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Missouri State Auditor

Missouri Accountability Portal

Report No. 2019-099

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CITIZENS SUMMARY

Findings in the audit of the Missouri Accountability Portal

Incomplete and Inaccurate Data	Certain data reported in the Missouri Accountability Portal (MAP) is not complete or accurate. The OA has excluded a category of state expenditures from reporting in the MAP, resulting in an underreporting of state expenditures of approximately $743 million for the 7-month period July 2018 through January 2019. In addition, the OA has elected to omit interagency payments from the MAP, leading to inaccurate reporting of agency expenditures. The OA has not adopted policies and procedures to ensure bonds reported by political subdivisions to the MAP are complete or accurate.
Portal Usability	Opportunities exist for the OA to increase the usability and functionality of the MAP. The MAP does not incorporate some best practices and actions recommended for transparently reporting government data. Data available from the download tool in the MAP is not the same as the data displayed in the MAP for public browsing.

Because of the nature of this report, no rating is provided.

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Honorable Michael L. Parson, Governor
    and
Sarah H. Steelman, Commissioner
Office of Administration
Jefferson City, Missouri

We have audited certain operations of the Office of Administration, Missouri Accountability Portal (MAP). This audit was conducted in fulfillment of our duties under Chapter 29, RSMo. The objectives of our audit were to:

1.   Evaluate the timeliness, completeness, accuracy, and quality of the MAP data.

2.   Evaluate the extent to which the MAP is consistent with key practices for transparently reporting state (government) data on a centralized website.

3.   Evaluate compliance with certain legal provisions.

4.   Evaluate the economy and efficiency of certain management practices and information system control activities.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) deficiencies in the completeness and accuracy of MAP data, (2) noncompliance with key practices for transparently reporting government data, (3) no significant noncompliance with legal provisions, and (4) no significant deficiencies in management practices and information system control activities. The accompanying Management Advisory Report presents our findings arising from our audit of the Missouri Accountability Portal.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits: Jon Halwes, CPA, CGFM
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Missouri Accountability Portal
Introduction

Background

The Missouri Accountability Portal (MAP) website[1] "is presented to the citizens of Missouri as a single point of reference to review how their money is being spent and other pertinent information related to the enforcement of government programs," according to the website's homepage. The MAP was established by Executive Order 07-24 signed by Governor Matt Blunt in July 2007. The order described the MAP as "an easy-to-search database of financial transactions related to the purchase of goods and services and the distribution of funds for state programs" and "shall be updated each state business day and maintained as the primary source of information about the activity of Missouri's government." This Executive Order was codified into statute[2] in 2009, and amended in 2013.

The MAP website is primarily administered by the Office of Administration (OA), Division of Accounting. The website was built by, and is maintained by, the OA Information Technology Services Division using existing state resources.

The MAP website allows users to access seven distinct data sets of financial information relevant to the state of Missouri, and for one data set, the state's component political subdivisions. These data sets, each represented as a tab, are:

- Employees: Presents gross pay (before taxes and other deductions) for all state employees paid through the statewide accounting system (SAM II).
- Expenditures: Displays payments made by the state to vendors, contractors, grant recipients, etc. Data on this tab comes from the SAM II.
- Budget Restrictions: Displays expenditure restrictions enacted by the governor. Data on this tab is statutorily[3] required to come from the Governor's office.
- Federal Grants: Presents grants received by the state from the federal government. This information is provided by the agency receiving the grant.
- Bonds: All political subdivisions of the state are required to report bonds and obligations they issued. For all subdivisions except public school districts and charter schools, this information is reported by the entity directly to the OA. Public school districts and charter schools report this information to the Department of Elementary and Secondary Education, who then forwards the information to the OA.

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[1] The MAP is available online at <https://mapyourtaxes.mo.gov/MAP/Portal/Default.aspx>.

[2] Section 37.850, RSMo.

[3] Section 37.850.4, RSMo.

- Stimulus: Displays revenues and expenditures pertaining to the American Recovery and Reinvestment Act of 2009 (ARRA). Information on this tab comes from the SAM II.
- Tax Credits: Displays selected information regarding tax credits issued by the Missouri Department of Economic Development, who provides the information.

The MAP website has two additional options allowing a user to access additional information outside of the MAP. These options include Financial Reports, made available by the OA Division of Accounting and the Missouri Department of Revenue (DOR); and "Who is Not Paying," an online search tool to identify business entities with a revoked sales tax license, provided by the DOR.

