



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 16

MEETING DATE: April 15, 2026

SUBJECT: Independent Financial Statement Auditor

SUBMITTED FOR: X Action Information

RECOMMENDATION

Authorize the Chief Executive Officer to execute a contract with Crowe LLP for independent financial statement audit services for a five-year term in an amount not to exceed \$390,000, as recommended by the Audit Committee.

PURPOSE/STRATEGIC PRIORITY

This action supports compliance with applicable accounting and reporting standards.

DISCUSSION

In February 2026, SCERS issued a Request for Proposal to procure independent financial statement audit services, including the annual audit of SCERS' financial statements, GASB employer reporting, and review of the Annual Comprehensive Financial Report (ACFR). Three firms submitted responsive proposals and were evaluated based on qualifications, public pension audit experience, engagement team, and audit methodology:

- Brown Armstrong Accountancy Corporation
- Crowe LLP
- Macias Gini & O'Connell LLP

Following the evaluation process, Crowe LLP was identified as the strongest overall respondent. Crowe is a large national accounting and consulting firm with extensive governmental and pension audit practice, including CalSTRS and other state pension funds. Crowe also has direct experience auditing County Employees' Retirement Law of 1937 systems, including the Los Angeles County and San Diego County retirement systems, demonstrating familiarity with the regulatory and operational environment governing California county retirement systems.

The firm's proposal reflected a comprehensive audit methodology supported by national technical resources and specialized expertise in pension accounting and investment auditing. Crowe maintains a Sacramento office, and the proposed engagement partner and manager are locally based and have worked together for approximately seven years. This provides SCERS

with direct local access to engagement leadership while also benefiting from the firm's extensive national pension audit resources and technical specialists.

In addition to the technical evaluation, SCERS conducted targeted due diligence to further assess key risks and confirm the operational and governance considerations relevant to the proposed award. A summary of that review is provided below:

Due diligence confirmed the following:

- Reference checks were completed across multiple public sectors and pension-related clients, Crowe received consistently strong ratings, with all references indicating they would re-engage the firm. Feedback highlighted Crowe's technical expertise in pension accounting, strong communication practices, and high-quality audit deliverables.
- Crowe confirmed that it will not utilize offshore delivery resources for the SCERS engagement and that all SCERS data will remain within the United States, consistent with SCERS' contractual requirements.
- Crowe demonstrated a controlled and transparent approach to the use of artificial intelligence and audit technologies, including human oversight, independent validation of outputs, and adherence to professional auditing standards and data security protocols.
- Crowe confirmed its readiness to perform the FY 2025–26 audit, supported by a structured onboarding process and a transition approach that addresses first-year risks through enhanced planning and senior-level engagement.

Based on the results of the RFP evaluation and subsequent due diligence, Crowe LLP represents the strongest overall fit to meet SCERS' audit, reporting, and fiduciary oversight needs. The Audit Committee reviewed the evaluation and due diligence results and recommends Crowe LLP for contract award.

ATTACHMENTS

- Board Order

Prepared by:

/S/

Margo Allen
Chief Operations Officer

Reviewed by:

/S/

Eric Stern
Chief Executive Officer



Retirement Board Order

Sacramento County Employees' Retirement System

Before the Board of Retirement
April 15, 2026

AGENDA ITEM:

Independent Financial Statement Auditor

THE BOARD OF RETIREMENT hereby approves the Staff recommendation to authorize the Chief Executive Officer to execute a contract with Crowe LLP for independent financial statement audit services for a five-year term in an amount not to exceed \$390,000, as recommended by the Audit Committee.

I HEREBY CERTIFY that the above order was passed and adopted on April 15, 2026 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES (Present but not voting):

Chris Giboney
Board President

Eric Stern
Chief Executive Officer and
Board Secretary