

**MINUTES OF MEETING
KENTUCKY RETIREMENT SYSTEMS
BOARD OF TRUSTEES QUARTERLY AUDIT COMMITTEE
FEBRUARY 7, 2019, 10:00 A.M., E.T.
1270 LOUISVILLE ROAD, FRANKFORT, KENTUCKY 40601**

At the February 7, 2019 quarterly meeting of the Audit Committee of the Board of Trustees, the following Committee members were present: John Chilton, Chair; Joe Brothers, Campbell Connell, JT Fulkerson, David Gallagher, Betty Pendergrass, and David Rich. Staff members present were David Eager, Rebecca Adkins, Joseph Bowman, Joe C. Gilbert, Erin Surratt, Jared Crawford, Mark Blackwell, Kristen Coffey, D’Juan Surratt, Connie Davis, Jerry Yang, Elizabeth Smith, Ann Case, Shaun Case, Alane Foley, Shawn Sparks and Rich Robben.

Mr. Chilton called the meeting to order and Ms. Alane Foley called roll.

Mr. Chilton introduced the agenda item *Approval of Committee Minutes – November 29, 2018*. Mr. Brothers moved and was seconded by Mr. Rich to approve the minutes of the November 29, 2018 meeting. The motion passed unanimously.

Mr. Chilton introduced the agenda item *Committee Reports*.

Ms. Connie Davis provided an overview of the following reports: *Quarterly Financial Statements as of 12/31/2018, Administrative Expenses and Management Response to GFOA CAFR Letter for June 30, 2017*. Ms. Ann Case provided an overview of *Cash Flows by Plan*. Ms. Elizabeth Smith provided an overview of *Outstanding Invoices*. Mr. Shawn Sparks provided an overview of *Disclosure Incidents, 4th Quarter Calendar Year 2018*. Ms. Kristen Coffey provided an overview of the following reports: *Update on APA Special Audit, Review of Internal Audit Budget (2nd Quarter Fiscal Year 2019), and Review of Anonymous Reporting Spreadsheet*. Mr. Jared Crawford provided a review of the *Investment Compliance Report*. All reports were provided for informational purposes only.

Mr. Chilton introduced agenda item *Hazardous Duty Plans, Position Requests*. Mr. D’Juan Surratt provided details to the committee regarding agencies requesting hazardous duty coverage. Mr. Fulkerson moved and was seconded by Mr. Connell to approve the hazardous duty coverage

requests as presented for Eastern Kentucky University, Allen County Fiscal Court and Louisville Metro. The motion passed unanimously. Mr. Rich moved and was seconded by Mr. Fulkerson to approve the hazardous duty coverage request for Nelson County Board of Education. The motion passed unanimously with Ms. Pendergrass abstaining from the vote.

Mr. Chilton introduced agenda item *New Business*. Ms. Kristen Coffey updated the committee on the following items: *Discussion of Updates to Board of Trustees Election Policy and Procedures, Update on State Police Retirement System Board Election 2019, Status of Current Internal Audit, Review of Issued Internal Audits, and Building Security Audit*. All updates were provided for informational purposes only.

Ms. Kristen Coffey reviewed the *Articles of Interest* with the Committee.

There being no further business a motion was made by Ms. Pendergrass and seconded by Mr. Brothers to adjourn the meeting at 11:40 a.m. The next meeting of the Audit Committee is scheduled for 10:00 a.m. on May 2, 2019. Copies of all documents presented are incorporated as part of the minutes of the Audit Committee meeting as of February 7, 2019.

CERTIFICATION

I do certify that I was present at this meeting and I have recorded above the action of the Committee on the various items considered by it at this meeting. Further, I certify that all requirements of KRS 61.805-61.850 were met in connection with this meeting.

Recording Secretary

I, as Chair of the Audit Committee of the Board of Trustees of the Kentucky Retirement Systems, do certify that the Minutes of the meeting held on February 7, 2019 were approved by the Audit Committee on May 2, 2019.



Committee Chair

I have reviewed the Minutes of the Audit Committee Meeting on February 7, 2019, for form, content, and legality.



Executive Director
Office of Legal Services