

TEXAS DEPARTMENT OF MOTOR VEHICLES  
FINANCE AND AUDIT COMMITTEE  
MEETING

Texas Department of Motor Vehicles  
4000 Jackson Avenue  
Lone Star Room  
Austin, Texas 78731

Wednesday,  
August 7, 2024

COMMITTEE MEMBERS:

Brett Graham, Chair  
Tammy McRae  
Sharla Omumu  
John Prewitt

I N D E X

<u>AGENDA ITEM</u>	<u>PAGE</u>
1. Roll Call and Establishment of Quorum	5
2. Pledges of Allegiance - U.S. and Texas	6
3. Comments and Announcements from Committee Chair, -- Committee Members, and Executive Director	
 BRIEFING AND ACTION ITEMS	
4. Consideration and Possible Recommendation for Action to the Full Board and Briefings:	
A. FY 2025 Recommended Operating Budget for the Fiscal Year that Begins September 1, 2024, and ends August 31, 2025 (ACTION ITEM)	6
B. Delegation of Contract Approval and Signature Authority to the Executive Director or the Executive Director's Designee (ACTION ITEM)	10
C. FY 2026 - 2027 Legislative Appropriations Update (BRIEFING ONLY)	13
D. Internal Audit Division Status Update - (BRIEFING ONLY)	
i. Investigation Processes Audit	14
ii. Inventory Management Audit	19
iii. CPA Audit - Commercial Charge Rebate Program	20
E. FY 2025 Internal Audit Plan (ACTION ITEM)	21
 CLOSED SESSION	
5. The Committee may enter into closed session under one or more of the provisions of the Texas Open Meetings Act, Government Code, Chapter 551, including but not limited to: Section 551.071 Section 551.076 Section 551.089	none
6. Action Items from Closed Session	--
7. Public Comment	none
8. Adjournment	27

P R O C E E D I N G S

1  
2 MR. GRAHAM: Well, good afternoon. My name is  
3 Brett Graham, and I'm pleased to open the Finance and  
4 Audit Committee meeting of the Texas Department of Motor  
5 Vehicles.

6 It is 2:00 p.m., and I am now calling the  
7 committee meeting for August 7, 2024, to order. I want to  
8 note for the record that the public notice of this  
9 meeting, containing all items on the agenda, was filed  
10 with the Office of the Secretary of State on July 30,  
11 2024, my birthday.

12 Before we begin today's meeting, please place  
13 all cell phones and other communication devices in silent  
14 mode, and please, as a courtesy to others, do not carry on  
15 side conversations in the meeting room.

16 I want to welcome those who are with us today  
17 for today's committee meeting.

18 If you wish to address the committee or speak  
19 on an agenda item during today's meeting, please complete  
20 a speaker's sheet at the registration table or send an  
21 email to GCO\_General@TxDMV.gov. Please identify in your  
22 email the specific item you are interested in commenting  
23 on, your name and address, and whether you are  
24 representing anyone or speaking for yourself. If your  
25 comment does not pertain to a specific agenda item, we

1 will take your comment during the general public comment  
2 portion of the meeting.

3 In accordance with the department's  
4 administrative rule, comments to the committee will be  
5 limited to three minutes. To assist each speaker, a timer  
6 has been provided. The timer light will be green for the  
7 first two minutes, yellow when the speaker has one minute  
8 left, and then red when the speaker's time is up.

9 Individuals cannot accumulate time from other  
10 speakers. Comments should be pertinent to the issue  
11 stated on the comment sheet. When addressing the  
12 committee, please state your name and affiliation for the  
13 record.

14 There are a few things that will assist in  
15 making the meeting run smoother and assist the court  
16 reporter in getting an accurate record: please identify  
17 yourself before speaking; speak clearly and slowly; do not  
18 speak over others; ask the chairman for permission to  
19 speak, and be sure to get recognized before speaking.

20 I would like to thank our court reporter who is  
21 transcribing this meeting.

22 Before we begin today, I'd like to remind all  
23 presenters and those in attendance of the rules of conduct  
24 of our committee meeting. In the department's  
25 administrative rule, I have the authority to supervise the

1 conduct of this meeting. This includes the authority to  
2 determine when a speaker is being disruptive of the  
3 meeting or is otherwise violating the timing and  
4 presentation rules I just discussed.

