

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
INTERNAL AUDIT COMMITTEE MEETING
OF DECEMBER 15, 2020**

A meeting of the West Virginia Consolidated Public Retirement Board Internal Audit Committee was held on Tuesday, December 15, 2020. Due to the COVID 19 Pandemic, the meeting was conducted via conference call as well as the ability to attend in person. Call-in information for the meeting was included on the Committee meeting agenda, the CPRB website and on the West Virginia Secretary of State's meetings page.

Due notice had been published.

Item #1: Call to Order

The meeting was called to order at 1:00 p.m. by Diana Stout, Acting Chair.

Item #2: Roll Call

Members present were:

Diana Stout, *representing Treasurer John Perdue (via telephone)*
Jeff Waybright, *representing Auditor John McCuskey (via telephone)*
Michael Corsaro *(via telephone)*
Jeff Vallet *(via telephone)*

Member absent was:

Cabinet Secretary Allan L. McVey, Chairman

A quorum was present.

Participants on the public call-in line were:

Tim Abraham, CPRB Compliance Officer
Lisa Trump, CPRB Retirement Manager

Present at the CPRB Office were:

Jeffrey Fleck, CPRB Executive Director
Terasa Miller, CPRB Deputy Director
Nancy Butcher, Executive Assistant
Tina Baker, CPRB Internal Auditor
John Galloway, CPRB Chief Financial Officer

Item #3: Approval of the October 6, 2020 Meeting Minutes.

Mr. Vallet made a motion to approve the October 6, 2020 meeting minutes. The motion was seconded by Mr. Waybright. The motion was adopted.

Item #4: QDRO Internal Audit

Tina Baker, CPRB Internal Auditor, reviewed the QDRO Internal Audit. Ms. Baker explained that the objective of this review was to determine whether qualified domestic relations orders (QRDO) were being processed in compliance with relevant regulations and whether the calculation of benefits due pursuant to QDROs were being done accurately.

Ms. Baker explained the scope and methodology of her review. She then reviewed the summary of findings. Those findings included that internal controls over both approval of QRDOs and calculations of benefits affected by QDROs were strong and that all approved QRDOs met relevant requirements. She went on to say that in many instances, office procedure did not comply with the requirements of CSR §162-1-7.2.j, which states that staff is to notify the parties or counsel in writing within 30 days of the receipt of the QDRO that the QDRO had been received, whether it met requirements, etc. but there had been no negative impact with this noncompliance. She added that of 37 files evaluated that had annuities, refunds or TDC transfers affected by QRDOs, calculated payments were verified as accurate for 34 of the files and that recalculation information for one retired individual who submitted a QRDO in the evaluated timeframe was not in COMPASS or scanned into the imaging system. She stated that the error was being corrected. She also said that documentation in one file indicated that the Final Average Salary used to compute the retiree's original retirement in the Legacy system was incorrect and that it was discovered when the retirement annuity was adjusted upon approval of the QDRO, but was not corrected at that time. She reported that this would be corrected. She concluded by saying that one annuity recalculated pursuant to a QDRO was incorrect due to a bug in COMPASS that caused an inaccurate Final Average Salary to be used and that the bug had been corrected and a recalculation had been performed.

Ms. Baker reviewed the QRDO Approval and Benefit calculations made pursuant to QDROs. She stated that in order to be honored by the Board, a QRDO must meet the requirements of CSR §162-1-7. She reviewed her recommendations and reported that the Retirement Manager was working on corrections and would report to her when they were completed.

Mr. Corsaro made a motion to accept the QRDO Internal Audit. Mr. Vallet seconded the motion. The motion was adopted.

Item #5: State Auditor's Office Berkeley County Board of Education Review

Tina Baker, CPRB Internal Auditor, reviewed audit on the Berkeley County Board of Education that was conducted by the Office of the State Auditor. She reported that the audit showed that Berkeley

County Board of Education was complying, with exception in one instance where a retired employee had worked in excess of 140 days without an affidavit of critical need.

Retirement management indicated that they are in the process of requesting a repayment from the individual who worked in excess of 140 days.

Mr. Vallet made a motion to accept the report from the State Auditor's office regarding the Berkeley County Board of Education. The motion was seconded by Mr. Waybright. The motion was adopted.

Item #6: Review of Internal Audit Committee Charter

Ms. Stout stated that the Internal Audit Committee is charged with reviewing the Committee Charter each year. She inquired if there were any revisions needed to the Charter. There were none.

Mr. Vallet made a motion to adopt the Internal Audit Charter without revisions. Mr. Waybright seconded the motion. The motion was adopted.

Item #7: Other Business

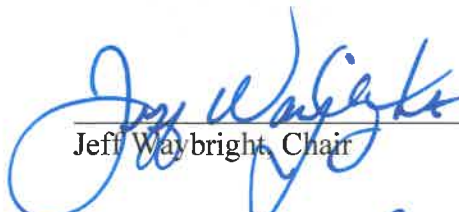
Ms. Stout inquired as to other business. None was heard.

Adjournment

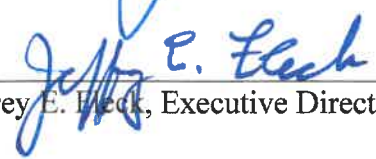
There being no further business to come before the committee, Mr. Vallet made a motion to adjourn the December 15, 2020 meeting of the CPRB Internal Audit Committee. The motion was seconded by Mr. Waybright. The motion was adopted.

The meeting adjourned at 1:18 p.m.

Respectfully submitted,



Jeff Waybright, Chair



Jeffrey E. Leach, Executive Director