

## Finance, Audit and Department Matters Committee Meeting

Wednesday, March 16, 2011  
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. Charland, Assistant to the Commissioner and  
State Board of Education  
Mr. Raymond Inzero, Sr., Chief, Office of Internal Audit  
Mr. Levy Gillespie, Equal Employment Opportunity Director  
Mr. Richard LeMay, Supervising Accounts Examiner  
Mr. Mark Linabury, Chief, Choice Office  
Mr. Brian Mahoney, Chief Financial Officer

Members Absent: None

Prior to the consideration of the agenda, those present heard informally from Mr. Gillespie and Mr. Mahoney.

Mr. Gillespie gave a brief summation of the status of the SDE Affirmative Action Plan which has been reviewed by CHRO and approved with some corrections.

Mr. Mahoney gave a brief update on the state budget and SDE's pending financial situation

**The meeting was called to order at 9:39a.m.**

#### I. Approval of Minutes – December 9, 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 December 9, 2010.

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

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

a) Charter School Regulations - Update  
Mr. Linabury and Mr. Inzero updated the Committee on the charter school regulations and the status of the process.

b) OIA Transition Planning

Mr. Inzero submitted to the Committee, a transition plan that addresses creating continuity in the process, after his retirement and that of another staff member. He pointed out that these retirements will leave OIA with only four audit staff and a secretary. Mr. Inzero introduced Mr. LeMay, Supervising Accounts Manager, who can provide continuity during this transition period. There was discussion of the difficulty of preparing the Annual Audit Plan without final decisions on crucial budget and policy changes that affect the Agency. Mrs. Luke suggested having an interim audit plan in place, based upon Mr. Inzero's *Attachment II.b.*, for the Committee to take to the Board in June, should that be necessary. A motion was made by Mr. Taylor and seconded by Mrs. Luke, to have staff prepare an interim audit plan for the Committee to act upon and take to the Board in June if appropriate data for the preparation of the Annual Audit Plan is not yet available.

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

c) Current Project Status

Mr. Inzero reviewed the status of audit projects. He advised the Committee that school construction audits may be phased out over the next few months depending on the final outcome of proposed legislation that would move the School Facilities Unit to another agency. The status of CTHSS was discussed. The impact of possible transfer of certain new responsibilities to SDE was discussed.

Mr. Inzero stated that Mr. LeMay is familiar with all ongoing projects. Mrs. Luke inquired about the Bristol and New Haven school construction projects. Mr. LeMay and Mr. Inzero explained the status of these districts' projects and the audit report process.

Mr. Inzero discussed the ongoing review of contracts and grants. Mrs. Luke inquired about the number of such contracts and grants and the possibility that some contracts maybe considered grants that should receive audit coverage. Mr. Inzero updated the Committee about problem areas in the office workload due to OIA staffing issues. Mr. Taylor and Mrs. Luke addressed the CREC transportation funding issues. Mr. Taylor felt OIA should continue to plan for CTHSS reviews for the year. Mr. Inzero noted that the OIA will continue monitoring various programs with other SDE program staff including State Fiscal Stabilization Fund, Title I, IDEA and ARRA.

d) Federal Single Audit Findings For SDE as of June 30, 2010

-Response and Resolution

Mr. Inzero updated the Committee on the response and resolution of SDE Federal Single audit findings. He stated that the federal government has accepted the corrective action plans. Mr. Inzero discussed the SDE's position concerning the DSS related recommendation.

e) APA Compliance Audit of SDE – FYE 6/30/07 and 6/30/08

Mr. Inzero updated the Committee on the compliance audit findings. The SDE has responded to this audit.

f) Migrant Program Update

Mr. Inzero advised the Committee that the agreement was extended until the end of April 2011.

At 10:35a.m. the meeting was adjourned by unanimous consent.  
Recorded by Patricia Johnson, Secretary, Office of Internal Audit