Other states

The U.S. Public Interest Research Group (PIRG), a national non-profit organization with state affiliates, has conducted annual surveys of all 50 states to evaluate their transparency websites. We reviewed the 2010 through 2018 annual reports to determine the benefits of a transparency portal and evaluate Missouri's performance as compared to the rest of the country.

According to the PIRG, transparency websites make government more effective and accountable.[4] Specifically, the reports noted that these websites:

- Save money by allowing vendors to better negotiate contracts and increase competition, allowing users to identify and eliminate governmental inefficiencies, and reducing governmental costs for compliance with information requests.
- Provide support for achieving policy goals by allowing for more efficient access to government information, both by citizens and government employees.
- Cost little to create and operate, with several states (including Missouri) reporting little to no cost, often absorbed into the existing budget without need for additional funding.

In the 2010 review, Missouri earned a score of 81 of 100 possible points. For the 2018 review, Missouri's score had declined to 62 of 100 possible points. Because the reviews used different scoring methodologies, the results are not directly comparable. While the state's score declined over this period, Division of Accounting officials indicated it did not occur due to a decline in the Missouri site, but because of improvements in the sites of other states, and accordingly the increased expectations of what is possible in transparency

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[4] U.S. PIRG Education Fund and Frontier Group, *Following the Money 2018: How the 50 States Rate in Providing Online Access to Government Spending Data*, is available at <https://uspirg.org/sites/pirg/files/reports/FtM%20NATIONAL%20FINAL%20VERSION_0 .pdf>, accessed February 4, 2019.

websites. For example, the 2010 report indicated Missouri was one of only 36 states with a transparency portal, while by 2018 all 50 states had one. The 2018 report praised several states for new and improved websites with additional features that Missouri was noted as lacking, such as checkbook level reporting of individual transactions, data visualizations, data summaries and subtotals, and guided searches.

Best practices for transparency

The United States Government Accountability Office (GAO) recognizes the value of transparency, stating "Open data can foster accountability and public trust by providing citizens with information on government activities and their outcomes. It can also promote private sector innovation."[5] Accordingly, the GAO provided a list of 5 key practices and 18 key actions to be taken by governments to transparently report government data.

Table 1: GAO key practices and key actions for transparently reporting open government data

Key Practices	Key Actions
Provide free and unrestricted data	Make government data open by default, while protecting sensitive or restricted information
	Do not charge users for access to the data
Engage with users	Identify data users and their needs
	Solicit and be responsive to user feedback
	Reach out to potential users to encourage data use
Provide data in useful formats	Provide users with detailed and disaggregated data
	Provide machine-readable data that can be downloaded in bulk and in selected subsets
	Provide data downloads in a non-proprietary format
	Make the data interoperable with other datasets
Fully describe the data	Disclose known data quality issues and limitations
	Disclose data sources and timeliness
	Clearly label data and provide accompanying metadata
	Publish data under an open license and communicate licensing information to users
Facilitate data discovery for all users	Provide an interface that enables intuitive navigation and ensure that the most important information is visible
	Provide users with appropriate interpretations of the data, such as visualizations or summaries
	Ensure that the website's content is written in plain language
	Provide a search function that is optimized for easy and efficient use
	Use central data repositories and catalogues to help users easily find the data they are looking for

Source: GAO-19-72

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[5] Report GAO-19-72 *Open Data: Treasury Could Better Align USASpending.gov with Key Practices and Search Requirements*, December 2018, is available at <https://www.gao.gov/assets/700/696023.pdf>, accessed May 17, 2019.

Scope and Methodology

The scope of our audit included (1) the OA's approach to and management of the MAP, (2) policies and procedures, and (3) other management functions and compliance issues in place during the year ended December 31, 2018.

Our methodology included reviewing written policies and procedures, and interviewing various OA personnel. We obtained an understanding of the applicable controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violation of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We obtained data files from the MAP for bonds, budget withholdings, check cancelations, employees (payroll), expenditures, federal grants, revenues and expenditures related to the ARRA, and tax credits as of January 31, 2019. In addition, we obtained financial data from the SAM II as of that date. We compared the data to ensure the completeness and accuracy of the data presented in the MAP. Although we used computer-processed data from the MAP and SAM II systems for our audit work, we did not rely on the results of any processes performed by these systems in arriving at our conclusions. Our conclusions were based on our review of the issues specific to the audit objectives.

We based our evaluation on accepted state, federal, and international standards and best practices related to information technology from the following sources:

- National Institute of Standards and Technology (NIST)
- U. S. Government Accountability Office (GAO)
- ISACA

Officials from the OA refused to provide certain written representations to our office as requested. While such management representations are not specifically required by Government Auditing Standards for performance audits, it is standard practice of the State Auditor's Office to require such representations be provided to help ensure adequate audit evidence has been obtained. Historically, state agencies have not refused to provide such assurances.

