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# CITIZENS SUMMARY

## Findings in the Fiscal Year 2023 State of Missouri Single Audit

Background	<p>The United States Congress passed the Single Audit Act Amendments of 1996 to establish uniform requirements for audits of federal awards. A single audit requires an audit of the State of Missouri's financial statements and expenditures of federal awards. The state spent approximately \$20.9 billion in federal awards during the fiscal year ended June 30, 2023. The Single Audit involved audit work on 16 major federal programs administered by 8 state agencies, with expenditures totaling approximately \$15.3 billion.</p>
Medicaid National Correct Coding Initiative	<p>As noted in three previous audits, the Department of Social Services (DSS) - MO HealthNet Division (MHD) has not fully implemented the Medicaid National Correct Coding Initiative edits in the Medicaid Management Information System (MMIS) as required. The MHD through the MMIS contractor, did not reprocess claims when edit files were implemented late. As a result, the claims processed during 103 of the days, or 28 percent, during the year ended June 30, 2023, were processed using outdated edits.</p>
Medicaid Management Information System Access	<p>The MHD did not timely review MMIS access rights and remove user accounts for users no longer employed in positions needing access. A sample of 40 MMIS users with access as of June 2023 identified 2 terminated users whose access had not been removed for 9 and 13 months.</p>
Medicaid and CHIP New Provider Eligibility	<p>The DSS needs to improve internal control to ensure new provider applications for participation in the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP) are properly reviewed and screened as required by federal regulations and state procedures. Missouri Medicaid Audit and Compliance Provider Enrollment Unit staff did not fully complete and/or retain new provider enrollment application checklists for 3 of 40 (8 percent) new providers sampled.</p>
Medicaid and CHIP Receipt Controls	<p>The MHD does not have adequate controls in place to ensure the proper management of receipts. The MHD does not adequately restrict user access within the MMIS and does not account for all cash control numbers to ensure all checks and money orders received are properly deposited or returned to senders if the payment cannot be accepted. During a count of undeposited items and a review of related receipt records on December 11, 2023, auditors noted numerous omitted cash control numbers.</p>
Medicaid and CHIP MAGI-Based Participant Eligibility Redeterminations	<p>As similarly noted in four previous audits, the DSS does not have sufficient controls to ensure compliance with eligibility redetermination requirements of the Medicaid and the CHIP for certain participants whose eligibility is based on their Modified Adjusted Gross Income (MAGI). The DSS did not correct manual system overrides for approximately 11,500 (1 percent) MAGI-based participants, preventing their cases from being closed when necessary, and did not perform redeterminations for those participants requiring redeterminations once previously-suspended requirements resumed.</p>

Medicaid and CHIP Participant Eligibility Terminations	The DSS does not have sufficient controls to ensure benefits are terminated for participants no longer eligible for the Medicaid and the CHIP. A review found a death match was not operating in the Medicaid Eligibility Determination and Enrollment System during the year ended June 30, 2023. Additionally, for 2 of 60 participant cases sampled, the DSS received information requiring participant case termination, but did not manually terminate the participants' eligibility in the applicable eligibility system.
Medicaid and CHIP Eligibility Determination Timeliness	As noted in the previous audit, the DSS did not perform eligibility determinations within required timeframes for participants of the Medicaid and the CHIP. In a test of compliance with eligibility requirements for the year ended June 30, 2023, auditors noted 7 of 120 eligibility determinations were made 2 to 27 days after the required timeframes, and averaged 15 days late.
DSS Cost Allocation	As similarly noted in the previous audit, DSS controls and procedures were not sufficient to ensure some administrative costs were allocated to federal programs in an equitable and consistent manner. Random moment time studies containing over 200 invalid staff surveys were used to allocate administrative costs. For the year ended June 30, 2023, costs totaling approximately \$1.08 million were incorrectly allocated to 6 programs. As a result, approximately \$546,000 (federal share) was allocated to state funding, that could have been allocated to federal funding for 4 programs.
DSS Adoption Savings	The DSS - Division of Finance and Administrative Services (DFAS) does not have adequate internal controls and procedures related to adoption savings requirements. As a result, the amount of adoption savings reported in the federal fiscal year 2022 Annual Adoption Savings Calculation and Accounting Report was overstated by approximately \$1 million. If the error had not been identified during the audit, the DFAS would have had to demonstrate approximately \$1 million in additional expenditures for required services.
OA SLFRF Program Subrecipient Monitoring	The Office of Administration (OA) has not established policies and procedures regarding monitoring subrecipients of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program. As a result, the OA did not comply with the Uniform Guidance requirements regarding identifying and monitoring subrecipients of the SLFRF program. The OA failed to fulfill its comprehensive subrecipient monitoring responsibilities which include performing risk assessments; monitoring for compliance with federal requirements and subaward terms and conditions, and ensuring subaward performance goals are achieved; and reviewing subrecipient single audit reports.
OA Statewide SEFA	OA - Division of Accounting (DOA) controls and procedures related to the preparation of the statewide Schedule of Expenditures of Federal Awards (SEFA) were not sufficient; and as a result, a complete and accurate SEFA was not prepared timely for the year ended June 30, 2023. The year ended June 30, 2023, SEFA was not prepared by the DOA until February 28, 2024, 8 months after fiscal year end and 1 month before the Single Audit reporting deadline. The delayed preparation of the SEFA negatively impacted the completion of various Single Audit tasks, and contributed to the delay in issuance of the fiscal year 2023 Single Audit. In addition, the SEFA and Notes to the SEFA included various errors and misstatements.

