

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
INTERNAL AUDIT COMMITTEE MEETING
OF DECEMBER 17, 2019**

A meeting of the West Virginia Consolidated Public Retirement Board (CPRB) Internal Audit Committee was held in the Legal Conference Room located at the offices of the CPRB, 4101 MacCorkle Avenue, SE, Charleston, West Virginia, on Wednesday, December 17, 2019. The meeting was called to order at 2:34 p.m. by Cabinet Secretary, Allan L. McVey, Chair.

Roll Call

Members present were:

Cabinet Secretary Allan L. McVey, Chairman
Diana Stout, *representing Treasurer John Perdue*
Jeff Vallet

Member absent was:

Jeff Waybright, *representing Auditor John McCuskey*
Michael Corsaro

A quorum was present.

Due notice had been published.

Also, present 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 August 20, 2019, Meeting Minutes.

Mr. Vallet made a motion to approve the August 20, 2019 meeting minutes. The motion was seconded by Ms. Stout. The motion carried.

Item #4: Review of Internal Audit Committee Charter

The Committee members reviewed the Internal Audit Committee Charter. The purpose of the Charter was explained that it was to assist the West Virginia Consolidated Public Retirement

Board of Trustees in fulfilling its fiduciary oversight responsibilities with respect to risk management, internal controls and internal audit processes. It was noted that the Audit is to be reviewed yearly and adopted yearly.

Mr. Vallet made a motion that the Committee review and adopt the Charter at its last meeting of each year. Ms. Stout seconded the motion. The motion was adopted.

Item #5: Internal Audit of Employer Withholding of Contributions from Final Checks

Ms. Baker gave a report on her audit of contributions being withheld from final paychecks. She reported that there had been some instances where employers had not withheld retirement contributions from final paychecks when individuals retired or terminated employment. She added that the objective of this review was to determine if this was a widespread issue or if employers were generally withholding and submitting contributions from final paychecks as they should. She then answered questions from the committee members.

Ms. Stout made a motion to accept the Internal Audit report of Employer Withholding of Contributions from Final Checks. Mr. Vallet seconded the motion. The motion was adopted.

Item #6: Review of Compliance with Internal Audit Recommendations, CY 2016 & -2017

Chair McVey recognized Tina Baker, CPRB Internal Auditor to make a presentation to the committee. Ms. Baker presented her CY 2016-2017 Compliance Review. She reported that the objective of her review was to determine compliance with recommendations made by the Internal Auditor in internal audit reports and special memos released in CY 2016 & 2017.

She stated that the scope of this compliance review included recommendations made in internal audits and special memos submitted in CY 2016 & 2017 and actions taken by management in response to the recommendations between the release of the reports and November 2019. She went on to say that in order to determine compliance with recommendations, she had interviewed

the Executive Director, Chief Operating Officer and the management and staff of relevant sections concerning actions taken to address the findings and recommendations made in the audits and memos from CY 2016 and 2017. She added that the Summary of Findings were 22 Recommendations in Compliance; 1 Recommendations had been resolved; 2 Recommendations were in Partial Compliance; 2 Recommendations were in Planned Compliance and she found 0 Recommendations in Non-Compliance or Compliance Could Not Be Determined. She then answered questions from the committee members.

Mr. Vallet made a motion to accept the CY 2016 & 2017 Compliance Review as presented by the Internal Auditor, Tina Baker. Ms. Stout seconded the motion. The motion was adopted.

Item #7: Management Update Concerning “No Hardship” Repayments

The Chair recognized Terasa Miller, Deputy Director and Chief Operating Officer to give an update on the “No Hardship” Repayments issue. Ms. Miller stated that there are more options available for employees to repay the “No Hardship” pay. She added that there is more consistency with payroll clerks to withhold this money.

Item #8: Tentative 2020 Internal Audit Plan

Ms. Baker reviewed the tentative 2020 Internal Audit plan with the committee members. She discussed the dates for each of the planned audits as well as the 2019 External Audit coordination and other audits on-going.

Mr. Vallet made a motion to accept the 2020 Internal Audit plan as presented by Ms. Baker. Ms. Stout seconded the motion. The motion was adopted.

Item #9: October 2019 APPFA Conference/Update on Secretarial duties


Ms. Baker updated the committee on the Association of Public Pension Fund Auditors conference and her secretarial duties with the association.


Item #10: Other Business

Mr. McVey inquired as to other business. None was heard.

There being no further business to come before the committee, Mr. Vallet made a motion to adjourn the December 17, 2019 meeting of the CPRB Internal Audit Committee. The motion was seconded by Ms. Stout. The motion carried. The meeting adjourned at 3:30 p.m.

Respectfully submitted,


Cabinet Secretary Allan L. McVey, Chair


Jeffrey E. Fleck, Executive Director