5 This meeting agenda stated that a quorum of the  
6 Board may be present at this meeting, however, Board  
7 members who are not members of the Finance and Audit  
8 Committee will not vote on any committee agenda items  
9 today, nor will any Board action be taken.

10 I see that Members Omumu, Prewitt and McRae are  
11 present for the meeting. Actually, I was supposed to  
12 recognize Board members, and they are Board members but  
13 they're also members of this committee, and there are no  
14 other Board members present.

15 Now I'll have a roll call of the committee  
16 members. Please respond verbally when I call your name.

17 Vice Chair McRae?

18 MS. McRAE: Here.

19 MR. GRAHAM: Member Omumu?

20 MS. OMUMU: Present.

21 MR. GRAHAM: Member Prewitt?

22 MR. PREWITT: Here.

23 MR. GRAHAM: And let the record reflect that I,  
24 Brett Graham, am here too. We have a quorum.

25 At this time we will stand and honor our

1 country and state with the pledges of allegiance. I will  
2 now turn it over to Member Prewitt for the U.S. Pledge.

3 (The U.S. Pledge of Allegiance was recited.)

4 MR. GRAHAM: Member McRae.

5 (The Texas Pledge of Allegiance was recited.)

6 MR. GRAHAM: Thank you.

7 MR. GRAHAM: Okay. Let's see here. We will  
8 now proceed to agenda item 3.

9 Do we have any comments or announcements today?

10 Any public comment?

11 MS. MORIATY: I don't have any public comments,  
12 if you don't have any public comments or announcements,  
13 sir.

14 MR. GRAHAM: I do not.

15 How about the executive director?

16 MR. AVITIA: Chairman, I have no comments or  
17 announcements today, but thank you.

18 MR. GRAHAM: Okay. Then we'll move on to item  
19 4, Fiscal year 2025 recommended operating budget for the  
20 fiscal year that begins September 1, 2024, and ends August  
21 31, 2025. This is an action item, and at this time I'll  
22 turn it over to John Ralston.

23 MR. RALSTON: Good afternoon. For the record,  
24 my name is John Ralston, and I'm the budget director for  
25 the Finance and Operations Division.

1           Today I'll be presenting the department's  
2 recommended FY 2025 operating budget for approval by the  
3 TxDMV Finance and Audit Committee. The materials I will  
4 refer to are included in your Board book, starting on page  
5 5.

6           The recommended FY 2025 operating budget totals  
7 \$301.7 million and supports 902 FTEs. It includes  
8 operating funds for services, consumables, and equipment  
9 and includes within that number \$32.9 million in capital  
10 projects. Of the total budget, \$200.7 million is funded  
11 through the new appropriations adopted in June of 2023 by  
12 the legislature in the General Appropriations Act. An  
13 additional \$101 million is authorized in contingencies for  
14 specific legislation and the carry-forward of unexpended  
15 balances from FY 2024.

16           The carry-forward of funds from FY 2024 include  
17 the capital funds in our automation project,  
18 cybersecurity, HQ maintenance capital, regional service  
19 center maintenance, the regional service center expansions  
20 in Dallas and Houston, and for the accounts receivable  
21 project.

22           The contingencies in FY 2025 include the carry-  
23 forward of funds for the implementation of House Bill 718  
24 and MVCPA for the implementation of Senate Bill 224.  
25 Together these funds are used to conduct day-to-day

1 operations for our programs and indirect administration  
2 divisions, and to support technology projects and  
3 enhancements.

4           These expenditures will be fully funded from  
5 the TxDMV Fund 10, the General Revenue Fund for MVCPA, and  
6 federal reimbursements. Fund 10 is supported by TxDMV  
7 revenue collections, which are shown on page 12 of your  
8 materials.

9           The FY 2025 budget is the second year of the  
10 biennial budget, and the key highlights is that this is  
11 the continuation of a number of mission critical projects  
12 and initiatives that began in FY 2024. These initiatives  
13 that started in 2024 and will continue into 2025 include:  
14       the implementation of House Bill 718 related to replacing  
15 temporary paper tags with plates; RTS replacement  
16 modernization Phase 1; additional regional service center  
17 locations in Dallas and Houston; the increase for salary  
18 adjustments and new FTEs to address workload and  
19 initiatives in multiple TxDMV programs.

20           For MVCPA, funding for 2025 includes:  
21 continuing implementation of SB 224 to coordinate with  
22 other state agencies on addressing catalytic converter  
23 theft.

