



Audit and Compliance Committee Meeting

[1111 E. Main Street](#)
[Third Floor Board Room](#)

Tuesday, 6/11/2024

1:00 - 3:00 PM ET

I. Minutes of the December 7th Meeting

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II. Election of Committee Vice Chair

III. Matters for Discussion with the Auditor of Public Accounts

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A. Update on the 2023 Employer Assurances Review

B. Entrance on 2024 Annual Comprehensive Financial Report

2024 VRS Annual Report Board Entrance - Page 7

IV. Audit Reports

A. Report 457: Member and Employer Contributions

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B. Report 458: Investment Decision Support

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A. Report from Administration

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B. Report from Investments

Investments Report on Code of Ethics - Page 89

VI. FY 2024 Audit Plan Progress as of December 31, 2023

FY 2024 Annual Plan Progress as of December 2023 - Page 123

VII. Implementation of the 2024 Global Internal Audit Standards

Implementation of the Global Internal Audit Standards - Page 127

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

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IX. Miscellaneous Updates

A. Cost of Living Adjustments Review Memorandum

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

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C. Next Meeting Date: Wednesday, September 18, 2024, at 10:30 a.m.

Minutes

The Audit and Compliance Committee of the Board of Trustees met on December 7, 2023, at the Virginia Retirement System located in Richmond, Virginia. The following individuals were present.

Audit and Compliance Committee Members:

Joseph W. Montgomery, Committee Chair
A. Scott Andrews, Board Chair

Other Members of the Board of Trustees:

Jessica L. Hood
Lindsey K. Pantele

VRS Staff:

Patricia Bishop, Andrew Junkin, Jennifer Schreck, Stephen Adelaar, Judy Bolt, Jeanne Chenault, Michael Cooper, Laurie Fennell, Antonio Fisher, Joshua Fox, J.T. Grier, Krystal Groff, Robert Irving, Matthew Priestas, Mark Rein, Kristy Scott, Leslie Weldon and Daniel Whitlock.

Guests:

Jamie Bitz, Joint Legislative Audit and Review Commission; Zach Borgerding, Erin Shell and Amy Stokes, Auditor of Public Accounts; and Robert Smith, NWN Carousel

The meeting convened at 10:00 a.m.

Opening Remarks

Mr. Montgomery called the meeting to order and welcomed everyone to the December 7, 2023, meeting of the Audit and Compliance Committee of the Virginia Retirement System Board of Trustees and noted no changes or additions to the meeting agenda.

Approval of Minutes

Upon motion of Mr. Andrews, seconded by Ms. Pantele, the committee approved the minutes of the Audit and Compliance Committee meeting held on September 20, 2023.

Exit on the 2023 Annual Comprehensive Financial Report (ACFR)

Mr. Borgerding informed the committee the APA's audit work over VRS' fiscal year 2023 ACFR was in its final stages. Mr. Borgerding indicated the APA plans to issue an unmodified opinion dated no later than December 15, 2023. Mr. Borgerding noted as a part of the audit, the APA would issue a "Report on Internal Controls and Compliance" in January 2024. Results of the audit include potential recommendations which are in the process of being discussed with management and which the APA is evaluating for inclusion in the report.

Entrance for 2023 Employer Assurances Review

Mr. Borgerding then provided the committee with an overview of the APA's upcoming examination designed to provide participating employers and their auditors the assurances necessary to prepare their own annual financial statements in accordance with:

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

Mr. Borgerding noted the examination will cover the period July 1, 2022, through June 30, 2023, and the APA anticipates issuing its opinions on these matters on or about June 30, 2024. He further indicated an engagement memo would be provided to the committee at a later date. Mr. Borgerding, Ms. Bishop and Ms. Schreck discussed with the committee the related costs and efficiencies of the APA performing this review for VRS and its participating employers, including the increased accuracy and consistency when employers use the information provided for their financial reporting.

Audit Reports

The committee received two audit reports from staff.

Audit Report 455 – Global Public Equity – External Managers

Mr. Fox presented the results of Internal Audit's review of Global Public Equity – External Managers. The review determined VRS provides appropriate oversight and monitoring of the Global Public Equity Program's externally managed accounts. There were no recommendations resulting from this review.

Audit Report 456 - Refunds

Mr. Priestas presented the results of Internal Audit's review of Refunds. The review determined VRS' overall control environment adequately supports refunds processing and management has acceptable segregation of duties, appropriate logical access as well as refunds processing procedures to ensure members' eligible account balances are disbursed accurately and timely. There were no recommendations resulting from this review.

Acceptance of Audit Reports

Upon motion of Ms. Pantele, seconded by Mr. Andrews, the committee accepted audit reports no. 455 and 456 as presented.

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

Ms. Schreck presented the results of the annual internal Quality Assurance and Improvement Program Review as of June 30, 2023, noting the Principal Auditor for Quality Assurance had completed the review and concluded there was reasonable assurance that the Internal Audit Department was generally performing in conformance with the *International Standards for the Professional Practice of Internal Auditing*. Ms. Schreck highlighted the

milestones for the upcoming updates to the Global Internal Audit Standards and the timing of the department's next external Quality Assurance Review.

Quarterly Report on Fraud, Waste and Abuse Hotline Cases

Ms. Bolt shared there was one Fraud, Waste and Abuse case reported for the period August 1, 2023, through October 31, 2023. The case was related to retirement benefits, was unfounded and closed.

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.

Confirmation of 2024 Meeting Schedule

Ms. Schreck shared the 2024 VRS Board and Committee meeting dates, noting the next meeting of the Committee is scheduled for March 27, 2024, at 1:00 p.m.

Meeting Adjournment

There being no further business, upon motion by Mr. Andrews, seconded by Ms. Pantele, the Audit and Compliance Committee adjourned the meeting at approximately 10:40 a.m.

Committee Chair

Secretary

Matters for Discussion with the Auditor of Public Accounts

VRS Annual Report

For informational purposes, you may wish to review VRS' most recent Annual Report, which includes VRS' 2023 Annual Comprehensive Financial Report and the APA's associated opinion. Due to the voluminous nature, the report is not included in the meeting book, but can be found on VRS' website at the following link: [VRS Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023 \(varetire.org\)](https://www.varetire.org/2023-annual-comprehensive-financial-report)

APA's Report on Internal Control

The APA's Report on Internal Control for the 2023 Annual Report found the financial statements were presented fairly, in all material respects. An internal control finding requiring management's attention and an instance of noncompliance or other matter required to be reported under Government Auditing Standards were also included. This report can be viewed at the following link: [Virginia Retirement System for the year ended June 30, 2023](https://www.varetire.org/2023-annual-comprehensive-financial-report)

MATTERS FOR DISCUSSION WITH THE APA

Update on the 2023 Employer Assurances Audit

The APA will provide an update on the status of their 2023 Employer Assurances Audit, the results of which are expected to be reported out by the middle of July 2024.

Entrance on VRS' 2024 Financial Statement Audit

The APA will entrance with the Committee on VRS' 2024 Annual Comprehensive Financial Report Audit. For informational purposes links to VRS' 2023 Annual Comprehensive Financial Report and APA's Report on Internal Control for 2023 are provided to the left.

For reference purposes, a list of some of the questions often posed to external auditors when entrancing are provided below. However, entrance meetings with the APA are typically informal, with questions posed as the Committee sees fit.

Typical 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?



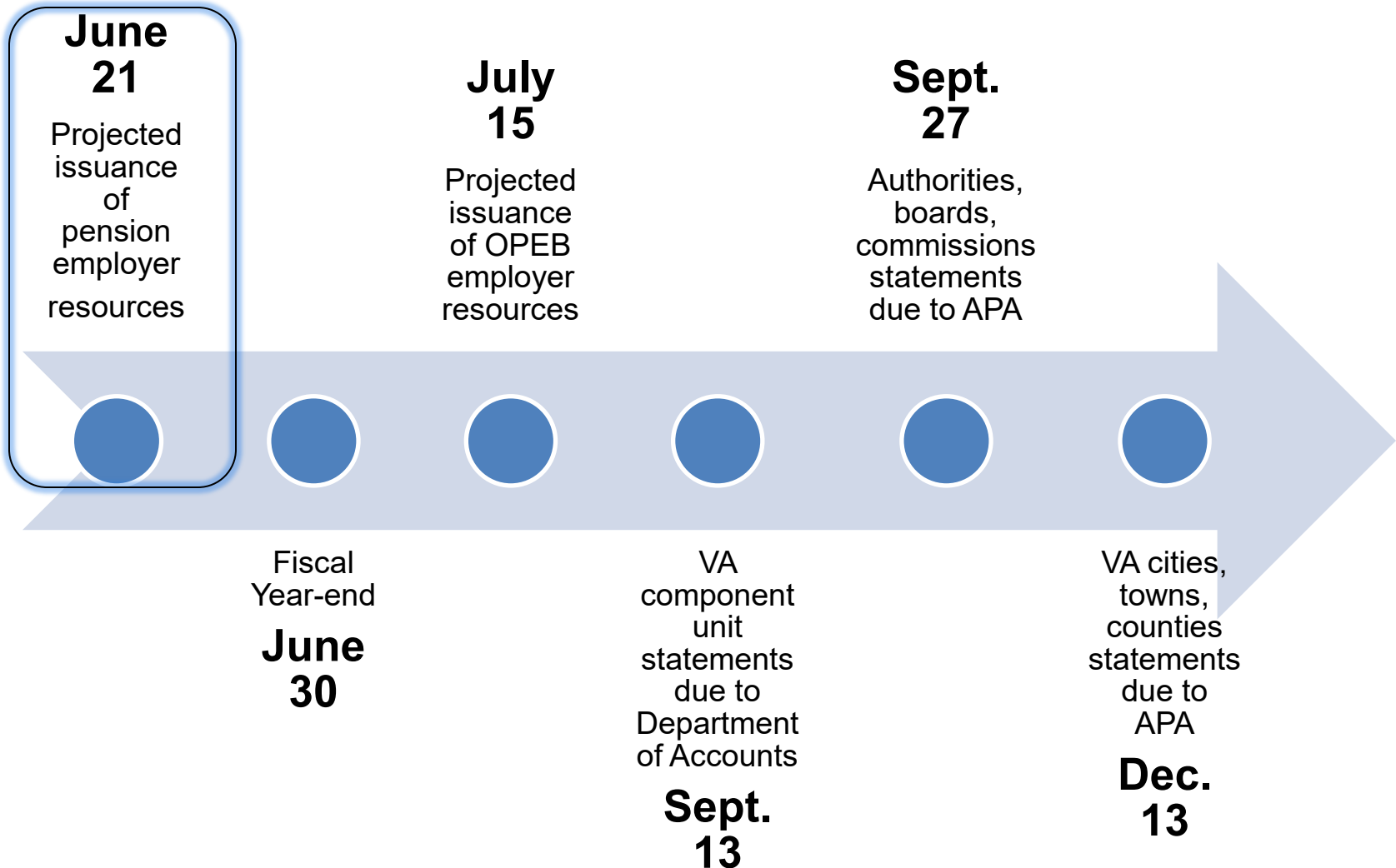
Fiscal Year 2024 VRS Annual Report Entrance

June 11, 2024

Zach Borgerding, Audit Director

Auditor of Public Accounts

Employer Assurances Engagement Status Update



Our Team

Zach Borgerding



Director

- 16 years experience
- 9 years assigned to VRS
- CPA, CISA and CGFM
- Specialty Focus: Reporting and Standards

Erin Shell



Supervisor

- 6 years experience
- 6 years assigned to VRS
- MBA
- Specialty Focus: Data Analysis

Justin Ferrell



Manager

- 14 years experience
- 5 years assigned to VRS
- CPA, CISA, VCCO
- Specialty Focus: Capital Assets Management

PJ Spitz



Auditor

- 1 year experience
- 1 year assigned to VRS
- Specialty Focus: Higher Education

Gracie Davidson



Auditor

- 4 years experience
- 1st year assigned to VRS
- Specialty Focus: Capital Assets Management

Our Team (continued)

April Cassada



Director

- 21 years experience
- BS in Accounting, CPA, CISA, and CITP
- Manages and reviews all data retrieval work

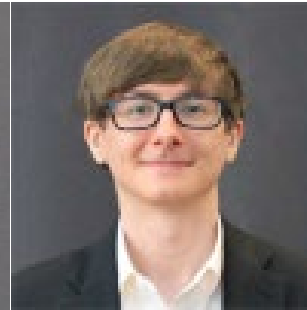
Danese Seabourne



Manager

- 9 years experience
- 8 years assigned to VRS
- BS in Computer Science and certified in IS, CISA
- Manages system security work

Taylor Collins



Senior

- 3 years experience
- 3 years assigned to VRS
- BS in Information Systems
- Assigned exclusively to audit systems security

Brian Deveney



Manager

- 11 years experience
- 6 years assigned to VRS (prior audit In-charge)
- Assigned to consult and perform limited investments work

Julian Gasparo



Associate

- <1 year experience
- 1st year assigned to VRS
- BS in Finance from VCU

Audit Objectives

- **Basic Financial Statements**
 - Primary objective of audit is to provide an opinion on fair presentation in accordance with GAAP
 - We assess risk of material misstatement at the line item level and design an audit approach responsive to those risks
 - Procedures include a combination of tests of detailed transactions and balances, as well as internal control processes

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Audit Objectives

- **Virginia ACFR**
 - Objective of audit is also to ensure fair presentation of attachments and supplemental items submitted to DOA
 - Inquiries often require communication between VRS, DOA, and their respective audit teams
 - The VRS audit PM performs final review for both projects to ensure consistency
 - Team also considers internal control processes relating to the compilation of this information



Audit Objectives

- **Required Supplementary Information (RSI)**

- We review for consistency with the basic financial statements
- We perform limited procedures, including management inquiries and review of support
- We do not provide an opinion concerning RSI

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Audit Objectives

- **Supplementary Information**
 - We provide an opinion that schedules are fairly stated ‘in relation to’ the basic financial statements
 - We reconcile the total schedule amount to the basic financial statements and sub-amounts to the general ledger system
 - We perform limited additional procedures, including management inquiries

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Audit Objectives

- **Other Information**
 - We review for inconsistency with the basic financial statements
 - We review for apparent material misstatements of fact based on knowledge of operations
 - We do not provide an opinion or any assurance whatsoever concerning other information

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Significant Risks

Management Override

- Risk is present at all organizations
- Access controls
- Segregation of duties
- Culture/tone at the top
- Whistleblower communication channels

Revenue Recognition

- Risk is generally present at all organizations
- Actuarial gains – highly material, complex, and subjective estimate
- Investments – highly material, complex, and subjective estimate

Other Potential Areas of Audit Inquiry

- Decoupling defined benefit and defined contribution rates for Hybrid members (effective July 1, 2024)
- Implementation of new access and resource management tool
- Updates to investment policy statements, including new strategies to use leverage to manage risk and liquidity
- Transition from MissionSquare to Voya Financial as third-party record keeper for VRS defined contribution plans

Approach to Materiality

- We consider what is likely to affect the judgment of a financial statement user in order to:
 - Assess risk and design audit procedures
 - Evaluate misstatements in amounts and deficiencies in processes
- Includes quantitative and qualitative considerations
- Certain procedures are performed at a lower level of materiality in preparation for the employer-level opinions provided in support of Employer Assurances Engagement

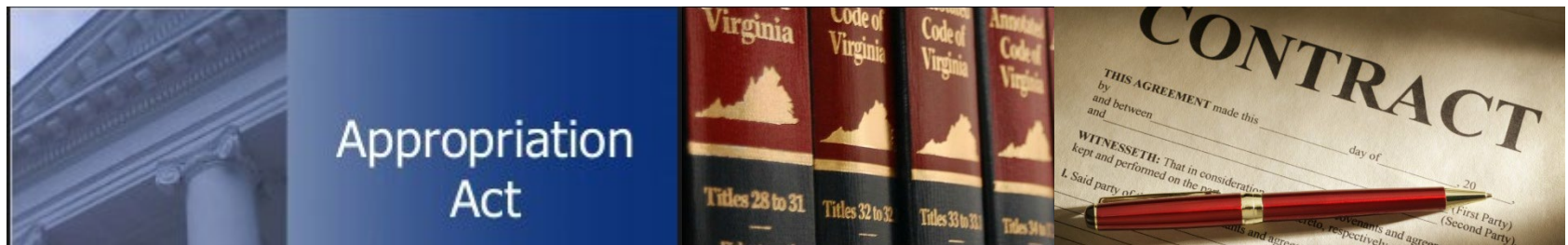
Approach to Fraud

- Team interviews personnel and assesses the risk of fraud
- Team looks for red flags and considers the potential for fraud as it relates to exceptions identified during fieldwork
- VRS is required to notify APA when fraud is identified



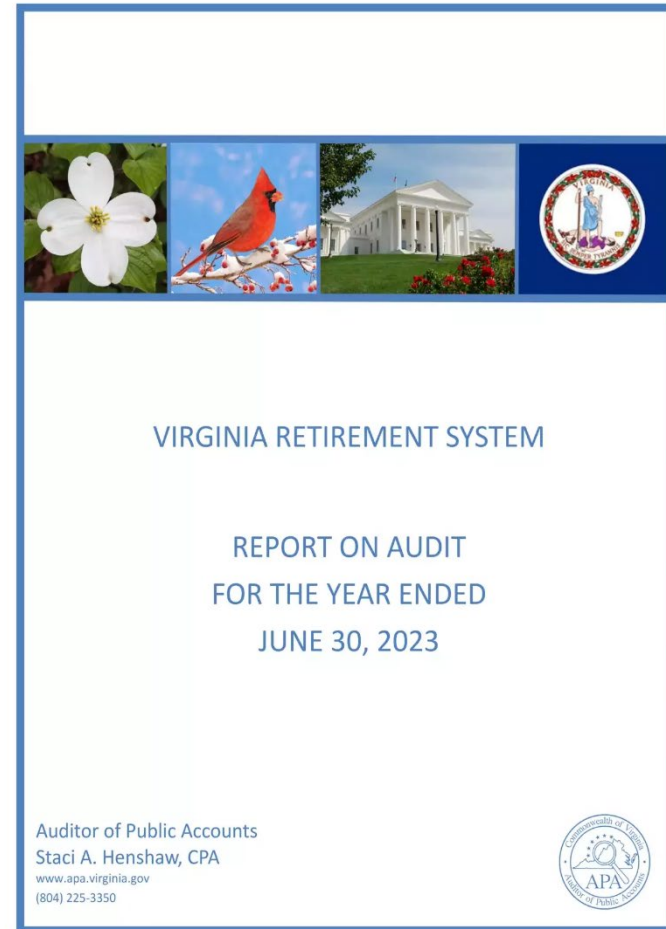
Approach to Compliance

- We consider the risk that potential non-compliance could have a material direct or indirect effect on the financial statements
- We assess management's processes
- We test compliance which we deem significant in the context of the audit objectives



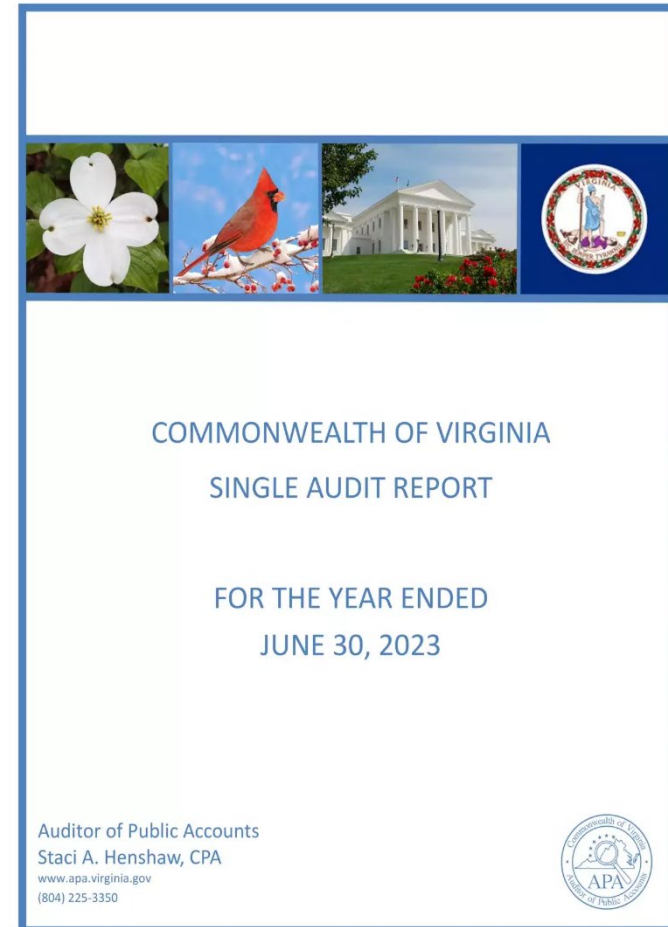
Audit Objectives

- **Report on Internal Controls and Compliance**
 - We do not provide an opinion on internal controls
 - We are required to report any findings that we deem to be significant deficiencies or material weaknesses
 - Though not required, we plan to issue this report the same week we release the audit opinion



Audit Objectives

- **Statewide Single Audit**
 - The Statewide Single Audit (SSA) report serves as the internal control report for the Commonwealth's Annual Comprehensive Financial Report
 - Findings included in the VRS internal controls report will be carried forward to the SSA report
 - Report on status of prior year findings



Management Communication

- Entrance/Exit with Management
- Bi-weekly status meetings:
 - Financial
 - Investments
- When potential concerns are noted:
 - Confirm condition
 - Obtain response
 - Evaluate significance

Audit Committee Communication

- If you are aware of risks our audit should address, please share those with us
- Unless there are findings requiring your immediate attention, we will present our results to you at the conclusion of the audit
- If earlier communication is warranted, we will coordinate with internal audit to ensure the Committee is informed in a timely manner
- Terms of the engagement are included in the June Committee meeting materials

Intended Use Statement

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

Member and Employer Contributions

June 1, 2023 – November 30, 2023



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Dear Members of the Audit and Compliance Committee,

We have completed audit number 457, “Member and Employer Contributions.” The main purpose of our review was to determine if sufficient controls are in place to support member and employer contribution activities and that the associated processes are working as expected.

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. As our review did not result in a written recommendation, management did not provide a written response but expressed substantial agreement with our report.

We appreciate the cooperation and assistance of the Finance, Customer Services and IT 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' Member and Employer Contributions processes for the period June 1, 2023, through November 30, 2023.

Our audit did not address contributions for the Line of Duty Act (LODA) program as it is reviewed as part of a separate engagement. Further, in planning our scope and to minimize the duplication of efforts and impact to VRS resources, consideration was given to work performed by APA in their review of VRS' annual comprehensive financial report underway at the same time of this audit.

Our review determined:

- VRS processes support the accuracy, completeness and timeliness of employer and member contributions and annual member postings.
- IT processes performed by VRS protect the confidentiality, integrity and availability of key data exchanges among systems supporting contribution processes.
- Logical access and access management related to VRS' systems supporting contributions align with the principle of least privilege.

Opportunities to enhance monitoring activities, fully document one process and re-evaluate current transfer processes discussed with management are shared in the Conclusions section.

SNAPSHOT

Contribution processing is **critical**, as the data contained in **member** and **employer records** serves as the **foundation for** other **significant activities**, including actuarial valuations and retirement calculations.

Employers and **members paid \$4.8 billion** in **contributions** in fiscal year **2023**.

VRS and employers **work collaboratively** to **perform** their **respective responsibilities** to support **contribution transactions**. However, the **accuracy** of contribution processing **depends** on the employer's **timely update** of key member data.

AUDIT ASSESSMENT

Sufficient controls are in place to support member and employer contribution activities and associated processes are working as expected.

Written Recommendations: 0

VRS PUBLICATIONS AND OTHER RESOURCES

VRS has created comprehensive employer and member manuals, job aids, newsletters, legislation tracking and other information and made them publicly available on the VRS website.

We referenced these sources when compiling the background information presented in this report.

BACKGROUND

INTRODUCTION

The primary sources of funding for all VRS-administered pension and post-employment benefit plans include member and employer contributions and the returns generated from the investment of those contributions. This examination focused on the member and employer contributions for these plans. Separate audit examinations address benefit structures, related benefit payments and investments.

VRS' Board of Trustees (board) sets plan funding policy and adopts contribution rates for the plans based on recommendations from the plan actuary. Formal actuarial valuations are performed every two years to determine the funding requirements and calculate recommended employer contribution rates. Board adopted contribution rates are communicated to the Governor for inclusion in the proposed budget. The General Assembly has the final authority for the actual funding of these plans through the approval of the *Appropriation Act*. Updated rates, as they occur, are incorporated into VRS' systems to support contribution processing.

For most plans, member and employer contribution rates are applied as a percentage of the member's monthly creditable compensation (defined as the member's annual salary exclusive of overtime pay, payments of a temporary nature or payments arising from extra duties). Participation and specific elections determine employer and member contribution rates. In some limited cases, the employer is required to cover the member's contribution on their behalf.

VRS-ADMINISTERED PROGRAMS

Pension Plans

VRS administers four pension plans:

- The Virginia Retirement System (VRS) for state employees, public school board employees, employees of participating political subdivisions and other qualifying employees.
- The Judicial Retirement System (JRS) for judges of courts of record or district courts of the state and other qualifying employees.
- The State Police Officers' Retirement System (SPORS) for state police officers.

- The Virginia Law Officers' Retirement System (VaLORS) for eligible law enforcement and correctional officers other than state police officers.

Depending on the plan, there are benefit tier types known as Plan 1, Plan 2 and the Hybrid Retirement Plan. The benefits and related contributions for each tier type vary depending on the employer, extent of benefit levels elected for various positions and the member's hire date.

Other Post-Employment Benefit Plans (OPEBs)

Group Life Insurance

The Group Life Insurance Program provides life insurance and accidental death and dismemberment coverage to members of employers participating in any of the four VRS-administered pension plans. In addition, certain other employers, which have established and independently manage their own pension plan, have elected to participate in the group life insurance program offered by VRS.

Retiree Health Insurance Credit (HIC)

The Retiree Health Insurance Credit Program offers a monthly credit or reimbursement to assist with the cost of health insurance premiums (limited to the actual health insurance cost incurred) for retirees with a minimum of 15 years of service whose employer has elected to participate in the program.

Virginia Sickness and Disability Program (VSDP)

VSDP provides sick leave, family and personal leave and short-term and long-term disability benefits to eligible state employees. The employer pays sick, family and personal leave and short-term disability benefits directly to eligible employees. VRS administers the program and the payment of long-term disability benefits through a third-party administrator. Employer contributions fund the cost of administering VSDP and the program's long-term disability benefits.

Virginia Local Disability Program (VLDP)

VLDP provides short-term and long-term disability benefits to non-hazardous duty employees of participating political subdivision and school board employers who are members of the Hybrid Retirement Plan. As with VSDP, VRS administers VLDP and the payment of long-term disability

benefits for participating employers through a third-party administrator. Employer contributions fund the cost of administering VLDP and its benefits.

Line of Duty Act (LODA)

The LODA Program provides for death and health insurance benefits for eligible hazardous duty personnel. Participating employers make annual contributions to the fund using a per capita-based contribution rate versus the payroll-based contribution rates used with other plans. VRS sets the per-capita premium rates and collects the stated premiums from the participating employers.

As LODA contributions are billed and collected through a different process, they are subject to review in a separate project.

CONTRIBUTION RATES

The table below details the employer contribution rates for the pension and other post-employment benefit plans for the biennium ending June 30, 2024. The rates do not reflect the mandatory member retirement contribution for the retirement plans. Contributions are calculated and submitted monthly for both employers and members based on these rates.

Employer Contribution Rates for Fiscal Years 2023 and 2024

Plan	VRS			JRS	SPORS	VaLORS
	State Agencies	Teachers	Political Subdivisions			
Retirement	14.46%	16.62%	12.36% ⁽¹⁾	30.67%	29.98%	24.60%
Group Life Insurance	0.54%	0.54%	0.54%	0.54%	0.54%	0.54%
Retiree HIC	1.12%	1.21%	0.36% ⁽¹⁾	1.12%	1.12%	1.12%
VSDP	0.61%	----	----	----	0.61%	0.61%
VLDP	----	0.47%	0.85%	----	----	----

⁽¹⁾ Separate contribution rates are calculated for each participating employer. The rate provided above is the weighted average of individual employer rates.

Employers and members paid \$4.8 billion in contributions in fiscal year 2023 based on these rates. Periodically, the General Assembly approves additional lump sum contributions to improve the funding status of various pension and OPEB plans. Most recently, the fiscal year 2023 *Appropriations Act* allocated lump-sum contributions totaling \$275 million to reduce the unfunded liabilities for VRS-administered retirement plans and other post-employment benefits.

For fiscal year 2024, the current budget bill continues to fund 100% or more of the VRS board-certified retirement and OPEB contribution rates.

OTHER BENEFITS IMPACTING CONTRIBUTIONS

Certain employment benefits defined in the *Code of Virginia* offered through participating employers to employees may require additional contributions by employers. They are discussed further below.

Severance Benefits

Employees are considered involuntarily separated if a layoff occurs because of a budget reduction, agency reorganization, workforce downsizing, or other cause not related to job performance or misconduct or voluntary resignation or retirement. An employee involuntarily separated may be eligible for one of the following types of severance benefits: Workforce Transition Act, Transitional Benefits Program or Early Retirement – Special Waiver.

Workforce
Transition Act

Transitional
Benefits Program

Early Retirement -
Special Waiver

Workforce Transition Act (WTA)

State employees involuntarily separated may be eligible for severance benefits under the WTA. The WTA benefit options include (1) a cash severance benefit or (2) additional retirement credits. For cash severance, in addition to a severance payment, group life insurance and health insurance may continue for up to 12 months from the layoff date. Alternatively, an employee who is eligible and elects the WTA additional retirement credits in lieu of cash severance must retire on an immediate annuity.

Outside of the monthly contribution confirmation process, VRS bills these employers for the cost of WTA additional retirement credits and tracks the receipt of associated payments and/or exemptions. An employer can obtain exemptions from the Department of Human Resource Management and Department of Planning and Budget and provide the exemption to VRS so the employer is no longer responsible for the direct payment of the cost associated with the benefits. When an exception is granted, the cost is rolled into the employer's contribution rate.

Transitional Benefits Program

Teachers, other school employees (cafeteria workers, bus drivers and maintenance workers) and political subdivision employees involuntarily separated may be eligible for severance benefits through the Transitional Benefits Program if their employer has elected to participate. The program options include a cash severance benefit or an enhanced retirement benefit. Based on the program options elected by the employer and the employee's eligibility, status and the option selected at the time of layoff, the employer's contribution rate may be impacted and contributions and/or service credits may continue to be earned by the employee for a certain period after the separation date.

As of 11/30/2023, no employers have elected to participate in this program.

Early Retirement – Special Waiver

At the time of involuntary separation, employees in the following positions with 20 or more years of service credit may be eligible to retire with an unreduced benefit as early as age 50 (if a Plan 1 member) or as early as age 60 (if a Plan 2 or Hybrid Retirement Plan member).

Agency Head
(appointed by the governor,
a state board, commission or council)

County, City or Town Manager
or Attorney

School Superintendent

Constitutional Officer
(if the position is abolished)

VRS does not bill for the associated cost of this benefit. Rather, as eligible members take this early retirement option, the cost is passed onto employers through the actuarial contribution rate setting process. During the audit period, no members retired early under the early retirement – special waiver.

Return to Work

The limited allowable options to return to work after retiring include returning to active employment in a VRS-covered position, in a part-time position, in a school security officer position or critical shortage education position.

In all cases, retirees are required to have a break in service before returning to work with a VRS participating employer. During the break in service, retirees cannot work in any full-time, part-time or volunteer position with a VRS participating employer or work as a contractor with any VRS participating employer. The required duration of the break in service depends on the return to work scenario.

As described below, return to work may impact member and employer contributions and the member's accumulation of service credits.

Returning to Active Employment

Retirees may opt to return to full-time employment in a VRS-covered position. In this situation, upon return to employment, retirement benefits cease and the retiree is reclassified as an active member, with both member and employer contributions, service credit and eligibility for VRS member benefits resuming. The member is then eligible to retire again in the future under the plan they retired in originally.

Working Part-Time

Retirees may work in a part-time position with a VRS-participating employer and continue receiving their retirement benefit under certain circumstances. In this case, member and employer contributions are not paid, additional service credit is not earned, and they are not eligible for additional VRS member benefits.

RETURN TO WORK CONTRIBUTIONS

Employer contributions for retirees returning to work in critical shortage education positions or as school security officers help mitigate funding impacts on the VRS Trust Fund of having a retiree rather than an active member in the position.

Actuaries encourage the use of such contributions in the scenarios to minimize the impact of changing retirement patterns on pension trust funds.

Source: Report to the General Assembly – Return to Work Provisions Governing VRS Retirees (December 15, 2022)

School Security Officers

Retired sworn law-enforcement officers may be eligible to return to work full-time as a school security officer at a Virginia public school. Retirees working in these positions will continue to receive retirement benefits. They will not earn additional service credit, and they will not be eligible for additional VRS member benefits. Employer (but not member) contributions are required for retirees who return to these positions.

Critical Shortage Education Positions

Certain school division jobs can be designated as critical shortage, as determined annually by the Virginia Department of Education, or when a school district receives three or fewer qualified applicants when recruiting for the position. Potential critical shortage positions include teachers, principals, assistant principals, specialized student personnel and bus drivers. These full-time school division positions are subject to annual review and approval by Department of Education and are therefore considered temporary. Retirees working in these approved positions will continue to receive retirement benefits; however, they will not earn additional service credit or be eligible for additional VRS member benefits. Employer (but not member) contributions are required for retirees who return to these positions.

Recent Legislative Changes

The 2023 General Assembly passed changes affecting retirees who return to work in certain school positions while continuing to draw a monthly retirement benefit. These changes included:

- **Addition of new specialized student support critical shortage positions**, which includes school social workers, school psychologists, school nurses, licensed behavior analysts, licensed assistant behavior analysts, and other licensed health and behavioral positions, such as speech language pathologists, as determined by the Virginia Department of Education.
- **Break in service requirements reduced** for retirees returning to work full-time in critical shortage positions, changing the requirement from 12 months to six months. This change applies to school security officers and critical shortage education positions.



As of 11/30/2023,
there were a total of 240 active members
working in a critical shortage education position or
as a school security officer.

