MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
ACCOUNTING AND AUDIT COMMITTEE MEETING
OF MAY 3, 2022

A meeting of the West Virginia Consolidated Public Retirement Board Accounting and Audit Committee was held on Tuesday, May 3, 2022 at the Consolidated Public Retirement Board office at 4101 MacCorkle Avenue, SE, Charleston, WV 25304.

Due notice had been published.

Call to Order

The meeting was called to order at 1:02 p.m. by Jeff Waybright, Chair.

Roll Call

Members present were:
   Jeff Waybright, representing Auditor John McCuskey (via telephone)
   Bill Barker (via telephone)
   Mike McKown (in person)
   David Nelson (via telephone)
   Jeff Vallet (via telephone)

Member absent was:
   None

A quorum was present.

Also present at the CPRB Office or participating via telephone were:
   Terasa Miller, CPRB Deputy Director
   Nancy Butcher, Executive Assistant
   John Galloway, CPRB Chief Financial Officer
   Tina Baker, CPRB Internal Auditor
   Tim Abraham, CPRB Compliance Officer
   Paula Van Horn, CPRB TDC Manager (via telephone)

Item #1: Approval of the Accounting & Audit Committee Meeting Minutes.

Chairman Waybright stated that he would entertain a motion to approve the Accounting & Audit Committee meeting minutes of March 15, 2022.

Mr. Vallet made a motion to approve the minutes of the March 15, 2022 meeting of the
Accounting & Audit Committee. Mr. Barker seconded the motion. The motion was adopted.

Item #2: Uniformed Services Retirement Systems Compliance Review – Tim Abraham

Mr. Waybright recognized Tim Abraham, CPRB Compliance Officer, to discuss the Uniformed Services Retirement System Compliance Review. Mr. Abraham stated that the compliance review covered the Uniformed Services Retirement Systems which included the Deputy Sheriffs Retirement System, the Municipal Police Officers and Firefighters Retirement System, the State Police Death, Disability, and retirement Fund (Plan A), the State Police Retirement System (Plan B), the Emergency Medical Services Retirement System, the Judges’ Retirement System and the Natural Resources Police Officers Retirement System for calendar years 2018, 2019, 2020 and 2021. He reviewed the Significant Findings which included the Error Correction Policy, COMPASS controls, the “Section 402 (f) Notice, Reexaminations and Recertifications of disability retirants, and the severability clause. He then reviewed his Recommendations and answered questions from the committee members.

Chairman Waybright stated that he would entertain a motion to accept and to recommend that the Board accept the Uniformed Services Retirement Systems Compliance Review as presented by Mr. Abraham.

Mr. Barker a motion that the Committee accept and to recommend to the Board the acceptance of the Uniformed Services Retirement Systems Compliance Review as presented by Mr. Abraham. Mr. Nelson seconded the motion. The motion was adopted.

Item #3: Loans Internal Audit – Tina Baker

Mr. Waybright recognized Tina Baker, CPRB Internal Auditor, to review the Loans Internal Audit. Ms. Baker stated that the Objective of the Loans Audit was to determine whether controls were sufficient and operating as intended to ensure that the Deputy Sheriff Retirement System (DSRS) and the Teachers Retirement System (TRS) loans were being approved, processed, and monitored in compliance with relevant statutes. She reviewed the Scope and Methodology used in the audit. She also reviewed the Summary of Findings stating that there were strong internal controls over loan approvals, all loans approved in the evaluated timeframe met relevant requirements, due to staffing issues, annual delinquency notification letters were not sent out in 2018 or 2019 and some loans were
not deemed timely in the evaluated time period. She added that there had been inconsistency in the use of the Journal feature of COMPASS to document staff interactions with employers and borrowers and that documentation of legal decisions made in meetings needed to be improved. She then reviewed her recommendations stating that she recommended that all contact with employers and borrowers be documented in the COMPASS journal, that Membership management develop a plan for continuity of operations in the case of staff turnover or other issues to ensure that loans continued to be monitored and that in the future, when legal decisions are made in meetings, some sort of documentation be placed in the individual’s scanned files to support the action taken. She then answered questions from the committee members.

Chairman Waybright stated that he would entertain a motion to accept and to recommend that the Board accept the Loans Internal Audit as presented by Ms. Baker.

**Mr. McKown made a motion that the Committee accept and to recommend to the Board the acceptance of the Loans Internal Audit as presented by Ms. Baker. Mr. Vallet seconded the motion. The motion was adopted.**

**Item #4: Annuitant Deaths Internal Audit – Tina Baker**

Mr. Waybright recognized Tina Baker, CPRB Internal Auditor, to review the Annuitant Deaths Audit. Ms. Baker stated that the Objective of the Audit was to determine whether controls were sufficient and operating as intended to provide reasonable assurance that proper notification was received when an annuitant passes away; that if notification is not received, the death is timely detected by other means and the annuity payment stopped; and that efforts were made to ensure overpayments to deceased annuitants were paid back. She reviewed the Scope and Methodology of the Audit. She also reviewed the Summary of Findings stating that deaths staff timely act on death notifications and utilize all resources available to identify deaths that were not reported to the agency and collections processes should be enhanced to make further efforts to retrieve outstanding overpayments. She then answered questions from the committee members.

Chairman Waybright stated that he would entertain a motion to accept and to recommend to the Board the acceptance of the Annuitant Deaths Internal Audit as presented by Ms. Baker.

**Mr. Vallet made a motion that the Committee accept and to recommend to the Board the acceptance of the Annuitant Deaths Internal Audit as presented by Ms. Baker. Mr. Barker**
seconded the motion. The motion was adopted.

Item #5: 1st Quarter 2022 Admin and Revenue Sharing Account Report – Paula VanHorn

Mr. Waybright recognized Paula VanHorn, CPRB TDC Manager, to review the 1st Quarter 2022 Admin and Revenue Sharing Account Report. She stated that the report was for the period January 1, 2022 through March 31, 2022 and the beginning balance was $948,831.06, the Net Administrative Fees were $96,253.95 and the Total Net Reallowances was $151,302.10. She went on to say that the Reconciled Ending Balance was $1,106,289.95.

Item #5: Old Business

Mr. Waybright inquired as to old business. There was none.

Item #6: New Business

Mr. Waybright inquired as to new business. There was none.

Adjournment

There being no further business to come before the committee, the meeting adjourned at 1:31 p.m.

Respectfully submitted,

Jeff Waybright, Chair

Jeffrey E. Fleck, Executive Director