

The Board of Trustees of the West Virginia College and Jumpstart Savings Programs

Board of Trustees Audit Committee Meeting Minutes

Microsoft TEAMS Meeting

May 30, 2024

2:00 p.m.

The Audit Committee Meeting of the Board of Trustees of the West Virginia College and Jumpstart Savings Programs was called to order on Thursday, May 30, 2024 at 2:04 p.m. A silent roll call was taken, and a quorum was established. The following members were present: Phillip Uy (Chair), Phyllis Arnold, Brian Weingart, and Dr. Bonny Copenhaver.

The following representatives of Brown, Edwards & Company L.L.P attended: Rob Adams and Faye McQuinn.

The following WVSTO staff members attended: Steve Bohman, Gina Joynes, Amy Willard, Amy Hamilton, Greg Curry, Lindsay Marchio, and Elizabeth Liston.

The agenda consisted of the following:

Call to Order – Silent Roll Call

- I. Approval of the minutes of the November 7, 2023 Audit Committee meeting
- II. 2024 Audit information
 - a. Consideration of Auditor’s Engagement Letter
 - b. Review of Auditor’s Planning Communication Letter
- III. Discussion of legal matters and whistleblower process
- IV. Review of WV Ethics Act compliance monitoring process

Adjournment

Agenda Item I.

The first order of business on the agenda was the approval of the minutes from the November 7, 2023, Audit Committee Meeting. The minutes were previously circulated with the Board packet. As there were no additions or corrections to the minutes, a motion to accept the minutes was made by Phyllis Arnold and seconded by Bonny Copenhaver. There being no discussion, the Chair polled the members, and the minutes were approved as presented.

Agenda Item II.

The Chair advised the next agenda item pertains to 2024 Audit Information. The Chair recognized Rob Adams and Faye McQuinn of Brown Edwards to provide an overview of the 2023 Auditor's Engagement Letter for the Audit Committee's consideration and to review the Auditor's Planning Communication Letter for informational purposes.

Mr. Adams advised that a Brown Edwards comprehensive engagement letter and a planning communication letter, which is a bit briefer, is included in the Board packet. He stated the engagement letter is formulized for their benefit as auditors as it assigns basic responsibilities for both parties. He added, as a reminder, Brown Edwards executed a state contract with the organization through a bid process last year, and this is the first renewal year. Mr. Adams advised the terms and conditions of the state contract are also absorbed and reviewed as well.

Mr. Adams advised on information contained in the engagement letter:

- Pages 1 & 2 of the engagement letter is the Audit Scope and Objectives that basically defines the reporting entity as a whole and elements of supplementary information.
- Page 2 - 3 are the Auditor's Responsibilities for the Audit of the Financial Statements.
- Pages 4, 5, and 6 discuss the procedures relating to internal control, compliance, and responsibilities of Management for the financial statements.
- Mr. Adams is identified as engagement partner and supervisor on page 6.
- Page 7 discusses reporting.
- Terms and Conditions of Services attachments are also included covering information on Fees and Payment Terms, Other Terms, Electronic Dissemination of Data, Independence-regarding fiduciary relationship, Cannabis, Force Majeure, Communication, Independence-relating to applicable professional standards, The Audit Planning Process, and The Concept of Materiality in Planning and Executing the Audit.

Phyllis Arnold asked, referring to the second paragraph on page 6 of the engagement letter, if the financial statement is posted on the WVSTO's website. Amy Willard responded by advising the Annual Comprehensive Financial Report is posted to the website and that it does contain the auditor's opinion.

Mr. Adams recognized Faye McQuinn to review the planning and communication letter. Ms. McQuinn advised the letter is a brief outline of the responsibilities, the scope, and timing, which basically condenses the engagement letter. Ms. McQuinn encouraged two-way dialog regarding the engagement letter.

Ms. McQuinn advised page 1 and the top of page 2 are Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*. Page 2 has the planned scope and timing of the audit. Ms. McQuinn also pointed out on page 2 they do mention that they do not audit the College Savings Program Plan Trust, that audit is performed by an auditor with Deloitte, but they do review their audit. Ms. McQuinn moved to page 3 – Inquiries Concerning Fraud. She wanted to make sure to advise if there are any concerns or questions to reach out to

her or Mr. Adams to have a one on one conversation to resolve. She concluded by advising the last page touches on Independence, and they are not aware of any circumstances that would impair their independence.

Ms. Arnold asked, regarding the Deloitte audit for the WV College Savings Program Plan Trust, will the audit committee get a copy of that audit. Ms. Willard advised when they put the package together, all the reports as well as the Deloitte audit is in the package.

The Chair asked if there were any additional questions for Mr. Adams or Ms. McQuinn. None were heard. The Chair asked for a motion to accept the Audit Engagement Letter for the Fiscal Year 2024 Audit on behalf of the Board. Ms. Copenhagen made the motion and Brian Weingart seconded the motion. Upon hearing no discussion, the Chair polled the members and the motion carried.

