

MINUTES OF THE AUDIT COMMITTEE MEETING Friday, August 18, 2023

The Audit Committee of the Finance Commission of Texas convened at 8:30 a.m., on August 18, 2023, with the following members present:

Audit Committee Members in Attendance:

Phillip Holt, Acting Chair, (Chairman, Finance Commission)
Hector Cerna
Cliff McCauley (Vice Chair, Finance Commission)

Audit Committee Members Absent:

Roselyn "Rosie" Morris

Chairman Holt announced there was a quorum of the Audit Committee of the Finance Commission of Texas with three (3) members present. *(1:06 on audio file).*

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
A. Review and Approval of the Minutes of the June 16, 2023 Audit Committee Meeting	Cliff McCauley made a motion to Approve the Minutes of the June 16, 2023 Audit Committee Meeting. Hector Cerna seconded, and the motion passed.	1:19 Start of Discussion 1:33 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.	1:51 Start of Discussion
C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2023 Third Quarter Investment Officer Reports 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking	Hector Cerna made a motion to recommend that the Finance Commission Approve the Agencies' 2023 Third Quarter Investment Officer Reports. Cliff McCauley seconded, and the motion passed.	4:16 Start of Discussion 7:08 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	Cliff McCauley 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 Texas Department of Banking. Hector Cerna seconded, and the motion passed.	7:28 Start of Discussion 13:35 Vote
E. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2023 Third Quarter Financial Statements 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking	Hector Cerna made a motion to recommend that the Finance Commission Approve the Agencies' 2023 Third Quarter Financial Statements. Cliff McCauley seconded, and the motion passed.	13:58 Start of Discussion 20:55 Vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
F. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' Fiscal Year 2024 Operating Budgets 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking	Cliff McCauley made a motion to recommend that the Finance Commission Approve the Office of Consumer Credit Commissioner's Fiscal Year 2024 Operating Budget. Hector Cerna seconded, and the motion passed. Hector Cerna made a motion to recommend that the Finance Commission Approve the Department of Savings and Mortgage Lending's Fiscal Year 2024 Operating Budget. Cliff McCauley seconded, and the motion passed. Cliff McCauley made a motion to recommend that the Finance Commission Approve the Texas Department of Banking's 2024 Operating Budget. Hector Cerna seconded, and the motion passed.	21:15 Start of Discussion 1:04:25 Vote 1:04:43 Vote 1:05:04 Vote
G. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Office of Consumer Credit Commissioner's 2023 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates	Hector Cerna made a motion to recommend that the Finance Commission Approve the Office of Consumer Credit Commissioner's 2023 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates. Cliff McCauley seconded, and the motion passed.	1:05:27 Start of Discussion 1:16:39 Vote
H. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Department of Savings and Mortgage Lending's 2023 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates	Cliff McCauley made a motion to recommend that the Finance Commission Approve the Department of Savings and Mortgage Lending's 2023 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates. Hector Cerna seconded, and the motion passed.	1:11:54 Start of Discussion 1:17:04 Vote
I. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Texas Department of Banking's 2023 Procurement/ Contract Management/HUB Report as Prepared and Presented by Garza/Gonzalez and Associates	Cliff McCauley made a motion to recommend that the Finance Commission Approve the Texas Department of Banking's 2023 Procurement/ Contract Management/HUB Audit Report as Prepared and Presented by Garza/Gonzalez and Associates. Hector Cerna seconded, and the motion passed.	1:17:37 Start of Discussion 1:21:38 Vote
J. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Texas Department of Banking's 2023 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates	Hector Cerna made a motion to recommend that the Finance Commission Approve the Texas Department of Banking's 2023 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates. Cliff McCauley seconded, and the motion passed.	1:17:37 Start of Discussion 1:22:11 Vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
K. 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	1:22:33 Start of Discussion
L. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Appointment of New Texas Financial Education Endowment Fund Grant Advisory Committee Member Ashley Minaudo	Cliff McCauley made a motion to recommend that the Finance Commission Approve the Appointment of New Texas Financial Education Endowment Fund Grant Advisory Committee Member Ashley Minaudo. Hector Cerna seconded, and the motion passed.	1:23:57 Start of Discussion 1:25:09 Vote
M. Discussion of the Activities of the Mortgage Grant Fund	No Action Required.	1:25:33 Start of Discussion
N. 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	Deferred to Executive Session. No Vote Required.	n/a

Chairman Holt called for an Executive Session at 9:56 a.m. (1:26:07 *on the audio file*). The open meeting resumed at 10:42 a.m. (1:27:27 *on the audio file*)

There being no further business of the Audit Committee of the Finance Commission of Texas, Chairman Holt adjourned the meeting at 10:42 a.m. (1:27:36 *on the audio file*).

/s/Phillip Holt

Phillip Holt, Interim 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