



# Audit Committee Meeting

## Sacramento County Employees' Retirement System

---

### Agenda Item 3

**MEETING DATE:** June 16, 2026

**SUBJECT:** Annual Independent Financial Statement Audit Timeline

**SUBMITTED FOR:**  Action  Information

---

#### **RECOMMENDATION**

Receive and file the timeline and audit process related to SCERS' Annual Independent Financial Statement Audit as of and for the fiscal year ended June 30, 2026, as presented by Crowe LLP.

#### **PURPOSE/STRATEGIC PRIORITY**

This item aligns with Government Code section 7504, requiring public retirement systems to secure the service of a qualified person to perform an attest audit of the system's financial statements, and submit annual statements to the State Controller's Office in accordance with generally accepted accounting principles.

#### **DISCUSSION**

On April 15, 2026, the Board authorized the Chief Executive Officer to execute a five-year term contract with Crowe LLP for independent financial statement audit services. Crowe is introducing the timeline and audit process related to SCERS' Annual Independent Financial Statement Audit as of and for the fiscal year ended June 30, 2026.

#### **ATTACHMENTS**

- Crowe LLP Presentation

Prepared by:

/S/

---

Margo Allen  
Chief Operations Officer

Reviewed by:

/S/

---

Eric Stern  
Chief Executive Office



# Sacramento County Employees' Retirement System

**Audit Planning Communications for the fiscal year ended June 30, 2026**

June 16, 2026

# WITH YOU TODAY



**JEN ARAS, CPA**  
Engagement Partner



**CHARLES RAIBLEY, CPA**  
Senior Manager



# AGENDA

- ONE Firm Overview
- TWO Roles and Responsibilities
- THREE Scope and Deliverables
- FOUR Timeline
- FIVE Approach
- SIX Planning Communications and Independence

# ABOUT CROWE



**Audit, Tax, Advisory, and Consulting**



**15,000+ clients**

Crowe LLP is a public accounting and consulting firm that uses its **deep industry expertise** to provide audit, tax, and consulting services to public and private entities.

Over our **80-year** history, **client service, innovation,** and **trust** have been core parts of our **DNA**.

Our purpose and values are **our guiding force in everything we do**. **The Crowe Way** is how we live out our purpose and values every day – doing the right things, at the right time, for the right reasons.

**SHAPING  
YOUR  
BETTER  
TOMORROW.  
TOGETHER.  
TODAY.®**

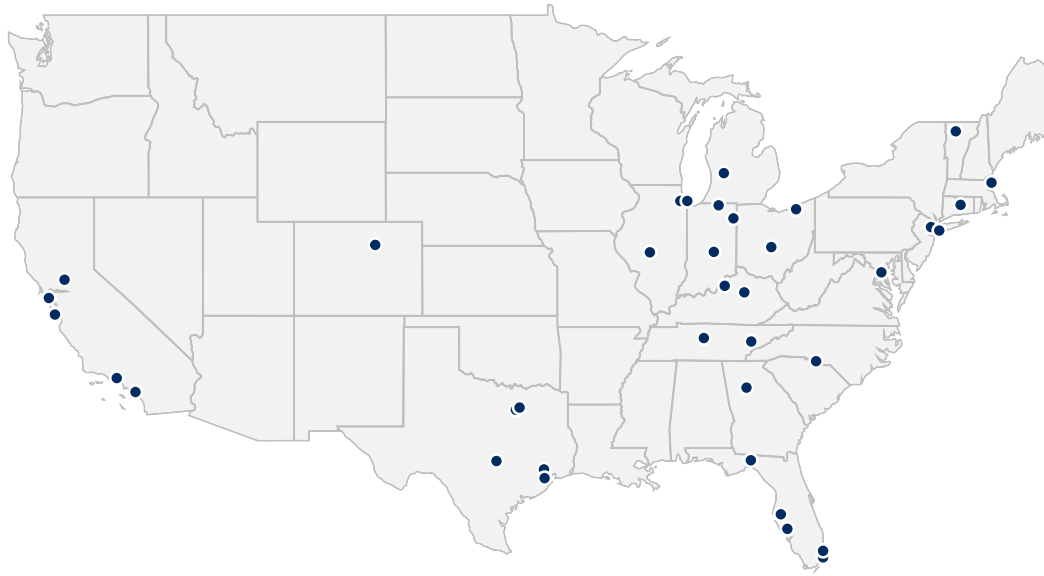
**CARE  
TRUST  
COURAGE  
STEWARDSHIP**



**5,800+**  
PROFESSIONALS<sup>1</sup>  
across  
**38**  
U.S. OFFICES<sup>1</sup>

**\$1.4B**  
in REVENUE<sup>2</sup>

Rank  
**13th**  
LARGEST  
in U.S.



