

## Finance, Audit and Budget Committee Meeting

Thursday, August 20, 2015  
Room 232, State Office Building  
165 Capitol Avenue, Hartford  
Approved Minutes

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, Director, Equal Employment Opportunity  
Ms. Gloria McCree, Director, Office of Internal Audit

Members Absent: 0

The meeting was called to order at 9.36a.m.

### I. Approval of Minutes – May 18, 2015

A motion was made by Mr. Taylor, seconded by Mr. Vrabely, and unanimously adopted to approve the minutes of the Finance, Audit and Budget Committee (Committee) meeting on May 18, 2015.

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

### II. Finance Matters (Ms. Kathy Demsey)

Kathy Demsey, Chief Financial Officer, presented the 2014-15 end of year financial report. Ms. Demsey noted that the Department ended the year with a final surplus of \$14 million and explained the reasons for the lapsed funds in various accounts. She also mentioned that the mid-term budget process is beginning. The Department's technical adjustments are due to the Office of Policy and Management on September 8<sup>th</sup>. The Department expects to meet this deadline with the caveat that the submission is pending State Board approval in October.

### III. Affirmative Action Matters (Mr. Levy Gillespie)

The CSDE Affirmative Action Plan (AAP) was submitted to the Commission on Human Rights and Opportunities (CHRO) for its annual review on June 30, 2015. An executive summary of the AAP was presented by Mr. Gillespie. Mr. Gillespie responded to numerous questions and comments from the meeting participants. He also indicated the review and subsequent vote on the status of the CSDE's AAP will take place on Wednesday, September 9, 2015, at the next CHRO Regular Commission Meeting.

#### **IV. Office of Internal (OIA) Audit Agenda Items (Ms. Gloria McCree)**

Ms. McCree discussed OIA's 2014-2015 Annual Audit Report with the Committee. The Annual Audit Report provides updates on significant audit activity, findings and recommendations associated with the following:

- Education cost sharing (ECS) grants;
- Federal and state single audit;
- Charter and magnet schools financial accountability;
- Forms review and analysis;
- Connecticut Technical High School Systems (CTHSS) audits; and
- Special audit reviews.

She discussed the importance of the federal and state single audit process in providing external audit coverage for grants provided to the various Connecticut towns. She explained OIA's responsibility to review the external certified public accountants' reports and to follow up on findings. Ms. McCree gave an overview of OIA's work on the Winchester Special Education Excess Cost and West Haven Carl D. Perkins Grants, and provided updates on the findings. She also discussed the next steps in completing the West Haven Carl D. Perkins Grant audit.

Ms. McCree responded to questions and comments from the meeting participants. The Committee approved the Annual Audit Report.

Ms. McCree stated that OIA staff will continue to attend relevant auditing seminars and participate in webinars to update audit knowledge and meet continuing professional education requirements.

At 11:39a.m. the meeting was adjourned.

Recorded by Patricia Johnson, Secretary, Office of Internal Audit