

**MINUTES OF MEETING  
KENTUCKY RETIREMENT SYSTEMS  
BOARD OF TRUSTEES SPECIAL CALLED AUDIT COMMITTEE  
DECEMBER 4, 2017, 10:00 A.M., E.T.  
1270 LOUISVILLE ROAD, FRANKFORT, KENTUCKY 40601**

At the December 4, 2017 special called meeting of the Audit Committee of the Board of Trustees, the following Committee members were present: John Chilton, Chair; Betty Pendergrass, Mary Helen Peter and David Rich. Trustee Jerry Powell was also present. Staff members present were David Eager, Karen Roggenkamp, Erin Surratt, Connie Davis, Ann Case, Elizabeth Smith, Brian Huffman, Shaun Case, Joe Bowman and Alane Foley.

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

Mr. Chilton introduced the agenda item *Approval of Committee Minutes – August 24, 2017*. Ms. Peter moved and was seconded by Mr. Rich to approve the minutes of the August 24, 2017 meeting, with the amendment of the last motion to state “IT security assessments” in lieu of “securities assessments”. The motion passed unanimously.

Mr. Chilton introduced the agenda item *External Audit Report*. Mr. Chilton introduced Simon Keemer and Joseph Overhults from Dean Dorton Allen Ford PLLC. They provided an overview of the audit report and answered questions from the committee members. Ms. Pendergrass moved and was seconded by Mr. Rich to accept the audit report. Ms. Mary Helen Peter recused herself from the vote. The motion carried.

Mr. Chilton introduced the agenda item *DRAFT- Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2017*. Ms. Roggenkamp provided an update to the committee and requested that they recommend to the Board that we proceed with completion and release prior to December 31, 2017. Ms. Pendergrass suggested that amendments be made to the Letter of Transmittal, these amendments will be sent to Ms. Roggenkamp in writing for review. Mr. Rich made a motion and was seconded by Ms. Pendergrass to approve the CAFR to date, recommended release date of December 31, 2017, consideration will be made to recommended changes at today’s

meeting and any subsequent recommended changes. Ms. Mary Helen Peter recused herself from the vote. The motion carried.

Ms. Roggenkamp provided an overview of deficiencies that were outlined by the audit. This was for informational purposes only.

Ms. Connie Davis provided an overview the first quarter financial statements. Ms. Ann Case reviewed cash flows by plan. Ms. Roggenkamp provided an overview of administrative expenses. Mr. Brian Huffman provided details on disclosure of assets and the Investment Compliance Report. These reports were for informational purposes only.

Mr. Chilton introduced agenda item *Hazardous Duty Plans, Position Requests and Compliance Review Status*. Ms. Roggenkamp provided details to the committee regarding agencies requesting hazardous duty coverage. Ms. Pendergrass moved and was seconded by Ms. Peter to approve hazardous duty coverage requests presented. The motion passed unanimously.

Ms. Roggenkamp updated the committee on the hazardous duty compliance review. The agencies are to submit back to KRS in writing to confirm their status. This was for informational purposes only.

Mr. Chilton introduced agenda item *New Business*. Mr. Brian Huffman advised that the CERS retirees elected Mr. David W. Rich to serve a four year term, commencing on November 1, 2017. The Committee was updated on the KERS Winter/Spring Election 2018, the ballots will be prepared December 31, 2017 and mailed to KERS Membership on January 20, 2018.

The Audit Committee Meeting calendar dates were provided to the Committee. Meeting times will stay at 10:00 a.m. This was for informational purposes only.

Mr. Eager updated the Committee regarding the Assistant Director of Audit search. Also, notified the Committee that Mr. Brian Huffman has submitted his resignation. This was for informational purposes only.

Mr. Chilton introduced agenda item *Annual Review of the Charters of the Audit Committee, Division of Internal Audit; and the Audit Procedures Manual*. Ms. Roggenkamp will send all documents to the Audit Committee for review.

Mr. Huffman reviewed the Articles of Interest with the Committee.

There being no further business, the meeting adjourned at 11:38 a.m. The next meeting of the Audit Committee is scheduled for 10:00 a.m. on February 1, 2018. Copies of all documents presented are incorporated as part of the minutes of the Audit Committee meeting as of December 4, 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 December 4, 2017 were approved by the Audit Committee on February 1, 2018.

  
Committee Chair

I have reviewed the Minutes of the Audit Committee Meeting on December 4, 2017, for form, content, and legality.

  
Executive Director  
Office of Legal Services