



# Report Highlights

## Office of Group Benefits

### Division of Administration

DARYL G. PURPERA,  
CPA, CFE

Audit Control # 80120022  
Financial Audit Services • January 2013

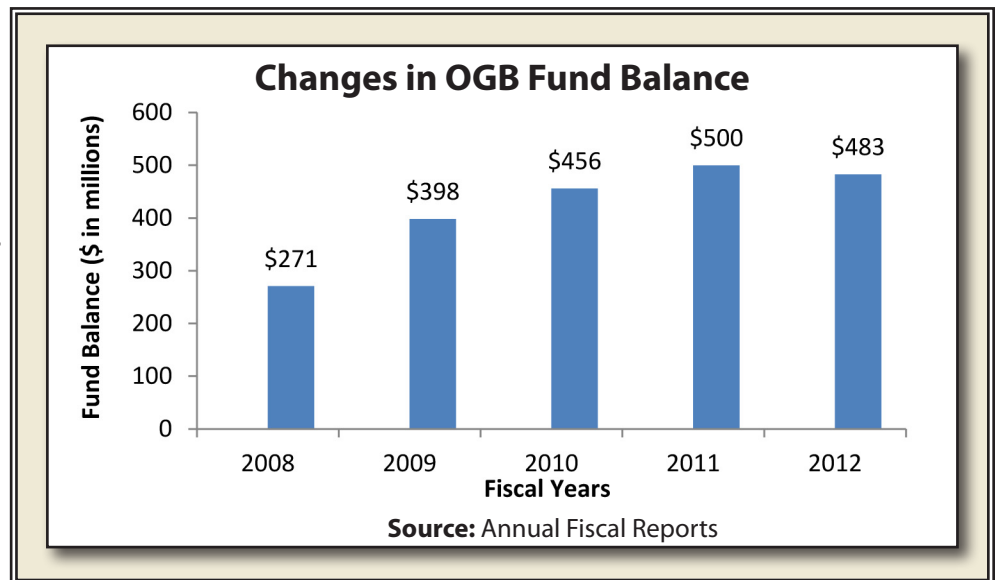
## Why We Conducted This Audit

We conducted certain procedures at the Office of Group Benefits (OGB) to evaluate its accountability over public funds for the fiscal year ended June 30, 2012.

## What We Found

We evaluated controls over financial reporting and compliance relating to long-term payables, revenues, health claim expenditures, drug claim expenditures, and postemployment benefits. Our procedures disclosed the following:

- Financial information relating to these accounts was fairly presented.
- Internal control related to these accounts, based on the sample items we tested, was operating effectively, and OGB complied with related laws and regulations.
- We examined financial trends in accounts to look for unusual changes that did not follow logical patterns. We compared the



current and prior year financial information and determined the changes in accounts to be reasonable. As shown in the chart, the OGB fund balance has grown significantly since 2008. The fund balance is a reserve for situations where health claims exceed premiums collected.

On August 24, 2011, we issued an informational report on the proposed privatization of OGB, which is available on our website at [www.la.la.gov](http://www.la.la.gov). During fiscal year 2012, the Division of Administration awarded a contract to Blue Cross/Blue Shield of Louisiana for the Preferred Provider Organization and Health Maintenance Organization plans. The contract was signed in July 2012 and was approved by the House Appropriations and Senate Finance Committees in November 2012. Effective January 1, 2013, OGB will no longer administer any health insurance plans.

View the full report at [www.la.la.gov](http://www.la.la.gov).