



Executive Staff:

Eric Stern
Chief Executive Officer

Margo Allen
Chief Operations Officer

Steve Davis
Chief Investment Officer

Stephen Lau
General Counsel

Mario Sierras
Chief Benefits Officer

MINUTES

MEETING OF THE AUDIT COMMITTEE OF THE BOARD OF RETIREMENT SACRAMENTO COUNTY EMPLOYEES' RETIREMENT SYSTEM

WEDNESDAY, NOVEMBER 16, 2021

3:30 P.M.

Zoom Teleconference

OPEN SESSION

Item 1. **Call to Order**

Committee Chairman Ben Lamera called the meeting to order at 3:31 p.m.

Item 2. **Public Comment**

None.

Item 3. **Annual Independent Financial Statement Audit**

Margo Allen, Chief Operations Officer, provided an overview of the SCERS financial position and noted SCERS ended the fiscal year with a gain in net position of about \$2.7 billion.

Ashley Green of Brown Armstrong presented an overview of the audit. She noted there was an unmodified (clean opinion) with no material weaknesses. She did note one recommendation regarding county procedures for clearing accounts receivables and payables in the COMPASS system.

Members of the Board of Retirement:

Rick Fowler, President
Appointed by the Board of Supervisors

John B. Kelly, Vice President
Appointed by the Board of Supervisors

Keith DeVore, Vice President
Appointed by the Board of Supervisors

Vacant
Appointed by the Board of Supervisors

Diana Gin
Elected by the Miscellaneous Members

Ben Lamera
Ex Officio, Director of Finance

Dave Comerchero
Elected by the Miscellaneous Members

Martha J. Hoover
Elected by the Retired Members

Matt Petersen
Elected by the Safety Members

Kathy O'Neil
Elected by the Retired Members

Jack Philp
Elected by the Safety Members

Mr. Stern asked Mr. Lamera to comment on the recommendation. Mr. Lamera noted that this has been an issue that the county's auditors identified several years ago in which accounts need to be cleared. He said this is a county-wide effort affecting many departments.

Mr. Lamera asked Ms. Green about the "uncorrected misstatements" related to SCERS' cutoff procedures for receiving statements from investment managers after the audit, and if the adjustments were going to be a continuous issue. Ms. Green said the timing issue is typical of retirement systems in which private equity and real estate reporting is lagged. She noted the adjustments do not rise to level of materiality, and represent about 0.3% of the net position.

Mr. Stern asked Ms. Allen for an update on publishing the Annual Comprehensive Financial Report. Ms. Allen said the financial statements are being finalized and will be transmitted to the Department of Finance on schedule, with the goal of publishing the ACFR by the December 8 Board meeting.

The Committee approved a motion to receive and file and audit materials **(2-0)**.

Item 4. **Discussion with Brown Armstrong and Committee Members**

No additional discussion.

ADJOURNMENT

There being no further business, Mr. Lamera adjourned the meeting at 3:56 p.m.

MEMBERS PRESENT

via teleconference: Ben Lamera, Martha J. Hoover

MEMBERS ABSENT: Kathy O'Neil

OTHERS PRESENT

via teleconference: Eric Stern, Chief Executive Officer; Margo Allen, Chief Operations Officer; Stephen Lau, General Counsel; John Lindley, Senior IT Analyst; and, Ashley Casey, Brown Armstrong.



Retirement Board Order

Sacramento County Employees' Retirement System

**Before the Board of Retirement
December 8, 2021**

MOTION:

Minutes

THE BOARD OF RETIREMENT hereby approves the Minutes of the November 16, 2021 Audit Committee meeting.

I HEREBY CERTIFY that the above order was passed and adopted on December 8, 2021, by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES (Present but not voting):

Richard B. Fowler II
Board President

Eric Stern
Chief Executive Officer and
Board Secretary