

Minutes
Finance and Audit Committee Meeting
Board of Directors of the Virginia Economic Development Partnership
December 11, 2024
2:30 p.m. – 3:30 p.m.

901 East Cary Street
James Center One, Board Room – 9th Floor
Richmond, VA 23219

Welcome and Call to Order

The meeting was called to order at 2:30 p.m. by Chair Rick Harrell, who noted that a quorum was present.

In-Person Committee Members: Chair Rick Harrell, Secretary Stephen Cummings, Pace Lochte, Secretary Caren Merrick, Will Sessoms, and Steven Stone

Committee Members Absent: April Kees

In-Person Other Board Members: Mimi Coles, Stephen Edwards, John Hewa, Connie Loughhead, Sonya Montgomery, and Nick Rush

Public Comment Period

Chair Harrell solicited public comments. There were none.

Approval of Minutes for September 18, 2024 Meeting

Chair Harrell asked for approval of the minutes from the September 18, 2024, Committee meeting. A motion was made by Mr. Sessoms and seconded by Ms. Lochte and the minutes were unanimously approved as presented.

VEDP FY24 Financial Results (thru 09.30.2024)

Bob Grenell, VEDP Controller, presented the financial results for the three-month period ending September 30, 2024. He shared that all VEDP divisions are close to or below budget, and spending is expected to increase in the remaining quarters of FY25 consistent with prior years

Chair Harrell asked for acceptance of the VEDP FY24 Financial Results through September 30, 2024. A motion was made by Mr. Sessoms and seconded by Ms. Lochte and the financial results were unanimously accepted.

Procurement Protocols Update

Bob Grenell provided an overview of VEDP's procurement policies that were updated in response to legislation passed by the General Assembly in 2023. This legislation requires that

VEDP, along with other state authorities, amend their procurement policies to align with the Virginia Public Procurement Act. The only change required to VEDP's procurement policies was the posting of large procurements, as well as sole source and emergency purchases, on the Department of General Services procurement website and VEDP's website.

Chair Harrell asked for approval of the Procurement Protocols update. A motion was made by Mr. Sessoms and seconded by Mr. Rush and the Procurement Protocols update was unanimously accepted.

Audit Update

Chair Harrell introduced Diana Munoz-Scaggs with FORVIS Mazars, VEDP's audit firm, to provide an update on the status of open audit issues since the September FAC meeting. One remaining audit finding for Human Resources has been validated by FORVIS Mazars and closed. Diana also provided an update on the two audits currently in process for the Business Investment and Incentives divisions. Both audits are expected to be completed in time to report the results at the March FAC meeting.

Mr. Harrell thanked Ms. Munoz-Scaggs for her report.

IT Security Update

Chris Hughes, VP of Information Technology, provided a security update that included the following items:

- Review of the five-year IT audit plan
- Audit findings status

Mr. Harrell thanked Mr. Hughes for his report.

Extension Requests

Ms. Goodwin, Senior VP of Business Investment and Incentives, presented an update on incentive-related extension requests, which is summarized below:

- PPD – Henrico County – Bioanalytics research and development laboratory – 1st extension for \$2,000,000 COF grant

Chair Harrell asked for a motion to recommend the extension request. A motion was made by Mr. Sessoms and seconded by Ms. Lochte, and the extension request was unanimously accepted.

Clawback Updates

Ms. Goodwin, Senior VP of Business Investment and Incentives, presented an update on clawback activity, which is summarized below:

- Two COF clawbacks requested but not past due yet

- Four COF clawbacks closed out since the September Board meeting
- Two COF closeouts in process
- One past due clawback (Polycap) referred to the Office of the Attorney General for collection
- One past due VJIP clawback (Ison Furniture). Company received a portion of the grant and is now closed. Recommend project be referred to the Office of the Attorney General for collection
- One data center clawback closeout in process

Chair Harrell asked for a motion to accept the clawback report. Ms. Lochte made a motion to accept the clawback report. Mr. Sessoms seconded the motion, and the motion passed unanimously.

Other Topics, Next Meeting, and Adjournment

The next meeting of the Finance and Audit Committee will be held on March 5, 2025. The meeting was adjourned at 3:15 p.m.