

**MINUTES OF MEETING
KENTUCKY RETIREMENT SYSTEMS
BOARD OF TRUSTEES SPECIAL CALLED QUARTERLY AUDIT
COMMITTEE
AUGUST 27, 2020, 10:00 A.M., E.T.
VIA LIVE VIDEO TELECONFERENCE DUE TO SB 150,
SIGNED INTO LAW BY THE GOVERNOR ON MARCH 30, 2020,
AND EXECUTIVE ORDER 2020-215 DECLARING A STATE OF
EMERGENCY EFFECTIVE MARCH 6, 2020 DUE TO COVID-19**

At the August 27, 2020 quarterly meeting of the Audit Committee of the Board of Trustees, the following Committee members were present: Joe Brothers, Campbell Connell, JT Fulkerson, Betty Pendergrass, and David Rich. Trustees Jerry Powell and John Cheshire were also present. Staff members present were Erin Surratt, Jared Crawford, Kristen Coffey, D’Juan Surratt, Ann Case, Connie Davis, Elizabeth Smith, Alane Foley, Shawn Sparks, Carrie Bass, Rebecca Adkins, David Eager, Kathy Rupinen, and Dominique McKinley.

Ms. Pendergrass chaired the meeting in Mr. Chilton’s absence.

Ms. Pendergrass called the meeting to order.

Ms. Alane Foley called roll.

Being no Public Comment, Ms. Pendergrass introduced the agenda item *Approval of Committee Minutes – May 7, 2020*. Mr. Fulkerson made a motion and was seconded by Mr. Brothers to approve the minutes of the May 7, 2020 meeting. The motion passed unanimously.

Ms. Pendergrass introduced agenda item *Approval of Board Election Policy* with the Committee. After a lengthy discussion regarding the Board Election Policy. Mr. Fulkerson made a motion and was seconded by Mr. Connell to approve the policy as presented. The motion passed unanimously, confirmed via roll call vote.

Mr. Brothers made a motion and was seconded by Mr. Fulkerson to designate that the #3 in the vote tally receive the shorter term. Mr. Brothers then amended the motion and was seconded by

Mr. Fulkerson to include an exception if the current office holder is 1st or 2nd in the vote tally, that individual will take the November term and 1st and 3rd will take the April term. The motion passed unanimously, and was confirmed via roll call vote.

Ms. Pendergrass introduced agenda item *Audit Committee Approval Requests*. Mr. D’Juan Surratt provided details to the Committee regarding agencies requesting hazardous duty coverage. Mr. Brothers made a motion and was seconded by Mr. Fulkerson to approve the hazardous duty coverage requests as presented for Bourbon County Fiscal Court and Burlington Fire Protection District. The motion passed unanimously, confirmed via roll call vote.

Ms. Pendergrass introduced the agenda item *KRS Division Reports*.

Mr. Shawn Sparks provided an overview of *Disclosure Incidents, 2nd Quarter Calendar Year 2020*. Ms. Rebecca Adkins provided an overview of the following reports: *Quarterly Financial Statements as of June 30, 2020, Cash Flows, Outstanding Invoices, Employer Penalty Waivers and KRS Administrative Expenses*. Ms. Connie Davis provide an update on *Fiscal Year 2020 External Audit*. These reports were provided for informational purposes.

Ms. Pendergrass introduced agenda item *Internal Audit Division Reports*. Mr. Jared Crawford reviewed the *Investment Compliance Report*. Ms. Kristen Coffey provided details on the following reports: *Internal Audit Budget, Anonymous Reports, Update on CERS Board Elections, Title VI and A-133 Letters, Audits Issued Since Last Committee Meeting and Update on Status of Current Internal Audits*. These reports were presented for informational purposes only.

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

A motion was made by Mr. Fulkerson and seconded by Mr. Connell to go in to closed session. The motion passed unanimously.

Ms. Pendergrass 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 Committee shall now enter closed session to consider public records or information pursuant to KRS 61.878(1)(m).

Closed session is necessary because of public records, the disclosure of which would have a reasonable likelihood of threatening the public safety by exposing a vulnerability in preventing, protecting against, mitigating, or responding to a terrorist act. Public broadcast of the meeting was stopped at this time.

The meeting was called back into open session and public broadcast of the meeting was resumed.

There being no further business a motion was made by Mr. Fulkerson and seconded by Mr. Brothers to adjourn the meeting at 1:56 p.m. The next meeting of the Audit Committee is scheduled for 10:00 a.m. on November 5, 2020. Copies of all documents presented are incorporated as part of the minutes of the Audit Committee meeting as of August 27, 2020.

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 27, 2020 were approved by the Audit Committee on November 5, 2020


Committee Chair

I have reviewed the Minutes of the Audit Committee Meeting on August 27, 2020 for form, content, and legality.


Executive Director
Office of Legal Services