Agenda Item III.

The Chair advised the next item on the agenda is a discussion of legal matters and the whistleblower process.

The Chair recognized WVSTO Deputy General Counsel, Lindsay Marchio, to give the presentation.

Ms. Marchio reported there are no legal matters that could have a significant impact on the Board's financial statements, compliance policies, and program reports received from regulators. Ms. Marchio stated there are no matters generally that would affect SMART529 or the Jumpstart Savings Programs at this time. Necessary measures would be taken to inform the Board of any legal issues that may arise through a special or emergency meeting.

Ms. Marchio described the whistleblower law in W. Va. Code §6C-1-1 through §6C-1-8. This statute provides definitions and requirements regarding applicability. For our purposes, it defines a public body for which the law would be applicable as a division, officer, agency, bureau, board, commission, court in its nonjudicial capacity only, council institution, spending unit, authority, or other instrumentality of the State.

Ms. Marchio advised "whistle-blower" means a person who witnesses or has evidence of wrongdoing or waste while employed with a public body and who makes a good faith report of, or testifies to the wrongdoing or waste, verbally or in writing, to one of the employee's superiors, to an agent of the employer or to an appropriate authority. The Board could be positioned to receive a whistleblower report from an employee dealing in SMART529 or Jumpstart Savings programs based on the definition of public body and appropriate reporting body. The law itself essentially concerns certain employee protections and discriminatory and retaliatory actions against whistleblower reporters are prohibited when there is a good faith report of wrongdoing or waste or for providing testimony in accordance with a legal action. Ms. Marchio added there are various protections for when good faith reporting or testimony requirements are done. Additionally, remedies for an alleged victim of a violation of the whistleblower law including

bringing civil action in a court of competent jurisdiction for appropriate injunctive relief or damages, or both and could also include attorney fees at the court's discretion.

Ms. Marchio concluded by advising the reporting should be done to the appropriate authority. The statute defines appropriate authority as federal, state, county or municipal government body, agency or organization having jurisdiction over criminal law enforcement, regulatory violations, professional conduct or ethics or waste, members of the agency, officer, representative or supervisory employee in the body, agency or organization. The term includes, but is not limited to, the Office of the Attorney General, the Office of the State Auditor, the commission on special investigations, the Legislature, and committees of the Legislature having the power and duty to investigate criminal law enforcement, regulatory violations professional conduct or ethics or waste.

The Chair asked if there were any questions for Ms. Marchio. None were heard.

Agenda Item IV.

The Chair advised the final item on the agenda is a review of the West Virginia Ethics Act compliance monitoring process. The Chair recognized WVSTO Assistance Treasurer of Savings Programs, Amy Willard, to give the presentation.

Ms. Willard advised one of the responsibilities listed in the Audit Committee charter is to review management's monitoring of compliance with the Board's policies and the West Virginia Governmental Ethics Act.

Ms. Willard reported management monitors compliance with the West Virginia Governmental Ethics Act in various ways:

1. The West Virginia State Treasurer's Office (STO) monitors the financial disclosure statements to ensure that all Board members and staff submit the required information in a timely manner. This year Amy Hamilton, SMART529 Director, communicated with the WV Ethics Commission and sent reminders to Board members and staff with missing submissions as the deadline approached, and we plan for this process to continued by the Board's secretary annually.
2. The WVSTO holds annual training with the WV Ethics Commission for all staff to provide a refresher on the requirements. The annual training was held on March 28, 2024. Board members were invited to attend along with all STO staff.
3. The WVSTO Communications Director shares the quarterly newsletter of the WV Ethics Commission with all staff. We began sharing the quarterly newsletters with the Board during the fiscal year and will continue to do so each quarter to help keep the Board up to date on issues related to the WV Ethics Act.
4. Management monitors compliance with the Open Meetings Act to ensure that all the Board's quarterly meetings and committee meetings are appropriately noticed with the WV Secretary of State and agendas are posted on the Board's website.

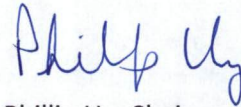
The Chair asked if there were any questions for Ms. Willard and none were heard. The Chair commended Ms. Willard on the extra effort to keep the Board in touch with the newsletter and the training opportunities.

Adjournment

The Chair asked if there was further business to be brought before the Board. Hearing none, Brian Weingart moved the meeting be adjourned and the motion was seconded by Phyllis Arnold. Hearing no discussion, the members were polled, and the motion carried. The Chair declared the meeting adjourned at 2:28 p.m.

Prepared by: Elizabeth Liston
Committee Approval Date: 10/9/24

Submitted by:



Phillip Uy, Chair