

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
ACCOUNTING AND AUDIT COMMITTEE MEETING
OF MAY 16, 2023**

A meeting of the West Virginia Consolidated Public Retirement Board Accounting and Audit Committee was held on Tuesday, May 16, 2023 at the Consolidated Public Retirement Board office at 601 57th Street, SE, Charleston, WV 25304.

Due notice had been published.

Call to Order

The meeting was called to order at 1:03 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
Dominique Ranieri *(via telephone)*
Jeff Vallet

Member absent was:

None

A quorum was present.

Also present at the CPRB Office or participating via telephone were:

Jeff Fleck, CPRB Executive Director
Terasa Miller, CPRB Deputy Director
Kim Pauley, Executive Assistant
Elizabeth Cooper, CPRB Chief Financial Officer
Tina Baker, CPRB Internal Auditor
Tim Abraham, CPRB Compliance Officer
Paula Van Horn, CPRB TDC Manager

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 November 29, 2022.

Mr. Barker made a motion to approve the minutes of the November 29, 2022 meeting of the Accounting & Audit Committee. Mr. McKown seconded the motion. The motion was adopted.

Item #2: Annual Comprehensive Financial Report – Elizabeth Cooper

Mr. Waybright recognized Elizabeth Cooper, CPRB Chief Financial Officer, she stated that she will be passing out a copy of the Annual Comprehensive Financial Report tomorrow in the Board meeting.

Item #3: Internal Audit of TRS Annuities – Tina Baker

Mr. Waybright recognized Tina Baker, CPRB Internal Auditor, to review the Internal Audit of TRS annuities. Ms. Baker started by reviewing the summary of findings and stated that all sampled annuities in the Fiscal Year were calculated correctly in COMPASS. Ms. Baker noted that membership services for one annuity in the fiscal year 2022 was short one year. She noted that the retirement manager has logged a data Problem Incident Request (PIR) to have IT determine the cause of the discrepancy and correct the service used to calculate the annuity. Ms. Baker stated while investigating the cause of this issue that another error was found, and a Problem Incident Report (PIR) has been logged to correct this error. She finished her review of the Summary of Findings stating that as reported in the 2022 audit there were many retirement recalculation requests. Deputy Director Miller explained that she has been working on filling the position that was created to clean up the recalculations and that there may possibly be two positions due to the volume of recalculations generated by COMPASS. Ms. Baker stated that there were three retirees in the fiscal year 2021 sample who had large negative Contributions and Interest (C&I) due to issues with retiree interest posting in the COMPASS system. She stated that Problem Incident Reports (PIR) have been logged to correct. IT has been working to identify the additional individuals and update accounts.

Ms. Baker noted that a discussion had already taken place with management and the identified she had no recommendations. 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 Internal Audit of TRS Annuities.

Mr. McKown made a motion that the Committee accept and to recommend to the Board the acceptance of the Internal Audit of TRS annuities. Mr. Barker seconded the motion.

The motion was adopted.

Item #4: Special Memo: Leaves of Absence – Tina Baker

Mr. Waybright recognized Tina Baker, CPRB Internal Auditor. Ms. Baker stated that the PEIA contacted Tim Abraham, CPRB Compliance officer and expressed concern that some employers might be leaving some employees on extended leaves of absence who do not intend to return to work so that they can continue to receive PEIA coverage and benefits to meet retirement eligibility. Ms. Baker stated that she was able to use her TRS audit to help her research this and she only found one employee and nothing that would affect CPRB, and it was more of an issue for PEIA. She stated that she had no recommendations related to leaves of absences.

Item #5: Internal Audit Compliance Review for CY 2021-Tina Baker

Ms. Baker stated that every year she goes back and determines compliance with recommendations made in previous years' audits. She reviewed the agency's compliance with the Internal Audit Recommendations chart and answered questions.

Director Fleck stated that it is nice to have an internal auditor and use her recommendations to stay compliant and he thanked Ms. Baker for her efforts. Deputy Director Miller also wanted to express her appreciation for all the extra time and effort that she puts in. Chairman Waybright stated that it's not an easy job and echoed Director Fleck's and Ms. Miller's appreciation and he thanked Ms. Baker for her efforts.

Item #6: Internal Audit Plan Update for CY 2022 & 2023-Tina Baker

Ms. Baker noted that the purpose of the CY-2022 Audit Plan was to show that everything is compliant and when it was done. She stated that the CY 2023 Audit Plan had to be updated because of the Leaves of Absences project and would need Board approval. 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 Internal Audit Plan Update CY2023.

Ms. Ranieri made a motion that the Committee accept and to recommend to the Board the acceptance of the Internal Audit Plan Update CY2023. Mr. Barker seconded the motion. The motion was adopted.

Item #7: 1st Quarter 2022 Admin and Revenue Sharing Account Report – Paula VanHorn

Mr. Waybright recognized Paula VanHorn, CPRB TDC Manager, to review 2022 4th quarter. the 4th Quarter 2022 Admin and Revenue Sharing Account Report. She stated that the report was for the period October 31, 2022 through December 31, 2022 and the beginning balance was \$1,128,203.73, the Net Administrative Fees were \$93,856.28 and the Total Net Reallowances was \$123,546,43. She went on to say that the Reconciled Ending Balance was \$1,385,514.98.

Paula VanHorn, CPRB TDC Manager, to review the 1st quarter of 2023 the 1st Quarter 2023 Admin and Revenue Sharing Account Report. She stated that the report was for the period January 1, 2023 through March 31, 2023 and the beginning balance was \$1,385,514.98, the Net Administrative Fees were \$93,205.32 and the Total Net Reallowances was \$99,625.45. She went on to say that the Reconciled Ending Balance was \$1,623,931.82.

Item #8: Old Business

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

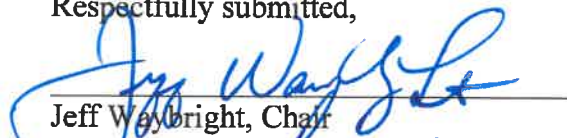
Item #9: New Business

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


Adjournment

There being no further business before the committee, the meeting adjourned at 1:25 p.m.

Respectfully submitted,



Jeff Waybright, Chair



Jeffrey E. Fleck, Executive Director