Top 5 employers using return to work positions:

Virginia Beach City School Board

Fairfax County Public Schools

Norfolk Public Schools

Chesapeake Public Schools

Spotsylvania County Public Schools



CONTRIBUTION PROCESSES AND RELATED IT SYSTEMS

Relevant IT Systems and Interfaces

Recurring processes related to member and employer contributions requires the use of multiple IT systems, as well as collaboration among VRS' Finance and IT departments, and external third parties, such as the Virginia Department of Accounts (DOA) and financial institutions. IT systems significant to recurring contribution processes include:

- VNAV, which maintains member and employer contribution records, with VRS employees accessing the system directly and participating employer employees accessing the system through a separate portal (myVRS Navigator).
- A vendor-hosted enterprise resource planning system serving as VRS' general ledger.
- Hosted applications for statewide use, Cardinal Financials (Cardinal FIN) and Cardinal Human Capital Management (Cardinal HCM), managed by DOA.

Ancillary systems maintained by a financial institution routinely exchange data with VRS to support contribution processes are outside the scope of this review.

System Interfaces

An interface represents the place at which independent and often unrelated systems meet and act on or communicate with each other, primarily to exchange data. The place the systems meet could be located within the VRS network for internal systems or outside the VRS network for systems managed by external parties.

System interfaces occur among IT systems to routinely exchange data to support recurring contribution processes. VRS' IT department and external third parties, such as financial institutions and DOA, provide technical support for these data exchanges as needed.

Contribution Processes

VRS relies on its participating employers to provide key demographic data about members to support the calculation of their monthly contribution amounts. Employers use the myVRS Navigator employer portal to see, review and correct the submission of data for which they are responsible (e.g., members in covered positions, job name, member salary and creditable compensation information, etc.).

Specifically, the myVRS Navigator employer portal provides employers with the capability to:

- Enroll new members.
- Certify the purchase of prior service credits.
- Update the current month's processing with changes from the prior month.
- View preliminary processing results.
- Edit or correct data submissions.
- Review consolidated employer information.
- View reports and download summaries of the employer data.
- Confirm the accuracy of the monthly processing amounts.
- Confirm the contributions owed and schedule the corresponding payments.

The system generates alerts and notifications to inform employers of matters requiring attention and supports secure messaging between employers and VRS.

Submitting Information to VRS

Employers are responsible for providing up-to-date employment information for their employees to VRS. The process for submitting information to VRS to update member records in myVRS Navigator differs among political subdivisions, school divisions, decentralized state employers and state agencies using Cardinal Human Capital Management (Cardinal HCM).

Political subdivision, school division and decentralized state employers enroll and maintain employees either by keying directly into myVRS Navigator or by sending a batch file with multiple records to VRS to process and update VNAV. Employers with smaller workforces and minimal turnover may opt to directly key in their changes, while employers with a substantial number of changes will send a batch file.

Centralized state employers enter their employee information into Cardinal HCM, with a daily feed of the changes being sent from Cardinal HCM to VNAV. These changes will be reflected in VNAV one business day after being keyed in Cardinal HCM.

This interaction with VRS can change over time as employers become more sophisticated or experience change in their systems used to complete their various responsibilities, including VRS reporting. In January 2024, employers used the following methods to submit employee information in myVRS Navigator.

65 employers
submitted using batch files

198 employers
sent information through
the Cardinal HCM and
myVRS Navigator daily feed

575 employers
directly keyed information
into myVRS Navigator

*For fiscal year 2023,
100% of employer
contribution confirmation
snapshots were completed
by the end of the month in
which they were due.*

Monthly Contribution Confirmation Process

Employers submit their contributions (and the members' contributions on their behalf) monthly through the contribution confirmation process. Through this two-step procedure, employers first report and validate member data, including any changes, as well as confirm the employer and member contributions due as calculated by VNAV based on that data by the 10th day of the following month. Once confirmed, VNAV posts all member activity to the appropriate employer and member accounts, including contributions, creditable compensation and service credit.

VNAV Snapshot Review and Confirmation

Specifically, employers use the monthly VNAV snapshot report to validate the accuracy of their data. The snapshot provides a picture of the employer's current population of employees, including a summary of employee payroll and key census data. When generating the snapshot report, VNAV calculates both creditable compensation and service as well as contributions (member and employer) for all employees included in the snapshot period based on the information reported by the employer. Employers use this tool to identify and report adjustments or corrections to data previously submitted.

Posting and Payment

Once the employer confirms their snapshot, VNAV posts the information to the employer and member records, including contributions, creditable compensation and service credit and records the total contributions due as a receivable for the employer. Employers then schedule their payment date and ACH debit/credit payment amount through myVRS Navigator.

Monitoring Employer Monthly Contributions

Participating Employers

Management emphasizes to employers through numerous communication tools the criticality of timely updates to member data as well as confirmation and full payment of monthly contributions. Reports in VNAV assist VRS with monitoring outstanding employer balances relating to contribution confirmations.

VRS is required by the *Appropriation Act* to report to the Chairmen of the House Appropriations Committee and Senate Finance Committee political subdivision employers who become more than 60 days in arrears in their defined benefit plan contributions. The notification is required to

occur within 15 days of the 60-day period. This reporting requirement only addresses employers who have made no payment, not employers with outstanding balances.

Financial Institutions

Additionally, VRS monitors contribution payments by reconciling payments among its financial institution, VNAV and its general ledger records to ensure amounts within these different systems agree.

UPCOMING CHANGES TO HYBRID PLAN CONTRIBUTIONS

In response to House Bill 473 and Senate Bill 70 passed in the General Assembly's 2022 legislative session, effective July 1, 2024, VRS will implement changes to simplify the way employer contributions are calculated and paid for the Hybrid Retirement Plan.

Currently, the blended monthly employer contribution rates consist of the VRS board-certified defined benefit rate for all plans, employer mandatory defined contributions and an estimate of the employer's defined contribution plan matching contributions, based on employees' voluntary contributions. Following implementation, the defined benefit rate for the hybrid plan will be separate from the defined contribution rate, which includes employer mandatory and matching contributions.

This change applies to VRS processes and may require some employers to modify their payroll practices. VRS is preparing for these changes and has tracked its progress by including the following related tasks and activities as Agency Performance Outcomes for FY2024:

- Developing and executing a comprehensive communications plan, including employer outreach and updates to publications and training materials.
- Conducting technology system testing.
- Completing staff and employer readiness activities.
- Establishing post-deployment quality monitoring.

Ultimately, the benefits of this change will include streamlining workflows for VRS and employers, reducing payroll processing errors and easing reconciliations for overpayments and underpayments to the defined contribution plans.

OTHER POSTINGS TO EMPLOYER AND MEMBER ACCOUNTS

VRS records other activity in addition to monthly contributions in employer and member accounts at various times throughout the year.

Member Account Interest Posting

As part of the fiscal year end process in June, VRS applies an interest accrual to member accounts. By statute, each member account accrues 4% interest, compounded annually, on the balance as of the previous June 30th.

Employer Retirement Allowance Account (RAA) Transfers

The RAA accumulates employer contributions, annual transfers of investment income less administrative expenses incurred in operating the retirement plans as well as transfers of member pension contributions and interest upon a member's retirement. These funds are used to pay member benefits in retirement.

Member Account Transfer to Employer RAA

VRS also uses the employer RAA to safeguard monies and service of inactive, non-vested members whose addresses remain invalid or undeliverable after a defined period. Twice a year VRS runs a special process to capture the members meeting the criteria and move their account balances to their respective employer(s)'s RAA.

Restorations to Member Accounts

After an account balance is transferred to the employer RAA, if the member is located, a refund is requested (either by the member or the heirs of the member) or the member returns to a covered position, VRS restores the balance, in addition to any applicable annual interest postings, to the member's account.

LOGICAL ACCESS TO VNAV

VRS Employee Access to VNAV

VRS administers employee access to VNAV through its internal access management system, with roles within VNAV assigned to employees based on their assigned working positions and job responsibilities. Certain system roles are critical to accessing information and performing processes for contribution activities.

Employer Access to myVRS Navigator Employer Portal

Similarly, role-based security supports employers managing access to myVRS Navigator and VRS data for their employees based on an individual's role and the work they perform. Each employer must submit an Authorization of Administrative Contacts (VRS-67A form) to designate the roles of Primary Administrative Authority (PAA), VRS Administrator and Security Administrator (SA), as well as backup contacts, if desired, for each of these roles. VRS sets up designated employer contacts in myVRS Navigator and if there is a change to any of these contacts, the employer must submit a new VRS-67A form.

Employer Security Reviews

Annually, VRS initiates the employer security review process in VNAV, generally between April and June. During this timeframe, approximately 50-100 security reviews are initiated each week until all employers have had reviews started for the year. Employers review, approve and certify these reviews electronically and are required to submit the PAA signed Annual Certification form to VRS.

Upon initiating the security reviews, VRS staff contact each employer's designated PAA and SA to communicate the process, requesting completion of the security review within 30 days. VRS staff track the return of completed security reviews, ensuring their proper completion.

VRS staff follow-up at designated periods during this window for any employers who have not completed the security review. If more than 30 days have passed since the security review initiated and the employer remains unresponsive, VRS may take action to suspend all established myVRS Navigator users for the employer. The employer will then be required to complete a new VRS-67A form and send it to VRS for the employer's access to be reinstated.

For fiscal year 2023, a total of 848 security reviews were completed, consisting of 230 state employers, 143 school employers and 475 political subdivision employers.

Approximately 80% of employers completed their reviews on time.

SUCCESS STORY

Over the past two years, VRS' Customer Services and IT departments' collaboration has moved the employer security reviews from a paper to system driven process.

The automation of many tasks performed by employers and VRS staff has resulted in significant time savings and efficiencies for both. Overall, the process enhancements have been well received by employers.

SCOPE AND METHODOLOGY

The primary purposes of our examination were to:

- Assess if VRS processes support the accuracy, completeness and timeliness of employer and member contributions, annual interest postings and transfers to and from the employer RAA.
- Evaluate if IT processes performed by VRS protect the confidentiality, integrity and availability of key data exchanges among systems supporting contributions processes.
- Determine if logical access and access management related to VRS' systems supporting contribution processes align with the principle of least privilege.

GENERAL ASSESSMENT AND UNDERSTANDING

We obtained an understanding of contribution processes as well as the associated controls by meeting with key individuals from each area. We also reviewed the applicable policies and procedures and other relevant documents.

UPDATING CONTRIBUTION RATES IN VNAV

Processes for updating contribution rates in VNAV were discussed with members of the Employer Relations unit in the Public Relations department. An understanding of contribution rates updated during the audit period was also obtained.

Contributions rates loaded into the system for pension and other post-employment benefit plans and in effect for fiscal year 2024 were retrieved from the system database to determine if they agreed to the published rates on the VRS website; however, pension and health insurance credit contribution rates for non-professional school board and political subdivision employers were not included in this review, as they vary by employer, are subject to review by other assurance providers and were generally unchanged between fiscal years 2023 and 2024.

All contribution rates manually updated in the system during the audit period were reviewed to determine if they agreed with actuarial valuation reports or other supporting documentation, as applicable.

MONITORING OF CONTRIBUTION ACTIVITIES

Contribution related monitoring processes were discussed with members of the Finance department to determine if they support the accuracy, completeness and timeliness of employer and member contributions.

Further, documentation related to VRS' monitoring of contributions payments for political subdivision employers was reviewed to determine if it supports the identification of delinquencies reportable to the Chairmen of the House Appropriations Committee and Senate Finance Committee.

DATA ANALYTICS - CONTRIBUTIONS AND POSTINGS TO MEMBER ACCOUNTS

Data analytics were used to identify instances where contribution rates, transactions and other postings to member accounts did not correspond with expected trends and processes. These instances were evaluated for reasonableness and discussed with members of the Finance department, as applicable. The analytics incorporated:

Comparison of employer contribution totals for member accounts to snapshot confirmation

Identification of new members with no contributions

Identification of members separated from employer with continued contributions

Analysis of eligible member account balances transferred to the employer RAA over time

Analysis of eligible members not receiving FY2023 annual interest posting

Identification of active employers not submitting contributions

Identification of members with employment changes with no contributions

Identification of members with more service than expected

Identification of employer RAA restorations to eligible member accounts which did not occur

Identification of 0.00% contribution rates for pension* and OPEB plans
(*Reviewed on a sample basis)

WTA EARLY RETIREMENTS

VRS' processes for billing and tracking the receipt of payments and exemptions for the cost of WTA early retirement credits were discussed with the Finance department. In addition, supporting documentation for these processes was reviewed to determine if the department's processes were performed as described.

SYSTEM INTERFACES

Tasks routinely exchanging data among systems supporting contribution activities were discussed with members of the Finance and IT departments to gain an understanding. During our discussions with members of the Finance and IT departments, we walked through transfer methods, associated notifications, logs and error reports for tasks routinely exchanging data among systems supporting contribution activities. Shared responsibilities among VRS, its financial institution and DOA as well as processes and controls related to these transfer methods were reviewed to evaluate their protection of the confidentiality, integrity and availability of these data exchanges.

In addition, logical access to files created or received during routine data exchanges was evaluated for reasonableness in relation to assigned job responsibilities and principle of least privilege.

SYSTEM JOBS

System jobs significant to generating and processing information for contribution activities, member account interest postings and transfers to and from the employer RAAs were discussed with members of the Finance and IT departments to gain an understanding of substantial updates occurring during the audit period.

LOGICAL ACCESS TO VNAV

We discussed VNAV system access with members of the Finance department and reviewed role descriptions to identify critical roles assigned to VRS employees for accessing information and performing processes for contribution activities. We evaluated access to these roles for reasonableness in relation to assigned job responsibilities, principle of least privilege and separation of duties, as applicable. In addition, the opportunity for override of system controls was considered.

LOGICAL ACCESS TO myVRS NAVIGATOR

We met with members of the Customer Services department to gain an understanding of required VRS IT security training and related certifications for employers. We evaluated the training and certifications to determine if they support employers maintaining ongoing awareness of their IT security responsibilities when accessing myVRS Navigator online portal.

In addition, we discussed myVRS Navigator online portal access with members of the IT department to gain an understanding of certain security controls and roles assigned to VRS employees as an internal user rather than an employer. We evaluated access to these roles for reasonableness in relation to assigned job responsibilities, principle of least privilege and separation of duties, as applicable.

EMPLOYER SECURITY REVIEWS

The processes for initiating and monitoring the completion of employer security reviews for myVRS Navigator were discussed with members of the Customer Services department to determine if the process supports employers evaluating their organizations' access to myVRS Navigator on a regular basis. Supporting documentation for the most recent employer security reviews was evaluated to determine if VRS followed its processes.

CONCLUSIONS

GENERAL ASSESSMENT AND UNDERSTANDING

Overall, our review found:

- VRS processes support the accuracy, completeness and timeliness of employer and member contributions and annual interest postings.
- IT processes performed by VRS protect the confidentiality, integrity and availability of key data exchanges among systems supporting contribution processes.
- Logical access and access management related to VRS' systems supporting contribution processes align with the principle of least privilege.

We identified opportunities to enhance monitoring activities, complete certain process documentation and reevaluate the transfers to employer RAA process, as discussed below. Other minor observations were shared with management that do not warrant attention here.

UPDATING CONTRIBUTION RATES

Contribution rates loaded into the system for pension and other post-employment benefit plans and in effect for fiscal year 2024 agreed to the published rates on the VRS website. All contribution rates manually updated in the system during the audit period agreed to actuarial valuation reports or other supporting documentation, as applicable.

WTA EARLY RETIREMENTS

Documentation demonstrated the Finance department’s processes for billing and tracking the receipt of payments and exemptions for the cost of WTA early retirement credits were performed as described.

DATA ANALYTICS – CONTRIBUTIONS AND POSTINGS TO MEMBER ACCOUNTS

Overall, relative to the volume of records reviewed, the completed data analytics identified a very limited number of potential instances where contribution rates, transactions and postings to member accounts did not correspond with expected trends and processes. Based on research and discussion with management, most were determined to be reasonable, while a limited number required action by employers or system data fixes and other corrections by VRS.

Minor observations were shared with management regarding opportunities to enhance monitoring to assist with identifying these unique instances in the future so that they may be addressed as early and efficiently as possible.

Given the complexity of the programs administered by VRS as well as the nuances of each member’s employment history, it is not feasible for the system design to address all potential scenarios.

However, the limited number of potential exceptions identified through our analytics highlights the diligence VRS has undertaken to do just that to the extent possible for the contribution process.

Opportunity to Re-evaluate the Transfer to Employer RAA process

VRS initiated the transfer to employer RAA process in the 1980s in response to management's identification of risks present in VRS' environment. Our data analytics reviewed the most recent 10 years, 2013-2023, for the transfers to employer RAA, and revealed a significant downward trend in the count of records processed beginning several years ago.



Organizational changes, including system modernization and other factors contributing to this trend were discussed with members of the Finance department. As a result, an opportunity to reevaluate the risk mitigation goals expected from this process was highlighted.

During our conversation, we collectively discussed the opportunity to revisit the intended risk mitigation relative to current risk landscape and available compensating controls in today's environment versus the value offered through the RAA transfer process. Management concurred with the importance of reviewing the matter further to ensure the efficient mitigation of identified risk moving forward.

SYSTEM INTERFACES

Shared responsibilities among VRS, its financial institution and DOA and associated processes and controls were found to reasonably protect the confidentiality, integrity and availability of these data exchanges.

SYSTEM JOBS

Our discussions with members of the Finance and IT departments determined no significant updates occurred during the audit period for system jobs significant to generating and processing information for contribution activities, member account interest postings and transfers to the employer RAA. No additional review was deemed necessary.

LOGICAL ACCESS TO VNAV

Logical access for identified VNAV roles was reasonable in relation to assigned job responsibilities, principle of least privilege and separation of duties, as applicable.

LOGICAL ACCESS TO myVRS NAVIGATOR

Logical access to myVRS Navigator online portal access for VRS employees was reasonable in relation to assigned job responsibilities, principle of least privilege and separation of duties as applicable.

Overall, training and certifications support employers maintaining ongoing awareness of their IT security responsibilities when accessing the myVRS Navigator online portal. Opportunities to make minor adjustments to the language in employer certifications to reinforce these responsibilities were shared with management. Management offered similar adjustments to an additional form based on the feedback provided which we believe will further enhance VRS communications on this topic.

EMPLOYER SECURITY REVIEWS

VRS processes for initiating and monitoring the completion of employer security reviews support employers evaluating their organizations' access to myVRS Navigator on a regular basis. Documentation demonstrated VRS' processes were performed as described. A minor observation was shared with management regarding opportunities to document internal procedures to supplement existing process documentation and related employer materials.

The Customer Services department has requested other system enhancements to continue to automate additional tasks for the process and has identified the benefits of working towards shifting to requiring electronic signatures for the PAA Certification forms. We support the department in both endeavors and their prioritization, as they will continue to enhance the employer security review process by increasing efficiencies and augmenting security responsibilities.

FOLLOW-UP ON PRIOR REPORTS

There were no outstanding audit recommendations to consider.

RECOMMENDATIONS

We have no written recommendations to offer as a result of our review.

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.

As there are no written recommendations, a written response from management is not required.

REPORT DISTRIBUTION

Submitted to the Audit and Compliance Committee at its meeting held
June 11, 2024.

MEMBERS OF THE AUDIT AND COMPLIANCE COMMITTEE

J. Brandon Bell, II, Committee Chair

A. Scott Andrews, Board Chair

John M. Bennett

WITH COPIES TO:

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Kristy M. Scott, CPA, CISA, CIA

PRINCIPAL AUDITOR – DATA ANALYTICS

Krystal Groff, CIA, CISA

AUDIT SUPERVISOR

Joshua Fox, CIA, CIDA, CFE

Investment Decision Support

As of December 31, 2023

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



Dear Members of the Audit and Compliance Committee,

We have completed audit number 458, "Investment Decision Support." The main purpose of our review was to review Investment Decision Support's (IDS) project management and change management processes and make a general assessment of the operating environment and controls. We further evaluated users' logical access to applicable IDS servers.

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, Chief Investment Officer 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 Investment Decision Support department throughout this review.

Respectfully Submitted,

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

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EXECUTIVE SUMMARY

We conducted an examination of VRS' Investment Decision Support (IDS) processes for the period ending December 31, 2023. The IDS team assists various investment programs in the collection, storage and reporting of data possessed to support the incorporation of data into the investment process. Our review determined:

- Project management processes exist, are structured and being applied in practice as intended.
- Change management processes are in place, controlled, and monitored.
- Logical access of IDS area's servers is functioning as designed and assigned based on the principle of least privilege.

The IDS team supports the VRS Strategic Plan and Investment's mission of supporting long-term financial health by delivering targeted risk-adjusted investment returns. IDS accomplishes this by planning and completing project, data and support requests which are prioritized and aligned with the most prominent strategic objectives.

More technical information technology (IT) processes relating to these systems are managed by VRS' IT department and therefore were exempted from this review. These controls were reviewed in the most recent Review of IT General Controls (Report No. 444) and will be reviewed in an upcoming Infrastructure Application Control review.

Opportunities to enhance the portfolio and project management processes were discussed with management are noted in the Conclusions section of the report. In addition, one formal recommendation surrounding the need to memorialize IDS' portfolio and project management governance is included at the end of the report.

SNAPSHOT

During the **calendar year 2023**, IDS **supported** the **Investment** Department through the **implementation** of **43 projects**. On **average**, these **projects** benefited **5.3 separate Investment areas** each **quarter**.

IDS also **managed** and **implemented** over **40 data requests** during **calendar year 2023**.

AUDIT ASSESSMENT

Overall, IDS data requests, projects and resources are properly managed in respect to best practices based on the size, scope and complexity of the projects.

Written Recommendations: 1

POST AUDIT PERIOD ORGANIZATIONAL CHANGE

As of the audit period, December 31, 2023, the IDS team was embedded in the Portfolio Solutions Group within Investment Research.

However, as of January 1, 2024, with the retirement of the Investment Research Director, the IDS team moved under the Public Asset Management department.

BACKGROUND

INTRODUCTION

The Investment Decision Support (IDS) team evolved within the Investment Research team to consolidate data collection efforts across the Investment department. IDS initially focused on supporting the data intensive components of the investment process. In 2016, following a strategic review of Investment department needs, IDS expanded to include developing reports and projects tailored to the unique data and business intelligence needs of each investment program. During the audit period, IDS was a part of Investment Research within the Portfolio Solutions Group.

INVESTMENT DECISION SUPPORT

Reporting directly to the Program Director of Investment Research, IDS is responsible for the design and delivery of investment program, risk management, strategy and particular research analytic systems and reports. IDS collaborates with teams across VRS to acquire and incorporate data into the investment analytics processes. IDS assists in the collection, storage and reporting of data owned by the various investment programs.

IDS also provides *accountability* for certain investment data as well as the design, development, implementation and maintenance of the quantitative infrastructure for VRS investment programs. This infrastructure includes a data warehouse, various data retrieval tools, quantitative analysis tools, program level reporting tools and support applications that retrieve, consolidate and report information. IDS also continuously assesses processes and available systems to identify opportunities to improve productivity, quality and resiliency.

While managing the data infrastructure for the Investment department, this area exhibits *teamwork* by assisting the Investment Research and other investment program directors in the design of decision analytics tools that provide analysis, risk metrics and reports based on the information in VRS data warehouses. These decision analytics tools provide risk management, hedging, optimization routines and general portfolio management support through quantitative programming and mathematical and statistical modeling.

DATA ASSET REQUESTS

IDS works closely with investments teams to identify, acquire, and incorporate data driven information into the investment process. This begins with collecting data from source repositories, continues through data quality checks and storage, and ends with ensuring the data is readily available to users.

IDS creates and manages external data feeds from third parties with which VRS contracts by transferring data sources into its central repository to be prepared for use with business intelligence tools to extract the most value from them coupled with automated tools that continuously provide the data to the designated party at the designated frequency. Once created, IDS continues to oversee and maintain the data management life cycle to ensure data feeds continue to function as intended.

As needs arise to support **investment analysis** activities, IDS has a formal **request process** for the investment team to provide **requested information** in a **format** for analysis and desired **frequency**.

PROJECT MANAGEMENT

Along with data acquisition and manipulation, IDS regularly performs larger data projects which require project management techniques to support them. Projects are any temporary endeavor to create a unique product, service or result with a definite beginning and end. IDS development projects generally can be completed within a three-month period. In addition to producing tangible deliverables through its projects, IDS provides project management support services for projects which other areas within the Investment department have initiated. Resources related to support services are allocated as a part of IDS' workplan for resource monitoring purposes.

Project Initiation

Quarterly, IDS surveys the Investment Managing Directors for any newly proposed projects which would satisfy specific business needs and strategic objectives. These project requests are consolidated into a project queue to be vetted and then considered for IDS' next quarter workplan. IDS reviews the proposed projects and creates a proposed project workplan from the requested projects queue.

If a **project's** anticipated **timeline exceeds** 90 days, IDS usually **breaks** projects into **phases** to allow the **IDS team** to **deliver functionality** at least **quarterly**.

PRIORITIZATION COMMITTEE MEMBERS

- Chief Investment Officer
- Managing Director, Public Market Assets
- Managing Director, Portfolio Solutions Group
- Managing Director, Private Market Assets and DC Plans
- Portfolio Manager, Internal Equity Management
- Program Director, Research and IDS

This proposed project workplan is taken to the Prioritization Committee, comprised of members of the investment leadership, who discuss the proposed projects and the relative value they offer in the achievement of the department’s strategic objectives. The Prioritization Committee then makes changes, as deemed necessary, and approves IDS’ upcoming quarterly workplan. This structure allows for the work performed by IDS to be *agilely* managed when strategic objectives shift. Projects not selected are retained for consideration in the future.

Project Execution

After the approval of the quarterly workplan, IDS management assigns the approved projects to project teams. The team lead creates a project charter, which authorizes the existence of their assigned project, captures the project goals, scope and deliverables and provides the project manager with the authority to use organizational resources for the project activities. Projects then proceed at their own pace through design and development to achieve the desired results. IDS communicates project progress with pertinent stakeholders through monthly status emails.

Project Testing and Acceptance

IDS initially tests results internally within the department. Afterwards, an independent IDS team member performs a code review, and then the project sponsor performs User Acceptance Testing. Once these tasks are successfully completed, the project sponsor formally acknowledges the acceptance and verification of the deliverables. Lastly, the IDS manager formally approves the move of the project deliverables into the production environment.

Retrospectives

As each project progresses, unique observations regarding effectiveness and efficiency of the project can be observed. Project management best practices encourage the review of such observations for potential future application with the goal of producing better outcomes. These learning events are called retrospectives.

Some learning is project specific, such as a faster way to accomplish specific work. Some learning can be shared across project teams, such as a quality assurance approach

Retrospective exercises, also known as **lessons learned**, provide an **opportunity** for the project team to **review** the way in which it **works** and to suggest **changes to improve processes and efficiency**.

that results in fewer defects. IDS documents its lessons learned during project development within its quarterly project spreadsheet for future consideration.

CHANGE MANAGEMENT

Standard change management processes include a series of steps and controls that govern the implementation of changes to a production environment. Change management involves the systematic proposal, justification, development, testing, review and disposition of changes to the systems, including system upgrades and modifications.

Adequate controls over modifications to systems prevent unauthorized or potentially inaccurate changes from being incorporated into the production environment. VRS personnel protect and maintain the *integrity* of VRS applications and business processes by performing effective and controlled change management processes.

In the IDS environment, for changes requested to existing projects, these change management tasks would be processed based on the size and complexity of the change. Most smaller changes would proceed to IDS' ad hoc project management process. Larger, more significant changes would follow IDS' previously discussed project management process.

Within the ad hoc process, IDS documents and tracks change requests and assigns work to applicable team members. IDS developers plan and execute requested changes along with the creation or update of project documentation, if necessary, per the change objectives defined. At completion, the project sponsor performs User Acceptance Testing. Once these tasks are positively completed, the project sponsor formally acknowledges the acceptance and verification of the deliverables.

As with other projects, **regular communication** is performed, as **necessary**, to **keep** pertinent **stakeholders informed** through monthly status reports.

LOGICAL ACCESS

IDS performs its work within VRS' database environment to meet the requests of the Investment department. Therefore, access to specific VRS databases is required to perform regular IDS job responsibilities.

VRS INFORMATION SECURITY PROGRAM POLICY (ISPP)

VRS is required by **statute** to implement a **comprehensive** information **security** program.

The **ISPP** is VRS' IT **governance** document which is intended to **protect** and regulate the **confidentiality, integrity** and **availability** of VRS **information** and **systems**.

As described in VRS' Information Security Program Policy (ISPP), VRS bases access to systems on the principle of least privilege which requires users to have only the minimum access rights necessary to fulfill their responsibilities. Controls over user access to IDS' data files and processing applications are essential to protect the confidentiality, integrity and availability of data and computer resources. VRS further divides a user's ability to perform a complete task without another user's intervention between different users or roles, known as segregation of duties, in conformance with the ISSP. Together these controls reduce the risk of information being disclosed, misused or destroyed, whether by accidental or intentional means.

INFORMATION TECHNOLOGY LIAISON

VRS' IT department continues to administer and centrally manage the IT resources which are used to support each VRS department, including IDS. IDS supports these processes as the liaison for all IT aspects within the Investment department while reporting directly to the Investment Managing Director of Portfolio Solutions Group. Within this structure, investment related IT tasks are funneled through IDS for appropriate initiation of *teamwork* between VRS' IT department and IDS for organization and setup.

SCOPE AND METHODOLOGY

The primary purposes of our examination were to:

- Determine whether project management processes are established, structured and being applied in practice as intended.
- Determine whether change management processes are in place, controlled and monitored.
- Determine if system access surrounding the IDS servers are functioning as designed and assigned based on the principle of least privilege.

GENERAL ASSESSMENT AND UNDERSTANDING

We obtained a general understanding of IDS' processes as well as the associated controls by meeting with key individuals from the applicable areas. We also reviewed the related policies and procedures and other relevant documents provided by management.

More technical IT processes related to these systems, which are managed by VRS' IT department, were exempt from this review. These controls were reviewed in the most recent Review of IT General Controls (Report No. 444) and will be reviewed in an upcoming Infrastructure Application Control review.

DATA REQUESTS

We first determined the process in place to initiate data requests as well as the process for requestors to apply for particular data sets. We next determined the approach taken to approve and implement requests. We reviewed the processes around initiation, execution and completion. We ensured data requests were managed and controlled appropriately through the development process. We ensured completed data requests were tested and accepted by the requestor.

Then, we took a sample of recently executed projects within calendar year 2023 and verified the selected projects followed IDS' methodology.

Lastly, we reviewed operational procedures around data requests, including the regular monitoring processes performed to ensure the *integrity* of ongoing data requests in the production environment.

PROJECT MANAGEMENT

First, we reviewed VRS' ISPP to determine if there were any project management standards applicable to the IDS environment. Then, we reviewed IDS project methodology and plans used to develop the department's projects. Further, we reviewed the Project Management Book of Knowledge Guide (PMBOK), a collection of processes, best practices, terminologies and guidelines accepted as a globally recognized project management framework. This comprehensive, yet scalable, best practice framework provides a foundation upon which organizations can build their individualized project management approach.

We used this information to perform a high-level gap analysis between these best practices and IDS' existing practices. In evaluating any potential gaps, we considered the IDS project's nature, size, scope and budget to determine if application of particular requirements would be cost beneficial relative to any risks which would need to be mitigated.

Since projects are unique one-time endeavors, there is no one size fits all methodology which will be right for every organization.

Lastly, we took a sample of recently completed projects within calendar year 2023 and verified that the projects followed IDS' methodology.

Retrospectives

We determined whether lessons learned were identified and documented at the conclusion of each project for retention and use going forward. We assessed whether retrospectives were retained in a consolidated form, to allow for efficient access to these lessons learned for future consideration.

We reviewed IDS' project approach to ensure that lessons learned from previous projects were considered prior to the design and development of similar projects to ensure that previous issues were mitigated. We also considered whether potential process enhancements captured in IDS' quarterly project spreadsheet were considered to improve specific practices within upcoming plans.

CHANGE MANAGEMENT

We reviewed IDS' change management processes for reasonableness to determine if there was a formal, documented process for ensuring that only fully tested, reviewed and approved changes were incorporated into a system's production environment.

We then took a sample of recently completed changes to existing projects within calendar year 2023 and verified the changes followed IDS' change management procedures.

LOGICAL ACCESS

We reviewed the account management policies and procedures around specific activities for all types of personnel, including contractors, who receive access to IDS servers. We evaluated user access with IDS owned roles to determine if it was appropriately granted based on the associated job description and principle of least privilege. We reviewed in detail any personnel approved to receive optional access beyond the system's mandatory roles. We assessed these users' access for conflicting roles and proper separation of duties to confirm a single person could not complete a full task.

CONCLUSIONS

GENERAL ASSESSMENT AND UNDERSTANDING

Our examination found overall the controls governing IDS processes are functioning to reasonably minimize risks. We found IDS' practices generally align with best practice, and the operational controls in place address risks associated with areas of project management, change management and logical access.

During the course of our examination, we noted certain areas for enhancement as discussed in the remaining sections of the report. Other related items, not requiring attention here, were shared with management and are available to the Committee upon request.

DATA REQUESTS

Overall, our review found IDS' data request processes were functioning as intended. Only asked for and approved data requests were completed, however the requestor's acceptance of the completed request was not retained. Once brought to management's attention, IDS immediately added this requirement within its data request form for memorialization and retention going forward.

Monitoring

We found existing data requests to be monitored daily to ensure scripts were functioning as intended and assist in the identification of any potential issues. We found management to be rotating the assignment of these responsibilities rather than solely assigning this responsibility to one individual. We commend management for the establishment of regular personnel rotations which is a valuable internal control to help prevent or reduce the risk of fraud and increase personnel knowledge transfer. Regular monitoring provides benefits of allowing IDS management to confirm the *integrity* of IDS' processes and production environment while serving as a compensating control for users which have dual production database agent and developer database access.

We commend management for the establishment of regular personnel rotations which is a valuable internal control to help prevent or reduce the risk of fraud and increase personnel knowledge transfer.

