
Minutes

The Audit and Compliance Committee of the Board of Trustees met on June 17, 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

J. Clifford Foster, IV, Committee Vice Chair (arrived at 1:09 p.m.)

A. Scott Andrews, Board Chair

Other Members of the Board of Trustees:

Lawrence A. Bernert, III

Jessica L. Hood

VRS Staff:

Patricia Bishop, Andrew Junkin, Jennifer Schreck, Judy Bolt, Dorothy Chiddo, Michael Cooper, Antonio Fisher, Joshua Fox, Krystal Groff, Robert Irving, Sandy Jack, Curt Mattson, David Porter, Matthew Priestas, Mark Rein, Kristy Scott, Virginia Sowers, Scott Weaver and Leslie Weldon

Guests:

Gracie Davidson, Justin Ferrell and Eric Sandridge, Auditor of Public Accounts; Jacob Hayes, Encore; and Alexandra Jansson, Joint Legislative Audit and Review Commission

The meeting convened at approximately 1 p.m.

Opening Remarks

Sen. Bell called the meeting to order and welcomed everyone to the June 17, 2025, meeting of the Audit and Compliance Committee and noted no changes or additions to the meeting agenda.

Approval of Minutes

Upon motion of Mr. Andrews, seconded by Ms. Hood, the committee approved the minutes of the Audit and Compliance Committee meeting held on April 15, 2025.

Election of Committee Vice Chair

Upon nomination and motion of Mr. Andrews, the committee elected Mr. Foster as Committee Vice Chair of the Audit and Compliance Committee.

Status Update for the 2024 Employer Assurances Review

Mr. Sandridge updated the committee on the status of the Auditor of Public Accounts' (APA) separate examinations designed to provide participating employers and their auditors the assurances necessary to prepare their own annual financial statements in accordance with Governmental Accounting Standards Board Statements No. 68 and 75.

He noted these examinations are progressing as planned and the APA should conclude their work and issue the related opinions during the month of July.

Entrance Conference on 2025 Annual Comprehensive Financial Report (ACFR)

Mr. Sandridge then facilitated the APA's entrance with the committee regarding VRS' 2025 ACFR, reviewing the approach and scope of the APA's annual examination of VRS' ACFR for the fiscal year ending June 30, 2025. Mr. Sandridge noted the APA's primary responsibilities under Generally Accepted Auditing Standards are to provide reasonable assurance as to whether the financial statements are free of material misstatements. Mr. Sandridge also noted APA's responsibility to determine that VRS' financial information is accurately incorporated into the statewide ACFR. Mr. Sandridge further addressed the APA's use of materiality, responsibility for identifying fraud, as well as reporting on non-compliance items that could have a material direct or indirect effect on financial statements.

Finally, Mr. Sandridge shared their report on internal controls and compliance will be provided at the conclusion of the examination and any significant findings over internal controls noted there would be included in the Statewide Single Audit Report. The committee and Mr. Sandridge discussed the scope and nature of the report on internal controls and compliance. Ms. Schreck provided additional remarks on how the VRS Internal Audit department scopes its work over internal controls.

Audit Reports

The committee received one audit report from staff.

Audit Report 463 - Retirement Disbursements

Ms. Bolt presented the results of Internal Audit's review of Retirement Disbursements. The review determined monthly disbursement processes are working as expected and changes to monthly benefits are valid and accurate. There were no recommendations resulting from this review.

Acceptance of Audit Report

Upon motion of Mr. Andrews, seconded by Ms. Hood, the committee accepted audit report no. 463 as presented.

Transitional FY 2026 - FY 2027 Strategic Plan and Performance Measures

Ms. Schreck presented the department's fiscal year 2026 and 2027 strategic plan and performance measures. She discussed how the new *Global Internal Audit Standards* have driven the development of the plan and measures and the associated planned progress and annual reporting.

Approval of the FY 2026 - FY 2027 Strategic Plan and Performance Measures

Upon motion of Mr. Andrews, seconded by Ms. Hood, the committee approved the FY 2026 - FY 2027 strategic plan and performance measures as presented.

Miscellaneous Updates

Quarterly Report on Fraud, Waste and Abuse Hotline Cases

Ms. Schreck noted there were no fraud, waste and abuse cases for the period February 1, 2025, through April 30, 2025.

Management's Quarterly Travel Expense and Per Diem Report

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

Next Committee Meeting Date


Sen. Bell noted the next meeting of the committee is scheduled for September 24, 2025, at 10:00 a.m.

Meeting Adjournment

There being no further business, the Audit and Compliance Committee meeting adjourned at approximately 1:45 p.m.



Committee Chair



Secretary