



DRAFT

Minutes

**Finance and Audit Committee
Wednesday, January 17, 2007
11:00 a. m. – 12:30 p.m.
James River Conference Room
110 South Seventh St., Richmond, VA 23219**

Members Present

Walter, Kucharski
Jim McGuirk
Scott Pattison, Chair
Len Pomata
Bert Reese

Members Absent

None

Call to Order

Scott Pattison, Chair called the meeting of the Information Technology Investment Board’s Finance and Audit Committee to order at 11:00 p.m. and welcomed all. Ms. Ward called the roll. All members were present.

Approval of Minutes

Mr. Pattison presented the minutes of the October 18, 2006 Finance and Audit Committee meeting.

A motion was made by Mr. McGuirk and seconded by Mr. Pomato to approve the minutes as presented.

All voted in the affirmative.

Finance Report

The Committee received updates on financial performance for the fiscal year to date through November 30 (5 months). There were no unexpected surprises in the statistics. That is, actual revenues overall are in line with original budget estimates, and expenditures are running slightly under projections as a result of agency efforts at cost controls. Cash Management is continuing to be a challenge, but is being monitored closely. The following summarizes total agency finances year to date:

<u>All Funds</u>	<i>FY 2007</i>	<i>30-Nov-06</i>	<i>Actual as a %</i>
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	<i>Budget</i>	<i>YTD Actual</i>	<i>of Budget</i>
Revenues, including transfers in	\$317,134,283	\$127,028,069	40.1%
Expenses, including transfers out	<u>311,406,005</u>	<u>120,611,388</u>	38.7%
Net Change	<u>\$ 5,728,278</u>	6,416,681	
Retained Earnings, July 1		<u>55,281,896</u>	
Ending Retained Earnings		\$ 61,698,577	

The Committee discussed the federal Department of Health and Human Services recent approval of the Decentralized Service Rates for agency based services, and the transitional billing process that is being put in place to implement it. The goal is to have new systems and processes in place by about April 1, but the impact of the transition and transformation will continue to be felt for most of the next year.

The Committee also was briefed on the Governor's Budget amendment proposals, which in sum included pretty much everything the agency asked for and the Board previously approved. The items included:

- Restoration of General Fund "Savings" Deductions
- An increased Line of Credit with the State Treasury
- Implementation of the new GIS and agency based services rates, and
- Technical reductions of full-time position levels, relating to the staff who accepted employment with Northrop-Grumman

Enterprise Applications Report

The Committee also received a brief report on EA-ERP initiative by Ned O'Neill, though there has not been any major activity to report since the extensive briefing the Board received in December.

Audit Report

Ms. Ward provided an overview the APA Report issued in December assessing information security in the Commonwealth as required by Senate Joint Resolution 51.

Ms. Ward briefed on Audit Corrective Action Plan:

For the APA audit report issued in April 18 of 21 actions completed; 2 of remaining 3 are yellow – both related to PMD and the Information Technology Investment Management rate. New Corrective action plan for SJR 51 added.

For the internal audit reports: 1 action is completed, 2 are delayed and 3 are on schedule.

A motion was made by Mr. McGuirk and seconded by Mr. Kucharski to approve the revised corrective action to include the new corrective actions for SJR 51 and changes as noted.

Other Business

None

Public Comment

None

Adjourn

There being no further business, the committee meeting adjourned at 12:25 p.m.