

VIRGINIA ACTS OF ASSEMBLY -- 2011 SESSION

CHAPTER 26

An Act to amend and reenact §§ 23-38.79:1 and 23-38.84 of the Code of Virginia, relating to the Virginia College Savings Plan.

[H 1619]

Approved March 9, 2011

Be it enacted by the General Assembly of Virginia:

1. That §§ 23-38.79:1 and 23-38.84 of the Code of Virginia are amended and reenacted as follows:

§ 23-38.79:1. Advisory committees to the Board; membership; terms; qualifications; duties.

A. To further assist the Board in fulfilling its fiduciary duty as trustee of the funds of the Plan and to assist the chief executive officer in directing, managing, and administering the Plan's assets, the Board shall appoint an Investment Advisory Committee to provide sophisticated, objective, and prudent investment advice *and direction*.

1. Members of the Investment Advisory Committee shall demonstrate extensive experience in any one or more of the following areas: domestic or international equity or fixed-income securities, cash management, alternative investments, institutional real estate investments, or managed futures.

2. The Investment Advisory Committee shall (i) review, evaluate, and monitor investments and investment opportunities; (ii) make appropriate recommendations to the Board about such investments and investment opportunities; ~~and~~ (iii) make appropriate recommendations to the Board about overall asset allocation; *and (iv) perform such other duties as the Board may delegate to the Committee.*

B. To further assist the Board in fulfilling its responsibilities relating to the integrity of the Plan's financial statements, financial reporting process, and systems of internal accounting and financial controls, the Board shall appoint an Audit and Actuarial Committee.

1. Members of the Audit and Actuarial Committee shall demonstrate an understanding of generally accepted accounting principles, generally accepted auditing standards, enterprise risk management principles, and financial statements, and evidence an ability to assess the general application of such principles to the Plan's activities. The members should have experience in preparing, auditing, analyzing, or evaluating financial statements of the same complexity as those of the Plan, and an understanding of internal controls and procedures for financial reporting.

2. In order to establish and maintain its effectiveness and independence, the following persons shall not be members of the Audit and Actuarial Committee: (i) current Plan employees; (ii) individuals who have been employees of the Plan in any of the prior three fiscal years; and (iii) immediate family members of an individual currently employed as an officer of the Plan or who has been employed in such a capacity within the past three fiscal years.

3. The Audit and Actuarial Committee shall (i) review, examine, and monitor the Plan's accounting and financial reporting processes and systems of internal controls; (ii) review and examine financial statements and financial disclosures and discuss any findings with the Plan's senior management; ~~and~~ (iii) make appropriate recommendations and reports to the Board; *and (iv) perform such other duties as the Board may delegate to the Committee.*

4. The Audit and Actuarial Committee shall also monitor the Plan's external audit function by (i) participating in the retention, review, and discharge of independent auditors; (ii) discussing the Plan's financial statements and accounting policies with independent auditors; and (iii) reviewing the independence of independent auditors.

C. In addition, the Board may appoint such other advisory committees as it deems necessary and the qualifications for members of any other advisory committee shall be set by the Board by resolution.

D. Advisory committee members shall serve at the pleasure of the Board and may be removed by a majority vote of the Board.

E. Members of advisory committees shall receive no compensation but shall be reimbursed for actual expenses incurred in the performance of their duties.

F. The disclosure requirements of subsection B of § 2.2-3114 of the State and Local Government Conflict of Interests Act shall apply to any member of any advisory committee who is not also a Board member.

G. The recommendations of an advisory committee are not binding upon the Board or the designee appointed by the Board to make investment decisions pursuant to subsections A and B of § 23-38.80.

§ 23-38.84. Annual report.

The Board shall *post on its website and submit to the Governor, the Senate Committee on Finance, and the House Committees on Appropriations and Finance*, an annual statement on or before December 15 of the receipts, disbursements, and current investments of the Plan for the preceding year ~~to the Governor, the Senate Committee on Finance, and the House Committees on Appropriations and Finance.~~

The report shall set forth a complete operating and financial statement covering the operation of the Plan during the year and shall include a statement of projected receipts, disbursements, investments, and costs for the further operation of the Plan.