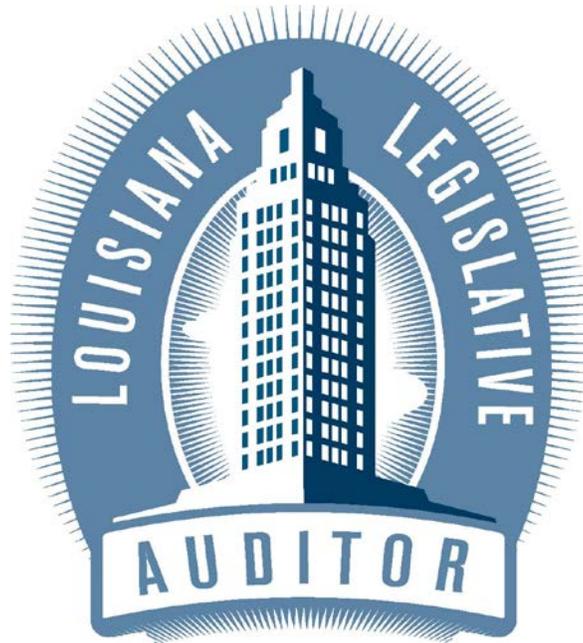


OFFICE OF GROUP BENEFITS
DIVISION OF ADMINISTRATION
STATE OF LOUISIANA



MANAGEMENT LETTER
ISSUED MARCH 7, 2012

**LOUISIANA LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

FIRST ASSISTANT LEGISLATIVE AUDITOR
AND STATE AUDIT SERVICES
PAUL E. PENDAS, CPA

DIRECTOR OF FINANCIAL AUDIT
THOMAS H. COLE, CPA

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Louisiana Legislative Auditor.

This document is produced by the Louisiana Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. One copy of this public document was produced at an approximate cost of \$3.71. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. This report is available on the Legislative Auditor's Web site at www.la.la.gov. When contacting the office, you may refer to Agency ID No. 3589 or Report ID No. 80110060 for additional information.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Kerry Fitzgerald, Chief Administrative Officer, at 225-339-3800.



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

February 16, 2012

**OFFICE OF GROUP BENEFITS
DIVISION OF ADMINISTRATION
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, 2011, we conducted certain procedures at the Office of Group Benefits (OGB) for the period from July 1, 2010, through June 30, 2011.

- Our auditors obtained and documented an understanding of OGB'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 OGB.
- Our auditors performed analytical procedures consisting of a comparison of the most current and prior year financial activity using OGB's annual fiscal reports and/or system-generated reports and obtained explanations from OGB's management for any significant variances.
- Our auditors considered internal control over financial reporting; examined evidence supporting the accounts receivable, accounts payable, estimated liabilities for claims incurred but not received, processed or paid as of year-end, revenues, health claims expenditures, drug claims expenditures, and disclosure components for other postemployment benefits other than pensions; and tested OGB's compliance with laws and regulations that could have a direct and material effect on the State of Louisiana's financial statements. These procedures were performed in accordance with *Government Auditing Standards* as part of our audit of the state's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011.

The Annual Fiscal Reports of OGB were not audited or reviewed by us, and, accordingly, we do not express opinions on those reports. OGB'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 control deficiencies, noncompliance, or errors relating to our analytical procedures or our other audit procedures that should be communicated to management.

This letter is intended for the information and use of OGB and its management, others within the entity, and the Louisiana Legislature and is not intended to be, and should not be, used by anyone other than these specified parties. 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, prominent initial "D".

Daryl G. Purpera, CPA, CFE
Legislative Auditor

SC:DG:BDC:THC:ch

OGB 2011