

**MINUTES OF MEETING  
BOARD OF TRUSTEES AUDIT COMMITTEE  
KENTUCKY RETIREMENT SYSTEMS  
FEBRUARY 6, 2014, 9:00 A.M., E.T.  
1270 LOUISVILLE ROAD, FRANKFORT, KENTUCKY 40601**

At the February 6, 2014 meeting of the Audit Committee of the Board of Trustees, the following Committee members were present: Bobby Henson, Chair; Daniel Bauer, Mike Cherry, JT Fulkerson, and Scott McKenzie as proxy for Tim Longmeyer. Staff members present were: William Thielen, Karen Roggenkamp, Brian Thomas, Todd Coleman, Connie Davis, Ann Case, Erica Bradley, Samantha Payne, and Leigh Taylor. Larry Totten was also present.

Mr. Henson introduced the agenda item *Approval of Committee Minutes*. Mr. Cherry moved and was seconded by Dr. Bauer to approve the minutes of the November 21, 2013 Audit Committee meeting. The motion passed unanimously.

Mr. Henson introduced the agenda item *Review of Quarterly Financial Statements as of December 31, 2013*. Ms. Case and Mr. Coleman reviewed the data for the Committee. This report was presented for informational purposes only.

Mr. Henson introduced the agenda item *Review of Management Comments to the Auditor of Public Accounts Audit dated June 30, 2013*. Ms. Roggenkamp briefly summarized the number of findings and recommendations from the December Auditor of Public Accounts (APA) report and outlined a proposed quarterly dashboard report to the Audit Committee that will track recommendation implementation progress. The report template was presented for informational purposes only.

Mr. Henson introduced the agenda item *Review of Fiscal Year End June 30, 2013, End of Year Audit Requirements*. Ms. Davis reviewed the information for the Committee. This report was presented for informational purposes only.

Mr. Henson introduced the agenda item *Review of Employer Penalty/Waiver List*. Ms. Case provided the update to the Committee. This report was presented for informational purposes only.

Mr. Henson introduced the agenda item *Review of Internal Audit Budget as of December 31, 2013*. Ms. Davis updated the Committee on the budget items. This report was presented for informational purposes only.

Mr. Henson introduced the agenda item *Review of Quality Assessment Review*. Ms. Davis explained the external assessment review process and the report findings for the Committee. Mr. Cherry moved and was seconded by Mr. McKenzie to accept the findings of the Quality Assessment Review. The motion passed unanimously.

Mr. Henson introduced the agenda item *Review of Supplemental Payroll Audit*. Ms. Davis presented the audit findings to the Committee. Mr. McKenzie moved and was seconded by Dr. Bauer to accept the findings of the Supplemental Payroll Audit. The motion passed unanimously.

Mr. Henson introduced the agenda item *Review of SEC Filings (Investments)*. Ms. Bradley presented the findings to the Committee. Dr. Bauer moved and was seconded by Mr. Cherry to accept the report. The motion passed unanimously.

Mr. Henson introduced the agenda item *Review of Investment Compliance Report*. Ms. Bradley presented the information to the Committee. This report was presented for informational purposes only.

Mr. Henson introduced the agenda item *Special County Employees Retirement System Board Election Memoranda*. Ms. Davis presented the memoranda to the Committee. This report was presented for informational purposes only.

Mr. Henson introduced the agenda item *Kentucky Employees Retirement System Board Election Memoranda*. Ms. Davis presented the memoranda to the Committee. Mr. Cherry moved and was seconded by Dr. Bauer to allow Staff to present a solution regarding the listing of candidate qualifications on the election ballot. The motion passed unanimously.

Mr. Henson introduced the agenda item *State Police Employees Retirement System Board Election*. Ms. Davis presented the memoranda to the Committee. This report was presented for informational purposes only.

Mr. Henson introduced the agenda item *Annual Review of the Charters of the Audit Committee and the Division of Internal Audit*. Ms. Davis reviewed the changes to the Audit Committee Charter as a result of the revised bylaws. Mr. Cherry moved and was seconded by Mr. McKenzie to accept the changes. The motion passed unanimously.

Mr. Henson introduced the agenda item *Status of Current Audits Memoranda*. Ms. Davis reviewed the information for the Committee. This report was presented for informational purposes only.

Mr. Henson introduced the agenda item *KRS Travel Policy and Procedures*. Ms. Davis reviewed the information for the Committee. This report was presented for informational purposes only.

Mr. Henson introduced the agenda item *KRS Fixed Assets Policy*. Ms. Roggenkamp reviewed the changes to the current policy to the Committee. Dr. Bauer moved and was seconded by Mr. McKenzie to accept the proposed changes to the KRS Fixed Assets Policy. The motion passed unanimously.

Mr. Henson introduced the agenda item *START/SASSi Meetings*. Ms. Davis noted that Internal Audit continues to attend the START/SASSi meetings. This report was presented for informational purposes only.

Mr. Henson noted the inclusion of professional articles for informational purposes only.

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There being no further business, the meeting adjourned at 11:05 a.m. The next quarterly meeting of the Audit Committee is scheduled for May 1, 2014.

Copies of all documents presented are incorporated as part of the minutes of the Audit Committee meeting as of February 8, 2014.

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## CERTIFICATION

I, Leigh Taylor, 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 February 6, 2014 were approved by the Audit Committee on August 7, 2014.



Committee Chair

I, Brian C. Thomas, have reviewed the Minutes of the Audit Committee Meeting on February 6, 2014, for form, content, and legality.



General Counsel