CALSTRS

Audits & Risk Management Committee

Item number 2 – Open session

Subject: Approval of Minutes of the March 5, 2026, Audits and Risk Management Committee – Open Session

Presenter(s): Chairperson

Item type: Consent action

Date and time: September 24, 2026 – 0 minutes

Attachment(s): None

PowerPoint presentation(s): None

PROPOSED MINUTES

Teachers' Retirement Board –Audits & Risk Management Committee Meeting

March 5, 2026

OPEN SESSION

LOCATION: Sacramento/American River Rooms, 100 Waterfront Place, West Sacramento, CA 95605

COMMITTEE MEMBERS PRESENT

Denise Bradford, Chairperson
Jennifer Whitaker, representing Director of Finance Joe Stephenshaw, Vice Chairperson
Sharon Hendricks
Ken Tang
Deborah Gallegos, representing State Controller, Malia Cohen
Patrick Henning, representing State Treasurer, Fiona Ma
Geqigula Dlamini, representing State Superintendent of Public Instruction, Tony Thurmond

STAFF PRESENT

Cassandra Lichnock, Chief Executive Officer
Brian J. Bartow, General Counsel
Lisa Blatnick, Chief Operating Officer
Scott Chan, Chief Investment Officer

Ashish Jain, Chief Technology Officer
Melissa Norcia, Chief Administrative Officer
Teresa Schilling, Chief Public Affairs Officer
Julie Underwood, Chief Financial Officer
Cheryl Cervantes Dietz, Chief Auditor
David Lamoreaux, Chief Actuary
Lynn Bashaw, Director, Enterprise Risk Management & Compliance Services
Kristel Turko, Director, Human Resources
Jessica Cross, Procurement, Solicitations and Contracts Manager
Fam Saechao, Procurement, Solicitations and Contracts Analyst
Amy Ifurung-Cook, Senior Counsel

OTHERS PRESENT

Dr. Robert Yetman (Audits and Risk Management Committee Consultant)
Kelley Buchanan, Sage 71, LLC
Tomoko Kizawa, Sage 71, LLC
Dr. Tara Leweling, Sage 71, LLC
Jen Aras, Independent Auditor, Crowe LLP
Dan O'Malley, Independent Auditor, Crowe LLP
Rich Perilloux, Independent Auditor, Crowe LLP
Hamzeh Qattan, Independent Auditor, Crowe LLP
Mark Allen
Jennifer Baker
Angel Belden
Kathy Kenley
Sarah Vigrass
John Anderson, CTA
Jesus Gutierrez, CTA
Mary Kay Scheid, CTA
Leonard Goldberg, UTLA

A quorum being present, Chairperson Bradford called the Open Session meeting of the Audits and Risk Management Committee meeting to order at 9:07 a.m.

I. APPROVAL OF COMMITTEE AGENDA (Item 1)

MOTION duly made by Mr. Dlamini, seconded by Mr. Henning, and carried to approve the Committee Agenda.

Members Voting	Aye	Nay	Abstain
Ms. Hendricks	x		
Mr. Tang	x		
Mr. Dlamini, for the Superintendent of Public Instruction	x		
Mr. Henning, for the State Treasurer	x		
Ms. Whitaker, for the Director of Finance	x		
Chairperson Bradford	x		

Ms. Gallegos joined the dais at 9:12 a.m.

II. AUDITS AND RISK MANAGEMENT CONSULTANT FINALIST INTERVIEWS (Item 2)

The committee interviewed two qualified finalists to serve as the ARM Committee Consultant for the contract period beginning July 1, 2026.

a. Finalist #1 – Sage 71, LLC

The committee received introductory remarks and a presentation from Ms. Buchanan, Ms. Kizawa, and Dr. Leweling of Sage 71, LLC. The committee then engaged in a detailed question and answer session.

b. Finalist #2 – Robert Yetman, Ph.D.

The committee received introductory remarks and a presentation from Dr. Yetman. The committee then engaged in a detailed question and answer session.

c. Deliberation on ARM Committee Financial Consultant

Following the conclusion of the two interviews, the committee discussed and considered the strengths and weaknesses of the presentations, as well as the responses to the committee's questions. The discussion was facilitated by Ms. Cross and Ms. Saechao. The committee discussed and asked questions about the scoring process for each finalist. The committee expressed interest in being provided with a scoring rubric for future interviews. The committee scored each candidate, and Dr. Yetman was selected as the next ARM Committee Consultant.

MOTION duly made by Mr. Tang, seconded by Mr. Henning, and carried to select and approve Robert Yetman, Ph.D. as the ARM Committee Consultant with a contract period to begin July 1, 2026.

