
Minutes

A regular meeting of the Virginia Retirement System Board of Trustees was held on December 8, 2022, in Richmond, Virginia with the following members participating:

Board members:

A. Scott Andrews, Chair
Hon. J. Brandon Bell, II
John M. Bennett
Michael P. Disharoon
William A. Garrett
W. Brett Hayes

Investment Advisory Committee

Lawrence E. Kochard, Ph.D., Chair (*attended remotely*)

VRS Staff:

Patricia Bishop, Ron Schmitz, Jennifer Schreck, Andrew Junkin, Advait Apte, Rory Badura, Parham Behrooz, Kevin Bliss, Caroline Cardwell, Jeanne Chenault, Michael Cooper, Harriet Covey, Juanita Cribbs, Sara Denson, Barry Faison, Jonathan Farmer, Laurie Fennell, Josh Fox, Brian Goodman, Katherine Grawe, JT Grier, Dane Honrado, KC Howell, Robert Irving, LaShaunda King, Kristina Koutrakos, Matt Lacy, Chung Ma, Curt Mattson, Tom Mulvin, Peter Murphy, Walker Noland, Greg Oliff, Angela Payne, Laura Pugliese, Steven Ramirez, Paula Reid, Dan Schlusser, Michael Scott, Jillian Sherman, Leslie Weldon, Dan Whitlock and Steve Woodall.

Guests:

Lauren Albanese, Financial Investment News; Jamie Bitz, Joint Legislative Audit and Review Commission; Brian Deveney and Erin Rodriguez, Auditor of Public Accounts; Jessica Dodson and Michael Tweedy, Senate Finance and Appropriations Committee; Joe Ebisa, With Intelligence; Alicia McElhaney, Institutional Investor; and Elizabeth Myers, Office of the Attorney General.

The meeting convened at 12:59 p.m.

Opening Remarks

Mr. Andrews called the meeting to order and welcomed everyone to the December 8, 2022, meeting of the Virginia Retirement System Board of Trustees.

After noting the meeting was being held in accordance with § 2.2-3708.3(B)(4) of the *Code of Virginia* and the VRS Remote Meeting Attendance Policy, Mr. Andrews took a roll call for attendance:

Mr. Bell: Present
Mr. Bennett: Present
Mr. Disharoon: Present
Mr. Garrett: Present
Mr. Hayes: Present
Mr. Andrews: Present

Next, Mr. Andrews announced that Joseph Montgomery, Board Vice Chair, was recently presented with the Distinguished Virginian Award by the Virginia Sports Hall of Fame. This award is presented to those who, by personal example, exemplify the best ideals and purposes of sport and exhibit superior leadership qualities in education, athletics, business and in the community.

Approval of Minutes

Upon a motion by Mr. Hayes, with a second by Mr. Bell, the VRS Board of Trustees approved the minutes from its November 15, 2022, meeting upon the following roll call vote:

Mr. Bell: Aye
Mr. Bennett: Aye
Mr. Disharoon: Aye
Mr. Garrett: Aye
Mr. Hayes: Aye
Mr. Andrews: Aye

Report of the Investment Advisory Committee

Lawrence Kochard, Chair of the Investment Advisory Committee (IAC), began his report by noting the IAC met on November 30, 2022, and approved the minutes from its August 18, 2022 meeting. The Committee received the Chief Investment Officer's (CIO) report that included an overview of market conditions, asset allocation, tracking error and total fund performance as of September 30, 2022.

The Committee received the annual program reviews and discussed key dynamics and topics unique to each program. The Committee noted that returns, short- and long-term, have been favorable and all asset classes generally remain above their respective benchmarks.

The Committee also discussed proposed changes to the benchmarks for the Real Assets and Risk-Based Investing (RBI) programs. The proposed changes more closely align the benchmark for Real Assets with the program's objectives and portfolio composition. With regard to RBI, the proposed change better aligns the program with its objective of providing meaningful diversification for the plan.

