

## EXECUTIVE DIGEST

# STATE TREASURER'S ANNUAL REPORT

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### INTRODUCTION

This report contains the results of our financial audit\* of the State Treasurer's Annual Report, Department of Treasury, for the period October 1, 1998 through September 30, 1999.

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### AUDIT PURPOSE

This financial audit was conducted as part of the constitutional responsibility of the Office of the Auditor General. Financial audits are conducted at various intervals to permit the Auditor General to express an opinion on the State's financial statements.

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### BACKGROUND

The State Treasurer is responsible for investing, managing, accounting for, and safekeeping assets of the State Police, State Employees', Public School Employees', and Judges' Retirement Systems and various trust funds and other money comprising the State's Common Cash pool.

The Bureau of Investments (BOI), Department of Treasury, manages the investments for the State Treasurer. Also, BOI accounts for the investments of the Legislative Retirement System. As of September 30, 1999, the market value of the retirement systems and the State's Common Cash pool totaled over \$50 billion.

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AUDIT OBJECTIVES  
AND CONCLUSIONS

**Audit Objective:** To assess and report on the Department's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the financial schedules, and on its internal control\* over financial reporting, based on our audit of the financial schedules.

**Conclusion:** Our assessment of compliance did not disclose any instances of noncompliance that could have a material effect on the Department's financial schedules. Also, our assessment of internal control over financial reporting did not disclose any material weaknesses\*. However, we noted a reportable condition\* in the area of a disaster recovery plan for the Complete Asset Management, Reporting, and Accounting System\* (CAMRA) (Finding 1).

**Audit Objective:** To audit the financial schedules of the State Treasurer as of and for the fiscal year ended September 30, 1999.

**Conclusion:** We expressed an unqualified opinion\* on the State Treasurer's financial schedules as of and for the fiscal year ended September 30, 1999. Our opinion and the financial schedules are included in the State Treasurer's Annual Report issued by the Department of Treasury.

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AUDIT SCOPE

Our audit scope was to examine the financial and other records of the Department of Treasury for the period October 1, 1998 through September 30, 1999. Our audit was conducted in accordance with generally accepted auditing standards and the standards applicable to

financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

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AGENCY RESPONSE

Our audit report contains 1 finding and 1 corresponding recommendation. BOI concurs with the finding.