



Audit Committee Charter

I. Establishment

- A) The Board of Retirement has established an Audit Committee to assist in overseeing the audit function within SJCERA.

II. Membership

- A) The Committee will consist of at least three and no more than four members of the Board of Retirement. The Board Chair will appoint members to the Committee, in accordance with the SJCERA Bylaws and designate one member to serve as the Committee Chair.
- B) To the extent possible, the Board Chair shall appoint members to the Committee that have expertise in accounting, auditing, financial reporting, and internal control. Although these desired traits are not mandatory, members should be sufficiently knowledgeable about these topics to make informed decisions with the assistance of a financial expert.
- C) The Committee may also (look outside the Board members to) include an individual possessing requisite skills and experience to provide valuable review and input for the Committee's evaluation and approval of SJCERA's financial statements and other related materials.

III. Meetings

- A) The Committee will meet at least twice yearly for the audit entrance and exit conferences, and may convene additional meetings as circumstances require. All meetings are subject to the Brown Act.

IV. Responsibilities

- A) The Committee generally oversees SJCERA's audits including financial and other audits (such as cybersecurity and actuarial audits).
 - 1) The Committee may delegate to staff the selection and oversight of non-financial auditors (as has been done with the Actuarial Audit), in consideration of staff's and SJCERA's experience with the type of audit, level of risk, and other factors.
- B) The Committee's areas of responsibility for the financial audit are:
 - 1) Overseeing the annual financial audit process including, but not limited to:
 - (a) Meeting with the Auditor to review the scope of the financial audit, including the responsibilities of the auditor, and the timing and estimated budget for the audit;
 - (b) Meeting with the auditor to review the audit findings;

- (c) Meeting with SJCERA management to discuss management’s response to the findings;
- (d) Reporting to the Board on the audit findings and management’s responses to the findings
- 2) Overseeing the process for hiring, retaining, evaluating and terminating the Auditor;
- 3) Ensuring the independence of the Auditor; and
- 4) Reviewing significant changes in accounting standards, policies, or practices that may impact SJCERA and report the results of that review to the Board.

V. Authority

- A) The Audit Committee is an advisory committee to the Board. All Committee actions must be ratified or approved by the Board.

VI. Charter Review

- A) The Committee will review this Charter at least once every three (3) years and recommend any amendments to the Board for approval as necessary to ensure that the Charter remains relevant, appropriate, and in compliance.

VII. History

June 7, 2019	Adopted by Board of Retirement
July 9, 2021	Clarified the Committee oversees both financial and non-financial audits and delegation authority
July 16, 2024	Added authority to have third-party auditor as committee member

Certification of Board Adoption:

Clerk of the Board	07/16/2024 Date
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