

DEPARTMENT OF REVENUE
STATE OF LOUISIANA



MANAGEMENT LETTER
ISSUED NOVEMBER 13, 2013

**LOUISIANA LEGISLATIVE AUDITOR
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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

October 29, 2013

DEPARTMENT OF REVENUE
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 Revenue (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 control 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 Department management for any significant variances. We also analyzed trends in significant tax revenues over the last four years.
- Our auditors reviewed the status of the finding identified in the prior management letter, dated December 20, 2012. The prior year finding relating to inadequate preparation of the annual fiscal report has been resolved by management.
- Our auditors considered internal control over financial reporting and examined evidence supporting the Department's account balances and classes of transactions as follows: claims and litigation disclosures; refunds payable; and revenue and receivables from corporate income and franchise taxes, individual income taxes, sales taxes, severance taxes, and gasoline and special fuels taxes. 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 Report (AFR) of the Department was not audited or reviewed by us, and, accordingly, we do not express an opinion on that report. 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,

A handwritten signature in blue ink that reads "Daryl G. Purpera". The signature is written in a cursive style with a large initial "D".

Daryl G. Purpera, CPA, CFE
Legislative Auditor

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REVENUE 2013