

**MINUTES OF THE  
WV CONSOLIDATED PUBLIC RETIREMENT BOARD  
ACCOUNTING AND AUDIT COMMITTEE MEETING  
OF AUGUST 16, 2022**

A meeting of the West Virginia Consolidated Public Retirement Board Accounting and Audit Committee was held on Tuesday, August 16, 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.

**Item #1: 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)*

**Member absent was:**

Jeff Vallet

**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  
Nancy Butcher, Executive Assistant  
John Galloway, CPRB Chief Financial Officer  
Tina Baker, CPRB Internal Auditor  
Tim Abraham, CPRB Compliance Officer *(via telephone)*  
Paula Van Horn, CPRB TDC Manager

**Item #2: 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 May 3, 2022.

**Mr. Barker made a motion to approve the minutes of the May 3, 2022 meeting of the Accounting & Audit Committee. Mr. McKown seconded the motion. The motion was adopted.**

**Item #3: Annual Review of the CPRB Workstation Use and Information Security Policy**

Mr. Waybright recognized Tim Abraham, CPRB Compliance Officer, to discuss the Annual Review of the CPRB Workstation Use and Information Security Policy. Mr. Abraham stated that the policy applies to all employees of the West Virginia Consolidated Public Retirement Board and it defines what the expected employee behavior is regarding the secure use of technology resources and methods of use, accessing and storing, and transmitting paper and electronic “Personally Identifiable Information” (PII) from CPRB employee workstations, offices, or other areas in which CPRB employees perform work; it defines the requirements for securing a workstation as well as the application of guidelines to all employees of the CPRB. The policy also sets forth the CPRB’s goal for full compliance with the policies and procedures developed by the West Virginia State Privacy Office and the West Virginia Office of Technology regarding Accountability, Security Safeguards and Information Security.

Mr. Abraham also reviewed the general procedures of the policy, the policy regarding the storage of PII data; passwords; email; social engineering; wireless access; disposal of PII; workstation and laptop security; using personal computers and/or devices; and CPRB’s guidelines for appropriate use. He added that an employee acknowledgement form had been added for each employee of the CPRB to sign and date that they had read and understood the policy.

Mr. Abraham requested that the Accounting and Audit Committee adopt the CPRB Workstation Use and Information Security Policy and recommend to the Board the adoption of the policy. Chairman Waybright stated that he would entertain a motion that the Committee adopt the policy and that the Committee recommend that the Board adopt the policy.

**Mr. McKown made a motion that the Committee adopt the CPRB Workstation Use and Information Security Policy and recommend that the Board adopt the policy as presented by Mr. Abraham. Mr. Barker seconded the motion. The motion was adopted.**

**Item #4: Call Center Controls of Personal Identifiable Information (PII) Internal Audit**

Chairman Waybright recognized Tina Baker, CPRB Internal Auditor, to review her audit of the Call Center Controls of Personal Identifiable Information (PII). Ms. Baker stated the objective of her audit was

to determine whether controls were sufficient and operating as intended to provide reasonable assurance that personally identifiable information (PII) is protected by call center staff. She discussed the Scope and Methodology used in the review. She reviewed the Summary of Findings, pointing out that a CPRB-specific privacy policy is still needed. She added that the controls in the call center regarding the collection and retention of PII were strong. She also reviewed the Call Center PII controls; the policy and procedure creation; the awareness, training and education; and minimizing the use, collection and retention of PII.

Ms. Baker reviewed her recommendations:

1. Reiterated the recommendation that the Privacy Officer work with management to develop a written Privacy Policy for CPRB employees to detail what should and should not be transmitted to or requested from customers and other actors such as employers by email or other methods, when and how to encrypt email messages, and other issues pertaining to the protection of customer information.
2. Recommended that the Retirement section prioritize providing training and written procedures to the call center concerning the information that they can give out.
3. Reiterated the recommendation from the April 2021 special memo that when a more specific and detailed policy is developed, training concerning this policy should be provided to all new employees of the agency when they start. When the policy is initially developed, it is further recommended that consideration be given to providing a brief training to current employees to ensure that everyone is on the same page concerning protection of PII.

