

**CONNECTICUT STATE BOARD OF EDUCATION  
Hartford**

**Finance, Audit and Budget Committee Meeting  
Thursday, December 1, 2016  
Room 117, State Office Building  
165 Capitol Avenue, Hartford**

**Draft Minutes  
Subject to Revision**

Members present: Mr. Allan B. Taylor, Chair  
Mr. Joseph Vrabely  
Mr. Stephen P. Wright

Others Present: Ms. Pamela V. Charland, Assistant to the Commissioner and  
State Board of Education  
Ms. Kathy Demsey, Chief Financial Officer  
Mr. Levy Gillespie, Equal Employment Opportunity Director  
Ms. Gloria McCree, Director, Office of Internal Audit

The meeting was called to order at 9:34 a.m.

I. Approval of Minutes – August 31, 2016

A motion was made by Mr. Taylor, seconded by Mr. Wright, and unanimously adopted to approve the minutes of the Finance, Audit and Budget Committee meeting on August 31, 2016.

Vote:	Yes:	Mr. Taylor, Mr. Vrabely, Mr. Wright
	No:	0
	Abstained:	0
	Absent:	0

II. Financial Matters (discussed at 10:35)

Ms. Demsey presented the agency's first quarter financial report. She explained that grant funding is now provided on a quarterly basis, and grantees cannot draw down all funding at one time. At this point, it appears that the department's budget/expenditures will be aligned through the fiscal year.

Ms. Demsey explained the federal special education maintenance of effort requirements and noted that the agency will be in full compliance this fiscal year. She also confirmed that the agency will honor Hartford's request for early payment of the Education Cost Sharing grant in both January and April 2017.

III. Office of Internal Audit

Ms. McCree's office reviewed the Education Cost Sharing recalculation factors for accuracy. Minor errors were resolved, and the report was issued in October.

Ms. McCree told members that a member of her staff has participated in charter school reviews, which encompass the charter management organization (CMO) agreement, budget, financial controls, etc. The Office of Internal Audit will participate in all nine charter renewals. Five have been completed thus far (Side by Side, Booker T. Washington, Trailblazers, Bridgeport Academy and Amistad). The four remaining reviews (Elm City, Bridge Academy, Integrated Day and Jumoke) are all scheduled to be completed by mid-January.

Ms. McCree updated committee members on the status of Jumoke and the associated properties. O'Connell & Pace were engaged to perform the audit, which resulted in a refund due to the State. Going forward, Ms. McCree stated that language will be included in the agency's single audit instructions to CPA firms indicating that they must test properties to ensure they are used for educational purposes.

Ms. McCree updated the committee on work that is being performed in the Connecticut Technical High School System and in the area of grants.

#### IV. Other Matters

Mr. Gillespie noted that the most recent Affirmative Action Plan was reviewed and passed. This is now the third consecutive year of prompt approvals.

The meeting was adjourned at 10:52 a.m.

Recorded by Karen Kowalski, Assistant to the Chief Financial Officer