

**MINUTES OF MEETING  
BOARD OF TRUSTEES AUDIT COMMITTEE  
KENTUCKY RETIREMENT SYSTEMS  
FEBRUARY 5, 2015, 9:00 A.M., E.T.  
1270 LOUISVILLE ROAD, FRANKFORT, KENTUCKY 40601**

At the February 5, 2015 meeting of the Audit Committee of the Board of Trustees, the following Committee members were present: Mike Cherry; Chair, Daniel Bauer, Randy Overstreet, Mary Helen Peter, David Rich, Randy Stevens, and Scott McKenzie as proxy for Tim Longmeyer; Trustee Ed Davis was also present. Staff members present were: William Thielen, Karen Roggenkamp, David Peden, Rebecca Stephens, Brian Thomas, Connie Davis, Todd Coleman, Ann Case, Erica Bradley, Samantha Payne, and Leigh Taylor. Also in attendance were Rebecca Heckler and Larry Totten.

Mr. Cherry called the meeting to order and introduced the agenda item *Approval of Committee Minutes*. Mr. Overstreet moved and was seconded by Mr. Stevens to approve the minutes of the special called November 19, 2014 meeting. The motion passed unanimously.

Mr. Cherry introduced the agenda item *Review of Quarterly Financial Statements as of December 31, 2014*. Mr. Coleman reviewed the unaudited data for the Committee. This report was presented for informational purposes only.

Mr. Cherry introduced the agenda item *Review of Outstanding Invoices Including Employer Penalty/Waiver List*. Ms. Case presented the spreadsheet to the Committee. This report was presented for informational purposes only.

Mr. Cherry introduced the agenda item *Review of Fiscal Year End June 30, 2014 End of Year Audit Requirements*. Ms. Davis reviewed the information for the Committee. This report was presented for informational purposes only.

Mr. Cherry introduced the agenda item *Review of Management Follow up on Audit Findings and Recommendations Summary Dashboard*. Ms. Roggenkamp briefly summarized the updates implemented as a result of recommendations from the Auditor of Public Accounts report and reviewed the quarterly dashboard report to the Audit Committee. This report was presented for informational purposes only.

Mr. Cherry introduced the agenda item *Review of Internal Audit Budget – December 31, 2014*. Ms. Davis updated the Committee on the budget expense items. This report was presented for informational purposes only.

Mr. Cherry introduced the agenda item *Review of Anonymous Reporting Spreadsheet*. Ms. Davis updated the Committee on the status of the current items. This report was presented for informational purposes only.

Mr. Cherry introduced the agenda item *Review of Investment Compliance Report*. Ms. Davis and Mr. Peden reviewed the information for the Committee. This report was presented for informational purposes only.

Mr. Cherry called for a short break and the meeting was suspended.

Mr. Cherry called the meeting back into session and introduced the agenda item *SPRS Board Election Memoranda*. Ms. Davis updated the Committee on the status of the SPRS election. This report was presented for informational purposes only.

Mr. Cherry introduced the agenda item *Status of Current Audits Memoranda*. Ms. Davis provided an update in proposed changes to the Audit Plan. Ms. Peter moved and was seconded by Dr. Bauer to approve the changes to the audit plan. The motion passed unanimously.

Mr. Cherry introduced the agenda item *Review of Actuarial Audit Request for Proposals and KRS Administrative Structure, Cost Audit Request for Proposal*. Mr. Thielen reviewed the necessity of the actuarial audit RFP and noted it would be a level 2 audit; information on a RFP for KRS administrative structure will be provided at the May meeting. Mr. Overstreet moved and was seconded by Mrs. Peter to approve the issuance of the actuarial services audit. The motion passed unanimously.

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

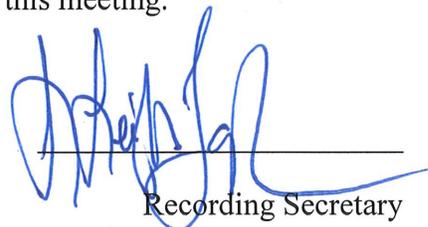
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There being no further business, the meeting adjourned at 10:24 a.m. The next meeting of the Audit Committee is scheduled for May 7, 2015. Copies of all documents presented are incorporated as part of the minutes of the Audit Committee meeting as of February 5, 2015.

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## 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.



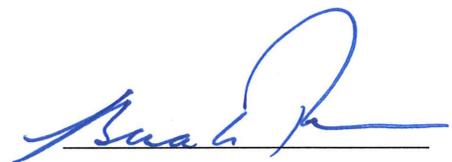
Recording Secretary

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 February 5, 2015 were approved by the Audit Committee on May 7, 2015.



Committee Chair

I, Brian C. Thomas, have reviewed the Minutes of the Audit Committee Meeting on February 5, 2015, for form, content, and legality.



General Counsel