

SONOMA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION BOARD
AUDIT COMMITTEE MINUTES

Tuesday, October 31, 2023

11:01 a.m.

Presiding: Erick Roeser, Chair

Present: Trustees Amos Eaton and Greg Jahn; Chief Executive Officer Julie Wyne, Assistant CEO/Chief Legal Counsel Cristina Hess, Finance and Retiree Services Manager Cheryl Enold, Retirement Analyst Rebecca Gay, and Administrative Aide Julia Smith

Present via

Zoom: Ashley Green, Alaina Vandermade, and Neeraj Datta (of Brown Armstrong); Jason Ostroski, Tim Rawal, and Thomas Rey (of UHY)

Absent: Trustees Travis Balzarini (Vice Chair) and Joe Tambe

I. PRESENTATION OF PROPOSALS

- A. Ashley Green, Aliana Vandermade, and Neeraj Datta of Brown Armstrong presented. In relaying their relevant experience, they said they have worked with 19 of the 20 1937 Act participating Counties. They presented a team who has had a lengthy history of working with each other. Several of the staff members have had experience with SCERA, but they proposed adding Ms. Vandermade as a new manager to provide a new perspective. They proposed an audit approach that is hands on, transparent, with consistent communication, with dates provided in advance. Additionally, they highlighted their experience with state and national organizations as well as service providers who work with retirement systems. Upon questions from the Trustees the firm said their expansive knowledge of the '37 Act Systems gives them specific advantages in preparing their audit engagements and reports. Staff has unique experience and knows what needs to be done and it can be done efficiently. Of the 66 members of the firm 45 do work related to Government plans. Once staff becomes senior, staff chooses to focus their work on tax or audit engagements.
- B. Jason Ostroski, Tim Rawal and Thomas Rey of UHY LLP presented. The proposed team has served over 25 State or Local government retirement systems, with a combined 60 years of government experience. Mr. Rawal has served as a manager for work with Fresno, Merced, and Kern 1937 Act Retirement Systems. They highlighted their experience with professional organizations like P2F2 (Public Pension Financial Forum) and NASRA (National Association of State Retirement

Administrators). Their audit methodology is risk based and they utilize software for data analysis, sharing and communication of deadlines. They acknowledge that a successful transition would involve a 1st year with inevitably more work, but could be managed with a kick off meeting with both management and governance to set timing expectations, transparency, establish communication and work to leverage previous work. The team's billable hours are almost 100% related to governmental accounting. Upon questions by the Trustees they elaborated on their in house IT specialist who would identify risks related to financial systems within SCERA. They also spoke about how they use data analytics to strengthen audits. This team has been together for several years and have been at UHY for 20 months. They moved firms because the previous firm moved away from performing work for retirement systems.

II. DISCUSSION OF PROPOSALS AND RECOMMENDATION TO THE BOARD

Recommendation: Recommend a contract with preferred Auditing firm to the full Board.

A motion was made by Trustee Jahn, seconded by Trustee Eaton, to recommend a contract with Brown Armstrong to the full Board. The motion carried 3-0-0-2, with voting as follows:

Mr. Balzarini	Absent
Mr. Eaton	Aye
Mr. Jahn	Aye
Mr. Roeser	Aye
Mr. Tambe	Absent

III. GENERAL DISCUSSION MATTERS

Opportunity was given to advise the Audit Committee of new matters and for Committee members to ask questions for clarification, provide information to staff, request staff to report back on a matter, or direct staff to place a matter on a subsequent agenda.

There were no general discussion matters.

IV. PUBLIC COMMENT

Opportunity was given for public comment on non-agenda items within the jurisdiction of the Audit Committee.

There were no public comments.

V. NEXT MEETING

Thursday, December 14, 2023, at ~10:00 a.m. in the SCERA Board Room located at 433 Aviation Boulevard, Suite 100 in Santa Rosa, CA, and broadcast via Zoom unless

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otherwise noted.

VI. ADJOURNMENT

With no further business to conduct, the meeting adjourned at 1:16 p.m.

VII. APPROVAL

The above minutes from the October 31, 2023, Audit Committee meeting were approved at the Audit Committee meeting on December 14, 2023.

ERICK ROESER, CHAIR