

**WEST VIRGINIA INVESTMENT MANAGEMENT BOARD
AUDIT AND GOVERNANCE COMMITTEE CHARTER**

Mission

The mission of the Audit and Governance Committee is to assist the Board in developing and maintaining a governance structure for the Board that is open, apolitical, efficient and effective, and in fulfilling its oversight responsibilities for the financial reporting process, risk management, the system of internal control, the internal and external audit processes, and the process for monitoring compliance with its Conflict of Interest and Ethics Policy and other relevant laws and regulations, all related to the Board's duty to manage the assets entrusted to it in the best interest of the beneficiaries of those assets.

Authority

The Audit and Governance Committee (Committee) has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

1. Appoint and oversee the work of any registered public accounting firm employed by the IMB.
2. Approve the appointment, compensation, removal, or replacement of the Director of Internal Audit.
3. Approve Internal Audit Staff positions and related compensation ranges.
4. Oversee compliance with the Internal Audit Plan.
5. Resolve any disagreements between management and the internal or external auditor regarding financial reporting.
6. Retain independent counsel, accountants, or others to advise the Committee in the conduct of an investigation.
7. Seek and gather any information it deems necessary, desirable or appropriate in connection with the discharge of its mission from time to time. The Committee may seek and obtain such information from employees, all of whom are directed to cooperate with the Committee's request, or external parties.
8. Meet with management, internal auditors, external auditors, or outside counsel, as necessary.

Composition

The Committee will consist of five members of the Board. The Chairman of the Board will appoint Committee members and the Chairman of the Committee. The Committee shall appoint a Vice Chairman.

Each Committee member will be financially literate. At least one Certified Public Accountant (CPA) appointed to the Board (as provided in W.Va. Code §12-6-3(b)(2)) will serve on the Committee.

Meetings

The Committee will meet as needed, but at least once each year. All Committee members are expected to attend each meeting, in person or via conference call. The Committee will invite members of management, internal and external auditors, or others to attend meetings and provide pertinent information as necessary. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

Responsibilities

The Committee will carry out the following responsibilities:

As to audit functions:

1. Review with management, external auditor, and the Director of Internal Audit the results of the independent audit.
2. Review the performance of the external audit firm and recommend to the Board the appointment and discharge of the audit firm.
3. Review with management and the Director of Internal Audit the Internal Audit Charter, Risk Assessment, Internal Audit Plan, staffing, salary ranges, and organizational structure of the Internal Audit Department.
4. Review reports provided by Internal Audit and consider the effectiveness of the IMB's internal control processes.
5. Ensure there are no unjustified restrictions or limitations on the Director of Internal Audit.
6. Review the effectiveness of the Internal Audit Department.
7. Review the performance of the Director of Internal Audit and exercise final approval on his/her appointment, compensation, and discharge.
8. Obtain regular updates from management and legal counsel regarding financial reporting, legal, compliance, or other significant matters.

As to governance functions:

1. Monitor and consider developments, trends and best practices in governance relevant to the mission and activities of the IMB, and recommend for approval by the Board broad-based policies deemed by the Committee to be helpful or desirable in improving the efficacy or efficiency of the Board governance structure and practices.
2. Once every three years, and with the assistance of a third-party consultant, if needed or desired, ensure that the trustees, individually, and the Board in the

aggregate engage in an appropriate self-evaluation of the Board's performance and effectiveness.

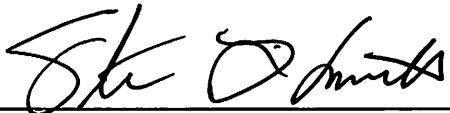
3. Review the IMB's Conflict of Interest and Ethics Policy and the process for communicating the Policy to IMB personnel, and for monitoring compliance therewith.
4. Ensure that an appropriate policy is in place for whistle-blowers to provide information to the Committee.
5. Annually review trustee compliance with the Continuing Education Policy.
6. Annually review the IMB Budget and Fee Schedule and recommend for adoption by the Board.

Reporting Responsibilities

Regularly report to the Board about Committee activities, issues, and related recommendations.

Other Responsibilities

1. The Committee will perform other activities related to the Charter as requested by the Board.
2. Review and assess the adequacy of this Charter annually, requesting Board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
3. Confirm annually that all responsibilities outlined in this Charter have been carried out and consider the Committee's performance.

By: 

Date: 5-31-17

Name:
Chairman, Audit and Governance Committee