Lastly, the Committee praised Ron Schmitz's contributions during his tenure and emphasized that the total value of the Fund has almost doubled under his leadership.

Mr. Andrews thanked Mr. Kochard for his report and his leadership of the IAC.

Report of the Chief Investment Officer

Mr. Schmitz began his report with a market overview and discussed asset allocation, total fund performance and tracking error, concluding that risk measures are within Board-approved levels. Mr. Schmitz then discussed the New Investments and Terminations report.

Next, Mr. Schmitz presented the proposed changes to the benchmarks for the Real Assets and Risk-Based Investments programs.

Upon a motion by Mr. Bennett, with a second by Mr. Disharoon, the VRS Board of Trustees approved the following action*:

Request for Board Action 2022-12-29: The VRS Board of Trustees approves the recommended benchmarks for Real Assets and Risk-Based Investments, effective January 1, 2023.

**The Board did not take a roll call vote on this action item or any subsequent action items as no members were attending remotely.*

Mr. Andrews thanked Mr. Schmitz for his report.

Report of the Defined Contribution Plans Advisory Committee

The Board received the report of the Defined Contribution Plans Advisory Committee (DCPAC) and placed it on file.

ADMINISTRATION

Annual Administrative Expense Reports

Staff provided an overview of the administrative expense report and annual cost update for FY 2022, as required by the DCPAC Charter. The report provided both direct and indirect costs associated with administering VRS' Defined Contribution Plans. Total administrative costs related to participants and expenditures for FY 2022 were provided, along with a cost trend analysis over the five-year period from FY 2018 to FY 2022.

Administrative Reports and Communication Update

Staff provided an update on administrative reports for the third quarter of 2022. Updates included an overview of assets and accounts across the various defined contribution plans, as well as participant trends, and the impact of various plan initiatives was also provided. Staff shared with the Committee an analysis and overview of efforts related to the third quarter focus on increasing contributions and enrollments among plan participants.

ORPHE Update

Staff provided an overview of ORPHE reports for the third quarter of 2022, including plan assets and accounts.

ORPHE Employer Update Report

Mr. Larson provided an overview of the ORPHE Annual Employer Update hosted by VRS on September 29, 2022. He noted that 21 participating institutions were represented.

DC Plans Recordkeeper RFP Update

Staff provided an update on the DC Plans Recordkeeper RFP. The deadline for proposals received in response to the Recordkeeper RFP is December 2, 2022. The formal evaluation process will begin in January 2023.

INVESTMENTS

Performance Reports

Staff provided an overview of the October 31, 2022, performance reports to the DCPAC, including the unbundled DC plans investment options and the bundled TIAA investment menu in the Retirement Choice (RC) contract for ORPHE. Staff highlighted areas from the unbundled investment options and the bundled TIAA passively managed investment options for the longer dated return series where performance was at least 10 basis points above or below the benchmark after accounting for fund expense ratios on the downside for passively managed funds. Actively managed and capital preservation funds' performance was highlighted as appropriate. In the past, staff focused on highlighting funds that underperformed their benchmarks.

CEM Defined Contribution Plans Survey

Staff reviewed the CEM DC Plans 2021 survey results, which was comprised of 99 corporate and 24 public plans representing \$1.4 trillion in assets. Staff informed the Committee that the survey results included the unbundled DC Plans supplemental 457 Deferred Compensation Plan, in addition to the bundled TIAA program for ORPHE. Staff noted that the TIAA information was based solely on the TIAA RC contract. Staff included the CEM DC Survey Reports in the Appendix for the Committee to review.

Proxy Voting

Staff informed the Committee that one of the VRS DC investment managers, BlackRock, approached VRS with an expanded proxy voting choice option for their institutional clients investing in certain index strategies. Proxy voting optionality provides VRS the opportunity to potentially have more influence on how publicly traded companies are managed and vote its pro-rata share of a fund's securities more in line with VRS investment strategies and beliefs. Staff confirmed that there is no additional cost for this option.

