

**Finance, Audit and Department Matters Committee Meeting**

**Thursday, September 10, 2009  
Room 321, State Office Building  
165 Capitol Avenue, Hartford**

**Minutes**

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

Others Present: Ms. Pamela V. Bergin, Assistant to the Commissioner and State Board of Education  
Ms. Jessica Andrews, Agency Stimulus Accountability Officer  
Mr. Raymond Inzero, Sr., Chief, Office of Internal Audit  
Mr. Brian Mahoney, Chief Financial Officer

Members Absent: Mrs. Kathleen O'Connor

The meeting was called to order at 9:38a.m.

**I. Approval of Minutes – May 18, 2009**

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 May 18, 2009.

Vote: Yes: Mrs. Luke, Mr. Taylor,  
No: 0  
Abstained: 0  
Absent: Mrs. Kathleen O'Connor

**II. Finance (Mr. Brian Mahoney)**

a) American Recovery and Reinvestment Act of 2009 (ARRA)

Mr. Mahoney provided the Committee members with a handout dated September 10, 2009 summarizing ARRA funding for 2009-2010 and ARRA reporting requirements. A brief discussion of ARRA issues occurred. Mr. Mahoney explained to Committee members the concerns associated with the budget cut to the Excess Cost Grant and described federal reporting requirements.

b) Mr. Mahoney introduced the Committee members to Ms. Jessica Andrews, the Agency's Stimulus Accountability Officer. Ms. Andrews provided the Committee members with two handouts detailing information related to the ARRA "Race to the Top" State Incentive Grant Program. A brief discussion occurred regarding the application process and grant requirements.

**III. Office of Internal Audit (OIA) Agenda Items (Mr. Ray Inzero)**

a) Annual Audit Report and Staffing Update

Mr. Inzero briefly discussed the Annual Audit Report previously issued by OIA. The Committee members were advised that OIA had one staff auditor retire. Mrs. Luke asked about the number of school construction projects in OIA's inventory. Mr. Inzero indicated approximately 320 projects are currently in OIA's inventory.

b) Migrant Education Program - Status

The Committee unanimously voted to move into executive session at 10:19a.m. for the purpose of discussing matters defined in subsection (e) of Section 10255a of the Connecticut General Statutes (C.G.S.), specifically, pending litigation (Migrant Education Program).

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

By unanimous consent, the Committee voted to adjourn its executive session and reconvene in public session at 10:35a.m. Present: Mr. Taylor and Mrs. Luke

c) ARRA Funds – OIA Activity

Mr. Inzero provided a brief overview of the Office of Internal Audit's monitoring and involvement in the ARRA program with the agency. Mrs. Luke inquired about the number and amount of contracts and grants associated with ARRA.

d) Highville Mustard Seed Charter School/Attorney General's Office

The Committee members were advised of the Office of Internal Audit's continuing role with the litigation involving the former officials of the Highville Mustard Seed Charter School.

e) CES Magnet Regional Center for the Arts and Explorations Charter School Audits

An update was provided to the Committee members of the status of these two audits. Mr. Taylor inquired regarding the selection process for these schools. Mrs. Luke inquired about the development of a selection process involving the Commissioner's choice of the CPA. The Committee members had a general discussion of these processes.

f) Windham Technical High School – Larceny - Update

Mr. Inzero provided the Committee members with the status of this agenda item involving a 2006 larceny in which the Office of Internal Audit staff testified. He indicated there was a criminal conviction based on the Chief State Attorney's office charges/actions taken against the perpetrator. Mrs. Luke inquired regarding the state's financial loss. Mr. Taylor indicated that this information should be shared with the Connecticut Technical High School System. Mrs. Luke concurred.

**V. Other Matters**

Mr. Inzero advised the Committee members that a request may be made for the Office of Internal Audit to review projected transportation deficits involving Sheff transportation. The Committee members expressed agreement to conduct this review. Mrs. Luke questioned the issues of contracts, grants, single audits and monitoring arrangements.

Mr. Taylor inquired on the status of the replacement of the Equal Employment Opportunity Director for the agency. Ms. Bergin stated she would follow-up on information regarding Mr. Taylor's inquiry.

At 11:00am. the meeting was adjourned by unanimous consent.

Recorded by Patricia Johnson, Secretary, Office of Internal Audit