We asked OA management to provide, among other things, the following written representations:

- "We have not knowingly withheld from you any records that in our judgment would be relevant to your audit."

- "We are responsible for the program's compliance with provisions of laws, regulations, contracts, and grant agreements applicable to it; and we have identified, and disclosed to you, all such provisions that we believe have a significant effect on operations. We have complied with all aspects of laws, regulations, and grant agreements that would have a significant effect on operations in the event of noncompliance."

OA management refused to provide these written representations and instead provided the following representations, which significantly altered the meaning of these representations:

- "We have not knowingly withheld from you any records you requested that in our judgment would be relevant to your review."

- "We are responsible for compliance with the Revised Statutes of Missouri and the regulation as they relate to MAP and, within the limits of our authority, have performed activities designed to comply with the same. We are unaware of any contracts or grant agreements related to MAP."

In effect, OA officials declined to provide assurance they (1) had not withheld relevant information from audit staff and (2) had disclosed all provisions of laws, regulations, contracts, and grant agreements that the agency believed would have a significant effect on the audit.

Refusal to provide such representations is concerning and may indicate information potentially relevant to our audit was knowingly withheld from us by OA management.

1. Incomplete and Inaccurate Data

Certain data reported in the Missouri Accountability Portal (MAP) is not complete or accurate. As a result, any users accessing and using the data could be misled and draw inaccurate conclusions regarding the financial transactions and status of the state and/or its political subdivisions.

The MAP website includes disclaimers for each page providing additional information. For example, the disclaimer for the state expenditures data sets states, "While all of the information contained on this site is an open record in accordance with the Missouri Sunshine Law (Ch. 610, RSMo), there may be additional public records available regarding this data. . . . Any information that is a closed record pursuant to the Missouri Sunshine Law or other applicable state or federal law or regulation will not be published on this site. However, every effort has been made to report all relevant financial data where possible. In some instances names of individuals have been withheld to protect their confidentiality. Some payments are initiated outside the statewide financial system and while the financial expenditures associated with these payments may be reported on this site, it may be necessary to contact the state agencies processing those payments for further information."

The disclaimer does not provide specific information regarding the types of transactions omitted or if the transactions have been omitted entirely or just redacted. For example, some employee payroll records in the MAP are listed under the name "Protected (Public Safety)" to protect the identities of investigators and other vulnerable individuals.

1.1 Excluded category

The OA has excluded a category of state expenditures from reporting in the MAP, resulting in an underreporting of state expenditures of approximately $743 million for the 7-month period July 2018 through January 2019.

When entering expenditures into the state accounting system, state employees must code the expenditure to an object code (a description of the expenditure), which rolls up to a corresponding category (a group of related object codes). For example, the object codes pertaining to Postage, Motor Fuel, and Vaccines are 3 of the 45 object codes corresponding to the "Supplies" category in the state accounting system, while the "Travel" category includes 17 object codes in the system, including mileage, meals, and lodging. The Travel category subdivides further, with separate object codes for in-state and out-of-state use.

We determined the MAP omits all transactions coded to an employee benefits category. During the period July 2018 through January 2019, the MAP did not report expenditures of approximately $743 million coded as benefits.[6]

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[6] Items such as state contributions to employee retirement, employee health insurance, and social security and Medicare; and other benefits.

OA personnel noted the help screen for Expenditure information states "Information regarding state employee payroll and fringe benefit payments will be made available on this site at a future date." However, because this disclaimer is not on the data access page, there is a significant risk that users might not see it. Also, since employee payroll has been added to the MAP, users who see the notice might think it is outdated and that benefit payments are now included.

While benefits are sensitive data that should be summarized before reporting to reduce risk, omitting the data in its entirety results in understating the total costs of Missouri government and hinders transparency.

