

**MINUTES OF MEETING
KENTUCKY RETIREMENT SYSTEMS
BOARD OF TRUSTEES AUDIT COMMITTEE
AUGUST 24, 2017, 10:00 A.M., E.T.
1270 LOUISVILLE ROAD, FRANKFORT, KENTUCKY 40601**

At the August 24, 2017 meeting of the Audit Committee of the Board of Trustees, the following Committee members were present: John Chilton, Chair; Mary Helen Peter, David Rich, and Joe Brothers; Trustee Jerry Powell was also present. Staff members present were David Eager, Karen Roggenkamp, Erin Surratt, Connie Davis, Ann Case, Elizabeth Smith, Rebecca Stephens, Mark Blackwell and Alane Foley. Larry Totten and Rebecca Heckler were also present.

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

Mr. Chilton introduced the agenda item *Approval of Committee Minutes*. Ms. Peter moved and was seconded by Mr. Rich to approve the minutes of the May 4, 2017 meeting. The motion passed unanimously.

Mr. Chilton introduced the agenda item *Committee Reports*. Ms. Roggenkamp reviewed the financial statements, cash flows and KRS administrative expenses. Ms. Elizabeth Smith reviewed outstanding invoice status. Ms. Connie Davis reviewed the A-133 Disclosure Letter and Ms. Roggenkamp reviewed disclosure incidents, 2nd quarter FY2017. Mr. Brian Huffman reviewed the internal audit budget, anonymous reporting spreadsheet and investment compliance report. This was all for informational purposes only.

Mr. Chilton introduced the agenda item *New Business*. Mr. Brian Huffman reviewed the CERS election memo, the KERS election memo, status of the current audit memo, annual auditor independence statement and KERS hazardous duty position audit memo. This was for informational purposes only.

Mr. Eager provided an update to the Committee regarding the Internal Audit Deputy Director Search.

Mr. Chilton introduced agenda item *Professional Articles*. These articles were provided for informational purposes only.

Mr. Rich moved and was seconded by Ms. Peter to enter in to closed session. The motion passed unanimously. Mr. Chilton read the following statement: 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 to discuss litigation, pursuant to KRS 61.810(1)(c), because of the necessity of protecting the confidentiality of the Systems' litigation strategy and preserving any available attorney-client privilege. The meeting moved into closed session.

All public attendees exited the meeting.

Mr. Rich moved and was seconded by Ms. Peter to come out of Closed Session.

Mr. Rich moved and was seconded by Ms. Peter to approve the IT security assessments presented in closed session. The motion passed unanimously.

There being no further business, the meeting adjourned at 11:21 a.m. The next meeting of the Audit Committee is scheduled for 10:00 a.m. on November 2, 2017. Copies of all documents presented are incorporated as part of the minutes of the Audit Committee meeting as of August 24, 2017.

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 24, 2017 were approved by the Audit Committee on December 4, 2017.


Committee Chair

I have reviewed the Minutes of the Audit Committee Meeting on August 24, 2017, for form, content, and legality.


Executive Director
Office of Legal Services