24           We're at the halfway point of the biannual  
25 budget that is ambitious, but this budget will



1 significantly improve the TxDMV and have a positive impact  
2 for the future. The major projects and initiatives that  
3 started in FY 2024 and will continue into 2025 are  
4 integral to TxDMV's goals and objectives and reflects a  
5 commitment in investing resources that will improve how we  
6 serve our customers.

7 This concludes my remarks, and I'm happy to  
8 answer any questions.

9 MR. GRAHAM: Okay. Thank you, Mr. Ralston.  
10 Do we have any public comments?

11 MS. MORIATY: No, sir, we do not.

12 MR. GRAHAM: Well, with that, I will now  
13 entertain a motion regarding agenda item 4.A.

14 MS. McRAE: Chairman, I'd like to make a  
15 motion.

16 MR. GRAHAM: Okay, Member McRae.

17 MS. McRAE: I move that the committee recommend  
18 that the Board approve the fiscal year 2025 operating  
19 budget, as presented by staff.

20 MR. GRAHAM: Okay. Thank you.

21 Do we have a second?

22 MR. PREWITT: Second.

23 MR. GRAHAM: Second from Member Prewitt. Any  
24 further discussion?

25 (No response.)

1 MR. GRAHAM: Hearing none, I'll call the vote.  
2 Vice Chair McRae?

3 MS. McRAE: Aye.

4 MR. GRAHAM: Member Omumu?

5 MS. OMUMU: Aye.

6 MR. GRAHAM: Member Prewitt?

7 MR. PREWITT: Aye.

8 MR. GRAHAM: And I, Brett Graham, vote aye as  
9 well. Let the record reflect that there are four votes  
10 for and no votes against. The motion passes.

11 Thank you, Mr. Ralston. We'll now move to  
12 agenda item 4.B, and I'll turn it back over to you, sir.

13 MR. RALSTON: For the record, John Ralston,  
14 budget director for Finance and Operations Division.

15 Agenda item 4.B is an action item. We are  
16 requesting to obtain the Board's delegation of approval of  
17 contracts and signature authority for contracts up to and  
18 including \$1 million, as well as those exceeding \$1  
19 million, as authorized under Government Code 2261.254.

20 So this contract delegation goes hand-in-hand  
21 and is a part of our implementation of the FY 2025 budget.

22 The Government Code 2261.254 authorizes a state agency to  
23 enter into a contract for the purchase of goods or  
24 services that has a value exceeding \$1 million only if the  
25 governing body of the state agency approves the contract

1 and the approved contract is signed by the presiding  
2 officer of the governing body. 2261.254 also allows the  
3 governing body to delegate this authority for approval of  
4 signature to the executive director or deputy executive  
5 director of the agency.

6           These updated contract approval procedures will  
7 simplify the delegation of approval and signature in  
8 alliance with the authorities in statute. Contracts up to  
9 and including \$1 million will be delegated to the  
10 executive director and he may further delegate that  
11 authority if he so chooses. Those exceeding \$1 million  
12 will be delegated only to the executive director.

13           We will continue to present within the  
14 department's operating budget contracts that are expected  
15 to exceed \$200,000 for the upcoming fiscal year for  
16 informational purposes and will report and seek approval  
17 for other contracts which is statutory requirement.

18           That concludes my remarks on item 4.B.

19           MR. GRAHAM: Okay. Thank you, Mr. Ralston.

20           Any questions from the members?

21           (No response.)

22           MR. GRAHAM: And just for clarification, this  
23 is in line with previous requests in previous cycles. Is  
24 that correct?

25           MR. RALSTON: That is correct.

1 MR. GRAHAM: All right. Thank you.

2 MS. OMUMU: Mr. Chairman?

3 MR. GRAHAM: Yes, ma'am.

4 MS. OMUMU: I'd like to make a motion, please.

5 MR. GRAHAM: Yes, Member Omumu.

6 MS. OMUMU: I move that the committee recommend  
7 that the Board approve the revised contract approval  
8 procedures and delegate contract approval and signature  
9 authority to the executive director or his designee, as  
10 presented by staff.

11 MR. GRAHAM: Okay. Thank you.

12 Do we have a second?

13 MR. PREWITT: I'll second.

14 MR. GRAHAM: Second from Member Prewitt. Any  
15 further discussion?

16 (No response.)