Upon a motion by Mr. Bell, with a second by Mr. Hayes, the VRS Board of Trustees approved the following action:

Request for Board Action 2022-12-30: The VRS Board of Trustees approves additional proxy voting methods used for the defined contribution (DC) plans and delegates to the Chief Investment Officer which method(s) to select. In addition to the current method whereby the Board has delegated full authority and responsibility to the investment managers to vote all securities held in the plans, the Board approves additional voting choice options, where feasible, to include voting proxies by selecting from a menu of third-party proxy voting policies offered by an investment manager or voting proxies according to VRS' own policies.

OTHER BUSINESS

Code of Ethics

Staff informed the Committee that an email notification would be forthcoming that includes instructions for completing the review and affirmation of the Board of Trustees' Code of Ethics and Conduct, an annual requirement of VRS advisory committee members. Staff shared that Committee members will be able to electronically sign and submit the affirmation statement.

DCPAC Appointments

Staff informed the Committee that Mr. Smither resigned his position with Powhatan County and, therefore, is ineligible to continue in his role with the DCPAC. Staff consulted with the Virginia Municipal League (VML) and the Virginia Association of Counties (VACo) to find a suitable candidate to fill the vacancy. VML and VACo recommended C. Matt Harris, the Chesterfield Deputy County Administrator for Finance and Administration.

The Committee recommended approval of the appointment of C. Matt Harris to serve on the DCPAC to the Administration, Finance and Talent Management Committee.

Discussion of New Ideas

No new business was brought before the Committee.

2023 MEETINGS

The Committee is scheduled to meet on the following dates in 2023, all at 1:00 p.m.:

- Thursday, March 30th
- Thursday, June 1st
- Thursday, September 7th
- Thursday, November 30th

Additionally, the ORPHE Annual Employer Update will be scheduled and will appear on the DCPAC agenda as an upcoming event. This is not a DCPAC meeting; however, members may attend if interested.

Mr. Andrews thanked Mr. Bell for his report.

Report of the Audit and Compliance Committee

The Board received the report of the Audit and Compliance Committee (A&C) and placed it on file.

APPROVAL OF MINUTES

Mr. Hayes began his report by noting the Committee approved the minutes of its September 13, 2022, meeting.

EXIT ON THE AUDITOR OF PUBLIC ACCOUNTS (APA) 2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) AUDIT

The APA informed the Committee the audit work of the 2022 VRS Annual Comprehensive Financial Report (ACFR) was in its final stage. Upon completion, the APA anticipates issuing an unmodified opinion on VRS' financial statements. They noted their companion "Report on Internal Controls and Compliance" would be issued next month (January).

ENTRANCE WITH THE APA REGARDING EMPLOYER ASSURANCES (GASB 68 AND 75)

The APA then provided the Committee with an overview of its upcoming examinations designed to provide participating employers and their auditors the assurances necessary to prepare their own

annual comprehensive financial statements in accordance with Governmental Accounting Standards Board (GASB) Statements:

- No. 68, which focuses employer reporting over pension plans.
- No. 75, which deals with employer reporting over other post-employment benefit plans.

The APA anticipates issuing its opinions on these matters on or about June 30, 2023.

QUALITY ASSURANCE REVIEW OF THE INTERNAL AUDIT DEPARTMENT

The Audit Director presented the results of the department's Annual Quality Assurance Improvement Program Review as of June 30, 2022, noting the review concluded there is reasonable assurance that the VRS Internal Audit Department is operating in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

QUARTERLY REPORT ON FRAUD, WASTE AND ABUSE HOTLINE CASES

It was noted there were no Fraud, Waste and Abuse Hotline complaints reported to Internal Audit via the Office of the State Inspector General or other sources during the period of August 1, 2022, through October 31, 2022.

MANAGEMENT'S QUARTERLY TRAVEL EXPENSE AND PER DIEM REPORT

The Committee received Management's Quarterly Travel Expense and Per Diem report.

