



Audit and Compliance Committee Meeting

[1111 E. Broad Street](#)  
[West Reading Room, Patrick Henry Building](#)

Thursday, 12/11/2025  
11:30 AM - 12:30 PM ET

I. Minutes of the September 24th Meeting

*Meeting Minutes - Page 2*

II. Matters for Discussion with the Auditor of Public Accounts

*Matters for Discussion with the APA - December 2025 - Page 8*

*APA 2025 Board Update - Page 10*

A. Exit on 2025 Annual Comprehensive Financial Report

B. Entrance on the 2025 Employer Assurances Review

III. Audit Reports

A. Report 465: Health Insurance Credits and Premiums

*Audit Report and Management Response - Page 36*

IV. Results of the FY 2025 Quality Assurance Improvement Program Review

*2025 QAIP Results - Page 65*

V. Miscellaneous Updates

A. Quarterly Report on Fraud, Waste and Abuse Hotline Cases

*Fraud Waste and Abuse Report - August 1, 2025, through October 31, 2025 - Page 77*

B. Management's Quarterly Travel Expenses and Per Diem Report

*Management's Quarterly Travel Report - FY 2026 Q1 - Page 80*

VI. Next Meeting Date: Wednesday, March 25, 2026, at 1:00 p.m.

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## Minutes

The Audit and Compliance Committee of the Board of Trustees met on September 24, 2025, at the Virginia Retirement System located in Richmond, Virginia. The following individuals were present.

Audit and Compliance Committee Members:

Sen. J. Brandon Bell II, Committee Chair (*in accordance with § 2.2-3708.3(B)(3) of the Code of Virginia*)

J. Clifford Foster IV, Committee Vice Chair

A. Scott Andrews, Board Chair

Other Members of the Board of Trustees:

Lawrence A. Bernert III (*in accordance with § 2.2-3708.3(B)(3) of the Code of Virginia*)

Jessica L. Hood

VRS Staff:

Patricia Bishop, Andrew Junkin, Jennifer Schreck, Brock Bell, Judy Bolt, Dorothy Chiddo, Michael Cooper, Juanita Cribbs, Valerie Disanto, Curtis Doughtie, Antonio Fisher, Joshua Fox, Krystal Groff, Robert Irving, Sandy Jack, Jennifer Kazzie, Curt Mattson, David Porter, Matthew Priestas, Paula Reid, Mark Rein, Kristy Scott, Virginia Sowers, Scott Weaver and Leslie Weldon

Guests:

Eric Sandridge, Auditor of Public Accounts; Cathleen Davis, Arizona Public Safety Personnel Retirement System (PSPRS); and Jacob Hayes, Encore

The meeting convened at approximately 10:00 a.m.

### Opening Remarks

Sen. Bell called the meeting to order and welcomed everyone to the September 24, 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. Foster, seconded by Mr. Andrews, the committee approved the minutes of the Audit and Compliance Committee meeting held on June 17, 2025.

### Results of Independent Validation of Internal Audit's Quality Assurance Review

Ms. Cathleen Davis, Chief Auditor of Arizona's Public Safety Personnel Retirement System, presented the results of the quinquennial independent external validation of Internal Audit's quality assurance review. She concluded that the internal audit activity at VRS generally conforms with the *International Standards for the Professional Practice of Internal Auditing*, which denotes the Institute of Internal Auditors' highest rating of conformance. She commended the Internal Audit Department on the professionalism and competence of its staff.

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**Acceptance of Independent Validation of Internal Audit's Quality Assurance Review**

Upon motion of Mr. Foster, seconded by Mr. Andrews, the committee accepted the independent validation of Internal Audit's Quality Assurance Review report as presented.

**Exit on the 2024 Employer Assurances Review**

Mr. Sandridge reported the Auditor of Public Accounts (APA) has completed their Employer Assurances audit work. This audit covers the data VRS prepares and supplies to employers and their auditors to support required financial reporting over pension plans and other post-employment benefits (OPEBs) under Governmental Accounting Standards Board (GASB) Statements No. 68 and No. 75.

**Update on the 2025 Annual Comprehensive Financial Report (ACFR) Audit**

Mr. Sandridge reported the APA is progressing as planned with the annual audit of VRS' ACFR. The goal is for the audit to be finished in advance of the December 2025 Audit and Compliance committee meeting. He noted currently there are no formal findings and provided an update on the audit's staffing.

**Audit Report**

The committee received the following audit report:

**Audit Report 464 – Leverage Program**

Mr. Fox presented the results of Internal Audit's review of the Leverage Program. The review determined adequate oversight and controls exist over the Leverage Program. There was one recommendation resulting from the review.

**Acceptance of Audit Report**

Upon motion of Mr. Foster, seconded by Mr. Andrews, the committee accepted audit report no. 464 as presented.

**Limited Assurance Reviews****Agency Performance Outcomes and Operational Measures**

Ms. Schreck reported on Internal Audit's review of the Agency Performance Outcomes and Operational Measures for the fiscal year ended June 30, 2025, noting the review's results support the representations set forth by management.

**VRS' Investment Incentive Compensation**

Ms. Schreck disclosed the results of Internal Audit's review of the Investment department's proposed 2025 incentive compensation calculations for the fiscal year ended June 30, 2025. The review found all investment professionals met the eligibility requirements, and both the proposed aggregate and individual payment amounts were accurately computed in accordance with the Investment Professionals' Pay Plan.

### Advisory Services Overview

Ms. Scott provided an overview of Internal Audit's advisory services, including a discussion of the distinction between assurance and advisory engagements. She provided the committee a summary of a recently completed advisory services engagement focused on the Virginia Sickness and Disability and Virginia Local Disability Long-Term Care Programs. The committee discussed the skill set for performing advisory services, along with additional information regarding the recent engagement's scope.

### Annual Progress Reports on Internal Audit

#### Annual Report on Internal Audit Department

Ms. Schreck recognized the contributions of the Internal Audit team over the past year and discussed the various activities and projects performed over the course of the fiscal year. The committee discussed with Ms. Schreck the scope and approaches for recent assurance work performed for retiree disbursements.

During the report, Ms. Schreck explicitly confirmed to the committee the VRS Internal Audit department and its staff are organizationally independent of the activities they examine and possess the appropriate qualifications to meet the needs of the approved audit plans. She also discussed the department's conformance with the *Global Internal Audit Standards*.

#### Annual Report on the Audit Recommendation Follow-up System

Ms. Schreck highlighted the Annual Report on the Audit Recommendation Follow-Up System (ARFUS) for management as of June 30, 2025. Ms. Schreck noted ARFUS contained eight recommendations and four were represented as implemented, two of which were issued by the APA. Four recommendations were released, one with comment. As a result, there were four outstanding recommendations in ARFUS which would be monitored during FY 2026.

#### Annual Reports on FY 2025 Annual Plan and FY 2025 - FY 2027 Long Range Plan Status

Ms. Schreck then presented the annual plan results for the fiscal year ended June 30, 2025, along with the status of the long-range plan for the three years ending June 30, 2027. Ms. Schreck noted modifications have been made to the long-range plan to accommodate the changing risk environment.

### FY 2026 Annual Plan

Ms. Schreck then presented the proposed annual plan for FY 2026, noting it is derived from the long-range plan and represents the second year of the long-range plan period.

### RBA: Approval of the FY 2026 Annual Plan

Upon motion of Mr. Foster, seconded by Mr. Andrews, the committee recommended approval of the action to the full Board of Trustees.

***Request for Board Action:*** The VRS Board of Trustees approves the proposed FY 2026 Annual Plan.

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### Miscellaneous Updates

#### Quarterly Report on Fraud, Waste and Abuse Hotline Cases

Ms. Schreck shared there were no Fraud, Waste and Abuse Hotline complaints reported to Internal Audit via the Office of the State Inspector General or by any other means during the period of May 1, 2025, through July 31, 2025.

#### Management's Quarterly Travel Expense and Per Diem Report

Ms. Schreck shared management's quarterly travel expense and per diem report was included in the meeting materials for the committee's review.

#### Committee Meeting Schedule for Calendar Year 2026

Ms. Schreck provided the calendar year 2026 VRS Board and committee meeting dates.

#### Next Committee Meeting Date

Ms. Schreck noted the next meeting of the committee is scheduled for December 11, 2025, at 10:30 a.m.

### Performance Review (Closed Session)

Mr. Foster moved, with a second by Mr. Andrews, that the Audit and Compliance Committee of the Virginia Retirement System Board of Trustees convene a closed meeting in accordance with the Virginia Freedom of Information Act to evaluate the performance of the VRS Internal Audit director, pursuant to the personnel exemption at *Virginia Code § 2.2-3711(A)(1)*.

Upon return to the open meeting, Mr. Foster moved, with a second by Mr. Andrews, 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 the following roll call vote:

Mr. Andrews: Aye

Mr. Foster: Aye

Ms. Hood: Aye  
Mr. Bernert: Aye  
Sen. Bell: Aye

**RBA: Approval of Performance Bonus for Audit Director**

Upon motion of Mr. Foster, seconded by Mr. Andrews, the committee recommended approval of the action to the full Board of Trustees:

***Request for Board Action:*** *The VRS Board of Trustees approves a 7% performance bonus for the audit director payable on October 31, 2025.*

**Adjournment**

There being no further business, the Audit and Compliance Committee adjourned the meeting at approximately 11:51 a.m.

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**Committee Chair**

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**Secretary**

# Matters for Discussion with the Auditor of Public Accounts

# Matters for Discussion with the APA

## APA Exit Materials

The APA has provided a series of slides highlighting the status of the audit and addressing certain required communications.

## APA 2025 Report on Internal Control

The APA's companion Report on Internal Control and Compliance issued in conjunction with its opinion on the financial statements will be provided to the committee and Board of Trustees once finalized. Given the expected completion date for fieldwork, the APA anticipates releasing their report in January 2026.

## VRS 2025 ACFR

Due to the voluminous nature of VRS' ACFR, it is not included in the meeting materials. An unaudited draft report will be provided to the Trustees ahead of this meeting. Once finalized, the 2025 ACFR will be found on VRS' website at the following link: [Publications | Virginia Retirement System](#).

Prior year annual reports dating back to 2015 can be found [here](#).

## Exit on the 2025 VRS ACFR Audit

The Auditor of Public Accounts (APA) anticipates finalizing their opinion on VRS' Annual Comprehensive Financial Report (ACFR) no later than December 15<sup>th</sup>. As their work will be substantially complete, the APA plans to exit with the committee on December 11<sup>th</sup>. At the time of compilation of these materials, the APA's audit was in its final stages. Minor observations have been shared with management which are not expected to be included in the Report on Internal Controls.

## QUESTIONS POSED TO EXTERNAL AUDITORS WHEN EXITING

For reference purposes, a list of example questions posed to external auditors when exiting is set forth below. However, exit meetings with the APA are typically informal, with questions posed as the members of the committee see fit.

- Are there any unresolved accounting or auditing problems?
- Were there any significant adjustments to the accounting records?
- Were there any significant accounting or auditing problems encountered during the examination?
- Were there any significant changes in accounting policies or principles during the year?
- Are there any major year-to-year fluctuations in the amounts reported in the financial statements? What were the causes of the changes?
- In your review of other documents prepared by management (e.g., Department of Accounts ACFR submissions), did you identify any inconsistencies or material misstatements of fact?
- Were there any indications of financial weaknesses, which should be addressed by the committee?
- Did you detect any material errors, fraud, illegal acts or significant deficiencies or material weaknesses in the internal control system?
- Are there any pertinent comments concerning operations in general?
- Did you review information furnished to others (e.g., actuaries)?
- Did the quality and quantity of personnel involved in the preparation and control of financial information appear adequate? Did personnel seem to be fulfilling their responsibilities in a conscientious and professional manner?
- Was the level of cooperation received from management and internal audit during the examination appropriate?
- Did you have enough time to complete all phases of your audit?



## Entrance on the VRS 2025 Employer Assurances Audit

The APA will entrance with the committee on their 2025 Employer Assurances Audit. Materials relating to the entrance begin on page 14 of their presentation, which immediately follows this document. A copy of their engagement memorandum, which details the staffing, timing, scope and reports, as well as the terms of the engagement, will be discussed with management and provided to members of the committee at a later date.

For reference, a list of example questions posed to external auditors when entrancing is provided below. However, entrance meetings with the APA are typically informal, with questions posed as the committee deems necessary.

### QUESTIONS POSED TO EXTERNAL AUDITORS WHEN ENTRANCING

- Do you anticipate any substantial changes in your audit approach, scope, standards, procedures, resources allocated or other circumstances which may significantly affect your examination?
- Are there any significant changes in generally accepted accounting principles or other changes which will significantly impact your examination, our financial reporting or your opinion thereon?
- Have you identified any possible changes in the character of VRS' activities? Have these changes, if any, affected your audit approach or scope?
- Are there any special areas in which you expect to focus?
- Are there any potential restrictions on your audit scope or other matters that could affect your audit opinion?
- Do you foresee any significant problems and, if so, how will they be handled?
- Are there any issues the committee needs to be aware of or are there any areas where you require special assistance or cooperation from VRS?

### Scope

As was done for 2024, the scope of work for this year's Employer Assurances Audit will include the reporting requirements for Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions (as amended) and GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions (as amended).

The Virginia Local Disability Program (VLDP) administered by VRS will not be included in the scope due to immateriality.

### Engagement Memo

A more detailed document defining the terms of the audit engagement will be discussed with management and provided to the committee chair at a later date.