PROJECT MANAGEMENT

We found projects performed to be approved by the Prioritization Committee and managed per IDS' project management workflow. We also found reasonable documentation was created and retained based on the project objectives, size and scope of the endeavor. Additionally, testing was incorporated and performed along with proper approvals being received prior to developments being moved to the production environment. While these processes exist and are functioning as intended, IDS' current practices are not memorialized. Documentation of IDS' governance would acknowledge the overall departmental structure and management of IDS' projects as well as support continuity of operations and succession planning. Based on best practice, IDS' project management governance would best be captured through two sets of plans, portfolio and project management, as discussed below.

Portfolios

Projects are defined as any temporary endeavor with a definite beginning and end which can stand alone or be part of a program or portfolio. IDS performs projects which are smaller developments that can be completed within a period of 90 days or less. IDS' workplan and projects are authorized, directed, and overseen by the overarching Prioritization Committee which aligns the IDS workplan to support investment's strategic objectives.

The IDS structure and duties resemble a portfolio, as defined by PMBOK. Portfolios include projects, programs, subsidiary portfolios and operations managed as a group to achieve strategic objectives. A portfolio includes a collection of work, usually projects, and is a way to plan and manage projects reflecting an organization's strategy, direction and progress at any given moment. A portfolio typically contains projects, but they can also include support, operations and other types of work, similar to IDS. The projects within a portfolio may or may not be related, however the relationship among these projects have the potential to bring value to the organization. Therefore, the portfolio often has a greater longevity, unlike programs or projects which have a more limited duration to support a specific finite goal.

Portfolio management establishes the overall direction and tone of business execution that shapes and defines its projects.

**VRS STRATEGIC GOAL:
SUPERIOR GOVERNANCE
AND LONG-TERM
FINANCIAL HEALTH**

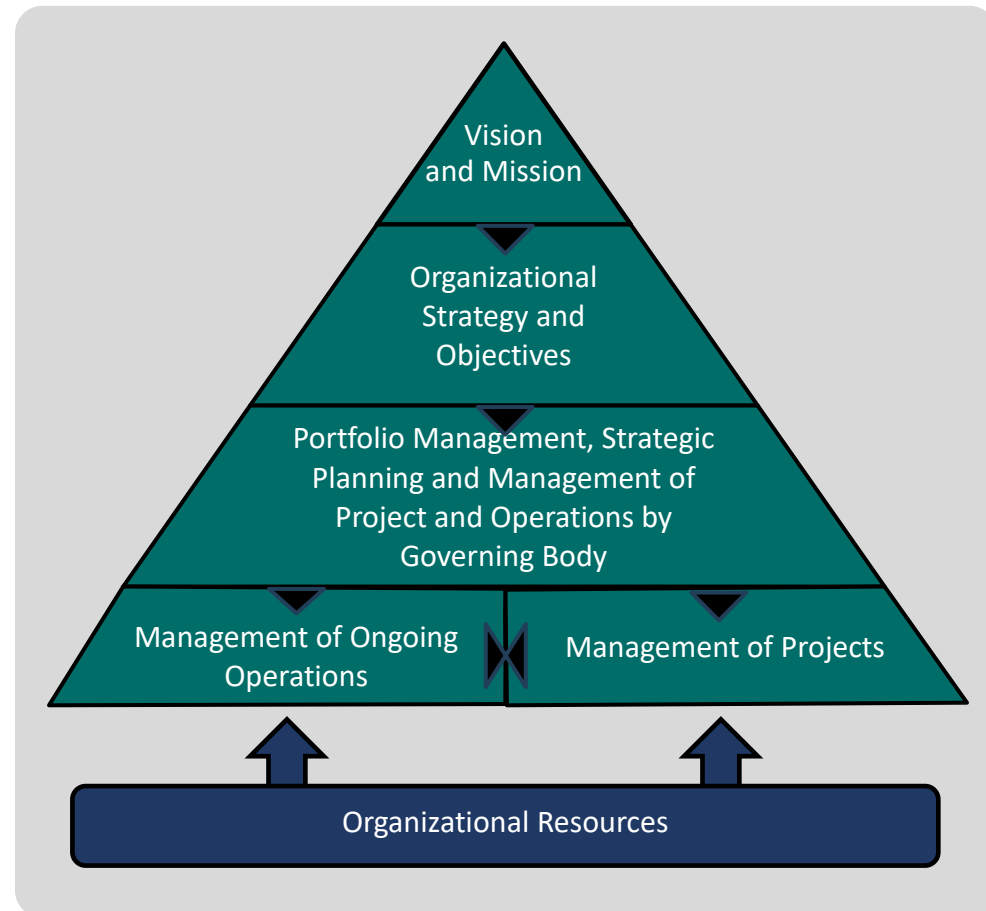
Strategy

Deliver targeted risk-adjusted investment returns over a full-market cycle.

Measure and Target

Provide resources when opportunities are identified to support infrastructure for expansion of internal investment management, including data, investment tools and products, as well as personnel.

IDS performs projects, offers support and manages operations which are focused on meeting investment department needs. Their efforts align and support VRS' Strategic Plan Goal: Long-term Financial Health. A governing body, the Prioritization Committee, comprised of investment leadership, ensures IDS' focus continues to align with the Investment department and VRS' overall strategy, rather than a singular department supervisor. Quarterly, this committee reviews and selects the most pertinent projects, provides workplan approval and ensures proper oversight of the initiatives.



Overall, the Investment department has established IDS' governance process through portfolio development, oversight and workplan approvals by the Prioritization Committee. However, this governance structure and expected activities have not been documented. This information is typically captured through a portfolio management plan which defines the governance model as well as the scope and objectives of the portfolio and the performance expectations of its primary stakeholders.

To ensure the portfolio's continued alignment with investment's strategy, IDS should work with Investment leadership through the Prioritization Committee to create a portfolio management plan which documents and standardizes the consistent and appropriate orientation of projects with strategic objectives within the portfolio's governance framework. Similar to program specific investment policy statements, this plan should guide future portfolio management activities, support decisions made about priorities for IDS and link the processes for categorizing, prioritizing, selecting, approving and monitoring portfolio projects, no matter which personnel are assigned to associated duties. This will support succession management and continuity of operations. This is discussed further in the Recommendations section of this report.

Projects

In a portfolio, the portfolio hierarchy results in a parent-child relationship with its projects. Underlying projects are administered through project management techniques. Our review found IDS follows an established project management workflow that addresses various needs, concerns and expectations of the stakeholders as the development is planned and executed.

IDS projects are smaller developments which can be completed within a period of 90 days or less. Due to this, IDS does not document the comprehensive and detailed project management plans envisioned by PMBOK since the development of these detailed project management plan would be inefficient within each project. This practice appropriately allows IDS personnel to focus on the execution of project requirements.

STRATEGIC OBJECTIVES

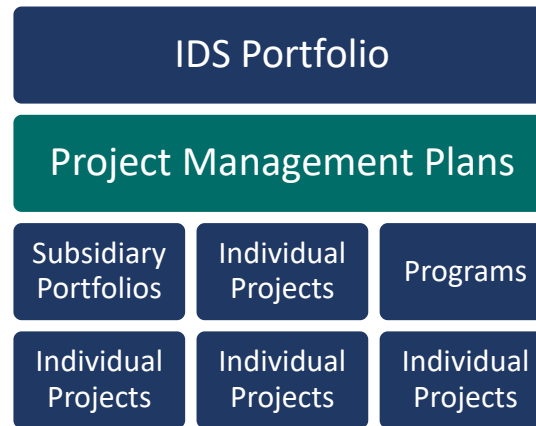
The Board approved **Defined Benefit Plan Investment Policy Statement** outlines the Investment department **strategic objectives**.

The **Chief Investment Officer** focuses the **objectives** for each individual **program** area using **Program Specific Investment Policy Statements**.

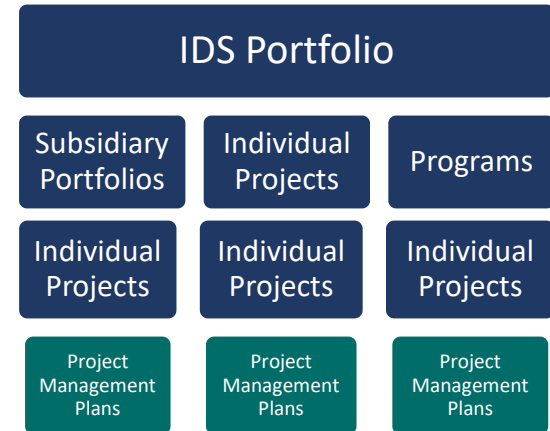
Project management is the application of **knowledge, skills, tools** and techniques to project **activities** to meet project **requirements** by providing the project **deliverables**.

Comprehensive project management plans are generally written documents describing how the project will be executed, monitored, controlled and closed and also usually include other related plans including, but not limited to, a communication management plan, change control plan, requirements management plan, quality management plan, resource management plan, scope management plan and test plan. Completion of these project management plans guides and aids in the quality of the development process whether they are established for each individual project or in an overarching fashion for all projects.

Overarching Project Management Plan Structure



Individual Project Management Plan Structure



While IDS addresses some of these areas with its existing process, IDS could enhance the ongoing governance of its initiatives by expanding the topics addressed in its overarching project management plans which can be used as a starting point for all IDS projects. This is discussed further in the Recommendations section of this report.

Other Considerations

VRS' security standards, documented in its ISPP, require management to take into consideration security and privacy factors within its system development life cycle methodology. Specifically, the ISPP requires IDS to

- Acquire, develop and manage the system using a system development life cycle methodology that incorporates information security and privacy considerations.
- Develop and implement a plan for ongoing security and privacy control assessments (during development).

We noted that in some but not all cases required security considerations were documented in project charters. We were informed that during the design stage, security and privacy considerations were also incorporated, however, we are unaware of any process documentation capturing these required considerations or testing plans for each project after implementation.

Documentation of IDS' project management approach should be designed to ensure that mandatory project processes included in the ISPP are compiled and considered for each project. Once brought to their attention, management immediately took action to add a required step within the project charter to ensure security and privacy design requirements were considered consistently within the development of the project.

Retrospectives

Because projects are temporary endeavors, much of the knowledge gained regarding the area and project execution fades once the project is complete. Establishing a frequent rhythm or cadence of review and feedback is helpful for navigating project risk and being proactive with risk responses. Retrospectives and the corresponding capture of lessons learned can be used to detect threats to performance, support project team cohesion and identify opportunities for improvements in project processes.

Based on our review, the IDS project team memorialized its retrospectives in individual project tabs within a tracking spreadsheet for each quarterly workplan. While IDS does review and perform internal training sessions regularly which incorporate retrospectives to developers for them to apply lessons learned into new projects, project specific lessons were not reconsidered regularly during the commencement of future projects or evaluated for opportunities to enhance project management processes.

We discussed with management centralizing the storage of these retrospectives in a register which would allow for efficient accessibility to IDS team members as they commence planning and design of new projects. Further incorporation of the expectation to review retrospectives

into the project management process would reinforce the need to incorporate relevant lessons learned into new project plans.

CHANGE MANAGEMENT

Overall, we found that IDS' change management processes including our verification of actual changes performed to be reasonable. However, during our verification we noted developers do not obtain approval from any other IDS individual prior to moving ad hoc changes to the production environment. IDS should document and implement an approval step as a part of its change management practices to ensure only permitted updates and changes are made to IDS' production environment. Further, approvals to move the change to the production environment should be retained in the associated project documentation.

LOGICAL ACCESS

Overall, we found logical access to IDS servers generally followed the principle of least privilege. As is common in smaller departments, separation of duties concerns with logical access for a limited number of users were identified and shared with management.

As the identified users can exercise a certain degree of autonomy in making adjustments to existing scripts, management should regularly monitor their actions to mitigate this risk and ensure the actions align with their assigned duties. Once this was brought to management's attention, they immediately began work to establish a regular monitoring process for these users.

Separation of Duties is a basic building block of sustainable risk management and internal controls for an agency.

The principle of **Separation of Duties** is based on the shared responsibilities of a key process that disperses the critical function of that process to more than one person or department.

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.

FOLLOW-UP ON PRIOR REPORTS

There were no outstanding audit recommendations to consider.

RECOMMENDATIONS

We offer one recommendation as a result of our review, which is not considered a material issue.

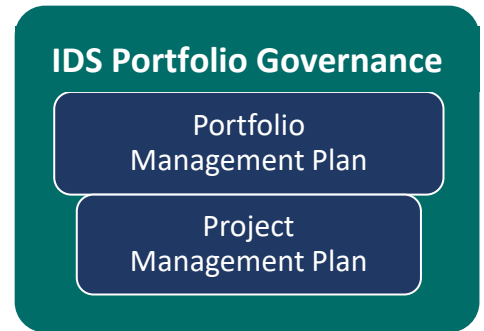
Memorialize IDS’ Portfolio and Project Management Governance

In general, portfolios have two main processes governing their effective administration. These separate but interrelated processes are referred to as portfolio management and project management. While management leverages the principles behind portfolio and project management, they have not documented their governance practices for this area.

Rather, the Prioritization Committee and IDS are administering these frameworks with organizationally known and accepted but undocumented processes. IDS should memorialize its accepted portfolio and project management frameworks to capture the Investment Department’s intentional linkage between investment strategy and portfolio management; ensure alignment of Prioritization Committee objectives and IDS’ management processes; reiterate project management process expectations to team members; provide important knowledge transfer to educate new employees and contractors; and provide continuity of operations and support succession planning. Documenting the IDS program’s governance supports the portfolio’s continuous alignment to departmental and overall strategic goals including improving technology policy and process documentation, as well as knowledge capture and transfer.

Portfolio Management Plan

The Investment Department should document its portfolio management plan for IDS capturing the current governance framework associated with decision making, oversight, control and integration that guide VRS’ portfolio management activities in order to optimize projects and the



Governance is associated with decision making, **oversight, control** and integration whereas management is described as working **within** the **limitations** set by the governance **framework** with the **overall aim** of **achieving** the **organizational objectives**.

achievement of investment strategic objectives. The awareness of portfolio projects, with their many relationships and dependencies, enhances the portfolio manager's ability to envision possible future issues and risks. Further, linking portfolio management to strategy balances the use of resources to maximize the value delivered in executing projects and operational activities. Therefore, the portfolio management plan should not only include projects and its associated processes but also acknowledge and address IDS' other activities such as data requests and operational support to recognize and optimize the efficient balance of organizational resources.

Project Management Plans

Generally, project management (versus portfolio management) is largely concerned with achieving specific project deliverables that support business and organizational objectives. Project management plans are a collection of written documents that describe how the project will be executed, monitored, controlled and closed. These documents can address other subsidiary topics such as communications, change control, requirements management, quality management, resource management, scope management and testing.

IDS' projects are smaller and focused on satisfying and executing a limited number of requirements. Due to this, it would be inefficient and, most likely, redundant to develop comprehensive project management plan documents addressing every possible topic encouraged by PMBOK within each specific project.

Therefore, IDS should document their current processes within an overarching set of project management plans to establish the approved means for accomplishing projects, be they routine or ad hoc. Such an overarching structure will direct and govern the way all projects are developed and managed, while documenting IDS' foundational expectations for project management will provide for consistency in project execution while providing flexibility for the project specific documentation to be tailored as necessary to best accomplish each project's given objective.

Documenting and outlining process expectations and any other requirements, such as the security and privacy requirements required by the ISPP, within the plans ensures the consideration of these elements during each project, no matter which team members (VRS staff or contractors) are involved in the project.

MANAGEMENT EXIT CONFERENCE

This report was distributed to Ms. Bishop, Mr. Junkin 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
June 11, 2024.

MEMBERS OF THE AUDIT AND COMPLIANCE COMMITTEE

J. Brandon Bell, II, Committee Chair
A. Scott Andrews, Board Chair
John M. Bennett

WITH COPIES TO:

OTHER MEMBERS OF THE BOARD OF TRUSTEES

Lawrence A. Bernert, III
Michael P. Disharoon
Susan T. Gooden
Jessica L. Hood
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
Jamie Bitz

PRINCIPAL AUDITOR IN-CHARGE

Matthew Priestas, CIA, CRMA, CISA, PMP

AUDIT SUPERVISOR

Joshua Fox, CIA, CFE, CIDA



To: Jennifer P. Bell Schreck, Internal Audit Director

From: Andrew H. Junkin, Chief Investment Officer *AJ*
Curtis M. Mattson, Chief Administrative Officer

Date: June 4, 2024

Subject: Management's Response to Internal Audit Report No. 458 – "Investment Decision Support"

We reviewed the above referenced Internal Audit Report on "Investment Decision Support". We appreciate the Internal Auditor's analysis and comments regarding project management, change management, and logical access as they relate to the Investment Decision Support team. We also appreciate the thorough background provided in the report as well as the professionalism and cooperation exhibited by Internal Audit staff.

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

Memorialize IDS' Portfolio and Project Management Governance

In general, portfolios have two main processes governing their effective administration. These separate but interrelated processes are referred to as portfolio management and project management. While management leverages the principles behind portfolio and project management, they have not documented their governance practices for this area.

Rather, the Prioritization Committee and IDS are administering these frameworks with organizationally known and accepted but undocumented processes. IDS should memorialize its accepted portfolio and project management frameworks to capture the Investment Department's intentional linkage between investment strategy and portfolio management; ensure alignment of Prioritization Committee objectives and IDS' management processes; reiterate project management process expectations to team members; provide important knowledge transfer to educate new employees and contractors; and provide continuity of operations and support succession planning. Documenting the IDS program's governance supports the portfolio's continuous alignment to departmental and overall strategic goals

including improving technology policy and process documentation, as well as knowledge capture and transfer.

Portfolio Management Plan

The Investment Department should document its portfolio management plan for IDS capturing the current governance framework associated with decision making, oversight, control and integration that guide VRS' portfolio management activities in order to optimize projects and the achievement of investment strategic objectives. The awareness of portfolio projects with its many relationships and dependencies, enhances the portfolio manager's ability to envision possible future issues and risks. Further, linking portfolio management to strategy balances the use of resources to maximize the value delivered in executing projects and operational activities. Therefore, the portfolio management plan should not only include projects and its associated processes, but also acknowledge and address IDS' other activities such as data requests and operational support to recognize and optimize the efficient balance of organizational resources.

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Therefore, IDS should document their current processes within an overarching set of project management plans to establish the approved means for accomplishing projects, be they routine or ad hoc. Such an overarching structure will direct and govern the way all projects are developed and managed, while documenting IDS' foundational expectations for project management will provide for consistency in project execution while providing flexibility for the project specific documentation to be tailored as necessary to best accomplish each project's given objective.

Documenting and outlining process expectations and any other requirements, such as the security and privacy requirements required by the ISSP, within the plans ensures the consideration of these elements during each project, no matter which team members (VRS staff or contractors) are involved in the project.

Management's Response: *The Investment Decision Support team will create a Portfolio Management Plan and a Project Management Plan as recommended. These will be an accumulation of the current practices in place that are organizationally known and accepted. We anticipate these documents will be completed by September 30, 2024.*

Code of Ethics

VRS Code of Ethics Report

Presented to
VRS Audit and Compliance Committee
June 11, 2024



VRS Administration Code of Ethics



Online Training Course

- Developed in 2016
- Interactive
- Incorporates real-life scenarios



The image displays three overlapping screenshots of the VRS Code of Ethics online training course interface. The top-left screenshot shows the main course menu with a sidebar on the left containing a table of contents and a central video player area. The top-right screenshot shows a specific example titled "Example 2" with a text-based scenario and two interactive buttons labeled "YES" and "NO". The bottom-right screenshot shows a section titled "Voicing Your Concerns" featuring a video player with a thumbnail image of people in a meeting.

Menu Notes Resources

VRS Code of Ethics

Introduction

Our Mission and Vision

VRS Commitments & Core Values

VRS Ethical Principles

VRS Expectations

Example 1

Example 2

Example 3

Confidential Information

Example 4

Example 5

Illegal or Unethical Behavior

Example 6

Example 7

Work-Related Concerns

Guidelines for Voicing Concerns

Scenario 1: Matthew Pavlos

Scenario 1: Ethical Principles Involved

Scenario 1: Voicing Your Concerns Techniques

Scenario 2: Gail Saunders

Scenario 2: Ethical Principles Involved

Example 7

Work-Related Concerns

Guidelines for Voicing Concerns

Scenario 1: Matthew Pavlos

Scenario 1: Ethical Principles Involved

Scenario 1: Voicing Your Concerns Techniques

Scenario 2: Gail Saunders

Scenario 2: Ethical Principles Involved

VRS Code of Ethics

Example 2

Shelly is on a team evaluating bids from potential suppliers and one of the suppliers has offered to take her out to lunch. **May she accept the invitation?**

YES NO

VRS Code of Ethics

Voicing Your Concerns

Scenario 1: Voicing Your Concerns Techniques

Scenario 2: Gail Saunders

Scenario 2: Ethical Principles Involved

Scenario 2: Voicing Your Concerns Techniques

Scenario 3: John Gould

Scenario 3: Ethical Principles Involved

Scenario 3: Voicing Your Concerns Techniques

Conclusion

All eligible full-time and wage employees required to complete the Code of Ethics training course no later than December 31, 2023.



100% course completion



Completed by November 22, 2023

VRS Investments Code of Ethics



VRS Investments Code of Ethics

- **Consists of four interconnected policies:**
 - Code of Ethics and Standards of Professional Conduct Policy
 - Material Non-Public Information Policy
 - Personal Trading Policy
 - Policy on Gifts
- **Applies to Investment staff in addition to the VRS Administration Code of Ethics**



Monitoring and Certification

- **Initial Certification:**
 - New employee training on Investments Code of Ethics policies and initial certification
- **Quarterly Certifications:**
 - Quarterly certifications of compliance with the Personal Trading Policy
- **Annual Certifications:**
 - Annual certification of compliance with Investments Code of Ethics policies



FY 2023 Compliance Results



For FY 2023 (and through 12/31/2023), all new Investment staff have provided Initial Certifications of compliance with the Investments Code of Ethics.



For FY 2023, all Investment staff have provided Annual Certifications of compliance with the Investments Code of Ethics.



For FY 2023 (and through 12/31/2023), all Investment staff have provided Quarterly Certifications of compliance with the Personal Trading Policy for each fiscal quarter.


Questions



June 5, 2024

MEMORANDUM

TO: VRS Audit and Compliance Committee

FROM: Patricia S. Bishop
Director 

RE: 2023 Code of Ethics Report

Since adopting its Code of Ethics in 2015, VRS expects all eligible full-time and wage employees to complete ethics training each year. Beginning in 2016, VRS established an online 30-minute interactive Code of Ethics course to more efficiently facilitate the required training. The course details the provisions of the VRS Code of Ethics and includes related scenarios that employees could face in the workplace. Each year the Human Resources staff reviews the training course to ensure it is current.

It is the goal of the agency to have all eligible employees complete the Code of Ethics course at least once during the year. Although a few staff members were unable to complete the training before December 30, 2023, due to extended leave of absence, all applicable staff members have successfully satisfied the training at this time.

To the best of our knowledge, all employees are in compliance with the requirements and expectations described in the VRS Code of Ethics.

Attachment



Virginia Retirement System Code of Ethics

Vision

The VRS vision statement is: *“To be the trusted leader in the delivery of benefits and services to those we serve.”* We, as VRS employees, share the responsibility for delivering this vision by following the VRS Code of Ethics, the agency’s Core Values and applicable law, regulation and policy.

The VRS Code of Ethics provides the foundation for the VRS culture and establishes our approach for engaging with our members, employers, retirees, business partners and fellow VRS colleagues.

The Code of Ethics is built on our commitment to upholding the highest standards of integrity, ethical principles and professional conduct.

Ethical Principles

- **Integrity**

Integrity is the ability to act with honesty and be consistent in administering benefits and managing investments. Integrity serves as the foundation for building trust with the public, retirees, members and employers as we provide services.

- **Accountability**

Accountability is being responsible for decisions made, actions taken and assignments completed. Accountability reinforces our commitment to ethically perform our duties to meet the goals of the agency.

- **Confidentiality**

Confidentiality is exercising discretion and performing our ethical duty to protect the personal information of our members, retirees, beneficiaries and employers. We safeguard personal data and sensitive VRS information that is viewed, acquired or otherwise accessible during the course of VRS employment.

- **Inclusivity**

Inclusivity is embracing a diversity of thinking that helps us reach solutions that achieve excellence and meet the needs of our customers. We encourage an open work environment and an ethical culture in which colleagues are treated with respect and are free to raise issues or concerns without fear of retaliation.

Ethical Conduct

As employees of the Commonwealth of Virginia and the Virginia Retirement System, we will:

- Perform our work with integrity, competence and dignity and in an ethical manner that earns the trust of members, employers and retirees as we deliver benefits and services.
- Act solely in the best interest of the fund, its members, beneficiaries and retirees.
- Remain free from influence, or the appearance of influence, of any conflicting interests as we conduct business ethically and in compliance with applicable policies and laws.
- Maintain and protect the confidential information of our members, retirees, employers, business partners and employees.
- Deal fairly, objectively and impartially in all matters relating to VRS.
- Promote safety and security to minimize hazards and threats in our workplace.
- Exercise good faith, civility and professionalism in our interactions with those we serve and with each other.
- Create a climate of trust and respect that contributes to a productive work environment.
- Act as good stewards, effectively and efficiently using resources, while ensuring accountability to our members, retirees and employers that we serve.
- Refrain from having a direct or indirect interest, including financial or other interests, or engaging in a personal business activity that could conflict with the proper discharge of duties or management of VRS.
- Embrace differences in backgrounds, experiences, perspectives and talents and leverage those differences as a fundamental strength of VRS.
- Share in the responsibility to protect the reputation of VRS.

Illegal or Unethical Behavior

As we strive to maintain an ethical culture, we act in good faith in our interactions with each other, business partners and external customers. We openly discuss and disclose ethical issues.

If at any time, we believe a potential violation of our Code of Ethics has occurred, it is incumbent upon us to seek clarity through discussion with our supervisor, manager, director or human resource office.

If the issue involves information security risks or threats, we should contact the VRS Information Security Officer. If the issue involves waste, fraud or abuse, we should contact the VRS Internal Audit Director, who reports directly to the VRS Board of Trustees.



Virginia
Retirement
System

Virginia Retirement System, Investment Department
1200 East Main Street, Richmond, Virginia 23219

To: Members of the Audit and Compliance Committee

From: Curtis M. Mattson, Chief Administrative Officer *CMM*
Richard W. Brooks, Regulatory and Legal Officer *RS*

Date: May 29, 2024

Subject: Annual Report on Investment Department's Code of Ethics and Standards of Professional Conduct Policy (as of December 31, 2023)

As required in the Audit and Compliance Committee Charter, please find attached the annual report on the Investment Department's Code of Ethics and Standards of Professional Conduct Policy. This report describes the process for communicating this Policy to the Investment Department personnel and monitoring compliance with this Policy.

Attached you will also find the current Code of Ethics and Standards of Professional Conduct Policy and the respective stand-alone policies referenced in this Policy.

Let us know if you have any questions.

VRS Investment Department
Annual Report on the Code of Ethics and Standards of Professional Conduct Policy
As of December 31, 2023

Overview

The Investment Department Code of Ethics and Standards of Professional Conduct Policy (the “Code of Ethics”) is built on our commitment to upholding the highest standards of integrity, ethical principles, and professional conduct. All Investment associates (including new hires, interns, and those working part-time) are subject to this Code of Ethics.

The Investment Department first adopted its Code of Ethics in 2006. This document is periodically reviewed and updated to confirm that its contents and procedures are current. The most recent version of the Code of Ethics became effective July 1, 2015.

The Code of Ethics continues to address potential conflicts of interest in three main areas:

- The treatment of confidential and material non-public information;
- Trading of securities in personal accounts; and
- The disclosure of discussions of potential employment arrangements or other forms of consideration between Investment associates and entities conducting business with the VRS.

Incorporated by reference and made part of the Code of Ethics are the following stand-alone policies:

- Material Non-Public Information Policy;
- Personal Trading Policy; and
- Policy on Gifts.

A copy of each of these policies, as well as the Code of Ethics, is attached.

Communicating and Monitoring Procedures

The Code of Ethics and related stand-alone policies are located on the Investment Department’s network drive, which is accessible by all Investment associates.

Initial Certification Process

- As part of the Investment Department’s new employee orientation process, the Code of Ethics and related stand-alone policies are provided to the newly hired Investment associate by the Regulatory and Legal Officer.
- Completed and physically signed (or electronic equivalent) initial certification forms are received from the Investment associate.
- All initial certifications are received and reviewed by the Regulatory and Legal Officer. These certifications require the signature (or electronic equivalent) of the Investment associate, his or her immediate supervisor, and either the Regulatory and Legal Officer or the Chief Administrative Officer.

Quarterly Procedures

- Following the end of each fiscal quarter, the Personal Trading Policy is sent to all Investment associates by the Regulatory and Legal Officer.
- Certification of compliance with the Personal Trading Policy for the prior fiscal quarter, as well as supporting documentation for applicable personal trades made during that period, is required from each Investment associate.
- All certifications and supporting documentation are received and reviewed by the Regulatory and Legal Officer. These certifications require the signature (or electronic equivalent) of the Investment associate, his or her immediate supervisor, and either the Regulatory and Legal Officer or the Chief Administrative Officer.

Annual Procedures

- At the beginning of each fiscal year, the Code of Ethics and related stand-alone policies are sent to all Investment associates by the Regulatory and Legal Officer.
- Each Investment associate is required to certify their compliance with each of these policies during the prior fiscal year, which includes an acknowledgement from the Investment associate that, during the prior fiscal year, he or she had no known personal conflicts of interest related to entities conducting business with the VRS.
- All certifications are received and reviewed by the Regulatory and Legal Officer. These certifications require the signature (or electronic equivalent) of the Investment associate, his or her immediate supervisor, and either the Regulatory and Legal Officer or the Chief Administrative Officer.

Results

FY 2023

- Initial certifications of compliance with the Code of Ethics, which incorporates by reference the stand-alone policies, have been received from all Investment associates hired during FY 2023 and were properly reviewed.
- Annual certifications of compliance with the Code of Ethics, which incorporates by reference the stand-alone policies, have been received from all Investment associates and were properly reviewed.
- Personal trading certifications for each fiscal quarter during FY 2023 have been received from all Investment associates and were properly reviewed.

FY 2024 (through December 31, 2023)

- Initial certifications of compliance with the Code of Ethics, which incorporates by reference the stand-alone policies, have been received from all Investment associates hired during FY 2024 (through December 31, 2023) and were properly reviewed.

- Personal trading certifications for the first two fiscal quarters of FY 2024 have been received from all Investment associates and were properly reviewed.

Overall Conclusion

- To the best of our knowledge, all Investment associates have been and continue to be in compliance with the requirements of the Investment Department Code of Ethics and Standards of Professional Conduct Policy and the stand-alone policies incorporated therein by reference.



Virginia
Retirement
System

Investment Department

Code of Ethics

and

Standards of Professional Conduct Policy

Effective Date – July 1, 2015

**Virginia Retirement System
Investment Department
Code of Ethics and Standards of Professional Conduct Policy**

Introduction

Investment associates (i.e., VRS Investment Department personnel), as employees of a public entity, a fiduciary, and a major market participant, should exemplify the highest standards of ethical conduct in all matters related to VRS. Investment associates owe a duty of loyalty to the Fund and should avoid conflicts that may reasonably be perceived as abusing the faith and confidence that has been placed in the VRS Investment Department.

Policy

The VRS Investment Department Code of Ethics and Standards of Professional Conduct Policy (COE or Policy) was established in an effort to ensure loyalty as well as a commitment to fairness, openness and transparency in the governance of the Fund. Furthermore, the VRS Investment Department has also incorporated the CFA Institute Code of Ethics and Standards of Professional Conduct (see pages 5 and 6 of this document) into its COE.

In addition to the incorporation of the CFA standards, this Policy specifically addresses: (i) the treatment of confidential information; (ii) the disclosure of discussions of potential employment arrangements or other forms of consideration between investment associates (or members of their immediate families) and entities conducting business, either directly or indirectly, with the VRS Investment Department where a potential for conflict of interest exists; and (iii) additional policies adopted by the Investment Department to mitigate risks associated with potential conflicts of interest between an investment associate's own interests and those of the Fund.

Any variety of activities, events or matters may cause a potential conflict of interest. The intent of this COE is to help ensure that no VRS investment associate or any member of the investment associate's immediate family seek or accept personal gain in conflict with the provisions this COE and from the investment decisions of the VRS investment programs. For the purposes of this COE, "immediate family" means a spouse and any child who lives at home and who is a dependent of the investment associate.

This Policy is not intended to address every situation or activity where a conflict of interest might exist. Investment associates are strongly encouraged to seek the advice of the Regulatory and Legal officer (RLO) whenever there is uncertainty about compliance with this Policy.

Treatment of Confidential Information

In the course of performing their duties, VRS investment associates are expected to exhibit the utmost discretion in handling and/or acting upon any confidential information that has been provided to them with the expectation (whether explicit or implicit) of confidentiality. In their handling of confidential information, VRS investment associates shall exercise reasonable care to protect and preserve the privacy of such information entrusted to them by either internal or external sources. Furthermore, all actions based on, or communications involving confidential information shall be limited to the legitimate

business purposes of the VRS. VRS investment associates shall fully comply with all applicable laws concerning public disclosure of information. Also, see the Investment Department's Material Non-Public Information Policy.

Potential Employment/Other Forms of Consideration

This Code of Ethics and Standards of Professional Conduct Policy specifically addresses the disclosure of discussions of potential employment arrangements or other forms of consideration between an investment associate (and members of their immediate family) and entities conducting business, either directly or indirectly, with the VRS Investment Department where a potential for conflict of interest exists. For purposes of this Policy, an "entity conducting business with the VRS Investment Department" includes but is not limited to: investment managers, placements agents, consultants, broker/dealers, and related vendors.

The appearance of a breach of a duty of loyalty can arise if an investment associate or a member of their immediate family is discussing prospective employment or other forms of consideration with an entity conducting business with the VRS Investment Department, which could reasonably be expected to create a conflict of interest, without first notifying the Chief Investment Officer (CIO). Therefore, all investment associates are required to provide disclosure to the CIO, or his or her designee, regarding such discussions with any entity doing business within the associate's program (such as Total Public Equity, Internal Equity Management, Fixed Income, Credit Strategies, Real Assets, Private Equity, Strategic Opportunities, etc.) or for entities doing business with other areas within the VRS Investment Department for which the associate has had significant input or participation (such as initial evaluation, ongoing due diligence, reviewing fee calculations, etc.).

