

Finance, Audit and Budget Committee Meeting

**Wednesday, November 18, 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 9:38 a.m.

I. Approval of Minutes – August 20, 2015

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 (Committee) meeting on August 20, 2015.

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

II. Finance Matters (Ms. Kathy Demsey)

Ms. Demsey presented the Committee with the fiscal year 2015-16 First Quarter Financial Report which reflects the general fund budget activities of the Connecticut State Department of Education (CSDE) through the first quarter of fiscal year 2016. CSDE accounts overall increased by approximately \$43.2 million (or 1.4 percent) over fiscal year 2015 and includes adjustments for holdbacks, carry forward funds, Governor Malloy's rescissions of September 18, and adjustments between accounts.

Ms. Demsey stated that data is too preliminary to provide a report on the grant accounts. An update, including the impact of recent rescissions imposed by Governor Malloy, will be provided in the second quarter report.

III. Affirmative Action Matters (Mr. Levy Gillespie)

Mr. Gillespie stated that the Connecticut Commission on Human Rights and Opportunities (CHRO) approved the Affirmative Action Plan in September, 2015.

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

Ms. McCree updated the Committee on the Office of Internal Audit (OIA) activity since the last Committee meeting. She stated that OIA has completed its audit work for the Education Cost Sharing Grant (ECS) and Grant Forms Reviews. OIA has also completed the Federal and State Single Audit Reviews.

Ms. McCree stated that there will be new audit requirements for the Federal Single Audit effective for fiscal year 2015-2016. The dollar thresholds requiring a Federal Single Audit have been increased from \$500,000 to \$750,000. There are also changes in reporting requirements for certified public accountant (CPA) firms. Ms. McCree further stated that OIA must understand these changes in order to perform its subrecipient monitoring function in accordance with the new requirements. OIA has participated in webinars on these changes and has invited other members of the CSDE to participate. OIA will continue its training in the upcoming months.

OIA continues to work with the Charter School Office in reviewing charter management organization contracts and in completing renewal visits for charter schools. Additionally, OIA has started fieldwork on its compliance review of Norwich Technical High School and is scheduled to complete two additional compliance reviews during the fiscal year.

Ms. McCree updated the Committee on the West Haven Perkins Audit and indicated that a draft report was provided to the Superintendent and the Business Manager of West Haven Public Schools on October 14, 2015. OIA reviewed the Superintendent's response to the draft report and is in the process of scheduling a meeting to discuss the response with the Superintendent, Business Manager, school legal counsel, OIA and other CSDE employees.

At 10:52a.m. the meeting was adjourned.
Recorded by Patricia Johnson, Secretary, Office of Internal Audit