CONFIRMATION OF 2023 MEETING SCHEDULE

The Committee received confirmation of the 2023 VRS Board and committee meeting dates. The Committee's next meeting is scheduled for Wednesday, March 29, 2023, at 1:00 p.m.

AUDIT REPORTS

The Committee received two audit reports.

- The review of the *General Ledger System* concluded processes are in place to protect the confidentiality, integrity and availability of the system; however, opportunities to enhance these processes exist. One written recommendation was included in the report.
- The Committee went into closed session to receive the report on *myVRS and the Fraud System*.

Upon returning to open meeting, the Committee accepted both reports.

Mr. Andrews thanked Mr. Hayes for his report.

Report of the Administration, Finance and Talent Management Committee

The Board received the report of the Administration, Finance and Talent Management Committee (AFT) and placed it on file.

APPROVAL OF MINUTES

Mr. Andrews began his report by noting the Committee approved the minutes of its October 18, 2022, meeting.

APPOINTMENT OF DEFINED CONTRIBUTION PLANS ADVISORY COMMITTEE (DCPAC) MEMBER

Trish Bishop, Director, advised the Committee of the vacant seat on the DCPAC for a political subdivision employee. Matt Harris, Deputy County Administrator for Chesterfield County, has agreed to serve on the Committee.

Upon a motion by Mr. Andrews, with a second by Mr. Bell, the VRS Board of Trustees approved the following action:

Request for Board Action 2022-12-31: The Board appoints C. Matt Harris to the Defined Contribution Plans Advisory Committee (DCPAC) to fill the unexpired term of Edward N. (Ned) Smither, which expires June 20, 2024.

Annual Comprehensive Financial Report (ACFR) Update

Next, Mr. Andrews introduced Leslie Weldon, the new Chief Financial Officer (CFO), and retiring CFO, Barry Faison, who presented an update on the Annual Comprehensive Financial Report (ACFR).

Mr. Faison provided an overview of benefits and expenses, contributions and deductions for fiscal years 2021 and 2022. Mr. Faison reviewed the VRS net position growth of assets as reported over the last twenty years, noting these positive outcomes are tied to investment income and employer contributions.

Mr. Andrews thanked Mr. Faison for his presentation and expressed the Board's appreciation of his over 45 years of service to the citizens of the Commonwealth, and over 20 years as CFO for VRS. The Board praised Mr. Faison for his dedication and commitment to VRS, and for exemplifying the mission, vision and core values of the agency.

Resolution of Appreciation for Ron Schmitz, Chief Investment Officer

Next, Mr. Andrews presented the following resolution of appreciation for Ronald D. Schmitz:

WHEREAS, Ronald D. Schmitz was selected by the Virginia Retirement System Board of Trustees to lead the Investment Program in 2011; and

WHEREAS, Mr. Schmitz led the investment team during a number of challenging financial environments, steadily guiding the system through these periods of market fluctuation, while exercising calm, steady leadership; and

WHEREAS, during Mr. Schmitz's tenure at the Virginia Retirement System, the VRS Trust Fund almost doubled in size, building from \$51 billion in 2011 when he first arrived at the agency to more than \$100 billion as of June 30, 2021, marking a significant milestone for the fund; and

WHEREAS, under Mr. Schmitz's leadership and guidance, and through his investment acumen, the VRS Trust Fund experienced an outstanding return in 2021 of 27.5%, a fiscal year performance not seen in the past thirty years; and

WHEREAS, believing in attracting and retaining diverse managers and staff, Mr. Schmitz helped initiate and lead the Diversity, Equity, and Inclusion Steering Committee to encourage engagement, dialogue,

different perspectives, and creative approaches that enhanced the agency's ability to serve its members; and

WHEREAS, Mr. Schmitz was devoted to managing the fund and leading the agency's investment program to ensure an efficient and diverse portfolio that garners returns and targets an acceptable level of risk, while ultimately ensuring benefits are available for the System's members and beneficiaries over a long time horizon;

NOW, THEREFORE, BE IT RESOLVED, that on December 8, 2022, we, the members of the Board of Trustees of the Virginia Retirement System, hereby acknowledge Mr. Schmitz's service to the Virginia Retirement System, its members, retirees, and the Commonwealth of Virginia, and are grateful for his contributions and stewardship.