17 MR. GRAHAM: Hearing none, I'll call the vote.  
18 Vice Chair McRae?

19 MS. McRAE: Aye.

20 MR. GRAHAM: Member Omumu?

21 MS. OMUMU: Aye.

22 MR. GRAHAM: Member Prewitt?

23 MR. PREWITT: Aye.

24 MR. GRAHAM: And I, Brett Graham, vote aye as  
25 well. Let the record reflect there are four votes for and

1 zero votes against the motion and it passes.

2 Thank you, Mr. Ralston.

3 Okay. Let's go to agenda item C, the fiscal  
4 year 2026-2027 legislative appropriations update. This is  
5 a briefing item only, and I will turn it over to Glenna  
6 Bowman.

7 MS. BOWMAN: Thank you. Good afternoon,  
8 Chairman Graham, members of the committee, and Director  
9 Avitia. For the record, I'm Glenna Bowman, chief  
10 financial officer for TxDMV.

11 Today I'm just providing an update on our FY  
12 2026-27 Legislative Appropriations Request, known as the  
13 LAR. As we have discussed previously with the Board, the  
14 LAR has two primary components; there's our baseline  
15 funding and our exceptional items.

16 In June of 2024 this year, the Board approved a  
17 motion to authorize a baseline increase not to exceed 5  
18 percent. After additional analysis, the baseline amount  
19 for '26-27 is estimated to be \$424.5 million which  
20 represents a 4.7 percent increase over FY '24-25. The  
21 major baseline increases include cost increases in postage  
22 and freight services, data center services through the  
23 Department of Information Resources, and the  
24 implementation of new communication and technology  
25 contracts.

1           There are no changes to the exceptional items  
2 that were presented in June. We still have our  
3 Registration and Titling System modernization project and  
4 enhancing and improving core services and customer  
5 support. Those amounts have not changed from what was  
6 presented previously.

7           We did receive the LAR policy letter and  
8 instructions that we've been waiting for. They were  
9 released on July 28, and our LAR is to be submitted no  
10 later than August 23.

11           That concludes my remarks, and I'm happy to  
12 answer any questions.

13           MR. GRAHAM: Okay. Thank you.

14           Do we have any questions for Ms. Bowman?

15           (No response.)

16           MS. BOWMAN: Thank you.

17           MR. GRAHAM: Thank you.

18           We will now move to agenda item 4.D. Internal  
19 Audit Division status update. This is a briefing item  
20 only, and I will turn it over to our interim auditor,  
21 Jason Gonzalez.

22           Thank you, Jason.

23           MR. GONZALEZ: Thank you.

24           Good afternoon, Chairman Graham, committee  
25 members, and Director Avitia. For the record, my name is

1 Jason Gonzalez, interim Internal Audit director.

2 I'll be providing an update on internal and  
3 external engagements. I'll also be requesting approval of  
4 the fiscal year 2025 Internal Audit Plan.

5 The department recently completed the  
6 investigation process audit, which can be found on page 27  
7 of your Board book. Before I discuss the details of the  
8 engagement, I'd like to thank Corrie and her team. They  
9 were great partners and this project could not have been  
10 completed without their efforts.

11 So thank you, Corrie.

12 The audit objective was to evaluate the intake  
13 process for complaints. The method around investigations  
14 are prioritized and the actions taken on investigation  
15 results. Overall, this project was positive but some  
16 areas were identified where information and processes  
17 could be clarified or better defined. The audit  
18 identified four results and had eight audit  
19 recommendations.

20 Just for some background, the department's  
21 Enforcement Division investigates consumer complaints and  
22 processes cases from consumers, law enforcement and other  
23 agencies on the business practices of dealers,  
24 manufacturers, converters, and motor carriers.  
25 Enforcement's 55 investigators, 12 attorneys and two case

1 advisors handle complaints dealing with motor vehicles,  
2 motor carriers and Lemon Law. In fiscal year 2023,  
3 Enforcement received 23,000 cases and closed over 20,000  
4 cases on these types of complaints.

5 We identified four strengths. First was that  
6 Enforcement has started the process of updating procedures  
7 to ensure investigation timeliness and documentation  
8 uniformity. Next, Enforcement is working with licensees  
9 to settle cases to reduce the need for hearings which  
10 could lead to shorter case closure times. Also, that  
11 Enforcement developed processes to ensure penalties are  
12 collected. And finally, Enforcement has ensured the key  
13 performance indicators have been reported accurately.