1.2 Interagency payments

The OA has elected to omit interagency payments from the MAP, leading to inaccurate reporting of agency expenditures.
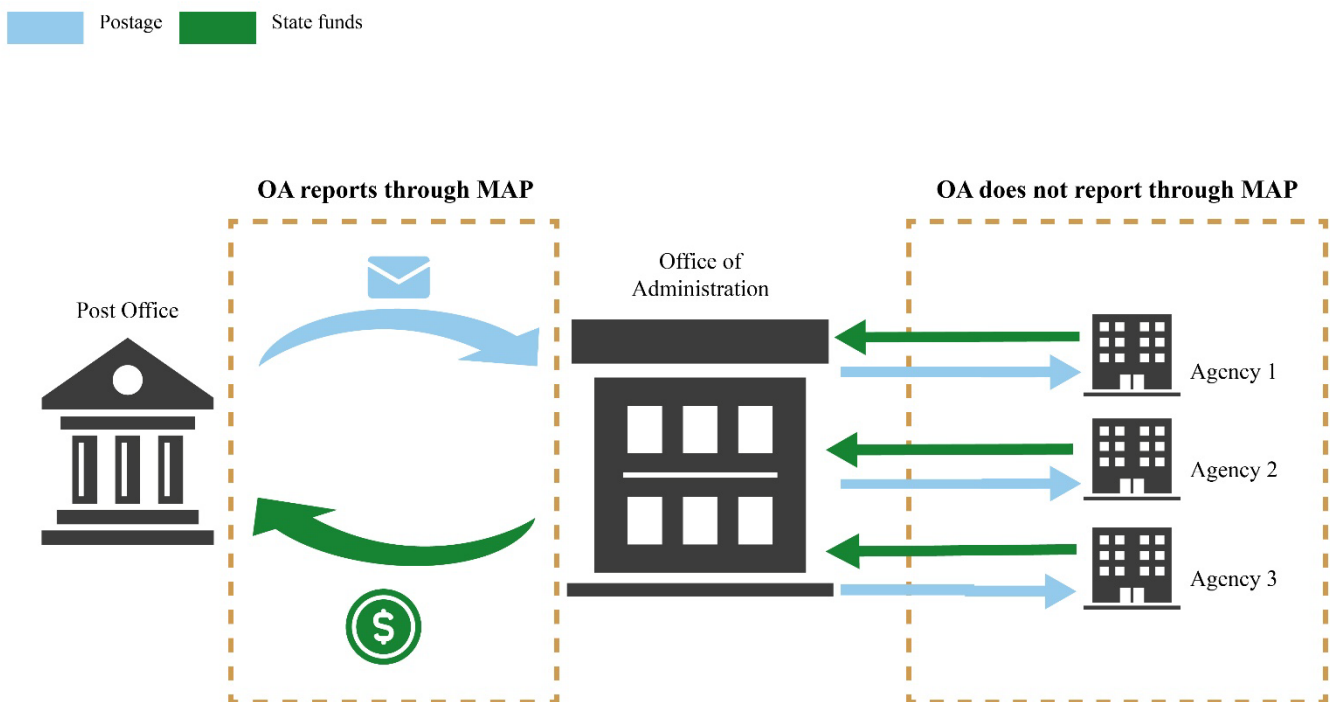
Interagency transactions occur when one state agency provides goods or services to another state agency. Because these transactions are internal, with no money actually leaving state accounts, they are recorded using interagency transactions, which essentially move the funds from one state account to another. This also means these transactions are not included in the MAP database. Instead, these transactions are accounted for when the original purchase is made to the external vendor (i.e., when funds actually leave state accounts). For many items, this is accounted for using a special object code for "rebillable" items during the original purchase, and the standard object code during the interagency purchase.

For example, the OA General Services Division provides centralized mailing services for state agencies. To provide this service, the OA purchases postage in bulk from the United States Postal Service (using the object code for rebillable postage), then bills each agency for its share of the postage used using the interagency billing process (with the object code of postage). The MAP only displays the external "rebillable postage" expenditures by the OA and direct "postage" expenditures by the agencies, and not the interagency "postage" expenditures of each individual agency.