## 2025 VRS Financial Statement Audit Update

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December 11, 2025

Eric Sandridge

Auditor of Public Accounts

## Audit Status

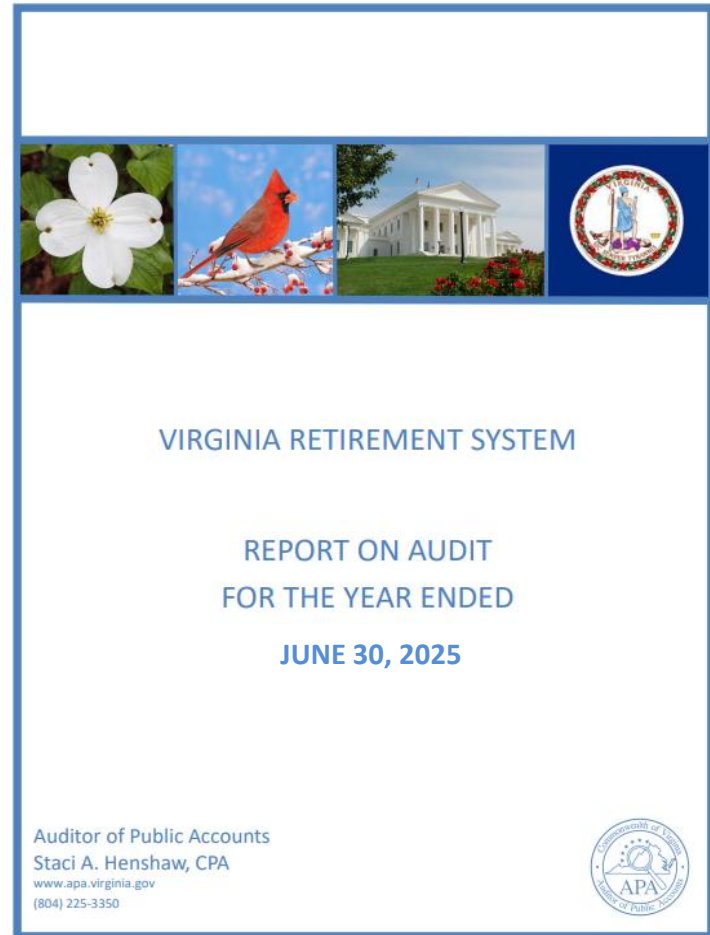
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- Audit work is in final stage
- All adjustments to the financial statements currently proposed have been discussed with management
- Anticipate issuing an unmodified opinion to be dated no later than December 15, 2025
- Anticipate issuing our report on internal controls and compliance in January 2026

# Report on Internal Controls

- **Results of Internal Control and Compliance Testing**

- No new findings to report pending final review
- Prior Year Recommendation: Improve IT Change Control and Configuration Management Process – **Complete**



# Opinion Letter: Emphasis and Other Matter Paragraphs

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- Anticipate paragraphs to be consistent with prior years
- No additional emphasis of matters or other matters expected
- Emphasizes the System's relationship to the Commonwealth
- Explains the level of audit assurance provided over comparative information

## Prior Year Emphasis of Matter and Other Matter

### *Emphasis of Matter*

#### **Relationship to the Commonwealth of Virginia**

As discussed in Note 1, the basic financial statements of the System are intended to present the financial position and the changes in financial position of only that portion of the aggregate remaining fund information of the Commonwealth of Virginia that is attributable to the transactions of the System. They do not purport to, and do not, present fairly the Commonwealth of Virginia's overall financial position as of June 30, 2024, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### *Other Matter*

#### **Report on Summarized Comparative Information**

We have previously audited the System's 2023 financial statements, and we expressed an unmodified audit opinion on the respective financial statements in our report dated December 14, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## Audit Adjustments

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- No material adjustments proposed to the financial statements pending final review
- No uncorrected misstatements remain pending final review

## Fraud and Illegal Acts

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- Audit team assessed the risk of fraud through a collaborative brainstorming process
- Audit team conducted interviews of employees throughout the agency asking about known or suspected fraud and fraud opportunities
- Audit team exercised professional skepticism throughout engagement
- **No fraud or illegal acts were identified as a result of the audit**

## Significant Accounting Policies and Estimates

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- No significant changes in accounting policies (See Note 1 in the Annual Report)
- Significant estimates include:
  - Fair value & Option Adjusted Duration of Investments
  - Actuarially determined amounts
- Audit team evaluated estimates and found them to be reasonable and fairly presented



# Substantive Audit Approach to Fair Value

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Evaluation of pricing methodologies used by master custodian (BNY Mellon)

Fair Value Levels 1 & 2

Fair Value Level 3 & NAV

Analytical  
procedures

Comparisons of  
pricing to market  
quotes or  
secondary pricing  
vendors

Reviewed audited  
financials and  
manager  
statements

Reperformed roll-  
forward  
procedures as  
applicable

- See VRS Annual Report for detailed information relating to fair value

# Audit Approach to Actuarial Amounts

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# Census Data Responsibilities

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## Employers

- Responsible for accuracy of active member data
- CPA firms examine census data for local government



- Responsible for maintenance of inactive member data
- Ensures confidentiality, integrity, and availability of all census data in its custody
- Ensures accurate accumulation of data to the actuary



- Audits active member data for state employers
- Reviews active member data results for local government
- Audits inactive member data at the plan
- Audits plan's accumulation of data to the actuary

# Employer Audit Results - Active Member Data

## Local Employers

- Examination reports received covering 446 employer codes on myVRS Navigator (VNAV) data and related controls.
- 91% coverage of creditable compensation across plans.
- 100% include unmodified opinions
- 70 (0.6%) total errors in samples of census data across plans

## State Employers

- 13 audits have reported results
- 3 exceptions to certain data elements out of 363 (0.8%) members tested
- Two internal control deficiencies reported related to VNAV reconciliations and segregation of duties

- See Actuarial Section in VRS Annual Report for additional information on actuarial amounts and assumptions

## Additional Audit Results

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- Our audit identified:
  - Proper treatment of accounting principles
  - No material alternative accounting treatments
  - No significant accounting policies in controversial or emerging issues
  - No significant unusual transactions
  - No significant disagreements with management



# Future Focus: Standards

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## Accounting

- **GASB Statement 103** – Financial Reporting Model Improvements (*Effective fiscal year 2026*)
- **GASB Statement 104** – *Disclosure of Certain Capital Assets (Effective fiscal year 2026)*

## Auditing

- **Proposed Statement on Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements** (Exposure Draft)
- **Proposed Statement on External Confirmations** (Exposure Draft)



## 2025 Employer Audit Assurances

*Employer Resources to Comply with GASB Statements 68 and 75*

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December 11, 2025

Eric Sandridge

Auditor of Public Accounts

# Audit Logistics

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- Timing:
  - Audit Period: July 1, 2024 – June 30, 2025
  - Audit Timing: February, 2026 – July, 2026
- Audit Team:
  - Eric Sandridge (Project Manager)
  - Jeff Finke (Co-In-Charge)
  - Gracie Davidson (Co-In-Charge)
  - Audit Staff
- Timing of staff auditors anticipated to align with planned availability of actuarial schedules



# Our Team

**Eric Sandridge**



**Jeff Finke**



**Gracie Davidson**



**TBD**

## **Deputy Auditor**

- 17 years experience
- Final reviewer of VRS reports for several years
- CPA, CISA, CGFM, and Masters in Data Analytics

## **Manager**

- 13 years experience
- CPA
- Specialty Focus: Higher Education

## **Supervisor**

- 5.5 years experience
- 2 years experience with VRS
- CPA
- Specialty Focus: Reporting & Standards

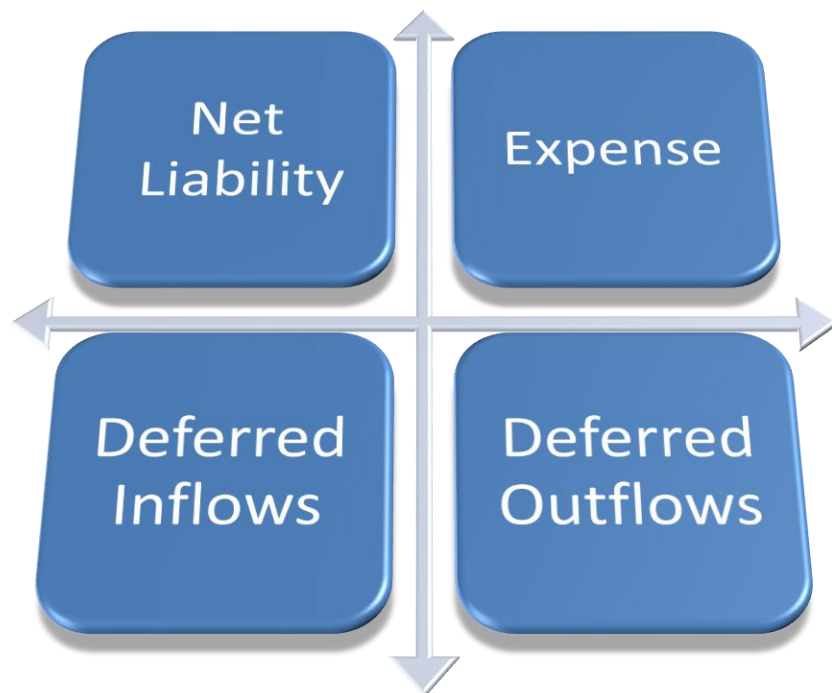
## **TBD**

- 2 or 3 additional staff auditors will be assigned at a later date

# Cost Sharing APA Audit Assurances

- Provide opinion on Pension/OPEB amounts at plan level

- Provide opinion on employer allocation percentages



Virginia Retirement System  
VRS Teacher Retirement Plan  
Schedule of Employer Allocations  
For the Plan Year Ended and Measurement Date of June 30, 2024

Employer Code	Employer	Employer Contributions	Employer Allocation Percentage
40100	Accomack County School Board	\$ 4,941,675	0.23239%
40101	Albemarle County Schools	21,351,089	1.26591%
40102	Alleghany Highlands Public Schools	3,087,777	0.18308%
40103	Amelia County School Board	1,699,142	0.10074%
40104	Amherst County School Board	4,734,012	0.28068%
40105	Appomattox County School Board	2,403,749	0.14252%
40106	Arlington Public Schools	60,739,321	3.60126%
40107	Augusta County School Board	11,754,526	0.69693%
40108	Bath County School Board	801,692	0.04753%
40109	Bedford County School Board	9,785,177	0.58017%
40110	Bland County School Board	712,990	0.04227%
40111	Botetourt County Schools	5,301,630	0.31434%
40112	Brunswick County Public Schools	1,369,452	0.08120%
40113	Buchanan County School Board	2,338,176	0.13863%
40114	Buckingham County School Board	2,245,980	0.13316%
40115	Campbell County School Board	8,101,566	0.48034%
40116	Caroline County School Board	4,292,160	0.25448%
40117	Carroll County School Board	4,055,743	0.24047%
40118	Charles City County School Board	791,606	0.04693%
40119	Charlotte County School Board	3,015,614	0.17880%
40120	Chesterfield County School Board	70,504,375	4.18023%
40121	Clarke County School Board	2,407,324	0.14273%
40122	Craig County School Board	641,754	0.03805%
40123	Culpeper County School Board	9,248,796	0.54836%
40124	Cumberland County School Board	1,612,566	0.09561%
40125	Dickenson County School Board	1,941,188	0.11509%
40126	Dinwiddie County School Board	4,807,448	0.28504%
40128	Essex County Public Schools	1,265,690	0.07504%
40129	Fairfax County Public Schools	295,583,835	17.52525%

## Cost Sharing Plans under Audit

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- Teacher's Pension Plan
- State Pension Plan
- Teacher's Retiree Health Insurance Credit
- State Retiree Health Insurance Credit
- Group Life Insurance (GLI)
- Virginia Sickness and Disability Program (VSDP)
- Line of Duty Act (LODA)
- Virginia Local Disability Program (VLDP) will not be audited due to immateriality

## Agent Multiple Plans under Audit

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- Political Subdivision Pension Plans
- Political Subdivision Retiree Health Insurance Credit
- The following Retiree Health Insurance Credit Plans will not be audited due to immateriality:
  - Constitutional Officers
  - Registrars
  - Social Services Local Employees

# Agent Multiple Plan APA Assurances

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Provide opinion on proper accumulation of census data by the plan

Provide opinion on fair presentation of changes in fiduciary net position by employer

Net liabilities are the residual balance of total liabilities and fiduciary net position

Total Pension Liability

Less: Fiduciary Net Position (FNP)

Net Pension Liability

Total OPEB Liability

Less: Fiduciary Net Position (FNP)

Net OPEB Liability

## Examination Opinion – Census Data

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- Examination reports will include management assertions defining significant census data fields accumulated to the actuary
- Two separate reports and opinions will be issued for pension and OPEB census data
- Examination opinions will attest to management's assertion
- Employer information may be provided in two batches – pensions followed by OPEBs

## Internal Controls Report

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- We will not issue a separate internal controls report for this engagement
- Any significant internal control deficiencies will be reported to the Committee in a timely manner and included in the internal controls report for the FY 2026 financial statement audit

## Audit Billing for Employer Assurances

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- APA will bill VRS for work performed in accordance with existing memorandum of understanding (MOU)
- MOU instructs APA to bill for actual hours worked not to exceed \$259,500 unless mutually agreed to in advance
- APA has not previously exceeded the maximum and does not anticipate excesses for fiscal year 2025



## Terms of the Engagement

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A more detailed document defining the terms of the audit engagement will be discussed with management at a later date. We will ask that management provide written agreement to the terms and copy the Chairman of the Audit and Compliance Committee on the response.

## Intended Use Statement

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***This presentation is intended solely for the information and use of those charged with governance and management, and is not intended to be, and should not be, used by anyone other than these specified parties.***

# Audit Reports

# Health Insurance Credits and Premiums

April 1, 2025 Disbursements

Highlighting VRS Core Values: *Integrity*, *Teamwork*, *Accountability* and *Agility* in Action

THIS REPORT IS INTENDED SOLELY FOR THE USE OF THE VRS BOARD OF TRUSTEES AND THE MANAGEMENT OF VRS AND IS NOT INTENDED FOR OTHER PURPOSES.



## TRANSMITTAL LETTER

October 29, 2025

### TABLE OF CONTENTS

TITLE PAGE	1
TRANSMITTAL LETTER	2
EXECUTIVE SUMMARY	3
BACKGROUND	4
SCOPE AND METHODOLOGY	13
CONCLUSIONS	16
FOLLOW-UP ON PRIOR REPORTS	21
RECOMMENDATIONS	22
MANAGEMENT EXIT CONFERENCE	24
REPORT DISTRIBUTION	25
PRINCIPAL AUDITOR IN-CHARGE	25

Dear Members of the Audit and Compliance Committee,

We have completed audit number 465, "Health Insurance Credits and Premiums." The primary purpose of our audit was to verify the validity and accuracy of the retiree health insurance premiums withheld from retirees' benefits, the transfer of such withholdings to the appropriate parties and the validity and accuracy of health insurance credits paid by VRS.

We conducted our audit in accordance with the *International Standards for the Professional Practice of Internal Auditing*. These standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for the conclusions based upon our audit objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

This report was distributed to the VRS Director and members of management for review and comment. Management expressed substantial agreement with our report and will issue a written response to the included recommendation.

We appreciate the cooperation and assistance of the Health Benefits, Managed Disabilities Programs, Line of Duty Act and Finance departments throughout this review.

Respectfully Submitted,

A handwritten signature in black ink that reads 'Jennifer P. Bell Schreck'.

**Jennifer P. Bell Schreck, CPA, CISA, PMP**  
Audit Director

## EXECUTIVE SUMMARY

We conducted an examination of VRS' health insurance credit and premium processes for the benefit disbursement date of April 1, 2025.

VRS' Health Benefits department supports two primary functions. The first is to administer the health insurance credit (HIC) benefit, a non-taxable reimbursement to eligible retirees, which assists with the cost of health insurance coverage during retirement.

For a retiree to receive a HIC reimbursement, the retiree must have accumulated 15 or more years of creditable service under a VRS managed defined benefit plan, an optional retirement plan or a combination of the preceding. The retiree must also be enrolled and paying a premium for health insurance coverage.

The second function of the Health Benefits department is to withhold health insurance premiums from retirees who are enrolled in an employer-sponsored health plan (either the State Retiree Health Benefits Program or a non-state employer-sponsored health plan). Of note, the Department of Human Resource Management (DHRM) serves as the program owner and responsible agency for the State Retiree Health Benefits Program. DHRM implemented a new system, Cardinal HCM, in 2022, which necessitated adjustments to VRS processes since our last review of this area.

Our review determined:

- Health insurance credits are valid and paid only to eligible retirees.
- Health insurance premium withholdings are accurate and complete.
- VRS' financial records of transactions related to health benefit activities are reasonable.
- Business processes are supplemented with proper controls and access to the VNAV and Cardinal HCM systems is appropriate, following the principle of least privilege.

The implementation of Cardinal HCM and resulting adjustments to VRS' health insurance premium administration process highlighted opportunities to reevaluate the Health Benefits area. We discuss an opportunity to assess the department's resources and formally capture the relationship between VRS' Health Benefits department and DHRM in the Recommendations section of the report.

