

DEPARTMENT OF REVENUE
STATE OF LOUISIANA



MANAGEMENT LETTER
ISSUED DECEMBER 21, 2011

**LOUISIANA LEGISLATIVE AUDITOR
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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 Legislative Auditor.

This document is produced by the 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 \$3.91. 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.la.gov. When contacting the office, you may refer to Agency ID No. 3359 or Report ID No. 80110078 for additional information.

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

December 9, 2011

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, 2011, we conducted certain procedures at the Louisiana Department of Revenue (LDR) for the period from July 1, 2010, through June 30, 2011.

- Our auditors obtained and documented an understanding of LDR's operations and system of internal control through inquiry, observation, and review of its policies and procedures, including a review of the related laws and regulations applicable to LDR.
- Our auditors performed analytical procedures consisting of a comparison of the most current and prior year financial activity using LDR's annual fiscal reports and/or system-generated reports and obtained explanations from LDR's management for any significant variances.
- Our auditors considered internal control over financial reporting; examined evidence supporting the tax revenues and receivables for individual income taxes, corporate income and franchise taxes, sales taxes, severance taxes, and motor and special fuels taxes; performed procedures related to claims and litigation, protested taxes and refunds payable balances; and tested LDR'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 Report of LDR was not audited or reviewed by us, and, accordingly, we do not express an opinion on this report. LDR'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 procedures referred to previously, we found no significant deficiencies, noncompliance, or errors related 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 LDR 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 fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Daryl G. Purpera, CPA, CFE
Legislative Auditor

EMS:DG:BDC:THC:dl

REVENUE 2011