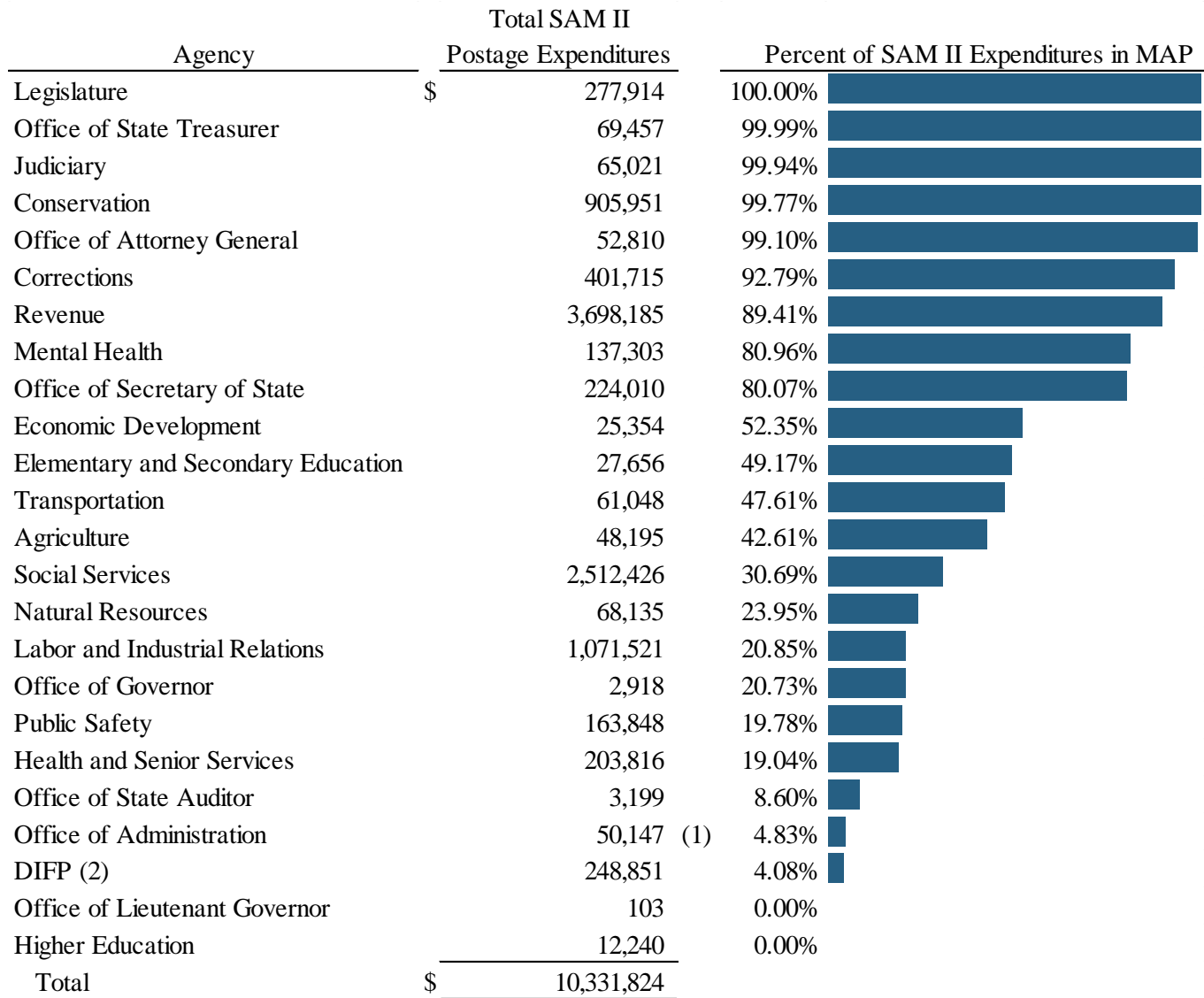**Figure 1: Interagency purchasing process and MAP reporting**

Source: State Auditor's Office (SAO).

Because the OA does not include interagency transactions in the MAP, operating expenses of state agencies are understated. For example, Figure 2 shows the percentage of each agency's July 2018 through January 2019 postage expenditures reported in MAP. Total postage expenditures statewide during the period totaled $10.3 million, of which $6.5 million is reported in the MAP.

Figure 2: Percentage of agency postage expenditures reported in MAP, July 2018 through January 2019

Agency	Total SAM II Postage Expenditures	Percent of SAM II Expenditures in MAP	
Legislature	$ 277,914	100.00%	
Office of State Treasurer	69,457	99.99%	
Judiciary	65,021	99.94%	
Conservation	905,951	99.77%	
Office of Attorney General	52,810	99.10%	
Corrections	401,715	92.79%	
Revenue	3,698,185	89.41%	
Mental Health	137,303	80.96%	
Office of Secretary of State	224,010	80.07%	
Economic Development	25,354	52.35%	
Elementary and Secondary Education	27,656	49.17%	
Transportation	61,048	47.61%	
Agriculture	48,195	42.61%	
Social Services	2,512,426	30.69%	
Natural Resources	68,135	23.95%	
Labor and Industrial Relations	1,071,521	20.85%	
Office of Governor	2,918	20.73%	
Public Safety	163,848	19.78%	
Health and Senior Services	203,816	19.04%	
Office of State Auditor	3,199	8.60%	
Office of Administration	50,147 (1)	4.83%	
DIFP (2)	248,851	4.08%	
Office of Lieutenant Governor	103	0.00%	
Higher Education	12,240	0.00%	
Total	$ 10,331,824		

(1) Amount excludes approximately $5 million of rebillable postage originally purchased by the Office of Administration.

(2) Department of Insurance, Financial Institutions, and Professional Registration

Source: SAO analysis of MAP and SAM II data.

