



DRAFT

Minutes

Finance and Audit Committee

Wednesday, July 18, 2007

10:30 a.m. – 12:00

Commonwealth Enterprise Solutions Center

Multipurpose Room 1223 C

11751 Meadowville Lane, Chester VA 23836

Members Present

Jim McGuirk, Acting Chair
Walter Kucharski
Len Pomata
Bert Reese

Members Absent

Scott Pattison, Chair

Call to Order

Mr. McGuirk, Acting Chair called the meeting of the Information Technology Investment Board's Finance and Audit Committee to order at 10:30 p.m. and welcomed all. Ms. Ward called the roll. There was a quorum.

Approval of Minutes

Mr. McGuirk presented the minutes of the April 18, 2007 Finance and Audit Committee meeting.

A motion was made by Mr. Kucharski and seconded by Mr. Reese to approve the minutes as presented.

All voted in the affirmative.

Finance Report

The Committee received updates from Jim Roberts on financial performance for the fiscal year to date through May (11 months). In sum, through May revenues and expenditures overall were running slightly ahead of estimates.

The implementation of the new rate plan was completed this spring, and thanks to transfers and reallocation actions by the Department of Planning and Budget (DPB) for FY 07 most agencies were up to date in VITA payments by June 30.

Cash Management continued to be a challenge most of the fiscal year, but by June 30 the agency had over \$20.0 million in cash on hand and no loans outstanding.

Mr. Pomato asked what is the pro forma for FY 08. Mr. Stewart stated that for 07 the year end spending did not spike and, barring events such as budget reductions, we should be in a similarly acceptable state in 08.

Mr. Kucharski stated that DPB had reallocated for FY 07 but what was to happen in FY 08 and in the new biennium FY 09-10.

Mr. Stewart stated that he anticipated the Caboose Bill for FY 08 would contain the reallocations as would the proposed biennial budget.

Mr. Kucharski requested a breakdown of what agencies were spending and what the redistribution and gaps were correlated to DPB allocations. Mr. Roberts provided the Committee with the breakdown which is attached.

The Committee reviewed the proposed budget for FY 08 presented by Ms. Barb Rudolph. The 08 budget provides about level funding with the prior year – gradually progressing toward a stable state, consistent with the Northrop Grumman agreement. The Committee also was briefed on the major budget items that will need to be presented to the Governor and General Assembly in the next legislative session.

Mr. Kucharski moved and Mr. Reese seconded approval of the VITA budget for 2008 as presented. Staff will continue to work on refinements during the next quarter and report back to the Committee.

All voted in the affirmative.

Mr. Kucharski left for another commitment.

Audit Report

Ms. Ward presented the Audit Corrective Action Plan was reviewed and reasonably on target. Mr. McGuirk requested and received additional detail on the plan to assist agencies with Information Security.

Ms. Ward stated that the Auditor of Public Accounts has initiated a new audit of the rate setting and cost allocation audit expected to conclude in September.

Ms. Ward introduced Ms. Sheila Alves who briefed on the Internal Audit Plan stating that the Internal Audit Plan was revised as the Committee had requested last time so that audits for the period were in priority order according to risk.

Mr. Reese moved and Mr. Pomato seconded approval of the Internal Audit Plan for the period July 2007 through October, 2008.

All voted in the affirmative.

Other Business

None

Public Comment

None

Adjourn

There being no further business, the committee meeting adjourned at 12:01 p.m.