Mr. Andrews congratulated Mr. Schmitz on his retirement and expressed the Board's gratitude for his longstanding and exceptional service.

Mr. Schmitz expressed his appreciation to the Board and praised agency staff for their hard work and dedication.

Report of the Director

Trish Bishop, VRS Director, began her report with an update on the agency roadmap for FY 2023, noting all projects are progressing as planned, as well as a review of New Coverage Elections.

Ms. Bishop then made the following announcements to the Board:

- The Government Finance Officers Association of the United States and Canada (GFOA) recognized VRS with an Award for Outstanding Achievement in Financial Reporting for the *Popular Annual Financial Report* (PAFR). This is the sixth consecutive year VRS was eligible to achieve this recognition.
- The annual Code of Ethics and Standards of Conduct training has been distributed to the Board electronically.
- The annual Conflict of Interest Act filing is due by Wednesday, February 1, 2023, for Statements of Economic Interests and Financial Disclosure statements. The filing period covers January 1, 2022, to December 31, 2022.
- The Agency Annual Meeting will be held at the Greater Richmond Convention Center on December 14, 2022, to celebrate annual achievements and present awards.

Mr. Andrews thanked Ms. Bishop for her report.

Other Business

Mr. Hayes praised Mr. Schmitz for his professionalism and wished him the best in his retirement.

There being no further business, Mr. Andrews noted there were no upcoming meetings for the remainder of the calendar year and wished everyone a safe and happy new year.

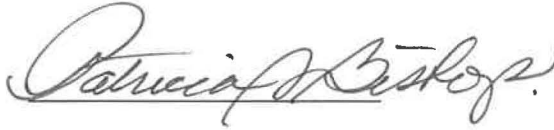
Adjournment

Following a motion by Mr. Disharoon, with a second by Mr. Garrett, the VRS Board of Trustees agreed to adjourn the meeting.

The meeting concluded at 1:54 p.m.



Chair



Secretary

Report

The Defined Contribution Plans Advisory Committee (DCPAC) convened on December 1, 2022 at 1:00 p.m. and took up the following matters:

WELCOME AND INTRODUCTION

Senator Bell welcomed Committee members, Board members, agency officials, representatives from stakeholder groups, and other members of the public joining in person and through electronic means, to the DCPAC.

ADMINISTRATION

Annual Administrative Expense Reports

Staff provided an overview of the administrative expense report and annual cost update for FY 2022, as required by the DCPAC Charter. The report provided both direct and indirect costs associated with administering VRS' Defined Contribution Plans. Total administrative costs related to participants and expenditures for FY 2022 were provided, along with a cost trend analysis over the five-year period from FY 2018 to FY 2022.

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INVESTMENTS

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CEM Defined Contribution Plans Survey

Staff reviewed the CEM DC Plans 2021 survey results, which was comprised of 99 corporate and 24 public plans representing \$1.4 trillion in assets. Staff informed the Committee that the survey results included the unbundled DC Plans supplemental 457 Deferred Compensation Plan, in addition to the bundled TIAA program for ORPHE. Staff noted that the TIAA information was based solely on the TIAA RC contract. Staff included the CEM DC Survey Reports in the Appendix for the Committee to review.

Proxy Voting

Staff informed the Committee that one of the VRS DC investment managers, BlackRock, approached VRS with an expanded proxy voting choice option for their institutional clients investing in certain index strategies. Proxy voting optionality provides VRS the opportunity to potentially have more influence on how publicly traded companies are managed and vote its pro-rata share of a fund's securities more in line with VRS investment strategies and beliefs. Staff confirmed that there is no additional cost for this option.

