

Finance, Audit and Department Matters Committee Meeting

Wednesday, March 14, 2012
Room 321, State Office Building
165 Capitol Avenue, Hartford

Approved Minutes

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

Others Present: Mrs. Pamela V. Charland, Assistant to the Commissioner and
State Board of Education
Mr. Levy Gillespie
Mr. Richard LeMay
Mr. Brian Mahoney, Chief Financial Officer

Members Absent: Stephen P. Wright

The meeting was called to order at 1:38p.m.

I. Approval of Minutes – December 14, 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 December 14, 2011.

Vote: Yes: Mrs. Luke, Mr. Taylor,
No: 0
Abstained: 0
Absent: 1

I. Financial Matters – Brian Mahoney

Mr. Mahoney updated the committee regarding the Department's efforts to staff both current vacant positions and the newly created positions within the agency. Mr. Mahoney explained the process is currently taking a bit longer in terms of the Director of Internal Audit position, since the Department of Administrative Services had to assign that new classification to our agency.

Mr. Gillespie was referred a question from a State Board Member and the discussion will be detailed in the Other Matters section of these minutes.

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

a) Office of Internal Audit Personnel Issues Update:

Mr. LeMay informed the Committee of the current staffing in the Office of Internal Audit. In addition, he explained the current status of refilling the Manager of Internal Audit position. Further, he detailed the status of the two construction audit positions. These auditors will be trained in our Office of Internal Audit to prepare them to serve the new Construction Services Agency. One of them is currently in training.

b) CTHSS Audit Activities

Mr. LeMay discussed the Student Activity account issue at Henry Abbott Technical High School and informed the Committee that the draft report had been issued on March 13, 2012, and we are awaiting CTHSS management responses prior to issuing the final report.

Mr. LeMay informed the Committee regarding Windham Technical High School that the inventory at the school is complete and Office of Internal Audit will continue to monitor the new inventory process until its conclusion at which time the Office of Internal Audit will issue its report on the new process.

c) ARRA/SFSF Update

Mr. LeMay informed the Committee of the finalization of the summary report for the SFSF (State Fiscal Stabilization Fund) grant. He furthered the discussion to detail the method that is being used for this year's review.

d) Charter School Renewal Visits

Mr. Lemay explained the Office of Internal Audit's involvement with the charter school renewal process and that seven schools had been visited this year. Mr. LeMay explained that the Office of Internal Audit review involved only the financial issues and is incorporated into the Charter School renewal packages given to the State Board of Education.

e) School Construction Audits

Mr. LeMay briefed the committee on the status of the activities in this area which included sending out twenty-five letters to LEA's giving them the option to have their audits performed by external CPA firms.

f) Other Audits in Process

Mr. Lemay updated the committee on other audits in progress.

1. The Title II program has been selected for a comprehensive review of the program and grant calculation. This review will be completed soon and a report issued.
2. The 2009-2010 ED001 audit issue, specifically, Regional School District 14's special education reporting information is in the process of being resolved with the assistance of the Department's Bureau of Grants Management and Special Education Division.
3. Again the Office of Internal Audit will participate with the programmatic on-site reviews of three LEAs for the Title III program. In addition, while at these LEAs we will perform a review of the SFSF grants.
4. The 2011-2012 Agreed Upon Procedures for Local School Districts, Charter Schools and RESCs are in the process of being updated.

Mrs. Luke inquired about the status of the CREC Transportation Audit. Mr. LeMay stated he has responded to the independent auditor's inquiries but has not yet received the final report.

g) Winchester 2009-2010 Audit Issues

Mr. LeMay updated the Committee on the 2009-2010 audit issues in Winchester and additional documents are under review by the Office of Internal Audit. This review should be completed by early April 2012.

III. Other Matters

As noted above Mrs. Luke referred a question to Mr. Gillespie from a State Board member about the status of the Affirmative Action Plan. Mr. Gillespie gave an explanation of the Affirmative Action Plan approval process. Mrs. Luke and Mr. Taylor requested that Mr. Gillespie draft a response to the State Board Member that can be shared with the entire State Board. It was suggested that he share a draft with Mr. Taylor and Mrs. Luke for their comments prior to providing it to State Board of Education members.

Mrs. Luke also noted the issue of contracts versus grants is still an issue and additional work is needed in this area.

At 2:35p.m. the meeting was adjourned by unanimous consent.

Recorded by Patricia Johnson, Secretary, Office of Internal Audit