Because interagency transactions are not reported, the MAP underreports actual postage expenditures for all agencies (except the Legislature, which recorded no interagency postage expenditures). Similar underreporting happens for other object codes in which the MAP does not consider interagency purchases, including utility and telecommunications costs, information technology services, and items obtained through Missouri Vocational Enterprises (Correctional Industries).

The OA notes correctly that it would be improper to record these expenditures twice (once when purchasing from the external merchant and again when making the interagency payment). OA officials said the decision to report transactions in this manner was an effort to show the public the final recipient of state expenditures. However, by choosing to record these purchases in this way, expenditures of the agency actually using the product or service are understated.

1.3 Bond reporting

The OA has not adopted policies and procedures to ensure bonds reported by political subdivisions to the MAP are complete or accurate.

A 2013 amendment to the MAP statutes added the requirement for all political subdivisions to report to the OA all bonds issued, all tax increment financing obligations, and the revenue streams required to repay such bonds and obligations.[7] To facilitate this reporting, the OA created a tool for entities to upload this information directly to the MAP without intervention from OA staff.

We obtained from the MAP a list of all reported bonds issued between January 1, 2015, and January 31, 2019. We also obtained a listing of all bonds certified by the State Auditor's Office during this period.[8] All records with an amount of greater than $20 million or less than $200,000 were matched between the two lists, resulting in a population of 78 bonds for analysis. We identified:

- Seven bonds reported to the OA at a different amount than what was certified by the SAO. All of these bonds were reported at a multiple of their registration amounts, with the largest being a bond certified by the SAO for $8.8 million but reported to the OA as an $8.8 billion issuance.
- Seven bonds certified by the SAO that were not reported to the OA.
- Two bonds reported to the OA twice under different names.

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[7] Section 37.850.2 RSMo

[8] Section 108.240, RSMo, requires certain bonds to be certified by the State Auditor's Office prior to issuance. The OA filing and SAO registration requirements are not identical, so all bonds filed with OA are not necessarily certified by the SAO. However, all bonds certified by the SAO should be included in the OA filings.

We contacted representatives of two of the seven political subdivisions that did not file information with the OA. Both indicated they were unaware of the filing requirements and had not been informed of them by the OA.

OA officials provided a copy of two letters sent in late 2013 to known bond counsel firms and general counsels explaining the filing requirement, but stated there is no known complete list of political subdivisions in Missouri to attempt to ensure complete compliance. Additionally, they noted state law does not require the OA to notify political subdivisions, does not require the OA to review or verify the data submitted, and does not provide any resources to the OA to perform any quality control or compliance procedures. Accordingly, they indicated the OA does not perform any procedures to review the completeness and accuracy of the submitted information.

By not taking steps to ensure the completeness and accuracy of data provided to the public, the OA risks misleading the public as to the true financial condition of political subdivisions.

Recommendations

The Office of Administration:

1.1   Include summarized employee benefit transaction data in the MAP to increase completeness and usefulness of the data to users.

1.2   Report interagency expenditures in the MAP to more accurately reflect actual agency expenditures, while continuing to avoid recording expenditures twice.

1.3   Implement procedures to ensure the completeness and accuracy of bond information reported in the MAP.

Auditee's Response

1.1-1.3 The Office of Administration's written response is included in the Appendix.

Auditor's Comment

1.3   The SAO is not permitted to routinely audit most local governments and our ability to audit local governments is in many cases limited to the petition audit process.

2. Portal Usability

Opportunities exist for the OA to increase the usability and functionality of the MAP.

2.1 Best practices

The MAP does not incorporate some best practices and actions recommended for transparently reporting government data.

As discussed in the background section, the United States Government Accountability Office (GAO) has identified 5 key practices and 18 key actions for governments to transparently report government data. We

evaluated the MAP against these best practices and actions, and identified certain weaknesses that could be improved by the OA.

Engage with users

The OA has not attempted any outreach efforts to users of the MAP. Such outreach could help the OA to learn how users utilize the MAP data and what features the users would like to see added or modified in the system. It could also help users develop better uses of the information in the MAP.

OA officials indicated the state had not attempted to conduct formal outreach to system users for several reasons. They said system analytics indicate most users are state employees and not members of the general public. In addition, they said the OA does not have resources (staff and funding) to conduct such research or to implement any changes the research might identify. However, conducting outreach might help the OA learn why the MAP is not used more widely by the general public, and identify changes (some of which could be low- or no-cost) that could be made to enhance the portal now or in the future if resources become available.

