

**MINUTES OF MEETING
KENTUCKY RETIREMENT SYSTEMS
BOARD OF TRUSTEES QUARTERLY AUDIT COMMITTEE
NOVEMBER 7, 2019, 10:00 A.M., E.T.
1270 LOUISVILLE ROAD, FRANKFORT, KENTUCKY 40601**

At the November 7, 2019 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, Betty Pendergrass, and David Rich. Staff members present were Erin Surratt, Jared Crawford, Kristen Coffey, D’Juan Surratt, Connie Davis, Ann Case, Elizabeth Smith, Alane Foley, Shawn Sparks, Alan Hurst, Vicki Hale, Dominique McKinley, Chris Johnson, Rebecca Adkins, David Eager, and Rich Robben. Also present were Jeremy Triplett, Steve Barrett and Michele Hill.

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

Mr. Chilton introduced the agenda item *Approval of Committee Minutes – August 22, 2019*. Mr. Rich moved and was seconded by Mr. Fulkerson to approve the minutes of the August 22, 2019 meeting. The motion passed unanimously.

Mr. Chilton introduced the agenda item *Results of Financial Statement Audit Fiscal Year Ended June 30, 2019*. Mr. Joseph Overhultz and Mr. Simon Keemer from Dean Dorton provided an overview of the audit and answered questions from the Committee Members. Ms. Pendergrass moved and was seconded to accept the audit as presented with editorial changes. The motion passed unanimously.

Mr. Chilton introduced agenda item *Audit Committee Approval Requests*. Ms. Dominique McKinley requested approval for the purchase of an infrastructure and application security assessment. Mr. Connell made a motion and was seconded by Mr. Brothers to approve this request. The motion passes unanimously.

Mr. D’Juan Surratt provided details to the Committee regarding agencies requesting hazardous duty coverage. Mr. Rich moved and was seconded by Ms. Pendergrass to approve the hazardous duty coverage requests as presented for Fern Creek Fire Protection District, Lakeview Crestview Hills Police Department, Alexandria Fire District, City of Ashland, City of Monticello, City of Owenton and Kentucky Department of Fish & Wildlife. The motion passed unanimously.

Ms. Kristen Coffey discussed *Approval of Board Election Policy and Administration Regulation* with the Committee. After a lengthy discussion regarding the Board Election Policy the Committee agreed to table this topic until the next Committee Meeting. Ms. Pendergrass moved and was seconded by Mr. Brothers to approve the Administration Regulation as presented. The motion passed unanimously.

Mr. Chilton introduced agenda item Establishment of Audit Committee Meetings for Calendar Year 2020. Mr. Fulkerson moved and was seconded by Ms. Pendergrass to approve the dates as presented with a 10:00 a.m. start time. The motion passed unanimously.

Mr. Chilton introduced the agenda item *KRS Division Reports*.

Mr. Shawn Sparks provided an overview of *Disclosure Incidents, 3rd Quarter Calendar Year 2019*. Ms. Rebecca Adkins provided an overview of the following reports: *Quarterly Financial Statements as of September 30, 2019 and Outstanding Invoices, KRS Administrative Expenses and Employer Penalty Waivers*. Ms. Pendergrass moved and was seconded by Mr. Rich to approve the Employer Penalty Waivers with modifications regarding training. The motion passed unanimously.

Ms. Connie Davis provided the following updates: *GASB 67 and 74 Draft Reports, Update on Fiscal Year 2019 CAFR and DRAFT Management Response to GFOA CAFR Letter for June 30, 2018*. These were presented for informational purposes only.

Mr. Chilton introduced agenda item *Internal Audit Division Reports*. Mr. Jared Crawford reviewed the *Investment Compliance Report and Update on Investment Manager Onboarding Process*. Ms. Kristen Coffey provided details on the following reports: *Internal Audit Budget, Anonymous*

Reports, Update on Procurement of Trustee Election Services and Update on Status of Fiscal Year Internal Audits. These were presented for informational purposes only.

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

There being no further business a motion was made by Mr. Brothers and seconded by Ms. Pendergrass to adjourn the meeting at 12:59 p.m. The next meeting of the Audit Committee is scheduled for 10:00 a.m. on February 6, 2020. Copies of all documents presented are incorporated as part of the minutes of the Audit Committee meeting as of November 7, 2019.

CERTIFICATION

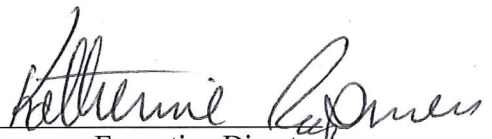
I do certify that I was present at this meeting and I have recorded above the action of the Committee on the various items considered by it at this meeting. Further, I certify that all requirements of KRS 61.805-61.850 were met in connection with this meeting.


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 November 7, 2019 were approved by the Audit Committee on February 6, 2020.


Committee Chair
Vice

I have reviewed the Minutes of the Audit Committee Meeting on November 7, 2019, for form, content, and legality.


Executive Director
Office of Legal Services