These disclosures will provide the CIO an opportunity to take appropriate steps to protect the Fund, the VRS Investment Department, and the investment associate from allegations of a conflict of interest. Due to the nature of the Investment Department's Management Committee (responsible for reviewing all investment recommendations), all Program Directors and all other participants on that Committee are required to provide disclosures regarding such discussions (including those involving members of their immediate family) with any entity conducting business with the VRS Investment Department. If the CIO is required to make any such disclosures under this Policy, he or she will do so to the Chairman of the VRS Board.

In addition to these disclosure requirements, all members of the Management Committee are prohibited from accepting employment with any entity with which the VRS Investment Department has a contractual agreement for a period of one year from the most recent contract inception date with VRS.

Finally, the Virginia State and Local Government Conflict of Interests Act applies to each investment associate. A portion of this Act prohibits accepting any business or professional opportunity when the recipient knows there is a reasonable likelihood that the opportunity is being afforded for influence in the performance of the recipient's official duties. For details regarding the Virginia State and Local Government Conflict of Interests Act see Exhibit A.

Other Investment Department Policies

In addition to this Code of Ethics and Standards of Professional Conduct Policy, the Investment Department has adopted a number of policies to mitigate risks associated with potential conflicts of interest between an investment associate's own interests and those of the Fund. These additional policies include, but are not limited to, the Investment Department's Personal Trading Policy, Material Non-Public Information Policy, and the Policy on Gifts. These policies are incorporated by reference and made part of this COE.

(i) Personal Trading Policy

The VRS Investment Department has adopted a Personal Trading Policy that applies to all investment associates. This policy is intended to provide guidance and direction on the types of personal trading activities permitted or prohibited. See the separate Personal Trading Policy.

(ii) Material Non-Public Information Policy

In the course of employment and potentially from other sources, VRS investment associates may come into possession of material non-public information relating to publically traded securities. The VRS Investment Department has adopted a Material Non-Public Information Policy to protect against misuse of material non-public information and to comply with Federal securities laws. See the separate Material Non-Public Information Policy.

(iii) Policy on Gifts

The Investment Department has adopted a Policy on Gifts that sets forth specific guidelines and restrictions governing the acceptance of gifts and entertainment by investment associates. It is also the intent of the VRS Investment Department to treat the sections of the State and Local Government Conflict of Interests Act ("COIA") relating to gifts as the minimum acceptable standard - see Exhibit A. Also, see the separate Policy on Gifts.

Reporting and Certification Procedures

Upon implementation of this updated Policy, all current and prospective investment associates (including new hires and interns) will be required to sign an Initial Certification form that they: have read the VRS Investment Department Code of Ethics and Standards of Professional Conduct Policy; understand these documents; acknowledge there are penalties for non-compliance; and, agree to comply with this Policy – see Exhibit B. All VRS investment associates will also be required to annually certify that they have complied with this COE and all aforementioned policies incorporated by reference - see Exhibit C. The RLO will maintain a file of completed forms.

This COE will be updated and revised as necessary. The RLO will provide a copy of this Policy to all investment associates no less frequently than annually or when substantive changes are made to this Policy.

Reserve the Right to Request Information from Investment Associates

If the need arises, the RLO and the Chief Administrative Officer (CAO) reserve the right to request and review Statement of Economic Interests forms, personal brokerage statements and other relevant information from any investment associate or members of their respective immediate households. Investment associates agree to make a reasonable effort to obtain requested information from members of their immediate households if such is requested.

Non-Compliance

Every investment associate is expected to adhere to the requirements of this COE. Failure to comply could result in sanctions, the level of which will depend on the severity of the infraction. Sanctions may include, but not be limited to: a written reprimand; demotion of job duties; disgorgement of profits; and/or, termination of employment. Additionally, improper or illegal actions could result in criminal penalties and/or civil liabilities. All persons subject to this Code of Ethics and Standards of Professional Conduct Policy should report any known violations to the RLO.



CODE OF ETHICS AND STANDARDS OF PROFESSIONAL CONDUCT

PREAMBLE

The CFA Institute Code of Ethics and Standards of Professional Conduct are fundamental to the values of CFA Institute and essential to achieving its mission to lead the investment profession globally by promoting the highest standards of ethics, education, and professional excellence for the ultimate benefit of society. High ethical standards are critical to maintaining the public's trust in financial markets and in the investment profession. Since their creation in the 1960s, the Code and Standards have promoted the integrity of CFA Institute members and served as a model for measuring the ethics of investment professionals globally, regardless of job function, cultural differences, or local laws and regulations. All CFA Institute members (including holders of the Chartered Financial Analyst® [CFA®] designation) and CFA candidates must abide by the Code and Standards and are encouraged to notify their employer of this responsibility. Violations may result in disciplinary sanctions by CFA Institute. Sanctions can include revocation of membership, revocation of candidacy in the CFA Program, and revocation of the right to use the CFA designation.

THE CODE OF ETHICS

Members of CFA Institute (including CFA charterholders) and candidates for the CFA designation ("Members and Candidates") must:

- Act with integrity, competence, diligence, respect and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets.
- Place the integrity of the investment profession and the interests of clients above their own personal interests.
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities.
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on themselves and the profession.
- Promote the integrity and viability of the global capital markets for the ultimate benefit of society.
- Maintain and improve their professional competence and strive to maintain and improve the competence of other investment professionals.

STANDARDS OF PROFESSIONAL CONDUCT

I. PROFESSIONALISM

- A. Knowledge of the Law.** Members and Candidates must understand and comply with all applicable laws, rules, and regulations (including the CFA Institute Code of Ethics and Standards of Professional Conduct) of any government, regulatory organization, licensing agency, or professional association governing their professional activities. In the event of conflict, Members and Candidates must comply with the more strict law, rule, or regulation. Members and Candidates must not knowingly participate or assist in and must dissociate from any violation of such laws, rules, or regulations.
- B. Independence and Objectivity.** Members and Candidates must use reasonable care and judgment to achieve and maintain independence and objectivity in their professional activities. Members and Candidates must not offer, solicit, or accept any gift, benefit, compensation, or consideration that reasonably could be expected to compromise their own or another's independence and objectivity.

- C. Misrepresentation.** Members and Candidates must not knowingly make any misrepresentations relating to investment analysis, recommendations, actions, or other professional activities.
- D. Misconduct.** Members and Candidates must not engage in any professional conduct involving dishonesty, fraud, or deceit or commit any act that reflects adversely on their professional reputation, integrity, or competence.

II. INTEGRITY OF CAPITAL MARKETS

- A. Material Nonpublic Information.** Members and Candidates who possess material nonpublic information that could affect the value of an investment must not act or cause others to act on the information.
- B. Market Manipulation.** Members and Candidates must not engage in practices that distort prices or artificially inflate trading volume with the intent to mislead market participants.

CFA Code of Ethics and Standards of Professional Conduct (page 2 of 2)

III. DUTIES TO CLIENTS

- A. Loyalty, Prudence, and Care.** Members and Candidates have a duty of loyalty to their clients and must act with reasonable care and exercise prudent judgment. Members and Candidates must act for the benefit of their clients and place their clients' interests before their employer's or their own interests.
- B. Fair Dealing.** Members and Candidates must deal fairly and objectively with all clients when providing investment analysis, making investment recommendations, taking investment action, or engaging in other professional activities.
- C. Suitability.**
1. When Members and Candidates are in an advisory relationship with a client, they must:
 - a. Make a reasonable inquiry into a client's or prospective client's investment experience, risk and return objectives, and financial constraints prior to making any investment recommendation or taking investment action and must reassess and update this information regularly.
 - b. Determine that an investment is suitable to the client's financial situation and consistent with the client's written objectives, mandates, and constraints before making an investment recommendation or taking investment action.
 - c. Judge the suitability of investments in the context of the client's total portfolio.
 2. When Members and Candidates are responsible for managing a portfolio to a specific mandate, strategy, or style, they must make only investment recommendations or take only investment actions that are consistent with the stated objectives and constraints of the portfolio.
- D. Performance Presentation.** When communicating investment performance information, Members and Candidates must make reasonable efforts to ensure that it is fair, accurate, and complete.
- E. Preservation of Confidentiality.** Members and Candidates must keep information about current, former, and prospective clients confidential unless:
1. The information concerns illegal activities on the part of the client or prospective client,
 2. Disclosure is required by law, or
 3. The client or prospective client permits disclosure of the information.

IV. DUTIES TO EMPLOYERS

- A. Loyalty.** In matters related to their employment, Members and Candidates must act for the benefit of their employer and not deprive their employer of the advantage of their skills and abilities, divulge confidential information, or otherwise cause harm to their employer.
- B. Additional Compensation Arrangements.** Members and Candidates must not accept gifts, benefits, compensation, or consideration that competes with or might reasonably be expected to create a conflict of interest with their employer's interest unless they obtain written consent from all parties involved.
- C. Responsibilities of Supervisors.** Members and Candidates must make reasonable efforts to ensure that anyone subject to their supervision or authority complies with applicable laws, rules, regulations, and the Code and Standards.

V. INVESTMENT ANALYSIS, RECOMMENDATIONS, AND ACTIONS

- A. Diligence and Reasonable Basis.** Members and Candidates must:
1. Exercise diligence, independence, and thoroughness in analyzing investments, making investment recommendations, and taking investment actions.
 2. Have a reasonable and adequate basis, supported by appropriate research and investigation, for any investment analysis, recommendation, or action.
- B. Communication with Clients and Prospective Clients.** Members and Candidates must:
1. Disclose to clients and prospective clients the basic format and general principles of the investment processes they use to analyze investments, select securities, and construct portfolios and must promptly disclose any changes that might materially affect those processes.
 2. Disclose to clients and prospective clients significant limitations and risks associated with the investment process.
 3. Use reasonable judgment in identifying which factors are important to their investment analyses, recommendations, or actions and include those factors in communications with clients and prospective clients.
 4. Distinguish between fact and opinion in the presentation of investment analysis and recommendations.
- C. Record Retention.** Members and Candidates must develop and maintain appropriate records to support their investment analyses, recommendations, actions, and other investment-related communications with clients and prospective clients.

VI. CONFLICTS OF INTEREST

- A. Disclosure of Conflicts.** Members and Candidates must make full and fair disclosure of all matters that could reasonably be expected to impair their independence and objectivity or interfere with respective duties to their clients, prospective clients, and employer. Members and Candidates must ensure that such disclosures are prominent, are delivered in plain language, and communicate the relevant information effectively.
- B. Priority of Transactions.** Investment transactions for clients and employers must have priority over investment transactions in which a Member or Candidate is the beneficial owner.
- C. Referral Fees.** Members and Candidates must disclose to their employer, clients, and prospective clients, as appropriate, any compensation, consideration, or benefit received from or paid to others for the recommendation of products or services.

VII. RESPONSIBILITIES AS A CFA INSTITUTE MEMBER OR CFA CANDIDATE

- A. Conduct as Participants in CFA Institute Programs.** Members and Candidates must not engage in any conduct that compromises the reputation or integrity of CFA Institute or the CFA designation or the integrity, validity, or security of the CFA Institute programs.
- B. Reference to CFA Institute, the CFA Designation, and the CFA Program.** When referring to CFA Institute, CFA Institute membership, the CFA designation, or candidacy in the CFA Program, Members and Candidates must not misrepresent or exaggerate the meaning or implications of membership in CFA Institute, holding the CFA designation, or candidacy in the CFA program.



www.cfainstitute.org

EXHIBIT A

VRS Investment Department Code of Ethics and Standards of Professional Conduct Policy

Summary of Virginia State and Local Government Conflict of Interests Act Virginia Code § 2.2-3100 et seq.

Certain sections of the Act directly applicable to investment associates include, but are not limited to:

Use of confidential information and accepting gifts that could influence decisions: Officers and employees may not use confidential state information, not available to the public, for their own or for anyone else's economic benefit. Officers or employees may not accept any money, loan, gift, favor, or any other thing of value that could tend to influence their work and the decisions that would influence them in the performance of their official duties. [CITE: Virginia Code § 2.2-3103(4), (5).]

Business or professional opportunity: Furthermore, officers and employees cannot accept a business or professional opportunity when they know that there is a reasonable likelihood that the opportunity is being offered to influence them in the performance of their official duties. [CITE: Virginia Code § 2.2-3103(6).]

See Virginia Code § 2.2-3100 et seq. for the entire Virginia State and Local Government Conflict of Interests Act.

EXHIBIT B

**VRS Investment Department
Code of Ethics and Standards of Professional Conduct Policy**

INITIAL CERTIFICATION FORM

I have read the VRS Investment Department Code of Ethics and Standards of Professional Conduct Policy. I understand the requirements of this document, recognize that I am subject to this Policy, understand the penalties for non-compliance and agree to comply with this Policy.

Investment Associate Signature: _____

Name: _____
(Please Print)

Title: _____

Date: _____

Reviewed by RLO or CAO: _____

Date: _____

Reviewed by Supervisor: _____

Date: _____

Return this completed form to the RLO

EXHIBIT C

**VRS Investment Department
Code of Ethics and Standards of Professional Conduct Policy**

ANNUAL CERTIFICATION FORM

For the Period _____

I certify that to the best of my knowledge for the period stated above:

1. I was in compliance with the requirements of the VRS Investment Department Code of Ethics and Standards of Professional Conduct Policy.
2. I was in compliance with the requirements of the VRS Investment Department Personal Trading Policy.
3. I was in compliance with the requirements of the VRS Investment Department Material Non-Public Information Policy.
4. I was in compliance with the requirements of the VRS Investment Department Policy on Gifts.
5. I am not aware of any conflict of interest between myself (or members of my immediate family) and entities conducting business, either directly or indirectly, with the VRS Investment Department. These entities include, but are not limited to: investment managers, placement agents, consultants, broker/dealers, and related vendors.

Investment Associate
Signature: _____
Print Name: _____
Title: _____
Date: _____

Reviewed by RLO
or CAO: _____
Date: _____

Reviewed by Supervisor:
Signature: _____
Date: _____

Return this completed form to the RLO

VRS Investment Department
Material Non-Public Information Policy
Effective Date – July 1, 2015

Introduction

Investment associates (i.e., VRS Investment Department personnel), as employees of a public entity, a fiduciary, and a major market participant, should exemplify the highest standards of ethical conduct in all matters related to VRS. While public pension funds are exempt from many of the federal securities laws governing money managers, VRS and investment associates are not exempt from important anti-fraud provisions under federal securities laws that prohibit insider trading and other manipulative and dishonest behavior that threatens the integrity of the market.

This Policy applies to all VRS investment associates. This Policy cannot and is not intended to address all insider trading issues that may arise in connection with an investment associate's duties. Investment associates are strongly encouraged to seek the advice of the VRS Investments Regulatory and Legal Officer (RLO) if they have questions related to this Policy or issues it addresses.

Policy

Material, Non-Public Information

In the course of employment and potentially from other sources, VRS investment associates may come into possession of non-public information relating to publically traded securities. Trading on inside information is not a basis for legal liability unless the information is material. Both positive and negative information can be material. The underlying factor is whether the information could have a market impact.

Federal insider trading laws and regulations generally prohibit those who possess material, non-public information from buying or selling securities or passing on such information to others who may be induced to buy or sell securities on the basis of such information. Such information is of special importance under the anti-fraud sections of the federal and state securities laws, and misuse of that information can lead to civil and criminal penalties for VRS and investment associates. Whether information is material and non-public is not always obvious. This Policy section, therefore, starts with a short discussion of what might constitute material, non-public information.

Material Information

Information is deemed material if it would be considered important by a reasonable investor in deciding whether to buy, sell or refrain from any activity regarding that security. In addition, such information would be material if it were likely to have a significant impact on the market price or value of that company's securities. Whether information is material is established by reviewing all the facts and circumstances.

Information provided by a company could be material because of its expected effect on a particular class of securities, all of a company's securities, the securities of another company, or the securities of several companies. The prohibition against misusing material, non-public information applies to all types of financial instruments including, but not limited to, stocks, bonds, warrants, options, futures, forwards, swaps, and commercial paper.

Those covered under this Policy who are aware of material, non-public information regarding a company are prohibited from, directly or indirectly, making investment decisions on behalf of VRS or any other transactions, related to that company. If an investment associate is uncertain whether the information is material, the safest course of action is for the employee to treat the information as material. In such a situation, the investment associate should consult the RLO before initiating any transactions with respect to the subject security.

The following partial list illustrates types of information that would generally be considered material:

- Projections of future earnings or losses or other financial results;
- A gain or loss of a material contract, customer or supplier or material changes in the profitability status of a current contract;
- Merger, acquisitions, tender offers, or joint ventures;
- A significant sale of assets, write-downs or write offs or disposition of a subsidiary;
- Expansion or curtailment of company or major division operations;
- Innovative products, processes, or discoveries;
- New licenses, patents, or other intellectual property milestones;
- Regulatory approval or rejection of a product;
- Changes in management;
- Events regarding the issuer's securities (i.e. defaults on senior securities, changes in dividends, or stock repurchases);
- Debt service or liquidity problems or unannounced plans to file for a bankruptcy;
- Criminal, civil and government investigations and indictments;
- Undisclosed regulatory or law enforcement proceedings;
- Pending labor disputes;
- Undisclosed plans to issue restatement of financial statements; and
- Undisclosed order for large trades before they are executed.

This list of examples is not intended to be exhaustive, and other types of information may also be material. As discussed further below, after information such as that listed above becomes public, it generally no longer creates a risk of insider trading.

Non-Public Information

Non-public information is information that is not generally known or available to the general public. Once information has been effectively communicated in the marketplace, it is no longer considered non-public. However, the distribution of material, non-public information must occur through commonly recognized channels for the classification to change. One must be able to point to some fact to show that the information is generally public. For example, information found in a report filed with the SEC, or appearing in Dow Jones, Reuters Economic Services, The Wall Street Journal, Bloomberg or other publications of general circulation would be considered public. In addition, there must be adequate time for the public to receive and evaluate the information. When material information has been publicly disclosed, you should continue to refrain from buying or selling securities in question until the information has been adequately disseminated to the public so that investors have had the opportunity to evaluate the information. Adequate dissemination requires allowing enough time after the announcement for the market to react to the information.

Non-public information does not change to public information solely by selective dissemination. Corporations that disclose information on a limited basis create the potential for insider-trading violations. Information concerning a public company's financial statements or regulatory filings prior to completion is non-public. Similarly, disclosure to a room full of analysts does not necessarily make the disclosed information public until it is made available to investors in general. The confirmation by an insider of unconfirmed rumors, even if the information in question was reported as rumors in a public form, may be non-public information.

Examples of the ways in which non-public information might be transmitted include, but are not limited to:

- In person;
- In writing;
- By telephone;
- During a presentation;
- By email, instant messaging, or Bloomberg messaging;
- By text message or through Twitter; or
- On a social networking site such as Facebook or LinkedIn.

Definition of an Insider

The term insider trading is not specifically defined under the federal securities laws (most guidance in this area can be found under case law and related judicial decisions). The term insider is generally used to refer to trading in securities on the basis of material, non-public information. Insiders are not limited to officers, directors and employees (corporate officials) of a company and major shareholders. A person can be a “temporary insider” if he or she enters into a special confidential relationship in the conduct of a company’s affairs and as a result is given access to information solely for the company’s purpose.

A person could be liable for insider information simply by possessing inside information regarding a given security, breaching a fiduciary duty to the source of the information, and then trading it with a self-serving intent, even if he or she would have made the trade anyway. The Securities and Exchange Commission (“SEC”), which is the primary U.S. regulator under the federal securities laws, takes the view that the mere fact that a person knows the information is enough to bar him or her from trading, even if the reasons for the potential trade are not based on that information.

This duty may be imputed to others. For example in cases where an insider “tips” another person about material, non-public information likely to have an effect on the company’s share price, the duty the insider owes is now imputed to the recipient of the information. This person would be in violation if he/she trades on the basis of this information. A restricted person, who tips information to a person who then trades, is subject to the same penalties, even if the restricted person did not trade and did not profit from the trading.

Prohibition/Penalties

Each investment associate is required to adhere to this Policy. Failure to comply could result in VRS sanctions, the level of which will depend on the severity of the infraction. Sanctions may include, but not be limited to: a written reprimand; demotion of job duties; disgorgement of profits; and/or, termination of employment.

In addition to VRS penalties, the consequences of insider trading violations can be severe under U.S. law. The SEC takes the position that these laws apply to all transactions in shares or options of companies listed for trading in the U.S., whether or not the actual trades take place in the U.S. For individuals who trade on inside information (or tip information to others), possible penalties include:

- A civil penalty of disgorgement, or return, of profit gained or loss avoided, plus a fine of up to three times the profit gained or loss avoided.
- Criminal fine (no matter how small the profit) of up to \$1 million; and
- A jail term of up to ten years for felony convictions.

An entity that knowingly and recklessly disregards the fact that an employee is likely to engage in illegal trading and fails to take appropriate steps to prevent the illegal activity is currently subject to possible penalties which may include:

- A civil penalty of the greater of \$1 million or three times the profit gained or the loss avoided as a result of the employee's violation; and/or
- A criminal penalty of up to \$2.5 million.

External Managers

As part of the normal course of business, VRS investment staff employs outside third-party managers to invest a portion of VRS assets. VRS may receive information about these managers' investment strategies and trading activities. Some of this information could be considered material non-public information and limit VRS's ability to trade in that issuer's public securities.

If a VRS investment associate expects that discussions with an outsider might involve the transmission of material, non-public information, the investment associate should inquire whether or not this information would make VRS an insider and should seek a representation regarding the counterparty's status as a potential insider. When practicable, this disclosure and representation should be communicated by email. It is recognized that VRS may enter into confidentiality agreements with third-parties through which investment associates of VRS may receive non-public information. In these instances, appropriate controls must be implemented through the use of information barriers.

Information Barriers/Chinese Walls

Federal and state securities laws generally prohibit VRS from trading in a security while in possession of material, non-public information related to the traded security or issuer. The federal securities laws, however, permit institutional investors to trade while one or more of its employees possess material, non-public information if the individual or group of individuals making the investment decision on behalf of the institutional investor is not aware of that information. Furthermore, the institutional investor must have implemented reasonable policies and procedures that ensure that the individual or group of individuals making an investment decision on behalf of the institutional investor is not aware of material, non-public information related to that investment decision.

All investment associates must consider material, non-public information as highly confidential and use information barriers to protect the confidentiality of such information. Furthermore, such information should be disclosed only to employees on a need to know basis to carry-out their job responsibilities.

Investment associates must safeguard non-public information whether generated internally or acquired from outside sources. Investment associates must use this information only for VRS related matters and not share this investment related information or resources with other VRS investment programs. In order to control access to this non-public information, business related communications

between VRS investment staff and other VRS employees should be kept to a minimum. Investment associates should be highly sensitive to the potential for disclosure of any non-public information.

Other VRS investment programs not privy to material, non-public information may still be permitted to trade in securities of an issuer so long as appropriate informational barriers exist and the guidelines in the Procedures for Protection of Material, Non-Public Information section of this document are followed.

Procedures for Protection of Material, Non-Public Information

Investment associates who may be in possession of material, non-public information should take protective steps to preserve the confidentiality of that information and prevent its intentional or inadvertent disclosure. These steps may include, but are not limited to, the following:

- Immediately report the potential receipt of material, non-public information to the RLO and immediate Supervisor;
- Not discuss any potentially material, non-public information with colleagues, except as specifically required by their position;
- Not trade the securities of any company about which they may possess material, non-public information;
- Refrain from discussing any potentially material, non-public information with any person who is outside of the barrier/Chinese wall;
- Refrain from, directly or indirectly, participating in, recommending or supervising any decisions to buy, sell or hold the securities of the issuer; and
- Safeguard all files, file cabinets and other storage areas that contain information concerning material non-public information.

Review and Determination

It is the responsibility of every VRS investment associate to notify his/her immediate supervisor and the RLO when in receipt of material, non-public information or whenever he/she has questions as to whether they are in possession of material, non-public information. The RLO will conduct research to determine if the information is likely to be considered material, and whether the information has been publicly disseminated. The RLO will keep a file describing the information, its source, and the date that the information was received.

After the RLO has reviewed the matter, a determination will be made as to whether the information is material and non-public. If a determination is made that the information is material and non-public, the security in question will be placed on a restricted list for the particular investment program that came into possession of such information. The RLO will provide notice of such determination in written format via e-mail to all employees known to have access to such information

and to the employees within the specific investment program. These employees are prohibited from placing any trades in such security and must adhere to the Procedures for Protection of Material, Non-Public Information previously covered.

Investment associates with such information have the responsibility to notify the RLO when they believe the security should be considered for removal from the restricted list. The RLO has the ultimate responsibility for maintaining a restricted list and no person, other than the RLO and the Chief Administrative Officer, can make a determination to exclude an issuer from VRS's restricted list. The restricted list shall be distributed to a limited number of investment associates on a need to know basis only.

Trading in affected securities may resume when the RLO or Chief Administrative Officer determines that the information has become public and/or immaterial. At such time, the RLO will notify in writing via e-mail the applicable investment associates that the restriction has been removed.

Initial Certification Form

Upon implementation of this Policy, all current and prospective investment associates (including new hires and interns) will be required to sign an Initial Certification form that they: have read the VRS Investment Department Material Non-Public Information Policy; understand this document; acknowledge there are penalties for non-compliance; and, agree to comply with this Policy – see Exhibit A. In addition, an annual certification of compliance with this Policy is required as part of the Investment Department Code of Ethics and Standards of Professional Conduct Policy.

Exhibit A

**VRS Investment Department
Material Non-Public Information Policy**

INITIAL CERTIFICATION FORM

I have read the VRS Investment Department Material Non-Public Information Policy. I understand the requirements of this document, recognize that I am subject to this Policy, understand the penalties for non-compliance and agree to comply with this Policy.

Investment Associate Signature: _____

Print Name: _____

Title: _____

Date: _____

Reviewed by RLO or CAO: _____

Date: _____

Reviewed by Supervisor: _____

Date: _____

Return this completed form to the Regulatory and Legal Officer

**VRS Investment Department
Personal Trading Policy
Effective Date – July 1, 2015**

Purpose

Investment associates (i.e. VRS Investment Department personnel), as employees of a public entity, a fiduciary, and a major market participant, should exemplify the highest standards of ethical conduct in all matters related to VRS. The interests of assets managed by VRS (“VRS Fund”) are of paramount importance and all investment associates must exercise care and caution always to place the interests of VRS before their own. It is integral to the culture of the VRS Investment Department to prohibit investment associates from undertaking personal transactions that may give rise to a conflict of interest, insider dealing or breach of confidentiality by virtue of an activity carried out on behalf of VRS.

This Personal Trading Policy applies to all VRS Investment Department personnel. This Policy is put forth to guard against improprieties or conflicts of interest involving an investment associate’s personal trading activities that could harm or adversely affect the credibility or reputation of VRS. This Policy is designed to provide guidance and direction to investment associates on the types of personal trading activities permitted or prohibited.

With the adoption and implementation of this updated Policy, investment associates will no longer be permitted to conduct personal securities transactions in covered securities for their own personal accounts. For purposes of this Policy, a personal security transaction is defined as any transaction in individual securities for an investment associate’s own account or for an account in which the associate has beneficial ownership and decision making authority for the account.

At the date of implementation of this Policy, any investment associates holding covered securities may continue to hold these securities indefinitely or may sell such securities with pre-clearance (as described below), from the Regulatory and Legal Officer (RLO) or the Chief Administrative Officer (CAO). This process is also applicable to new hires within the Investment Department.

Covered Securities

VRS investment associates are strictly prohibited from the purchase of individually traded equities or debt instruments of corporate issuers for their own personal accounts, including but not limited to the following:

- Stocks;
- Corporate bonds;
- Preferred stock;
- IPOs;
- Private Placements;
- Master Limited Partnerships;

- Short Sales;
- Convertible securities;
- Derivatives based on non-permitted securities; and
- Options, warrants, puts, calls and rights relating to publicly traded equity or debt securities.

Transactions where the investment associate has no decision making authority involving a covered security are permissible. Neither pre-clearance nor the reporting requirements (discussed further below) apply to these transactions. Examples include, but are not limited to, the following:

- Automatic dividend reinvestment plans;
- Acquisition of a covered security through a gift or bequest;
- Purchase, sale or other acquisition of a covered security in a trust in which the VRS investment associate holds beneficial ownership, but holds no decision making authority with respect to selection of investments (i.e. blind trust); and
- Discretionary management of personal account(s) by a portfolio manager (PM) or registered investment advisor (RIA). A discretionary account is defined as an account giving power of attorney to the PM or RIA to buy and sell securities with no prior communication with the account owner with respect to purchases or sales.

This Policy cannot address every situation that might confront VRS investment associates and as such, investment associates are strongly encouraged to seek advice of the RLO should there be a question as to the status of the potential transaction or a related situation.

Administration of the Policy

The RLO will be responsible for the administration of this Policy. The RLO will receive and review all reports required to be submitted pursuant to this Policy (reporting requirements are detailed below). The RLO will review the reports to determine that investment associates' trades are consistent with the requirements and restrictions set forth in this Policy and do not otherwise indicate improper trading activities. The RLO will also ensure that all books and records relating to this Policy are properly maintained.

Pre-Clearance for Selling Covered Securities

Pre-clearance is required for any sale involving a previously held covered security where an investment associate has decision making authority to conduct a sale. Immediate family members of VRS investment associates are not required to formally apply for pre-clearance unless the investment associate has beneficial ownership and decision making authority for the account. For the purposes of this Policy, "immediate family" means a spouse and any child who lives at home and who is a dependent of the investment associate. VRS investment associates will exercise reasonable care to protect and preserve confidential or sensitive information related to VRS matters. Communications involving such

confidential or sensitive information will not be shared with immediate family members or others and must only be used for legitimate business purposes. All VRS investment associates are also subject to the requirements of the Investment Department's separate policy on material non-public information.

An investment associate with an existing holding in a covered security must get pre-clearance in writing from either the RLO or the CAO prior to selling such security. The RLO or CAO may under certain temporary situations delegate the pre-approval process to another individual within the Compliance Department as appropriate (i.e. both out of the office). This temporary approval must be in writing and identify the compliance person prior to the approval or denial of any covered security transaction(s). No individual authorized to pre-clear transactions may pre-clear a transaction for a covered security in which he or she has beneficial ownership. The RLO will obtain pre-clearance from the CAO, if necessary.

Prior consent must be sought using the Personal Trading Pre-Clearance Form - see Exhibit D. This form must be signed by the employee seeking approval, the immediate supervisor, and the RLO or CAO. **No trading is permitted until approval is received.** Transactions that appear upon reasonable inquiry and investigation to present no likelihood of harm to VRS will be entitled to pre-clearance. Pre-clearance approval is valid for a period of five business days following the day approval is granted. After such time, pre-clearance approval will no longer be valid. The VRS investment associate will provide the RLO or CAO with a trade confirmation (or equivalent and acceptable documentation) within ten days of completion of such transaction. If no transaction occurs, the investment associate will provide written notification to the RLO or CAO as soon as reasonably practical upon expiration of the approval period.

Policy Distribution and Certifications

The RLO will provide a copy of this updated Policy to all investment associates no less frequently than annually or when substantive changes are made to this Policy. Investment associates will attest to compliance with this Policy through initial and quarterly certifications as described below.

Initial Certification Form

Upon implementation of this updated Policy, all current investment associates will certify that they have received, read and will comply with this Policy. All new hires to the Investment Department will receive a current copy of this Policy promptly after being employed. The RLO will meet with new investment associates to provide an overview of this Policy. All new investment associates will be required to acknowledge they are subject to this Policy and have read and understand this Policy as evidenced by the Initial Certification Form - see Exhibit A.

Quarterly Certification Form

Every investment associate must submit a Quarterly Certification Form (see Exhibit B) to the RLO following each quarter-end. The certification requires investment associates to indicate whether or not transactions in covered securities occurred during the previous quarter for an investment associate's

own account or for an account in which the associate has beneficial ownership and decision making authority for the account. **In the event an investment associate has no reportable trades to disclose, he or she will still be required to submit the report to the RLO certifying that no reportable trades occurred during the previous quarter.** A fully completed Transaction Report for Covered Securities (see Exhibit C) along with the Personal Trading Pre-Clearance Form (see Exhibit D) must be completed if trades occurred in covered securities during the previous quarter.

Violations

Investment associates must immediately report any known violation of this Policy to the RLO. All reports will be treated confidentially and investigated promptly and appropriately. VRS will not retaliate against any investment associate that reports a violation in good faith and any retaliation constitutes a further violation of this Policy.

Each investment associate is required to adhere to this Policy. Failure to comply could result in sanctions, the level of which will depend on the severity of the infraction. Sanctions may include, but not be limited to: a written reprimand; demotion of job duties; disgorgement of profits; and/or, termination of employment. Additionally, improper or illegal actions could result in criminal penalties and/or civil liabilities.

Training

The RLO will provide an overview related to this Policy to all employees at the time they begin employment at VRS and to VRS investment associates periodically thereafter. However, failure to provide this training or the failure of an employee to attend training will not excuse noncompliance with this Policy. The provisions of this Policy are intended to be read in conjunction with other VRS policies.

Exhibit A

**VRS Investment Department
Personal Trading Policy**

INITIAL CERTIFICATION FORM

I have read the VRS Investment Department Personal Trading Policy. I understand the requirements of this document, recognize that I am subject to this Policy, understand the penalties for non-compliance and agree to comply with this Policy.

Investment Associate Signature: _____

Print Name: _____

Title: _____

Date: _____

Reviewed by RLO or CAO: _____

Date: _____

Reviewed by Supervisor: _____

Date: _____

Return this completed form to the Regulatory and Legal Officer



Exhibit B

**VRS Investment Department
Personal Trading Policy**

Quarterly Certification Form – Quarter Ending _____

By checking this box, I certify that I have attached the Transaction Report for Covered Securities (see Exhibit C) for applicable trades done in my personal accounts and/or accounts whereby I exercise investment discretion for the time period indicated. To the best of my knowledge, the execution of this/these trade(s) does not violate the VRS Investment Department's Personal Trading Policy.

OR

By checking this box, I certify that no trades of such covered securities were executed for the time period indicated.

AND

By checking this box, I certify that to the best of my knowledge I was in compliance with all requirements of the Personal Trading Policy.

Investment Associate Signature: _____

Print Name: _____

Title: _____

Date: _____

Reviewed by RLO or CAO: _____

Date: _____

Reviewed by Supervisor: _____

Date: _____

Return this completed form to the Regulatory and Legal Officer

Exhibit C

VRS Investment Department
Transaction Report for Covered Securities

Quarter Ended _____

During the quarter referred to above, the following transactions were effected in covered securities which are required to be reported pursuant to the VRS Investment Department Personal Trading Policy.

