
Minutes

The Audit and Compliance Committee of the Board of Trustees met on April 23, 2026, at the James Center building located in Richmond, Virginia. The following individuals were present.

Audit and Compliance Committee Members:

J. Clifford Foster, IV, Committee Vice Chair
A. Scott Andrews, Board Chair

Other Members of the Board of Trustees:

William H. Leighty

VRS Staff:

Patricia Bishop, Andrew Junkin, Jennifer Schreck, Judy Bolt, Rick Brooks, Michael Cooper, David Cotter, Krishna Dandamudi, Valerie Disanto, Curtis Doughtie, Joshua Fox, Krystal Groff, Robert Irving, Sandy Jack, Daniel Lipok, Curt Mattson, Matthew Priestas, Mark Rein and Kristy Scott.

Guests:

Peter Tsengas and Sid Patel, Baker Tilly Advisory Group and Alex Syrovatka, Code3AV

The meeting convened at approximately 10 a.m.

Opening Remarks

Mr. Foster called the meeting to order and welcomed everyone to the April 23, 2026, meeting of the Audit and Compliance Committee and noted no changes or additions to the meeting agenda.

Approval of Minutes

Upon motion of Mr. Andrews, seconded by Mr. Leighty, the committee approved the minutes of the Audit and Compliance Committee meeting held on December 11, 2025.

Annual Report on Code of Ethics

Mr. Cooper provided an overview of VRS' Code of Ethics and the training provided to personnel. Mr. Cooper confirmed all eligible and available VRS staff had completed the annual code of ethics training by January 8, 2026. Mr. Brooks discussed the Investment department's Code of Ethics and Standards of Professional Conduct Policy and compliance monitoring, noting all Investment associates were in compliance as of December 31, 2025.

Ms. Schreck disclosed the results of Internal Audit's review of the VRS' Code of Ethics activities for the calendar year ended December 31, 2025, noting the review's results support the representations set forth by management. Ms. Schreck and the committee commended management on their activities in this area.

Review of Committee and Internal Audit Charters

Ms. Schreck provided an overview and the results of the previous and current reviews of the Audit and Compliance Committee and internal audit charters, noting that the current review indicated both charters remain reflective of current practices and organizational expectations.

Audit Plan Progress as of December 31, 2025

Ms. Schreck reported on the progress of the fiscal year 2026 annual audit plan as of December 31, 2025, the mid-point of the fiscal year, acknowledging one project (IT Governance) was shifted to a later period in the long-range plan to better align the planned work with ongoing organizational initiatives and one project (the limited assurance review of the annual reports on the code of ethics) has been added to fiscal year 2026 in support of the *Global Internal Audit Standards'* enhanced focus on governance.

Strategic Plan Progress as of December 31, 2025

Ms. Schreck updated the committee on the department's strategic plan, noting the progress on the initiatives included for each of the strategic plan's goals. The committee and Ms. Schreck discussed the professional standards the department follows, as well as the department's initiative related to artificial intelligence and its alignment with organizational initiatives related to artificial intelligence and its governance.

Miscellaneous Updates

Quarterly Reports on Fraud, Waste and Abuse Hotline Cases

Ms. Schreck noted there were no fraud, waste and abuse cases for the period November 1, 2025, through January 31, 2026.

Internal Audit's Review of the Cost-of-Living Adjustments

Ms. Schreck shared the meeting book included the results of Internal Audit's review of the "Cost-of-Living Adjustments (COLA)" which will be effective July 1, 2026. Ms. Schreck thanked Ms. Groff for her work in this area and noted the results were provided to the Benefits and Actuarial Committee and Board of Trustees for consideration during their February 2026 meetings to support their review and approval of these adjustments.

Management's Quarterly Travel Expense and Per Diem Reports

Ms. Schreck noted management's quarterly travel expense and per diem report was included in the meeting materials for the Audit and Compliance Committee's review.

Audit Reports

The committee received two audit reports from staff.

Audit Report 467 – Group Life Insurance and Death Processing

Mr. Priestas presented the results of Internal Audit's review of the Group Life Insurance Program and related death processing activities. The review determined group life insurance and death processes are handled timely, accurately and in accordance with established procedures and guidelines. There were no recommendations resulting from the review.

Audit Report 466 – Networking and Computing IT Infrastructure

The Committee received the results of Internal Audit's review of Networking and Computing IT Infrastructure from Ms. Scott during a closed session, in accordance with the following motions.

Closed Session Motion

Mr. Andrews moved, with a second by Mr. Leighty, that the Audit and Compliance Committee of the Virginia Retirement System Board of Trustees convene a closed meeting under the Virginia Freedom of Information Act to discuss information that describes the design, function, operation, or access control features of a security system which is used to control access to or use of an automated data processing system pursuant to the exemption contained in Virginia Code § 2.2-3711(A)(19)."

The committee approved the motion upon the following roll call vote:

Mr. Andrews – Aye

Mr. Leighty – Aye

Mr. Foster – Aye

Certification

Upon return to the open meeting, Mr. Andrews moved, with a second by Mr. Leighty, the following resolution:

WHEREAS, the Audit and Compliance Committee of the Virginia Retirement System Board of Trustees convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, § 2.2-3712 of the Code of Virginia requires a certification by this Committee that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED, that the Audit and Compliance Committee certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements under this chapter were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered by the Committee.

The committee approved the resolution upon completion of the following roll call vote:

Mr. Andrews – Aye

Mr. Leighty - Aye
Mr. Foster – Aye

Acceptance of Audit Reports

Upon motion of Mr. Leighty, seconded by Mr. Andrews, the committee accepted audit reports 466 and 467 as presented.

Next Committee Meeting Date

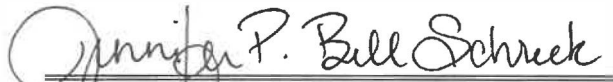
Ms. Schreck noted the next meeting of the committee is scheduled for June 9, 2026, at 1:00 p.m.

Meeting Adjournment

There being no further business, upon motion of Mr. Andrews, seconded by Mr. Leighty, the Audit and Compliance Committee adjourned the meeting at approximately 10:54 a.m.



Committee Vice Chair



Secretary