### SNAPSHOT

For the **April 1, 2025**, benefit **disbursements**, VRS paid **\$15.7 million** in **Health Insurance Credits** to retirees.

VRS withheld **\$17.1 million** in **health insurance premiums** from retiree benefits and **remitted these withholdings** to appropriate **state** and **non-state** benefit **administrators**.

### AUDIT ASSESSMENT

**Overall, health insurance credits are valid and complete and health insurance premiums are properly withheld, remitted and recorded.**

**However, some concerns exist over the accuracy of certain health insurance credit payments and the staffing capacity of the department.**

**Written Recommendations: 1**

## BACKGROUND

### INTRODUCTION

#### Health Insurance Credit Program

The Health Insurance Credit (HIC) Program was established by the General Assembly on January 1, 1990. This post-employment benefit is designed to assist retirees with the ongoing cost of their health insurance (HI) in retirement. Eligibility for this program was extended to non-state employer retirees over time; specifically, to retired teachers and to retired employees of participating political subdivisions on July 1, 1993; to retired constitutional officers, retired employees of constitutional officers and retired local social service employees on July 1, 2004; and to retired registrars or retired employees of registrars on July 1, 2005.

As applicable, the program also covers disability retirees, Virginia Sickness and Disability Program (VSDP) long-term disability (LTD) participants and retired state employees participating in an optional retirement plan (ORP), as well as participants receiving benefits under the Line of Duty Act (LODA). Further, beginning January 1, 2014, Virginia Local Disability Program (VLDP) participants were also covered during LTD, if their employer elected to participate in the HIC Program.

#### State and Non-State Employer Retiree Health Insurance Program Premium Support

State employees who retire may continue their HI coverage into retirement by participating in the State Retiree Health Benefits Program administered by DHRM. Similarly, depending upon the benefits offered by their participating non-state employers, non-state employment retirees may also be able to continue their HI coverage into retirement by participating in their employer-sponsored post-retirement HI plan.

VRS supports the administration of these state and non-state retiree HI benefits by withholding each retiree's applicable premium from their monthly retirement benefit payment and remitting such withholdings to the respective employer's retiree HI program administrator.

#### ***Code of Virginia § 51.1 1400 § 51.1 1403***

The Commonwealth shall provide a credit toward the cost of health insurance coverage, referred to as the Health Insurance Credit, for retired state employees, teachers, local government employees, school division employees other than teachers, constitutional officers and their employees, general registrars and their employees and local social service employees.

*"Eligibility for the credit and payment for the credit shall be determined in a manner prescribed by the Virginia Retirement System."*

#### ***Code of Virginia § 2.2 1204***

DHRM is responsible for "health insurance coverage for employees of local governments, local officers, teachers, and retirees, and the dependents of such employees, officers, teachers, and retirees."

## HEALTH INSURANCE CREDIT PROGRAM BENEFIT

As a cost-offset based benefit, rather than an income generating benefit, the HIC provides ongoing financial protection to retirees, like a service retirement or life insurance benefit.

While modest relative to other post-employment benefits, for the April 1, 2025, disbursement, the HIC benefit offset an average of 49 percent of retirees' HI premiums (deducted or self-reported).

The HIC benefit amount is set by the General Assembly based on the years of creditable service at retirement. The benefit applies only to the retiree's portion of their HI premium and cannot exceed the maximum amount established by the General Assembly or the actual HI premium.

To be eligible, the member must have accumulated 15 or more years of total covered or combined service or be retiring under disability with an employer who participates in the HIC Program. Survivors of beneficiaries receiving VRS benefits are not eligible for this credit.

A member must also be paying for a qualifying health plan to be eligible. Examples include an employer-sponsored plan such as the Commonwealth of Virginia Health Benefits Program, or a supplemental policy for specific illnesses, direct primary care arrangements, Medicare plans or individual policies purchased through private insurers. The schedule below and on the following page highlights the HIC Program benefits provided across each eligible retiree population. Non-state employers generally must elect to provide the HIC benefit.

A health insurance credit is a non taxable benefit paid as a reimbursement.

This reimbursement may cover only the retiree's portion of the premium.

It cannot be used to offset their spouse's premium.

### Eligible Retiree Groups

	State, including ORP	Teachers	Non teacher School Division Employees <sup>(5)</sup>	Enhanced Non teacher School Division	Political Subdivision, Local Officers, Social Service Employees and Registrars <sup>(4)</sup>	Enhanced Local Officers, Social Service Employees and Registrars	Constitutional Officers and Employees	Enhanced Constitutional Officers and Employees
<b>Service Retiree Benefit</b>								
Minimum Monthly Credit per Month <sup>(2)</sup>	\$63.75	\$60.00	\$22.50	\$37.50	\$22.50	\$37.50	\$26.25	\$41.25
Maximum Monthly Credit per Month <sup>(3)</sup>					\$45.00	\$75.00	\$52.50	\$82.50



### Eligible Retiree Groups

State, including ORP	Teachers	Non teacher School Division Employees <sup>(5)</sup>	Enhanced Non teacher School Division	Political Subdivision, Local Officers, Social Service Employees and Registrars <sup>(1)</sup>	Enhanced Local Officers, Social Service Employees and Registrars	Constitutional Officers and Employees	Enhanced Constitutional Officers and Employees
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### Disability Retiree Benefit

Monthly Credit Amount	Greater of \$120 or \$4.25 per year of service	\$4 multiplied by the smaller of: twice the member's years of service or the years of service the member would have at age 60	\$1.50 multiplied by the smaller of: twice the member's years of service or the years of service the member would have at age 60.	\$2.50 multiplied by the smaller of: twice the member's years of service or the years of service the member would have at age 60.	\$45.00	\$75.00	\$52.50	\$82.50
Minimum Monthly Credit per Month <sup>(2)</sup>	\$120.00	-	\$45.00	\$75.00	\$45.00	\$75.00	\$52.50	\$82.50
Maximum Monthly Credit per Month <sup>(3)</sup>	-	-	-	-	\$45.00	\$75.00	\$52.50	\$82.50

### VSDP and VLDP Long-Term Disability Participants Benefit

Monthly Credit Amount	Greater of \$120 or \$4.25 per year of service	Greater of \$120 or \$4 per year of service	\$45.00	\$75.00	\$45.00	n/a <sup>(4)</sup>	\$52.50	\$82.50
Minimum Monthly Credit <sup>(2)</sup>	\$120.00	\$120.00	\$45.00	\$75.00	\$45.00	n/a <sup>(4)</sup>	\$52.50	\$82.50
Maximum Monthly Credit <sup>(3)</sup>	-	-	-	-	\$45.00	n/a <sup>(4)</sup>	\$52.50	\$82.50

<sup>(1)</sup> Non-state employers must elect to offer the HIC for their retirees to receive the benefit. However, upon certification of employment for Health Insurance Credit eligibility, constitutional officers and their employees, general registrars and their employees, and local social service employees receive a HIC, regardless of the political subdivision's election. (A political subdivision may also elect to enhance the HIC coverage for their retirees by providing an additional benefit amount of \$1.00 per year of service. Currently, only two employers, Pittsylvania County and the City of Roanoke, have elected this option.)

<sup>(2)</sup> "Minimum Monthly Credit" signifies the minimum amount an individual is eligible to receive if recipient has verified HI coverage paid of at least this amount. If the HI premium is less than the minimum monthly credit, the individual receives reimbursement only for the premium actually paid.

<sup>(3)</sup> "Maximum Monthly Credit" signifies the maximum amount an individual is eligible to receive if recipient has verified HI premiums paid of at least this amount.

<sup>(4)</sup> Currently, there are no VLDP participating employers electing to offer enhanced HIC coverage, hence these areas are referenced as not applicable (n/a).

<sup>(5)</sup> Non-state employers must elect to offer the HIC for their retirees to receive the benefit. However, upon employer certification, non-administrative employees in a school's political subdivision plan receive a HIC, regardless of the political subdivision's election. (A political subdivision may also elect to enhance the HIC coverage for their retirees by providing an additional benefit amount of \$1.00 per year of service. Currently, only thirteen employers have elected this option. See the table on the following page.)

#### SCHOOL DIVISIONS ELECTING ENHANCED HIC

Fauquier County School Board	Wise County School Board
Fluvanna County Public Schools	Williamsburg-James City County Schools
Grayson County School Board	Manassas City Public Schools
Nelson County Public Schools	Newport News Public Schools
Richmond County School Board	Roanoke City School Board
Stafford County School Board	City of Salem Schools
Westmoreland County School Board	

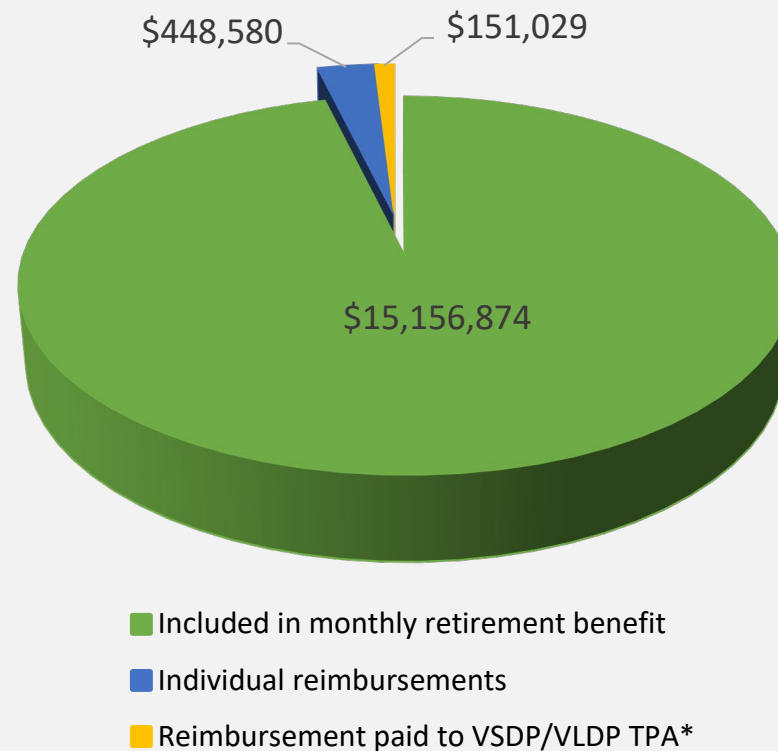
#### HEALTH INSURANCE CREDIT REIMBURSEMENT DISTRIBUTION METHODS

HIC reimbursements are distributed to eligible retirees based on their type of retirement.

- For retirees receiving a monthly retirement payment from VRS, the HIC is simply added to the retirement benefit amount.
- For retirees not receiving a monthly retirement payment from VRS, a separate monthly payment is sent. (i.e., Optional Retirement Plan retirees, disability retirees receiving worker's compensation in an amount fully offsetting their VRS benefit, or retirees who chose the advance pension retirement payment option that reduced their monthly annuity to zero upon reaching Social Security age)
- For VSDP and VLDP LTD participants, HIC reimbursements are paid to the VSDP/VLDP third-party administrator (TPA) for inclusion in their monthly benefit amount.
- For LODA participants, HI premiums are paid directly by the LODA Fund or by the employer, if the employer is not a LODA participating employer. Therefore, the applicable HIC reimbursements are transferred annually from the Retiree HIC Trust Fund to reimburse the LODA Fund or the non-LODA participating employer.

The chart on the following page highlights the distribution methods for the \$15,756,483 HIC reimbursements paid on April 1, 2025, to the members of the first three retirement groups listed above.

### HIC Distribution Methods



*\*The VSDP/VLDP TPA reimbursement was paid on March 25, 2025.*

As LODA participant HIC reimbursements are paid annually, they are not included in the above chart which reflects the monthly payment behavior. For fiscal year 2024, LODA participants were eligible for a total \$646,164 of HIC reimbursements which included transfers from the Retiree HIC Trust Fund to the LODA Fund of \$500,608, and \$145,556 to non-LODA participating employers on June 30, 2025.

## HEALTH INSURANCE CREDIT TRUST FUND

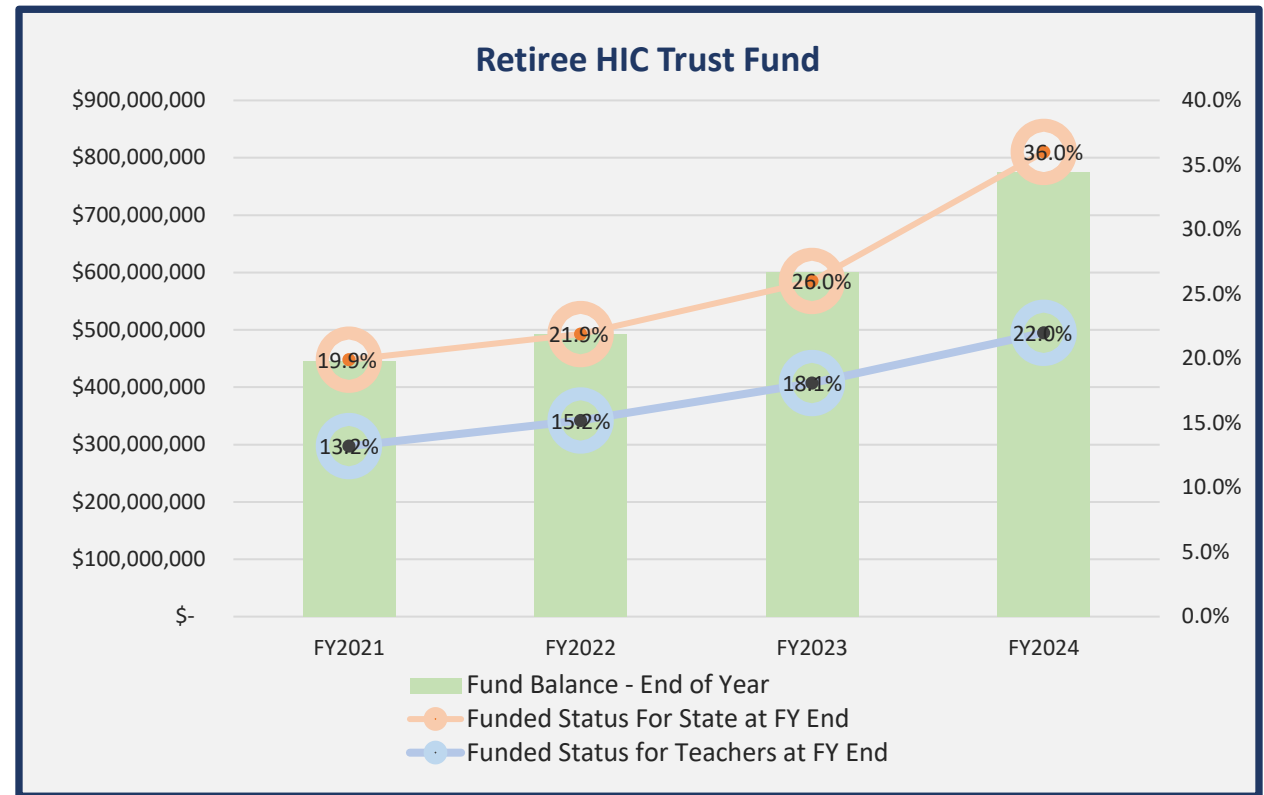
The HIC Program is funded through actuarially determined employer contributions to the Retiree HIC Trust Fund and investment returns. The resources within the Retiree HIC Trust Fund cover the HIC reimbursement benefit and operating expenses of the program overall.

