Banking & Audit Committee
September 19, 2024

A special meeting of the Banking & Audit Committee of the Board of Finance was held on September 19, 2024 at 8:30 a.m. in Meeting Room 3 of City Hall, 111 North Main Street, Bristol.

Members Present: Glenn Heiser, Dave Maikowski and Jon Mace (Zoom)
Also Present: City: Diane Waldron, Robin Manuele BOE: Lynn Boisvert, Iris White, Kim Culkin CLA: Jeff Ziplow and Lindsey Intieri

1. Call to order.

Chairman Maikowski called the meeting to order at 8:30 a.m.

2. To discuss the scope of the BOE Special Audit and to take any action as necessary.

Jeff Ziplow reviewed the scope of services for the audit, which included the following:

Internal Operations and Controls Assessment Approach
Based on our discussions with the Comptroller and Audit Committee, the City of Bristol would like CLA to perform an internal audit assessment of a number of areas related to the Bristol Public School's financial operations. At all times, the responsibility for reviewing and approving these services and the related results rests with the management of the City. The scope of this engagement will be as follows:

1. **<u>Bristol Public Schools – Internal Audit of Financial Operations</u>**

   a. Perform applicable accounting procedures for selected accounts to identify unusual financial activity relating to Bristol Public Schools financial operations, for fiscal years 2022-2023 and 2023-2024 (e.g. July 1, 2022, through June 30, 2023) and (e.g. July 1, 2023, through June 30, 2024).

   b. Review the current operational processes, controls and budgetary/spending practices within Bristol Public Schools. This includes evaluating current documented policies, procedures and controls.

   c. Perform analytic procedures to quantify and identify the reasons for the budget overage during fiscal years 2023-2024.

   d. Review and compare 3 to 5 years of budget to actual line-item information in order to look for trends in overages.

   e. Review the documented policies, procedures, processes and controls within the Bristol Public Schools related to budgeting, Special Services and grants management

   f. Review the current technologies used to process the aforementioned information.

   g. Perform a risk assessment of management's ability to override budgets, spending and operational controls.

   h. Review and confirm how grant expenses are reviewed\approved to ensure proper alignment of these expenses to grant requirements.

   i. Review how Special Services budgets for students and student services are developed on an annual basis.

   j. Compare the Special Services budgets for fiscal years 2022-2023 and 2023-2024 looking for any trends.

   k. Validate the monies received for the Special Services program(s) compared to what was budgeted.

l. Evaluate the process for reporting to the State of Connecticut for special education excess costs and how it tracks (aligns) with actual reimbursements.
m. Confirm how grant monies are distributed, monitored and tracked.
n. Review the controls around grant reconciliation(s).
o. Confirm the technologies used to process grant transactions.
p. Test grant reporting requirements for selected grants.
q. Review internal control procedures and identifying control weaknesses within these areas and developing control improvements.
r. Document findings and gaps observed as part of the assessment.
s. Provide constructive and practical recommendations for enhancing internal controls.
t. Provide management with a report of our findings and recommendations.
u. Meet with management to review the results of the report.

Commissioner Heiser explained the audit process for these special audits for the Board of Education as some of the staff has not been through one. This is a positive experience to work on policies and procedures. An audit was done in 2017 which will be built upon and followed up to see if things were implemented.

Lindsey explained a planning meeting will be held, followed by a memo to those that will be interviewed including a list of documentation that will be needed, interviews will be conducted followed by testing of procedures as needed. The planning meeting will be within the next couple of weeks based on the schedule and availability of the BOE.

Jeff explained if there are findings, there are recommendations made. A management comment can be made on the findings and put into the report that is presented to the audit committee.

3. Adjournment.

Commissioner Heiser made a motion "to adjourn" seconded by Commissioner Mace at 9:03 a.m. Motion approved.

Jodi A. McGrane
Recording Secretary