



Agenda Item 5

MINUTES

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

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

Members of the Board of Retirement:

Keith DeVore, President
Appointed by the Board of Supervisors

Kathy O'Neil, Vice President
Elected by the Retired Members (Alternate)

Robert Aguallo Jr.
Appointed by the Board of Supervisors

Vacant
Appointed by the Board of Supervisors

Ronald Suter
Appointed by the Board of Supervisors

Ben Lamera
Ex Officio, Director Finance

Alina Mangru
Elected by the Miscellaneous Members

Vacant
Elected by the Miscellaneous Members

Jack Noble
Elected by the Safety Members

Chris Giboney
Elected by the Safety Members (Alternate)

Martha Hoover
Elected by the Retired Members

TUESDAY, NOVEMBER 15, 2022

10:30 A.M.

**Location: SCERS Board Conference Room
980 9th Street, 19th Floor
Sacramento, California 95814**

OPEN SESSION

Item 1. **Call to Order**

Committee Chairman Ben Lamera called the meeting to order at 10:36 a.m. and took roll call.

Board Members Present: O'Neil, Hoover, Lamera.

Board Members Absent: None.

Also present: Eric Stern, Chief Executive Officer (CEO); Margo Allen, Chief Operations Officer (COO); Stephen Lau, General Counsel; Jose Martinez, Senior Accounting Manager; and Uzair Khan, Accounting Manager.

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 restricted for pension benefits as of June 30, 2022 totaled \$11,830.4 million, a decrease of \$733.7 million or 5.8% from the \$12,278.1 million in net position as of June 30, 2021. She stated the decrease in net position was mainly due to the overall decrease in investment earnings.

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

Staff responded the existing issues would be addressed in 2023 as staff turnover and competing priorities were the main obstacles preventing completion of the work.

Committee Chairman Lamera thanked Brown Armstrong and staff for the work of their audit and review.

The Committee approved a motion to approve the draft audited Annual Independent Financial Statements and the accompanying required draft reports for the fiscal year ended June 30, 2022. **(3-0)**

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

No additional discussion.

ADJOURNMENT

There being no further business, Committee Chairman Lamera adjourned the meeting at 11:15 a.m.



Retirement Board Order

Sacramento County Employees' Retirement System

Before the Board of Retirement
December 7, 2022

AGENDA ITEM:

Minutes of the November 15, 2022 Audit Committee Meeting

THE BOARD OF RETIREMENT hereby accepts the recommendation of Staff to receive and file the Minutes of the November 15, 2022 Audit Committee Meeting.

I HEREBY CERTIFY that the above order was passed and adopted on December 7, 2022 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES:
(Present but not voting)

Keith DeVore
Board President

Eric Stern
Chief Executive Officer and
Board Secretary