

**MINUTES OF MEETING  
BOARD OF TRUSTEES AUDIT COMMITTEE  
KENTUCKY RETIREMENT SYSTEMS  
NOVEMBER 21, 2013, 9:00 A.M., E.T.  
1270 LOUISVILLE ROAD, FRANKFORT, KENTUCKY 40601**

At the November 21, 2013 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; Trustees Randy Overstreet and Richard Tanner were also present. Staff members present were: William Thielen, Karen Roggenkamp, David Peden, TJ Carlson, Todd Coleman, Connie Davis, Ann Case, Erica Bradley, Samantha Payne, and Leigh Taylor. Linda Hinton, Christy Dolan, Jason Johnson, James Royse, Jim Carroll, Jenny Luscher, and Bryan Lykins were also present.

Mr. Henson introduced the agenda item *Approval of Committee Minutes*. Dr. Bauer moved and was seconded by Mr. Cherry to approve the minutes of the August 1, 2013 Audit Committee meeting. The motion passed unanimously.

Ms. Davis introduced Linda Hinton and Jim Royce from the office of the Auditor of Public Accounts. Ms. Hinton provided the *Update of Annual Audit for Fiscal Year End 2013* for the Committee. The APA continues to review the CAFR and provide comments. These reports were presented for informational purposes only.

Mr. Henson introduced the agenda item *Review of Quarterly Financial Statements as of September 30, 2013*. Ms. Case reviewed the data for the Committee. This report was presented for informational purposes only.

Mr. Henson introduced the agenda item *Disclosure of Assets, Liabilities, and Contingencies as of June 30, 2013*. Ms. Davis reviewed the information for the Committee. This report was presented for informational purposes only.

Mr. Henson introduced the agenda item *Review of Internal Audit Budget as of September 30, 2013*. Ms. Davis provided the update to the Committee. This report was presented for informational purposes only.

Mr. Henson introduced the agenda item *Review of Anonymous Reporting*. Ms. Davis updated the Committee on new and ongoing anonymous report investigations. This report was presented for informational purposes only.

Mr. Henson introduced the agenda item *Review of Travel and Procurement Card Expenditures*. Ms. Davis reviewed the audit findings for the Committee.

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

*Mr. Carlson, Ms. Hinton, Ms. Dolan, Mr. Johnson, Mr. Royse, Ms. Luscher, and Mr. Lykins exited the meeting.*

Mr. Henson introduced the agenda item *Special CERS Board Election Memoranda*. Mr. Cherry moved and was seconded by Mr. McKenzie to accept the results of the election. The motion passed unanimously.

Mr. Henson introduced the agenda item *KERS Election Memoranda*. Ms. Davis reviewed the progress of the KERS election for the Committee. This report was presented for informational purposes only.

Ms. Davis reviewed the 2014 dates for the Audit Committee meetings. 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*. Dr. Bauer moved and was seconded by Mr. Cherry to delay any action until following the December 5, 2013 Trustee Meeting. The motion passed unanimously.

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

Mr. Henson introduced the agenda item *KRS Trustee Election Policy and Procedures Amendment*. Mr. Cherry moved and was seconded by Dr. Bauer to approve the Trustee Election 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 10:15 a.m. The next quarterly meeting of the Audit Committee is scheduled for February 8, 2014.

Copies of all documents presented are incorporated as part of the minutes of the Audit Committee meeting as of November 21, 2013.

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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.



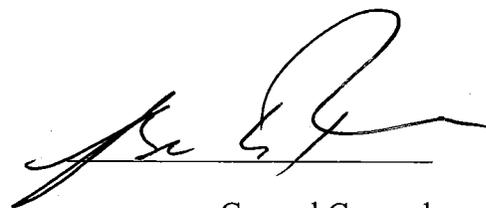
Recording Secretary

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 November 21, 2013 were approved by the Audit Committee on February 6, 2014.



Committee Chair

I, Brian C. Thomas, have reviewed the Minutes of the Audit Committee Meeting on November 21, 2013, for form, content, and legality.



General Counsel