

Finance, Audit and Department Matters Committee Meeting

Thursday, May 20, 2010
Room 321, State Office Building
165 Capitol Avenue, Hartford

Approved 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
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 1:45p.m.

I. Approval of Minutes – March 17, 2010

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 March 17, 2010.

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

II. Finance (Mr. Brian Mahoney)

a) Budget Update

Mr. Mahoney provided Committee members with a handout entitled "Summary of 2010-11 Deficit Mitigation and Revised Budget." A brief discussion occurred on several of the key revisions and adjustments including excess cost, transportation of school children and other expenses. Mrs. Luke asked about Public Act 379 and Mr. Mahoney provided information concerning the CTHSS budgeting process.

Committee members were advised about the status of the Licensed Practical Nurse (LPN Program) Program. Mr. Taylor discussed the cost of the program. Mr. Mahoney provided an update concerning funding for CCJEF and described the staffing levels for the SDE and Attorney General's Office for this pending action. Also, Mr. Mahoney discussed with Committee members the SFSF II application and requirements. A handout entitled "2010 Regular Session – Education Committee Bills" was provided to Committee members for their review.

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

a) Annual Audit Plan

Mr. Inzero noted that the Commissioner and Deputy Commissioner indicated their agreement with the draft Annual Audit Plan for 2010/2011. Mr. Taylor moved, Mrs. Luke seconded a motion to accept and transmit to the State Board of Education for its action, the 2010/2011 Annual Audit Plan. There was discussion. Mrs. Luke inquired about the CPA Quality Assurance project and Mr. Inzero noted that the funding was not available at this time. Mrs. Luke concluded discussion on the Annual Audit Plan. The Annual Audit Plan for 2010/2011 was unanimously-accepted by the Committee and will be transmitted to the State Board of Education for adoption at the June Board meeting.

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

b) Migrant Education Program - Status

A motion was made by Mr. Taylor, seconded by Mrs. Luke and the Committee voted unanimously to move into executive session. The Committee unanimously voted to move into executive session at 2:20p.m. for the purpose of discussing matters defined in subsection (e) of Section 10-255a 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 Mr. Raymond Inzero, Chief, Office of Internal Audit and Mr. Brian Mahoney, Chief Financial Officer of the SDE.

By unanimous consent, the Committee voted to adjourn its executive session and reconvene in public session at 2:32p.m. Present Mr. Taylor and Mrs. Luke.

c) Auditors of Public Accounts Section 2-90 Draft Audit

Committee members discussed the draft State Auditor findings for the two fiscal year periods ending June 30, 2007 and June 30, 2008. Mr. Taylor inquired about the timeline for resolution of the SERC issue. Mr. Inzero and Mr. Mahoney provided the current status and actions. The finding concerning projected student enrollment was discussed. Mrs. Luke and Mr. Taylor noted the need for better definitions and a meaningful process. The Committee members discussed certain repeat audit findings including equipment inventory, state computer use and charter school governance and the need to address these items proactively.

d) Contractor versus Grantee Analysis

Mr. Inzero updated the Committee members as to the status of this project area. A listing of contracts over \$50,000 has been obtained and will be evaluated to determine if it is a grant or contract. Mrs. Luke asked about when OIA will perform this analysis and Mr. Inzero estimated in the Fall of 2010. The Committee members suggested that a policy may be needed depending on the results of this review.

IV. Other Matters

Ms. Luke asked about corrective action monitoring for the Prince Technical High School compliance review. Mr. Inzero indicated that an implementation review will be conducted to determine the status of corrective action. Mrs. Luke had concerns about the school's policy and the Principal's responsibility to make sure policy is being followed. Mr. Taylor asked if the OIA report findings are part of a principal's evaluation. According to Mr. Inzero, the CTHSS Superintendent has used such OIA findings and results in the past, for evaluation purposes, especially regarding equipment inventory issues.

At 2:54pm a motion was made by Ms. Luke and seconded by Mr. Taylor, and unanimously adopted to adjourn the Finance, Audit and Department Matters Committee meeting.

Recorded by Patricia Johnson, Secretary, Office of Internal Audit