14 The first audit result was the complaint  
15 priority levels can be better defined and used to  
16 effectively manage cases. Enforcement assigns priority  
17 levels to complaints it receives, which provides  
18 investigators with a timeline in which an investigation  
19 should be completed.

20 There are three priority levels; those are  
21 high, medium and low priority. High priority cases, for  
22 example, include public safety related cases, and should  
23 be completed in 30 days. Medium priority cases include  
24 cases involving licensees conducting business outside of  
25 their licensed classification, and should be completed in



1 60 days. Low priority cases involving advertising should  
2 be completed in 90 days.

3 Most case priorities were high or low and we  
4 thought that by expanding the use of priority levels, the  
5 complaint closure times could be reduced. Using all the  
6 priority levels could reduce the number of cases assigned  
7 a high priority level which could improve Enforcement's  
8 time to complete other lower priority cases, and therefore  
9 reduce complaint times.

10 Internal Audit made two recommendations  
11 concerning these results. One was the recommendation to  
12 update procedures concerning priority levels, and the  
13 second was to coordinate with ITSD to ensure that  
14 priorities assigned by eLICENSING are working as intended.

15 Audit result two was while there is consistency  
16 in investigation documentation, opportunities exist to  
17 strengthen case communication and oversight. Enforcement  
18 generally ensured that cases were documented uniformly in  
19 accordance with its procedures. Specifically, almost all  
20 cases had all elements of an investigation completed.

21 Enforcement provides each complainant with an  
22 acknowledgment email that provides information such as  
23 Enforcement informing the complainant that the complaint  
24 was received, a case number and the assigned  
25 investigator's name and contact details. Some cases were

1 missing opening or closing emails.

2           Auditors determined that some cases took longer  
3 than 90 days which would require the investigation process  
4 to provide periodic updates, however, the required updates  
5 were not consistently provided. Internal Audit  
6 recommended that Enforcement ensure investigation results  
7 are documented consistently and that opening and closing  
8 emails are provided. We also recommended that Enforcement  
9 work with ITSD to ensure that the 90-day status updates  
10 are sent when required. Finally, we recommended that  
11 Enforcement ensure that it sends all notices after the  
12 minimum waiting period in instances where doing so could  
13 reduce case closure times, for example, non-responsive  
14 cases.

15           Audit result three was that actions and  
16 penalties were enforced but penalties were not always  
17 assessed within established guidelines. So Enforcement  
18 generally applied a disciplinary matrix when assessing  
19 penalties on its cases, however, there were closed cases  
20 that did not have a final penalty assessed within the  
21 range provided by the disciplinary matrix. These cases  
22 had final penalties that were less than the stated  
23 minimum.

24           According to Enforcement, attorneys can use  
25 their own discretion when assessing penalties. So we

1 recommended that penalties assessed in cases are within  
2 range provided by the disciplinary matrix or that we  
3 document the justification to support why we're assessing  
4 penalty outside of that range.

5           Audit result four was that key performance  
6 indicators were accurately reported, but could be expanded  
7 to provide more visibility. Internal Audit recommended  
8 Enforcement consider expanding their KPIs based on the  
9 results of researching other licensing agencies KPIs. For  
10 example, other Texas regulatory agencies have metrics such  
11 as the percentage of complaints resolved within six months  
12 and average time of days for resolution with predetermined  
13 goals.

14           This concludes the Enforcement Division's  
15 investigation process audit report. Do you have any  
16 questions?

17           MR. GRAHAM: Any questions from members?

18           (No response.)

19           MR. GRAHAM: Okay.

20           MR. GONZALEZ: We also completed work on the  
21 inventory management audit. The inventory management  
22 audit is in the reporting phase. The report has been  
23 completed and we're awaiting management responses. The  
24 audit objective was to evaluate the department's processes  
25 on accounting for and reporting on controlled assets

1 throughout the state.

2 We also had an external engagement. The CPA  
3 desk audit was performed by the Comptroller and the title  
4 of it is Commercial Charge Card Rebate Program. So the  
5 Texas Comptroller of Public Accounts performed a desk  
6 audit of the commercial card rebate program and rebates  
7 earned at 99 state agencies. The audit's objective was to  
8 determine whether agencies complied with the requirement  
9 of Texas Government Code Section 2251.03 for agencies to  
10 take advantage of early payment discounts or rebates.

