

DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA



MANAGEMENT LETTER
ISSUED DECEMBER 11, 2013

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

November 26, 2013

THE HONORABLE JOHN N. KENNEDY
STATE TREASURER
DEPARTMENT OF THE TREASURY
STATE OF LOUISIANA
Baton Rouge, Louisiana

As required by Louisiana Revised Statute 24:513 and as a part of our audit of the State of Louisiana's financial statements for the fiscal year ended June 30, 2013, we conducted certain procedures at the Department of the Treasury (Department) for the period from July 1, 2012, through June 30, 2013.

- Our auditors obtained and documented an understanding of the Department's operations and system of internal controls, through inquiry, observation, and review of its policies and procedures, including a review of the laws and regulations applicable to the Department.
- Our auditors performed analytical procedures consisting of a comparison of the most current and prior year financial activity using the Department's annual fiscal reports and/or system-generated reports and obtained explanations from management for any significant variances. We also analyzed the Department's investment portfolio and investment returns over the last four years.
- Our auditors considered internal control over financial reporting and examined evidence supporting the Department's cash, investments, and interest allocations. We also tested the Department's compliance with laws and regulations that could have a direct and material effect on the State of Louisiana's financial statements, as part of our audit of the state's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013, in accordance with *Government Auditing Standards*.

The Annual Fiscal Reports of the Department were not audited or reviewed by us, and, accordingly, we do not express an opinion on those reports. The Department's accounts are an integral part of the State of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

Based on the application of the procedures referred to previously, we found no significant issues relating to our analytical procedures or our other audit procedures that are required to be reported to management.

The purpose of this letter is solely to describe the scope of our work at the Department and not to provide an opinion on the effectiveness of the Department's internal control over financial reporting or on compliance. Accordingly, this letter is not intended to be and should not be used for any other purpose. Under Louisiana Revised Statute 24:513, this letter is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Daryl G. Purpera, CPA, CFE
Legislative Auditor

BE:CR:BDC:THC:ch

TREASURY 2013