06:05 Vote 1:06:28 Vote 1:06:51 Vote
G. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action to Approve the Renewal of the Internal Auditor Contract for Garza/Gonzalez and Associates for Fiscal Year 2026	David Osborn made a motion to recommend that the Finance Commission Approve the Renewal of the Internal Auditor Contract for Garza/Gonzalez and Associates for Fiscal Year 2026. Laura Warren seconded, and the motion passed.	1:07:15 Start of Discussion 1:07:29 Vote
H. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Office of Consumer Credit Commissioner's 2025 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates	David Osborn made a motion to recommend that the Finance Commission Approve the Consumer Credit Commissioner's 2025 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates. Laura Warren seconded, and the motion passed.	1:07:52 Start of Discussion 1:13:50 Vote
I. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Department of Savings and Mortgage Lending's 2025 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates	Laura Warren made a motion to recommend that the Finance Commission Approve the Department of Savings and Mortgage Lending's 2025 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates. David Osborn seconded, and the motion passed.	1:14:15 Start of discussion 1:19:10 Vote

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J. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Activities of the Texas Financial Education Endowment Fund	No Action Required.	1:19:37 Start of Discussion
K. Discussion of the Activities of the Mortgage Grant Fund	No Action Required.	1:20:21 Start of Discussion
L. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Department of Savings and Mortgage Lending's Mortgage Grant Administration Manual Pursuant to 7 TAC, Part 4, § 52.3(c)	David Osborn made a motion to recommend that the Finance Commission Approve the Department of Savings and Mortgage Lending's Mortgage Grant Administration Manual Pursuant to 7 TAC, Part 4, § 52.3(c). Laura Warren seconded, and the motion passed.	1:21:17 Start of Discussion 1:22:07 Vote
M. Discussion of and Consultation on Security Audit, Possible Issue Related to Confidential or Sensitive Information, Security Breach Audit and Assessment, or Security Assessments or Deployment Related to Information Resources Technology as Authorized by §§ 551.076 and 55.089, Texas Government Code	No Discussion.	n/a

There being no further business of the Audit Committee of the Finance Commission of Texas, Chairman Kathleen Fields adjourned the meeting at 9:53 a.m. *(1:22:53 on the audio file).*

/s/Kathleen Fields

Kathleen Fields, Chairman, Audit Committee
Finance Commission of Texas

/s/Charles G. Cooper

Charles G. Cooper, Executive Director
Finance Commission of Texas

/s/Ruth Wright

Ruth Wright, Executive Assistant
Finance Commission of Texas