
Minutes

The Audit and Compliance Committee of the Board of Trustees met on December 11, 2025, at the Patrick Henry Building located in Richmond, Virginia. The following individuals were present.

Audit and Compliance Committee Members:

Sen. J. Brandon Bell, II, Committee Chair
J. Clifford Foster, IV, Committee Vice Chair
A. Scott Andrews, Board Chair

Other Members of the Board of Trustees:

Lawrence A. Bernert, III
Jessica L. Hood

VRS Staff:

Patricia Bishop, Andrew Junkin, Jennifer Schreck, Judy Bolt, Ty Bowers, Michael Cooper, Valerie Disanto, Curtis Doughtie, Joshua Fox, Krystal Groff, Sandy Jack, Curt Mattson, Matthew Priestas, Kristy Scott and Virginia Sowers.

Guests:

Eric Sandridge, Auditor of Public Accounts; Jacob Hodges, Encore; Alexandra Jansson, Joint Legislative Audit and Review Commission; and Daniel Lipok, Vtech.

The meeting convened at approximately 11:30 a.m.

Opening Remarks

Sen. Bell called the meeting to order and welcomed everyone to the December 11, 2025, 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. Bernert, the committee approved the minutes of the Audit and Compliance Committee meeting held on September 24, 2025.

Exit on the 2025 Annual Comprehensive Financial Report (ACFR)

Mr. Sandridge informed the committee the APA's audit work over VRS' fiscal year 2025 ACFR was in its final stages. Mr. Sandridge indicated the APA plans to issue an unmodified opinion dated no later than December 15, 2025. Mr. Sandridge noted as a part of the audit, the APA would issue a "Report on Internal Controls and Compliance" in January 2026. Results of the audit include no new recommendations but will include follow-up on a prior year recommendation, for which APA noted it was satisfied with management's corrective action and

will be reporting the recommendation as implemented. The committee discussed with Mr. Sandridge the process APA follows to select VRS staff for fraud interviews.

Entrance for 2025 Employer Assurances Review

Mr. Sandridge then provided the committee with an overview of the APA's upcoming examination designed to provide participating employers and their auditors the assurances necessary to prepare their own annual financial statements in accordance with *GASB Statements No. 68* and *No. 75*.

Mr. Sandridge noted the examination will cover the period July 1, 2024, through June 30, 2025, and the APA anticipates issuing its opinions on these matters on or about June 30, 2026. He further indicated the engagement memo would be provided to the committee at a later date.

Audit Report

The committee received one audit report from staff.

Audit Report 465 – Health Insurance Credits and Premiums

Mr. Priestas presented the results of Internal Audit's review of Health Insurance Credits and Premiums. The review determined overall, health insurance credits are valid and complete and health insurance premiums are properly withheld, remitted and recorded. There was one recommendation resulting from this review.

Acceptance of Audit Report

Upon motion of Mr. Andrews, seconded by Ms. Hood, the committee accepted audit report no. 465 as presented.

Annual Report on Internal Audit's Quality Assurance and Improvement Program

Ms. Schreck presented the results of the annual internal Quality Assurance and Improvement Program Review as of June 30, 2025, which concluded there was reasonable assurance that the Internal Audit Department generally conforms with the Global Internal Audit Standards. Ms. Schreck discussed how this is the first time the review was performed under the new standards, with the new standards being in effect starting January 2025, which covered half of the review's assessment period.

Miscellaneous Updates

Quarterly Report on Fraud, Waste and Abuse Hotline Cases

Ms. Schreck shared there were no Fraud, Waste and Abuse cases reported for the period August 1, 2025, through October 31, 2025.

Management's Quarterly Travel Expense and Per Diem Report

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.

Next Committee Meeting Date

Ms. Schreck noted the next meeting of the committee is scheduled for March 25, 2026, at 1:00 p.m.

Meeting Adjournment

There being no further business, upon motion of Sen. Bell, seconded by Mr. Andrews, the Audit and Compliance Committee adjourned the meeting at approximately 12:07 p.m.



Committee Chair



Secretary