The chart below shows the Retiree HIC Trust Fund's year-end balances and corresponding funded status over the four most recent fiscal years. The contribution rates for FY 2024 and FY 2025 are also presented.

### FY 2024-2025 EMPLOYER CONTRIBUTION RATES

State	1.12%
Teachers	1.21%
Political Subdivisions	0.36%*
Constitutional Officers	0.36%
Social Services Employees	0.37%
Registrars	0.32%

\* This rate signifies the average contribution rate since separate and unique HIC rates are calculated for each political subdivision.



Prior to 2012, the General Assembly did not consistently fully fund the actuarially recommended and Board of Trustees approved contribution rates for VRS' various pension and post-employment programs. However, in 2012 the Governor and General Assembly implemented a phased-in approach to fully fund VRS retirement contribution rates by the 2018-2020 biennium,

*Health Insurance Credits and Premiums* Pg. 9 of 25

Expenses associated with health insurance premium activities are charged to VRS' Administration Trust Fund rather than the Retiree HIC Trust Fund. At fiscal year-end these expenses are allocated to the VRS Trust Fund.

followed by a commitment to always fully fund such rates. Since the commencement of this initiative for retirement benefits, the Governor and the General Assembly have instituted a similar, but non-statutorily binding, approach for the other post-employment programs like HIC.

The funded status of the Retiree HIC Trust Fund has grown consistently from 10.7% for state and 9.1% for teachers since fiscal year 2019, when we last reviewed this area, compared to 35.1% and 21.8% as of fiscal year 2024. The HIC Program's funded status will continue to improve slowly over time, provided the General Assembly continues to fully fund VRS' actuarially recommended and Board approved rates.

## HEALTH INSURANCE PREMIUMS FOR STATE RETIREES

As previously noted, DHRM serves as the plan sponsor for the State Retiree Health Benefits Program, establishing the guidelines for this insurance program, selecting the carriers, handling all negotiations and remitting payments to the carriers. Retired state employees receiving either a service or disability retirement benefit and state employees on LTD through VSDP are eligible to enroll in DHRM's State Retiree Health Benefits Program.

### Enrollment of Eligible Retirees (including Disability Retirees)

If elected by the retiree or the VSDP LTD participant, VRS' Health Benefits department is *accountable* for their initial enrollment along with their spouse and dependent(s), as applicable, in DHRM's system supporting the State Retiree Health Benefits Program. The department also maintains retiree changes in their health insurance coverage and responds to their questions regarding coverage.

### Enrollment of VSDP LTD Participants

Enrollment and processing of VSDP LTD participants who choose to participate in the State Retiree Health Benefits Program occurs at two points during their participation in the program:

At transition from short-term to LTD claim status

- The Health Benefits department enrolls them into the State Retiree Health Benefits Program.
- VRS' Managed Disabilities Program Administrator provides the HIC form to the member and processes their enrollment upon receipt.

When the LTD claim is closing due to max duration limitations of the LTD program  
(Age 65 for most members)

- VRS' Managed Disabilities Program department provides retirement packets which includes the HI enrollment and HIC forms.
- If the member elects to retire and returns the documents, VRS processes both enrollments.

### Retiree Health Benefit Program Systems and Process Management

In 2022, DHRM implemented Cardinal HCM (Cardinal) to manage and track retiree HI benefits, replacing the Benefit Eligibility System (BES). Due to Cardinal's design, VRS assumed responsibility for administering each state retiree's initial HI selection previously handled through BES by the retiree's pre-retirement employer. A bi-directional interface was established between Cardinal and VNAV, VRS' member and retiree administrative system, to pass retiree information.

When a member submits their application for service retirement, disability retirement, or a member is enrolled into long-term disability (LTD) by the Health Benefits department, the relevant data is entered into VNAV, either electronically or manually. Once received, the information is validated and assigned to a VNAV workflow for processing by the appropriate unit—service retirement, disability retirement or managed disability. After approval, the member's record remains in VNAV until the retirement or LTD effective date. On that date, VNAV transmits the member's information to Cardinal for enrollment through the bi-directional interface.

The VRS Health Benefits department is responsible for managing the member's record in Cardinal. Health Benefits personnel enter HI enrollment in Cardinal, including premium details. Cardinal then transmits the retiree's HI premium data back to VNAV, where VRS staff continue to manage the remaining health benefit processes.

If a retiree changes their effective date or if the interface fails to correctly transition a record to Cardinal, Health Benefits personnel must intervene by submitting and tracking support tickets or by performing manual corrections in Cardinal or VNAV to ensure the member's record is accurately created or updated.

During this same implementation period, VRS enhanced the myVRS portal to allow retirees to electronically submit applications for HIC benefits and manage their ongoing HIC payments online. While digital submission is encouraged for its convenience and efficiency, paper forms remain available for retirees who prefer traditional methods.

## HEALTH INSURANCE PREMIUMS FOR NON-STATE EMPLOYER RETIREES

Like DHRM, non-state employers serve as the plan administrators for their individual employer-sponsored HI plans, establishing the plan guidelines, selecting the carrier(s), negotiating and remitting the monthly premiums to their carriers. The retirees (and their spouses and dependents depending on the plan) of these non-state employers are eligible to enroll in their employer-sponsored HI plan. Spouses and dependents may continue their HI coverage upon the death of such retirees subject to each employer's plan guidelines.

The retirees' pre-retirement employers are responsible for their initial enrollment. Unlike state retirees, each plan administrator (non-state employer) is responsible for processing any matters and answering any questions pertaining to HI coverage, including requested changes to individual coverages.

Non-state employees receiving LTD in VLDP may also participate. Enrollment and processing of VLDP LTD participants into employer-sponsored HI plans is handled by each member's respective employer.

## WITHHOLDING AND REMITTANCE OF HEALTH INSURANCE PREMIUMS

VRS is *accountable* for withholding HI premiums from the retirement benefit payments provided the below conditions are met. First, for state retirees, the retiree must be a participant in the State Retiree Health Benefits Program sponsored by DHRM. For non-state retirees, their pre-retirement employer must have an agreement with VRS authorizing the deduction.

Second, for both state and non-state retirees, the monthly retirement benefit must be sufficient to cover the HI deduction. VRS remits collected premiums monthly to the various plan insurance carriers or employers. However, if the retiree's monthly benefit is not sufficient to cover the insurance deduction, then the retiree will be billed directly by their respective HI provider. Likewise, VSDP and VLDP LTD participants are billed directly by their respective insurance carrier for their monthly premiums.

### HI PREMIUMS

For the April 1, 2025, retirement disbursement, VRS withheld \$17.1 million in premiums.

\$14.1 million were withheld for the State Retiree Health Benefits Program

\$3.0 million were withheld for 57 active non state employers

## DATA QUALITY

In 2024, VRS created a data quality office to establish a dedicated task force aimed at improving overall data quality within VRS administrative systems relating to member, retiree and beneficiary data. The mission of this unit is *“to enhance the accuracy, completeness, timeliness, usability and reliability of data used in the delivery of benefits and services across the VRS Administration Team based on the business impacts and risks.”* While this program is still in its infancy, this structure will be a driver for future enhancements and continuous improvement.

This department’s second major project, initiated in early calendar year 2025, was to review and create a HIC data quality dashboard for the Health Benefits area to use to continuously improve its data and identify anomalies. As of the time of this review, the HIC dashboard had been created and was in the process of being tested, with implementation expected in the near future.

Data quality programs are designed to routinely monitor, maintain and ensure data quality across a system, helping to lower operational risk, improve programmatic decision making and ultimately enhance member experience and satisfaction.

VRS should be commended for their efforts to improve and ensure the ongoing quality of the data used to support this and the other benefit programs VRS manages.

## SCOPE AND METHODOLOGY

The primary purposes of our examination were to:

- Determine if HIC payments are valid and paid only to eligible retirees.
- Determine whether HI premiums withheld are accurate and complete.
- Validate VRS’ financial records of transactions related to health benefit activities are reasonable.
- Ascertain whether business processes are supplemented with proper controls and access to VNAV and Cardinal systems is appropriate and follows the principle of least privilege.

### SCOPE EXCLUSIONS

Activities surrounding service and disability retirement application processes are exempt from this review as they were either recently reviewed or will be reviewed in an upcoming examination.



### STATE EMPLOYEE SPOUSE OR DEPENDENT ELIGIBILITY

In the event of a state employee retiree's death and depending on the circumstances, spouses and dependents may participate in the State Retiree Health Benefits Program.

If the decedents were already enrolled at the time of death, coverage in the program may continue for the spouse or dependents.

If decedent is not enrolled in the program at the time of death, but survivor benefit option was selected at retirement, their spouses and dependents may enroll in the State Retiree Health Benefits Program even if they were not previously covered.

## GENERAL ASSESSMENT AND UNDERSTANDING

We obtained a general understanding of the HIC Program and HI premium processes as well as the related controls by meeting with key individuals. We reviewed the Health Benefits department's regular tasks including applicable policies and procedures and other relevant documents, such as the *Code of Virginia* and VRS employer manuals, to support our understanding. We also requested the memorandum of understanding or agreement between VRS and DHRM from both parties to understand VRS' responsibilities within the retiree HI program.

## HEALTH INSURANCE CREDIT TRANSACTIONS

We assessed if VRS was regularly communicating to HIC recipients their responsibility to notify VRS of any changes to the retiree's HI premiums. We also determined if VRS had created a policy establishing a regular timeline for reverification of HI premiums data to assess the retirees' continued eligibility for the HIC benefit and the benefit's accuracy.

To validate compliance and controls over the HIC transactions, the April 1, 2025, retirement disbursements (containing 251,557 payments) were evaluated. All payments were examined to validate:

- Retiree eligibility to participate in the HIC Program based on employer or position.
- No ineligible survivors received HIC payments.
- No duplicate payments existed. (*Exceptions were reviewed for reasonableness*)
- Retirees received their personal maximum HIC allowable. (*Recipient payments noted which exceeded program maximums or appeared unusual were reviewed in detail.*)

We also obtained the VSDP/VLDP disbursements for March 25, 2025, which contained 1,314 payments. We evaluated this population and took a sample of 25 payments containing HIC reimbursements. We then examined each reimbursement to validate the claimant's eligibility, and the amount paid was reasonable based on documentation received by the third-party administrator.

Further, we reviewed LODA recipients for April 1, 2025, identifying 622 payments. We evaluated this population and took a sample of 25 individual payments due a HIC payment, confirming the HIC amount was captured and transferred to the LODA Trust Fund or, if applicable, the non-LODA Fund participating employers. We then examined each to determine if the individual was eligible

to receive HIC and whether the credit calculated was accurate. Finally, we reviewed the total amounts transferred to the LODA Trust Fund and non-LODA Fund participating employers for accuracy.

### **HEALTH INSURANCE PREMIUMS WITHHELD**

In correlation with the claims reviewed in detail during HIC population testing, the accuracy and validity of HI deductions was also reviewed. For those individuals, we ensured they had enrolled in the health benefit plan and, as applicable, authorizing agreements for VRS to deduct the HI premiums were on file. Additionally, we validated amounts withheld were accurate and the HIC reimbursement did not exceed HI premiums paid. Control processes were also reviewed to ensure all HI premiums are accurately withheld and completely remitted to the appropriate employers.

### **VRS FINANCIAL RECORDS**

We determined the validity and accuracy of VRS financial records surrounding activities of the Health Benefits department.

VNAV transactions were examined for the April 1, 2025, disbursement and compared to transactions recorded in VRS' general ledger. Specifically, HI premium transactions were reviewed to ensure funds were accurately recorded and properly remitted to either DHRM or other applicable non-state employer plan administrators. HIC benefits paid through the April 1, 2025, retirement disbursements, HIC transfers to the LODA Trust Fund or non-LODA Fund participating employers and the VSDP/VLDP disbursement were also reviewed to ensure amounts remitted were accurately recorded in the general ledger.

Finally, the Retiree HIC Trust Fund was evaluated to determine whether the Trust was used exclusively for appropriate and approved HIC benefits, including expenses and allocations of administrative fees related to the management of the program. A trend analysis on the activity in the Retiree HIC Trust Fund was developed and reviewed for reasonableness.

### **DATA QUALITY**

We determined if VRS had created an overall data quality process for Health Benefits data. We reviewed the scope of these monitoring practices and future plans to ensure Health Benefits data continued to be accurate and the system was functioning as intended.

## **ACCESS MANAGEMENT**

Finally, we examined VRS employees' logical access to VNAV related to HIC and HI management and to DHRM's Cardinal system for compliance with the principle of least privilege as stated in the VRS Information Security and Privacy Program Policy.

## **CONCLUSIONS**

### **GENERAL ASSESSMENT AND UNDERSTANDING**

Overall, the control environment surrounding health benefits administration is adequate. Generally, HIC benefit payments were accurately paid to eligible retirees; however, instances were identified where VNAV was not applying business rules appropriately. Where possible, management has taken immediate action to address the instances found during this review. VRS' Data Office has implemented a data quality dashboard to assist management with identifying and correcting data supporting their administration of the benefit program. We commend management's ongoing attention to this activity. This activity lays the foundation for strong preventative and detective controls to support the sound management and oversight of the program moving forward.

Our assessment of VRS' support for the collection and remittance of HI premiums found amounts withheld were accurate and remitted to the state and non-state employer HI programs timely. However, recent expansions to DHRM HI program duties warrants management's attention to clarify VRS' and DHRM's responsibilities for the program and assess whether current staffing for these efforts remains appropriate. These opportunities are discussed in further detail below and within the Recommendations section of this report.

Other minor findings, which were determined to be isolated in nature, were referred to management, who has taken appropriate corrective actions.

### **HEALTH INSURANCE CREDIT TRANSACTIONS**

Our evaluation of HIC transactions found retirees were eligible for payments based on service earned with a qualified employer for which proper proof of service was obtained. Within those transactions, no survivors, deemed ineligible for this benefit, were identified as receiving HIC disbursements. No participants within the tested population received duplicate HIC payments.

*Health Insurance Credits and Premiums Pg. 16 of 25*

We found LODA individuals reviewed were eligible for the HIC transactions disbursed and their respective HIC benefit amounts to be accurate.

Relative to eligible VSDP/VLDP LTD participants, we did uncover instances of inaccurate HIC payments to individuals. Most of these discrepancies were underpayments made by VRS' third-party administrator. Once brought to management's attention, these discrepancies were immediately addressed and corrected.

Finally, during our testwork surrounding the recalculation of HIC payments, we identified instances where VNAV was using data or benefit calculations which could not be validated. We communicated these instances to VRS management for review and further analysis. Upon discussion, management shared that through its efforts with the Data Office to establish the HIC dashboard, irregularities had been identified which they were actively working to address, while simultaneously working to finalize the HIC dashboard for future monitoring. Due to this strategic and important competing priority, management was unable to address these cases within the testwork period. As VRS completes its analysis and corrections and adopts these new and more robust processes for monitoring Health Benefit transactions through the implementation of the HIC data dashboard, management should ensure the cases communicated during this audit are investigated and brought to resolution as needed.

### **HEALTH INSURANCE PREMIUMS WITHHELD**

Overall, our examination of HI premiums found individual premiums were being withheld accurately and correctly remitted to the appropriate health benefits administrator timely.