Date of Transaction	Security Name	Security Symbol	Nature of Transaction (i.e. Sale)	Number of Shares	Share Price	Dollar Amount of Transaction

This Transaction Report excludes transactions not required to be reported by the Personal Trading Policy (i.e. non-covered securities). I hereby certify that the information contained in this Transaction Report is accurate and complete to the best of my knowledge.

Investment Associate Signature: _____ Reviewed by RLO or CAO: _____

Print Name: _____ Date: _____

Title: _____ Reviewed By Supervisor: _____

Date: _____ Date: _____

VRS Investment Department
 Personal Trading Pre-Clearance Form

Before trading (selling) in any covered security prior approval must be obtained from either the Regulatory and Legal Officer (RLO) or the Chief Administrative Officer (CAO) as evidenced by completion of this form.

Security Name	Security Symbol	Nature of Transaction (i.e. Sale)	Description of Requested Transaction Dollar Value or Quantity to be Sold

I hereby certify that the information contained in this Pre-Clearance Form is accurate and complete to the best of my knowledge. I agree to provide a brokerage statement or trade confirmation for the transaction(s) listed above within ten business days of completion of the trade(s). I will notify the RLO promptly if the approved transaction(s) does not occur.

Investment Associate

Signature: _____

Reviewed by Supervisor: _____

Print Name: _____

Date: _____

Title: _____

Date: _____

Reviewed by RLO

or CAO: _____

Date: _____

Approval: Granted Denied Trade did not occur

If Granted, this pre-clearance approval is good through close of business on _____.

VRS INVESTMENT DEPARTMENT
POLICY ON GIFTS
Effective July 1, 2015

I. PURPOSE

It is the intent of the VRS Investment Department to be a national leader in the area of internal governance and to display a high level of ethical conduct. The Department will strive to remain above reproach as it discharges the duties related to investments that have been assigned by the VRS Board of Trustees.

It is also the intent of the VRS Investment Department to treat the sections of the State and Local Government Conflict of Interests Act (“COIA”) relating to gifts as the minimum acceptable standard. Therefore, the policy on gifts that will govern the Department will strive to meet or exceed this standard.

In furtherance of these intents, this policy is established to define the behavioral guidelines within which all members of the VRS Investment staff are expected to conduct themselves.

II. PROHIBITED CONDUCT UNDER COIA

Generally, COIA prohibits the following conduct relating to gifts:

- A. Soliciting or accepting money or other thing of value for services performed within the scope of one’s official duties, except the compensation, expenses or other remuneration paid by the agency of which one is an officer or employee.
- B. Accepting any money, loan, gift, favor, service, or business or professional opportunity that reasonably tends to influence one in the performance of his official duties.
- C. Accepting a gift from a person who has interests that may be substantially affected by the performance of the officer's or employee's official duties under circumstances where the timing and nature of the gift would cause a reasonable person to question the officer's or employee's impartiality in the matter affecting the donor.
- D. Accepting gifts from sources on a basis so frequent as to raise an appearance of the use of one’s public office for personal gain.

III. GIFT-RELATED DISCLOSURE REQUIREMENTS UNDER COIA

A “required filer” under COIA must make the following annual disclosures:

- A. Lodging, transportation, money, or any other thing of value (excluding meals or drinks coincident with a meeting) with a combined value exceeding \$200 for the presentation of

a single talk, participation in one meeting, or publication of a work in his or her capacity as an officer or employee of the agency.

- B. Payments under (III. A) must be listed even if they are donated to charity.
- C. Generally, payments under (III. A) need not be listed if they are returned within 60 days after receipt.
- D. Any gift or entertainment at a single event where the value received by you from any business, governmental entity, or individual exceeds \$50 and for which you neither paid nor rendered services in exchange.
- E. Any gift or entertainment in any combination where the value received by you from any business, governmental entity, or individual exceeds \$100 and for which you neither paid nor rendered services in exchange.
- F. When completing the VRS Travel Expense Reimbursement Request form, VRS Investment staff must complete that portion of the form titled Detailed Record of Items for Conflict of Interest Reporting, if applicable.

IV. VRS INVESTMENT DEPARTMENT POLICY ON GIFTS

In light of the standard of conduct enunciated under COIA and the desire of the VRS Investment Department to strive to meet or exceed this standard, the VRS Investment Department Policy on Gifts will be as follows (for purposes of this policy the term “gift” includes entertainment):

- A. No member of the VRS Investment staff, while acting in his or her official capacity, will solicit or arrange a gift for him or herself or for any other person from any current, prospective, or potential external investment manager, placement agent, consultant, broker/dealer, or related vendor, or any affiliate thereof.
- B. No member of the VRS Investment staff will accept any unsolicited gift from any current, prospective, or potential external investment manager, placement agent, consultant, broker/dealer, or related vendor, or any affiliate thereof, unless it is a token, educational, promotional or advertising item of nominal value (i.e., estimated market value of less than \$50), and does not compromise, or appear to compromise, the independence or judgment of the VRS Investment staff member. Examples of token, educational, promotional or advertising items of nominal value include, but are not limited to: a hat, coffee mug, pen, tin of popcorn, nylon duffle bag, etc.
- C. No member of the VRS Investment staff will accept any gift through an intermediary, if he or she knows, or has reason to know, that the gift has originated from a source that would make the gift prohibited under this policy.
- D. In no event will a member of the VRS Investment staff accept a gift if the source of the gift is not identified. If the source of any gift cannot be ascertained, the gift will be donated to a suitable charitable organization.

- E. No member of the VRS Investment staff will accept any complimentary work or analysis offered or performed by a current, prospective, or potential external investment manager, placement agent, consultant, broker/dealer, or related vendor, or any affiliate thereof, that is intended to benefit personally the involved VRS Investment staff member if such work or analysis is offered to or performed for such VRS Investment staff member because of his or her official capacity.
- F. No cash, cash equivalents or securities of any value may ever be accepted.
- G. Any gift, the receipt of which is prohibited by this policy, will either be returned to its source immediately or donated to a suitable charitable organization.
- H. Meals and drinks that are coincident with a meeting are not considered to be items of value that implicate this policy.
- I. Sponsored paid travel is permitted under this policy where the VRS Investment staff member serves in an advisory capacity (i.e. Advisory Board) for current investments where these travel expense have been effectively paid by VRS through the management fees.

Where considered appropriate, the VRS Investment staff will inform current, prospective, or potential external investment managers, placement agents, consultants, broker/dealers, and related vendors, or any affiliate thereof, of the existence of this policy and request, wherever possible, that such entities refrain from placing VRS Investment staff in situations that would implicate this policy and its enforcement.

FY 2024 Audit Plan Progress as of December 31, 2023

Internal Audit FY 2024 Annual Audit Plan Progress Report

As of December 31, 2023



FY 2024 Annual Audit Plan Progress Report

As of December 31, 2023



Projects Remaining

Hosted Systems Review –
Administration and Investments ⁽²⁾

Verification of Cost-of-Living
Adjustments (COLAs)
(Presenting at June Meeting)

Projects in Progress

Purchase of Prior Service ⁽¹⁾
(15%)

VRS Infrastructure Review
(28%)

Member and Employer
Contributions (38%)
(Presenting as Report No. 457)

Investment Decision Support
(10%)
(Presenting as Report No. 458)

Investment Balances,
Performance Reporting,
and Investment Manager
Compensation (3%)

Other Audit Reporting and Support ⁽³⁾
Other Hours or Unavailable Time ⁽⁴⁾

Projects Completed

Internal Quality Assurance
Improvement Program Review

Refunds
(Report No. 456)

Global Public Equity
(Report No. 455)

Review of 2023 Investment
Incentive Compensation

Review of Agency Performance
Outcomes and Operational
Performance Measures for FY 2023

Annual Review of the
Audit Recommendation
Follow-up System for FY 2023

Human Resources and
Employee Payroll
(Report No. 454)

Logical and Physical Access
(Report No. 453)

0%

50%

100%

FY 2024 Annual Audit Plan Progress Report

As of December 31, 2023



Notes:

- (1) This project as approved was planned to start later in the fiscal year and therefore will carry over into the next audit plan year to be reported out at the December Audit and Compliance Committee meeting.
- (2) This project was planned to start later in the fiscal year and will carry over into the next audit plan year; however, it has been removed from the FY 2024 plan based on an updated sensitive system risk assessment completed by VRS during the audit plan year. We will identify a different project in its place based on this updated risk assessment. The project will be drawn from our three-year IT audit plan that is submitted annually to the Virginia IT Agency as required by their standards.
- (3) The other audit reporting and support includes items that result in routine reporting to the committee and management, such as
 - (A) Administration of the Quality Assurance Improvement Program.
 - (B) Monitoring and reporting on audit recommendation resolution as captured in the Audit Recommendation Follow-Up System (ARFUS).
 - (C) Investigation of fraud, waste and abuse allegations.
 - (D) Review of items as requested by the committee including investment incentive compensation, agency performance outcomes and performance measures, and cost of living adjustments.Several of these items require testwork to be initiated in one audit plan year and conclude in the next audit plan year.
- (4) The other hours or unavailable time reflects departmental administrative items, such as
 - (A) Involvement in agency initiatives such as the Enterprise Risk Management and Enterprise Performance Management, Record Management, Data Quality or Human Resource Information System Implementation.
 - (B) Involvement with professional organizations.
 - (C) Interactions with executive staff.
 - (D) Administration of the internal audit function.
 - (E) Review and enhancement of departmental policies and procedures and supporting tools, including SharePoint audit documentation management.
 - (F) Collaboration with the Information Technology, Data Quality and Risk and Fraud Prevention teams.
 - (G) Continuing professional education and other VRS provided training.
 - (H) Annual, personal, sick and other leave available to VRS staff.

Implementation of the 2024 Global Internal Audit Standards

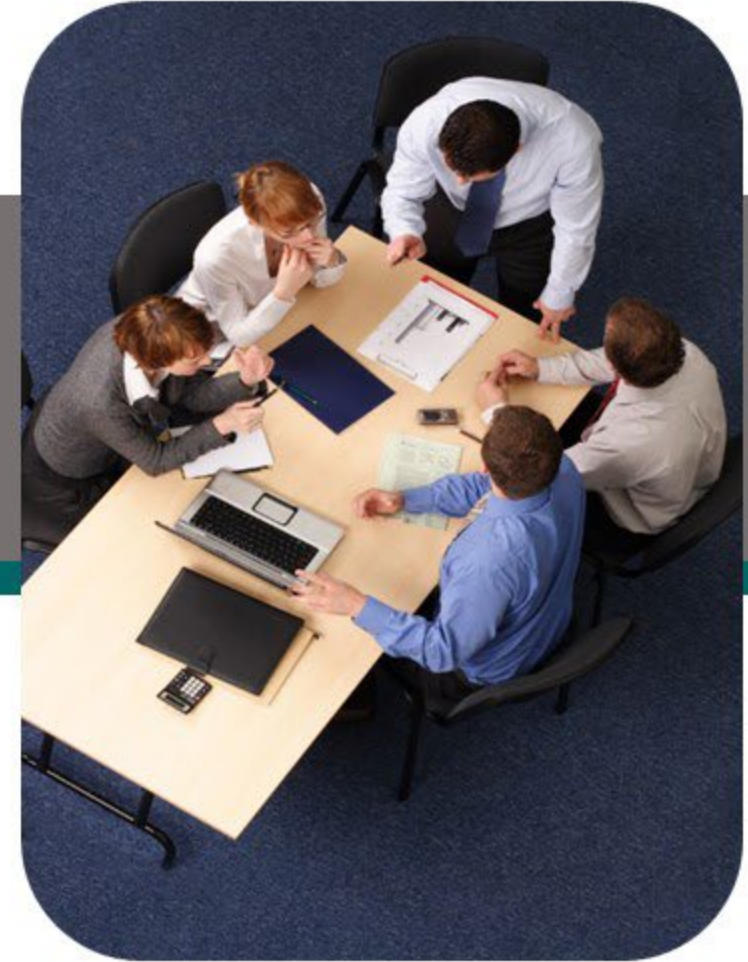
IIA IPPF Evolution to Global Internal Audit Standards

Goals for Today

1. Highlight the IIA, the current Standards, and the IPPF Evolution Project
2. Summarize the New Standards
3. Highlight Where We Are Today
4. Introduce Board and Senior Management Essential Conditions
5. Note Action Items and Request Input



The IIA, the Current Standards and the IPPF Evolution





The Institute of Internal Auditors

Established in 1941

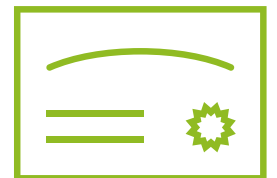
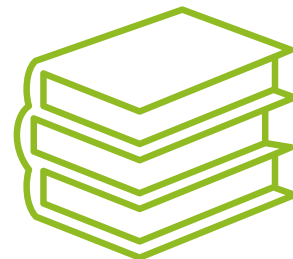
Serves more than 230,000 members

Nearly 200 countries and territories

Develops standards, guidance and certifications

Offers professional development

Primary Professional Designation: CIA



Comprised of

- Mission Statement
- Mandatory Guidance
 - Definition of Internal Auditing
 - Core Principles
 - Code of Ethics
 - International Standards for the Professional Practice of Internal Auditing (Standards)
- Recommended Guidance
 - Implementation Guidance
 - Supplemental Guidance



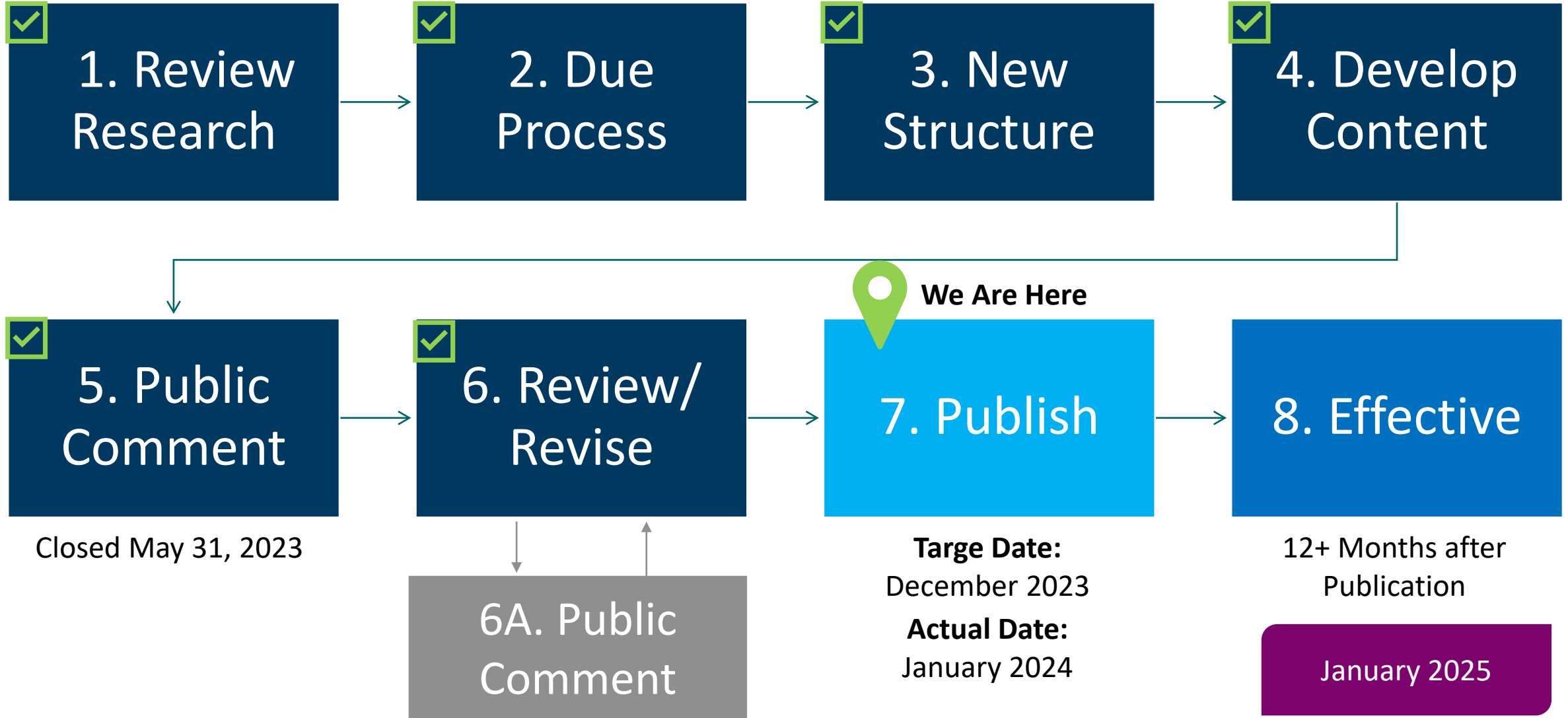
The IIA Standards Board periodically reviews the IPPF for potential enhancements based on changes in the auditing and risk landscape.

Current Version
Implemented in 2017



Source: The IIA

IPPF Evolution Project



Summary of New Standards



Current Version
Implemented in 2017

New Version
Effective January 2025

New Structure



Global Internal Audit Standards

Guidance

Five Domains

15 Principles

53 Standards

- Requirements
- Considerations for:
 - Implementation
 - Evidence of Conformance



Within the Domains

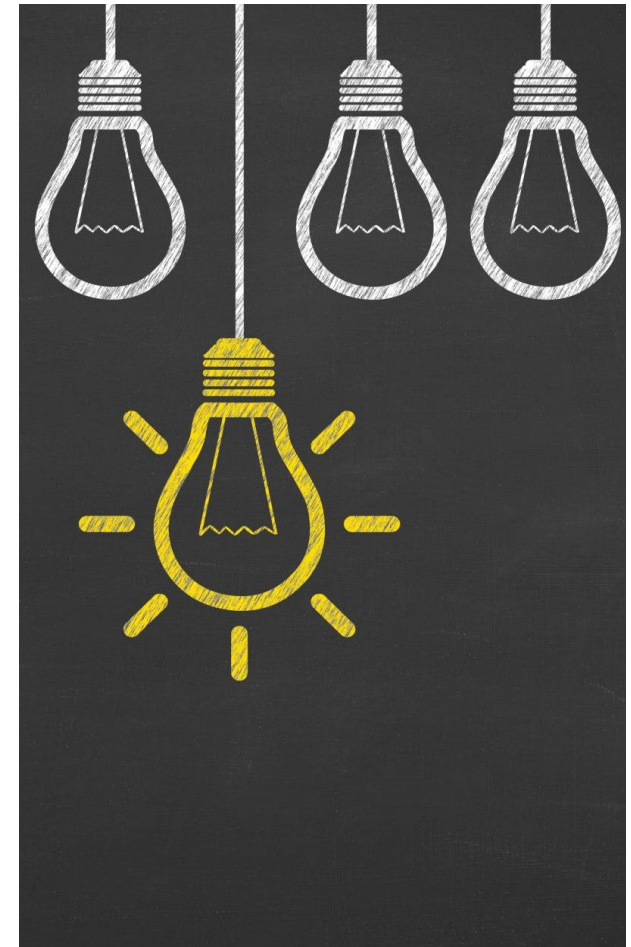
15 Principles

52 Standards

- Requirements
- Considerations for:
 - Implementation
 - Evidence of Conformance

Noteworthy Changes

- Refines the Mission Statement and Definition of Internal Auditing into the Purpose of Internal Auditing
- Consolidates expectations from the Code of Ethics and the current standards within the Global Internal Audit Standards
- Identifies essential conditions to be performed by the Board and management to ensure the success of the internal audit function
- Dictates specific actions to be performed by the Chief Audit Executive to support the administration of the internal audit function and ensure effective communication with management and the Board



15 Principles Across 5 Domains

Domain I. Purpose of Internal Auditing

II. Ethics and Professionalism

1. Demonstrate Integrity

2. Maintain Objectivity

3. Demonstrate Competency

4. Exercise Due Professional Care

5. Maintain Confidentiality

III. Governing the Internal Audit Function

6. Authorized by the Board

7. Positioned Independently

8. Overseen by the Board

IV. Managing the Internal Audit Function

9. Plans Strategically

10. Manages Resources

11. Communicates Effectively

12. Enhances Quality

V. Performing Internal Audit Services

13. Plan Engagements Effectively

14. Conduct Engagement Work

15. Communicate Engagement Conclusions and Monitor Action Plans

Internal Audit Purpose Statement

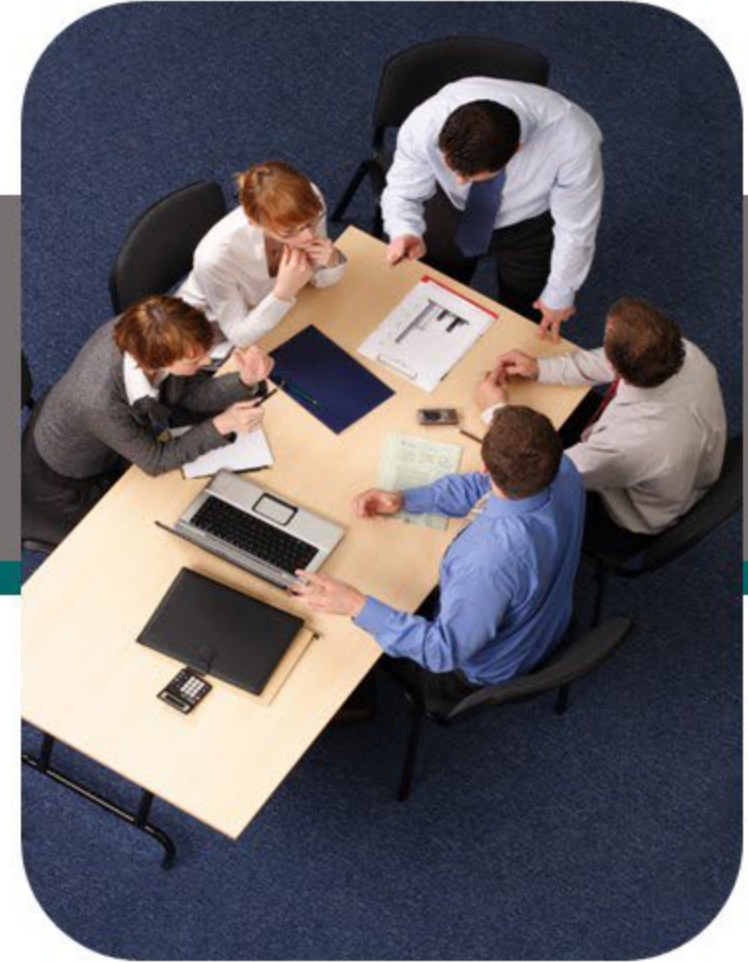
Internal auditing enhances the organization's:

- Successful achievement of its objectives.
- Governance, risk management and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

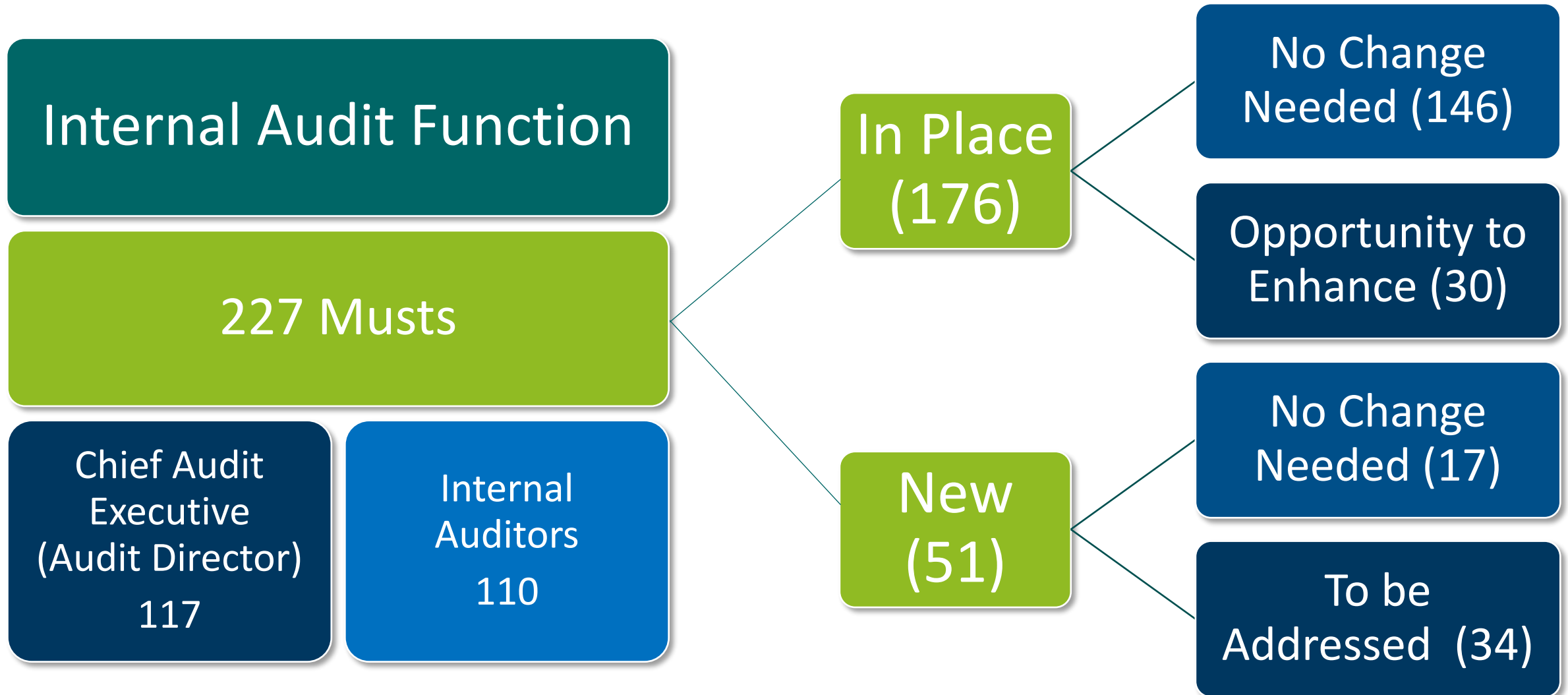
Internal auditing is most effective when:

- It is performed by competent professionals in conformance with the Global Internal Audit Standards, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the board.
- Internal Auditors are free from undue influence and committed to making objective assessments.

Where We Are Today



Expectations of the Standards by the Numbers



Expectations of the Standards by the Numbers

Internal Audit Function

227 Musts

Chief Audit Executive
(Audit Director)
117

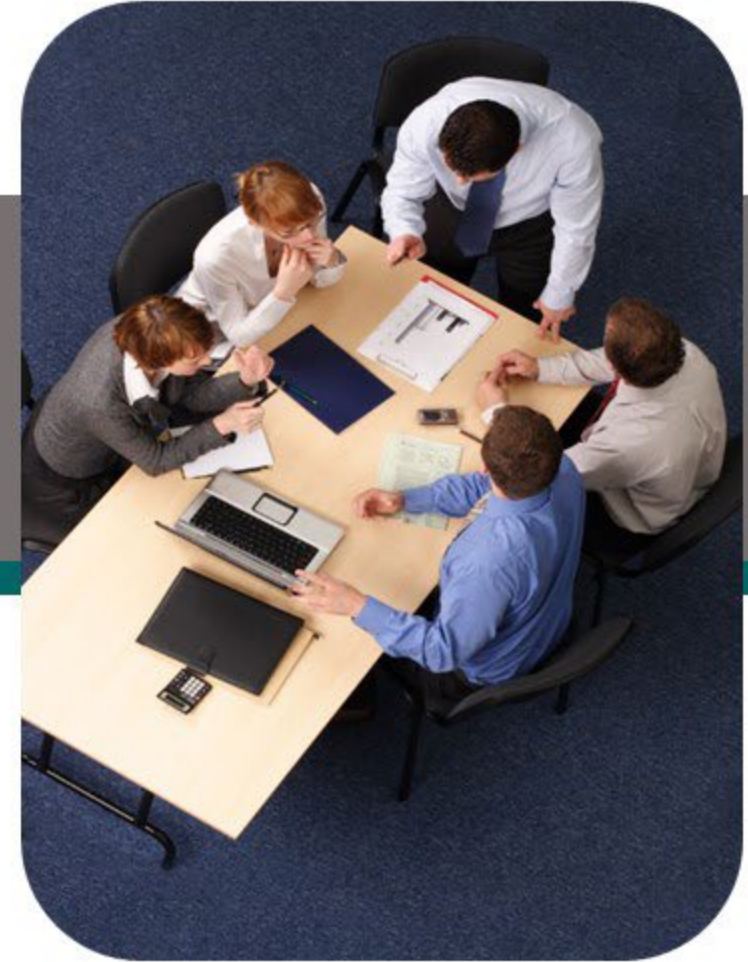
Internal Auditors
110

Board of Trustees or
Audit and Compliance
Committee (39)

Senior Management (21)

Essential Conditions

Board and Senior Management Essential Conditions



Domain III: Governing the IA Function*

Authorized by the Board

Internal Audit Mandate

Internal Audit Charter

Board and Senior Management Support

Positioned Independently

Organizational Independence

Chief Audit Executive Qualifications

Overseen by the Board

Board Interaction

Resources

Quality

External Quality Assessment

* See Appendix A for more details.

Domain III: Authorized by the Board – Essential Conditions

Authorized by the Board

Internal Audit Mandate

Internal Audit Charter

Board and Senior Management Support

Key Areas of Focus:

- Development of the Internal Audit Mandate which addresses the appropriate authority, role and responsibilities of internal audit with input from senior management
- Approval of the Internal Audit Charter which captures that mandate as well as the scope and types of services to be provided
- Championing the IA function, ensuring sufficient resources are in place to support the function and working with senior management to enable Internal Audit's unrestricted access to fulfill its mandate

Domain III: Positioned Independently – Essential Conditions

Positioned Independently

Organizational Independence

Chief Audit Executive Qualifications

Key Areas of Focus:

- Establishment of reporting relationship enables the internal audit services and responsibilities to be performed without interference
- Approve chief audit executive's roles, responsibilities, qualifications, experience and competencies to support the appointment and removal of chief audit executive
- Provide input to support the chief audit executive's performance evaluation and remuneration
- Engage with senior management and the chief audit executive to establish safeguards if the roles and responsibilities impair or appear to impair independence
- Engage with senior management to ensure the function is free from interference when determining its scope, performing internal audit engagements, and communicating results

Domain III: Overseen by the Board – Essential Conditions

Overseen by the Board

Board Interaction

Resources

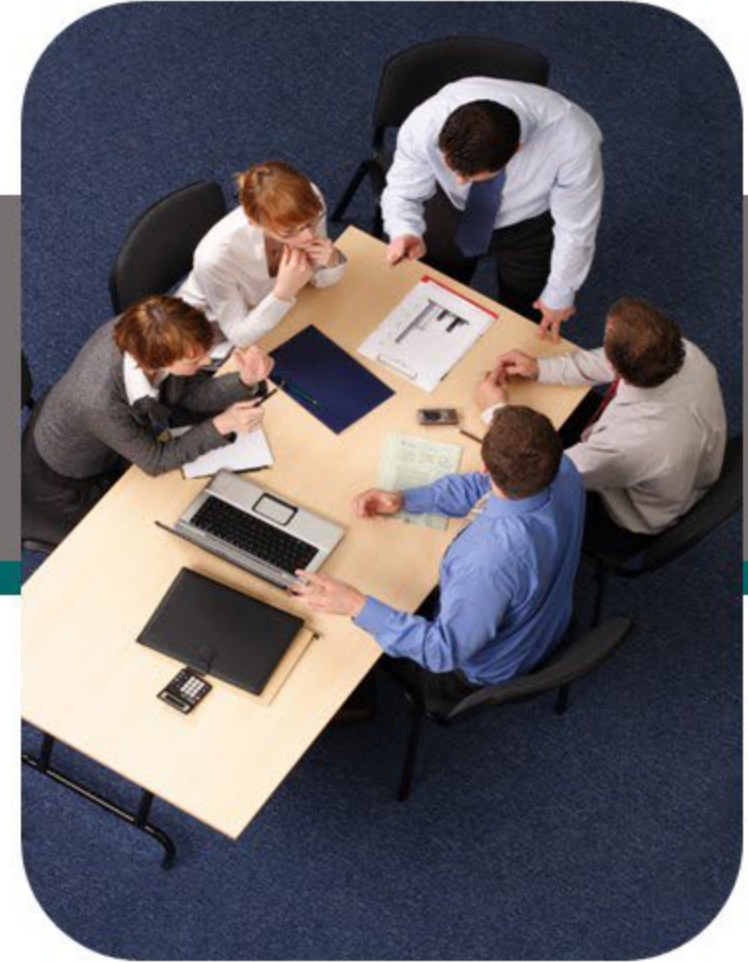
Quality

External Quality Assessment

Key Areas of Focus:

- Communicate perspective on organizational strategies, objectives and risks to assist in determining audit priorities and understanding how the function is fulfilling its mandate
- Set expectations for communications, and the process and criteria for escalating matters to the board
- Understanding the effectiveness of the organization's governance, risk management and control processes from internal audit engagements and discussions with management
- Ensure sufficient resources exist to fulfill the mandate and consider the impact of insufficient resources, working with management to remedy
- Assess the quality, effectiveness and efficiency of the function through the quality assurance improvement program and approval of performance objectives for the function
- Collaborate to define the scope and frequency of the external quality assessment; review and approve the chief audit executive's plan for the performance of an external quality assessment, monitor progress to address identified deficiencies or opportunities

Action Items and Input



Action Items - Board

Today

Discuss and affirm the mandate, authority, role and responsibilities of the internal audit function as captured in the Internal Audit Charter

Discuss and affirm areas of departure from the Standards

September

Approve updated Committee and Internal Audit Department Charters

Review and update documentation of the qualifications and competencies for the chief audit executive

Review and approve the internal audit plan(s)

December

Review Internal Audit Strategic Plan and Approve Performance Measures

Input – The Mandate

	The Standard's Perspective	VRS' Perspective
Authority	The internal audit function's authority is created by its direct reporting relationship to the board, such authority allows for free and unrestricted access to the board as well as all activities across the organization.	The board Governance Policy, Committee Charter and Internal Audit Charter all support this reporting relationship.
Role(s)	The primary role of the internal audit function is to conduct internal audit activities and deliver internal audit services. There may be situations where roles beyond internal auditing are part of the chief audit executive's responsibilities, such as risk management or compliance.	The Internal Audit Charter acknowledges the responsibility to perform audit services and specifies certain areas for service. No responsibilities beyond internal auditing have been assigned.
Responsibilities	An internal audit function's responsibilities comprise its accountability and obligations to carry out its role(s), as well as the specific expectations of key stakeholders. For example, responsibilities typically include expectations regarding performance of audit services; communications; compliance with laws, regulations, and policies; conformance with the Global Internal Audit Standards; and other activities incumbent in the role.	The Internal Audit Charter acknowledges key responsibilities for the internal audit function

Input – The Mandate

	The Standard's Perspective	VRS' Perspective
Scope	The scope of internal audit services covers the entire breadth of the organization for which the internal audit function is responsible for providing services. This may include all activities, assets, and personnel of the organization or may be restricted to a subset according to geography or other division. The scope may specify the nature of internal audit services (for example, assurance only or assurance and advisory, focus on financial statements, compliance with laws and/or regulations), or may specify other limitations on the coverage of internal audit services.	The Internal Audit Charter acknowledges the scope of the internal audit services including the nature of those services. There are no limitations on the services.
Internal Audit Services	Internal audit services may simply be defined as assurance and advisory services or may be more specifically defined, such as performance auditing, assurance regarding internal controls over financial reporting, and investigations.	The Internal Audit Charter acknowledges the types of assurance services that may be performed but does not limit them to those items noted. The charter also acknowledges the function's authority to perform advisory services, the nature and scope of which is to be agreed upon with management.

