

San Mateo County Employees' Retirement Association  
**Minutes of the Audit Committee**

**APRIL 25, 2000 – Audit Committee Agenda**

**CLOSED SESSION** – Time Certain: 8:30 a.m.

- C1 Closed Session Pursuant to Government Code Section 54957  
Public Employee Performance Evaluation  
Title: Chief Executive Officer

**PUBLIC SESSION** - The Committee will meet in Public Session upon Adjournment of the Closed Session.

- 1.0 Call to Order
- 2.0 Roll Call
- 3.0 Approval of the Minutes
- 4.0 Oral Communications
  - 4.1 From the Board
  - 4.2 From the Public
- 5.0 Discussion and Recommendation Regarding the 6/30/2000 Audit Engagement Letter.
- 6.0 Discussion and Recommendation for Purchase of the Great Plains Dynamics Accounting Software.
- 7.0 Other Business
- 8.0 Report of Closed Session
- 9.0 Adjournment

**MINUTES OF SAMCERA's Audit Committee**

- 1.0 Call to Order**  
Mr. Hoffman called the Public Session of the Audit Committee to order at 9:00 a.m., April 25, 2000, in *SamCERA's* Board Room, Suite 280, 702 Marshall Street, Redwood City.
- 2.0 Roll Call**  
Mr. Bryan, Mr. Cottle, Ms. Perroton-Stuart & Mr. Hoffman. *Staff:* Mr. McCausland, and Mr. Clifton. *Public:* Retired – 0, Public – 0.
- 3.0 Approval of the Minutes – Motion** by Bryan, second by Stuart to approve the March Committee Minutes.
- 4.0 Oral Communications**
  - 4.1 From the Board** – There were no oral communications from the Board.
  - 4.2 From the Public** – There were no oral communications from the Public.
- 5.0 Discussion and Recommendation Regarding the 6/30/2000 Audit Engagement Letter.**  
Government Code Section 31593 mandates that *"The retirement board shall conduct an audit of the retirement system at least once every 12 months and report upon its financial condition."* The San Mateo County Employees' Retirement Association Financial Audit is an integral part of the Board's fiduciary responsibility. During the fiscal year (July 1st through June 30th) staff records all financial transactions in *SamCERA's* accounting system. At the end of each year, financial statements that summarize the year's transactions are prepared.

The complexity and thoroughness of an audit requires an expertise that few boards possess. It is performed in accordance with standards established by the American Institute of Certified

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Public Accountants, known as Generally Accepted Auditing Standards (GAAS). The auditor issues a written opinion as to whether or not the financial statements are presented fairly in accordance with GAAP. Only a Certified Public Accountant may issue such an opinion. The Board delegates performance of the audit to the Internal Audits Division of the Controllers' Office, which is administered by Mr. Kanchan Charan, CPA. Ms. Helen Nguyen will complete the fieldwork under the supervision of Ms. Elisa Sullivan. The proposed fee for the audit services, including a management letter, will be at the Audit Divisions standard hourly rates as detailed in the Engagement Letter. The total fee will not exceed \$24,900.

**Motion** by Bryan, second by Stuart, to recommend that the Board authorize the Chair to execute the Financial Audit Management Letter **passed unanimously**.

**6.0 Discussion and Recommendation for Purchase of the Great Plains Dynamics Accounting Software.**

Mr. Clifton reported on *SamCERA's* general and sub-ledger systems. The County's accounting system (IFAS) is utilized as a subsystem for *SamCERA's* Administrative and Professional Budgets. Custodial systems serve as the investment accounting subsystems. PENSIONGOLD generates a majority of the source documents for pension trust accounting. However the integration of these subsystems into a spreadsheet based trial balance can lead to posting errors.

Four financial management systems were evaluated. They were AccPac, Great Plains, MAS90 and Solomon IV. The objective is to implement a flexible system that will increase productivity, provide on-line access to financial information, and provide management reports quickly and easily. Selection of the system was based its ability to meet *SamCERA's* requirements, adaptability to changing needs, the consultant's ability to successfully implement the system and the technical support and service available for the new system. Great Plains Special Edition Suite priced at \$5,536.33 is the financial management system that best meets the search criteria. It includes the General Ledger with Advanced Financial Analysis, Explorer, Report Writer, FRx Standard, Payables management, Receivables Management and Bank Reconciliation for two concurrent users. The additional modules, Fixed Assets (\$1,000) and Integration Manager an import tool (\$1,750), were not selected. In order to receive the benefits of the Great Plains Enhancement Program, *SamCERA* must pay an annual enhancement fee equal to fifteen percent (15%) of the total purchase price of the software.

A Contractor, Ms. Helen O'Malley, will assist *SamCERA* with planning for and implementing specific cutoffs where use of the old system will be discontinued and *SamCERA* will be solely reliant upon the new system. The consulting charge for installation will be billed as incurred at \$125 per hour. Total cost of installation and implementation, which is scheduled for mid-August is estimated at \$5,000.

**Motion** by Cottle, second by Bryan to recommend to the Board to enter into a contract with Ms. O'Malley to acquire Great Plains and FRx Report Writers and assist in training *SamCERA's* representative(s) on its usage and the creation of select reports.

**7.0 Other Business** – There was no other business

**8.0 Report from Staff** – There was no report from staff

**9.0 Adjournment** – Mr. Hoffman adjourned the meeting at 8:58