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**An Audit of the Office of the
Fire Fighters Pension Commissioner**

Fiscal Year 1999 Financial Statements

April 3, 2000

Members of the Legislative Audit Committee:

The August 31, 1999, financial statements for the Office of the Fire Fighters' Pension Commissioner (Commission) fairly and accurately represent the financial position and results of operations of the Commission.

Since last year's audit, the Commission has begun implementing our previous recommendation (SAO Report No. 98-003, *An Audit Report on Management Controls at the Office of the Fire Fighters' Pension Commissioner*, October 1997, and SAO Report No. 99-012, *An Audit at the Office of the Fire Fighters' Pension Commissioner — Fiscal Year 1997 Financial Statements Management Control Follow-Up*, November 1998) for better segregation of duties. We recommend that the Commission complete this implementation, which could reduce the risk of improper management and incorrect financial data. The Commission generally agrees with our recommendation.

We also have provided the Commission with the *Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards*.

We appreciate the cooperation of the Commissioner and the staff. The Commission's Board of Trustees will receive details from this audit at a future board meeting. Please contact Carol A. Smith, CPA, Audit Manager, at (512) 479-4700 if you have any questions.

Sincerely,

Lawrence F. Alwin, CPA
State Auditor

cbg

cc: Fire Fighters' Pension Commissioner Board
of Trustees
Mr. Morris E. Sandefer, Commissioner

Objectives, Scope, and Methodology

Our objectives were to express an opinion on the Commission's financial statements for the fiscal year ended August 31, 1999, and review compliance with applicable laws and rules.

The audit was conducted in accordance with applicable generally accepted auditing standards and *Government Auditing Standards*.

To achieve our objectives, we tested controls and material accounts as deemed necessary to support our opinion. In addition, we tested compliance with laws and regulations primarily related to investments that may have a material impact on the financial statements.

SAO Report No. 00-020