

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
ACCOUNTING AND AUDIT COMMITTEE MEETING
OF MARCH 23, 2021**

A meeting of the West Virginia Consolidated Public Retirement Board Accounting and Audit Committee was held on Tuesday, March 23, 2021. 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 1:04 p.m. by Jeff Waybright, Chair.

Item #2: Roll Call

Members present were:

Jeff Waybright, *representing Auditor John McCuskey*
Bill Barker *(via telephone)*
Mike McKown
Jeff Vallet *(via telephone)*

Member absent was:

None

A quorum was present.

Participants on the public call-in line were:

Tim Abraham, CPRB Compliance Officer
Paula Van Horn, CPRB TDC 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 Internal Audit Committee Meeting Minutes

Due to the reconfiguring of the Internal Audit Committee, Mr. Waybright requested a motion to recommend to the Board the approval and adoption of the Internal Audit Committee meeting minutes for December 15, 2020.

Mr. Vallet made a motion to recommend to the Board the approval and adoption of

the minutes of the December 15, 2020 meeting of the Internal Audit Committee. Mr. McKown seconded the motion. The motion was adopted.

Item #4: Committee Charter

Mr. Waybright recognized John Galloway, CPRB Chief Financial Officer, to explain the proposed committee charter. Mr. Galloway stated that a red-lined copy of the existing Internal Audit Committee charter had been provided. He went on to say that he and Tina Baker, CPRB Internal Auditor, had taken the Model Audit Committee Charter from the Association of Public Pension Fund Auditors and, using the guidance from APPFA had expanded it to provide a charter for the Accounting and Audit Committee that explains the responsibilities and powers of the Committee.

Mr. Fleck added that it had been suggested during Fiduciary Training that the committees of the CRPB each have a charter. Ms. Miller inquired as to whether the TDC Revenue Sharing Account information had been included in the proposed charter. Mr. Galloway responded that it was not included but he would add it. Mr. Waybright requested that everyone review the proposed charter and provide any suggested changes to Mr. Galloway for review at the next committee meeting.

Item #5: Active Death Annuities Internal Audit

Mr. Waybright recognized Tina Baker, CPRB Internal Auditor, to review the Active Death Annuities Internal Audit. Ms. Baker explained the scope and methodology of her review and the summary of her findings. She then discussed the Review of Active Death Annuities of PERS, TRS, DSRS, EMSRS, and MPFRS. She stated that her recommendation was that management discuss the matter of clarifying, in Code, the fact that the survivor spouse annuity supersedes previous beneficiary designations and report to the Accounting and Audit Committee whether or not they believe a clarification in Code would be beneficial and also whether or not they will bring the issue to the attention of the Legislature for possible amendment.

Mr. McKown made a motion to accept the Active Death Annuities Internal Audit. Mr. Barker seconded the motion. The motion was adopted.

Item #6: State Auditor's Office Town of Eleanor Report

Tina Baker, CPRB Internal Auditor, reviewed the audit of the Municipality of Eleanor that was conducted by the Office of the State Auditor. She reported that the purpose of the audit

was to:

1. Determine if employees of the Municipality of Eleanor, who were not making contributions to PERS had been correctly identified as ineligible for membership by the government, that they have not exceeded the salary or hours worked restrictions, and that they were properly classified as temporary employees.

She reported that exceptions were observed and she explained those exceptions.

2. Determine if any employees who had retired during the five-year period of July 1, 2012 through June 30, 2017 had returned to work during the fiscal year ended June 30, 2018, and if they were in compliance with the salary and/or hours worked restrictions.

She reported that no exceptions were observed.

3. Determine if any elected officials were receiving a retirement annuity. For an elected official whose date of retirement preceded their elections, it was determined if the position they retired from was the same previously held position, and if so, to determine whether a period of twelve months had elapsed between their retirement and election or reelection. For an elected official, whose date of retirement was subsequent to their election to their current office, it was confirmed if the elected official was not a contributing member of PERS.

She reported that no exceptions were observed.

4. Determine if there was adequate supporting documentation for annual or sick leave hours applied to retirement for retirees who had retired during the period of July 1, 2016 to June 30, 2017 and to determine if any donated leave had been included in those totals.

She reported that no exceptions were observed.

Mr. McKown made a motion to accept the report from the State Auditor's office regarding the Municipality of Eleanor. The motion was seconded by Mr. Vallet. The motion was adopted.

Item #7 Audit Results – GASB 68 Employer Allocation Schedules

Mr. Waybright recognized John Galloway, CPRB Chief Financial Officer, to review the GASB 68 Employer Allocation Schedules. Mr. Galloway reported that the Audited Schedules of Employer Allocations and Pension Amounts by Employer had been calculated and prepared by the CPRB Accounting Section and were submitted to the CPRB auditors, Eide Bailey, in December 2020. The Auditors had completed their audit and were ready to issue an opinion of the schedules. A letter from Eide Baily had been included in the Committee materials. He

added that the Auditors had issued a clean communication report regarding this year's Allocation Schedules. Mr. Galloway requested the Committee accept the reports and recommend the Board of Trustees accept and authorization the release of the reports.

Mr. Vallet made a motion to accept the reports and recommend that the Board of Trustees accept them and authorize their release. Mr. Barker seconded the motion. The motion was adopted.

Item #8 TDC Revenue Sharing Summary – Quarter ending December 31, 2021

Mr. Waybright recognized Paula VanHorn, TDC Manager, who gave the TDC Revenue Sharing Summary for quarter ending December 31, 2021. Ms. VanHorn stated that the beginning balance of the Revenue Sharing and Administrative Account was \$554,631.00 and the Net Administrative Fee was \$100,000.52. She went on to say that the Total Net Reallowances was \$123,072.19, the Net Transfer to the CPRB Expense Fund was \$45,387.19 and the Reconciled Ending Balance was \$414,881.11. She then answered questions from members of the committee.

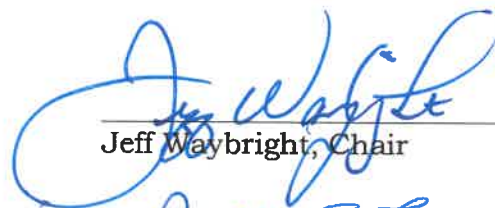
Item #8: Other Business

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

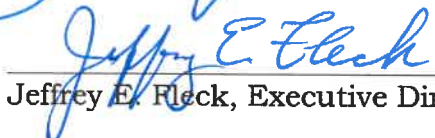
Adjournment

There being no further business to come before the committee, the meeting was adjourned at 1:29 p.m.

Respectfully submitted,



Jeff Waybright, Chair



Jeffrey E. Fleck, Executive Director