VRS shows their *teamwork* by providing monthly reporting to DHRM (state) and non-state employers (political subdivisions and school systems) the day after the disbursement is run within the respective employer's portal. This reporting assists these employers in validating that HI deductions withheld matched the total amount of premiums due/received each month. Non-state employers reporting of issues which need to be addressed, when appropriate, have demonstrated their active reconciliations and use of this reporting.

Conversely, VRS is not aware of DHRM reviewing or performing this reconciliation for state retirees participating in its HI program. Completion of this activity provides assurance that all funds are fully and accurately received each month. While VRS is not the owner of the state

retiree HI program, management strives to exercise sound financial stewardship of the financial transactions it manages. Management should work with DHRM to formally document DHRM's acceptance of their responsibility to perform the state monthly HI remittance reconciliation. This is discussed further in the Recommendations section of the report.

## **HEALTH INSURANCE PREMIUM RESPONSIBILITIES**

DHRM is designated under the *Code of Virginia §2.2-2818 (state) and §2.2-1204 (non-state)* as the responsible entity for administering the State Retiree HI Program. However, 57 non-state employers have opted out of the DHRM program and manage their own respective retiree health insurance programs.

### **DHRM Retiree HI Program Duties**

VRS informally supports DHRM's program as it relates to members retiring from state employers. VRS' responsibilities include:

- Inputting initial health insurance selections as well as any changes for state retirees into Cardinal.
- Withholding monthly health insurance premiums from retirement disbursements for state retirees.
- Remitting these premium deductions to DHRM.

When we inquired if there was an agreement of responsibilities or memorandum of understanding in place, both VRS and DHRM confirmed that no documentation existed. However, DHRM stated they are willing to engage in conversation in respect to establishing this type of agreement. While it is reasonable for VRS to handle certain duties regarding this program, VRS and DHRM have not established operational parameters for each agency, leaving VRS at risk for continued expansion. This is discussed further in the Recommendations section of the report.

### **Non-State Employer HI Program Duties**

VRS has a similar but smaller role in the administration of health insurance premiums for members retiring from the 57 non-state employers who administer their own retiree health insurance programs. For these organizations, VRS' responsibilities include:

- Withholding monthly health insurance premiums from retirement disbursements for the applicable employer's retirees.

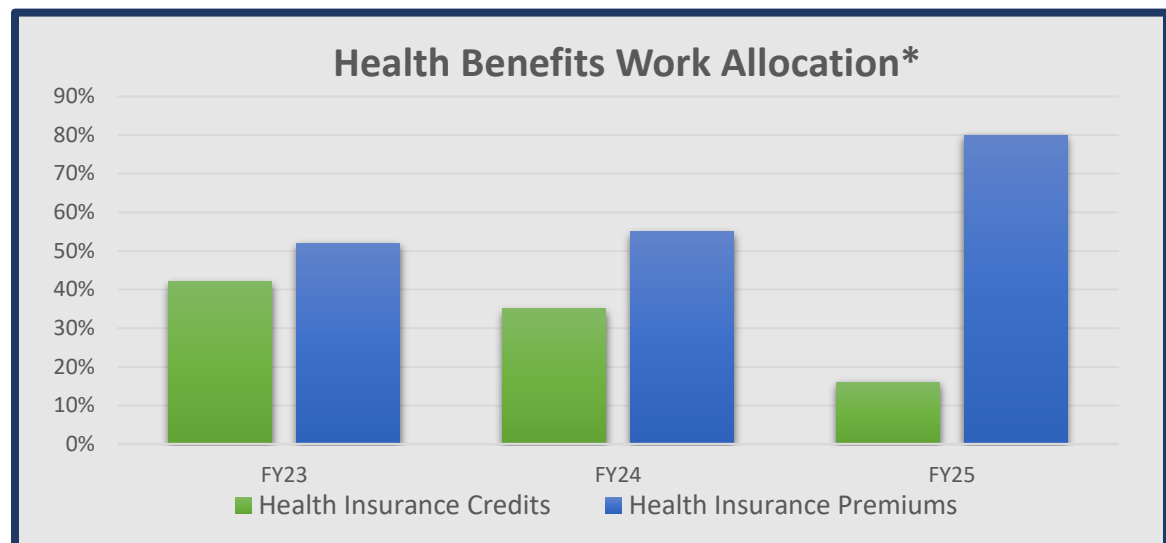
- Remitting these premium deductions to each of the 57 non-state employers or their respective health insurance administrators.

### HEALTH BENEFITS WORKLOAD

As observed, the Health Benefits department's workload is divided between the legislatively mandated administration of the HIC Program and management of HI premium collections on behalf of the state and non-state employers administering their own HI programs, including the ongoing management of state retiree HI selections under DHRM's HI program.

VRS' HI premium workload has increased exponentially since DHRM's replacement of BES with Cardinal in 2022. While the department was already responsible for updating members' HI premium selections throughout the member's retirement, DHRM shifted responsibility for a retiree's initial HI premium selection/application process and corresponding data entry from the member's pre-retirement employer to VRS due to the design limitations within Cardinal HCM.

As reflected in the table below, the department's increased attention on DHRM HI premium management activities has inherently decreased the time available to support its administration of the legislatively mandated HIC Program.



\* These statistics exclude participant engagement with the VRS Customer Contact Center as VRS does not currently track or categorize correspondence by specific activity.

During the fiscal years 2023 to 2025, the Health Benefits department expended \$770,000 on HIC activities. For the same time period, VRS expended \$1.78 million on HI premium activities managed by the Health Benefits department.

As a result, fewer resources are focused on ensuring the ongoing eligibility of participants whose insurance is obtained outside of the state and non-state employer sponsored programs as well as validating the accuracy of the reimbursement through consideration of the actual premium paid versus the available benefit. In many cases, some information supporting eligibility as well as the amount of the available benefit is out of date.

To compensate, the Health Benefits Supervisor has proactively assisted the team with data entry and processing assignments, as appropriate, during peak retirement periods to help ensure new retirees receive their HIC benefit. However, these actions should be used only on a temporary basis to allow for the supervisor to focus on his primary role of leading and optimizing the team's performance.

The Health Benefits Supervisor should be commended for his **agility** and **teamwork** to support operations during peak workloads.

While the administration and processing of HI premiums generally aligns with the HIC Program, VRS is legislatively responsible for the administration of the HIC Program. VRS must ensure the HIC Program is appropriately managed and staffed and competing priorities of affiliated programs do not reduce the integrity of its duties and responsibilities for the HIC benefit and corresponding Trust Fund.

This is discussed further in the Recommendations Section of the report.

## VRS FINANCIAL RECORDS

The Retiree HIC Trust Fund was used exclusively for approved HIC benefits and administrative expenses to the program. Account balances for the Retiree HIC Trust Fund over the four-year period were reviewed and appeared reasonable.

The **integrity** of the HI premiums withheld was maintained and the amounts were valid, accurate and remitted timely to the appropriate benefit administrators. HIC expenses and HI premiums were also properly transmitted and posted to VRS' general ledger. Lastly, HIC payments for LODA

recipients were properly recorded and transferred to the LODA Fund or paid to the non-LODA participating employers.

## **DATA QUALITY**

At the time of this examination, the Data Office's HIC dashboard was in its early stages of testing, validation and implementation. We found the draft dashboard to be a user-friendly and effective mechanism for delivering quick, comprehensive insights into the HIC data landscape. This dashboard will help ensure more precise benefit payments while equipping Health Benefit representatives with actionable insights to detect anomalies and resolve underlying issues efficiently.

We commend the Health Benefits team and VRS Data Office for their collaborative development of the HIC dashboard. Once the dashboard is deployed into production, the Health Benefits team should consider establishing a structured process for regular review and analysis of generated results.

Once integrated into the Health Benefit department's routine monitoring, this tool has the potential to significantly improve the accuracy of HIC benefit payments and enhance operational efficiency by ensuring access to reliable data.

## **ACCESS MANAGEMENT**

Our review of Health Benefit personnel access to VNAV and DHRM's Cardinal systems found the access reasonable and appropriate for the employees' job functions and responsibilities and appropriately aligned with the least privilege principle.

## **FOLLOW-UP ON PRIOR REPORTS**

There were no outstanding audit recommendations to consider.



## REPORTABLE CONDITION

Any observation included in the Recommendations section of the report is considered a “Reportable Condition.” The resolution of a “Reportable Condition” merits monitoring in the Audit Recommendation Follow Up System (ARFUS).

## MATERIAL ISSUE

Certain recommendations may address a matter that poses such significant risk to VRS whereby immediate measures should be taken to mitigate the exposure. Other long term solutions may also be appropriate for the permanent resolution of the matter. These recommendations are considered a “Material Issue.”

All recommendations require a formal response from management.

## RECOMMENDATIONS

We offer the following recommendation as a result of this examination, which is not considered a “Material Issue.”

### ENHANCE ALIGNMENT OF THE HEALTH BENEFITS DEPARTMENT’S RESOURCES WITH RESPONSIBILITIES

VRS should review the Health Benefits department and its current duties to assess the adequacy of the allocated resources to ensure continued alignment with VRS’ Strategic Plan 2022-2026, Goal 2: Superior Governance and Long-Term Financial Health. VRS should confirm the department’s intended responsibilities and then consider whether existing resources are reasonable to perform all necessary departmental tasks. As a part of this initiative, VRS should take the following actions.

#### Negotiate a Memorandum of Understanding with DHRM

While discussions have occurred, VRS and DHRM have not established operational parameters or formally defined mutually agreed upon responsibilities for each agency surrounding the processing of state HI premiums since the implementation of Cardinal HMS. VRS should work with DHRM, within in the limits of VRS’ control, to develop and finalize a formal understanding between the two parties, such as a memorandum of understanding, capturing each agency’s responsibilities in relation to the program.

Establishment of this document and defining roles and responsibilities will support:

- Program alignment with objectives and compliance requirements.
- Mutually agreed upon expectations.
- Reduction of risk for disputes by serving as a reference for accountability.
- Transparency and trust, fostering cooperation for the success of the program.

Further, this agreement will provide VRS and DHRM a clear understanding of their respective responsibilities, enabling each to design their processes to meet or exceed expectations. Finally, it will minimize the risk of either party having additional duties imposed without their explicit consent.

At a minimum, this document should describe and establish the following:

- Overarching responsibilities with clearly defined roles and expectations for both parties.
- Designated DHRM liaison to serve as a point of contact for VRS to address program-related issues and vice versa.
- Clear delineation of DHRM's responsibilities surrounding the reconciliation of enrollments in the state retiree health insurance plans to premiums deducted and remitted to DHRM to ensure sound financial management.
- Payment terms related to underpayment of HI premiums and associated recovery, including when a retiree passes away mid-recovery.

The responsibility for non-state employer HI premium reconciliations resides with that employer or their respective health insurance administrator.

By clearly documenting roles, responsibilities and communication protocols, VRS can better support the integrity and financial stewardship of the State Retiree Health Benefits Program. Further, establishment of this agreement is an important step toward strengthening program governance and operational efficiency as well as VRS' management of its resources.

### **Staffing Analysis**

Once the agreement is finalized, to ensure effective administration of its health benefits programs, VRS should conduct a comprehensive assessment of the Health Benefits department's responsibilities. With these tasks clearly defined, an analysis should follow to evaluate current staffing levels, efficiency and productivity across all health benefits functions, identifying gaps between current capabilities and today's needs. Conducting this analysis would help ensure sufficient resources are allocated to effectively administer all responsibilities and duties of the Health Benefits department.

### **Funding Considerations**

Given the increasing DHRM Retiree Health Insurance Program workload and the possibility of additional staff being dedicated to this function, if deemed necessary, VRS should explore alternative reimbursement and funding strategies to shift or supplement the cost of administering DHRM's Retiree Health Insurance Program since VRS is not statutorily dictated to administer the program. Alternate funding for these administrative tasks supporting this

program, if deemed necessary, could be acquired through DHRM, given the direct relationship of VRS' responsibilities with DHRM's Retiree Health Insurance Program (as VRS has previously provided to DHRM to support VSDP) or through an independent general fund budgetary request as a part of the Commonwealth's biennial budget process.

## MANAGEMENT EXIT CONFERENCE

This report was distributed to Ms. Bishop and other members of VRS' management and staff for review and comment. They expressed substantial agreement with this report and will issue a written response to the recommendation contained in this report.

## REPORT DISTRIBUTION

Submitted to the Audit and Compliance Committee at its meeting held  
December 11, 2025.

### MEMBERS OF THE AUDIT AND COMPLIANCE COMMITTEE

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

WITH COPIES TO:

#### OTHER MEMBERS OF THE BOARD OF TRUSTEES

John M. Bennett  
Lawrence A. Bernert III  
Susan T. Gooden  
Jessica L. Hood  
The Hon. Matthew James  
Lindsey K. Pantele

#### VRS EXECUTIVE LEADERSHIP

Patricia S. Bishop  
Andrew H. Junkin  
Members of the  
Executive Committees

#### AUDITOR OF PUBLIC ACCOUNTS

Staci A. Henshaw

#### JLARC

Kimberly A. Sarte  
Alexandra Jansson

## PRINCIPAL AUDITOR IN-CHARGE

Matthew Priestas, CIA, CRMA, CISA, PMP

#### BUSINESS INTELLIGENCE


Krystal Groff, CIA, CISA

#### AUDIT SUPERVISOR

Josh Fox, CIA, CIDA, CFE



To: Jennifer P. Bell Schreck, Internal Audit Director

From: Patricia S. Bishop, Director 

Date: December 3, 2025

Subject: Management's Response to Internal Audit Report No. 465 – "Health Insurance Credits and Premiums – April 1, 2025 Disbursements"

Management has reviewed the above captioned Internal Audit Report on "Health Insurance Credits and Premiums". We appreciate the thorough background provided in the report as well as the professionalism and cooperation exhibited by Internal Audit staff throughout the audit period.

VRS staff places a strong emphasis on making sure that health insurance credits (HIC) are paid in the correct amount to the correct retiree and similarly that premiums are properly withheld for those participating in the state or employer-sponsored retirement health insurance plan. This focus has not diminished despite a growing retiree population and increasingly complex HIC program. Further, the implementation of the Commonwealth's Cardinal HCM system has presented challenges to the coordination of managing health insurance premiums. VRS has maintained a strong partnership with DHRM as they are responsible for administering the Retiree Health Insurance Program and has been working to clarify roles and responsibilities in light of the Cardinal HCM system implementation. VRS looks forward to continuing that collaboration to ensure that retiree HIC and premiums are provided to retirees accurately and on time.

The Audit Report provided one recommendation that requires follow-up. Below is the recommendation and management's response.

**Enhance Alignment of the Health Benefits Department's Resources with Responsibilities**

VRS should review the Health Benefits department and its current duties to assess the adequacy of the allocated resources to ensure continued alignment with VRS' Strategic Plan 2022-2026, Goal 2: Superior Governance and Long-Term Financial Health. VRS should confirm the department's intended responsibilities and then consider whether existing resources are reasonable to perform all necessary departmental tasks. As a part of this initiative, VRS should take the following actions.

**Negotiate a Memorandum of Understanding with DHRM**

While discussions have occurred, VRS and DHRM have not established operational parameters or formally defined mutually agreed upon responsibilities for each agency surrounding the processing of state HI

premiums since the implementation of Cardinal HMS. VRS should work with DHRM, within in the limits of VRS' control, to develop and finalize a formal understanding between the two parties, such as a memorandum of understanding, capturing each agency's responsibilities in relation to the program.

