

**EAST HAVEN PUBLIC SCHOOLS  
JOINT FINANCE/PERSONNEL  
SUBCOMMITTEE MEETING  
EAST HAVEN HIGH SCHOOL BOARDROOM  
35 WHEELBARROW LANE  
EAST HAVEN, CONNECTICUT 06513**

**MONDAY, MARCH 14, 2011  
6:00 P.M.**

**PRESENT:** Mr. DeNuzzo, Mrs. DePalma, Mr. Hennessey, Mrs. Kluth,  
Mrs. Maisano, Mr. Palladino Mr. Pompano Mr. Scalesse  
and Mrs. Vineyard

**ALSO PRESENT:** Mr. Serio, Superintendent of Schools  
Mrs. Forti, Assist. Supt. of Curriculum & Instruction  
Mrs. Acquarulo, Director of Pupil Services  
Mr. Joseph Travaglino, Director of Bldgs. & Grounds  
Mr. Lathrop, Business Administrator  
Mrs. Lewis, Finance Manager  
Mr. Tom Thompson, Town Finance Director  
Mr. Joseph Centofanti, Kostin & Ruffkess

**1. OPEN MEETING**

Mrs. Maisano called the joint Finance/Personnel Subcommittee meeting to order at 6:07 p.m. in the Boardroom at East Haven High School.

**2. Presentation of Audit by Joseph Centofanti, Kostin & Ruffkess, and  
Questions from Board Members**

Joseph Centofanti presented the 2009-10 audit findings. He spoke about the discrepancies and findings. He explained that when reconciling the Board of Education with the Town ledger, the BOE keeps a set of books and the Town keeps a set and the two should balance and they do not. Part of the problem was there was no process to reconcile. There was a 3-prong process which was bank accounts, general ledger and then reconcile with the Town.

The following questions were asked by the Board Members and answered by Mr. Joseph Centofanti:

Q Do other towns have similar issues and problems?

A They have worked with 20 other districts and helped them to put systems in place so they reconcile.

Q How long have you been doing East Haven's audit?

A For 4 years but more involved in the last 2 years.

Q What was the scope of work, outcomes, and work to be done by the Business Office?

A I was not provided the information needed; I received some information regarding the grants but none regarding the general fund. He had asked for all of it.

Q Did he ask for this in writing?

A He thought he had asked for it in an email.

Q Who did the email go to?

A To the finance office; possibly finance.

Q The Finance Director said you asked for the grants first?

A Yes.

Q They were told it was going to be grants. The Board felt they had agreed to a scope of review; they were under the impression he was working diligently to make this better.

A I did not receive the information requested. The general fund is the biggest issue; it needs to balance.

Q Was the biggest issue the need to balance to the bank?

A No. There were many things that needed to balance. East Haven has a very different system. We have custody of bank accounts rather than the activity. Most operations, the Town has custody of the bank accounts; what's in the bank account is not relevant, it's what comes out that is relevant.

Q Reconciling revenue is basic.

A Expenditure reconciliation is more important than revenue.

Q Give us a “for instance”

A The Town’s general ledger shows \$.5 million revenue against it. It is not booked consistently. Bank reconciliations need to be done on a consistent basis.

Mr. Thompson spoke about the July 1<sup>st</sup> general ledger. The Town doesn’t record activity until the end of the year. Mr. Lathrop has it on the Board’s side and should share it monthly with the Town. The Board needed to be more proactive. Things need to be reconciled along the way, not 8 months later and then try to catch up.

There was discussion on the software. Mr. Centofanti did not like the software and Mr. Thompson informed them that it was 8 years old at the Town and it was newer at the BOE. Mr. Lathrop stated they use Mr. Thompson’s version for payrolls and the newer version for others.

Bank and cash reconciliations were causing the majority of the issues. Bank reconciliations and general ledger maintenance needed to happen during the year.

