

Finance, Audit and Department Matters Committee Meeting

Thursday, December 11, 2008
Room 321, State Office Building
165 Capitol Avenue, Hartford

Minutes

Members Present: Mrs. Patricia B. Luke, Chair
Mr. Donald J. Coolican
Mr. Allan B. Taylor

Others Present: Ms. Pamela V. Bergin, Assistant to the Commissioner and State Board of Education
Mr. James Chasse, Education Consultant, CTHSS
Ms. Sharon Gaddy, Equal Employment Opportunity Director
Dr. Abigail Hughes, Superintendent of Schools, CTHSS
Mr. Raymond Inzero, Sr., Chief, Office of Internal Audit
Mr. Brian Mahoney, Chief Financial Officer

Members Absent: None

The meeting was called to order at 9:44 a.m.

I. Approval of Minutes – September 10, 2008

Ms. Luke asked about corrections to the minutes. Mr. Inzero indicated an additional correction to item III. b. replacing the sentence “If the State collects, it is the Department’s intent that some monies will go back to Highville.” with “If the State collects, it is the Department’s intent that these monies will be used to reimburse the State Department of Education (SDE) for expenses associated with the Highville investigation.”

A motion was made by Mr. Coolican, seconded by Mrs. Luke, and unanimously adopted to approve the minutes of the Finance, Audit and Department Matters Committee meeting on September 10, 2008, with the above-noted revision.

Vote: Yes: Mrs. Luke, Mr. Taylor, Mr. Coolican
No: 0
Abstained: 0
Absent: 0

II. Affirmative Action (Ms. Sharon Gaddy)

Mrs. Luke introduced Ms. Gaddy, the recently hired Equal Employment Opportunity Director for the SDE to the committee. Mrs. Luke asked for an update on the status of the SDE Affirmative Action Plan and Ms. Gaddy’s plans for the office. Mrs. Luke also asked about establishing an employee advisory committee/affirmative action committee. Ms. Gaddy explained that the current Affirmative Action Plan had been disapproved by CHRO. A new plan for the upcoming year is being prepared to be filed in June 2009. Ms. Gaddy stated she is planning a committee that will educate employees on the process and she briefly described her ongoing plans for the Affirmative Action Office.

III. Finance (Mr. Brian Mahoney)

a) CTHSS School Lunch

Mr. Mahoney discussed concerns regarding the cost of the CTHSS school lunch program. Mr. Chasse briefly explained the program and the issues resulting in high cost and reduced revenue. He explained that only two technical schools report a surplus in their school lunch programs. Dr. Hughes and Mr. Chasse indicated they are evaluating the circumstances with those schools. Mr. Coolican asked to be advised of their findings.

Mr. Taylor asked Mr. Mahoney if the Department of Administrative Services (DAS) could be of assistance concerning personnel costs with the program. Mr. Mahoney stated he will contact DAS on this matter.

Committee members discussed the school wellness policy and whether the CTHSS could or should access additional State funds associated with the State Healthy Foods Grants. Dr. Hughes noted that there may be an impact on the culinary program and Mr. Chasse noted that the amount of funds would not materially impact the deficit.

IV. Office of Internal Audit Agenda Items (Mr. Ray Inzero)

a) Migrant Education Program – Status

Mr. Inzero updated the committee on the status of the program. We received the draft report from Dr. Swaminathan Han at UCONN. The draft report is being reviewed and after the final changes, a meeting will be scheduled with various parties and the Commissioner. The Committee unanimously voted to move into executive session at 10:13 a.m. for the purpose of discussing matters defined in subsection (e) of Section 1-255a of the Connecticut General Statutes (C.G.S.), specifically, pending litigation (Migrant Education Program).

Present at executive session were Committee members: Mr. Coolican, Mr. Taylor, and Mrs. Luke. Also present were Chief of SDE, Office of Internal Audit, Raymond Inzero.

By unanimous consent, the Committee voted to adjourn its executive session and reconvene in public session at 10:33 a.m. Present: Mr. Coolican, Mr. Taylor and Mrs. Luke.

b) Norwalk Special Education

Mr. Inzero advised the Committee of a joint inquiry into alleged misreporting of special education cost in Norwalk. The inquiry is being conducted with the Attorney General's office and the Auditors of Public Accounts.

c) OPM/SDE – Q.C. Reviews of CPA work papers

Mr. Mahoney helped with an agreement with OPM for funding to contract with a CPA firm to conduct quality control reviews of CPA work papers.

d) Open Choice Transportation Grant – ACES

Mr. Inzero explained that the Office of Internal Audit conducted a review to confirm the transportation deficit for the Open Choice Program at ACES. Mr. Mahoney noted that CREC may also need to be confirmed.

- e) **Equipment Inventory Committee**
The Equipment Inventory Committee under Mr. Lombardi (CTHSS) with Mr. Mahoney's staff and the Office of Internal Audit has made progress in the review of process and procedures.
- f) **ECS Fixed Entitlements 2008-2009**
The Office of Internal Audit has completed this audit.
- g) **Charter School Reviews – Financial Component**
The Office of Internal Audit has been participating with program staff on charter school visits conducting reviews of school fundamentals. The Office of Internal Audit provides the information to Mark Linabury, Chief, Bureau of Choice Programs and he will provide the full report to the school.
- h) **RESC Magnet School Audit**
Mr. Inzero reminded the Committee that new legislation requires that one RESC magnet school be audited by a CPA chosen by the SDE. Charter schools have a similar requirement.
- i) **School Construction Audits – Status**
The audits are preceding on target with the Annual Audit plan. The Committee members expressed concern that projects are audited in a timely manner.
- j) **CTHSS – Parent/Faculty organizations**
Mr. Inzero updated the Committee indicating that Dr. Hughes had issued new guidelines on these relationships.

V. Other Matters

The state auditors are looking at the relationship the SDE has with SERC. In particular, questions have been raised concerning the SDE oversight of the contract. Also, they want to know what type of organization is SERC (i.e. nonprofit, government). SERC is co-located in Middletown with the SDE employees.

At 11:12 a.m. a motion was made by Mr. Coolican and seconded by Mr. Taylor, and unanimously adopted to adjourn the Finance, Audit and Department Matters Committee meeting.

Recorded by Patricia Johnson, Secretary, Office of Internal Audit