Establishment of this document and defining roles and responsibilities will support:

- Program alignment with objectives and compliance requirements.
- Mutually agreed upon expectations.
- Reduction of risk for disputes by serving as a reference for accountability.
- Transparency and trust, fostering cooperation for the success of the program.

Further, this agreement will provide VRS and DHRM a clear understanding of their respective responsibilities, enabling each to design their processes to meet or exceed expectations. Finally, it will minimize the risk of either party having additional duties imposed without their explicit consent.

At a minimum, this document should describe and establish the following:

- Overarching responsibilities with clearly defined roles and expectations for both parties.
- Designated DHRM liaison to serve as a point of contact for VRS to address program-related issues and vice versa.
- Clear delineation of DHRM's responsibilities surrounding the reconciliation of enrollments in the state retiree health insurance plans to premiums deducted and remitted to DHRM to ensure sound financial management.
- Payment terms related to underpayment of HI premiums and associated recovery, including when a retiree passes away mid-recovery.

By clearly documenting roles, responsibilities and communication protocols, VRS can better support the integrity and financial stewardship of the State Retiree Health Benefits Program. Further, establishment of this agreement is an important step toward strengthening program governance and operational efficiency as well as VRS' management of its resources.

### **Staffing Analysis**

Once the agreement is finalized, to ensure effective administration of its health benefits programs, VRS should conduct a comprehensive assessment of the Health Benefits department's responsibilities. With these tasks clearly defined, an analysis should follow to evaluate current staffing levels, efficiency and productivity across all health benefits functions, identifying gaps between current capabilities and today's needs. Conducting this analysis would help ensure sufficient resources are allocated to effectively administer all responsibilities and duties of the Health Benefits department.

### **Funding Considerations**

Given the increasing DHRM Retiree Health Insurance Program workload and the possibility of additional staff being dedicated to this function, if deemed necessary, VRS should explore alternative reimbursement and funding strategies to shift or supplement the cost of administering DHRM's Retiree Health Insurance Program since VRS is not statutorily dictated to administer the program. Alternate funding for these administrative tasks supporting this program, if deemed necessary, could be acquired through DHRM, given the direct relationship of VRS' responsibilities with DHRM's Retiree Health Insurance Program (as

VRS has previously provided to DHRM to support VSDP) or through an independent general fund budgetary request as a part of the Commonwealth's biennial budget process.

***Management's Response:*** As noted above, VRS continues to coordinate with DHRM regarding the responsibilities for both agencies in carrying out the Commonwealth's retiree health insurance program. While VRS cannot compel DHRM to enter into a formal MOU, staff will develop documentation of agreed upon outcomes. Further, staff will review its current staffing levels relative to the workload to ensure sufficient resources are available to properly manage VRS' responsibilities. Should additional employees or funding be deemed necessary, VRS will review its options for securing these resources.

# Results of FY 2025 Quality Assurance Improvement Program Review

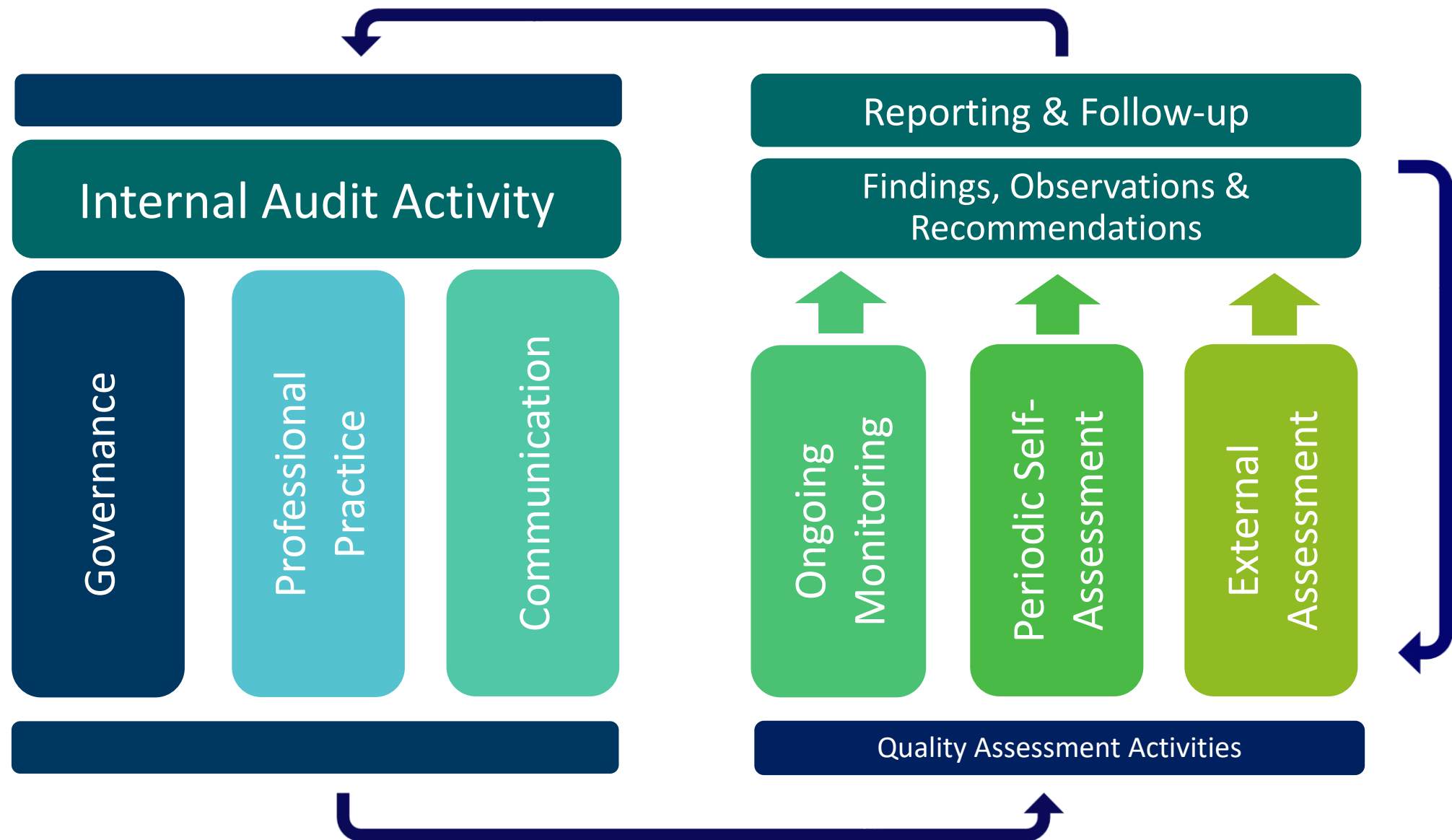




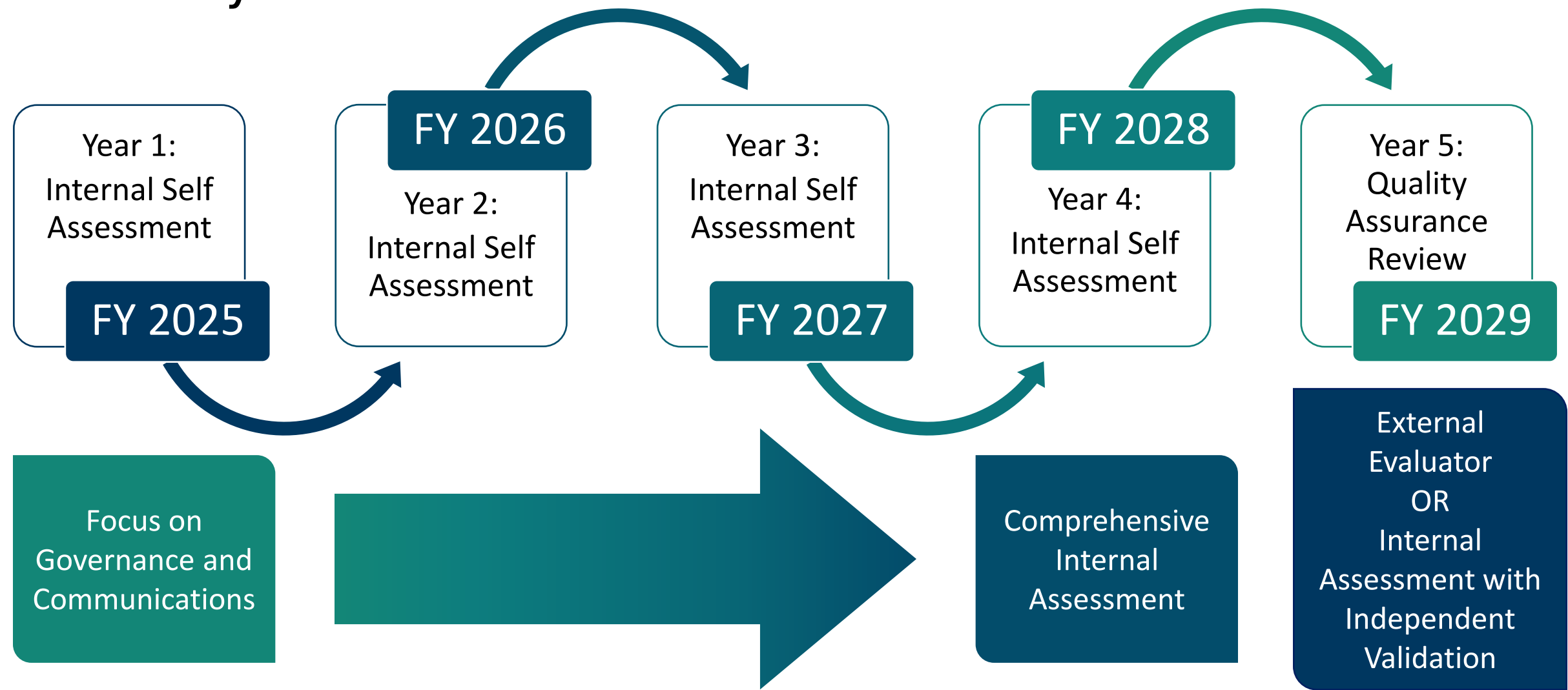
# Quality Assurance Improvement Program Results

Fiscal Year 2025

# Quality Assurance Improvement Program (QAIP)



# 5 Year Cycle



Assess Conformance with each Standard, Achievement of Each Principle, Forming Overall Conclusions

# Assess/Ensure Alignment with the Standards

## 5 Domains made up of 15 Principles (with 52 underlying Standards)

### Domain I. Purpose of Internal Auditing

### II. Ethics and Professionalism

1. Demonstrate Integrity (3)

2. Maintain Objectivity (3)

3. Demonstrate Competency (2)

4. Exercise Due Professional Care (3)

5. Maintain Confidentiality (2)

### III. Governing the Internal Audit Function

6. Authorized by the Board (3)

7. Positioned Independently (2)

8. Overseen by the Board (4)

### IV. Managing the Internal Audit Function

9. Plans Strategically (5)

10. Manages Resources (3)

11. Communicates Effectively (5)

12. Enhances Quality (3)

### V. Performing Internal Audit Services

13. Plan Engagements Effectively (6)

14. Conduct Engagement Work (6)

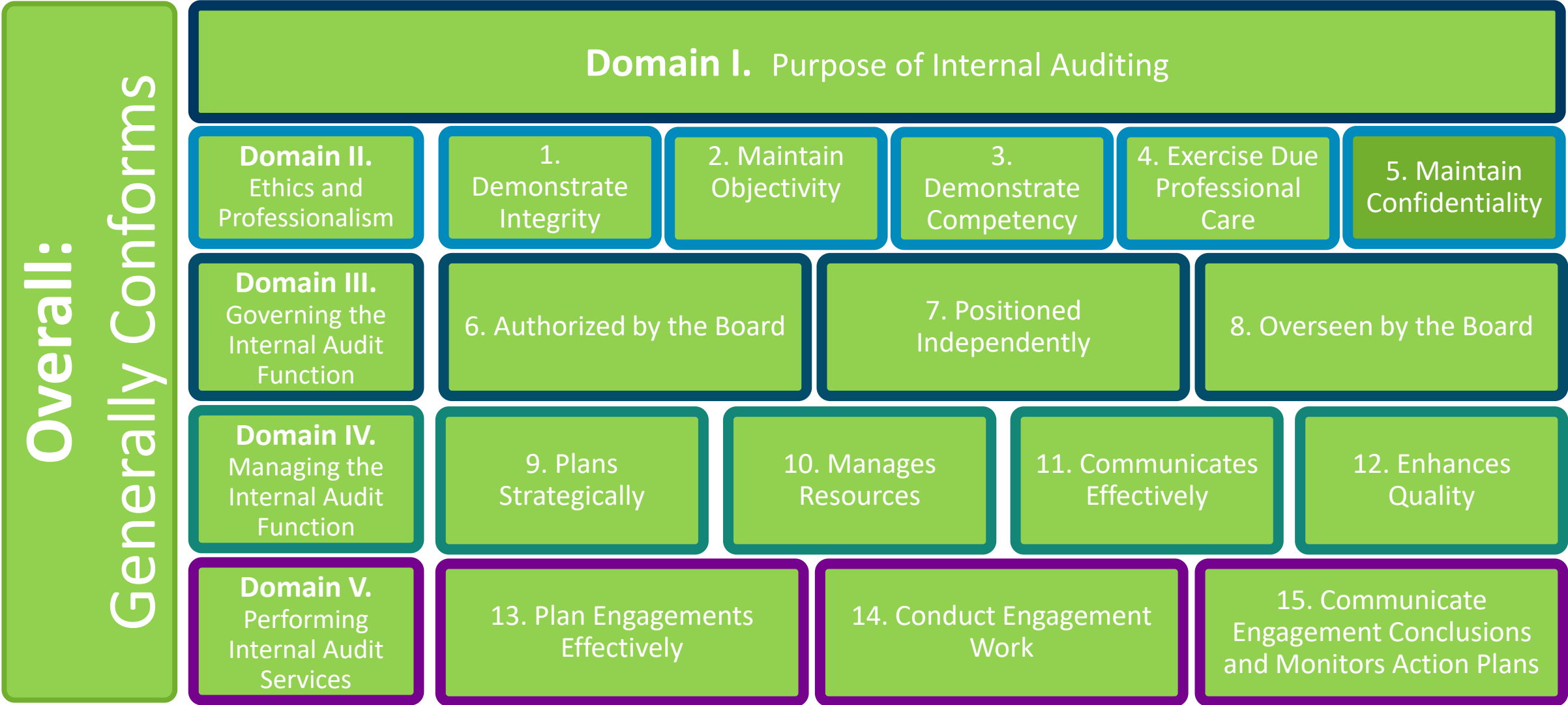
15. Communicate Engagement Conclusions and Monitor Action Plans (2)

# The IIA Quality Assessment Manual Rating Scale/Legend

Quality Rating	Non-Achievement (Non-Conformance)	Partial Achievement (Partial Conformance)	General Achievement (General Conformance)	Fully Achieves (Fully Conforms)
For Conclusions on: Achieving Overall Conformance	The internal audit function is not fully achieving with at least one principle, and the impact is significant enough to rate the functions overall conclusion as non-achievement. *	The internal audit function is not fully achieving at least one principle or aspect of Domain I, and the impact is significant enough to rate the function's overall achievement as partially achieving. *	The internal audit function is not fully achieving at least one principle or aspect of Domain I but is achieving the Purpose of Internal Auditing.	The internal audit function is fully achieving all 15 principles and the Purpose of Internal Auditing.
For Conclusions on: Achieving each Principle	The internal audit function is not fully conforming with at least one standard, and the impact is significant enough to rate the function as non-achieving the principle's intent.	The internal audit function is not fully conforming with at least one standard, and the impact is significant enough to rate the function as partially achieving the principle.	The function is not fully achieving at least one standard but is achieving the principle's intent.	The internal audit function is fully achieving at all the standards related to the principle and the principle's intent.
For Conclusions on: Conforming with Each Standard	The internal audit function is not fully conforming with at least one requirement, and the Impact is significant enough to rate the function as not achieving the standard's intent	The internal audit function is not fully conforming with at least one requirement, and the impact is significant enough to rate the function as partially conforming with the standard's intent.	The internal audit function is not fully conforming with at least one requirement but is achieving the standards intent.	The internal audit function is fully conforming with all requirements of the standard and the standard's intent.

