

## Finance, Audit and Department Matters Committee Meeting

Thursday, September 13, 2012  
Room 321, State Office Building  
165 Capitol Avenue, Hartford

### Approved Minutes

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

Others Present: Ms. Pamela V. Charland, Assistant to the Commissioner and  
State Board of Education  
Mr. Richard LeMay  
Mr. Brian Mahoney, Chief Financial Officer  
Mrs. Kathy Guay, Connecticut Council for Education Reform  
Ms. Jacqueline Rabe Thomas, Connecticut Mirror

Members Absent: Mr. Allan B. Taylor

The meeting was called to order at 3:40p.m.

#### **I. Approval of Minutes – June 12, 2012**

A motion was made by Mr. Wright, seconded by Mrs. Luke, and unanimously adopted to approve the minutes of the Finance, Audit and Department Matters Committee meeting on June 12, 2012.

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

#### **II. Financial Matters (Mr. Brian Mahoney)**

- a) Budget Presentation Biennial Budget 2013-2014 and 2014-2015  
Mr. Mahoney explained the upcoming biennial budget process as directed by the Office Policy and Management. It is anticipated that the following biennial budget information will be submitted to the Board for review and approval: 1) current services request; 2) capital budget request; 3) five percent budget reduction options; and 4) budget expansion request, if applicable.

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

- a) Department's Affirmation Action Update  
Mr. Gillespie was absent and no update was provided for the meeting.

#### **IV. Office of Internal Audit Agenda Items (Mr. Richard LeMay)**

- a) Office of Internal Audit Personnel Issues Update:  
1. Director of the Office of Internal Audit  
Mr. LeMay informed the Committee that the closing date for the re-announced position was September 13, 2012. Mr. Mahoney informed the Committee that the

Department had received five applications but indicated they could receive applications until 5:00p.m.

2. School Construction Auditors

Mr. LeMay distributed a copy of the new Memo of Understanding with the Department of Construction Services. It replaces the MOU that expired on June 30, 2012. He stated school construction auditors' training is progressing and anticipates several construction audit reports will be issued soon

b) CTHSS Audit Activities

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

Mr. LeMay indicated that both reviews have been completed and that both schools have embraced and are working to implement the findings.

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

Mr. LeMay indicated that the Office of Internal Audit is responding to the Class of 92's Freedom of Information requests. In addition, the CTHSS has informed the class on September 10, 2012 that they have to pursue this issue with the Commissioner of Claims.

3. Audit Activity for Schools 2012-2013 Fiscal Year

(a) General Audit of Schools – Mr. LeMay stated that the Office of Internal Audit intends to perform full audits at Platt and Norwich Technical High Schools, and an implementation review at Bullard Havens Technical High School.

(b) Follow-up on Physical Inventories

Mr. Lemay Informed the Committee that the follow-up on the physical inventory for Windham Technical High School is complete and that the Office of Internal Audit is in the process of completing our review of the Norwich Technical High School's inventory.

c) ARRA/SFSF Update

1. Federal SFSF Project Closeout

Mr. LeMay informed the Committee that the United States Department of Education will be closing out this program with a review in November. We don't know if they will be doing an on-site close-out or just requiring additional documentation to close the program out.

2. Education Jobs Fund Program

Mr. LeMay informed the Committee that this program is in effect, an extension of the SFSF grant program that was for the retention of teaching positions. He went further to state that the Office of Internal Audit has developed and distributed a web based desk review questionnaire. The Office of Internal Audit will be evaluating the LEA's responses and will perform on-site audits where necessary. This grant will also be closed out this year by the United States Department of Education.

d) Audit of Inventory Procedure

Mr. LeMay stated to the Committee that the audit report has been issued to the Bureau of Fiscal Services and minor changes will be made to the inventory process.

e) Anticipated Audit Activity 2012-2013 Fiscal Year

1. Forms Review

The Bureau of Grants Services has transmitted 200 forms to the Office of Internal Audit and the review process has begun.

2. Auditors of Public Accounts

The Auditors have begun their audit of the agency for the last fiscal year (2012) and the Office of Internal Audit will continue to support their effort.

3. Audit Packages

The audit packages for the ED-001 and the State and Federal grants were made available to the LEA's and their audit firms on August 14, 2012. We anticipate moving the distribution date of the audit package this year to August 5, 2013.

4. Charter Schools

Only one charter school's charter requires renewal this fiscal year and the Office of Internal Audit will again participate in the site visit. In addition the Office is currently aiding the Office of Choice Programs revising the financial sections of its Charter School Application.

**IV. Other Matters**

At 4:41p.m. the meeting was adjourned by unanimous consent.

Recorded by Patricia Johnson, Secretary, Office of Internal Audit