

**MINUTES OF THE  
AUDIT COMMITTEE MEETING  
Friday, February 17, 2017**

The Audit Committee of the Finance Commission of Texas convened at 8:30 a.m. on February 17, 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  
Jay Shands  
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.

<b>AGENDA ITEM</b>	<b>ACTION</b>	<b>LOCATION ON AUDIO FILE</b>
A. Review and Approval of the Minutes of the October 21, 2016 Audit Committee Meeting	Lori McCool made a motion to approve the minutes of the October 21, 2016 Audit Committee Meeting. Hector Cerna seconded and the motion passed.	0:10 start of discussion 0:22 vote
B. Audit Committee Review of Agencies' Activities	No Action Required.	0: 47 start of discussion
C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action Pursuant to §551.076, Texas Government Code: Deliberation Regarding Security Devices or Security Audits, Relating to the Cyber Security Assessment Report of the Office of Consumer Credit Commissioner	Deferred to Executive Session. No vote taken.	n/a

<p>D. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Finance Commission's Internal Audit Activity Charter</p>	<p>Hector Cerna made a motion to recommend that the Finance Commission approve the Finance Commission's Internal Audit Activity Charter. Lori McCool seconded and the motion passed.</p>	<p>10:23 start of discussion 12:15 vote</p>
<p>E. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' Fiscal Year 2017 Internal Auditor's Risk Assessment and Audit Plan</p> <ol style="list-style-type: none"> <li>1. Texas Department of Banking</li> <li>2. Department of Savings and Mortgage Lending</li> <li>3. Office of Consumer Credit Commissioner</li> </ol>	<p>Lori McCool made a motion to recommend that the Finance Commission approve the Agencies' Fiscal Year 2017 Internal Auditor's Risk Assessment and Audit Plan. Hector Cerna seconded and the motion passed.</p>	<p>12:29 start of discussion 29:38 vote</p>
<p>F. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' November 30, 2016 Investment Officer Reports</p> <ol style="list-style-type: none"> <li>1. Texas Department of Banking</li> <li>2. Department of Savings and Mortgage Lending</li> <li>3. Office of Consumer Credit Commissioner</li> </ol>	<p>Hector Cerna made a motion to Recommend that the Finance Commission approve the Agencies' November 30, 2016 Investment Officer Reports. Lori McCool seconded and the motion passed.</p>	<p>29:47 start of discussion 36:46 vote</p>
<p>G. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2017 First Quarter Financial Statements</p> <ol style="list-style-type: none"> <li>1. Texas Department of Banking</li> <li>2. Department of Savings and Mortgage Lending</li> <li>3. Office of Consumer Credit Commissioner</li> </ol>	<p>Lori McCool made a motion to Recommend that the Finance Commission approve the Agencies' 2017 First Quarter Financial Statements. Hector Cerna seconded and the motion passed.</p>	<p>37:15 start of discussion 43:33 vote</p>
<p>H. Report on Activities Relating to the Texas Financial Education Endowment Fund</p>	<p>No Action Required.</p>	<p>43:56 start of discussion</p>

<p>I. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on Proposal for the Department of Savings &amp; Mortgage Lending to Contribute Funds to the Texas Financial Education Endowment</p>	<p>Hector Cerna made a motion to Recommend that the Finance Commission approve the Proposal for the Department of Savings &amp; Mortgage Lending to make a onetime contribution of Funds to the Texas Financial Education Endowment. Lori McCool seconded and the motion passed.</p>	<p>44:12 start start of discussion 57:04 vote</p>
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Chairman Molly Curl called for an Executive Session at 8:40 a.m. *(10:02 on the audio file)*. The open meeting resumed at 9:12 a.m. *(10:04 on the audio file)*.

There being no further business of the Audit Committee of the Finance Commission of Texas, Molly Curl adjourned the meeting at 10:00 a.m. *(57:16 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