DHSS CACFP Subrecipient Reimbursements	The Department of Health and Senior Services (DHSS) - Bureau of Community Food and Nutrition Assistance (BCFNA) does not have sufficient controls and procedures to ensure Child and Adult Care Food Program (CACFP) reimbursements to subrecipients are allowable and supported with sufficient documentation. As a result, significant unallowable and unsupported reimbursements are made without being prevented or detected on a timely basis. A randomly-selected sample of 60 BCFNA monitoring reviews conducted for 58 CACFP facilities/sponsors during the year ended June 30, 2023, noted BCFNA disallowances (overclaims/underclaims) in 41 of 58 (71 percent) reviews for which meal reimbursement claims were tested. Overclaims totaled \$50,954 (36 reviews) and underclaims totaled \$280 (5 reviews), with a net overclaim of \$50,674, or at least 11 percent of claims tested by the BCFNA. While the BCFNA adjusted subsequent claims to recoup or reimburse for the identified overclaims/underclaims, unallowable costs could be significant if similar errors were made on the remaining population of CACFP meal reimbursements totaling approximately \$74.6 million.
DHSS CACFP Subrecipient Monitoring	BCFNA subrecipient risk assessment and monitoring procedures are not sufficient to ensure CACFP subrecipient compliance with program requirements. Review and analysis of 60 sampled monitoring reviews noted the monitoring reviews identified significant errors, noncompliance, disallowances, and overclaims; and continued deficiencies and little improvement from prior reviews. The BCFNA needs to strengthen and improve subrecipient monitoring procedures to provide for verification of corrective action plan information and identification and recoupment of overclaims associated with all errors identified during monitoring reviews, as required by federal regulations; and expand testing when significant errors are identified.
Medicaid SPPC Participant Choice Agreements	The DHSS - Division of Senior and Disability Services does not have effective controls in place to ensure Participant Choice Agreements are completed and retained for participants of the State Plan Personal Care (SPPC) program. Required documentation was not on file for 3 of 60 participants reviewed.
Medicaid Facility Survey Timeliness	As similarly noted in two previous audit reports, the Section for Long-Term Care Regulations within the DHSS did not perform facility survey procedures within required timeframes. During the year ended June 30, 2023, some Statements of Deficiencies and Plan of Corrections were sent 11 to 26 days after the survey exit instead of within 10 days, and some facility revisits were completed between 62 and 100 days after instead of within 60 days of the initial survey date.
DESE Child Care Payments	Department of Elementary and Secondary Education (DESE) controls over the Child Care Development Fund (Child Care) program's subsidy payments to child care providers are not sufficient to ensure correct rates are paid. As a result, the DESE overpaid providers for 2 of 60 payments sampled.
DESE FFATA Reporting	As similarly noted in two previous audits, the DESE needs to strengthen internal controls related to Federal Funding Accountability and Transparency Act (FFATA) reporting. During state fiscal year 2023, the DESE did not comply with FFATA reporting requirements for any of the 15 first-tier subawards, totaling approximately \$1.2 million, for the Child Care program.

FFATA reporting was 15 months past due for these subawards at the time of review.

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Missouri National Guard  
Cooperative Agreement  
Extensions and Final  
Accounting

The Missouri National Guard (MONG) does not have adequate controls and procedures to ensure a final accounting and/or a written request(s) for extension is timely filed for each National Guard Military O&M Projects program cooperative agreement (CA) appendix as required. A sample of 9 CA appendixes identified 6 CA appendixes for which the MONG did not complete some extension requests as required and/or did not complete some final accounting and/or extension requests within required timeframes.

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



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**Recommendations in the Fiscal Year 2023 State of Missouri Single Audit**

