

Finance, Audit and Department Matters Committee Meeting

Wednesday, March 17, 2010
Room 321, State Office Building
165 Capitol Avenue, Hartford

Approved Minutes

Members Present: Mrs. Patricia B. Luke, Chair
Mrs. Kathleen O'Connor

Others Present: Ms. Pamela V. Bergin, Assistant to the Commissioner and State Board of Education
Mr. Levy Gillespie, Equal Employment Opportunity Director
Mr. Raymond Inzero, Sr., Chief, Office of Internal Audit
Mr. Brian Mahoney, Chief Financial Officer

Members Absent: Mr. Allan B. Taylor

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

I. **Approval of Minutes – December 9, 2009**

A motion was made by Mrs. O'Connor, seconded by Mrs. Luke, and unanimously adopted to approve the minutes of the December 9, 2009, Finance, Audit and Department Matters Committee meeting.

Vote: Yes: Mrs. Luke, Mrs. O'Connor
No: 0
Abstained: 0
Absent: Mr. Taylor

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

a) Introduction of Mr. Levy Gillespie, Equal Employment Opportunity Director

Mr. Mahoney introduced Mr. Levy Gillespie to the Committee as the State Department of Education (SDE)'s new Equal Employment Opportunity Director, hired in February 2010. Mr. Gillespie provided the Committee with a brief description of his background and work history. Mr. Gillespie gave a brief update on the Affirmative Action Office activities and the work on the affirmative action plan. Committee members welcomed Mr. Gillespie to the SDE. Mrs. Luke mentioned Mr. Gillespie's attendance would be required at some of the Committee meetings.

Concerning finance issues, Mrs. Luke asked Mr. Mahoney about a spreadsheet for the Board on the effect of the budget cuts in relationship to the goals of the agency. Mr. Mahoney is preparing this analysis.

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

a) ARRA Funds Audit and Accountability Activities

Mr. Inzero provided Committee member with a brief summary of OIA activity concerning ARRA funds. A copy of the State Fiscal Stabilization Fund Monitoring Plan was provided to Committee members. OIA effort is to be focused on monitoring LEA's use of ARRA funds including Title I and IDEA funds in coordination with the responsible SDE program office. Committee members were supportive of this monitoring effort and recognized the potential for reallocation of OIA staff resources. Mr. Mahoney mentioned the need to consider Race to the Top funds and related monitoring as well in the future. Mrs. O'Connor asked when the ARRA money goes away will these review procedures continue. Mr. Inzero indicated that the SDE will need to consider ongoing monitoring and technical assistance to the districts.

b) Annual Audit Plan

Committee members were advised that the Annual Audit Plan for 2010-2011 was being drafted. A discussion occurred of past and future audit projects. A brief discussion of the equipment inventory process occurred and the need for improvement. Mrs. O'Connor suggested that loss reports be emailed rather than sent by mail and Mr. Inzero concurred.

c) Auditors of Public Accounts Findings and SDE Response (attachment)

A brief summary was provided of the agenda attachment concerning the SDE response to the Federal Single Audit findings for 2008 and 2009 conducted by the Auditors of Public Accounts. In addition, Mr. Inzero advised Committee members of potential audit findings by the State Auditors involving charter school management organizations and Title 1 funding to charter schools. Also, the State Auditors may find that the SDE needs to improve the process for school construction enrollment projections obtained from school districts.

d) Migrant Education Program Status

Mr. Inzero provided Committee members with a general status report on this issue.

e) Transportation Deficit Reviews

Mr. Inzero updated Committee members concerning the status of OIA reviews of Hartford Board of Education and RESC transportation deficits. Primarily this involves the Sheff region interdistrict transportation and Open Choice programs operated by various RESC's. A brief discussion occurred.

f) Contractor verses Grantee Analysis

Committee members were briefed on the progress by OIA in this project area. Mrs. Luke felt this project area should continue. Mr. Mahoney provided an update concerning the SDE's efforts to address the State Auditor's issues with the SERC contract.

g) Staff Certification

Committee members were advised that an OIA staff member has had her application approved by the State Board of Accounting and is now a Certified Public Accountant. Mr. Inzero noted that the State Board of Accounting considered work experience within the OIA in meeting the requirements to become a CPA. The Committee offered its congratulations to OIA and the staffer for this stellar achievement.

IV. Other Matters

Mr. Mahoney described SDE organizational changes related to the Sheff Region Transportation function.

At 11:08 a.m. a motion was made by Mrs. O'Connor 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