

Finance, Audit and Department Matters Committee Meeting

Tuesday, June 12, 2012
Room 232, State Office Building
165 Capitol Avenue, Hartford

Approved Minutes

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

Others Present: Mrs. Pamela V. Charland, Assistant to the Commissioner and
State Board of Education
Mr. Levy Gillespie
Mr. Richard LeMay

Members Absent: Mr. Brian Mahoney, Chief Financial Officer

The meeting was called to order at 9:42a.m.

I. Approval of Minutes – March 14, 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 March 14, 2012.

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

II.. Office of Internal Audit Agenda Items (Mr. Richard LeMay)

- a) 2011-2012 Interim Audit Plan (close out)
Mr. LeMay informed the Committee that there were five key areas contained in the plan there is as follows:
 1. ECS grant and ED-001 Reporting – completed
 2. Federal and State Single Audit – still ongoing all required activities on schedule
 3. Grant Calculation Forms Review – 165 forms transmitted to Office of Internal Audit all reviewed
 4. CTHSS Compliance Reviews – two completed reviews performed, two implementation reviews and one special review
 5. ARRA Audit and Accountability – have not been able to perform this work to date however, we intend to do several onsite reviews over the next several weeks
- b) Office of Internal Audit Personnel Issues Update:
 1. Director of the Office of Internal Audit
The Committee discussed the progress of filling the position of the Director of the Office of Internal Audit.
 2. School Construction Auditors

Mr. LeMay explained that the Office of Internal Audit has two people currently in training to become School Construction Auditors for the new Department of Construction Services. One of the Auditors is already going out to LEAs and conducting audits and the other is currently performing desk reviews and limited scope audits.

c) CTHSS Audit Activities

1. Vinal and A.I. Prince Technical High Schools – Audit Implementation Review

Mr. LeMay explained that the Audit Implementation Reviews for Vinal and A.I. Prince Technical High Schools are complete and the schools appear to be in compliance and the reports will be issued by the end of June.

2. Henry Abbott Technical High School – Student Activity Fund Special Review

Mr. LeMay stated the review of the Henry Abbott Student Activity account has been completed. Central office is developing a new process to stop the issue from happening again. Mrs. Luke inquired regarding the staff understanding the process and regarding enforcing the policy. Mr. LeMay explained the Administrative staff will be trained and follow the new procedures.

d) ARRA/SFSF Update

Mr. Lemay updated the Committee that the Office of Internal Audit staff is finishing up the reviews for the Federal Government regarding use of SFSF funding. In addition, Mr. LeMay informed the Committee that the Federal Government will be reviewing the close out of this grant during the October-November time frame.

e) School Construction Audits and Transfer of Staff

Mr. LeMay informed the Committee that he would be meeting with the Acting Commissioner of the Department of Construction Services to discuss school construction audits and the staff in the Office of Internal Audit transferring to that Department.

f) Other Audits in Process

1. Mr. LeMay updated the Committee on the process of the Federal and State Single Audit Reviews. He explained that the office is on schedule. In addition, the office will start preparing for next year.

2. Title III on Site Reviews

Mr. LeMay explained that the Title III Program (ESL-English as a Second Language) had two site reviews and six desk reviews in compliance with the Federal requirements.

3. 2011-2012 LEA, Charter School, RESC Magnet Schools - Agreed Upon Procedures

Mr. LeMay briefed the Committee that the information program packets are ready and are ahead of schedule. They will be issued mid August and if possible we will distribute the packets earlier.

4. CREC Open Choice Transportation Review

Mr. LeMay informed the Committee the Office of Internal Audit is at the final stage of completing the review. In addition Mr. LeMay informed the Committee that there is legislation to be considered during the special session that would require CREC transportation program to be audited yearly.

5. 2010-2011 ED001 Audit Issues

Mr. LeMay explained that his office is working with the Bureau of Grants Management in resolving several issues and there are four more to be reviewed.

g) 2012-2013 Audit Plan

Mr. Lemay explained to the Committee that with the vacant position of the Director of Internal Audit, issuing of the plan will be delayed. Mrs. Luke proposed the plan be compiled over the summer with the expectation of the Director's position being filled.

h) Audit of Inventory Procedures

Mr. LeMay informed the Committee that the Office of Internal Audit review of the new inventory procedures is almost complete and a draft report will be issued by the end of June.

III. **Other Matters**

a) Affirmative Action Plan Update

Mr. Gillespie updated the Committee regarding the Affirmative Action Plan being finalized and submitted to the Commission on Human Rights and Opportunities.

At 10:41a.m. the meeting was adjourned by unanimous consent.

Recorded by Patricia Johnson, Secretary, Office of Internal Audit