Roles:

- Scope of Internal Audit Activities
 - Assurance and Advice
 - Involvement in Systems Planning and Development

Responsibilities:

- Audit Plan Risk Assessment Process
 - Long-term and Annual Audit Plans
- Investigations
- Personnel and Outside Contractors
- Continuing Education

Other
Consideration:

Budget
Approval
Process

Other components of the current charter:

- Introduction
- Overview of the Purpose and Mission of the Department
- Standards for the Professional Practice of Internal Auditing
- Authority for the Function
- Audit Director's Responsibilities (to manage the function and communicate with the Committee in accordance with the Standards)
- Cooperation with External Auditors
- Quality Assurance and Improvement Program
- Audit Recommendation Follow-up System

Action Items – Chief Audit Executive

September

Update Internal Audit Charter to acknowledge:

- VRS' mandate
- Function's purpose and commitment to standards
- Organizational position and reporting relationships
- Departures from the Standards
- Other items as determined or directed

Update Committee Charter and the Board Governance Policy as appropriate to align with changes to the standards and VRS' mandate

Develop audit plan(s) for approval by the Committee

Action Items – Chief Audit Executive

December

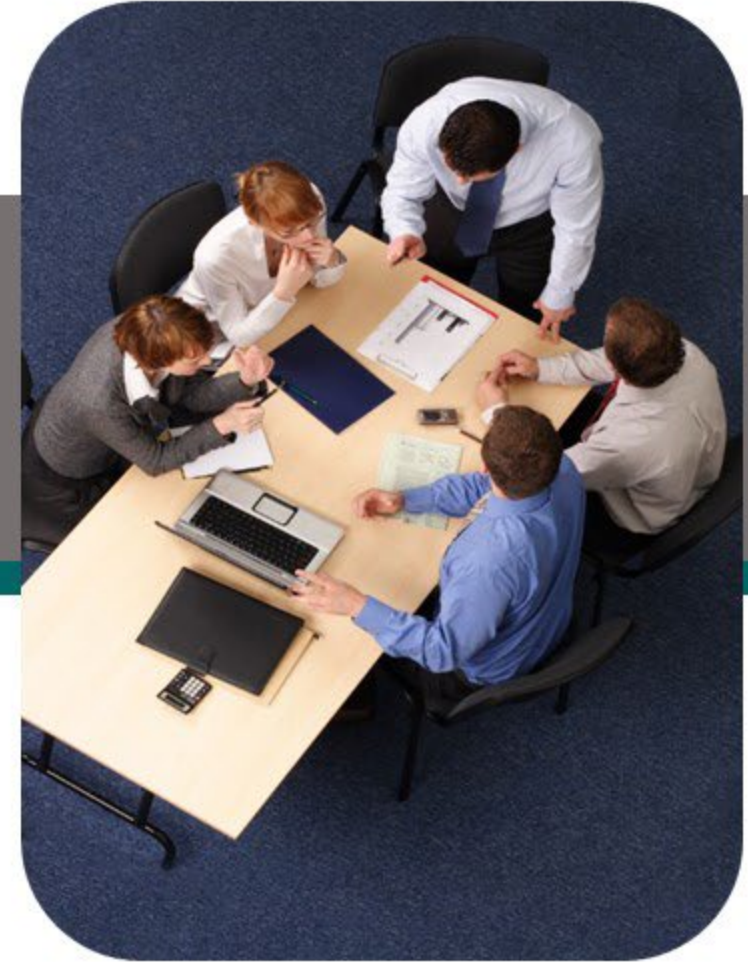
Update policies, procedures, standard forms to support conformance ahead of effective date

Develop Strategic Plan and Performance Objectives

Facilitate the External Quality Assurance Review Reporting to the Committee



APPENDIX – Global Internal Audit Standards Summary



The following appendix provides a summary of the Domains, Principles and Standards making up the Global Internal Audit Standards and how they relate to VRS, with a specific emphasis on Domain's 1-3 as they relate to the purpose and governance of the internal audit function through the essential conditions.

You may find a condensed version of the IIA's Standards [here](#).

You may find the full Global Internal Audit Standards [here](#).

Internal Audit Purpose Statement

Internal auditing enhances the organization's:

- Successful achievement of its objectives.
- Governance, risk management and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

Internal auditing is most effective when:

- It is performed by competent professionals in conformance with the Global Internal Audit Standards, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the board.
- Internal Auditors are free from undue influence and committed to making objective assessments.

Domain II: Ethics and Professionalism



Demonstrate Integrity



Maintain Objectivity



Demonstrate Competency



Exercise Due Professional Care



Maintain Confidentiality

The IIA's Ethics and Professional expectations aligns with and complements VRS' Code of Ethics' Ethical Principles and Ethical Conduct

Integrity

Accountability

Confidentiality

Inclusivity

Domain III: Governing the IA Function

Authorized by the Board

Internal Audit Mandate

Internal Audit Charter

Board and Senior Management Support

Positioned Independently

Organizational Independence

Chief Audit Executive Qualifications

Overseen by the Board

Board Interaction

Resources

Quality

External Quality Assessment

Domain III: Governing the IA Function

Authorized by the Board

Internal Audit Mandate

Internal Audit Charter

Board and Senior Management Support

Internal Audit Mandate

Chief Audit Executive	Board Essential Conditions	Senior Management Essential Conditions
<ul style="list-style-type: none"> • Provide the board and senior management with the information necessary to establish the mandate, including: <ul style="list-style-type: none"> • Scope and types of internal audit services • Scope and types of other internal and external assurance services • Capture the mandate in the Internal Audit Charter • Periodically consider need for update 	<ul style="list-style-type: none"> • Discuss with the CAE and senior management the appropriate authority, role and responsibilities of the internal audit function • Approve the internal audit charter, which includes the audit mandate and the scope and type of internal audit services 	<ul style="list-style-type: none"> • Participate in discussions with the board and chief audit executive and provide input on expectations for the internal audit function that the board should consider when establishing the mandate • Support the internal audit mandate throughout the organization and promote the authority granted to the internal audit function

Domain III: Governing the IA Function

Authorized by the Board

Internal Audit Mandate

Internal Audit Charter

Board and Senior Management Support

Internal Audit Charter

Chief Audit Executive	Board Essential Conditions	Senior Management Essential Conditions
<ul style="list-style-type: none"> Develop and maintain a charter that specifies, at a minimum, the internal audit function's: <ul style="list-style-type: none"> Purpose Commitment to the Standards Mandate, including the scope and types of services, and the board's responsibilities and expectations regarding management's support of the function Organizational Position and reporting relationships Confirm charter's alignment with board and senior management's expectations 	<ul style="list-style-type: none"> Discuss with the chief audit executive and senior management other topics that should be included in the charter Approve the charter Review the charter with the chief audit executive to consider changes affecting the organization, such as: <ul style="list-style-type: none"> Employment of a new CAE Changes in the type, severity and interdependencies of risks to the organization. 	<ul style="list-style-type: none"> Communicate with the board and chief audit executive about management's expectations that should be considered for inclusion in the internal audit charter.

Domain III: Governing the IA Function

Authorized by the Board

Internal Audit Mandate

Internal Audit Charter

Board and Senior Management Support

Board and Senior Management Support

Chief Audit Executive	Board Essential Conditions	Senior Management Essential Conditions
<ul style="list-style-type: none"> • Provide the board and senior management with information needed to support and promote recognition of the internal audit function throughout the organization • Coordinate board communications with senior management to support the board's ability to fulfill its requirements 	<ul style="list-style-type: none"> • Champion the function to fulfill the Purpose of IA and pursue its strategy and objectives • Work with senior management to enable IA's unrestricted access to fulfill its mandate • Support the chief audit executive through regular, direct communications • Demonstrate support by: <ul style="list-style-type: none"> • By organizational placement of internal audit • Approval of charter, audit plan, budget and resource plan • Appropriately inquiring senior management and chief audit executive regarding any scope, access, authority or resource restrictions limiting the function's work • Meeting periodically with the chief audit executive without management 	<ul style="list-style-type: none"> • Support recognition of the function throughout the organization • Work with the board and senior management throughout the organization to enable the internal audit function's unrestricted access to the data, records, information, personnel, and physical properties necessary to fulfill its mandate

Positioned
Independently

Organizational
Independence

Chief Audit
Executive
Qualifications

Organizational Independence

Chief Audit Executive

- Annually confirm internal audit's independence, acknowledging impairments where necessary
- Document organizational placement and reporting relationships as approved by the board in the charter
- Discuss current or proposed roles which could impair independence
- Where chief audit executive roles extend beyond auditing, document safeguards to independence in the charter
- Obtain independent assurance (during and for subsequent 12 months) for temporary nonaudit responsibilities assigned to the chief audit executive and develop plan to transition such roles to management

Positioned Independently

Organizational Independence

Chief Audit Executive Qualifications

Organizational Independence

Board Essential Conditions

- Establish a direct reporting relationship with the chief audit executive and the internal audit function
- Authorize the appointment and removal of the chief audit executive
- Provide input to senior management to support the performance evaluation and remuneration of the chief audit executive
- Provide the chief audit executive with opportunities to discuss significant and sensitive matters with the board without senior management present
- Require that the chief audit executive be positioned at a level in the organization that enables internal audit services and responsibilities to be performed without interference from management
- Acknowledge the actual/potential impairments to the internal audit function's independence when approving roles or responsibilities for the chief audit executive that extend beyond auditing
- Engage with senior management and the chief audit executive to establish appropriate safeguards if the chief audit executive's roles and responsibilities impair or appear to impair independence
- Engage with senior management to ensure the function is free from interference when determining its scope, performing internal audit engagements, and communicating results

Positioned
Independently

Organizational
Independence

Chief Audit
Executive
Qualifications

Organizational Independence

Senior Management Essential Conditions

- As directed by the board, position the internal audit function at a level within the organization that enables it to perform its services and responsibilities without interference
- Recognize the chief audit executive's direct reporting relationship with the board
- Engage with the board and the chief audit executive to understand any potential impairments to the internal audit function's independence caused by nonaudit roles or other circumstances and support the implementation of appropriate safeguards to manage such impairments
- Provide input to the board on the appointment and removal of the chief audit executive
- Solicit input from the board on the performance evaluation and remuneration of the chief audit executive

Domain III: Governing the IA Function

Positioned Independently

Organizational Independence

Chief Audit Executive Qualifications

Chief Audit Executive Qualifications

Chief Audit Executive	Board Essential Conditions	Senior Management Essential Conditions
<ul style="list-style-type: none"> • Help the board understand the qualifications and competencies of a chief audit executive that are necessary to manage the internal audit function • Maintain and enhance the qualifications and competencies necessary to fulfill the roles and responsibilities expected by the board 	<ul style="list-style-type: none"> • Review the requirements necessary for the chief audit executive to manage the internal audit function (see Domain IV) • Approve the chief audit executive’s roles and responsibilities and identify the necessary qualifications, experience and competencies to carry out these roles and responsibilities • Engage with senior management to appoint a chief audit executive with the qualifications and competencies necessary to manage the internal audit function effectively and ensure the quality performance of internal audit services. 	<ul style="list-style-type: none"> • Engage with the board to determine the chief audit executive’s qualifications, experience and competencies • Enable the appointment, development, and remuneration of the chief audit executive through the organization’s human resources processes

Overseen by
the Board

Board
Interaction

Resources

Quality

External Quality
Assessment

Board Interaction

Chief Audit Executive

- Provide the board with the information needed to conduct its oversight responsibilities, either as requested by the board or in the judgement of the chief audit executive valuable for the board
- Report to the board and senior management:
 - Internal audit plan and budget and subsequent significant revisions to them
 - Changes potentially affecting the mandate or charter
 - Potential impairments to independence
 - Results of internal audit services, including conclusions, themes, assurance, advice, insights and monitoring results
 - Results from the quality assurance and improvement program
- Where the chief audit executive disagrees with senior management or other stakeholders on the scope, findings or other aspects of an engagement that may affect the ability of the function to execute its responsibilities, the chief audit executive must provide the board with the facts and circumstances to allow the board to consider whether, in its oversight role, it should intervene with senior management or other stakeholders

Overseen by
the Board

Board
Interaction

Resources

Quality

External Quality
Assessment

Board Interaction

Board Essential Conditions

- Communicate with the chief audit executive to understand how function is fulfilling its mandate
- Communicate the board's perspective on the organization's strategies, objectives, and risks to assist the chief audit executive with determining internal audit priorities
- Set expectations with the chief audit executive for:
 - The frequency with which the board wants to receive communications
 - The criteria for determining which issues should be escalated to the board, such as significant risks that exceed the board's risk tolerance
 - The process for escalating matters of importance to the board
- Gain an understanding of the effectiveness of the organization's governance, risk management, and control processes based on the results of internal audit engagements and discussion with senior management
- Discuss with the chief audit executive disagreements with senior management/other stakeholders and provide support for the mandate

Domain III: Governing the IA Function

Overseen by
the Board

Board
Interaction

Resources

Quality

External Quality
Assessment

Board Interaction

Senior Management Essential Conditions

- Communicate senior management perspective on the organization’s strategies, objectives and risks to assist the chief audit executive with determining internal audit priorities
- Assist the board in understanding the effectiveness of the organization’s governance, risk management, and control processes
- Work with the board and the chief audit executive on the process for escalating matters of importance to the board

Domain III: Governing the IA Function

Overseen by
the Board

Board
Interaction

Resources

Quality

External Quality
Assessment

Resources

Chief Audit Executive	Board Essential Conditions	Senior Management Essential Conditions
<ul style="list-style-type: none"> Evaluate whether internal audit resources are sufficient to fulfill the internal audit mandate and achieve the internal audit plan If not, develop a strategy to obtain sufficient resources and inform the board about the impact of insufficient resources and how any resource shortfalls will be addressed 	<ul style="list-style-type: none"> Collaborate with senior management to provide the function with sufficient resources to fulfill the mandate and achieve the audit plan At least annually, discuss with the chief audit executive, the sufficiency, both in numbers and capabilities, of the internal audit resources to fulfill the mandate and achieve the audit plan Consider the impact of insufficient resources on the mandate and plan Engage with senior management and the chief audit executive on remedying the situation if the resources are determined to be insufficient 	<ul style="list-style-type: none"> Engage with the board to provide the function sufficient resources to fulfill the mandate and achieve the plan Engage with the board and the chief audit executive on any issues of insufficient resources and how to remedy the situation

Overseen by the Board

Board Interaction

Resources

Quality

External Quality Assessment

Quality

Chief Audit Executive

- Develop, implement and maintain a quality assurance and improvement program that covers all aspects of the function, including external and internal assessments.
- At least annually, communicate quality assurance results to the board and management, with external results reported when completed.
- Both should include:
 - Conformance with the standards
 - Achievement of performance objectives
 - If applicable, plans to address deficiencies and opportunities for improvement

Domain III: Governing the IA Function

Overseen by
the Board

Board
Interaction

Resources

Quality

External Quality
Assessment

Quality

Board Essential Conditions	Senior Management Essential Conditions
<ul style="list-style-type: none"> • Discuss with the chief audit executive the quality assurance and improvement program • At least annually, approve the internal audit function’s performance objectives • Assess the effectiveness and efficiency of the function. Such an assessment includes: <ul style="list-style-type: none"> • Reviewing the function’s performance objectives, including conformance with the Standards, applicable laws and regulations; ability to meet the mandate; and progress towards completion of the internal audit plan • Considering the results of the quality assurance and improvement program • Determining the extent to which the function’s performance objectives are being met. 	<ul style="list-style-type: none"> • Provide input on the function’s performance objectives • Participate with the board in annual assessment of the chief audit executive and internal audit function

Overseen by
the Board

Board
Interaction

Resources

Quality

External Quality
Assessment

External Quality Assessment

Chief Audit Executive

- Develop a plan for an external quality assessment and discuss the plan with the board
- The plan must be performed once every 5 years either by a qualified independent assessor or assessment team or through a self-assessment with independent validation
- At least one person performing the assessment must hold an active Certified Internal Auditor designation.

Overseen by
the Board

Board
Interaction

Resources

Quality

External Quality
Assessment

External Quality Assessment

Board Essential Conditions

- Discuss with the chief audit executive the plans to have an external quality assessment
- Collaborate with senior management and the chief audit executive to determine the scope and frequency of the external quality assessment
- Consider the responsibilities and regulatory requirements of the function and chief audit executive as described in the charter, when defining the scope of the external quality assessment
- Review and approve the chief audit executive's plan for the performance of an external quality assessment including, at a minimum:
 - The scope and frequency
 - The competencies and independence of the external assessor or assessment team
 - The rationale for choosing to conduct a self-assessment with independent validation instead of an external quality assessment.
- Require receipt of completed results directly from the assessor
- If applicable, review and approve the chief audit executive's action plans, including the timeline for completion, to address identified deficiencies or opportunities
- Monitor the chief audit executive's progress

Overseen by the Board

Board Interaction

Resources

Quality

External Quality Assessment

External Quality Assessment

Senior Management Essential Conditions

- Collaborate with the board and chief audit executive to determine the scope and frequency of external quality assessment
- Review the results of the external quality assessment
- Collaborate with the chief audit executive and the board to agree on action plans that address identified deficiencies and opportunities for improvement, if applicable, and agree upon a timeline for completion of the action plan

Domain IV: Managing the Internal Audit Function

Plan Strategically

Understanding Governance, Risk Management, and Control Processes

Internal Audit Strategy

Methodologies

Internal Audit Plan

Coordination and Reliance

Manage Resources

Financial Resource Management

Human Resource Management

Technological Resource Management

Communicate Effectively

Building Relationships and Communicating with Stakeholders

Effective Communication

Communicating Results

Errors and Omissions

Communicating the Acceptance of Risk

Enhance Quality

Internal Quality Assessment

Performance Measurement

Oversee and Improve Engagement Performance

Domain V: Performing Internal Audit Services

Plan Engagements Effectively

Engagement Communication

Engagement Risk Assessment

Engagement Objective and Scope

Evaluation Criteria

Engagement Resources

Work Program

Conduct Engagement Work

Gathering Information for Analysis and Evaluation

Analysis and Potential Engagement Findings

Recommendations and Action Plans

Engagement Conclusions

Engagement Documentation

Communicate Engagement Results and Monitor Action Plans

Final Engagement Communication

Confirming the Implementation of Recommendations or Action Plans

Quarterly Reports on Fraud, Waste and Abuse

Report of Alleged Fraud, Waste and Abuse Hotline Cases

**For Complaints Received During the Period
November 1, 2023 through January 31, 2024**

SUMMARY OF CASES REVIEWED AND CLOSED

During the period November 1, 2023 through January 31, 2024, we did not receive any cases of potential fraud, waste and abuse from the Office of the State Inspector General or other sources.

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.

Report of Alleged Fraud, Waste and Abuse Hotline Cases

**For Complaints Received During the Period
February 1, 2024 through April 30, 2024**

SUMMARY OF CASES REVIEWED AND CLOSED

During the period February 1, 2024, through April 30, 2024, we received one case of potential fraud, waste and abuse from the Office of the State Inspector General. The case alleged abuse of Short-Term Disability benefits and was determined to be unfounded, thus closed.

VRS Control Number	Date Complaint Received	Noted Concern	VRS Personnel Assisting with Allegation	Case Closed	Resolution	Source of the Complaint	Report to OSIG
46	3/26/2024	There is an allegation of short-term disability abuse.	Mike Pote	Yes	The case was unfounded.	OSIG	No

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.

Miscellaneous Updates



MEMORANDUM

TO: Patricia S. Bishop, VRS Director

FROM: Jennifer P. Bell Schreck, VRS Internal Audit Director 

DATE: February 1, 2024

RE: Cost of Living Adjustments (COLAs)

Internal Audit has reviewed the amounts referred to as "Cost of Living Adjustments" as set forth in the attached letter and supporting table from VRS' actuary, Gabriel, Roeder, Smith & Company dated January 31, 2024.

In conducting our review, we independently recalculated the "Cost of Living Adjustments" using data and procedures provided by management and the actuary, while confirming certain external components associated with such calculations. We also examined the Code of Virginia sections referred to in the actuary's letter and supporting table.

Based upon our review, we found the "Cost of Living Adjustments" in the above referenced letter and table to be valid and accurate, based on the data provided, subject to the assumptions included therein with respect to increases in the VSDP LTD benefit, VSDP creditable compensation and VLDP creditable compensation, where the amounts are not specified by statute, but instead are to be recommended by the actuary and approved by the Board.

Please let me know if you have any questions. I ask that you share this information with the Benefits and Actuarial Committee.

Attachment



January 31, 2024

Mr. Rory Badura, ASA, EA, FCA, MAAA
 Senior Staff Actuary
 Virginia Retirement System
 1200 E. Main Street
 Richmond, VA 23219

Re: Cost of Living Adjustments (COLA) Effective July 1, 2024

Dear Mr. Badura:

As requested, we have calculated the annual COLA called for under Virginia Code for the Virginia Retirement System (VRS), the Virginia Sickness and Disability Program (VSDP), the Virginia Local Disability Program (VLDP) and the Group Insurance Program, in particular, the Group Life Insurance (GLI).

The following table summarizes the adjustments recommended effective July 1, 2024. Those denoted in **bold** require action by the Board of Trustees to set the amount of adjustment.

COLA Type/Group	Required by Code	Adjustment Level Set by Board Resolution	July 1, 2024	
			Adjustment	Annual Amount
VRS Plan 1 (Vested as of 1/1/2013)	Yes	N/A	3.56%	N/A
VRS Plan 1 Non-Vested, Plan 2, and Hybrid Plan	Yes	N/A	3.00%	N/A
VSDP Creditable Compensation (for VRS Pension Benefit Determination Purposes)	Yes	Yes	4.00%	N/A
VLDP Creditable Compensation (for VRS Pension Benefit Determination Purposes)	Yes	Yes	4.00%	N/A
VSDP Plan 1 (Vested as of 1/1/2013) (Net LTD Benefit)	Yes	Yes	3.56%	N/A
VSDP Plan 1 Non-Vested, Plan 2, and Hybrid	Yes	Yes	3.00%	N/A
GLI Minimum Benefit (Applicable to employees with at least 30 years of creditable service)	Yes	N/A	3.00%	\$ 9,532
Optional Life Maximum Benefit (Applicable to Active Employees)	Yes	Yes	22.10%	\$975,000
(Applicable to Retirees)	Yes	Yes	22.10%	\$375,000
(Applicable to Spouses)	Yes	Yes	N/A	\$487,500

Mr. Rory Badura
Virginia Retirement System
January 31, 2024
Page 2

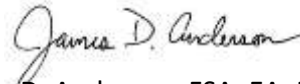
The COLA adjustments were calculated in accordance with the Virginia Code and our understanding of Board of Trustee Policies and Procedures, as adopted February 4, 2011. Refer to the enclosure for additional detail supporting the calculated COLA adjustments.

Please let us know if you have any questions.

Sincerely,
Gabriel, Roeder, Smith & Company



Rebecca L. Stouffer, ASA, FCA, MAAA



James D. Anderson, FSA, EA, FCA, MAAA

RLS/JDA:ah

Enclosure

cc: Sandy Jack, VRS



VRS, VSDP, VLDP, GLI COLA and Recommendations Effective July 1, 2024

COLA Type/Group	Brief Description	Code Section(s)	Average CPI-U		CPI-U Increase ¹	COLA Calculation		
			2022	2023		100% of First 3.00%	50% of Next 4.00%	COLA
VRS Plan 1 (Vested as of 1/1/2013)	100% of the CPI-U Increase up to 3.00% plus 50% of the next 4.00%. Minimum COLA of 0.00%. Maximum COLA of 5.00%.	51.1-166.B.	292.655	304.702	4.12%	3.00%	0.56%	3.56%
COLA Type/Group	Brief Description	Code Section(s)	Average CPI-U		CPI-U Increase ¹	COLA Calculation		
			2022	2023		100% of First 2.00%	50% of Next 2.00%	COLA
VRS Plan 1 Non-Vested, Plan 2, and Hybrid Plan	100% of the CPI-U increase up to 2.00%, plus 50% of the next 2.00%. Minimum COLA of 0.00%. Maximum COLA of 3.00%.	51.1-166.B.	292.655	304.702	4.12%	2.00%	1.00%	3.00%
COLA Type/Group	Brief Description/Rationale ²	Code Section(s)	Creditable Compensation ³		% Increase in Pay	COLA Calculation		
			2022	2023		100% of First 4.00%		COLA
VSDP Creditable Compensation (for VRS Pension Benefit Determination Purposes)	As recommended by Cavanaugh Macdonald Consulting, LLC and adopted by the Board in 2011, the VSDP Creditable Compensation COLA is based on the increase in the pay rate for State, SPORS and VaLORS VSDP members active at the beginning and the end of the most recent plan year before the date of determination of the COLA. The COLA calculated in this manner may be modified to reflect extraordinary pay adjustments during a given year; however, is subject to the Maximum COLA. Maximum COLA of 4.00%.	51.1-1117.B. 51.1-1123.C. 51.1-1128.B.	\$4,428,116,033	\$4,803,131,988	8.47%	4.00%		4.00%
COLA Type/Group	Brief Description/Rationale	Code Section(s)	Creditable Compensation		% Increase in Pay	COLA Calculation		
			2022	2023		100% of First 4.00%		COLA
VLDP Creditable Compensation (for VRS Pension Benefit Determination Purposes)	Apply approach similar to the "VSDP Creditable Compensation." The VLDP Creditable Compensation COLA was based on the increase in the pay rate for Hybrid Pension Plan members (of the Teacher Plan and non-hazardous duty Political Subdivisions) active at the beginning and the end of the most recent plan year before the date of determination of COLA. The COLA calculated in this manner may be modified to reflect extraordinary pay adjustments during a given year, subject to the VSDP maximum COLA level.	51.1-1161.C. 51.1-1169.C.	\$4,587,454,648	\$4,953,561,618	7.98%	4.00%		4.00%
COLA Type/Group	Brief Description/Rationale	Code Section(s)				COLA Calculation		
								COLA
VSDP Plan 1 (Vested as of 1/1/2013) (Net LTD Benefit)	As individuals in receipt of LTD benefits are akin to retirees receiving a retirement allowance, adjust the Net LTD benefit by 100% of the COLA for VRS Plan 1 (Vested as of 1/1/2013).	51.1-1112.C. 51.1-1125.C.						3.56%
COLA Type/Group	Brief Description/Rationale	Code Section(s)				COLA Calculation		
								COLA
VSDP Plan 1 Non-Vested, Plan 2, and Hybrid	As individuals in receipt of LTD benefits are akin to retirees receiving a retirement allowance, adjust the Net LTD benefit by 100% of the COLA for VRS Plan Non-Vested, Plan 2 and Hybrid Plan.	51.1-1112.C. 51.1-1125.C.						3.00%

¹ Increase in CPI-U is the ratio, or percentage change, of the current year CPI-U to prior year CPI-U index. By Code, the CPI-U index is defined as the calendar year average of the monthly CPI-U averages.

² The COLA maximum is not explicitly stated in the Request for Board Action (RBA) – 2011-02-04. Based upon a review of the 2022 Cost of Living Adjustments letter, dated January 20, 2022, and confirmation with the VRS staff, GRS understands that a maximum COLA of 4.00% is applicable under the current policies and procedures.

³ Creditable Compensation has been compiled from the data provided by the VRS for the June 30, 2022 and June 30, 2023 actuarial valuations.



VRS, VSDP, VLDP, GLI COLA and Recommendations Effective July 1, 2024 (Concluded)

COLA Type/Group	Brief Description	Code Section(s)	Adjusted Minimum Benefit Calculation					
			COLA	Before COLA	After COLA			
GLI Minimum Benefit (Applicable to employees with at least 30 years of creditable service)	Minimum \$8,000 is indexed annually by 100% of the VRS COLA for Plan 1 Non-Vested, Plan 2, and Hybrid Plan.	51.1-505.B.				3.00%	\$9,254	\$9,532

COLA Type/Group	Brief Description	Code Section(s)	December:	CPI-U	Increase	Adjusted Maximum Benefit Calculation		
						Increase	Before Increase	After Increase
Optional Life Insurance Maximum Benefit (Applicable to Active Employees)	Maximum amount is set by the Board. The maximum shall be reviewed at least once every five calendar years. Increase is based upon the annual increases in the CPI-U. The method uses the 5-year increase in December CPI-U basis, applied to the previous maximum, rounded to the nearest \$25,000. The adjusted benefit shall be no less than the prior benefit.	51.1-512.A.	2018	251.233		22.10%	\$800,000	\$975,000
			2019	256.974	2.29%			
			2020	260.474	1.36%			
			2021	278.802	7.04%			
			2022	296.797	6.45%			
			2023	306.746	3.35%			
			5-Year Increase		22.10%			

COLA Type/Group	Brief Description	Code Section(s)	Adjusted Maximum Benefit Calculation					
			Increase	Before Increase	After Increase			
Optional Life Insurance Maximum Benefit (Applicable to Retirees)	The optional amount of life insurance in force on an employee who retires for service (on an immediate retirement allowance) may be continued under select conditions. The amount of increase is determined following the same procedure as is in place for the "Applicable to Active Employees" group.	51.1-512.E.				22.10%	\$300,000	\$375,000

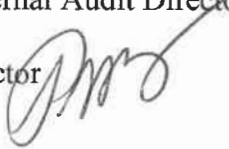
COLA Type/Group	Brief Description	Code Section(s)	Adjusted Maximum Benefit Calculation					
			Increase	Before Increase	After Increase			
Optional Life Insurance Maximum Benefit (Applicable to Spouses)	For the spouse of an active insured employee: an amount up to 50% of the maximum amount of optional insurance available to the employee under 51.1-512.	51.1-512.1.A.1.					\$400,000	\$487,500





Patricia S. Bishop
Director

MEMORANDUM

To: Jennifer P. Schreck, Internal Audit Director
From: Patricia S. Bishop, Director 
Date: June 4, 2024
Subject: Summary of Travel Related Expenses

I am attaching the following:

1. Summary of Travel Related Expenses Paid During the Quarter of December 31, 2023 and Fiscal Year-to-Date Through March 31, 2024.
2. Summary of Other Sponsored Travel Related Expenses Paid During the Quarter of December 31, 2023 and Fiscal Year-to-Date Through March 31, 2024. **There were no reportable Other Sponsored Travel Related Expenses for these periods.**
3. Detail of Travel Related Expenses Paid During the Quarter of December 31, 2023 and Fiscal Year-to-Date Through March 31, 2024.
4. Record of Attendance and Per Diems for the Quarters Ended December 31, 2023 and March 31, 2024.

