

LOUISIANA OFFICE OF  
STUDENT FINANCIAL ASSISTANCE  
STATE OF LOUISIANA



PROCEDURAL REPORT  
ISSUED JANUARY 2, 2013

**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. Three copies of this public document were produced at an approximate cost of \$11.91. 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.gov](http://www.la.gov). When contacting the office, you may refer to Agency ID No. 3393 or Report ID No. 80120115 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.

## EXECUTIVE SUMMARY

---

We conducted certain procedures at the Louisiana Office of Student Financial Assistance (LOSFA) to evaluate its accountability over public funds for the fiscal year ended June 30, 2012.

We performed internal control and compliance testing on the Federal Family Education Loans (FFEL) program in accordance with the Office of Management and Budget Circular A-133 and a limited review of controls over the Taylor Opportunity Program for Students (TOPS) relating to eligibility determinations and disbursements. We also performed analytical procedures, comparing the most current and prior year financial activity to look for unusual changes and scheduled the outstanding loan balance over the past five years for informational purposes. Our procedures disclosed the following:

- We found no significant control deficiencies or noncompliance for the FFEL program or TOPS that should be reported.
- We found no errors relating to our analytical procedures that should be reported.
- Effective July 1, 2010, no new student loans are made under the FFEL program. As a result, the outstanding loan balances guaranteed by LOSFA have decreased.

This report is a public report and has been distributed to state officials. We appreciate LOSFA's assistance in the successful completion of our work.



LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

December 13, 2012

**LOUISIANA STUDENT FINANCIAL  
ASSISTANCE COMMISSION  
LOUISIANA OFFICE OF STUDENT  
FINANCIAL ASSISTANCE  
STATE OF LOUISIANA  
Baton Rouge, Louisiana**

As required by Louisiana Revised Statute 24:513 and as a part of our Single Audit of the State of Louisiana for the year ended June 30, 2012, we conducted certain procedures at the Louisiana Office of Student Financial Assistance (LOSFA) for the period from July 1, 2011, through June 30, 2012.

- Our auditors obtained and documented a basic understanding of LOSFA's operations and system of internal controls, including controls over major federal programs administered by LOSFA, through inquiry, observation, and review of its policies and procedures documentation, including a review of the related laws and regulations applicable to LOSFA.
- Our auditors performed internal control and compliance testing, in accordance with Office of Management and Budget (OMB) Circular A-133, on the Federal Family Education Loans (FFEL, CFDA 84.032) program for the fiscal year ended June 30, 2012, as a part of the Single Audit of the State of Louisiana.
- Our auditors performed analytical procedures consisting of a comparison of the most current and prior year financial activity using LOSFA's annual fiscal reports and/or system-generated reports and obtained explanations from LOSFA management of any significant variances. Our auditors also scheduled the outstanding FFEL loan balance over the past five years for informational purposes.
- Our auditors performed a walkthrough of the Taylor Opportunity Program for Students (TOPS) to ensure that the system-generated eligibility determinations were supported by additional documentation and to ensure that control procedures over payments made by LOSFA were placed in operation.

We found no significant control deficiencies, noncompliance, or errors relating to our analytical procedures or our procedures on TOPS that should be communicated to management. Our procedures were more limited than would be necessary to give an opinion on internal control and on compliance with laws, regulations, policies, and procedures governing financial activities.

While we did not perform an audit in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States, we did perform certain procedures related to compliance with federal laws and regulations in accordance with those standards.

We found no significant control deficiencies or noncompliance that would require reporting under OMB Circular A-133 for the FFEL program for the fiscal year ended June 30, 2012.

The Annual Fiscal Report of LOSFA was not audited or reviewed by us, and, accordingly, we do not express an opinion on that report. LOSFA's accounts are an integral part of the State of Louisiana's Comprehensive Annual Financial Report, upon which the Louisiana Legislative Auditor expresses opinions.

This letter is intended for the information and use of LOSFA 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 report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,



Daryl G. Purpera, CPA, CFE  
Legislative Auditor

KS:CRV:BQD:THC:dl

LOSFA 2012