\* The CAE may not include in final reports that engagement may not include in final reports that engagements were performed in conformance with the Standards if the overall achievement conclusion is partial achievement or non-achievement.

# Results – Overall, Domains and Principles



Quality Rating Legend:

Non Conformance	Partial Conformance	General Conformance	Fully Conforms
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# Results – Standards for Domain II. Ethics and Professionalism

1. Demonstrate Integrity	2. Maintain Objectivity	3. Demonstrate Competency	4. Exercise Due Professional Care	5. Maintain Confidentiality
1.1 Honesty and Professional Care (6)	2.1 Individual Objectivity (2)	3.1 Competency (5)	4.1 Conformance with the Global Internal Audit Standards (6)	5.1 Use of Information (2)
1.2 Organization's Ethical Expectations (3)	2.2 Safeguarding Objectivity (9)	3.2 Continuing Professional Development (3)	4.2 Due Professional Care (1)	5.2 Protection of Information (5)
1.3 Legal and Ethical Behavior (3)	2.3 Disclosing Impairments to Objectivity (5)		4.3 Professional Skepticism (2)	

Note: The parenthetical reference behind each standard reflects the number of requirements associated with each standard.

Quality Rating Legend:

Non Conformance	Partial Conformance	General Conformance	Fully Conforms
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# Results – Standards for Domain III: Governing the IA Function

6. Authorized by the Board	7. Positioned Independently	8. Overseen by the Board
6.1 Internal Audit Mandate (6) Essential Conditions (4)	7.1 Organizational Independence (9) Essential Conditions (13)	8.1 Board Interaction (3) Essential Conditions (8)
6.2 Internal Audit Charter (2) Essential Conditions (4)	7.2 Chief Audit Executive Qualifications (2) Essential Conditions (5)	8.2 Resources (2) Essential Conditions (6)
6.3 Board and Senior Management Support (2) Essential Conditions (6)		8.3 Quality (4) Essential Conditions (6)
		8.4 External Quality Assessment (3) Essential Conditions (9)

Note: The parenthetical reference behind each standard reflects the number of requirements associated with each standard or essential condition.

Quality Rating Legend:

Non Conformance	Partial Conformance	General Conformance	Fully Conforms
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# Results – Standards for Domain IV: Managing the IA Function

9. Plans Strategically	10. Manages Resources	11. Communicates Effectively	12. Enhances Quality
9.1 Understanding Governance, Risk Management and Control Processes (3)	10.1 Financial Resource Management (5)	11.1 Building Relationships and Communications with Stakeholders (2)	12.1 Internal Quality Assessment (6)
9.2 Internal Audit Strategy (3)	10.2 Human Resource Management (6)	11.2 Effective Communication (1)	12.2 Performance Measurement (5)
9.3 Methodologies (3)	10.3 Technology Resources (5)	11.3 Communicating Results (6)	12.3 Oversee and Improve Engagement Performance (6)
9.4 Internal Audit Plan (8)		11.4 Errors and Omissions (1)	
9.5 Coordination and Reliance (3)		11.5 Communicating Acceptance of Risks (3)	

Note: The parenthetical reference behind each standard reflects the number of requirements associated with each standard.

Quality Rating Legend:

Non Conformance	Partial Conformance	General Conformance	Fully Conforms
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# Results – Standards for Domain V: Performing IA Services

13. Plan Engagements Effectively	14. Conduct Engagement Work	15. Communicate Engagement Conclusions and Monitors Action Plans
13.1 Engagement Communication (6)	14.1 Gathering Information for Analysis and Evaluation (4)	15.1 Final Engagement Communication (8)
13.2 Engagement Risk Assessment (5)	14.2 Analysis and Potential Engagement Findings (7)	15.2 Confirming the Implementation of Recommendations or Action Plans (3)
13.3 Engagement Objectives and Scope (8)	14.3 Evaluation of Findings (6)	
13.4 Evaluation Criteria (4)	14.4 Recommendations and Action Plans (3)	
13.5 Engagement Resources (3)	14.5 Engagement Conclusions (3)	
13.6 Work Program (4)	14.6 Engagement Documentation (5)	

Note: The parenthetical reference behind each standard reflects the number of requirements associated with each standard.

Quality Rating Legend:	Non Conformance	Partial Conformance	General Conformance	Fully Conforms
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# Questions?



# Miscellaneous Updates

# Report of Alleged Fraud, Waste and Abuse Hotline Cases

**For Complaints Received During the Period  
August 1, 2025 through October 31, 2025**

## **SUMMARY OF CASES REVIEWED AND CLOSED**

During the period August 1, 2025 through October 31, 2025, there were no cases of potential fraud, waste and abuse reported from the Office of the State Inspector General or from any other source.

## Background

Fraud, Waste and Abuse relating to VRS can be comprised of any number of concerns. Such items can be reported to VRS' Internal Audit Department directly or through the Office of the State Inspector General (OSIG) State Employee Fraud, Waste and Abuse Hotline. (A majority of complaints are received through OSIG.)

All matters that relate to Fraud, Waste and/or Abuse reported are reviewed to determine the proper protocol for investigation.

## Committee Reporting

Cases of a serious and/or significant nature will be reported to the VRS Audit and Compliance Committee immediately. At a minimum, a summary of all Hotline cases will be reported to the Audit and Compliance Committee on a quarterly basis.

## Retention

Hardcopy documents, including handwritten notes, are stored in a secure location until the case is closed, upon which they are shredded. Electronic files are stored on Internal Audit's secured drive. Documentation containing case details are labeled "**CONFIDENTIAL – STATE FRAUD, WASTE AND ABUSE HOTLINE DOCUMENTS**" and sensitive items are labeled FOIA Exempt. As appropriate, files are disposed of in accordance with the Library of Virginia's retention policy.

# FRAUD, WASTE AND ABUSE CASE MANAGEMENT

## PROCESSING OF COMPLAINTS

When received, the Audit Director and Hotline Auditor perform a preliminary review of the complaint. After initial discussion, the Hotline Auditor determines whether a formal response is required by OSIG (cases referred by OSIG may or may not require a formal response, depending on the nature of the complaint) and adds the case to Internal Audit's Hotline Tracking System.

The Hotline Auditor sets up a case file on Internal Audit's secured and restricted drive to maintain confidentiality. The Hotline Auditor then evaluates the case details and may review information available in VRS' systems to obtain further details about the subject of the complaint. Additionally, the Hotline Auditor may forward the details of the case to other VRS personnel for review. The Hotline Auditor also notifies the VRS Director of the case.

Complaints regarding disability benefits constitute the large majority of the Hotline cases received by VRS. The Hotline Auditor will meet with appropriate VRS staff, as necessary, to discuss details of the case in order for all parties to proceed forward with their portion of the investigation. Complaints forwarded to others are monitored for resolution. Actions and determinations for cases are reviewed for reasonableness by the Hotline Auditor. Once a determination of appropriate action has occurred, such action is documented in the Internal Audit case file and on the Hotline Tracking System. The Internal Audit Director is apprised of all actions and determinations.

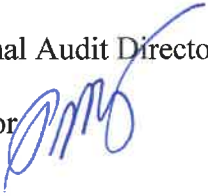
For other complaints, such as internal fraud, waste or abuse (examples could include abuses of various types of leave, teleworking policies, employee theft, etc.), the Hotline Auditor investigates the allegation and obtains supporting documentation from management, as needed. If a determination is made that there is a reasonable possibility of fraud, waste or abuse, management is notified of the allegation by the Audit Director and given a reasonable timeframe in which to report back to the Audit Director any actions taken regarding the allegation. The Audit Director determines the reasonableness of such action, reports the actions and resolution of the complaint to the Hotline Auditor who documents the results in the case file and on the Hotline Tracking System.

All investigation results are reported to the VRS Director and members of the VRS Audit and Compliance Committee once a case is resolved, regardless of the outcome.



**Patricia S. Bishop**  
*Director*

**MEMORANDUM**

**To:** Jennifer P. Schreck, Internal Audit Director  
**From:** Patricia S. Bishop, Director   
**Date:** November 20, 2025  
**Subject:** Summary of Travel Related Expenses

I am attaching the following:

1. Summary of Travel Related Expenses Paid During the Quarter of and Fiscal Year-to-Date Through September 30, 2025.
2. Summary of Other Sponsored Travel Related Expenses Paid During the Quarter of and Fiscal Year-to-Date Through September 30, 2025. **There were no reportable Other Sponsored Travel Related Expenses for this period.**
3. Detail of Travel Related Expenses Paid During the Quarter of and Fiscal Year-to-Date Through September 30, 2025.
4. Record of Attendance and Per Diems for the Quarters Ended September 30, 2025.

This information should be shared with the Audit & Compliance Committee.

If you have any questions, please do not hesitate to ask.

PSB/lbk

Attachments



Summary of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Fiscal Year-To-Date    **Q1 2026**

Current Quarter Expenses													Fiscal Year-To-Date Expenses				
Total Travel				Out-of-State-Travel									Total Travel			Out-of-State-Travel	
Traveler	Sponsor Paid	VRS Paid	Total	# Trips	Cost	Travel reasons							Sponsor Paid	VRS Paid	Total	# Trips	Cost
						AM	BD	CF	DD	MM	SV	TR					
Andrews, Allen	-	\$401.45	\$401.45	-	-	-	-	-	-	-	-	-	-	\$401.45	\$401.45	-	-
Baggesen, Eric	-	\$911.69	\$911.69	-	-	-	-	-	-	-	-	-	-	\$911.69	\$911.69	-	-
Bernert III, Lawrence	-	\$254.80	\$254.80	-	-	-	-	-	-	-	-	-	-	\$254.80	\$254.80	-	-
Deo, Ravindra	-	\$150.71	\$150.71	-	-	-	-	-	-	-	-	-	-	\$150.71	\$150.71	-	-
Hood, Jessica	-	\$1,620.90	\$1,620.90	-	-	-	-	-	-	-	-	-	-	\$1,620.90	\$1,620.90	-	-
James, Matthew	-	\$407.40	\$407.40	-	-	-	-	-	-	-	-	-	-	\$407.40	\$407.40	-	-
Kasanoff, Kathryn	-	\$671.81	\$671.81	-	-	-	-	-	-	-	-	-	-	\$671.81	\$671.81	-	-
Sanderlin, September	-	\$129.50	\$129.50	-	-	-	-	-	-	-	-	-	-	\$129.50	\$129.50	-	-
Bishop, Patricia	-	\$5,019.18	\$5,019.18	1	\$5,019.18	-	-	1	-	-	-	-	-	\$5,019.18	\$5,019.18	1	\$5,019.18
Junkin, Andrew	-	\$5,938.10	\$5,938.10	2	\$5,938.10	-	-	2	-	-	-	-	-	\$5,938.10	\$5,938.10	2	\$5,938.10
Sowers, Virginia	-	\$4,205.85	\$4,205.85	1	\$4,205.85	-	-	1	-	-	-	-	-	\$4,205.85	\$4,205.85	1	\$4,205.85
Weldon, Leslie	-	\$3,823.17	\$3,823.17	2	\$3,823.17	-	-	2	-	-	-	-	-	\$3,823.17	\$3,823.17	2	\$3,823.17
Alouf, John	-	\$557.83	\$557.83	1	\$557.83	-	-	-	1	-	-	-	-	\$557.83	\$557.83	1	\$557.83
Bennett, Matthew	-	\$1,067.71	\$1,067.71	1	\$1,067.71	-	-	1	-	-	-	-	-	\$1,067.71	\$1,067.71	1	\$1,067.71
Billingslea, Erica	\$2,190.51	\$27.52	\$2,218.03	1	\$2,218.03	1	-	-	-	-	-	-	\$2,190.51	\$27.52	\$2,218.03	1	\$2,218.03
Buchanan, Lee	\$661.47	\$21.20	\$682.67	1	\$682.67	-	1	-	-	-	-	-	\$661.47	\$21.20	\$682.67	1	\$682.67
Coleman, Thomas	-	\$1,691.25	\$1,691.25	2	\$1,691.25	-	-	-	-	1	1	-	-	\$1,691.25	\$1,691.25	2	\$1,691.25
Corsello, Perry	\$1,096.08	\$421.33	\$1,517.41	2	\$1,517.41	1	-	-	-	1	-	-	\$1,096.08	\$421.33	\$1,517.41	2	\$1,517.41
Glass, Holly	-	\$7,190.70	\$7,190.70	1	\$7,190.70	1	-	-	-	1	-	-	-	\$7,190.70	\$7,190.70	1	\$7,190.70
Hines, Gregory	-	\$3,865.32	\$3,865.32	1	\$3,865.32	-	-	1	-	-	-	-	-	\$3,865.32	\$3,865.32	1	\$3,865.32
Honrado, Cordell	-	\$936.07	\$936.07	1	\$936.07	-	-	1	-	-	-	-	-	\$936.07	\$936.07	1	\$936.07
Kim, Mengting	-	\$1,446.64	\$1,446.64	1	\$1,446.64	-	-	1	-	-	-	-	-	\$1,446.64	\$1,446.64	1	\$1,446.64

Summary of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Fiscal Year-To-Date    **Q1 2026**