**97%** said they'd do business with Crowe again.<sup>2</sup>  
**97%** said they would recommend Crowe to a colleague.<sup>2</sup>  
**98%** said they were satisfied with their engagement.<sup>2</sup>

<sup>1</sup> Includes subsidiary offices, as of April 2026. <sup>2</sup> This information is based on 1,486 surveys submitted in FY2025. <sup>3</sup> As of April 2026

# DEEP SPECIALIZATION

## We are deeply focused on the industry:

- Crowe is the current auditor for 2 of the 5 largest PERS in the nation; 3 of the largest 15
- Annually we audit more than:
  - 250 governmental retirement plans
  - \$1 Trillion in invested assets
  - 1,200 ERISA benefit plans – DC, DB and H&W

## We share our knowledge with our clients:

- National and State level leadership positions
  - AICPA State & Local Government Expert Panel
  - GASB Practice Fellow
  - CalCPA Governmental Accounting and Auditing Committee (GAAC)
- Speakers at Public Pension Financial Forum (P2F2)
- Speaker at the Association of Public Pension Fund Auditors conference



1,015+

Public sector  
clients



405+

Public sector  
professionals

# Roles and Responsibilities

## Those Charged with Governance (Audit Committee)

- Oversight of external auditor, including scope, approach and planned timeline
- Oversight of the reporting and integrity of published financial information

## Management

- Preparation and fair presentation of financial statements in accordance with Generally Accepted Accounting Principles (GAAP)
- Design, implementation and maintenance of internal controls for the preparation and fair presentation of financial statements

## Crowe

- Performance of audits under *Generally Accepted Auditing Standards and Government Auditing Standards (GAGAS)*
- Fiduciary component of the County of Sacramento

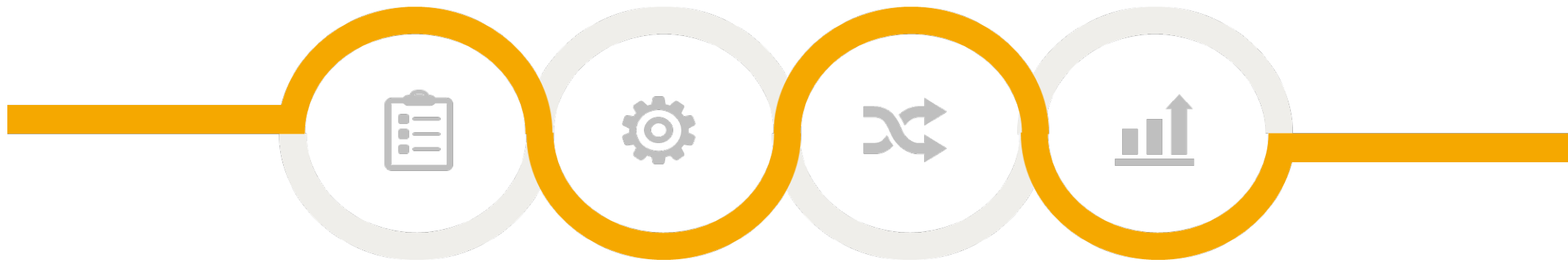
# Scope and Deliverables

- Independent Auditor's Reports
  - Sacramento County Employees' Retirement System
  - Schedule of Pension Amounts by Employer
- 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*
- Required Communications to Those Charged with Governance (Audit Committee)
- Management Comment Letter, if applicable

# Timeline

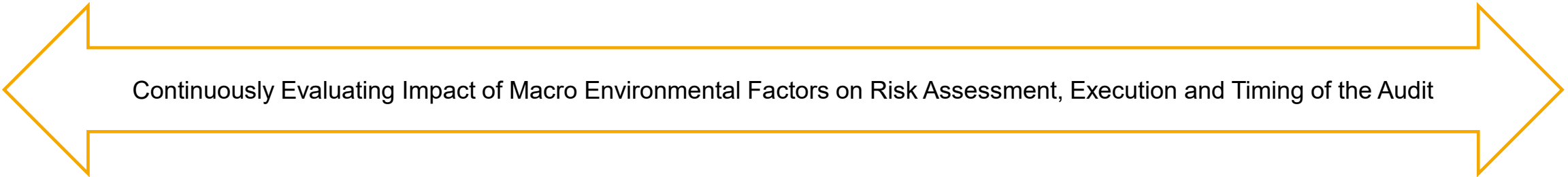
**Planning**  
June - July 2026

**Reporting to Management**  
October – November 2026



**Execution**  
July – October 2026

**Audit Committee Presentation**  
December 2026



# Approach



- At all times acting with
  - Professional Skepticism
  - Independence
  - Objectivity



