

Finance, Audit and Department Matters Committee Meeting

Wednesday, September 14, 2011
Room 321, State Office Building
165 Capitol Avenue, Hartford

Minutes

Members Present: Mrs. Patricia B. Luke, Chair
Mr. Allan B. Taylor
Mr. Stephen P. Wright

Others Present: Ms. Pamela V. Charland, Assistant to the Commissioner and
State Board of Education
Mr. Levy Gillespie, Equal Employment Opportunity Director
Mr. Richard LeMay, Supervising Accounts Examiner
Mr. Brian Mahoney, Chief Financial Officer

Members Absent: None

The meeting was called to order at 9:39 a.m.

I. Approval of Minutes – March 17, 2011

A motion was made by Mr. Taylor, seconded by Mrs. Luke, and unanimously adopted to approve the minutes of the Finance, Audit and Department Matters Committee meeting on March 17, 2011.

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

II. Affirmative Action Agenda Item

This item was deferred to later on the agenda.

III. Office of Internal Audit Agenda Items (Mr. Richard LeMay)

- a) Memorandum of Understanding School Construction -
DAS/DCS and SDE – OIA's Involvement

Mr. LeMay discussed OIA's involvement with the former School Facilities Unit that is now part of the new Department of Construction Services (DCS). He also informed the Committee that DAS Commissioner DeFronzo is the Acting Commissioner for DCS.

In addition, Mr. LeMay indicated that the Memorandum of Understanding between the SDE and DCS regarding temporary audit coverage for school construction projects by the SDE Office of Internal Audit, has been signed by Acting Education Commissioner Coleman but, to his knowledge has not been signed by Mr. DeFronzo. The question of additional personnel for the Audit Office in order to provide this service, remains unresolved.

- b) State and Federal Single Audit and Agreed Upon Procedures (ED-001) audit packages.
The committee was advised that the annual distribution of aforementioned audit packages went out as scheduled.
- c) CTHSS Audit Activities – Oliver Wolcott Audit – Windham
Mr. Lemay indicated that the Interim Annual Audit Plan didn't allot any time for the audit of any Technical High Schools; due to the uncertainties regarding the status of CTHSS at the time the Audit Plan was developed. This being resolved, OIA has scheduled an audit at the Olive Wolcott High School. In addition, OIA is testing the new inventory process at the Windham Technical High School. Mrs. Luke indicated that it is very important to verify that this new inventory process will give us an accurate record of the inventory of the Technical High Schools.

Mr. Lemay indicated that several CO-853s are currently being processed for losses of food at the Technical High Schools due to loss of power caused by the hurricane. Mr. Taylor asked if these losses could be included in the States FEMA submission, Mr. Mahoney indicated that these items would be included.
- d) Review of DSS Transferred Programs and OIA Audit Activity Impact
Mr. LeMay discussed the transfer of programs from DSS to SDE. These programs will be included in the Federal single audits of the providers. This will require no additional audit work for OIA.
- e) Auditor's of Public Accounts (APA) Update
Mr. LeMay updated the committee on Audit Office's relationship with the newly assigned group of auditors from APA and the Audit Staff's efforts to assist them.
- f) Development of RESC Magnet School, Agreed-Upon Procedures Package
Mr. LeMay briefed the committee on the drafting of a new agreed upon procedures package. The draft will be based upon on the agreed-upon procedures used for the charter school program.
- g) Finalization of OIA's Annual Audit Plan
Mr. LeMay suggested that the finalization of the audit plan should be put on hold until the school construction issue is decided. The Committee generally agreed with this suggestion.

II. **Affirmative Action Agenda Item (deferred item)**

- a) 2010 – 2011 Affirmative Action Plan – Update **(Mr. Levy Gillespie)**
Mr. Gillespie informed the Committee that the Affirmative Action Plan was rejected by CHRO even though the Department's numbers had improved. The affirmative action plan was approximately 755 pages. The rejection of the plan centered on documentation submitted for people who were promoted. No penalties were assessed. A general discussion took place to determine what the ramifications of the rejection of the plan are and what are the next steps to assure the acceptance of the plan by CHRO.

IV. **Other Matters**

Budget – Update (Mr. Brian Mahoney)

Mr. Mahoney discussed the budget and its current status. He did note that certain Federal grant programs will be terminated or reduced.

He stated that there were 15 LEAs that initially had Minimum Budget Requirement issues, however, this number has been reduced to 6. Three of the six included the Cities of New Britain and Bridgeport and the Town of Winchester. Winchester appears to be approximately 7% under the required MBR. This could mean the Town would face a 10-4b hearing if the situation can't be resolved.

At 11:07a.m. the meeting was adjourned by unanimous consent.

Recorded by Patricia Johnson, Secretary, Office of Internal Audit