

**MINUTES OF MEETING
KENTUCKY RETIREMENT SYSTEMS
BOARD OF TRUSTEES QUARTERLY AUDIT COMMITTEE
MAY 3, 2018, 10:00 A.M., E.T.
1270 LOUISVILLE ROAD, FRANKFORT, KENTUCKY 40601**

At the May 3, 2018 quarterly meeting of the Audit Committee of the Board of Trustees, the following Committee members were present: John Chilton, Chair; Joe Brothers, David Gallagher, Betty Pendergrass, and David Rich. Staff members present were David Eager, Karen Roggenkamp, Erin Surratt, Jared Crawford, Kimberly Smith, Mark Blackwell, Kristen Coffey, D’Juan Surratt, Connie Davis, Elizabeth Smith, Ann Case, Shaun Case, Natalie Young 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 – February 1, 2018*. Ms. Pendergrass moved and was seconded by Mr. Rich to approve the minutes of the February 1, 2018 meeting. The motion passed unanimously.

Mr. Chilton introduced the agenda item *Committee Reports*. Ms. Kristen Coffey introduced the new Assistant Director of Internal Audit, Mr. Jared Crawford, and the new Internal Auditor, Kimberly Smith.

GASB 68 and GASB 75 Audits were presented to the Committee by Mr. Simon Keemer and Mr. Joseph Overhults from Dean Dorton Allen Ford, PLLC. Ms. Pendergrass moved and was seconded by Mr. Brothers to approve the GASB 68 and GASB 75 audits. The motion passed unanimously. Ms. Erin Surratt reviewed *Factors for Optional Forms of Payment and Service Purchases*. It was decided that this would be moved to the Actuarial Subcommittee. The date of that meeting is yet to be determined at this time. This was presented for informational purposes only.

Ms. Karen Roggenkamp provided an overview of the following reports; *Quarterly Financial Statements, Administrative Expenses and Review of Information Disclosure Incidents*. Ms. Ann Case provided an overview of *Cash Flows by Plan*. Ms. Elizabeth Smith provided an overview of *Outstanding Invoices*. Ms. Kristen Coffey provided an overview of the following reports; *Review*

of Statewide Single Audit of the Commonwealth of Kentucky for Fiscal Year Ended 06/30/2017, Review of Internal Audit Budget (1st Quarter Fiscal Year 2018) 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*. Ms. Roggenkamp and Mr. D'Juan Surratt provided details to the committee regarding agencies requesting hazardous duty coverage. Ms. Pendergrass moved and was seconded by Mr. Gallagher to approve the hazardous duty coverage requests as presented. The motion passed unanimously.

Mr. Chilton introduced agenda item *New Business*. Ms. Kristen Coffey provided an update to the committee regarding the following: *Annual Auditor Independence Statements; Annual Review of the Charters of the Audit Committee, the Division of Internal Audit, and the Internal Audit Procedures Manual; Update on the Current Audit Status; Update on APA Audit; KERS Board Election 2018 and SPRS Board Election 2019*. These were presented for informational purposes only.

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

There being no further business, the meeting adjourned at 11:55 a.m. The next meeting of the Audit Committee is scheduled for 10:00 a.m. on August 23, 2018. Copies of all documents presented are incorporated as part of the minutes of the Audit Committee meeting as of May 3, 2018.

CERTIFICATION

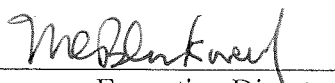
I do certify that I was present at this meeting and I have recorded above the action of the Committee on the various items considered by it at this meeting. Further, I certify that all requirements of KRS 61.805-61.850 were met in connection with this meeting.


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 3, 2018 were approved by the Audit Committee on August 23, 2018.


Committee Chair

I have reviewed the Minutes of the Audit Committee Meeting on May 3, 2018, for form, content, and legality.


Executive Director
Office of Legal Services