11 CitiBank North America is the current State of  
12 Texas charge card service provider for procurement and  
13 travel purchases. So the CitiBank charge card contract  
14 contains a rebate program based on the total annual  
15 expenditures of all participating entities.

16 So overall, the department had positive results  
17 as it earned 93 percent of the minimum rebate amount.  
18 Maximum rebate amounts generally require payment on the  
19 same day of the credit card invoice, and same-day payment  
20 is not always possible due to invoice receipts and  
21 required reconciliation for the goods received. Our  
22 accounts payable process requires us to ensure that goods  
23 have been received prior to payment, and deviation from  
24 this process and reliability on the credit card statement  
25 to process payment quickly could require deviation from

1 our established processes.

2 We did incur \$104.44 in late payments but this  
3 was an outlier, and it was most likely due to a late  
4 invoice and not from a breakdown in our accounts  
5 receivables process. Only five agencies had a higher  
6 rebate percentage than the department. And also our  
7 average number of days from statement to payment was 17  
8 days, which is well within the Prompt Payment Act's 30-day  
9 requirement.

10 Does anyone have any questions on that?

11 (No response.)

12 MR. GONZALEZ: Finally, we completed our risk  
13 assessment and our Internal Audit Plan. And this is an  
14 action item, so we'll be asking for your approval.

15 So to complete our annual risk assessment, we  
16 conducted interviews with all division directors, deputy  
17 directors, executive management, and select senior  
18 managers. The risk assessment identified 93 operational  
19 risks and we evaluated those based on financial impact,  
20 operational impact and reputational impact. Other factors  
21 included how critical the operations are, the division  
22 size, if there's been any turnover, and just the overall  
23 budget of the division.

24 We used the risk assessment to develop the  
25 fiscal year 2025 Audit Plan, which can be found on page 64

1 of your Board book.

2 The proposed Internal Audit Plan includes  
3 information on risk-based audits, advisory services,  
4 required activities and division initiatives. We  
5 identified 13 engagements to be conducted in the next  
6 fiscal year, consisting of five risk-based audits, three  
7 advisory services, and five required activities. The  
8 Internal Audit Plan also includes four alternative  
9 engagements, and the proposed engagements and advisory  
10 services can be found on page 66 of your Board book.

11 Required engagements include the fiscal year  
12 2024 Internal Audit Annual Report, our quality assurance  
13 and improvement Program, internal assessment -- we conduct  
14 that every year -- and our audit recommendation  
15 implementation status, which is just our followup  
16 activities based on previous audit recommendations. It  
17 also includes the fiscal year 2026 risk assessment and  
18 Internal Audit Plan, and a proposed Internal Audit  
19 Division peer review.

20 The peer review is when we -- we're members of  
21 a group, the State Auditors. It's just a forum of all  
22 state agencies and we collectively perform work for each  
23 other and peer reviews for each other and it saves  
24 agencies from having to hire external auditors to do them.  
25 So you bank points. We've done two and so we should have

1 enough points to have a peer review performed.

2 Proposed audits include an audit on fleet  
3 management, information security and specialty plates.  
4 Advisory services include a review of the Consumer  
5 Relations Division's quality assurance processes, and  
6 Motor Carrier licensing processes. Value added services  
7 include fraud, waste and abuse investigations, external  
8 audit and review coordination, and just general work group  
9 participation.

10 And this concludes my update and I'd be happy  
11 to answer any questions.

12 MR. GRAHAM: Okay. Thank you.

13 MR. GONZALEZ: Yes, sir.

14 MR. GRAHAM: Do any of the members have  
15 questions for Mr. Gonzalez?

16 MR. PREWITT: I do.

17 MR. GRAHAM: Yes, sir, Mr. Prewitt.

18 MR. PREWITT: In regards to the information  
19 security audit, given the CrowdStrike event that happened  
20 a couple of weeks ago, do you change the audit procedure  
21 profile that you go through historically? Will that  
22 change?

23 MR. GONZALEZ: No. So we most likely would  
24 outsource that. And so as we determine our objectives for  
25 that audit, we would discuss that with ITSD and with the

1 party that we contracted with.