Recommend RBA to Approve Additional Methods of Proxy Voting for the Defined Contribution Plans

The Committee recommended approval of the following action to the Board:

Request for Board Action: *The VRS Board of Trustees approves additional proxy voting methods used for the defined contribution (DC) plans and delegates to the Chief Investment Officer which method(s) to select. In addition to the current method whereby the Board has delegated full authority and responsibility to the investment managers to vote all securities held in the plans, the Board approves*

additional voting choice options, where feasible, to include voting proxies by selecting from a menu of third-party proxy voting policies offered by an investment manager or voting proxies according to VRS' own policies.

OTHER BUSINESS

Code of Ethics

Staff informed the Committee that an email notification would be forthcoming that includes instructions for completing the review and affirmation of the Board of Trustees' Code of Ethics and Conduct, an annual requirement of VRS advisory committee members. Staff shared that Committee members will be able to electronically sign and submit the affirmation statement.

DCPAC Appointments

Staff informed the Committee that Mr. Smither resigned his position with Powhatan County and, therefore, is ineligible to continue in his role with the DCPAC. Staff consulted with the Virginia Municipal League (VML) and the Virginia Association of Counties (VACo) to find a suitable candidate to fill the vacancy. VML and VACo recommended C. Matt Harris, the Chesterfield Deputy County Administrator for Finance and Administration.

Recommend RBA for Appointment of DCPAC Member

The Committee recommended approval of the following action to the Administration, Finance and Talent Management Committee. The Administration, Finance and Talent Management Committee will provide their recommendation to the Board:

Request for Board Action: *The Board appoints C. Matt Harris to the Defined Contribution Plans Advisory Committee (DCPAC) to fill the unexpired term of Edward N. (Ned) Smither, which expires June 20, 2024.*

Discussion of New Ideas

No new business was brought before the Committee.

2023 MEETINGS

The Committee is scheduled to meet on the following dates in 2023, all at 1:00 p.m.:

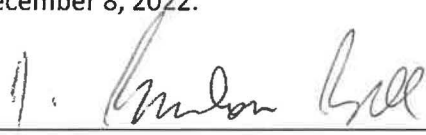
- Thursday, March 30th
- Thursday, June 1st
- Thursday, September 7th

-
- Thursday, November 30th

Additionally, the ORPHE Annual Employer Update will be scheduled and will appear on the DCPAC agenda as an upcoming event. This is not a DCPAC meeting; however, members may attend if interested.

There was no other business to come before the Committee.

Submitted to the Board of Trustees on December 8, 2022.



J. Brandon Bell, Chair
Defined Contribution Plans Advisory Committee

The VRS Defined Contribution Plans team hosted the Optional Retirement Plan for Higher Education (ORPHE) Annual Employer Update for employers on Thursday, September 29, 2022.

The following agenda items were covered:

- Brandon Bell, VRS Board member and DCPAC Chair, welcomed participants and offered opening remarks.
- Kelly Hiers, Plan Administrator for the VRS Defined Contribution Plans, provided an overview of assets and accounts under management in the ORPHE in comparison to total plan assets and accounts across all of the unbundled plans. She also shared total assets and number of participants for the period ending June 30, 2022, including an overview of changes in asset size and number of participant accounts for the period 2014 through June 30, 2022. Ms. Hiers provided an update of ORPHE election data for DCP and TIAA, including the percentage of elections across all VRS ORPHE participating employers, current participants and recent new hires for the second quarter of 2022.

Ms. Hiers shared with employers an update on the distribution of the annual fee disclosure for ORPHE participants.

- Steve Cerreto, ORPHE Plan Officer for the VRS Defined Contribution Plans, presented an administrative update, including an overview of the open enrollment process in myVRS for participants, the application of the 401(a)(17) compensation limits, and various resources available to employers and participants.
- Rick Larson, Defined Contribution Plans Advisory Committee Member, provided closing remarks and adjourned the session.

Attendance

Representatives from 21 unique institutions from across the Commonwealth participated via webinar. A survey sent to participants following the webinar indicated that 100% of respondents either agreed or strongly agreed that the information presented was important and useful. Those who attended also received plan-related information via email following the webinar.