Provide data in useful formats

The OA does not provide detailed data through the MAP portal, and has not standardized all data elements to help ensure users understand the data and how data elements relate to one another.

The MAP only presents summarized information to users. The data does not include the count of or specific amounts of payments to a vendor; only the totals are included. Accordingly, information as to specific payments (e.g., the date of the payment) is not available.

In addition, the MAP does not employ a common data dictionary for users. Each section of the MAP has a glossary in the system's help screens. However, we noted each of the five glossaries defining the term "Agency" used a different definition. Only one of these definitions (on the Employee help page) included certain key facts that users should know, including that expenditures of the Office of Public Defender are included with the Judiciary, and the MAP does not include expenditures from certain state entities, including colleges and universities. This inconsistency could cause users to incorrectly believe these entities are included in the other sections.

Fully describe the data

MAP disclosures do not adequately explain what data is missing from the portal, do not disclose the data sources, and fail to provide structured metadata for system users.

The MAP disclaimers indicate that some information is excluded to protect confidentiality. However, transparency could be improved by presenting this data at a summarized level. For example, some employees are identified in the MAP payroll data as "Protected (Public Safety)." However, other vendors are omitted entirely from the MAP. Auditors noted specifically that

miscellaneous vendors do not appear to be included in the MAP. Miscellaneous vendors are a special type of vendor generally used when the state has a large number of similar payees, typically for relatively low dollar amounts, that do not warrant creation of individual vendor records. These vendors are often used for transactions such as witness fees related to court cases and certain refund issuances.

This disclaimer also notes that the MAP only includes original transactions. This means that any adjustments made later are not included. We noted instances in which an object code was understated compared to information in the state's accounting system. Further review indicated the reason for the difference was a correcting entry made to a previously recorded transaction. For example, if an employee's expense account was incorrectly recorded to a taxable reimbursement (such as tuition) instead of non-taxable reimbursement (meals while traveling), the MAP would not be updated for the correcting transaction, resulting in an over reporting of tuition expenses and an underreporting of meals.

The sources of MAP data are not disclosed. While most data comes from the statewide SAM II accounting system, other data is provided by the Department of Economic Development (tax credits), political subdivisions (bond data), or other state agencies (federal grant data).

The MAP also does not include metadata describing the attributes of the data presented. According to the GAO, "metadata describe the characteristics of data in clearly defined, machine-readable fields, which can include attributes such as the date the data were created or modified, or the license used, among other things. Structuring metadata in clearly defined fields makes it possible for search tools to filter and match content pertaining to those fields."

Facilitate data discovery for all users

The OA could take actions to improve the accessibility and understandability of public data in the MAP.

The MAP does not provide users with visualizations or summaries of data, to help them easily identify key issues, trends, and relationships between data points. Additionally, the MAP does not monitor searches performed, which is a prerequisite for developing one-click functionality to help users perform popular searches more efficiently or determine other ways users are using the data.

Conclusion

While the OA incorporates many best practices and actions recommended by the GAO, working to incorporate the remaining guidance would help to provide citizens with the most complete, usable, and functional data possible.

2.2 Data downloads

Data available from the download tool in the MAP is not the same as the data displayed in the MAP for public browsing.

Within the employee payroll section of the MAP, users can see the last pay date for a user and the current gross pay (amount of the most recent paycheck). However, when accessing the downloaded data files, payroll data is only available on a year-to-date basis, without the most recent payment information.

When viewing expenditure records in the MAP, users can see if the expenditure pertained to a state contract, and if so, the contract number associated with the expenditure. This information is not included in the downloadable MAP data. Division of Accounting staff indicated this occurs because this data comes from a different data source in the statewide accounting system than the one used to populate the rest of the MAP.

Because of the lack of complete, consistent, and comparable data, citizens are unable to use the MAP download tool to effectively review and analyze government information.

Recommendations

The OA:

2.1   Evaluate ways to update the MAP to address the best practices and actions recommended by the GAO to transparently report government data.

2.2   Ensure the data available in the MAP and the download tool are complete, consistent, and comparable.

Auditee's Response

2.1-2.2 The Office of Administration's written response is included in the Appendix.

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Sarah H. Steelman
Commissioner

August 13, 2019

Honorable Nichole R. Galloway
Missouri State Auditor
P.O. Box 869
Jefferson City, Missouri 65102

Dear Madam:

We are providing this letter in connection with your audit of the Missouri Accountability Portal. On August 6, the State Auditor's Office sent a revised version of the draft audit report and therein stated, "Please note, for the OA's response to MAR 1.1, we will exclude from the report content reflecting the management representation letter." Be advised, consistent with the State Auditor's Office description of the "The Audit Process" on its website, we reasonably expect the entirety of the following responses to be included within the final audit report.