- Auditing in phases with a continuous risk assessment and commitment to audit quality



- Performing inquiries with Audit Committee members, SCERS' executives and other System staff
- Corroborating and testing internal controls over financially significant IT systems and key accounts



- Performing substantive testing over significant risks and key audit areas
  - Existence and fair value of investments
  - Total pension liability
  - Contributions
  - Benefit Payments
  - Potential management override of controls

Accumulation and Evaluation of Results

# Approach (continued)

Significant Audit Area	Identified Risk(s)	Summarized Planned Audit Approach	Risk of Material Misstatement
<b>Investments</b>	<b>Valuation Accuracy and Classification</b>	<p>Investment balances will be confirmed, and individual holdings will be independently price tested using Crowe Pricing desk and other appropriate methods based on the nature of the investment. Holdings will be evaluated for impairment. Additionally, a rollforward of annual activity will be tested for accuracy and support for income recognized.</p> <p>Classification and leveling of investments as disclosed in the financial statements will be evaluated against GASB 72, <i>Fair Value Measurement and Application</i>.</p>	<b>High</b>
<b>Contributions</b>	<b>Revenue recognition</b>	Individual employers will be selected and tested through confirmation. Substantive analytics will be performed over various balances.	<b>Not High</b>
<b>Total and Net Pension Liability, including deferred inflows and outflows</b>	<b>Valuation and Completeness</b>	Examine the valuation reports prepared by independent actuaries, including testing of assumptions and underlying substantive data.	<b>High</b>
<b>Financial reporting</b>	<b>Management Override of Controls</b>	Pervasive – reviewed continuously.	<b>Not High</b>

# Planning Communications and Considerations

- Concept of materiality in planning and executing the audits
- Addressing significant risks of material misstatement, whether due to fraud or error
- Crowe's responsibility to communicate evidence of fraud
- Views of the Audit Committee and areas that warrant particular attention
- Key considerations for FY 2026 audit



# Independence Considerations

- Non-Attest Services Performed by Crowe:
  - None
- We wish to report that we are not aware of any relationship between Crowe LLP and the Sacramento County Employee Retirement System that, in our professional judgment, may reasonably be thought to impair our independence.
- Accordingly, and relating to our audit of the June 30, 2026, financial statements of SCERS, we are independent certified public accountants with respect to the System within the meaning of the applicable pronouncements of the Independence Standards Board under Rule 101 of the American Institute of Certified Public Accountants' Code of Professional Conduct, its interpretations and rulings and Government Accounting Standards Yellow Book Independence Standards.



# THANK YOU

Jen Aras  
Partner  
jen.aras@crowe.com  
916.492.5119

Charles Raibley  
Senior Manager  
charles.raibley@crowe.com  
916.266.9572

"Crowe" is the brand name under which the member firms of Crowe Global operate and provide professional services, and those firms together form the Crowe Global network of independent audit, tax, and consulting firms. "Crowe" may be used to refer to individual firms, to several such firms, or to all firms within the Crowe Global network. Crowe Cayman Ltd., C3 India Delivery Centre LLP, and ITR Economics LLC are subsidiaries of Crowe LLP. Crowe LLP is an Indiana limited liability partnership and the U.S. member firm of Crowe Global. Services to clients are provided by the individual member firms of Crowe Global, but Crowe Global itself is a Swiss entity that does not provide services to clients. Each member firm is a separate legal entity responsible only for its own acts and omissions and not those of any other Crowe Global network firm or other party. Visit [www.crowe.com/disclosure](http://www.crowe.com/disclosure) for more information about Crowe LLP, its subsidiaries, and Crowe Global.

The information in this document is not – and is not intended to be – audit, tax, accounting, advisory, risk, performance, consulting, business, financial, investment, legal, or other professional advice, and should not be relied upon as such. Some firm services may not be available to attest clients. The information is general in nature, based on existing authorities, and is subject to change. The information is not a substitute for professional advice or services, and you should consult a qualified professional adviser before taking any action based on the information. Crowe is not responsible for any loss incurred by any person who relies on the information discussed in this document. © 2026 Crowe LLP.