

**MINUTES OF THE
WV CONSOLIDATED PUBLIC RETIREMENT BOARD
INTERNAL AUDIT COMMITTEE
MEETING OF JANURARY 14, 2015**

A meeting of the West Virginia Consolidated Public Retirement Board (CPRB) Internal Audit Committee was held in the Legal Conference Room located at the offices of the CPRB, 4101 MacCorkle Avenue, SE, Charleston, West Virginia, and was called to order at 9:11 a.m. by Acting Cabinet Secretary, Jason Pizatella, Chairman.

Roll Call

Members present were:

Jason Pizatella, *Acting Cabinet Secretary, Chairman*
Diana Stout, Esquire, *representing Treasurer John Perdue*
Dave Fletcher, *representing Auditor Glen Gainer*
Captain Michael Corsaro

No members were absent.

A quorum was present.

Due notice had been published.

Also, present were:

Jeffrey Fleck, CPRB Executive Director
Terasa Miller, CPRB Deputy Director
Candi Moore, CPRB Executive Assistant
Annamarie Short, CPRB Internal Auditor
Steve Stockton, CPRB Chief Compliance Officer

Item #1: Approval of the September 22, 2014 Meeting Minutes

Ms. Stout made a motion to approve the September 22, 2014 meeting minutes. The motion was seconded by Mr. Fletcher. The motion carried unanimously.

Item #2: Legislative Auditor's Report Follow-up

Annamarie Short, CPRB Internal Auditor, reviewed the Legislative Auditor's Report with the Committee. The Legislative Auditor produced a report this past October; they found two instances where retirement files were not double checked and found one file that had been double checked, but had an incorrect calculation. Out of thirty checked, only three of those had issues which would be at a 10% error rate.

Ms. Short conducted a follow-up to this audit which included a more representative sample. Ms. Short announced for the FY2012 samples that were reviewed; they found three PERS files that were not double checked which would be a 1% error rate for PERS. They found six files in TRS that were not double checked which resulted in a 1.9% error rate. For FY2014 we found no instances in PERS or TRS that had not been double checked.

Item #3: Audit Plan 2015

Ms. Short reviewed with the Committee on the Annual Audit Plan that she will be conducting in 2015. She announced that each year she works up an audit plan and announced to the Committee that she will be auditing the following in 2015: The PERS and TRS Legislative Audit Follow-up, TRS Refunds, PERS Refunds, DSRs Benefit Calculations and External Audit Coordination.

Captain Corsaro made a motion to accept the 2015 Annual Audit Plan by the Internal Auditor, Annamarie Short. Mr. Fletcher seconded the motion. The motion carried unanimously.

Item #4: Internal Auditor Employee Performance Review

Ms. Stout made a motion to go into Executive Session for personnel issues as allowed by West Virginia Code §6-9A-4. Executive Director Fleck, Deputy Director Miller and Chief Compliance Officer Steve Stockton were asked to remain. The motion was seconded by Mr. Fletcher. The motion carried unanimously.

The Internal Audit Committee went into Executive Session at 9:19 a.m.

Chairman Pizatella reconvened the Internal Audit Committee from Executive Session at 9:24 a.m. He announced there were no decisions made during Executive Session and announced the Committee would now return to Item #4 on the agenda, Internal Auditor Employee Performance Review.

Ms. Stout made a motion the Committee accept the evaluation of the Internal Auditor, Annamarie Short. The motion was seconded by Captain Corsaro. The motion carried unanimously.

Item #5: Old Business

Chairman Pizatella asked the Committee if there was any old business to bring before the Committee.

Mr. Fletcher announced that at a previous meeting there were representatives from the Auditor's Office here and there was discussion during the Committee Meeting of possibly needing to change our MOU due to fraudulent issues that may come up. He announced that he has spoken to one of the attorneys at the Auditor's Office and that the MOU is sufficient at this time.

Item #6: New Business

Chairman Pizatella asked the Committee if there was any new business to bring before the Committee. None was heard.

Mr. Fletcher made a motion to adjourn the public meeting of the CPRB Internal Audit Committee. The motion was seconded by Ms. Stout. The motion carried unanimously.

Mr. Pizatella adjourned the January 14, 2014 CPRB Internal Audit Committee Meeting at 9:26 a.m.

Respectfully submitted,



Jason Pizatella, Chairman



Jeffrey E. Fleck, Executive Director