

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

## Board of Trustees Audit Committee Meeting Minutes

Microsoft TEAMS Meeting

**May 12, 2025**

**1:30 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 Monday, May 12, 2025 at 1:30 p.m. A silent roll call was taken, and a quorum was established. The following members were present: Phillip Uy (Chair), Brian Weingart, and Dr. Bonny Copenhaver. Phyllis Arnold was absent.

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

The following WVSTO staff members attended: Amy Hamilton, Greg Curry, 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 9, 2024 Audit Committee meeting
- II. 2025 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 October 9, 2024, 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 Brian Weingart 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 2025 Audit Information. The Chair recognized Rob Adams of Brown Edwards to provide an overview of the 2024 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 the Brown Edwards comprehensive engagement letter has been signed and returned by State Treasurer Pack. It defines the audit scope and objectives. Brown Edwards performs the audit in accordance with not only generally accepted standards, but with the Yellow Book of government auditing standards. He explained that another auditor is also involved in the process, Deloitte. Deloitte audits the SMART529 program of which Brown Edwards uses to complete the full opinion of all of the reported funds at the end of the year.

Mr. Adams explained that in section one, the Audit Scope and Objectives go through the basic financial statements, which include business type activities and fiduciary activities. It also 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 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 (Annual Comprehensive Financial Reporting).

Moving to section two, Mr. Adams explained highlights of the Auditor's Responsibilities for the Audit of Financial Statements. Essentially, Brown Edwards is going to plan and prepare in accordance with applicable standards. The audit will be conducted to meet the September 15<sup>th</sup> draft basis and October 15<sup>th</sup> final basis deadlines.

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.

Under the Responsibilities of Management for the Financial Statements, Mr. Adams noted the Treasury staff is sophisticated. Staff prepare their own footnotes and drafts which Brown Edwards will review and compare what is required under GASB. There are typically modest adjustments. Brown Edwards reports on the opinion units over business type activities and the fiduciary funds with reference to Deloitte as the auditor of the SMART529 program. The terms and conditions are contiguous with last year. Only the fee was changed under the contract. For this year, which is year three, the fee is \$22,995 with years four and five as optional renewals.

Mr. Adams noted that under the Electronic Dissemination of Data, data is shared through a secure portal to maintain integrity which utilizes automatic deletion. The last section to be discussed is Exhibit 1 to Engagement Letter. He noted field work would be completed in August.

The next discussion item was the Auditor's Required Communication Letter to those charged with governance. Brown Edwards will review the SI in relation to the basic financial statements, the inclusion of the RSI, which includes the Management's Discussion and Analysis, the Applicable OPEB and Pension schedules which won't be audited, but reviewed for clerical inaccuracies.

Under Planned Scope, Timing of the Audit, Significant Risks and Other Items, Mr. Adams stated Brown Edwards has scheduled planning time in June and the secure portal is open for Greg Curry, Financial Director, to begin uploading documents. He explained there is one predominant risk, collusionary risk. Mr. Adams asked Board and staff to reach out to him directly in regard to any fraud or impropriety. Treasury staff does not know what the audit will include or what questions will be asked. Brown Edwards will contemplate where risk lies, request samples and try to shoot holes in internal controls. Brown Edwards does not audit 100% of transactions, but note materiality thresholds are somewhat small for the administration and custodial funds due to dollar sums being much smaller than 529 program amounts.

Mr. Adams concluded the presentation, noting there was a new GASB 101 which solidifies the way compensated absences are calculated and brings more consistency across other kinds of financial reporting entities.

The Chair asked if there were any questions. None were heard. The Chair asked for a motion to accept the Audit Engagement Letter for the Fiscal Year 2025 Audit on behalf of the Board. Brian Weingart made the motion and Dr. Copenhaver 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. 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 statute 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 “whistle-blower” 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 programs 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.**

The Chair advised the final item on the agenda is a review of the West Virginia Ethics Act compliance monitoring process. The Chair recognized SMART529 Director, Amy Hamilton, to give the presentation.

Ms. Hamilton 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. Hamilton 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. Ms. Hamilton 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 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 April 22, 2025. Several Board members and all STO staff attended.

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

Lastly, Ms. Hamilton 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.

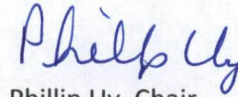
The Chair asked if there were any questions for Ms. Hamilton. None were heard.

#### **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 Dr. Copenhaver. Hearing no discussion, the members were polled, and the motion carried. The Chair declared the meeting adjourned at 1:52 p.m.

Prepared by: Amy Hamilton  
Committee Approval Date: 10/7/25

Submitted by:

  
Phillip Uy, Chair