Chairman Waybright stated that he would entertain a motion to accept and to recommend that the Board accept the Internal Audit of Call Center PII Controls as presented by Ms. Baker.

**Mr. Barker a motion that the Committee accept and to recommend to the Board the acceptance of the Internal Audit of Call Center PII Controls as presented by Ms. Baker. Mr. McKown seconded the motion. The motion was adopted.**

#### **Item #5: Employer Audits**

Mr. Waybright recognized Tina Baker, CPRB Internal Auditor, to review the Employer Audits conducted by the State Auditor's Office. Ms. Baker reviewed the Audit Objectives for the State Auditor's Office of the Teachers Retirement System. She stated that they had conducted three audits with the issues of:

- 20 day per month requirement for service credit for nonteaching members of TDC and TRS

- retired teachers returning to work – substitute teaching by a TRS retiree, resumption of service by retired teachers and critical need substitute teacher and,
- substitute teachers incorrectly being enrolled in and contributing to TRS.

Ms. Baker also reviewed the Employer Audits conducted by the State Auditor’s Office of the Public Employees Retirement System. She stated that the Auditor’s Office had conducted two audits with issues of

- part-time vs. full-time and temporary/provisional/seasonal vs. permanent. Retirees who were temporary earning more than \$20,000. Six-month probation – if hired full time, employer MUST start withholding contributions immediately, not after the probationary period ends. Elected officials who were not members of a legislative body (all by Mayor, City Council or County Commissioner) are required to participate
- employers should be reporting ALL employees to CPRB in the COMPASS system regardless of status and eligibility to participate in PERS.

Ms. Baker added that the State Auditor’s Office has also conducted two audits of the Emergency Medical Services Retirement System with issues of:

- do members meet eligibility guidelines for membership in EMSRS; have employers erroneously enrolled ineligible employees and, have employers enrolled all “emergency medical services officers” who are employed in full-time, covered employment in EMSRS and,
- employers consistently report very high numbers of monthly hours worked by EMSRS members (more than 300 hours per month for certain employees on many occasions).

Ms. Baker stated that the Auditor’s Office has also conducted two audits of the Deputy Sheriffs Retirement System with issues of:

- are the deputies and chief deputies for all 55 counties participating in DSRS and,
- are statewide uniform fees for reports generated by sheriff’s offices being properly reported to DSRS.

She discussed the audit objectives of each and added that no action was needed by the committee.

**Item #6: Updated CY 2022 Internal Audit Plan**

Chairman Waybright recognized Tina Baker, CPRB Internal Auditor, to explain the updated CY 2022 Internal Audit Plan. Ms. Baker reviewed the completed audits and discussed the additional audits she had added to the CY2022 plan. She asked that the Committee accept and to recommend that the Board accept of the Updated CY2022 Internal Audit Plan.

**Mr. Barker made a motion that the Committee accept and to recommend to the Board the acceptance of the Updated CY20022 Internal Audit Plan as presented by Ms. Baker. Mr. McKown seconded the motion. The motion was adopted.**

**Item #7: TDC 2<sup>nd</sup> Quarter 2022 Administrative and Revenue Sharing Account Report**

Mr. Waybright recognized Paula VanHorn, Manager of the TDC Section, to give the TDC 2<sup>nd</sup> Quarter 2022 Administrative and Revenue Sharing Account Report. Ms. VanHorn reported that the report was for the period beginning April 1, 2022 through June 30, 2022 with a beginning balance of \$1,106,289.95 and the total number of TDC participants at 3,826. She added that the net administrative fees were \$95,450.08 and the total net reallowances were \$143,701.29 for a reconciled ending balance of \$1,254,398.34. She added that no action was required by the Committee.

**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**

Chairman Waybright stated that with no further business to come before the Committee, he would entertain a motion to adjourn.

**Mr. McKown made a motion to adjourn. Mr. Barker seconded the motion. The motion was adopted.**

The meeting adjourned at 1:16.m.

Respectfully submitted,

  
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Jeff Waybright, Chair

  
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Jeffrey E. Fleck, Executive Director