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

Board of Trustees Audit Committee Meeting Minutes

Microsoft TEAMS Meeting

May 6, 2026
10:00 a.m.

The Audit Committee Meeting of the Board of Trustees of the West Virginia College and Jumpstart Savings Programs was called to order on Wednesday, May 6, 2026 at 10:02 a.m. A silent roll call was taken, and a quorum was established. The following members were present: Phillip Uy (Chair), Brian Weingart, Dr. Bonny Copenhaver, and Phyllis Arnold.

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

The following WVSTO staff members attended: Gina Joynes, Betsy Chapman, Amy Hamilton, Lindsay Marchio, and Karl Shanholtzer.

The agenda consisted of the following:

Call to Order
Silent Roll Call

I. Approval of the minutes of the October 7, 2025 Audit Committee meeting
II. 2026 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. Approval of the minutes of the October 7, 2025 Audit Committee meeting

The first order of business on the agenda was the approval of the minutes from the October 7, 2025, 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. Audit Information

The Chair advised the next agenda item pertains to 2026 Audit Information. The Chair recognized Rob Adams of Brown Edwards to provide an overview of the 2026 Auditor's Engagement Letter for the Audit Committee's consideration and to review the Auditor's Planning Communication Letter for informational purposes.

Beginning with the **Auditor's Communication Letter** under Tab 2, section two, Mr. Adams reviewed the governance of communications issued on April 17th to State Treasury Staff (STO) staff to allow two-way communication. Brown Edwards audits the financial statements, both of the business type activities which represent the administrative funds operating the SMART529 and Jumpstart Savings Plans as well as the custodial account and expressing an opinion over the fiduciary funds, knowing that reference is made to the audit of Deloitte and Touche, LLC (Deloitte) specifically relating to SMART529. Brown Edwards audits the balances related to the Jumpstart Savings Plan but relies on Deloitte for their opinion of the SMART529 Savings Plan. Brown Edwards performs the audit in accordance with generally accepted standards and government auditing standards.

Mr. Adams continued explaining as part of Brown Edwards' audit, they evaluate internal control from year to year to determine those key controls needed to rely on and determine the key controls over the risks that have been assessed in the audit are being adhered to by members of the oversight or management team. Brown Edwards provides information related to supplementary information, which are the combining schedules of the fiduciary activities as well as making sure that management's discussion and analysis and the required pension and OPEB schedules are properly prepared. Brown Edwards does not express an opinion on those components of RSI but is required to read them in relation to the financial statement to determine they meet with all the things that are required under professional standards. Brown Edwards is required to report on the supplementary information which includes the schedules required by the Financial Accounting and Reporting Section (FARS) of the State of West Virginia, which helps them in compiling the state's ACFR (Annual Comprehensive Financial Report), which is audited by the statewide auditor.

Under **Planned Scope, Timing of the Audit, Significant Risks and Other Items**, Mr. Adams stated Brown Edwards has scheduled planning time in May and the secure portal is open for Betsy Chapman, Assistant Treasurer, to begin uploading documents. Mr. Adams noted GASB 103 is required this year. That statement touches on the way management's discussion analysis is organized. It cuts back a few areas to make sure there is no redundancy. It will also touch on the business type activity administrative fund in terms of ordering their statement of activities. The other impacts of GASB 103 will not have an impact on this organization. Brown Edwards plans to conclude the audit and issue their audit opinion well ahead of the October 15th deadline. Field work is scheduled for early August and is mostly conducted remotely.

Mr. Adams noted the Jumpstart Savings Plan is working with Catalis and utilizing the services of the Board of Treasury Investments. This will be taken into the audit plan as they audit year-end balances and activity throughout the course of the year. **Under The Concept of Materiality in**

Planning and Executing the Audit, Brown Edwards does not audit 100% of transactions, they apply materiality. Those materialities are not known to management, so there is an element of surprise. Mr. Adams asked Board and staff to reach out to him or Stephen Linkous directly in regard to any fraud or impropriety. Treasury staff does not know what the audit will include or what questions will be asked.

Mr. Adams continued the presentation pointing to the **Auditor's Engagement Letter** under Tab 2 section i. Mr. Adams explained that the **Audit Scope and Objectives** go through the basic financial statements, which include business type activities and fiduciary activities. Mr. Adams advised that the Brown Edwards comprehensive engagement letter has been signed and returned by State Treasurer Pack. It defines the audit scope and objectives, basically the expression of the opinion over the entity as a whole, which includes business type activities and fiduciary activities, Brown Edwards' opinion in relation to supplementary information and the fact that they do not audit management's discussion and analysis, OPEB schedules or pension schedules, but do read them to ensure they are congruent with what is being projected in the course of the financial statements.

