

**MINUTES OF THE  
WV CONSOLIDATED PUBLIC RETIREMENT BOARD  
INTERNAL AUDIT COMMITTEE MEETING  
OF JUNE 1, 2020**

A meeting of the West Virginia Consolidated Public Retirement Board Internal Audit Committee was held on Monday, June 1, 2020. Due to the COVID 19 Pandemic, the meeting was conducted via conference call. The 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. The meeting was called to order at 1:32 p.m. by Cabinet Secretary Allan L. McVey, Chair.

Participants on the public call-in line were:

John Galloway, CPRB Chief Financial Officer  
Tammy White, CPRB Assistant Manager, Retirement Section  
Stefanie Youngblood, CPRB Assistant Manager, Membership Section  
Chris Barr, CPRB Assistant Manager, Employer Reporting Section  
Sharon Whittaker, CPRB Manager, Death/Refunds Section  
Lisa Trump, CPRB Manager, Retirement Section  
Paula Van Horn, CPRB TDC Manager

Roll Call

Members present were:

Cabinet Secretary Allan L. McVey, Chairman  
Diana Stout, *representing Treasurer John Perdue (via telephone)*  
Jeff Vallet *(via telephone)*  
Michael Corsaro *(via telephone)*

Member absent was:

Jeff Waybright, *representing Auditor John McCuskey*

A quorum was present.

Due notice had been published.

Also present were (at CPRB Office):

Jeffrey Fleck, CPRB Executive Director  
Terasa Miller, CPRB Deputy Director  
Nancy Butcher, Executive Assistant  
Tina Baker, CPRB Internal Auditor  
Tim Abraham, CPRB Compliance Officer  
Jeaneen Legato, CPRB In-House Counsel

**Item #3: Approval of the December 17, 2019, Meeting Minutes.**

**Mr. Vallet made a motion to approve the December 17, 2019 meeting minutes. The motion was seconded by Mr. Corsaro. The motion carried.**

**Item #4: Review of the PERS Compliance Report**

Tim Abraham, CPRB Compliance Officer presented the 2018-2019 PERS Compliance Review. He reviewed his significant findings and his recommendations. He then answered questions from the committee members.

**Item #5: CY 2018 Internal Audit Compliance Review**

Tina Baker, CPRB Internal Auditor, gave a report of the CY 2018 Internal Audit Compliance Review. Ms. Baker stated that the objective of the review was to determine compliance with recommendations made by the Internal Auditor in internal audit reports released in CY 2018. She reviewed the scope and methodology she used in completing the review as well as the summary of findings.

Items included in the CY2018 Compliance Review were:

**1. Internal Audit of Annuity Payroll (March, 2018).**

Recommendation 1: The Internal Auditor recommended that management consider incorporating the use of the Journal feature of COMPASS to provide details concerning unusual circumstances into routine procedures followed by all staff.

She reported the agency was in compliance.

Recommendation 2: The Internal Auditor recommended that the management teach work together to determine how best to resolve the issue of inaccurate or irrelevant documents remaining in imaged documents.

She reported the agency had a plan for compliance.

Recommendation 3: The Internal Auditor recommended that management determine whether it would be beneficial for the 44 files with service posting discrepancies logged during phase 4a of COMPASS to be corrected at this time. If it was determined that this was still not a good use of finite resources, the comment included in these files should be updated to better explain the nature of the service posting error so that, should any of these benefits require recalculation, staff conducting the calculation would be able to easily determine the issue and the required correction.

Ms. Baker reported that the agency had resolved the compliance issue.

## **2. Review of Workers' Compensation Service Credit Purchase Processes (June 2018).**

Recommendation 1: The Internal Auditor recommended that written policies and procedures be developed for workers' compensation service purchase processes.

Ms. Baker reported that the agency was in partial compliance.

Recommendation 2: The Internal Auditor recommended that CSR§162-4 be amended to clarify the specific method used to determine TRS workers' compensation service purchase amounts. It was further recommended that consideration be given to correcting past purchases of TRS workers' compensation as necessary to ensure uniformity.

Ms. Baker reported that the agency had resolved the issue.

Recommendation 3: The Internal Auditor recommended that when written policies and procedures were developed, these include instructions for manually adjusting

service credit so that workers' compensation is reduced if necessary rather than contributory membership service.

Ms. Baker reported that the agency had planned compliance.

Recommendation 4: The Internal Auditor recommended that management consider enhancing information-sharing so that staff members were aware of what bugs and defects had been corrected, what account aspects were affected so they know what to look for, and what steps need to be taken to correct the account if an issue is identified (manual correction by staff member, request roll-up from IT, etc.).

Ms. Baker reported that the agency was in compliance.

Recommendation 5: The Internal Auditor recommended that the full quality control process always be conducted for workers' compensation service purchases.

Ms. Baker reported that the agency had planned compliance.

### **3. Review of RSS Fraud Prevention Controls (September 2018).**

Recommendation 1: The Internal Auditor recommended that periodic risk assessments be conducted to provide assurance that RSS controls are adequate to prevent account takeovers or other fraudulent activities.

Ms. Baker reported that the agency was in compliance.

### **4. Recommendations.**

Recommendation 1: The Internal Auditor recommended that management develop comprehensive policies and procedures for workers' compensation service purchase processes.

### **5. Conclusion**

The Internal Auditor reported that the Executive Director had reviewed her findings and had provided a written response.

**Mr. Vallet made a motion to accept the Internal Audit report. Mr. Stout seconded the motion. The motion was adopted.**

**Item #6: Update on Withholding Contributions from Final Paychecks**

Chair McVey recognized Terasa Miller, CPRB Deputy Director, to update the committee on the Withholding Contributions from Final Paychecks. She reported that during the last committee meeting, there was discussion about retirement contributions not being withheld from employees' final paychecks. She added that there had been discussion with OASIS staff as to what the issues were and the issues had been resolved.

**Item #7: Other Business**

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

**There being no further business to come before the committee, Mr. Vallet made a motion to adjourn the June 1, 2020 meeting of the CPRB Internal Audit Committee. The motion was seconded by Ms. Stout. The motion carried. The meeting adjourned at 2:01 p.m.**

Respectfully submitted,



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Cabinet Secretary Allan L. McVey, Chair



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Jeffrey E. Fleck, Executive Director