



Executive Staff:

Eric Stern
Chief Executive 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

THURSDAY, JUNE 10, 2021

2:00 P.M.

Zoom Teleconference

OPEN SESSION

Item 1. **Call to Order**

Committee Chairman Ben Lamera called the meeting to order at 2:01 p.m.

Chief Executive Officer Eric Stern stated the meeting was taking place over videoconference pursuant to Executive Order N-29-20. Mr. Stern noted that committee members Martha Hoover and Kathy O'Neil were in attendance. He also stated that Board President Fowler appointed Ms. O'Neil to the committee to replace James Diepenbrock, whose term was ending.

Item 2. **Public Comment**

None.

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

Ashley Casey, audit co-partner, and Colin Lo, audit manager, of Brown Armstrong Accountancy Corporation presented the timeline and scope of services related to SCERS' annual independent financial statement audit and changes to the Annual Comprehensive Financial Report. Discussion followed.

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 inquired if the Brown Armstrong team would be conducting field work on site or remotely. Ms. Casey responded that they would prefer to work on site; Mr. Stern noted that SCERS offices were reopening and could accommodate the Brown Armstrong staff.

Mr. Lamera asked if there was a consensus on renaming the Comprehensive Annual Financial Report; Ms. Casey noted that GASB has circulated a paper recommending changing the name to the Annual Comprehensive Financial Report. Mr. Lamera also asked what prompted the items planned for additional testing (wire transfers and travel expenses). Ms. Casey responded that those items are routinely reviewed in a cycle every few years to test for internal controls.

Mr. Stern noted that SCERS historically has used the actuarial valuation from the same measurement period as the financial statements in the Annual Comprehensive Financial Report. However, he said SCERS may need to use the June 30, 2020 valuation in the Annual Comprehensive Financial Report as of June 30, 2021 due to the potential for timing issues with producing valuation-related data from the new pension administration system. Ms. Casey noted that GASB allows the use of a lagged valuation report and many retirement systems follow that process.

Item 4. **Annual Comprehensive Financial Report**

Mr. Stern noted that changes related to the Annual Comprehensive Financial Report were discussed as part of Item 3.

ADJOURNMENT

There being no further business, Mr. Lamera adjourned the meeting at 2:33 p.m.

MEMBERS PRESENT

via teleconference: Ben Lamera, Martha J. Hoover, Kathy O'Neil

MEMBERS ABSENT: None

OTHERS PRESENT

via teleconference: Eric Stern, Chief Executive Officer; Xee Vang, Accounting Manager; John Lindley, Senior IT Analyst; and, Ashley Casey and Colin Lo, Brown Armstrong.



Retirement Board Order

Sacramento County Employees' Retirement System

**Before the Board of Retirement
August 18, 2021**

MOTION:

Minutes

THE BOARD OF RETIREMENT hereby approves the Minutes of the June 10, 2021 Audit Committee meeting.

I HEREBY CERTIFY that the above order was passed and adopted on August 18, 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