That concludes my report on the ORPHE Annual Employer Update.



Rick Larson, SPHR, SHRM-SCP
Member, VRS Defined Contribution Plans Advisory
Committee

Report

The Audit and Compliance Committee met on December 8, 2022. Mr. Hayes welcomed committee members, Board members, agency officials, representatives from stakeholder groups and other members of the public joining in person and through electronic means. The committee discussed the following:

APPROVAL OF MINUTES

The committee approved the minutes of its September 13, 2022 meeting.

EXIT ON THE AUDITOR OF PUBLIC ACCOUNTS (APA) 2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) AUDIT

The APA informed the committee the audit work over the 2022 VRS Annual Comprehensive Financial Report (ACFR) was in its final stage. Upon completion, the APA anticipates issuing an unmodified opinion on VRS' financial statements. They noted their companion "Report on Internal Controls and Compliance" would be issued next month (January).

ENTRANCE WITH THE APA REGARDING EMPLOYER ASSURANCES (GASB 68 AND 75)

The APA then provided the committee with an overview of its upcoming examinations designed to provide participating employers and their auditors the assurances necessary to prepare their own annual comprehensive financial statements in accordance with Governmental Accounting Standards Board (GASB) Statements:

- No. 68, which focuses employer reporting over pension plans.
- No. 75, which deals with employer reporting over other post-employment benefit plans.

The APA anticipates issuing its opinions on these matters on or about June 30, 2023.

QUALITY ASSURANCE REVIEW OF THE INTERNAL AUDIT DEPARTMENT

The Audit Director presented the results of the department's Annual Quality Assurance Improvement Program Review as of June 30, 2022, noting the review concluded there is reasonable assurance that the VRS Internal Audit Department is operating in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

QUARTERLY REPORT ON FRAUD, WASTE AND ABUSE HOTLINE CASES

It was noted there were no Fraud, Waste and Abuse Hotline complaints reported to Internal Audit via the Office of the State Inspector General or other sources during the period of August 1, 2022, through October 31, 2022.

MANAGEMENT'S QUARTERLY TRAVEL EXPENSE AND PER DIEM REPORT

The committee received Management's Quarterly Travel Expense and Per Diem report.

CONFIRMATION OF 2023 MEETING SCHEDULE

The committee received confirmation of the 2023 VRS Board and Committee meeting dates. The committee's next meeting is scheduled for Wednesday, March 29, 2023 at 1 p.m.

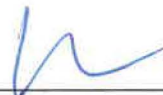
AUDIT REPORTS

The committee received two audit reports.

- The review of the *General Ledger System* concluded processes are in place to protect the confidentiality, integrity and availability of the system; however, opportunities to enhance these processes exist. One written recommendation was included in the report.
- The committee went into closed session to receive the report on *myVRS and the Fraud System*.

Upon returning to open meeting, the committee accepted both reports.

Respectfully submitted to the Board of Trustees on December 8, 2022.



W. Brett Hayes, Vice Chair
Audit and Compliance Committee

Report

The Administration, Finance and Talent Management Committee met on December 8, 2022, and discussed the following:

APPROVAL OF MINUTES

The Committee approved the minutes of its October 18, 2022, meeting.

APPOINTMENT OF DEFINED CONTRIBUTION PLANS ADVISORY COMMITTEE (DCPAC) MEMBER

Trish Bishop, Director, advised the Committee of the vacant seat on the DCPAC for a political subdivision employee. Matt Harris, Deputy County Administrator for Chesterfield County, has agreed to serve on the Committee.

The Committee, with the concurrence of the DCPAC, recommends approval of the following action to the full Board:

Request for Board Action: *The VRS Board of Trustees approves the appointment of C. Matt Harris to the Defined Contribution Plans Advisory Committee to fill the unexpired term of Edward N. Smither, which expires June 20, 2024.*

Submitted to the Board of Trustees on December 8, 2022.



A. Scott Andrews, Chair
Administration and Personnel Committee