Members Voting	Aye	Nay	Abstain
Ms. Hendricks	x		
Mr. Tang	x		
Mr. Dlamini, for the Superintendent of Public Instruction	x		
Ms. Gallegos, for the State Controller	x		
Mr. Henning, for the State Treasurer	x		
Ms. Whitaker, for the Director of Finance	x		
Chairperson Bradford	x		

III. APPROVAL OF MINUTES OF THE NOVEMBER 12, 2025, AUDITS AND RISK MANAGEMENT COMMITTEE – OPEN SESSION (Item 3)

MOTION duly made by Mr. Henning, seconded by Ms. Hendricks, and carried to approve the minutes of the November 12, 2025, Audits and Risk Management Committee Meeting – Open Session.

Members Voting	Aye	Nay	Abstain
Ms. Hendricks	x		
Mr. Tang	x		
Mr. Dlamini, for the Superintendent of Public Instruction	x		
Ms. Gallegos, for the State Controller	x		
Mr. Henning, for the State Treasurer	x		
Ms. Whitaker, for the Director of Finance	x		
Chairperson Bradford	x		

IV. AUDIT SERVICES PLAN UPDATE (Item 4)

The committee received an update and recommendation to amend the Audit Services audit plan for Fiscal Year 2025-2026.

> **MOTION** duly made by Mr. Henning, seconded by Ms. Hendricks, and carried to amend the Audit Services audit plan for Fiscal Year 2025-2026.

Members Voting	Aye	Nay	Abstain
Ms. Hendricks	x		
Mr. Tang	x		
Mr. Dlamini, for the Superintendent of Public Instruction	x		
Ms. Gallegos, for the State Controller	x		
Mr. Henning, for the State Treasurer	x		
Ms. Whitaker, for the Director of Finance	x		
Chairperson Bradford	x		

V. FY 2026-27 AUDIT SERVICES PROPOSED AUDIT PLAN (Item 5)

The Committee received the Audit Services proposed audit plan for Fiscal Year 2026-2027.

> **MOTION** duly made by Mr. Henning, seconded by Ms. Hendricks, and carried to approve the Audit Services audit plan for Fiscal Year 2026-2027.

Members Voting	Aye	Nay	Abstain
Ms. Hendricks	x		
Mr. Tang	x		
Mr. Dlamini, for the Superintendent of Public Instruction	x		
Ms. Gallegos, for the State Controller	x		
Mr. Henning, for the State Treasurer	x		
Ms. Whitaker, for the Director of Finance	x		
Chairperson Bradford	x		

VI. INPUT ON FY 2026-27 ARM COMMITTEE WORK PLAN (Item 6)

The committee received the ARM Committee work plan for Fiscal Year 2026-2027.

VII. ENTERPRISE RISK MANAGEMENT REPORT (Item 7)

The committee received the Enterprise Risk Management report.

VIII. ENTERPRISE RISK MANAGEMENT AND COMPLIANCE SERVICES FY 2026-27 WORK PLAN (Item 8)

The committee received the Enterprise Risk Management and Compliance Services work plan for Fiscal Year 2026-2027.

IX. FINANCIAL STATEMENT CLIENT SERVICES PLAN FOR FY 2025-26 (Item 9)

The Committee received a presentation from Ms. Aras, Mr. O'Malley, Mr. Perilloux, and Mr. Qattan of Crowe LLP regarding its Client Services Plan for performing an audit of CalSTRS basic financial statements for the year ending June 30, 2026.

The committee inquired about the use of artificial intelligence in auditing, and learned that Crowe LLP will not use artificial intelligence in its auditing and is prevented from doing so by contract. The committee inquired and heard about changes and challenges encountered in the last fiscal year, such as market volatility and the implementation of Benefit Connect. The committee inquired and heard about the identity of the signing partner.

X. REVIEW OF INFORMATION REQUESTS (Item 10)

There were no requests for information.

XI. DRAFT AGENDA FOR THE NEXT COMMITTEE MEETING (Item 11)

There were no changes to the draft agenda.

XII. OPPORTUNITY FOR STATEMENTS FROM THE PUBLIC (Item 12)

There were no statements from the public.

XIII. ADJOURNMENT

There being no further business to conduct, Chairperson Bradford adjourned the Audits and Risk Management Committee meeting at 11:16 a.m.

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Cassandra Lichnock, Chief Executive Officer
And Secretary to the Teachers' Retirement Board

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Denise Bradford, Chairperson

Prepared by: Amy Ifurung-Cook, Senior Counsel