

Draft Minutes

Finance Committee meeting – Wed, June 11, 2014

Committee members present – Mark LaPlaca, Randy Walikonis, Martha Kelly

Other Board members present – Katherine Paulhus, John Fratiello

Staff Present – Cherie Trahan

Mr. LaPlaca called the meeting to order at 6:33 pm.

Motion by Mr. Walikonis, seconded by Mrs. Kelly to approve the minutes of the May 14th meeting.

Vote 3-0 in favor

Ms. Trahan introduced Vanessa Rossitto, from the Board's outside auditors BlumShapiro. Ms. Rossitto reviewed a memo regarding audit procedures and answered questions of committee members.

Ms. Trahan reviewed the mileage analysis, a draft "mileage chart", and the new procedures and form for mileage reimbursements as requested by the committee.

Ms. Trahan reported on the reimbursement from Supt. Baruzzi of overpayment of mileage to Institute of Technology and Business Development – as requested by the committee.

The committee discussed the following recommendations to be made to the Board:

Charge #1 -Review and evaluate the procedures by which mileage reimbursement claims are filed and approved or disapproved, as well as the oversight of these procedures, and to provide the full Board with a summary of these procedures as well as recommendations for change, if any.

1. The current BOE mileage reimbursement form was found to be inadequate. The finance dept was directed to provide and begin requiring use, by July 1, 2014, of a more detailed form, including requiring that individuals provide information regarding the purpose of the travel and time spent at each location traveled to. Further, it should be the goal to provide a form (excel for example) that would calculate the mileage and the reimbursement, thereby improving accuracy.
2. BOE employees submitting mileage reimbursement forms were not required to provide any documentation of the actual mileage. The finance dept. was directed to develop, provide to affected employees and begin requiring use, by July 1, 2014, of a "standard mileage chart" to any frequently traveled to sites. Modeled after the state of CT chart, this will be the only allowed mileage to be reimbursed for travel to those sites. Any BOE traveling on approved

business to any other locations should be required to attach Mapquest or other documentation of mileage.

3. BOE mileage or travel reimbursement is currently approved at the building level by the Principal, and then by the Superintendent. The recommendation is to continue this practice. The mileage or travel reimbursement for the Superintendent of Schools was not subject to approval and was infrequently audited for accuracy. The recommendation is to allow the Finance Director to approve these reports subject to review with the Finance Committee of the BOE on a quarterly basis. When Quarterly Financial Reports are issued, the Finance Committee will meet prior to the BOE meeting to review any significant information, including travel and mileage reimbursements.
4. Policies and procedures for mileage reimbursement were found to be non-specific. The recommendation is that the Superintendent and Finance Director work with the auditors (BlumShapiro) to develop specific procedures and work with the Board's attorney to develop a draft policy in alignment with these new procedures and present these to the Board's policy committee by the end of October, 2014.

Charge #2 - Examine ways to reduce district expenditures for mileage reimbursement, including (but not limited to) possible changes in the amount of travel that can be reimbursed, the reimbursement rate, alternative approaches such as the use of a district-owned or -leased car, and taking into account the educational value of out-of-district travel by district staff.

Recommendations:

1. Advise the Personnel Committee to negotiate specific language in the new Administrator's contract regarding the "past practice" of providing stipends for in-district travel and work to reduce or eliminate the amount paid, taking into account whether or not that amount would be greater if individual reimbursement forms were submitted.
2. Require more specific language in the Superintendent's contract limiting the amount of reimbursement for mileage without express Board authorization to \$9000 annually.
3. Audits were completed for six weeks of completed expense reports for the Superintendent from 2/11/14 through 3/21/14. This audit showed an overstatement of the mileage reimbursed for trips to one specific location (New Britain) and has been attributed to an inaccurate mileage estimate for

that location. The amount overpaid was \$304.22 for the 6 week period. It should be noted that estimated mileage to other locations was shown to be understated, although significantly less.

After realizing that mileage to this location had been inaccurately estimated and that error never noticed, the finance dept reviewed expense reports submitted by the Superintendent for the previous 5 years (as far back as records were available – beginning with school year 09-10) and the number of trips to that location were determined. The amount the Supt. was overpaid was then calculated and came out to \$10,593.64 over the 5 year period. Superintendent Baruzzi has reimbursed the Board for that amount and those funds have been deposited into the Town's disbursing account.

Another audit was completed for 4 separate days that seemed less likely for significant travel. That audit showed that mileage for one day was inadvertently submitted twice, resulting in overpayment of \$121.00

Since both audits revealed mistakes resulting in overpayment, the recommendation is to direct the Finance dept. to engage BlumShapiro to randomly select one month per year for the last three fiscal years (2011/2012, 2012/2013, and 2013/2014) to audit all mileage reimbursement forms submitted by the Superintendent for accuracy of mileage amounts, that dates are correct, and that mileage is calculated correctly and to have a report to present to the Finance Committee by September 1, 2014.

After discussion,

Motion by Mr. Walikonis, seconded by Mr. LaPlaca to limit the amount of reimbursement without express Board authorization to \$9000 annually.

(Recommendation #2 under Charge #2)

Vote – Mr. Walikonis and Mr. LaPlaca in favor, Mrs. Kelly opposed. Motion passed

Motion by Mrs. Kelly, seconded by Mr. Walikonis to lower the dollar amount of reimbursement without express Board authorization to \$5000 annually.

Vote – Mrs. Kelly in favor, Mr. Walikonis and Mr. LaPlaca opposed. Motion failed.

Motion by Mrs. Kelly to approve the recommendations as amended to the full Board.

Vote 3-0 unanimous in favor.

Motion by Mrs. Kelly to adjourn the meeting at 8:12 pm Seconded by Mr. Walikonis.

Vote 3-0 in favor.