There was some discussion on the lunch account and Mr. Centofanti explained that it was a separate bank account for lunch. Mrs. DePalma questioned how the deposits were made into the lunch account. Mr. Lathrop explained the process for depositing monies. Mrs. Maisano asked if it was not happening regularly, how would they know if there were monies missing. Mr. Centofanti stated it depended upon how you record activity. Mr. Lathrop explained there were two revenue streams, one from the State and one from Whitson’s. Since May 2010, the POS system helped with reconciliation, blind cash drop, the clerk does not know that Whitson’s gets both sets of information. Mrs. Maisano asked Mr. Lathrop if they were up to date with the lunch and Mr. Lathrop explained they were up through January.

Mr. Centofanti asked how they record it on their general ledger and Mr. Lathrop stated they recorded it from the bank statement.

Mrs. Maisano stated the problem was twofold. They had requested a scope of review with every intention of making this better. The frustration was that the information was not given to you in a timely manner. She hoped he would do another scope of review to make this a cohesive merger between the Town and BOE so they could believe the #'s that come here and they can work on education. Mr. Palladino said it was hard for us come budget season if we don't know the numbers are right and we need to have confidence that our numbers are right. Mr. Pompano stated it was a carbon copy of our request from last year. He stated they needed to send the request to the Superintendent so he could get it done.

Mr. Serio stated that any correspondence was cc'd to him between Joe Centofanti and the Business Office. We have made strides this year working with the Town and Business Office so they can reconcile on a monthly basis. Mr. Thompson stated the end result was that the audit was late and it was not a good reflection on them.

**Mrs. Maisano stated they needed to put a series of internal control measures in to rectify many of these problems. The sooner they could get in here to do this the better.**

**Mr. Palladino asked Mr. Centofanti to let the Superintendent know what they needed and copy the BOE so they know what's taking place.**

**Mr. Centofanti will attempt to balance through February 28<sup>th</sup> and will tell the Superintendent and BOE what he needs in order to proceed. He would send an engagement letter tomorrow to spell out tasks and costs.**

**Mr. Hennessey thought they needed to have someone take a broad look at their department because structurally something was wrong. They needed a fresh look at procedures and maybe they should consider a "maintenance program" to monitor progress on a set schedule.**

**Mr. Centofanti will request information via email to Mr. Serio and he will forward to all Board Members.**

**Mr. Pompano asked if the last 5 years of audits could be posted. Mr. Lathrop to do this.**

**Mr. Thompson will work with tying the Town and BOE in together. He felt it was better to have Mr. Centofanti oversee it.**

Mrs. DePalma made a motion to have a 5-minute recess and it was seconded by Mr. Pompano. There were no abstentions or objections to the motion. Motion carries. (Time was 7:15 p.m.)

Reconvened the meeting at 7:20 p.m.

Mrs. Kluth made a motion to go into Executive Session and it was seconded by Mr. DeNuzzo. There were no abstentions or objections to the motion. Motion carries. (Time was 7:20 p.m.)

Mrs. Kluth asked Mrs. Acquarulo to leave the meeting at this point.

### **3. EXECUTIVE SESSION**

- **Discussion of the Performance of Employees in the Finance Department**

There was discussion with different people during different times of the Executive Session. There was discussion with the Board and Mrs. Forti and Mr. Serio from 7:25 p.m. to 8:20 p.m. The Board, Mrs. Forti and Mr. Serio then met with Tom Thompson from 8:20 – 8:35 p.m.; they met with Mrs. Lewis and Mr. Travaglino from 8:40 – 9:33 p.m.; and they met with Mr. Lathrop from 9:42 – 10:43 p.m.

Motion to go into Regular Session was made by Mr. Palladino and seconded by Mrs. Kluth. There were no abstentions or objections to the motion. Motion carries.

Reconvened the regular meeting at 10:45 p.m.

### **4. REGULAR SESSION**

### **5. Any other business that might rightfully come before this subcommittee.**

There was no other business this evening.

**6. ADJOURNMENT**

Motion to adjourn was made by Mrs. Vineyard and seconded by Mr. Pompano. Motion carries. Meeting adjourned at 10:45 p.m.

**RESPECTFULLY SUBMITTED,**

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**CHRISTINE MAISANO, CHAIR  
FINANCE SUBCOMMITTEE**

**LAURA KLUTH, CHAIR  
PERSONNEL SUBCOMMITTEE**