

**MINUTES OF MEETING
KENTUCKY RETIREMENT SYSTEMS
BOARD OF TRUSTEES QUARTERLY AUDIT COMMITTEE
AUGUST 23, 2018, 10:00 A.M., E.T.
1270 LOUISVILLE ROAD, FRANKFORT, KENTUCKY 40601**

At the August 23, 2018 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, 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, Alane Foley 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 – May 3, 2018*. Ms. Pendergrass moved and was seconded by Mr. Brothers to approve the minutes of the May 3, 2018 meeting. The motion passed unanimously.

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

Ms. Karen Roggenkamp provided an overview of the following reports: *Fiscal Year Ended June 30, 2018 Financial Statements (Unaudited), 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*. Mr. D’Juan Surrat provided an *Update on Employer Reporting Invoices*. Ms. Connie Davis provided the *CAFR Timeline and A-133 Disclosure Letter*. Ms. Kristen Coffey provided an overview of the following reports: *Title VI Reporting, Update on APA Audit Process, Review of Internal Audit Budget (4th Quarter Fiscal Year 2018), Update on Status of Current Internal Audits, 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. Fulkerson to approve the hazardous duty coverage requests as presented. The motion passed unanimously.

Ms. Pendergrass moved and was seconded by Mr. Brothers to approve the participation of the Oak Grove Tourist Commission with the CERS non-hazardous plan. The motion passed unanimously.

Mr. Chilton introduced agenda item *External Infrastructure Security Assessment*. Ms. Karen Roggenkamp advised that the KRS Security Team is requesting approval to contract with the Commonwealth of Technology approved vendor, Crowe Horwath, to perform the FY 2019 infrastructure assessment. A motion to approve this request was made by Mr. Rich and seconded by Mr. Brothers. The motion passed unanimously.

Mr. Chilton introduced agenda item *New Business- Annual Review of Charters and Policy Manuals*. Ms. Kristen Coffey discussed all changes with the Committee. Mr. Brothers made a motion and was seconded by Ms. Pendergrass to approve the updates to the *Audit Committee Charter*. Ms. Pendergrass made a motion and was seconded by Mr. Brothers to approve the updates to the *Division of Internal Audit Charter*. Mr. Brothers made a motion and was seconded by Ms. Pendergrass to approve the updates to the *Internal Audit Procedures Manual*. All motions passed unanimously.

Ms. Kristen Coffey provided an *Annual Audit Plan* to the Committee. Ms. Pendergrass made a motion and was seconded by Mr. Brothers to accept the Annual Audit Plan. The motion passed unanimously.

Ms. Kristen Coffey provided an *Update on State Police Retirement Systems Board Election 2019*. This was for informational purposes only.

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

There being no further business, the meeting adjourned at 12:10 p.m. The next meeting of the Audit Committee is scheduled for 10:00 a.m. on November 1, 2018. Copies of all documents presented are incorporated as part of the minutes of the Audit Committee meeting as of August 23, 2018

CERTIFICATION

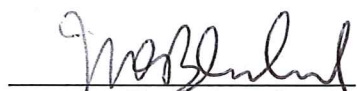
I do certify that I was present at this meeting and I have recorded above the action of the Committee on the various items considered by it at this meeting. Further, I certify that all requirements of KRS 61.805-61.850 were met in connection with this meeting.


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 August 23, 2018 were approved by the Audit Committee on November 1, 2018.


Committee Chair

I have reviewed the Minutes of the Audit Committee Meeting on August 23, 2018, for form, content, and legality.


Executive Director
Office of Legal Services