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 Q2 2024

Traveler	Current Quarter Expenses												Fiscal Year-To-Date Expenses				
	Total Travel			Out-of-State-Travel									Total Travel			Out-of-State-Travel	
	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	-	\$748.62	\$748.62	-	-	-	-	-	-	-	-	-	-	\$1,092.06	\$1,092.06	-	-
Beasley, Michael	-	\$2,305.16	\$2,305.16	-	-	-	-	-	-	-	-	-	-	\$2,305.16	\$2,305.16	-	-
Bell II, John	-	\$1,027.04	\$1,027.04	-	-	-	-	-	-	-	-	-	-	\$1,540.56	\$1,540.56	-	-
Deo, Ravindra	-	\$141.02	\$141.02	-	-	-	-	-	-	-	-	-	-	\$282.04	\$282.04	-	-
Disharoon, Michael	-	\$1,037.15	\$1,037.15	-	-	-	-	-	-	-	-	-	-	\$1,037.15	\$1,037.15	-	-
Hood, Jessica	-	\$2,777.22	\$2,777.22	-	-	-	-	-	-	-	-	-	-	\$2,777.22	\$2,777.22	-	-
Irvin, Shannon	-	\$161.13	\$161.13	-	-	-	-	-	-	-	-	-	-	\$322.26	\$322.26	-	-
Lewis, Wilbert	-	\$638.19	\$638.19	-	-	-	-	-	-	-	-	-	-	\$1,136.20	\$1,136.20	-	-
Montgomery, Joseph	-	\$146.72	\$146.72	-	-	-	-	-	-	-	-	-	-	\$366.80	\$366.80	-	-
Bishop, Patricia	\$1,400.43	\$4,445.62	\$5,846.05	2	\$5,846.05	1	-	1	-	-	-	-	\$1,400.43	\$8,167.05	\$9,567.48	3	\$9,567.48
Chenault, Jeanne	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,343.81	\$3,343.81	1	\$3,343.81
Junkin, Andrew	-	\$5,690.65	\$5,690.65	4	\$5,690.65	-	-	3	-	1	-	-	-	\$10,153.82	\$10,153.82	6	\$10,075.48
Mattson, Curtis	-	\$1,261.73	\$1,261.73	1	\$1,261.73	1	-	-	-	-	-	-	-	\$1,261.73	\$1,261.73	1	\$1,261.73
Schreck, Jennifer	-	\$2,246.80	\$2,246.80	1	\$2,246.80	-	-	1	-	-	-	-	-	\$2,246.80	\$2,246.80	1	\$2,246.80
Adelaar, Stephen	-	\$2,802.10	\$2,802.10	3	\$2,802.10	-	-	3	-	1	-	-	-	\$2,802.10	\$2,802.10	3	\$2,802.10
Alouf, John	\$20,582.95	\$2,829.92	\$23,412.87	5	\$23,412.87	5	-	-	-	4	1	-	\$20,582.95	\$4,361.45	\$24,944.40	7	\$24,944.40
Apte, Advait	-	\$2,334.67	\$2,334.67	2	\$2,334.67	-	-	2	-	-	-	-	-	\$2,334.67	\$2,334.67	2	\$2,334.67
Ball, Daniel	-	\$2,392.52	\$2,392.52	2	\$2,273.96	1	-	1	-	-	-	-	-	\$2,392.52	\$2,392.52	2	\$2,273.96
Bennett, Matthew	\$10,279.36	\$667.06	\$10,946.42	2	\$10,946.42	2	-	-	-	-	-	-	\$10,279.36	\$667.06	\$10,946.42	2	\$10,946.42
Billingslea, Erica	\$1,168.42	\$2,799.57	\$3,967.99	3	\$3,967.99	1	-	1	1	-	-	-	\$1,168.42	\$2,799.57	\$3,967.99	3	\$3,967.99
Bliss, Kevin	\$10,059.51	\$1,079.82	\$11,139.33	2	\$11,139.33	2	-	-	-	-	-	-	\$10,059.51	\$1,079.82	\$11,139.33	2	\$11,139.33
Carlson, Ryan	-	\$1,592.61	\$1,592.61	1	\$1,592.61	-	-	1	-	-	-	-	-	\$1,592.61	\$1,592.61	1	\$1,592.61

Summary of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Fiscal Year-To-Date Q2 2024

Traveler	Current Quarter Expenses												Fiscal Year-To-Date Expenses				
	Total Travel			Out-of-State-Travel									Total Travel			Out-of-State-Travel	
	Sponsor Paid	VRS Paid	Total	# Trips	Cost	Travel reasons							Sponsor Paid	VRS Paid	Total	# Trips	Cost
AM						BD	CF	DD	MM	SV	TR						
Chang, Warren	\$14,703.64	\$2,372.78	\$17,076.42	6	\$17,076.42	4	-	-	1	3	-	-	\$14,703.64	\$2,372.78	\$17,076.42	6	\$17,076.42
Coleman, Thomas	\$4,459.58	\$4,393.80	\$8,853.38	4	\$7,695.37	2	-	-	1	3	-	-	\$4,459.58	\$4,393.80	\$8,853.38	4	\$7,695.37
Corsello, Perry	\$5,985.58	\$542.32	\$6,527.90	3	\$6,390.37	3	-	-	-	-	-	-	\$5,985.58	\$542.32	\$6,527.90	3	\$6,390.37
Gentry III, William	\$14,310.45	\$1,670.70	\$15,981.15	5	\$15,981.15	5	-	-	-	3	-	-	\$15,381.05	\$2,062.92	\$17,443.97	7	\$17,443.97
Glass, Holly	-	\$1,172.78	\$1,172.78	1	\$1,172.78	-	-	1	-	1	-	-	-	\$1,172.78	\$1,172.78	1	\$1,172.78
Grier, John	-	\$6,954.50	\$6,954.50	2	\$6,954.50	-	-	2	-	-	-	-	-	\$6,954.50	\$6,954.50	2	\$6,954.50
Haleem, Mdmehtab	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,750.76	\$1,750.76	1	\$1,750.76
Hines, Gregory	-	\$4,281.64	\$4,281.64	2	\$4,281.64	-	-	1	-	1	-	-	-	\$4,281.64	\$4,281.64	2	\$4,281.64
Honrado, Cordell	-	\$2,571.90	\$2,571.90	2	\$2,571.90	-	-	2	-	-	-	-	-	\$2,571.90	\$2,571.90	2	\$2,571.90
Jones, De'Von	\$16,056.89	\$2,545.54	\$18,602.43	5	\$18,602.43	4	-	-	-	4	-	-	\$16,056.89	\$3,694.43	\$19,751.32	6	\$19,751.32
Kennebeck, Joseph	-	\$2,133.97	\$2,133.97	1	\$2,133.97	-	-	1	-	-	-	-	-	\$2,133.97	\$2,133.97	1	\$2,133.97
Koutrakos, Kristina	-	\$9,425.22	\$9,425.22	2	\$9,425.22	-	-	2	-	-	-	-	-	\$14,002.50	\$14,002.50	5	\$14,002.50
Lacy, Matthew	-	\$543.01	\$543.01	1	\$543.01	-	-	1	-	-	-	-	-	\$543.01	\$543.01	1	\$543.01
Le, Vu	-	-	-	-	-	-	-	-	-	-	-	-	-	\$10,612.80	\$10,612.80	2	\$10,612.80
Matoua, Katherine	-	\$939.27	\$939.27	1	\$939.27	-	-	1	-	-	-	-	-	\$939.27	\$939.27	1	\$939.27
Muniz, Alex	-	\$2,870.66	\$2,870.66	1	\$2,870.66	-	-	1	-	-	-	-	-	\$10,142.24	\$10,142.24	3	\$10,142.24
Murphy, James	\$23,404.70	\$13,543.72	\$36,948.42	4	\$36,948.42	3	-	-	-	6	-	-	\$23,404.70	\$13,543.72	\$36,948.42	4	\$36,948.42
Noland, Walker	\$3,617.40	\$2,816.01	\$6,433.41	4	\$6,326.91	2	-	1	-	-	1	-	\$3,617.40	\$2,816.01	\$6,433.41	4	\$6,326.91
Oliff Jr, Bryan	-	\$904.53	\$904.53	1	\$904.53	-	-	-	-	1	-	-	-	\$2,711.62	\$2,711.62	2	\$2,711.62
Rhodes, Garret	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,725.04	\$1,725.04	1	\$1,725.04
Sarki-Hurd, Hajara	\$923.51	\$2,101.51	\$3,025.02	2	\$2,856.03	1	-	-	1	1	1	-	\$923.51	\$2,101.51	\$3,025.02	2	\$2,856.03
Schlussler, Daniel	-	\$4,846.34	\$4,846.34	2	\$4,846.34	-	-	2	-	-	-	-	-	\$4,846.34	\$4,846.34	2	\$4,846.34

Summary of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Fiscal Year-To-Date Q2 2024

Traveler	Current Quarter Expenses												Fiscal Year-To-Date Expenses					
	Total Travel			Out-of-State-Travel									Total Travel			Out-of-State-Travel		
	Sponsor Paid	VRS Paid	Total	# Trips	Cost	Travel reasons							Sponsor Paid	VRS Paid	Total	# Trips	Cost	
AM						BD	CF	DD	MM	SV	TR							
Scott, Michael	-	\$3,786.37	\$3,786.37	1	\$3,786.37	-	-	1	-	-	-	-	-	\$3,786.37	\$3,786.37	\$3,786.37	1	\$3,786.37
Tentor, Lawrence	-	\$2,794.39	\$2,794.39	1	\$2,794.39	-	-	1	-	-	-	-	-	\$3,748.80	\$3,748.80	\$3,748.80	2	\$3,748.80
Tran, Viet	\$4,446.27	\$49.03	\$4,495.30	3	\$4,495.30	3	-	-	-	3	-	-	\$4,446.27	\$1,153.97	\$5,600.24	4	\$5,600.24	
Turner, Korey	-	\$4,111.43	\$4,111.43	3	\$4,111.43	-	-	3	1	1	-	-	-	\$4,111.43	\$4,111.43	\$4,111.43	3	\$4,111.43
Voeks III, Robert	\$13,777.58	\$2,114.33	\$15,891.91	6	\$15,891.91	4	-	-	1	2	-	-	\$14,227.32	\$2,128.74	\$16,356.06	7	\$16,356.06	
Whitlock, Daniel	-	\$1,134.68	\$1,134.68	1	\$1,134.68	-	-	-	1	-	-	-	-	\$1,134.68	\$1,134.68	\$1,134.68	1	\$1,134.68
Woodall, Steven	-	\$2,364.55	\$2,364.55	2	\$2,364.55	-	-	2	-	1	-	-	-	\$5,231.13	\$5,231.13	\$5,231.13	3	\$5,231.13
Zozulya, Olga	-	\$12,591.74	\$12,591.74	2	\$12,591.74	-	-	2	1	-	-	-	-	\$12,591.74	\$12,591.74	\$12,591.74	2	\$12,591.74
Total	\$145,176.27	\$134,702.04	\$279,878.31	96	\$269,206.47	44	-	37	8	36	3	-	\$146,696.61	\$183,865.18	\$330,561.79	119	\$317,934.41	

Virginia Retirement System
Summary of Other Sponsored Travel Related Expenses
(Staff Not Otherwise Includable in Quarterly Reporting)
Fiscal Year-To-Date Through June 2024

<u>Name of Traveler</u>	<u>Current Quarter</u>		<u>Fiscal Year-To-Date</u>	
	<u>Value Provided</u>	<u>Sponsor</u>	<u>Value Provided</u>	<u>Sponsor</u>
	-		-	
	-		-	
	-		-	
	-		-	
	-		-	
	-		-	
	-		-	
	-		-	
	-		-	
	-		-	
	-		-	
Totals	<u>-</u>		<u>-</u>	

Detail of Travel Related Expenses
Virginia Retirement System
Board/Committee Members and Selected VRS Staff
Paid in **Q2 2024**

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Andrews, Allen	10/19/2023	10/19/2023	Richmond, VA		Attended a VRS Board of Trustees meeting.	-	\$146.72	\$146.72
Andrews, Allen	11/14/2023	11/16/2023	Richmond, VA		Attended VRS Investment Advisory Committee and Board of Trustees meetings.	-	\$433.15	\$433.15
Andrews, Allen	12/07/2023	12/07/2023	Richmond, VA		Attended VRS Board/Committee meetings.	-	\$168.75	\$168.75
Beasley, Michael	08/23/2023	08/23/2023	Richmond, VA		08-23-23 Investment Advisory Committee Meeting	-	\$1,097.32	\$1,097.32
Beasley, Michael	11/14/2023	11/15/2023	Richmond, VA		11-15-23 Investment Advisory Committee Meeting	-	\$1,207.84	\$1,207.84
Bell II, John	10/19/2023	10/19/2023	Richmond, VA		Attended a VRS Board of Trustees meeting.	-	\$256.76	\$256.76
Bell II, John	11/16/2023	11/16/2023	Richmond, VA		Attended a VRS Board of Trustees meeting.	-	\$256.76	\$256.76
Bell II, John	11/30/2023	11/30/2023	Richmond, VA		Attended a Defined Contribution Plans Advisory Committee meeting.	-	\$256.76	\$256.76
Bell II, John	12/07/2023	12/07/2023	Richmond, VA		Attended VRS Board of Trustees meeting.	-	\$256.76	\$256.76
Deo, Ravindra	11/30/2023	11/30/2023	Richmond, VA		DCPAC	-	\$141.02	\$141.02
Disharoon, Michael	09/20/2023	09/21/2023	Richmond, VA		Attended VRS Board of Trustees and Committee meetings.	-	\$411.59	\$411.59
Disharoon, Michael	10/19/2023	10/19/2023	Richmond, VA		Attended a VRS Board of Trustees meeting.	-	\$144.10	\$144.10
Disharoon, Michael	11/15/2023	11/16/2023	Richmond, VA		Attended VRS Investment Advisory Committee and Board of Trustees meetings.	-	\$337.36	\$337.36
Disharoon, Michael	12/07/2023	12/07/2023	Richmond, VA		Attended VRS Board of Trustees meeting.	-	\$144.10	\$144.10

Detail of Travel Related Expenses
Virginia Retirement System
Board/Committee Members and Selected VRS Staff
Paid in **Q2 2024**

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Hood, Jessica	09/19/2023	09/21/2023	Richmond, VA		Attended VRS Board and Committee meetings.	-	\$1,404.79	\$1,404.79
Hood, Jessica	11/15/2023	11/16/2023	Richmond, VA		Attended VRS Board/Committee meetings.	-	\$903.45	\$903.45
Hood, Jessica	12/07/2023	12/07/2023	Richmond, VA		Attended VRS Board/Committee meetings.	-	\$468.98	\$468.98
Irvin, Shannon	11/30/2023	11/30/2023	Richmond, VA		DCPAC	-	\$161.13	\$161.13
Lewis, Wilbert	11/14/2023	11/15/2023	Richmond, Virginia		11-15-23 Investment Advisory Committee Meeting	-	\$638.19	\$638.19
Montgomery, Joseph	11/16/2023	11/16/2023	Richmond, VA		Attended a VRS Board of Trustees meeting.	-	\$73.36	\$73.36
Montgomery, Joseph	12/07/2023	12/07/2023	Richmond, VA		Attended VRS Board/Committee meetings.	-	\$73.36	\$73.36
Bishop, Patricia	09/27/2023	10/01/2023	Jackson Hole, WY	National Association of State Retirement Administrators	Attend the National Association of State Retirement Administrators fall Executive Committee meeting.	\$1,400.43	\$1,513.92	\$2,914.35
Bishop, Patricia	10/07/2023	10/11/2023	La Jolla, CA		Attended the National Council on Teacher Retirement annual conference.	-	\$2,931.70	\$2,931.70
Junkin, Andrew	10/04/2023	10/05/2023	New York, NY		JPMorgan Global CIO Summit	-	\$938.31	\$938.31
Junkin, Andrew	10/22/2023	10/24/2023	Boston, MA		Global ARC Conference	-	\$1,543.06	\$1,543.06
Junkin, Andrew	12/05/2023	12/06/2023	New York, NY		2023 CIO Industry Innovation Awards Dinner	-	\$1,248.42	\$1,248.42
Junkin, Andrew	12/14/2023	12/16/2023	New York, NY		Meetings - KKR, Blackstone	-	\$1,960.86	\$1,960.86
Mattson, Curtis	11/08/2023	11/09/2023	New York, NY		Bank of New York Mellon - Client Advisory Board Meeting	-	\$1,261.73	\$1,261.73

Detail of Travel Related Expenses
Virginia Retirement System
Board/Committee Members and Selected VRS Staff
Paid in **Q2 2024**

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Schreck, Jennifer	11/04/2023	11/09/2023	Phoenix, AZ		Fall 2023 APPFA Professional Development Conference	-	\$2,246.80	\$2,246.80
Adelaar, Stephen	09/28/2023	09/28/2023	Washington, DC		Attended the Baillie Gifford Forum - Innovative Disruption - to discover the companies changing the world.	-	\$125.31	\$125.31
Adelaar, Stephen	10/23/2023	10/25/2023	San Francisco, CA		Attended the Farallon Capital Institutional Partners and Farallon Healthcare Annual Conference. Met with ValueAct.	-	\$2,079.99	\$2,079.99
Adelaar, Stephen	11/08/2023	11/08/2023	New York		Attended the Baillie Gifford Private Companies Conference. Met with prospective manager, IMPACTIVE.	-	\$596.80	\$596.80
Alouf, John	09/18/2023	10/09/2023	Zurich, Switzerland, Apax; Asia Alternatives Hong Kong, Kyoto		Travel to Zurich, Switzerland for Apax Partners Annual Meeting and LPAC; and to Hong Kong for Advisory Committee meetings and site tours with Asia Alternatives. Both meetings are sponsored travel.	\$16,096.33	\$2,219.45	\$18,315.78
Alouf, John	10/16/2023	10/18/2023	New York, NY	Sycamore	Travel to New York, NY to attend Insight Partner's Annual Meeting (10/16-10/17); and Sycamore Partner's Annual Meeting and LPAC (10/17-10/18 - sponsored travel).	\$1,007.70	\$534.05	\$1,541.75
Alouf, John	11/13/2023	11/14/2023	Boston, MA	TA	Travel to Boston, MA to attend TA's 2023 Limited Partner Advisory Committee Meetings	\$1,254.81	\$24.41	\$1,279.22
Alouf, John	11/15/2023	11/16/2023	New York, NY	Siris	Travel to NYC to attend the Siris Annual meeting and LPAC / this is sponsored travel	\$926.54	\$23.83	\$950.37
Alouf, John	12/07/2023	12/08/2023	New York, NY	Hellman and Friedman	Travel to New York, NY to attend Hellman Semi-Annual Advisory Board meeting. This is sponsored travel.	\$1,297.57	\$28.18	\$1,325.75

Detail of Travel Related Expenses
Virginia Retirement System
Board/Committee Members and Selected VRS Staff
Paid in **Q2 2024**

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Apte, Advait	10/11/2023	10/12/2023	New York, NY		Bernstein Annual Quant Conference New York, NY. October 11th-12th, 2023 for Advait Apte	-	\$1,067.93	\$1,067.93
Apte, Advait	10/17/2023	10/19/2023	New York, NY		Wolfe Research 7th Annual Global Quantitative and Macro Investment Conference Wednesday, October 17 - Thursday, October 19, 2023, New York, NY for Advait Apte Advait Apte will be driving to the conference.	-	\$1,266.74	\$1,266.74
Ball, Daniel	09/13/2023	09/14/2023	New York, NY		Morgan Stanley Prime Property LPAC meeting / Daniel attended as an observer with Warren Chang so his was not sponsored travel.	-	\$796.64	\$796.64
Ball, Daniel	10/18/2023	10/20/2023	Boston, MA		PREA Real Estate Conference in Boston, MA	-	\$1,477.32	\$1,477.32
Ball, Daniel	12/04/2023	12/04/2023	Mannassas, VA		IPI Partners III On Site Meetings/ Due Diligence	-	\$118.56	\$118.56
Bennett, Matthew	09/25/2023	09/29/2023	London	ICG	Update meetings with Park Square and Varde. Met with the ICG Mid-Market Strategy team. Attended the ICG Investor Meeting and Advisory Board Meeting. *ICG Sponsored Travel	\$8,914.84	\$507.88	\$9,422.72
Bennett, Matthew	10/04/2023	10/05/2023	New York	HPS	Attended the HPS Annual Meeting and Advisory Board Meetings - HPS Lending and HPS Specialty Loan V.	\$1,364.52	\$159.18	\$1,523.70
Billingslea, Erica	09/19/2023	09/20/2023	New York		Attended the KKR Asset-Based Finance Annual Forum. Update meeting with Sadaf Shekarkhand - KKR.	-	\$1,139.65	\$1,139.65
Billingslea, Erica	10/16/2023	10/17/2023	Santa Monica, CA		Due diligence meeting with Beach Point on the Ops accounts and Tactical.	-	\$1,644.20	\$1,644.20

Detail of Travel Related Expenses
Virginia Retirement System
Board/Committee Members and Selected VRS Staff
Paid in **Q2 2024**

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Billingslea, Erica	10/24/2023	10/25/2023	Boston, MA	Audax	Audax Annual Meeting and Advisory Board Meeting for Audax Mezz V.	\$1,168.42	\$15.72	\$1,184.14
Bliss, Kevin	10/23/2023	10/25/2023	London	Orchard Asset Mgmt.	Attended the Orchard Asset Mgmt. (Taiga) Advisory Board Meeting. Update meeting with Apollo.	\$10,059.51	\$97.77	\$10,157.28
Bliss, Kevin	11/06/2023	11/08/2023	Chicago, IL		Attended the Blue Owl/Oak Street Net Lease AGM and Advisory Board meeting.	-	\$982.05	\$982.05
Carlson, Ryan	10/17/2023	10/19/2023	New York, NY		Wolfe Research - Global Quantitative and Macro Investors Conference	-	\$1,592.61	\$1,592.61
Chang, Warren	09/13/2023	09/14/2023	New York, NY	Morgan Stanley Prime Property; Morgan Stanley Prime Property; MS Prime Property; MS Prime Property Fund	Travel to New York, NY to attend Morgan Stanley's Prime Property Fund Advisory Committee Meeting/ Sponsored travel	\$1,351.97	\$34.41	\$1,386.38
Chang, Warren	10/09/2023	10/10/2023	Minneapolis, MN		Due diligence with Excelsior Energy	-	\$1,189.60	\$1,189.60
Chang, Warren	10/25/2023	10/26/2023	New York, NY		Travel to New York, NY to attend EQT's Investor Day on 10/25; and JP Morgan's Real Estate Annual Meeting 10/25 and 10/26.	-	\$994.36	\$994.36
Chang, Warren	11/08/2023	11/09/2023	New York, NY	LS Power	Travel to NYC to attend the LS Power Annual LP meeting and LPAC meetings. This is sponsored travel.	\$1,465.42	\$54.41	\$1,519.83
Chang, Warren	11/13/2023	11/16/2023	Miami (ICON Infrastructure) and Boston (True Green Capital)	ICON Infrastructure; True Green	Travel to Miami to attend Icon's LPAC meeting (11/13 - 11/15); then to Boston for True Green's LPAC on 11/15 - 11/16). BOTH are sponsored travel, and the airfare is being split between the two managers.	\$1,801.55	\$60.00	\$1,861.55

Detail of Travel Related Expenses
Virginia Retirement System
Board/Committee Members and Selected VRS Staff
Paid in **Q2 2024**

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Chang, Warren	12/04/2023	12/08/2023	Paris, France	Antin Infrastructure	Travel to Paris, France to attend Antin Infrastructure's Annual Investor Meeting and LPAC. This is sponsored travel.	\$10,084.70	\$40.00	\$10,124.70
Coleman, Thomas	10/09/2023	10/11/2023	Washington, DC	E.I.G.	Travel to Washington DC to attend EIG's Annual Meeting and LPACs. This is sponsored travel.	\$1,111.35	\$46.66	\$1,158.01
Coleman, Thomas	10/23/2023	10/24/2023	Denver, CO		Due Diligence meetings with Resource Capital	-	\$1,309.70	\$1,309.70
Coleman, Thomas	11/01/2023	11/02/2023	Washington, DC	Carlyle	2023 Carlyle US Real Estate Conference - sponsored travel	\$564.24	\$43.40	\$607.64
Coleman, Thomas	11/13/2023	11/16/2023	New York, NY and Houston, TX	Lime Rock; Meadow Real Estate	Travel to New York, NY to attend Meadow Real Estate's Annual Investor Meeting and LPAC meetings; and to Houston, TX to attend Lime Rock's Annual PD and LPAC meetings.	\$2,783.99	\$55.24	\$2,839.23
Coleman, Thomas	12/11/2023	12/14/2023	New York, NY		Travel to NYC for due diligence/property tours with Affinius; then attended the Kimmeridge Annual Meeting.	-	\$2,938.80	\$2,938.80
Corsello, Perry	09/19/2023	09/20/2023	Chicago, IL	PGIM	Travel to Chicago for the PGIM annual meeting and advisory board meeting. **Sponsored Travel	\$1,104.70	\$9.56	\$1,114.26
Corsello, Perry	10/23/2023	10/26/2023	Los Angeles and San Francisco, CA	Sixth Street Partners	Travel to Los Angeles for a meeting with Oaktree. Travel to San Francisco for the Sixth Street Partners Annual Meeting and Advisory Board Meetings.	\$2,437.65	\$383.67	\$2,821.32
Corsello, Perry	11/03/2023	11/03/2023	Charlottesville, VA		Attended the University of Virginia Investing Conference, sponsored by the CFA.	-	\$137.53	\$137.53
Corsello, Perry	11/06/2023	11/08/2023	New York	Ares Asset Management; Ares Asset Mgmt.	Attended the Ares Pathfinder AGM and LPAC meeting. Attended the Ares SOF I and II Advisory Board Meeting.	\$2,443.23	\$11.56	\$2,454.79

Detail of Travel Related Expenses
Virginia Retirement System
Board/Committee Members and Selected VRS Staff
Paid in **Q2 2024**

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Gentry III, William	10/10/2023	10/12/2023	San Francisco, CA	Spectrum Equity	Travel to San Francisco to attend Spectrum Equity's Annual Meeting and LPAC / Sponsored travel.	\$1,762.47	\$12.00	\$1,774.47
Gentry III, William	10/17/2023	10/20/2023	London, England	Bain	Travel to London to attend Bain Europe Annual Meeting and LPAC. This is sponsored travel.	\$10,712.97	\$10.00	\$10,722.97
Gentry III, William	10/26/2023	10/27/2023	Dallas, TX		Energy Spectrum Annual Meeting in Frisco, TX (Dallas)	-	\$1,619.01	\$1,619.01
Gentry III, William	11/02/2023	11/02/2023	New York, NY	Centerbridge	Travel to YC to attend Centerbridge Capital Parter's LPAC meetings	\$663.74	\$4.34	\$668.08
Gentry III, William	11/13/2023	11/14/2023	Chicago, IL	Madison Dearborn	Travel to Chicago, IL to attend the Madison Dearborn Annual Meeting and LPAC meetings / Sponsored travel	\$1,171.27	\$25.35	\$1,196.62
Glass, Holly	10/02/2023	10/04/2023	Boston, MA		Due diligence meeting with Acadian. Attended the Arrowstreet Capital Client Conference.	-	\$1,172.78	\$1,172.78
Grier, John	09/17/2023	09/20/2023	Jackson, WY and Scottsdale, AZ		Travel to Jackson, WY to attend NASIO Conference (National Association of State Investment Officers); then to Phoenix, AZ to attend P&I Public Funds Conference	-	\$5,386.14	\$5,386.14
Grier, John	10/22/2023	10/24/2023	Boston, MA		Travel to Boston, MA to attend the Annual Global ARC Conference.	-	\$1,568.36	\$1,568.36
Hines, Gregory	09/11/2023	09/14/2023	New York, NY and Miami Florida		Capstone Global Volatility Summit 2023 in New York, NY. Tuesday, September 12th. 2023 Citi Equities Conference September 11th-14th in Miami Florida both conferences of Gregory Hines. Traveler will be attending the Capstone conference first and will be heading to the Citi Equities Conference after.	-	\$2,731.53	\$2,731.53

Detail of Travel Related Expenses
Virginia Retirement System
Board/Committee Members and Selected VRS Staff
Paid in **Q2 2024**

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Hines, Gregory	09/26/2023	09/28/2023	New York, Ny		B of A Global Pension and Insurance Summit September 26th-28th, 2023 for Gregory Hines in New York, NY.	-	\$1,550.11	\$1,550.11
Honrado, Cordell	11/01/2023	11/03/2023	Nashville, TN.		FTF Fall Conference November 1-3, 2023, Nashville, TN for Dane Honrado.	-	\$1,173.87	\$1,173.87
Honrado, Cordell	11/12/2023	11/15/2023	Hilton Head, SC.		Invest Ops Connect USA November 12 - 15, 2023 Marriott, Hilton Head Island, SC for Dane Honrado.	-	\$1,398.03	\$1,398.03
Jones, De'Von	11/06/2002	11/09/2002	Boston, MA		Travel to Boston, MA to attend Advent International Limited Partners Meeting.	-	\$2,382.54	\$2,382.54
Jones, De'Von	09/27/2023	09/29/2023	Napa, CA	TSG Consumer; TSG Consumers	Travel to Napa, CA to attend TSG's Annual Advisory Board meetings.	\$2,225.78	\$19.63	\$2,245.41
Jones, De'Von	10/18/2023	10/19/2023	New York, NY	Veritas	Travel to NYC to attend Veritas Capital's Annual Meeting and LPAC / This is sponsored travel.	\$999.45	\$19.08	\$1,018.53
Jones, De'Von	11/13/2023	11/16/2023	New York, NY	Apollo; Vista	Travel to NYC to attend Apollo and Vista's Advisory Board meetings/Note that both are sponsored travel.	\$2,917.46	\$71.18	\$2,988.64
Jones, De'Von	11/27/2023	11/30/2023	Stockholm, Sweden	Nordic Capital	Travel to Stockholm to attend Nordic Capital's Annual meeting and LPAC meetings.	\$9,914.20	\$53.11	\$9,967.31
Kennebeck, Joseph	11/14/2023	11/18/2023	Miami, FL		Travel to Miami, FL to attend the Trade Forum Equity Training Seminar and Latin Americas Conference.	-	\$2,133.97	\$2,133.97
Koutrakos, Kristina	09/26/2023	09/27/2023	Washington, DC		ALTSDC conference, September 26th-27th, Washington, DC for Kristina Koutrakos.	-	\$763.31	\$763.31

Detail of Travel Related Expenses
Virginia Retirement System
Board/Committee Members and Selected VRS Staff
Paid in **Q2 2024**

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Koutrakos, Kristina	09/29/2023	10/04/2023	Copenhagen		ICPM Fall Discussion Forum and visit Nordea in Copenhagen, 9-29th through 10-4, 2023 for Kristina Koutrakos.	-	\$8,661.91	\$8,661.91
Lacy, Matthew	11/14/2023	11/15/2023	Boston, MA.		GPFA's Annual Conference for Matt Lacy November 14-15th, 2023.	-	\$543.01	\$543.01
Matoua, Katherine	11/08/2023	11/10/2023	Washington, DC.		IMF ARC Conference Registration Confirmation Nov.8, 9 & 10th, 2023 for Katie Matoua. Washington, DC.	-	\$939.27	\$939.27
Muniz, Alex	10/01/2023	10/04/2023	Tuscon, AZ		Travel to Tuscon, AZ to attend The Q Group Fall Conference	-	\$2,870.66	\$2,870.66
Murphy, James	09/05/2023	09/09/2023	London, England	CVC Capital	Travel to London to attend the CVC Europe/Americas Investor Meeting and LPAC. This is sponsored travel.	\$9,664.32	\$145.21	\$9,809.53
Murphy, James	09/15/2023	10/04/2023	Singapore; Denpasar Indonesia; Hong Kong; Kyoto; and Tokyo		KKR Asia - Singapore 9-18 & 9/19 (Sponsored Travel); CVC Asia - 9-20 & 9/21 (Manager Meeting - not sponsored). Asia Alternatives 9-25 to 10-3 Manager Meetings, LPACs, one on one meetings and property tours/Sponsored travel.	\$3,600.00	\$13,323.79	\$16,923.79
Murphy, James	11/12/2023	11/14/2023	Seoul, Korea	MBK; MBK Partners	Travel to Seoul, Korea to attend the 2023 Annual Investor Conference and LPAC meetings on November 13-14. This is sponsored travel.	\$8,849.22	\$47.36	\$8,896.58
Murphy, James	11/15/2023	11/16/2023	New York, NY	Stonepoint	Travel to NYC to attend the semi-annual Trident Board of Advisors meeting. This is sponsored travel.	\$1,291.16	\$27.36	\$1,318.52
Noland, Walker	08/31/2023	09/01/2023	Denver, CO		Travel to Denver, CO for site visit/property tour with AMLI.	-	\$1,126.50	\$1,126.50

Detail of Travel Related Expenses
Virginia Retirement System
Board/Committee Members and Selected VRS Staff
Paid in **Q2 2024**

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Noland, Walker	09/12/2023	09/13/2023	New York, NY	Crow Holdings	Sponsored travel to New York, NY to attend Crow Holdings LPAC meeting.	\$1,624.68	\$30.48	\$1,655.16
Noland, Walker	10/18/2023	10/20/2023	Boston, MA		Travel to Boston, MA to attend the PREA Real Estate Conference. Walker also had meetings with several managers and property tours with Pritzker while in Boston.	-	\$1,497.28	\$1,497.28
Noland, Walker	10/25/2023	10/27/2023	Denver, CO	Clarion Partners	Travel to Denver, CO to attend Clarion Partner's Fall Advisory Council meetings/ This is sponsored travel.	\$1,992.72	\$55.25	\$2,047.97
Noland, Walker	12/04/2023	12/04/2023	Mannassas, VA		IPI Partners III Onsite Meetings/ Due Diligence	-	\$106.50	\$106.50
Oliff Jr, Bryan	11/14/2023	11/15/2023	Boston, MA		2023 Meeting — Global Peer Financing Association held in Boston, MA	-	\$904.53	\$904.53
Sarki-Hurd, Hajara	09/12/2023	09/13/2023	Charlotte, NC	Blackston Edens; Blackstone Edens	Sponsored travel to Charlotte, NC to attend Blackstone Edens' Advisory Board meeting.	\$923.51	\$23.31	\$946.82
Sarki-Hurd, Hajara	10/23/2023	10/26/2023	New York, NY		Real Term Annual Meeting and Artemis Site Visits	-	\$1,909.21	\$1,909.21
Sarki-Hurd, Hajara	12/04/2023	12/04/2023	Manassas, VA		IPI III Onsite meeting/ due diligence	-	\$168.99	\$168.99
Schlussler, Daniel	10/01/2023	10/04/2023	Tucson, AZ		Q Group Fall Seminar 2023 in Tucson, AZ	-	\$2,493.62	\$2,493.62
Schlussler, Daniel	10/22/2023	10/25/2023	Boston, MA		Travel to Boston, MA to attend the 20th Annual Global ARC Conference.	-	\$2,352.72	\$2,352.72
Scott, Michael	10/08/2023	10/12/2023	Seattle, Washington		Attended the NAGDCA Conference.	-	\$3,786.37	\$3,786.37

Detail of Travel Related Expenses
Virginia Retirement System
Board/Committee Members and Selected VRS Staff
Paid in Q2 2024

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Tentor, Lawrence	10/02/2023	10/04/2023	Lake Tahoe, NV		Travel to Lake Tahoe, NV to attend the National Association of State Investment Professionals Conference.	-	\$2,794.39	\$2,794.39
Tran, Viet	09/26/2023	09/27/2023	Boston, MA	Great Hill Partners	Travel to Boston, MA to attend Great Hill Partners Annual Meeting and LPAC. This is sponsored travel.	\$899.05	\$14.41	\$913.46
Tran, Viet	10/16/2023	10/18/2023	Scottsdale, AZ	TPG Capital	Travel to Scottsdale, AZ to attend the TPG Capital Investors Meeting and Advisory Committee meetings. This is sponsored travel.	\$2,170.05	\$14.41	\$2,184.46
Tran, Viet	11/14/2023	11/16/2023	New York, NY	Riverside	Travel to New York, NY to attend Riverside's Annual Meeting and LPAC. This is sponsored travel.	\$1,377.17	\$20.21	\$1,397.38
Turner, Korey	09/29/2023	10/04/2023	Boston, MA		Attend the Arrowstreet Capital Client Conference. Annual due diligence meeting with Acadian.	-	\$1,390.11	\$1,390.11
Turner, Korey	10/19/2023	10/19/2023	New York		Attend the Maverick Annual Conference.	-	\$604.98	\$604.98
Turner, Korey	10/23/2023	10/25/2023	San Francisco, CA		Attended the Farallon Annual Investor Conference. FY24 annual due diligence meeting with ValueAct.	-	\$2,116.34	\$2,116.34
Voeks III, Robert	09/12/2023	09/12/2023	Stamford, CT		Due diligence meeting with Olympus Partners in Stamford CT.	-	\$306.22	\$306.22
Voeks III, Robert	10/04/2023	10/05/2023	Houston, TX	First Reserve	Travel to Houston, TX to attend the First Reserve LPAC and Annual meetings/ This is sponsored travel.	\$1,186.60	\$14.41	\$1,201.01
Voeks III, Robert	10/24/2023	10/25/2023	Boston, MA	Audax	Travel to Boston, MA to attend the 2023 Audax Private Equity & Private Debt Annual Meetings and LPAC/ This is sponsored travel.	\$1,129.04	\$17.41	\$1,146.45