Current Quarter Expenses													Fiscal Year-To-Date Expenses				
Total Travel				Out-of-State-Travel									Total Travel			Out-of-State-Travel	
Traveler	Sponsor Paid	VRS Paid	Total	# Trips	Cost	Travel reasons							Sponsor Paid	VRS Paid	Total	# Trips	Cost
						AM	BD	CF	DD	MM	SV	TR					
Koutrakos, Kristina	-	\$2,467.37	\$2,467.37	1	\$2,467.37	-	-	1	-	-	-	-	-	\$2,467.37	\$2,467.37	1	\$2,467.37
Le, Vu	-	\$7,572.83	\$7,572.83	2	\$7,572.83	-	-	2	-	-	-	-	-	\$7,572.83	\$7,572.83	2	\$7,572.83
Muniz, Alex	-	\$5,807.02	\$5,807.02	1	\$5,807.02	-	-	1	-	-	-	-	-	\$5,807.02	\$5,807.02	1	\$5,807.02
Murphy, James	\$1,181.70	\$69.04	\$1,250.74	1	\$1,250.74	-	1	-	-	-	-	-	\$1,181.70	\$69.04	\$1,250.74	1	\$1,250.74
Noland, Walker	-	\$2,070.08	\$2,070.08	2	\$2,070.08	-	1	-	-	-	1	-	-	\$2,070.08	\$2,070.08	2	\$2,070.08
Sarki-Hurd, Hajara	\$1,843.33	\$1,002.61	\$2,845.94	2	\$2,717.75	-	1	-	1	-	-	-	\$1,843.33	\$1,002.61	\$2,845.94	2	\$2,717.75
Tran, Viet	\$823.91	\$15.40	\$839.31	1	\$839.31	-	1	-	-	-	-	-	\$823.91	\$15.40	\$839.31	1	\$839.31
Tribhuwan Singh, Fnu	-	\$2,594.62	\$2,594.62	3	\$2,594.62	-	-	2	1	-	-	-	-	\$2,594.62	\$2,594.62	3	\$2,594.62
Turner, Korey	-	\$7,239.54	\$7,239.54	1	\$7,239.54	1	-	-	-	1	-	-	-	\$7,239.54	\$7,239.54	1	\$7,239.54
Voeks III, Robert	\$739.13	\$495.77	\$1,234.90	2	\$1,234.90	-	1	-	1	-	-	-	\$739.13	\$495.77	\$1,234.90	2	\$1,234.90
Whitlock, Daniel	-	\$832.82	\$832.82	1	\$832.82	-	-	-	1	1	-	-	-	\$832.82	\$832.82	1	\$832.82
Woodall, Steven	-	\$1,371.62	\$1,371.62	1	\$1,371.62	-	-	1	1	-	-	-	-	\$1,371.62	\$1,371.62	1	\$1,371.62
Total	\$8,536.13	\$72,298.85	\$80,834.98	36	\$76,158.53	4	6	17	6	5	2	-	\$8,536.13	\$72,298.85	\$80,834.98	36	\$76,158.53

Travel Reasons Legend			
AM	Advisory/Assoc. Meeting	MM	Manager Meeting
BD	Board Related	SV	Site Visit
CF	Conference	TR	Training
DD	Due Diligence		

**Virginia Retirement System**  
**Summary of Other Sponsored Travel Related Expenses**  
**(Staff Not Otherwise Includable in Quarterly Reporting)**  
**Fiscal Year-To-Date Through June 2026**

Name of Traveler	Current Quarter		Fiscal Year-To-Date	
	Value Provided	Sponsor	Value Provided	Sponsor
	-		-	
	-		-	
	-		-	
	-		-	
	-		-	
	-		-	
	-		-	
	-		-	
Totals	-		-	

Detail of Travel Related Expenses  
Virginia Retirement System  
Board/Committee Members and Selected VRS Staff

Paid in Q1 2026

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Andrews, Allen	09/24/2025	09/25/2025	Richmond, VA		Attended VRS Board of Trustees and committee meetings.	-	\$401.45	\$401.45
Baggesen, Eric	07/31/2025	07/31/2025	Richmond, VA		IAC Investment Orientation Meeting - HR Meeting - ID Badge Appointment - Thursday, July 31, 2025	-	\$911.69	\$911.69
Bernert III, Lawrence	08/20/2025	08/20/2025	Richmond, VA		Attended a VRS Investment Advisory Committee meeting.	-	\$127.40	\$127.40
Bernert III, Lawrence	09/25/2025	09/25/2025	Richmond, VA		Attended a VRS Board of Trustees meeting.	-	\$127.40	\$127.40
Deo, Ravindra	09/11/2025	09/11/2025	Richmond		DCPAC	-	\$150.71	\$150.71
Hood, Jessica	09/11/2025	09/11/2025	Richmond, VA		Attended a VRS Defined Contribution Plans Advisory Committee meeting.	-	\$501.20	\$501.20
Hood, Jessica	09/23/2025	09/25/2025	Richmond, VA		Attended VRS Board of Trustees and committee meetings.	-	\$1,119.70	\$1,119.70
James, Matthew	08/20/2025	08/20/2025	Richmond, VA		Attended a VRS Investment Advisory Committee meeting.	-	\$135.80	\$135.80
James, Matthew	09/11/2025	09/11/2025	Richmond, VA		Attended a VRS Defined Contribution Plans Advisory Committee meeting.	-	\$135.80	\$135.80
James, Matthew	09/25/2025	09/25/2025	Richmond, VA		Attended a VRS Board of Trustees meeting.	-	\$135.80	\$135.80
Kasanoff, Kathryn	09/11/2025	09/11/2025	Richmond		DCPAC	-	\$671.81	\$671.81
Sanderlin, September	09/11/2025	09/11/2025	Richmond		DCPAC	-	\$129.50	\$129.50

Detail of Travel Related Expenses  
Virginia Retirement System  
Board/Committee Members and Selected VRS Staff

Paid in Q1 2026

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Bishop, Patricia	08/07/2025	08/13/2025	Seattle, WA		Attended the National Association of State Retirement Administrators (NASRA) annual conference.	-	\$5,019.18	\$5,019.18
Junkin, Andrew	07/08/2025	07/11/2025	Orange County, CA		2025 Tide Spark Conference - July 8-11, 2025 - Orange County, CA	-	\$2,771.60	\$2,771.60
Junkin, Andrew	07/22/2025	07/25/2025	Salt Lake City, UT		July 22-25, 2025 PPI Summer Roundtable Conference - Salt Lake City, UT	-	\$3,166.50	\$3,166.50
Sowers, Virginia	08/08/2025	08/13/2025	Seattle, Washington		NASRA Annual Conference	-	\$4,205.85	\$4,205.85
Weldon, Leslie	06/29/2025	07/02/2025	Washington, DC		2025 GFOA Annual Conference	-	\$1,875.13	\$1,875.13
Weldon, Leslie	09/09/2025	09/10/2025	National Harbor, MD		Workiva Amplify 2025 Conference	-	\$1,948.04	\$1,948.04
Alouf, John	07/01/2025	07/01/2025	Boston		Travel to Boston for Charlesbank due diligence.	-	\$557.83	\$557.83
Bennett, Matthew	09/11/2025	09/11/2025	Charlotte, NC		Attended the Wells Fargo Private Credit LP Conference.	-	\$1,067.71	\$1,067.71
Billingslea, Erica	06/22/2025	06/25/2025	Los Angeles, CA	KKR	Sponsored Travel trip to California for the KKR Investors' Meeting and Advisory Board Meeting for RECOP II.	\$2,190.51	\$27.52	\$2,218.03
Buchanan, Lee	09/09/2025	09/11/2025	New York	LaSalle; LaSalle and Morgan Stanley	Travel to New York for LaSalle and Morgan Stanley Prime Property LPAC meetings. This is sponsored travel.	\$661.47	\$21.20	\$682.67
Coleman, Thomas	07/04/2025	07/05/2025	London		Site visit for Meadow.	-	\$598.32	\$598.32
Coleman, Thomas	09/15/2025	09/16/2025	Chicago		Travel to Chicago for PGIM Energy Partners annual meeting and meeting with Quad Capital Partners.	-	\$1,092.93	\$1,092.93

Detail of Travel Related Expenses  
Virginia Retirement System  
Board/Committee Members and Selected VRS Staff

Paid in Q1 2026

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Corseello, Perry	07/15/2025	07/15/2025	New York, NY		Met with Oaktree. Re: Global Opportunities Review	-	\$406.11	\$406.11
Corseello, Perry	09/16/2025	09/17/2025	Chicago, IL	PGIM	Attended the PGIM Annual Meeting and LPAC Meetings for Funds III, V and VI.	\$1,096.08	\$15.22	\$1,111.30
Glass, Holly	09/01/2025	09/04/2025	London		Attended the CET Investors' Annual Meeting. Manager meeting with Theleme and Lansdowne.	-	\$7,190.70	\$7,190.70
Hines, Gregory	06/09/2025	06/13/2025	New York, NY		J.P. Morgan 2025 NY Quantitative Conference, UBS Invite: Equity Derivatives Conference - June 12, 2025, BofA Quant and Derivatives University in New York, NY . June 9th- 13th, 2025.	-	\$3,865.32	\$3,865.32
Honrado, Cordell	06/24/2025	06/26/2025	Chapel Hill		FTF CTO Summit in Chapel Hill, June 24th-26th.	-	\$936.07	\$936.07
Kim, Mengting	06/17/2025	06/18/2025	New York, NY		2025 Neuberger Berman Investment Leaders' Summit June 17th-18th.	-	\$1,446.64	\$1,446.64
Koutrakos, Kristina	07/20/2025	07/24/2025	Salt Lake		PPI Leadership Lab & Summer Roundtable July 20th- 24th in Salt Lake, City.	-	\$2,467.37	\$2,467.37
Le, Vu	08/19/2025	08/24/2025	France		EFA (Aug 2025)	-	\$5,812.87	\$5,812.87
Le, Vu	09/16/2025	09/18/2025	Chicago		CQA Fall 2025 Conference for Vu Le, Sept. 16th-18th, 2025	-	\$1,759.96	\$1,759.96
Muniz, Alex	08/20/2025	08/25/2025	France		EFA ( Aug 2025)	-	\$5,807.02	\$5,807.02
Murphy, James	07/29/2025	07/30/2025	Chicago	GTCR	Travel to Chicago for GTCR LPAC. This is sponsored travel.	\$1,181.70	\$69.04	\$1,250.74
Noland, Walker	06/26/2025	06/27/2025	Seattle		Travel to Seattle for AMLI site visit.	-	\$2,006.07	\$2,006.07

Detail of Travel Related Expenses  
Virginia Retirement System  
Board/Committee Members and Selected VRS Staff

Paid in Q1 2026

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Noland, Walker	09/16/2025	09/17/2025	New York		Travel to New York for Pretium LPAC. The airfare, hotel, and ground transportation were arranged and paid for by the manager.	-	\$64.01	\$64.01
Sarki-Hurd, Hajara	08/06/2025	08/06/2025	Alexandria		Travel to Alexandria, VA for AmCamp site visit.	-	\$128.19	\$128.19
Sarki-Hurd, Hajara	08/13/2025	08/13/2025	Charlotte		Travel to Charlotte for Artemis due diligence.	-	\$848.66	\$848.66
Sarki-Hurd, Hajara	09/15/2025	09/17/2025	Chicago	Realterm	Travel to Chicago for Realterm annual general meeting. This is sponsored travel.	\$1,843.33	\$25.76	\$1,869.09
Tran, Viet	06/24/2025	06/24/2025	New York	Madison Dearborn	Travel to New York for Madison Dearborn LPAC. This is sponsored travel.	\$823.91	\$15.40	\$839.31
Tribhuwan Singh, Fnu	07/01/2025	07/01/2025	Boston		Travel to Boston for Charlesbank due diligence.	-	\$507.08	\$507.08
Tribhuwan Singh, Fnu	08/03/2025	08/05/2025	New York		Travel to New York for JP Morgan Rising Talent Program (conference).	-	\$1,073.81	\$1,073.81
Tribhuwan Singh, Fnu	09/16/2025	09/17/2025	New York		Travel to New York for ILPA Institute: Private Equity Co-Investing for the Limited Partner program.	-	\$1,013.73	\$1,013.73
Turner, Korey	09/01/2025	09/04/2025	London		Travel to London for the CET Annual Investors' Meeting. Annual due diligence meetings with Theleme and Lansdowne.	-	\$7,239.54	\$7,239.54
Voeks III, Robert	07/01/2025	07/01/2025	Boston		Travel to Boston for Charlesbank due diligence.	-	\$459.01	\$459.01
Voeks III, Robert	09/02/2025	09/03/2025	New York	Thoma Bravo	Travel to New York for Thoma Bravo LPAC. This is sponsored travel.	\$739.13	\$36.76	\$775.89
Whitlock, Daniel	06/16/2025	06/17/2025	Chicago, IL		Annual due diligence meeting with Select Cooper Square. Update meeting with LSV.	-	\$832.82	\$832.82

Detail of Travel Related Expenses  
Virginia Retirement System  
Board/Committee Members and Selected VRS Staff

Paid in Q1 2026

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Woodall, Steven	09/08/2025	09/10/2025	Washington, DC		Self-drive to Washington, DC for the annual Carlyle Global Investor Conference. Annual due diligence meetings for Carlyle Skyline (PC) and Carlyle PIP.	-	\$1,371.62	\$1,371.62
Total						\$8,536.13	\$72,298.85	\$80,834.98



VRS BOARD OF TRUSTEES AND COMMITTEES

RECORD OF ATTENDANCE & PER DIEMS

FOR 3Q2025

Month Paid:		Jul-25	Aug-25	Sep-25	Total Days Attended	Per Diem Rate	Per Diem Payments			Total
			8/20/2025	9/11/2025			Jul	Aug	Sep	
Member	Area	NA	IAC	DCPAC						
A. SCOTT ANDREWS, CHAIR	BOT	-	X	-	1	\$ 300.00	\$ -	\$ 300.00	\$ -	\$ 300.00
J BRANDON BELL, II	BOT	-	-	-	-	300.00	-	-	-	-
JOHN M. BENNETT	BOT	-	X	X	2	300.00	-	300.00	300.00	600.00
LAWRENCE BERNERT	BOT	-	X	X	2	300.00	-	300.00	300.00	600.00
J. CLIFFORD FOSTER	BOT	-	X	X	2	300.00	-	300.00	300.00	600.00
SUSAN GOODEN	BOT	-	-	X	1	300.00	-	-	300.00	300.00
JESSICA L. HOOD	BOT	-	-	X	1	300.00	-	-	300.00	300.00
MATTHEW JAMES	BOT	-	X	X	2	300.00	-	300.00	300.00	600.00
LINDSEY PANTELE	BOT	-	-	-	-	300.00	-	-	-	-
MONIQUE BARNES	DCPAC	-	-	X	1	300.00	-	-	300.00	300.00
RIVINDRA DEO	DCPAC	-	-	X	1	300.00	-	-	300.00	300.00
C. MATT HARRIS	DCPAC	-	-	X	1	300.00	-	-	300.00	300.00
KATHRYN JONAS KASANOFF	DCPAC	-	-	X	1	300.00	-	-	300.00	300.00
RICK LARSON	DCPAC	-	-	X	1	300.00	-	-	300.00	300.00
BRENDA O. MADDEN	DCPAC	-	-	X	1	300.00	-	-	300.00	300.00
DAVID A. WINTER	DCPAC	-	-	X	1	300.00	-	-	300.00	300.00
ERIC BAGGESEN	IAC	-	X	-	1	300.00	-	300.00	-	300.00
THEODORE ECONOMOU	IAC	-	X	-	1	300.00	-	300.00	-	300.00
PALMER GARSON	IAC	-	X	-	-	-	-	-	-	-
THOMAS S.GAYNER	IAC	-	-	-	-	300.00	-	-	-	-
LAWRENCE E KOCHARD	IAC	-	X	-	1	300.00	-	300.00	-	300.00
NANCY G. LEAKE	IAC	-	X	-	1	300.00	-	300.00	-	300.00
WILBERT BRYAN LEWIS	IAC	-	X	-	1	300.00	-	300.00	-	300.00
ROD SMYTH	IAC	-	X	-	1	300.00	-	300.00	-	300.00
WILLIAM H. WEST	IAC	-	X	-	1	300.00	-	300.00	-	300.00
							\$ -	\$ 3,600.00	\$ 3,900.00	\$ 7,500.00

Number Attending	0	13	13	26						
Total Days per Diem Paid (Control Total)	0	12	13	25	x \$300				=	7,500.00