

**MINUTES OF MEETING
KENTUCKY RETIREMENT SYSTEMS
BOARD OF TRUSTEES QUARTERLY AUDIT COMMITTEE
MAY 2, 2019, 10:00 A.M., E.T.
1270 LOUISVILLE ROAD, FRANKFORT, KENTUCKY 40601**

At the May 2, 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 (arrived at 10:10 a.m.), David Gallagher, Betty Pendergrass, and David Rich. Trustees present; Jerry Powell and LaDonna Koebel for Secretary Stephens. Staff members present were David Eager, Rebecca Adkins, Joseph Bowman, Erin Surratt, Mark Blackwell, Kristen Coffey, D’Juan Surratt, Connie Davis, Ann Case, Shaun Case, Alane Foley, Shawn Sparks Chris Johnson, Alan Hurst, Vicki Hale, and Rich Robben. Also present were Larry Totten, Michele Hill, Autumn Drane, Linda Hinton, Ray DeBolt, Kris Mann, William Codell, Stacy Woodrum, Hillary Truesdell and Scott Whitton.

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

Mr. Chilton introduced the agenda item *Approval of Committee Minutes – February 7, 2019*. Mr. Brothers moved and was seconded by Ms. Pendergrass to approve the minutes of the February 7, 2019 meeting. The motion passed unanimously.

Mr. Chilton introduced agenda item *Hazardous Duty Plans, Position Requests*. Mr. D’Juan Surratt introduced Ray DeBolt, Kris Mann and William Coddell from the Department of Juvenile Justice. They provided details of Youth Worker I, II, III, and Youth Worker Supervisor positions and outlined training involved with these positions. There was extensive discussion between the committee members regarding the Youth Worker positions. Ms. Pendergrass moved and was seconded by Mr. Brothers to approve hazardous duty coverage for these positions contingent upon the Department of Juvenile Justice amending their Position Questionnaires and Position Descriptions to further outline the high degree of danger workers face; the physical conditioning the employees must have; and the Aikido training the employees must be recertified in each year. The motion passed unanimously.

Mr. D’Juan Surratt provided details to the committee regarding several other agencies requesting hazardous duty coverage. Mr. Brothers moved and was seconded by Mr. Rich to approve the hazardous duty coverage requests as presented. The motion passed unanimously. Ms. Pendergrass abstained.

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

Ms. Connie Davis introduced Linda Hinton and Autumn Drane from APA. They discussed *GASB 68 and GASB 75 Proportionate Share Audits* with the Committee. Ms. Pendergrass moved and was seconded by Mr. Brothers to approve the audit as presented. The motion passed unanimously.

Ms. Connie Davis provided an overview of the following reports: *Quarterly Financial Statements as of 03/31/2019, Administrative Expenses and Review of Outstanding Invoices*. Ms. Ann Case provided an overview of *Cash Flows by Plan*. Mr. Shawn Sparks provided an overview of *Disclosure Incidents, 1st Quarter Calendar Year 2019*. Ms. Kristen Coffey provided an overview of the following reports: *Update on APA Special Audit and Fiscal Year 2019 Audit, Review of Statewide Single Audit of the Commonwealth of Kentucky for Fiscal Year Ended June 30, 2018, Review of Internal Audit Budget (3rd Quarter Fiscal Year 2019), and Review of Anonymous Reporting Spreadsheet and Investment Compliance Report*. All reports were provided for informational purposes only.

Mr. Chilton introduced agenda item *New Business*. Ms. Kristen Coffey updated the committee on the following items: *Annual Auditor Independence Statements and Update on Status of Current Internal Audits*. All updates were provided for informational purposes only.

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

Mr. Chilton introduced agenda item *Closed Session*. A motion was made by Mr. Brothers and seconded by Mr. Connell to go in to closed session. The motion passed unanimously.

Mr. Chilton read the following statement and the meeting moved into closed session: A motion having been made in open session to move into closed session for a specific purpose, and such motion having carried by majority vote in open, public session, the Board shall now enter closed

session for discussion of public records exempted from disclosure under KRS 61.878(1)(m) and from open meetings under KRS 61.810(1)(m). All public attendees exited the meeting.

The meeting was called back into open session. Public attendees reentered the meeting.

There being no further business a motion was made by Mr. Rich and seconded by Mr. Connell to adjourn the meeting at 11:30 a.m. The next meeting of the Audit Committee is scheduled for 10:00 a.m. on August 22, 2019. Copies of all documents presented are incorporated as part of the minutes of the Audit Committee meeting as of May 2, 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 May 2, 2019 were approved by the Audit Committee on August 22, 2019.


Committee Chair

I have reviewed the Minutes of the Audit Committee Meeting on May 2, 2019, for form, content, and legality.


Executive Director
Office of Legal Services