
Minutes

The Audit and Compliance Committee of the Board of Trustees met on April 15, 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
John M. Bennett, Committee Vice Chair
A. Scott Andrews, Board Chair

Other Members of the Board of Trustees:

J. Clifford Foster
Jessica L. Hood
Lindsey K. Pantele

VRS Staff:

Patricia Bishop, Andrew Junkin, Jennifer Schreck, Judy Bolt, Rick Brooks, Jeanne Chenault, Michael Cooper, Curtis Doughtie, Antonio Fisher, Joshua Fox, Krystal Groff, Robert Irving, Sandy Jack, Curt Mattson, Walker Noland, Matthew Priestas, Kristy Scott, Virginia Sowers and Leslie Weldon

Guests:

Alexandra Jansson, Joint Legislative Audit and Review Commission and Merrill Bajana, Osmosis Investment Management

The meeting convened at approximately 3 p.m.

Opening Remarks

Sen. Bell called the meeting to order and welcomed everyone to the April 15, 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. Bennett, seconded by Ms. Hood, the committee approved the minutes of the Audit and Compliance Committee meeting held on December 12, 2024.

Annual Report on Code of Ethics

Mr. Cooper provided an overview of VRS' Code of Ethics and the training provided to personnel. Mr. Cooper confirmed all eligible and available VRS staff had completed the annual code of ethics training by December 31, 2024. Mr. Brooks discussed the Investment department's Code of Ethics and Standards of Professional Conduct Policy and compliance monitoring, noting all Investment associates were in compliance as of December 31, 2024.

Audit Plan Progress as of December 31, 2024

Ms. Schreck reported on the progress of the fiscal year 2025 annual audit plan as of December 31, 2024, the mid-point of the fiscal year, acknowledging one project was shifted to a later period in the long-range plan and one project has been brought forward to fiscal year 2025 to accommodate operational activities of the organization.

Miscellaneous Updates

Quarterly Reports on Fraud, Waste and Abuse Hotline Cases

Ms. Schreck noted there were no fraud, waste and abuse cases for the period November 1, 2024, through January 31, 2025.

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

Ms. Schreck shared with the committee the results of Internal Audit's review of the amounts referred to as "Cost-of-Living Adjustments (COLA)" which will be effective July 1, 2025, were included in the meeting book. Ms. Schreck noted the results were provided to the Benefits and Actuarial Committee and Board of Trustees in February 2025 to support their review and approval process for these adjustments.

Management's Quarterly Travel Expense and Per Diem Reports

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

Audit Reports

The committee received two audit reports from staff.

Audit Report 461 – Real Assets Program

Mr. Fox presented the results of Internal Audit's review of the Real Assets Program. The review determined adequate oversight and monitoring controls exist over the program. There were no recommendations resulting from the review.

Audit Report 462 – VNAV Application Controls

The Committee received the results of Internal Audit's review of VNAV Application Controls from Mr. Priestas during a closed session, in accordance with the following motions.

Closed Session Motion

Mr. Bennett 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 under the Virginia Freedom of Information Act to discuss information that describes the design, function, operation or access control features of a security

system which is used to control access to or use of an automated data processing system, pursuant to the public safety exemption at Virginia Code § 2.2-3711(A)(19).

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

Mr. Andrews – Aye
Mr. Bennett – Aye
Ms. Hood – Aye
Ms. Pantele – Aye
Mr. Foster – Aye
Sen. Bell – Aye

Certification

Upon return to the open meeting, Mr. Bennett 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. Bennett – Aye
Ms. Hood – Aye
Ms. Pantele – Aye
Mr. Foster – Aye
Sen. Bell - Aye

Acceptance of Audit Reports

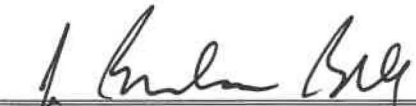
Upon motion of Mr. Bennett, seconded by Mr. Andrews, the committee accepted audit reports 461 and 462 as presented.

Next Committee Meeting Date

Sen. Bell noted the next meeting of the committee is scheduled for June 17, 2025, at 1:00 p.m.

Meeting Adjournment

There being no further business the Audit and Compliance Committee meeting adjourned at approximately 3:24 p.m.



Committee Chair



Secretary