The following is the Office of Administration's official response to the draft audit report.

Recommendation 1.

1.1   Include summarized benefit transaction data in the MAP to increase completeness and usefulness of the data to users.

1.2   Report interagency expenditures in the MAP to more accurately reflect actual agency expenditures, while continuing to avoid recording expenditures twice.

1.3   Implement procedures to ensure the completeness and accuracy of bond information reported in the MAP.

Response 1.
1.1. The SAO's dispute with OA regarding the management representation letter began with an email dated May 28, in which the SAO asked for a backdated management letter, specifically telling OA two things: "do not change the date of this letter" and that

"[a]uditing standards require us to obtain from the department a signed letter acknowledging management's responsibility for controls and for other representations."

Draft versions of the audit report have SAO's comments regarding the management representation letter growing from a quarter of a page to more than a full page. In the back and forth the SAO conceded that "management representations are not specifically required by Government Auditing Standards for performance audits." OA responded to the criticisms saying: "In your scope and methodology section, you assert that OA failed to provide written representations 'as requested.' We properly refused to provide a backdated letter. We have provided your office an appropriate management representation letter. While we consider your recommendations, we suggest you consider our recommendation to not ask anyone to issue backdated letters to your office under any circumstance."

The SAO makes no recommendations in the Audit Report about the management representation letter that would permit a direct response. The SAO then asserts in an email dated August 6, that they "will exclude from the report content reflecting the management representation letter" contained in this response. This assertion is inconsistent with the SAO's published policy, which provides: "After receiving a copy of the draft report, the auditee has 30 days to provide written responses to the audit findings. These responses are included in the audit report." SAO website: https://auditor.mo.gov/auditinfo/auditprocess (last visited August 13, 2019).

It is clear that the SAO believes that OA should simply sign any representation letter that the SAO prepares. What OA signed and what SAO requested are nearly identical with the primary difference being OA refuses to guess what records might be "relevant" to the audit that the SAO did not request. Instead, OA attests that it provided and did not withhold requested records that were relevant to the audit. The other change OA made to its letter revised the wording the SAO requested to be more descriptive and easily understood regarding the applicable law and the activity being audited.

Finally, in the email dated August 6, the SAO attempted to justify its request for a backdated management representation letter, noting that dating the letter the date it is signed "unnecessarily extends their [OA's] representations to cover a greater period." That it would be advantageous to backdate a letter does not make it the right thing to do. It would be inappropriate to backdate a letter to conceal from the SAO any developments about which SAO inquired that occurred following the conclusion of audit fieldwork.

Specific to recommendation 1.1, OA agrees to add a link on MAP to the budget explorer website that contains summary employee benefit expenditures.

1.2. OA disagrees. In light of Missouri's twenty year old accounting system's limitations, the most important information for the public to know is the total amount each vendor receives in state expenditures, not each individual agency's transfer to OA that contributed to OA's payment to specific vendors.

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1.3. While the Audit Report indicates that localities are required to report bond transactions to the SAO and the SAO has authority to audit the localities' reporting of this information, OA only has statutory authority to grant the public access through MAP of what the localities report about their bond transactions. OA suggests that SAO include a verification process of local bond disclosures to its regular local government audit procedures.

Recommendation 2.
2.1. Evaluate ways to update MAP to address the best practices and actions recommended by the GAO to transparently report government data.

2.2. Ensure the date available on the MAP and the download tool are complete, consistent, and comparable.

Response 2.
2.1. In the prior version of the SAO's audit report, the SAO recommended that OA "Update the MAP to conform to best practices as promulgated by the GAO."

OA responded to this recommendation, saying: "Basic concepts of federalism are important to most Missourians. While the State Auditor believes that the federal Government Accountability Office has identified best practices for government accounting websites, the State of Missouri does not uniformly adopt recommendations made by federal government agencies concerning the state's internal operations. When the federal government does not pay for upgrades to state websites, it lacks the authority to establish the standards for those websites. If OA had unlimited resources, we would determine the best practices and implement them as authorized by Missouri law."

The SAO continues to recommend that OA consider GAO standards to determine best practices for Missouri websites. The GAO is an agency of the federal government, a government entity that is demonstrably unfamiliar with the fiscal constraints faced by state governments As resources allow, OA will consider best practices used by other states for their accounting websites and implement them.

2.2. OA will review the existing exports as time and resources allow.

     If you have any questions or concerns, please contact me or Stacy Neal, the Director of the Division of Accounting.

Sincerely,

Sarah H. Steelman
Commissioner

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