

Finance, Audit and Department Matters Committee Meeting

Thursday, March 7, 2013
Room 321, State Office Building
165 Capitol Avenue, Hartford

Approved Minutes

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

Others Present: Commissioner Stefan Pryor (via telephone)
Ms. Pamela V. Charland, Assistant to the Commissioner and
State Board of Education
Mr. Levy Gillespie, Director, Affirmative Action
Mr. Richard LeMay, Supervising Accounts Examiner
Ms. Gloria McCree, Director, Office of Internal Audit
Mr. Brian Mahoney, Chief Financial Officer
Mr. Collin Moore, Education Staff Assistant
Mr. Matt Venhorst, Staff Attorney

Members Absent: Mr. Stephen Wright

The meeting was called to order at 10:41a.m.

I. **Approval of Minutes – December 12, 2012**

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 12, 2012.

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

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

- a) Minimum Budget Requirements Fiscal Year 2013
Mr. Mahoney informed the Board Members about the LEAs which are not in compliance with the Minimum Budget Requirement (MBR) for fiscal year 2013. A discussion ensued regarding districts' budgets and the Department's methodology used to determine LEA's MBR compliance. Additionally Mr. Mahoney briefed the Committee on current legislation.

III. **Affirmative Action (Mr. Levy Gillespie)**

- a) Affirmative Action Plan
Mr. Gillespie updated the Committee about the efforts of representatives of the Department to reach out to the Commission on Human Rights and Opportunity (CHRO) to find ways to improve the 2013 Affirmative Action Plan, in the hope it will be approved. He also discussed the timetable for the development and submission of the 2013 plan to CHRO.

IV. **Office of Internal Audit Agenda Items (Ms. Gloria McCree and Mr. Richard LeMay)**

a) Office of Internal Audit Personnel Update:

1. Introduction of the new Director of the Office of Internal Audit
No additional introduction was required because Ms. McCree was introduced earlier in the week at the full State Board meeting.
2. School Construction Auditors
Ms. McCree updated the Committee about the status of the two school construction auditors in addition to informing the Committee about the end date of the Memo of Understanding (MOU). Ms. Luke asked about the other Department's ability to integrate these auditors at the end of the MOU. Ms. McCree indicated that she was unaware of the Department of Construction Services' preparations, but stated that we will be discussing this issue with that Department. Both she and Ms. Luke indicated reservations of moving these auditors without proper support due to the monetary size and complexity of the construction audits.

b) State Education Resource Center (SERC) update:

Ms. McCree informed the Committee that the Auditors of Public Accounts had issued an interim report on the State Department of Education's (SDE) relationship to SERC.

Mr. Matt Venhorst and Mr. Collin Moore provided additional background information on this topic. They discussed the SDE's responses to the draft report and also discussed a letter which SDE sent to the Education Committee on this issue. They answered additional questions. Commissioner Stefan Pryor joined the meeting via telephone to answer any additional questions the Committee had.

Ms. McCree informed the Committee that copies of the report and the SDE's responses were available upon request.

c) Audit Plan Development 2013-2014

Ms. McCree explained that the audit plan is in the process of being developed for presentation to the State Board in June, 2013. OIA has reached out to management for areas of concern.

Additionally, a year end summary of audit activity is scheduled to be issued to the Audit Committee in September.

d) Status of current Projects:

1. ARRA update – Education Jobs Fund Program
The final report of the OIA's monitoring activity of this Federal Grant Program has been issued to the SDE's management.
2. CTHSS Audit Activities
Ms. McCree discussed inventory issues with the Connecticut Technical High School System, particularly Windham, Cheney and Platt High Schools where inventory audits have been performed. She stated there is a Technical High School Board that will be communicating with the OIA regarding inventory issues.
3. State and Federal Single Audit Reviews

Ms. McCree briefed the Committee on the State and Federal Single Audits that are under review. Additionally, the OIA is responding to the Office of Policy and Management about updates of the State Single Audits.

4. RESC Magnet Supplemental Transportation Requests
Ms. McCree stated that the transportation audits with CES and ACES are complete.
 5. Charter School Issues
Ms. McCree updated the Committee on the OIA staff visit to Achievement First Charter School for the purpose of the school's charter renewal. OIA reviewed the fiscal policy and procedures and operations functions.
 6. CREC – Transportation Department Audit
Ms. McCree stated that the OIA is waiting for Blum Shapiro's report for CREC's Transportation Department. After receiving this report, OIA will review the magnet supplemental transportation request.
 7. ED-001 Late Filing Issues
Ms. McCree stated OIA is working with Bureau of Grants Management on the late reports for Brookfield and LEARN Magnet schools. OIA is waiting for the reports to review.
 8. Title III Audits (English Language Acquisition Program)
Ms. McCree informed the Committee that OIA will be conducting an on-site review in May, 2013.
- e) Auditors of Public Accounts (APA)
Ms. McCree reported she has met with the APA on several issues and has developed a good rapport with them.

V. Other Matters
None.

At 11:58p.m. a motion was made by Mr. Taylor and seconded by Mrs. Luke, and unanimously adopted to adjourn the Finance, Audit and Department Matters Committee meeting.

Recorded by Patricia Johnson, Secretary, Office of Internal Audit