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Medicaid National Correct Coding Initiative	The Department of Social Services (DSS) through the MO HealthNet Division (MHD) continue to strengthen controls over the Medicaid National Correct Coding Initiative (NCCI) requirements to ensure claims are reprocessed when NCCI edits are not implemented timely, as required.
Medicaid Management Information System Access	The DSS through the MHD review user access to the Medicaid Management Information System (MMIS) annually and ensure inappropriate access, including that of terminated users, is removed in a timely manner.
Medicaid and CHIP New Provider Eligibility	The DSS through the MHD and the Missouri Medicaid Audit and Compliance (MMAC) review, strengthen, and enforce internal controls to ensure complete new provider enrollment application checklists are prepared and retained documenting that new Medicaid and CHIP provider applications were reviewed and screened as required.
Medicaid and CHIP Receipt Controls	The DSS through the MHD review, strengthen, and enforce internal controls over Medicaid and CHIP receipts. The MHD should restrict user access within the MMIS for Financial Operations and Reporting Unit (FORU) accounting personnel and adequately segregate asset custody and receipt recording duties from accounts receivable duties, or perform documented supervisory reviews of MMIS entries and changes made by employees whose duties are not segregated. In addition, the MHD should establish procedures to account for all cash control numbers to ensure all receipts are deposited or returned to senders.
Medicaid and CHIP MAGI-Based Participant Eligibility Redeterminations	The DSS through the MHD and the Family Support Division (FSD) review and correct cases for participants with manual overrides in the Medicaid Eligibility Determination and Enrollment System (MEDES), ensure redeterminations are completed for these participants as required, and close the cases of any ineligible participants. In addition, the DSS should ensure system controls are functioning as designed for these participants.
Medicaid and CHIP Participant Eligibility Terminations	The DSS through the MHD and the FSD review, strengthen, and enforce internal controls to ensure ineligible participant cases are closed when necessary and resume the DHSS vital records death match in the MEDES.
Medicaid and CHIP Eligibility Determination Timeliness	The DSS through the MHD and the FSD ensure participant eligibility is determined within the required timeframes.
Department of Social Services Cost Allocation	The DSS continue to strengthen internal controls and procedures over the Public Assistance Cost Allocation Plan (PACAP), the AlloCAP system, the random moment time studies (RMTS) process, and the RMTS allocation to ensure costs are properly allocated to federal programs. In addition, the DSS should revise the PACAP to reflect updates to the RMTS process.
Adoption Savings	The DSS through the Division of Finance and Administrative Services (DFAS) strengthen internal controls and procedures to ensure Annual Adoption Savings Calculation and Accounting Reports are accurately prepared and submitted to ensure compliance with federal adoption savings requirements.

SLFRF Program Subrecipient Monitoring	<p>The Office of Administration (OA):</p> <ul style="list-style-type: none"> <li>A. Develop policies and procedures to determine whether recipients of Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program funds are subrecipients or contractors. Work with the state agencies to ensure accurate and documented determinations are prepared for all recipients, and modify subrecipient records as needed.</li> <li>B. Develop a subrecipient monitoring program in accordance with the Uniform Guidance, that includes performing risk assessments for each subrecipient for the purposes of determining the appropriate subrecipient monitoring procedures; monitoring for compliance with federal requirements and subaward terms and conditions, and ensuring subaward performance goals are achieved; and reviewing subrecipient single audit reports. Ensure tasks delegated to state agencies are adequately communicated and establish procedures to ensure those tasks are appropriately completed.</li> </ul>
OA Statewide SEFA	<p>The OA through the Division of Accounting (DOA) strengthen controls and procedures to prepare a timely and accurate statewide Schedule of Expenditures of Federal Awards (SEFA). Such procedures should provide for proper reporting of subrecipient amounts.</p>
CACFP Subrecipient Reimbursements	<p>The DHSS through the Bureau of Community Food and Nutrition Assistance (BCFNA) strengthen internal controls over meal reimbursements to Child and Adult Care Food Program (CACFP) facilities/sponsors to ensure costs are allowable and supported.</p>
CACFP Subrecipient Monitoring	<p>The DHSS through the BCFNA:</p> <ul style="list-style-type: none"> <li>A. Implement a CACFP subrecipient risk assessment process that is consistent with federal regulations.</li> <li>B. Review, strengthen, and enforce subrecipient monitoring procedures to ensure CACFP facilities/sponsors comply with program requirements, submit proper claims, and address deficiencies identified. The BCFNA should enhance procedures to provide for verification of Corrective Action Plan (CAP) information and identification and recoupment of overclaims associated with all errors identified during monitoring reviews, as required by federal regulations; and expand testing when significant errors are identified. The DHSS should identify and recoup the overclaims for the 2 terminated sponsors noted in this finding.</li> </ul>
Medicaid SPPC Participant Choice Agreements	<p>The DHSS through the Division of Senior and Disability Services (DSDS) implement procedures to ensure a signed Participant Choice Agreement is completed and retained for all participants of the State Plan Personal Care program. The DSDS should resolve the CyberAccess web tool upload weakness and identify and replace all missing Participant Choice Agreements with newly completed agreements.</p>
Medicaid Facility Survey Timeliness	<p>The DHSS through the Section for Long Term Care Regulations (SLCR) ensure survey procedures are conducted within required timeframes.</p>

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Child Care Payments	The Department of Elementary and Secondary Education (DESE) review, strengthen, and enforce internal controls to ensure the correct Child Care subsidy rates are paid for protective services children who are adopted. The DESE should review payments on behalf of protective services children who were adopted and correct any overpayments identified.
DESE FFATA Reporting	The DESE ensure supervisory reviews of Federal Funding Accountability and Transparency Act (FFATA) reporting are performed to verify that information is accurately uploaded to the FFATA Subaward Reporting System (FSRS). In addition, the DESE should complete FFATA reporting in accordance with the applicable requirements for the Child Care program.
Missouri National Guard Cooperative Agreement Extensions and Final Accounting	The Missouri National Guard (MONG) establish controls and procedures to ensure a final accounting of all funding and disbursements and/or a written request(s) for extension is filed for each cooperative agreement (CA) appendix in compliance with National Guard regulations.