Audit objectives includes the RSI (Required Supplementary Information) of which Brown Edwards does not give an opinion. For Management's Discussion and Analysis, OPEB (Other Postemployment Benefits), Applicable Pension Schedules and SI (or Supplemental Information), Brown Edwards does not express an opinion to the financial accounting reporting schedules that are required by the state of West Virginia's financial and accounting reporting section to comply with the timelines related to the state's preparation of the annual ACFR, but do ensure they are accurate. Mr. Adams stated there is an ACFR prepared by the STO of which Brown Edwards reads the statistical and supplementary sections. Last year's ACFR did receive an award from the GFOA which means financial statements are basically pristine.

Under the **Auditor's Responsibilities for the Audit of the Financial Statements**, Brown Edwards will conduct the audit in accordance with GAAS and as applicable, the standards for financial audits contained in *Government Auditing Standards*.

Mr. Adams continued to the next section **Audit Procedures-Internal Control**, explaining Brown Edwards does not give an opinion, but if any matters are uncovered that raise the level of attention to this group (meaning the Audit Committee), it will be mentioned in this report. Brown Edwards designs procedures to address risk that is found relating to the audit. It is also responsible for auditing through compliance (section titled Audit Procedures-Compliance) under government auditing standards. An example is if there is an instance of material non-compliance that's direct to the program or any nature of operations of the custodial fund or administrative fund of SMART529 or Jumpstart savings programs, Brown Edwards is required to report that as non-compliance to the Board of Trustees. Brown Edwards will contemplate where risk lies, request samples and review internal controls and report any deficiencies.

The Chair asked if there were any questions. Ms. Arnold asked who oversees the work of the Deloitte auditors. Mr. Adams relayed that Deloitte was hired through an independent procurement process which is occasionally re-bid. Brown Edwards relies on the information it

receives from Deloitte such as representations on their independence, quality control documents and peer review report. Brown Edwards reviews the SOC reports that accompany the work around the SMART529 Savings Plan. Brown Edwards can ask for work papers from Deloitte as well in order to express an opinion.

The Chair relayed some additional comments characterizing Deloitte's information is similar to an audit in an audit. The work has been completed by another independent auditor and does not need to be duplicated. AICPA rules and regulations determine the sharing of this information between entities as it relates to their piece of work.

Ms. Arnold asked that the minutes reflect that staff has reviewed the Deloitte audit as part of the financial statements.

Hearing no further questions, the Chair asked for a motion to accept the Audit Engagement Letter for the Fiscal Year 2026 Audit on behalf of the Board. Phyllis Arnold made the motion, and Brian Weingart seconded the motion. Upon hearing no further discussion, the Chair polled the members and the motion carried.

Agenda Item III. Discussion of legal matters and the whistleblower process

The Chair advised the next item on the agenda is a discussion of legal matters and the whistleblower process. The Chair recognized STO 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 Plans 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. Depending on the issue, the Attorney General's Office or outside counsel may be involved.

Ms. Marchio described the whistleblower law in W. Va. Code §6C-1-1 through §6C-1-8. This statue provides definitions and requirements regarding applicability. For our purposes, it defines a public body for which the law would be applicable, such as the Board of Trustees.

Ms. Marchio advised "whistleblower" means a person who witnesses or has evidence of wrongdoing or waste while employed by a public body and who makes a good faith report of, or testifies to the wrongdoing or waste, verbally or in writing, to an appropriate authority. The Board could be positioned to receive a whistleblower report from an employee dealing with SMART529 or Jumpstart Savings Plans based on the definition of public body and appropriate reporting body. The law provides certain employee protections against discriminatory or retaliatory actions against a whistleblower. Ms. Marchio concluded by stating should a whistleblower suffer recourse, they could bring a civil action, request injunctive relief for damages, and attorney's fees.

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

Agenda Item IV. Review of the WV Ethics Act compliance monitoring process

The Chair advised the final item on the agenda is a review of the West Virginia Ethics Act compliance monitoring process. The Chair recognized Assistant Treasurer, Betsy Chapman, to give the presentation.

Ms. Chapman 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. Chapman reported management monitors compliance with the West Virginia Governmental Ethics Act in various ways. First, 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. Amy Hamilton, Director of SMART529 & Board secretary, communicated with the WV Ethics Commission and sent reminders to Board members and staff with missing submissions as the deadline approached. This process will continue annually.

Second, the STO 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 25, 2026.

Ms. Chapman continued by noting the Board and STO staff will continue to receive the quarterly newsletter of the WV Ethics Commission.

Ms. Chapman acknowledged that Board staff monitor 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.

Lastly, Ms. Chapman reported this was the 27th year the audit received the GFOA certificate of excellence for financial reporting.

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

Adjournment

The Chair asked if there was further business to be brought before the Audit Committee. Hearing none, Brian Weingart moved the meeting to 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 10:33 a.m.

Prepared by: Amy Hamilton
Committee Approval Date: 10-9-26

Submitted by:

Phillip Uy, Chair