Detail of Travel Related Expenses
Virginia Retirement System
Board/Committee Members and Selected VRS Staff
Paid in **Q2 2024**

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Voeks III, Robert	11/01/2023	11/02/2023	New York, NY	New Mountain Capital	Travel to NYC to attend New Mountain's Annual Meeting and LPACs / Sponsored travel.	\$1,080.08	\$54.41	\$1,134.49
Voeks III, Robert	11/14/2023	11/17/2023	Boston and Miami	HIG	Travel to Boston, MA for Charlesbank's Annual Meeting and to Miami, FL for HIG's Annual Meeting.	\$850.00	\$1,666.16	\$2,516.16
Voeks III, Robert	12/05/2023	12/07/2023	London, England	Charterhouse	Travel to London to attend the Charterhouse Advisory Board meetings/ This is sponsored travel.	\$9,531.86	\$55.72	\$9,587.58
Whitlock, Daniel	10/02/2023	10/03/2023	New York		Annual due diligence meetings with Coatue, Ariel, and Maverick. Attended the Coatue Annual Meeting.	-	\$1,134.68	\$1,134.68
Woodall, Steven	09/18/2023	09/20/2023	Washington, DC		Attended the 2023 Carlyle Global Investor Conference. Annual meetings - PIP and Skyline.	-	\$1,667.21	\$1,667.21
Woodall, Steven	11/06/2023	11/08/2023	New York, NY		Attended the SuperReturn Private Credit US Conference and the BlackRock Private Debt Conference.	-	\$697.34	\$697.34
Zozulya, Olga	10/02/2023	10/04/2023	Lake Tahoe, NV		Attended the MiniNASIP Conference sponsored by the Public Employees' Retirement System of Nevada.	-	\$2,830.21	\$2,830.21
Zozulya, Olga	10/10/2023	10/19/2023	London, Edinburgh		Attended the Lansdowne Conference on Oct. 11th. Travel to Stockholm the evening of Oct. 11th. Traveled to Edinburgh on Oct. 12th for a due diligence meeting with Baillie Gifford. Traveled to London on Oct. 13th. Oct. 16th - due diligence meeting with Arisaig. On Oct. 17th - prospective manager meeting with Parvus. Service provider meeting with Albourne. On Oct. 18th, attended the CET Conference and met with Theleme.	-	\$9,761.53	\$9,761.53
Total						\$145,176.27	\$134,702.04	\$279,878.31

VRS BOARD OF TRUSTEES AND COMMITTEES
 RECORD OF ATTENDANCE & PER DIEMS
 FOR 4Q2023

Member	Area	Oct-23		Nov-23		Dec-23			Total Days Attended	Per Diem Rate	Per Diem Payments			Total	
		10/18/23	10/19/23	11/15/23	11/16/23	11/16/23	11/30/2023	12/7/2023			12/7/2023	Oct	Nov		Dec
		B&A	BOT	IAC	BAC	BOT	DCPAC	ACC			BOT				
A. SCOTT ANDREWS, CHAIR	BOT	-	X	X		X	-	X	X	4	\$ 300.00	\$ 300.00	\$ 600.00	\$ 300.00	\$ 1,200.00
J BRANDON BELL, II	BOT	X	X	X		X	X	-	X	6	300.00	600.00	600.00	600.00	1,800.00
JOHN M. BENNETT	BOT	X	X	X	X	X	X	-	X	6	300.00	600.00	600.00	600.00	1,800.00
MICHAEL P. DISHAROON	BOT	-	X	X		X	-	-	X	4	300.00	300.00	600.00	300.00	1,200.00
SUSAN GOODEN	BOT	-	X	-		X	-	-	X	3	300.00	300.00	300.00	300.00	900.00
W. BRETT HAYES	BOT	-	X	-			-	-	X	2	300.00	300.00	-	300.00	600.00
JESSICA L. HOOD	BOT	X	X	X	X	X	-	X	X	5	300.00	600.00	600.00	300.00	1,500.00
JOSEPH W. MONTGOMERY	BOT	-	X	-		X	-	X	X	3	300.00	300.00	300.00	300.00	900.00
LINDSEY PANTELE	BOT	X	X			X	-	X	X	4	300.00	600.00	300.00	300.00	1,200.00
RIVINDRA DEO	DCPAC	-	-	-	-	-	X	-	-	1	300.00	-	-	300.00	300.00
C. MATT HARRIS	DCPAC	-	-	-	-	-	X	-	-	1	300.00	-	-	300.00	300.00
SHANNON T. IRVIN	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
ARUN MURALIDHAR	DCPAC	-	-	-	-	-	X	-	-	1	300.00	-	-	300.00	300.00
DAVID A. WINTER	DCPAC	-	-	-	-	-	X	-	-	1	300.00	-	-	300.00	300.00
MICHAEL R. BEASLEY	IAC	-	-	X		-	-	-	-	1	300.00	-	300.00	-	300.00
THEODORE ECONOMOU	IAC	-	-	X		-	-	-	-	1	300.00	-	300.00	-	300.00
PALMER GARSON	IAC	-	-	-		-	-	-	-	-	-	-	-	-	-
THOMAS S.GAYNER	IAC	-	-	-		-	-	-	-	-	300.00	-	-	-	-
LAWRENCE E KOCHARD	IAC	-	-	X		X	-	-	-	2	300.00	-	600.00	-	600.00
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	-	-	-		-	-	-	-	-	300.00	-	-	-	-
												\$ 3,900.00	\$ 6,000.00	\$ 5,400.00	\$ 15,300.00

Number Attending	4	9	11	2	9	9	4	9	57						
Total Days per Diem Paid (Control Total)	4	9	11	2	7	9	4	5	51	x \$300	=				15,300.00

X = Present

Summary of Travel Related Expenses
Virginia Retirement System
Board/Committee Members and Selected VRS Staff
Fiscal Year-To-Date Q3 2024

Traveler	Current Quarter Expenses												Fiscal Year-To-Date Expenses				
	Total Travel			Out-of-State-Travel									Total Travel			Out-of-State-Travel	
	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	-	\$322.56	\$322.56	-	-	-	-	-	-	-	-	-	-	\$1,414.62	\$1,414.62	-	-
Beasley, Michael	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,305.16	\$2,305.16	-	-
Bell II, John	-	\$778.54	\$778.54	-	-	-	-	-	-	-	-	-	-	\$2,319.10	\$2,319.10	-	-
Deo, Ravindra	-	\$144.25	\$144.25	-	-	-	-	-	-	-	-	-	-	\$426.29	\$426.29	-	-
Disharoon, Michael	-	\$155.44	\$155.44	-	-	-	-	-	-	-	-	-	-	\$1,192.59	\$1,192.59	-	-
Hood, Jessica	-	\$1,280.29	\$1,280.29	-	-	-	-	-	-	-	-	-	-	\$4,057.51	\$4,057.51	-	-
Irvin, Shannon	-	-	-	-	-	-	-	-	-	-	-	-	-	\$322.26	\$322.26	-	-
James, Matthew	-	\$139.36	\$139.36	-	-	-	-	-	-	-	-	-	-	\$139.36	\$139.36	-	-
Lewis, Wilbert	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,136.20	\$1,136.20	-	-
Montgomery, Joseph	-	\$75.04	\$75.04	-	-	-	-	-	-	-	-	-	-	\$441.84	\$441.84	-	-
Bishop, Patricia	-	\$1,594.13	\$1,594.13	1	\$1,594.13	1	-	-	-	-	-	-	\$1,400.43	\$9,761.18	\$11,161.61	4	\$11,161.61
Chenault, Jeanne	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,343.81	\$3,343.81	1	\$3,343.81
Junkin, Andrew	-	\$895.09	\$895.09	2	\$895.09	-	-	1	-	1	-	-	-	\$11,048.91	\$11,048.91	8	\$10,970.57
Mattson, Curtis	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,261.73	\$1,261.73	1	\$1,261.73
Schreck, Jennifer	-	\$62.00	\$62.00	-	-	-	-	-	-	-	-	-	-	\$2,308.80	\$2,308.80	1	\$2,246.80
Adelaar, Stephen	-	\$1,201.62	\$1,201.62	1	\$1,201.62	-	-	-	1	-	-	-	-	\$4,003.72	\$4,003.72	4	\$4,003.72
Alouf, John	\$8,893.18	\$3,789.71	\$12,682.89	5	\$12,682.89	1	-	-	4	1	-	-	\$29,476.13	\$8,151.16	\$37,627.29	12	\$37,627.29
Apte, Advait	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,334.67	\$2,334.67	2	\$2,334.67
Ball, Daniel	-	\$797.53	\$797.53	1	\$797.53	-	-	-	1	-	-	-	-	\$3,190.05	\$3,190.05	3	\$3,071.49
Bennett, Matthew	-	-	-	-	-	-	-	-	-	-	-	-	\$10,279.36	\$667.06	\$10,946.42	2	\$10,946.42
Billingslea, Erica	\$2,028.40	\$184.87	\$2,213.27	1	\$2,213.27	1	-	-	-	-	-	-	\$3,196.82	\$2,984.44	\$6,181.26	4	\$6,181.26
Bliss, Kevin	-	\$1,860.49	\$1,860.49	1	\$1,860.49	-	-	1	-	-	-	-	\$10,059.51	\$2,940.31	\$12,999.82	3	\$12,999.82
Carlson, Ryan	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,592.61	\$1,592.61	1	\$1,592.61

Summary of Travel Related Expenses
Virginia Retirement System
Board/Committee Members and Selected VRS Staff
Fiscal Year-To-Date Q3 2024

Traveler	Current Quarter Expenses												Fiscal Year-To-Date Expenses				
	Total Travel			Out-of-State-Travel									Total Travel			Out-of-State-Travel	
	Sponsor Paid	VRS Paid	Total	# Trips	Cost	Travel reasons							Sponsor Paid	VRS Paid	Total	# Trips	Cost
AM						BD	CF	DD	MM	SV	TR						
Chang, Warren	\$13,090.95	\$1,743.94	\$14,834.89	4	\$14,834.89	3	-	-	1	1	1	-	\$27,794.59	\$4,116.72	\$31,911.31	10	\$31,911.31
Coleman, Thomas	\$1,217.13	\$971.17	\$2,188.30	2	\$2,188.30	1	-	-	1	1	-	-	\$5,676.71	\$5,364.97	\$11,041.68	6	\$9,883.67
Copeland, Dennis	-	\$966.35	\$966.35	1	\$966.35	-	-	-	-	1	-	-	-	\$966.35	\$966.35	1	\$966.35
Corsello, Perry	-	\$1,974.83	\$1,974.83	1	\$1,974.83	-	-	1	-	-	-	-	\$5,985.58	\$2,517.15	\$8,502.73	4	\$8,365.20
Gentry III, William	\$3,240.54	\$3,484.77	\$6,725.31	4	\$6,725.31	2	-	-	2	1	-	-	\$18,621.59	\$5,547.69	\$24,169.28	11	\$24,169.28
Glass, Holly	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,172.78	\$1,172.78	1	\$1,172.78
Grier, John	-	\$1,323.61	\$1,323.61	1	\$1,323.61	-	-	1	-	-	-	-	-	\$8,278.11	\$8,278.11	3	\$8,278.11
Haleem, Mdmehtab	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,750.76	\$1,750.76	1	\$1,750.76
Hines, Gregory	-	\$2,457.32	\$2,457.32	2	\$2,457.32	-	-	2	-	-	-	-	-	\$6,738.96	\$6,738.96	4	\$6,738.96
Honrado, Cordell	-	\$1,700.48	\$1,700.48	1	\$1,700.48	-	-	1	-	-	-	-	-	\$4,272.38	\$4,272.38	3	\$4,272.38
Jones, De'Von	-	\$675.71	\$675.71	1	\$675.71	-	-	-	1	-	-	-	\$16,056.89	\$4,370.14	\$20,427.03	7	\$20,427.03
Kennebeck, Joseph	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,133.97	\$2,133.97	1	\$2,133.97
Koutrakos, Kristina	-	-	-	-	-	-	-	-	-	-	-	-	-	\$14,002.50	\$14,002.50	5	\$14,002.50
Lacy, Matthew	-	-	-	-	-	-	-	-	-	-	-	-	-	\$543.01	\$543.01	1	\$543.01
Le, Vu	-	\$2,491.69	\$2,491.69	1	\$2,491.69	1	-	-	-	-	-	-	-	\$13,104.49	\$13,104.49	3	\$13,104.49
Ma, Chung	-	\$3,345.98	\$3,345.98	2	\$3,345.98	-	-	2	-	-	-	-	-	\$3,345.98	\$3,345.98	2	\$3,345.98
Matoua, Katherine	-	\$2,282.49	\$2,282.49	2	\$2,282.49	-	-	2	-	-	-	-	-	\$3,221.76	\$3,221.76	3	\$3,221.76
Mulvin, Thomas	\$1,361.21	\$1,118.51	\$2,479.72	2	\$2,479.72	1	-	-	-	-	1	-	\$1,361.21	\$1,118.51	\$2,479.72	2	\$2,479.72
Muniz, Alex	-	\$1,844.89	\$1,844.89	1	\$1,844.89	-	-	1	-	-	-	-	-	\$11,987.13	\$11,987.13	4	\$11,987.13
Murphy, James	-	-	-	-	-	-	-	-	-	-	-	-	\$23,404.70	\$13,543.72	\$36,948.42	4	\$36,948.42
Noland, Walker	-	\$3,523.64	\$3,523.64	3	\$3,523.64	-	-	1	2	-	-	-	\$3,617.40	\$6,339.65	\$9,957.05	7	\$9,850.55
Oliff Jr, Bryan	-	\$1,987.68	\$1,987.68	1	\$1,987.68	-	-	1	1	-	-	-	-	\$4,699.30	\$4,699.30	3	\$4,699.30
Pugliese, Laura	-	\$3,777.66	\$3,777.66	1	\$3,777.66	-	-	1	-	-	-	-	-	\$3,777.66	\$3,777.66	1	\$3,777.66

Summary of Travel Related Expenses
 Virginia Retirement System
 Board/Committee Members and Selected VRS Staff
 Fiscal Year-To-Date **Q3 2024**

Traveler	Current Quarter Expenses												Fiscal Year-To-Date Expenses				
	Total Travel			Out-of-State-Travel									Total Travel			Out-of-State-Travel	
	Sponsor Paid	VRS Paid	Total	# Trips	Cost	Travel reasons							Sponsor Paid	VRS Paid	Total	# Trips	Cost
AM						BD	CF	DD	MM	SV	TR						
Rhodes, Garret	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,725.04	\$1,725.04	1	\$1,725.04
Sarki-Hurd, Hajara	-	\$734.96	\$734.96	1	\$734.96	-	-	-	1	-	-	-	\$923.51	\$2,836.47	\$3,759.98	3	\$3,590.99
Schlussler, Daniel	-	\$1,703.19	\$1,703.19	1	\$1,703.19	-	-	1	-	-	-	-	-	\$6,549.53	\$6,549.53	3	\$6,549.53
Scott, Michael	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,786.37	\$3,786.37	1	\$3,786.37
Tentor, Lawrence	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,748.80	\$3,748.80	2	\$3,748.80
Tran, Viet	\$352.02	\$14.74	\$366.76	1	\$366.76	1	-	-	-	-	-	-	\$4,798.29	\$1,168.71	\$5,967.00	5	\$5,967.00
Turner, Korey	-	\$1,263.30	\$1,263.30	1	\$1,263.30	-	-	-	1	-	-	-	-	\$5,374.73	\$5,374.73	4	\$5,374.73
Voeks III, Robert	-	\$2,123.71	\$2,123.71	2	\$2,123.71	-	-	-	2	-	-	-	\$14,227.32	\$4,252.45	\$18,479.77	9	\$18,479.77
Whitlock, Daniel	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,134.68	\$1,134.68	1	\$1,134.68
Woodall, Steven	-	\$3,612.90	\$3,612.90	1	\$846.14	-	-	1	1	-	-	-	-	\$8,844.03	\$8,844.03	4	\$6,077.27
Zozulya, Olga	-	-	-	-	-	-	-	-	-	-	-	-	-	\$12,591.74	\$12,591.74	2	\$12,591.74
Total	\$30,183.43	\$58,404.44	\$88,587.87	49	\$82,863.63	12	-	17	19	6	2	-	\$176,880.04	\$242,269.62	\$419,149.66	168	\$400,798.04

Virginia Retirement System
Summary of Other Sponsored Travel Related Expenses
(Staff Not Otherwise Includable in Quarterly Reporting)
Fiscal Year-To-Date Through June 2024

Name of Traveler	Current Quarter		Fiscal Year-To-Date	
	Value Provided	Sponsor	Value Provided	Sponsor
	-		-	
	-		-	
	-		-	
	-		-	
	-		-	
	-		-	
	-		-	
	-		-	
	-		-	
	-		-	
Totals	<u><u>-</u></u>		<u><u>-</u></u>	

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in Q3 2024

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Andrews, Allen	02/08/2024	02/08/2024	Richmond, VA		Attended VRS Board/Committee meetings.	-	\$165.21	\$165.21
Andrews, Allen	03/19/2024	03/20/2024	Richmond, VA		Attended the annual VRS Board retreat.	-	\$157.35	\$157.35
Bell II, John	02/08/2024	02/08/2024	Richmond, VA		Attended VRS Board of Trustees meeting.	-	\$262.64	\$262.64
Bell II, John	03/14/2024	03/14/2024	Richmond, VA		Attended a Defined Contribution Plans Advisory Committee meeting.	-	\$262.64	\$262.64
Bell II, John	03/19/2024	03/20/2024	Richmond, VA		Attended the annual VRS Board retreat.	-	\$253.26	\$253.26
Deo, Ravindra	03/14/2024	03/14/2024	Richmond		DCPAC	-	\$144.25	\$144.25
Disharoon, Michael	03/19/2024	03/20/2024	Richmond, VA		Attend the annual VRS Board retreat.	-	\$155.44	\$155.44
Hood, Jessica	02/07/2024	02/08/2024	Richmond, VA		Attended VRS Board/Committee meetings.	-	\$809.95	\$809.95
Hood, Jessica	03/19/2024	03/19/2024	Richmond, VA		Attended the annual VRS Board retreat.	-	\$470.34	\$470.34
James, Matthew	03/19/2024	03/20/2024	Richmond, VA		Attended the annual VRS Board retreat.	-	\$139.36	\$139.36
Montgomery, Joseph	02/08/2024	02/08/2024	Richmond, VA		Attended VRS Board/Committee meetings.	-	\$75.04	\$75.04
Bishop, Patricia	02/25/2024	02/27/2024	Washington, DC		Attended the National Association of State Retirement Administrators winter meeting and the National Institute on Retirement Security (NIRS) Retirement Policy meeting on February 26, 2024.	-	\$1,594.13	\$1,594.13

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in Q3 2024

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Junkin, Andrew	02/06/2024	02/07/2024	Washington DC		Breakfast Meeting with Tom Barkin - Washington, DC	-	\$421.20	\$421.20
Junkin, Andrew	03/05/2024	03/06/2024	Washington, DC		Various Meetings - Washington, DC - March 5-6, 2024	-	\$473.89	\$473.89
Schreck, Jennifer	01/29/2024	01/29/2024	My home		VSCPA Sponsored Webinar Course: AI Ethics 2023: Balancing on the Tightrope	-	\$62.00	\$62.00
Adelaar, Stephen	01/23/2024	01/25/2024	New York		Due diligence meetings with existing managers - Nitorum, Select Equity, JP Morgan, Eminence, and Ariel. Prospective manager due diligence meeting with Tiger Pacific.	-	\$1,201.62	\$1,201.62
Alouf, John	02/06/2024	02/06/2024	New York, NY		Travel to NYC for due diligence meetings for Veritas IX.	-	\$1,019.53	\$1,019.53
Alouf, John	02/12/2024	02/12/2024	New York, NY		Travel to NYC for due diligence meetings with Sycamore.	-	\$851.58	\$851.58
Alouf, John	02/28/2024	02/28/2024	New York, NY		Monomoy Due Diligence meeting	-	\$564.80	\$564.80
Alouf, John	03/04/2024	03/07/2024	London, England	Apax	Travel to London to attend the Apax Annual Investor Meeting and LPAC. This is sponsored travel.	\$8,893.18	\$20.19	\$8,913.37
Alouf, John	03/20/2024	03/21/2024	Miami, FL		Travel to Miami, FL for due diligence meetings with Thoma Bravo.	-	\$1,333.61	\$1,333.61
Ball, Daniel	03/14/2024	03/14/2024	Atlanta, GA		Due Diligence meetings with Pretium - Progress Residential	-	\$797.53	\$797.53
Billingslea, Erica	11/15/2023	11/17/2023	Miami, FL	H.I.G. Whitehorse	Attended the H.I.G. Alternatives Summit and Advisory Board Dinner.	\$2,028.40	\$184.87	\$2,213.27

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in **Q3 2024**

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Bliss, Kevin	01/28/2024	01/31/2024	Miami, FL		Attended the AIMA Private Credit Forum and the iConnections Global Alts Forum. As part of the iConnections Forum, 30-minute meetings were made with Ares, Apollo, Whitehorse Liquidity Partners, Northleaf Capital, Drive Capital, and Credit Suisse.	-	\$1,860.49	\$1,860.49
Chang, Warren	10/12/2023	10/22/2023	Madrid, Spain	IFM	Advisory/Assoc Meeting;Site Visit	\$10,539.40	\$152.27	\$10,691.67
Chang, Warren	10/31/2023	11/02/2023	Dallas, TX	Digital Bridge	Travel to Dallas, TX to attend Digital Bridge Funds 2023 AGM, Asset Tour and IAC meeting. This is sponsored travel as VRS is an observer on the advisory board. Note that Warren stayed an additional night in Dallas so he could participate in the Stonepeak LPAC Calls on 11/2.	\$1,310.03	\$460.62	\$1,770.65
Chang, Warren	01/11/2024	01/11/2024	New York, NY		Due Diligence meetings for Stonepeak V.	-	\$1,087.10	\$1,087.10
Chang, Warren	03/13/2024	03/14/2024	New York, NY	Morgan Stanley	Travel to New York, NY to attend Morgan Stanley's Prime Property Advisory Board meeting. This is sponsored travel.	\$1,241.52	\$43.95	\$1,285.47
Coleman, Thomas	01/08/2024	01/09/2024	San Antonio, TX		Travel to San Antonio, TX for due diligence meetings with Affinius.	-	\$943.43	\$943.43
Coleman, Thomas	02/28/2024	02/29/2024	Phoenix, AZ	Taurus	Travel to Phoenix, AZ (Paradise Valley) to attend the 2024 Taurus Investors LP Meeting and LPAC. This is sponsored travel.	\$1,217.13	\$27.74	\$1,244.87
Copeland, Dennis	03/05/2024	03/07/2024	Wilmington, DE		BlackRock Meeting - Wilmington, Delaware - March 5-7, 2024	-	\$966.35	\$966.35
Corsello, Perry	02/25/2024	02/28/2024	Miami, Florida		Attended the JP Morgan Global High Yield & Leveraged Finance Conference.	-	\$1,974.83	\$1,974.83

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in Q3 2024

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Gentry III, William	02/06/2024	02/07/2024	Chicago, IL	GTCR	Travel to Chicago, IL to attend the GTCR Advisory Board meeting. This is sponsored travel.	\$877.10	\$27.70	\$904.80
Gentry III, William	02/12/2024	02/12/2024	New York, NY		Travel to New York, NY for due diligence meetings with Sycamore Partners regarding Fund IV.	-	\$693.26	\$693.26
Gentry III, William	03/04/2024	03/06/2024	San Francisco and Boston	TPG	Travel to San Francisco, CA to attend TPG's LPAC meeting (sponsored travel) 3/4 -3/5. Spent the evening of 3/5 in Chicago on route to Spectrum Equity's LPAC meeting.	\$2,363.44	\$408.74	\$2,772.18
Gentry III, William	03/18/2024	03/21/2024	Miami, FL		Travel to Miami, FL to attend Thoma Bravo Annual Manager meeting 3/18-3/19; met with TriVest (potential manager on 3/20; and due diligence meeting with Thoma Bravo regarding fund XVI on 3/21.	-	\$2,355.07	\$2,355.07
Grier, John	02/09/2024	02/16/2024	Denver, CO		CEM Benchmarking Stars and Stripes Investment Forum - Conference was 2/14 - 2/16 (additional days were personal time.)	-	\$1,323.61	\$1,323.61
Hines, Gregory	11/16/2023	11/16/2023	New York, NY		11th Annual MSQA Investment Forum, November 16, 2023 for Greg Hines.	-	\$786.76	\$786.76
Hines, Gregory	03/11/2024	03/14/2024	New York, NY		Bank of America Conference in New York, NY March 11th-14th, 2024 for Greg Hines.	-	\$1,670.56	\$1,670.56
Honrado, Cordell	02/06/2024	02/08/2024	Ft. Lauderdale Florida		FTF Winter Workshop Automating Alpha Conrad Fort Lauderdale Beach Feb 5, 2024 to Feb 8, 2024 Dane Honrado	-	\$1,700.48	\$1,700.48
Jones, De'Von	02/06/2024	02/06/2024	New York, NY		Travel to NYC for onsite due diligence meetings with Veritas IX.	-	\$675.71	\$675.71

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in **Q3 2024**

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Le, Vu	01/04/2024	01/07/2024	San Antonio, TX		ASSA Conference	-	\$2,491.69	\$2,491.69
Ma, Chung	01/04/2024	01/07/2024	San Antonio, TX.		ASSA Annual Meeting from January 4-7, 2024 in San Antonio, TX. for Chung Ma.	-	\$1,562.86	\$1,562.86
Ma, Chung	01/29/2024	01/31/2024	Nashville, TN.		29th Annual Beneficial Owners' International Securities Finance & Collateral Management Conference for Chung Ma. January 29-31, 2024, Nashville TN.	-	\$1,783.12	\$1,783.12
Matoua, Katherine	01/04/2024	01/07/2024	San Antonio, TX.		ASSA Annual Conference Meeting from January 4-7, 2024 in San Antonio, TX. for Katherine Matoua.	-	\$1,300.12	\$1,300.12
Matoua, Katherine	02/14/2024	02/16/2024	Washington, DC.		NABE Policy Conference at Capital Hilton February 14-16th, 2024 for Katherine Matoua. Washington, DC.	-	\$982.37	\$982.37
Mulvin, Thomas	03/12/2024	03/14/2024	Santa Ana and San Diego, CA	Penwood	Travel to attend Penwood's Annual LPAC Meeting - this is sponsored travel.	\$1,361.21	\$33.74	\$1,394.95
Mulvin, Thomas	03/25/2024	03/26/2024	Venice, FL		Travel to Venice, FL for property tours with PGIM (Senior Housing tours).	-	\$1,084.77	\$1,084.77
Muniz, Alex	01/04/2024	01/07/2024	San Antonio, TX		Travel to San Antonio, TX to attend the ASSA Conference (Allied Social Science Association).	-	\$1,844.89	\$1,844.89
Noland, Walker	02/21/2024	02/22/2024	New York, NY		Travel to NYC for due diligence meetings with Pretium.	-	\$957.74	\$957.74
Noland, Walker	03/14/2024	03/14/2024	Atlanta, GA		Due Diligence meeting with Pretium - Progress Residential	-	\$1,032.29	\$1,032.29
Noland, Walker	03/20/2024	03/22/2024	Nashville, TN		Travel to Nashville, TN to attend the PREA 2024 Spring Conference	-	\$1,533.61	\$1,533.61

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in Q3 2024

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Oliff Jr, Bryan	01/09/2024	01/11/2024	Los Angeles and Manhattan Beach, CA		Travel for Los Angeles for due diligence meetings with PIMCO; and to Manhattan Beach to attend Elkind Economics' Emerging Market Forum.	-	\$1,987.68	\$1,987.68
Pugliese, Laura	02/26/2024	03/01/2024	Newport Beach, CA		Attended the Defined Contribution Institutional Investment Association Conference (DCIIA), the Innovation Forum, and the RRC Summit.	-	\$3,777.66	\$3,777.66
Sarki-Hurd, Hajara	01/10/2024	01/10/2024	Chicago, IL		Travel to Chicago, IL for due diligence meetings with IPI.	-	\$734.96	\$734.96
Schlussler, Daniel	01/04/2024	01/06/2024	San Antonio, TX		Travel to San Antonio, TX to attend ASSA Annual Meeting	-	\$1,703.19	\$1,703.19
Tran, Viet	03/06/2024	03/06/2024	Boston, MA	Spectrum Energy; Spectrum Equity	Sponsored travel to Boston, MA to attend Spectrum Equity's LPAC meeting.	\$352.02	\$14.74	\$366.76
Turner, Korey	01/23/2024	01/25/2024	New York		Due diligence meetings with Nitorum, JP Morgan, Select Equity, Eminence and Ariel. Prospective manager due diligence meeting with Tiger Pacific.	-	\$1,263.30	\$1,263.30
Voeks III, Robert	02/28/2024	02/28/2024	New York, NY		Monomoy Due Diligence meeting.	-	\$599.87	\$599.87
Voeks III, Robert	03/20/2024	03/21/2024	Miami, FL		Travel to Miami, FL for due diligence meetings with Thoma Bravo.	-	\$1,523.84	\$1,523.84
Woodall, Steven	12/03/2023	12/08/2023	Staunton, VA		Attended the Commonwealth Management Institute (CMI) training.	-	\$2,766.76	\$2,766.76
Woodall, Steven	02/06/2024	02/07/2024	New York		Attended the Aksia Palooza Conference. Annual due diligence meeting with HPS regarding the co-investment fund.	-	\$846.14	\$846.14
Total						\$30,183.43	\$58,404.44	\$88,587.87

**VRS BOARD OF TRUSTEES AND COMMITTEES
RECORD OF ATTENDANCE & PER DIEMS
FOR 1Q2024**

Member	Area	Month Paid:							Total Days Attended	Per Diem Rate	Per Diem Payments			Total
		Jan-24	Feb-24			Mar-24					Jan	Feb	Mar	
		N/A	2/7/24	2/8/24	2/8/24	3/14/2024	3/19/2024	3/20/2024						
A. SCOTT ANDREWS, CHAIR	BOT	-	-	X	X	-	X	X	3	\$ 300.00	\$ -	\$ 300.00	\$ 600.00	\$ 900.00
J BRANDON BELL, II	BOT	-	-	-	X	X	X	X	4	300.00	-	300.00	900.00	1,200.00
JOHN M. BENNETT	BOT	-	X	X	X	-	X	X	4	300.00	-	600.00	600.00	1,200.00
LAWRENCE BERNERT	BOT	-	-	-	-	-	X	X	2	300.00	-	-	600.00	600.00
MICHAEL P. DISHAROON	BOT	-	-	-	-	-	X	X	2	300.00	-	-	600.00	600.00
SUSAN GOODEN	BOT	-	-	-	X	X	X	X	4	300.00	-	300.00	900.00	1,200.00
W. BRETT HAYES	BOT	-	-	-	-	-	-	-	-	300.00	-	-	-	-
JESSICA L. HOOD	BOT	-	X	X	X	-	X	-	3	300.00	-	600.00	300.00	900.00
MATTHEW JAMES	BOT	-	-	-	-	-	X	X	2	300.00	-	-	600.00	600.00
JOSEPH W. MONTGOMERY	BOT	-	-	X	X	-	-	-	1	300.00	-	300.00	-	300.00
LINDSEY PANTELE	BOT	-	X	-	X	-	-	-	2	300.00	-	600.00	-	600.00
RIVINDRA DEO	DCPAC	-	-	-	-	X	-	-	1	300.00	-	-	300.00	300.00
C. MATT HARRIS	DCPAC	-	-	-	-	X	X	-	2	300.00	-	-	600.00	600.00
SHANNON T. IRVIN	DCPAC	-	-	-	-	-	-	-	-	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
ARUN MURALIDHAR	DCPAC	-	-	-	-	X	X	X	3	300.00	-	-	900.00	900.00
DAVID A. WINTER	DCPAC	-	-	-	-	X	X	X	3	300.00	-	-	900.00	900.00
MICHAEL R. BEASLEY	IAC	-	-	-	-	-	-	-	-	300.00	-	-	-	-
THEODORE ECONOMOU	IAC	-	-	-	-	-	-	-	-	300.00	-	-	-	-
PALMER GARSON	IAC	-	-	-	-	-	X	X	-	-	-	-	-	-
THOMAS S.GAYNER	IAC	-	-	-	-	-	-	-	-	300.00	-	-	-	-
LAWRENCE E KOCHARD	IAC	-	-	-	-	-	X	X	2	300.00	-	-	600.00	600.00
NANCY G. LEAKE	IAC	-	-	-	-	-	X	X	2	300.00	-	-	600.00	600.00
WILBERT BRYAN LEWIS	IAC	-	-	-	-	-	X	X	2	300.00	-	-	600.00	600.00
ROD SMYTH	IAC	-	-	-	-	-	X	X	2	300.00	-	-	600.00	600.00
WILLIAM H. WEST	IAC	-	-	-	-	-	X	X	2	300.00	-	-	600.00	600.00
											\$ -	\$3,000.00	\$11,400.00	\$14,400.00

Number Attending	0	3	4	7	8	17	15	54	
Total Days per Diem Paid (Control Total)	0	3	4	3	8	16	14	48	x \$300 = 14,400.00

X = Present