



# Board of Retirement Regular Meeting

## Sacramento County Employees' Retirement System

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### Agenda Item 18

**MEETING DATE:** April 19, 2023

**SUBJECT:** Financial Audit Services

**SUBMITTED FOR:**  Consent       **Deliberation and Action**       **Receive and File**

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### **RECOMMENDATION**

Authorize Chief Executive Officer to renew financial audit services contract with Brown Armstrong for three (3) years, through June 30, 2026, in an amount not to exceed \$227,000.

### **PURPOSE**

This item contributes to the effective management and oversight of administrative activities. The Board is responsible for approving contracts with its consultants, auditors, actuaries, and investment managers.

### **DISCUSSION**

Brown Armstrong's current agreement is due to expire June 30, 2023, for the financial statements and GASB 68 audits. Brown Armstrong has again offered an all-inclusive, not-to-exceed fee of \$73,363.00 for each of the years ending June 30, 2023, 2024, and 2025. The original contract term allows for an additional one to three years extension upon the mutual agreement between SCERS and the selected firm.

The scope of work related to the external audit contract is summarized below:

- Conduct audit of SCERS' Annual Comprehensive Financial Report (ACFR) in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*
- Conduct audit of the Schedules of Employer Allocations and Pension Amounts by Employer (GASB 68 audit)

- Issue the following reports related to the financial statements audit:
  - Independent auditor's report on SCERS' financial statements
  - Required communications in Accordance with Professional Standards
  - Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
  - Management Comment Letter
  
- Issue the Independent auditor's report for the GASB 68 audit

Staff has been pleased with the services provided by Brown Armstrong, and the efficiency gained after each year. Brown Armstrong has been reliable in meeting SCERS' timeline and goals for audit completion and audit reports issuance. Staff believes that issuance a request for proposal for audit services is not needed at this time. Therefore, staff recommends that SCERS enter into a three-year contract extension with Brown Armstrong for audit services.

### **ATTACHMENTS**

- Board Order

Prepared by:

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Margo Allen  
Chief Operations Officer

Reviewed by:

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Eric Stern  
Chief Executive Officer



# Retirement Board Order

## Sacramento County Employees' Retirement System

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**Before the Board of Retirement**  
**April 19, 2023**

AGENDA ITEM:

### **Financial Audit Services**

THE BOARD OF RETIREMENT hereby approves Staff's recommendation to authorize Chief Executive Officer to renew financial audit services contract with Brown Armstrong for three (3) years, through June 30, 2026, in amount not to exceed \$227,000.

I HEREBY CERTIFY that the above order was passed and adopted on April 19, 2023 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES:  
(Present but not voting)

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Keith DeVore  
Board President

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Eric Stern  
Chief Executive Officer and  
Board Secretary