

**MINUTES OF MEETING
KENTUCKY RETIREMENT SYSTEMS
BOARD OF TRUSTEES SPECIAL CALLED QUARTERLY AUDIT
COMMITTEE
NOVEMBER 5, 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 November 5, 2020 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. 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 Victoria Hale.

Mr. Chilton called the meeting to order.

Ms. Alane Foley called roll.

Being no Public Comment, Mr. Chilton introduced the agenda item *Approval of Committee Minutes – August 27, 2020*. Ms. Pendergrass suggested a grammatical change, which has already been corrected. Mr. Brothers made a motion and was seconded by Mr. Connell to approve the minutes of the August 27, 2020 meeting. Ms. The motion passed unanimously.

Mr. Chilton introduced agenda item *DRAFT Results of External Audits* and introduced Joseph Overhults and Simon Keemer from Dean Dorton Allen Ford. Mr. Overhults presented the audit results to the Committee. A clean opinion was given. Ms. Pendergrass made a motion and was seconded by Mr. Fulkerson to approve the draft audit as presented, acknowledging there may be minor edits between now and the completion of the report. The motion passed unanimously via roll call vote. Ms. Rebecca Adkins advised that one of the edits would be an additional Note

disclosure regarding the COVID-19 response. Ms. Pendergrass also suggested that COVID-19 be addressed in the Management Letter.

Ms. Rebecca Adkins advised that the *DRAFT Fiscal Year Ended June 30, 2020 Comprehensive Annual Financial Report, Including GASB 67 and 74* was included for the Committee’s review. Ms. Pendergrass made a motion and was seconded by Mr. Fulkerson to approve the draft of GASB 67 and 74 reports for the plan reporting. The motion passed unanimously via roll call vote.

Ms. Pendergrass introduced agenda item *Audit Committee Approval Requests*. Mr. D’Juan Surratt provided details and answered questions regarding agencies requesting hazardous duty coverage. Ms. Pendergrass made a motion and was seconded by Mr. Fulkerson to approve the hazardous duty coverage requests for the following:

<u>Agency</u>	<u>Position</u>	<u>Effective Date</u>
Hardin County Fiscal Court Director	Emergency Medical Services	06/01/2020
Hardin County Fiscal Court	Emergency Medical Services Deputy Director	07/01/2020
Shelby County Fiscal Court	Captain/Emergency Medical Technician (EMT)	12/01/2020
Shelby County Fiscal Court	Chief of Operations/EMT	12/01/2020
Shelby County Fiscal Court	Deputy Chief of Operations/ EMT	12/01/2020
Shelby County Fiscal Court	Sergeant/Emergency Medical Technician (EMT)	12/01/2020
Anchorage Middletown Fire and EMS	Fire Recruit – Career	09/01/2020
Office of the Attorney General	Forensic Computer Examiner I	12/01/2020
Office of the Attorney General	Forensic Computer Examiner II	12/01/2020
Office of the Attorney General	Forensic Computer Examiner III	12/01/2020

The motion passed unanimously via roll call vote.

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

Mr. Shawn Sparks provided an overview of *Disclosure Incidents, 3rd Quarter Calendar Year 2020*. Ms. Rebecca Adkins provided an overview of the following reports: *Quarterly Financial Statements as of September 30, 2020, Administrative Expenses, Contribution Report, Outstanding Invoices and Employer Penalty Waivers*. Ms. Connie Davis provided details on *DRAFT Management Response to GFOA CAFR Letter for June 30, 2020*. These reports were provided for informational purposes.

Mr. Chilton introduced agenda item *Internal Audit Division Reports*. Ms. Kristen Coffey provided details on the following reports: *Internal Audit Budget, Anonymous Reports, Update on 2021 CERS Board Elections and Status of Current Internal Audit Projects*. Mr. Jared Crawford provided an *Investment Compliance Summary*. These reports 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 Ms. Pendergrass and seconded by Mr. Brothers to adjourn the meeting. The next meeting of the Audit Committee is scheduled for 10:00 a.m. on February 4, 2021. Copies of all documents presented are incorporated as part of the minutes of the Audit Committee meeting as of November 5, 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 November 5, 2020 were approved by the Audit Committee on December 2, 2020


Committee Chair

I have reviewed the Minutes of the Audit Committee Meeting on November 5, 2020 for form, content, and legality.


Executive Director
Office of Legal Services