

**MINUTES OF THE
AUDIT COMMITTEE MEETING
Friday, August 16, 2024**

The Audit Committee of the Finance Commission of Texas convened at 8:30 a.m., on August 16, 2024, with the following members present:

Audit Committee Members in Attendance:

Kathleen Fields, Chairman
Roselyn "Rosie" Morris
David Osborn

Chairman Fields announced there was a quorum of the Audit Committee of the Finance Commission of Texas with three (3) members present. *(0:24 on audio file).*

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
A. Review and Approval of the Minutes of the June 21, 2024 Audit Committee Meeting	David Osborn made a motion to Approve the Minutes of the June 21, 2024 Audit Committee Meeting. Rosie Morris seconded, and the motion passed.	0:44 Start of Discussion 1:00 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.	1:26 Start of discussion
C. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2024 Third Quarter Investment Officer Reports 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking	Rosie Morris made a motion to recommend that the Finance Commission Approve the Agencies' 2024 Third Quarter Investment Officer Reports. David Osborn seconded, and the motion passed.	8:39 Start of Discussion 11:53 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. Rosie Morris seconded, and the motion passed.	12:20 Start of Discussion 15:28 Vote
E. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' 2024 Third Quarter Financial Statements 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking	Rosie Morris made a motion to recommend that the Finance Commission Approve the Agencies' 2024 Third Quarter Financial Statements. David Osborn seconded, and the motion passed.	15:50 Start of Discussion 22:05 Vote

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<p>F. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Agencies' Fiscal Year 2025 Operating Budgets</p> <ol style="list-style-type: none"> 1. Office of Consumer Credit Commissioner 2. Department of Savings and Mortgage Lending 3. Texas Department of Banking 	<p>Rosie Morris made a motion to recommend that the Finance Commission Approve the Office of Consumer Credit Commissioner's Fiscal Year 2025 Operating Budget. David Osborn seconded, and the motion passed.</p> <p>David Osborn made a motion to recommend that the Finance Commission Approve the Department of Savings and Mortgage Lending's Fiscal Year 2025 Operating Budget. Rosie Morris seconded, and the motion passed.</p> <p>Rosie Morris made a motion to recommend that the Finance Commission Approve the Texas Department of Banking's Fiscal Year 2025 Operating Budget. David Osborn seconded, and the motion passed.</p>	<p>22:25 Start of Discussion</p> <p>32:21 Vote</p> <p>42:46 Vote</p> <p>51:09 Vote</p>
<p>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 2025</p>	<p>Rosie Morris 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 2025. David Osborn seconded, and the motion passed.</p>	<p>51:34 Start of Discussion</p> <p>52:20 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 2024 Annual Internal Audit and Follow-Up on Prior Year Recommendations Report as Prepared and Presented by Garza/Gonzalez and Associates</p>	<p>David Osborn made a motion to recommend that the Finance Commission Approve the Office of Consumer Credit Commissioner's 2024 Annual Internal Audit and Follow-Up on Prior Year Recommendations Report as Prepared and Presented by Garza/Gonzalez and Associates. Rosie Morris seconded, and the motion passed.</p>	<p>52:44 Start of Discussion</p> <p>1:01:26 Vote</p>
<p>I. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Department of Savings and Mortgage Lending's 2024 Annual Internal Audit and Follow-Up on Prior Year Recommendations Report as Prepared and Presented by Garza/Gonzalez and Associates</p>	<p>Rosie Morris made a motion to recommend that the Finance Commission Approve the Department of Savings and Mortgage Lending's 2024 Annual Internal Audit and Follow-Up on Prior Year Recommendations Report as Prepared and Presented by Garza/Gonzalez and Associates. David Osborn seconded, and the motion passed.</p>	<p>1:01:54 Start of Discussion</p> <p>1:08:03 Vote</p>

AGENDA ITEM	ACTION	LOCATION ON AUDIO FILE
<p>J. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Texas Department of Banking's 2024 Trust Examinations Report and Follow-Up on Prior Year Recommendations as Prepared and Presented by Garza/Gonzalez and Associates</p>	<p>David Osborn made a motion to recommend that the Finance Commission Approve the Texas Department of Banking's 2024 Trust Examinations Report and Follow-Up on Prior Year Recommendations as Prepared and Presented by Garza/Gonzalez and Associates. Rosie Morris seconded, and the motion passed.</p>	<p>1:08:34 Start of Discussion 1:14:37 Vote</p>
<p>K. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Texas Department of Banking's 2024 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates</p>	<p>Rosie Morris made a motion to recommend that the Finance Commission Approve the Texas Department of Banking's 2024 Annual Internal Audit Report as Prepared and Presented by Garza/Gonzalez and Associates. David Osborn seconded, and the motion passed.</p>	<p>1:15:11 Vote</p>
<p>L. Discussion of and Possible Vote to Recommend that the Finance Commission Take Action on the Activities of the Texas Financial Education Endowment Fund</p>	<p>No Action Required</p>	<p>1:15:37 Start of Discussion</p>
<p>M. Discussion of the Activities of the Mortgage Grant Fund</p>	<p>No Action Required</p>	<p>1:16:38 Start of Discussion</p>
<p>N. 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, § 51.402(c)</p>	<p>Rosie Morris 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, § 51.402(c). David Osborn seconded, and the motion passed.</p>	<p>1:17:55 Start of Discussion 1:18:30 Vote</p>
<p>O. 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 551.089, Texas Government Code</p>	<p>Deferred to Executive Session. No Vote Required.</p>	<p>n/a</p>

Chairman Fields called for an Executive Session at 9:49 a.m. (1:19:18 on the audio file). The open meeting resumed at 10:24 a.m. (1:20:59 on the audio file)

There being no further business of the Audit Committee of the Finance Commission of Texas, Chairman Fields adjourned the meeting at 10:24 a.m. (1:21:23 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