



# Report Highlights

## Office of Group Benefits

### Division of Administration

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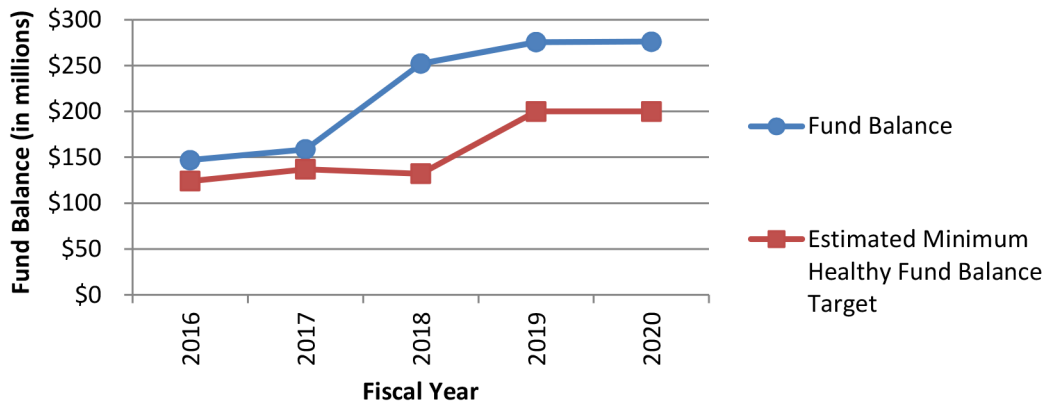
## Why We Conducted This Audit

We performed certain procedures at the Office of Group Benefits (OGB) as a part of the audit of the Comprehensive Annual Financial Report of the State of Louisiana and the Single Audit of the State of Louisiana, and to evaluate OGB’s accountability over public funds for the period July 1, 2019, through June 30, 2020.

## What We Found

- For the third consecutive year, the OGB annual fiscal reports were submitted to the Office of Statewide Reporting and Accounting Policy with errors requiring audit adjustments.
- Financial information relating to the following accounts was materially correct, as adjusted: premium revenues, health and drug claims expenditures, life insurance premium expenditures, Vantage Medical Home Health Plan premium expenditures, and other postemployment benefits disclosures.
- The OGB fund balance is the accumulation of the surplus, or deficit, of revenues minus expenditures over time and includes incurred but not reported claims. Due to health and drug plan changes and premium rate increases over the last few fiscal years, the fund balance has increased to \$276 million as of June 30, 2020, exceeding OGB’s estimated minimum healthy fund balance target of \$200 million reported in the actuarial forecast at the July 2020 board meeting. The chart below shows the changes in OGB’s fund balance as compared to the estimated minimum balances for the last five fiscal years.

**Fund Balance - Five Years**



Sources: OGB Board Meeting Presentations and Annual Fiscal Reports, as adjusted

View the full report, including management’s response, at [www.la.gov](http://www.la.gov).