2 MR. PREWITT: Okay. Thank you.

3 MR. GONZALEZ: Yes, sir.

4 MR. GRAHAM: Good question.

5 Any other questions from the members?

6 (No response.)

7 MR. GRAHAM: Okay.

8 MR. GONZALEZ: Thank you.

9 MR. GRAHAM: Thank you.

10 MR. PREWITT: Thank you.

11 MS. MORIATY: I'm sorry, Chairman. You need to  
12 vote.

13 MR. GRAHAM: Yes.

14 MS. MORIATY: We're on item 4.E.

15 MR. GRAHAM: Did you have something? All  
16 right. No public comments?

17 MS. MORIATY: No public comments, sir.

18 MR. GRAHAM: Okay. All right. Then I'll  
19 entertain a motion.

20 (General talking and laughter.)

21 MR. PREWITT: I happen to have a motion.

22 MR. GRAHAM: Yes, Member Prewitt.

23 MR. PREWITT: I move that the committee  
24 recommend that the Board approve the fiscal year 2025  
25 Internal Audit Plan, as presented by staff.



1 MS. OMUMU: I second.

2 MR. GRAHAM: Okay. Second from Member Omumu.

3 And do we have any further discussion?

4 MR. AVITIA: Chairman, if I may?

5 MR. GRAHAM: Yes, Executive Director Avitia.

6 MR. AVITIA: I don't want to interrupt the  
7 vote, but certainly want to recognize Jason and thank him  
8 for stepping into the Internal Audit director role.

9 You've done a fine job for us in the past and I  
10 know you'll do a great job for the Board and the  
11 department. I appreciate your partnership, sir.

12 MR. GONZALEZ: Thank you. I appreciate it.  
13 It's been a pleasure for like the last week.

14 (General laughter.)

15 MR. AVITIA: Thank you, Chairman.

16 MR. GRAHAM: Okay. All right. Thank you for  
17 that comment, and we do appreciate you very much.

18 I will call the vote.

19 Vice Chair McRae?

20 MS. McRAE: Aye.

21 MR. GRAHAM: Member Omumu?

22 MS. OMUMU: Aye.

23 MR. GRAHAM: Member Prewitt?

24 MR. PREWITT: Aye.

25 MR. GRAHAM: And I, Brett Graham, vote aye as

1 well. The motion carries unanimously.

2 Thank you, Mr. Gonzalez.

3 MR. GONZALEZ: Thank you.

4 MR. GRAHAM: Okay. We will now move to agenda  
5 item 5, closed session. I do not believe we have any  
6 closed session items to address, so we will now move to  
7 public comment.

8 MS. MORIATY: There is no public comment, sir.

9 MR. GRAHAM: Okay. No public comment.

10 Then we'll go to 8, Adjournment. Unless  
11 there's any further business, I would entertain a motion  
12 to adjourn.

13 MS. McRAE: I would like to make a motion to  
14 adjourn, Chairman.

15 MR. GRAHAM: Yes, Member McRae would like to  
16 make a motion to adjourn.

17 MS. OMUMU: Second.

18 MR. GRAHAM: And a second from Member Omumu,  
19 boxing out Member Prewitt.

20 (General laughter.)

21 MR. GRAHAM: Committee members, when I call  
22 your name, please state the vote for the record.

23 Vice Chair McRae?

24 MS. McRAE: Aye.

25 MR. GRAHAM: Member Omumu?

1 MS. OMUMU: Aye.

2 MR. GRAHAM: Member Prewitt?

3 MR. PREWITT: Aye.

4 MR. GRAHAM: I, Brett Graham, vote aye as well.

5 Let the record reflect it is unanimous, this meeting is  
6 adjourned.

7 (Whereupon, at 2:28 p.m., the meeting was  
8 adjourned.)

C E R T I F I C A T E

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

MEETING OF: TxDMV Finance & Audit Committee  
LOCATION: Austin, Texas  
DATE: August 7, 2024

I do hereby certify that the foregoing pages,  
numbers 1 through 28, inclusive, are the true, accurate,  
and complete transcript prepared from the verbal recording  
made by electronic recording by Nancy H. King before the  
Texas Department of Motor Vehicles.

DATE: August 19, 2024

/s/ Nancy H. King  
(Transcriber)

On the Record Reporting &  
Transcription, Inc.  
7703 N. Lamar Blvd., Ste 515  
Austin, Texas 78752