

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
ACCOUNTING AND AUDIT COMMITTEE MEETING
OF NOVEMBER 29, 2022**

A meeting of the West Virginia Consolidated Public Retirement Board Accounting and Audit Committee was held on Tuesday, November 29, 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 Mike McKown, Acting Chair.

Roll Call

Members present:

Mike McKown, Acting Chair
Bill Barker (*via telephone*)
David Nelson (*via telephone*)

Members absent:

Jeffrey Waybright, representing State Auditor John McCuskey
Dominique Ranieri
Jeffrey Vallet

A quorum was present.

Also present:

Jeffrey Fleck, CPRB Executive Director
Terasa Miller, CPRB Deputy Director
Alysia Miller, CPRB Paralegal
John Galloway, CPRB Chief Financial Officer
Tina Baker, CPRB Internal Auditor
Tim Abraham, CPRB Compliance Officer (*via telephone*)
Paula Van Horn, CPRB TDC Manager (*via telephone*)
Lindsey Atkins, CPRB Outreach Officer
Kim Pauley, CPRB Executive Assistant

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

Chairman Mike McKown stated that he would entertain a motion to approve the Accounting & Audit Committee meeting minutes of October 4, 2022.

Bill Barker made a motion to approve the minutes of the October 4, 2022 meeting of the Accounting & Audit Committee. David Nelson seconded the motion. The motion was adopted.

Item #2: CY 2023 Internal Audit plan – Tina Baker

Chairman McKown recognized Internal Auditor, Tina Baker, to present her 2023 Internal Audit schedule.

Ms. Baker stated that her planned audits include but are not limited to: TRS annuity calculations, Required Minimum Distributions interest rate changes in Compass, and a compliance review of the 2022 audit recommendations.

Chairman McKown stated that he would entertain a motion to approve the audit plan.

David Nelson made a motion to approve the 2023 Internal Audit Plan. Bill Barker seconded the motion. The motion was adopted.

Item #3: Internal Audit Report: Terminal Payments - Tina Baker

Chairman Mike McKown recognized Internal Auditor, Tina Baker to present her terminal payments internal audit report.

Ms. Baker stated that the objective of her report was to determine if terminal payments are being paid out correctly. She defined terminal payments and reviewed the findings which included a finding that there are many outstanding retirement recalculation requests. Ms. Baker also reviewed her recommendations.

Ms. Baker answered questions from the members regarding the number of retirement recalculation requests and the amount of time and staff needed to clear the backlog. Deputy Director, Terasa Miller commented on efforts to hire additional staff and the current practice for processing pending retirement recalculation requests.

Chairman McKown stated that he would entertain a motion to accept the internal audit.

Bill Barker made a motion that the Committee accept and recommend that the Board of Trustees accept the Terminal Payments Internal Audit Report. David Nelson seconded the motion. The motion was adopted.

Item #4: Records Management and Retention Policy and Procedure - Tim Abraham

Director Jeffrey Fleck stated that the Department of Administration’s Cabinet Secretary has prioritized a project to reduce the number of boxes of records in storage for every agency. He informed the Committee that the CPRB is currently storing over 9,000 boxes some of which date back to the 1940’s. Mr. Fleck advised the Committee that the CPRB has an outdated record retention policy that prevents it from destroying any physical documents. He said that staff looked at how other states were handling the process to determine what would work best for the CPRB. Mr. Fleck explained that once the Committee and the Board approve the revised policy, then the CPRB may begin reviewing records for destruction.

Compliance Officer Tim Abraham added that the goal is to transition from paper to electronic records which is an industry best practice. He noted that before any paper record is destroyed, CPRB must verify that the corresponding electronic record exists and is properly indexed. Mr. Abraham stated that after the Board approves the policy, the CPRB will seek the approval of the state record manager so that the policy may be applied immediately.

Director Fleck responded to a member’s question by stating that the Imaging Section staff will be responsible for converting the paper records to an electronic format and verifying them.

Mr. Abraham addressed a question from a member about whether any other states have had any problems with the digitization process. He explained that the most common issue discussed at a recent conference session was centered around quality control and verification of the electronic image. Mr. Abraham stated that he was confident that the proposed policy and procedure would mitigate any significant issues. Director Fleck added that the Chief Information Officer, John Beane, had assured him that there is no danger of losing the electronic documents because there are several backups of the information.

Chairman McKown stated that he would entertain a motion to approve the policy.

Bill Barker made a motion that the Committee approve and recommend that the Board of Trustees approve the Records Management and Retention Policy & Procedure. David Nelson seconded the motion. The motion was adopted.

Item # 5: TDC Revenue Sharing and Administrative Account - Paula Van Horn

Chairman McKown recognized Paula Van Horn, TDC Plan Manager, to give a report on

the TDC Revenue Sharing and Administrative Account.

Ms. Van Horn reviewed the TDC Revenue Sharing and Administrative Account quarterly activity report for the period of July 1, 2022 to September 30, 2022. She stated that the beginning account balance was \$1,254,398.34. Ms. Van Horn reported that there were 3,807 participants and \$94,910.51 was recovered in third quarter administrative fees. She indicated that \$131,925.93 was processed in second quarter reallowances and the CPRB was reimbursed \$281,472 in TDC plan administrative expenses. Ms. Van Horn stated that after gains and losses, the ending account balance was \$1,128,203.73.

Item #6: Old Business

Chairman McKown inquired as to any old business. There was none.

Item #7: New business

Chairman McKown inquired as to any new business.

John Galloway, CPRB Chief Financial Officer announced that he had resigned, effective December 31, 2022. Mr. Galloway stated that before his departure, the Annual Comprehensive Financial Report will go to the Government Finance Officers Association and the allocations will go to the auditors. Executive Director Fleck praised Mr. Galloway’s work at the CPRB and wished him the best.

Adjournment

There being no further business to come before the Committee, the meeting adjourned at 1:31 pm

Respectfully submitted,



Mike McKown, Chairman



Jeffrey E. Fleck, Executive Director