



Findings in the Fiscal Year 2024 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 expended approximately \$21.1 billion in federal awards during the fiscal year ended June 30, 2024. The Single Audit involved audit work on 16 major federal programs with expenditures totaling approximately \$16.2 billion, administered by 10 state agencies.</p>
<p>Medicaid and CHIP MAGI-Based Participant Eligibility Redeterminations</p>	<p>As similarly noted in 5 previous audits, the Department of Social Services (DSS) does not have sufficient controls to ensure compliance with eligibility redetermination requirements of the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (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 10,200 (1 percent) MAGI-based participants, preventing their cases from being closed when necessary. These participants remained enrolled without redetermination of eligibility for up to 10 years.</p>
<p>Medicaid and CHIP Participant Eligibility Terminations</p>	<p>As noted in the previous audit, 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, 2024. Additionally, for 1 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.</p>
<p>Medicaid and CHIP Eligibility Determination Timeliness</p>	<p>As noted in 2 previous audits, 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, 2024, 29 of 120 eligibility determinations were made 2 to 168 days after the required timeframes and averaged 50 days late.</p>
<p>Medicaid and CHIP Receipt Controls</p>	<p>As noted in the previous audit, the DSS - MO HealthNet Division (MHD) does not have adequate controls to ensure proper management of receipts. The MHD does not adequately restrict user access within the Medicaid Management Information System (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.</p>
<p>Medicaid Management Information System Access</p>	<p>As similarly noted in the previous audit, the MHD needs to strengthen controls to ensure MMIS access rights are removed for users no longer employed in positions needing access. A sample of 60 MMIS users with access as of March 2024 identified 1 terminated user whose access had not been removed for nearly 2 years.</p>

Department of Social Services
Cost Allocation

As similarly noted in 2 previous audits, DSS - Division of Finance and Administrative Services (DFAS) controls and procedures to allocate some administrative costs to federal programs were not sufficient to prevent and/or detect errors. The DFAS did not include a type of fringe benefit costs in the AlloCAP system, totaling approximately \$2.66 million during the year ended June 30, 2024, that should have been allocated to 29 federal programs. As a result, allowable costs were paid from state funding, that could have been allocated to federal funding for various federal programs. The DSS estimated such allowable costs to total approximately 30 percent, or \$800,000. If this cost allocation issue had not been identified during the audit, based on the errors during the 9-month period ended March 31, 2024, at least \$1 million could have continued to be spent each year from state taxpayer funds instead of being claimed to federal funding sources.

SLFRF Program Subrecipient
Monitoring

As noted in the previous audit, 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.

CACFP Subrecipient
Reimbursements

As noted in the previous audit, 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 required by federal regulations. 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 60 CACFP facilities/sponsors during the year ended June 30, 2024, noted BCFNA disallowances (overclaims/underclaims) in 43 of 59 (73 percent) reviews for which meal reimbursement claims were tested. Overclaims totaled \$48,508 (40 reviews) and underclaims totaled \$10,144 (3 reviews), with a net overclaim of \$38,364, or at least 7 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 \$67 million.

CACFP Subrecipient
Monitoring

As noted in the previous audit, BCFNA subrecipient risk assessment and monitoring procedures are not in compliance with subrecipient monitoring requirements and were 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 identification and recoupment of overclaims associated with all errors identified during monitoring reviews, as required by federal regulations; expand testing when significant errors are identified; and continue to verify CAP information.

Medicaid SPPC Participant Choice Agreements	As similarly noted in the prior audit report, the Department of Health and Senior Services (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 10 of 60 participants reviewed.
Medicaid Facility Survey Timeliness	As similarly noted in 3 previous audit reports, the Section for Long-Term Care Regulations within the DHSS did not perform facility survey procedures within required timeframes. For the year ended June 30, 2024, some Statements of Deficiencies and Plan of Corrections were sent 11 to 20 days after the survey exit instead of within 10 days, and 1 facility revisit was completed in 64 days instead of within 60 days of the initial survey date.
SEMA Subrecipient Monitoring	The State Emergency Management Agency (SEMA) did not perform subrecipient monitoring reviews or review subrecipient single audit reports for the Disaster Grants - Public Assistance (Presidentially Declared Disasters) (DGPA) as required. The SEMA's Monitoring Specialist performed risk assessments for all 890 subrecipients of open projects; however, the SEMA did not perform the 190 monitoring reviews of these subrecipients as required by the monitoring policy. The SEMA did not conduct the required review of single audit reports for applicable DGPA program subrecipients as required by SEMA policies and federal regulations.
Child Care Payments	As similarly noted in the prior audit report, 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 payments are in accordance with the Child Care program subsidy state plan and costs are allowable. As a result, the DESE overpaid 29 providers and underpaid 8 providers of the 60 payments sampled.
DESE FFATA Reporting	As similarly noted in 3 previous audits, during state fiscal year 2024, the DESE did not comply with Federal Funding Accountability and Transparency Act (FFATA) reporting requirements for any of the 1,398 first-tier subawards, totaling approximately \$330 million, for the Child Nutrition Cluster programs. The DESE needs to strengthen internal controls related to FFATA reporting for the Child Nutrition Cluster to help ensure compliance with the reporting requirements.
MoDOT Monitoring of BABA Provisions	The Missouri Department of Transportation (MoDOT) did not establish policies and procedures to monitor contractor and subrecipient compliance with Build America, Buy America (BABA) domestic preference provisions for Infrastructure Investment and Jobs Act-funded projects of the Highway Planning and Construction program. As a result, the MoDOT did not ensure contractors and subrecipients complied with these provisions.
DED FFATA Reporting	During state fiscal year 2024, the Department of Economic Development (DED) did not comply with FFATA reporting requirements for any of the 47 first-tier subawards, totaling approximately \$196.7 million, for the Coronavirus Capital Projects Fund (CPF) program. The DED has not established internal controls over FFATA reporting for the CPF program.

DHEWD FFATA Reporting

The Department of Higher Education and Workforce Development (DHEWD) needs to strengthen internal controls related to FFATA reporting for the Workforce Innovation and Opportunity Act (WIOA) Cluster. During state fiscal year 2024, the DHEWD did not comply with FFATA reporting requirements for 4 of 10 subawards reviewed.

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



Recommendations in the Fiscal Year 2024 State of Missouri Single Audit

Medicaid and CHIP MAGI-Based Participant Eligibility Redeterminations	The Department of Social Services (DSS) through the MO HealthNet Division (MHD) and the Family Support Division (FSD) continue to 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 continue to review, strengthen, and enforce internal controls to ensure ineligible participant cases are closed when necessary and resume the DHSS (Department of Health and Senior Services) vital records death match in the MEDES.
Medicaid and CHIP Eligibility Determination Timeliness	The DSS through the MHD and the FSD review, strengthen, and enforce internal controls to ensure participant eligibility is determined within the required timeframes.
Medicaid Management Information System Access	The DSS through the MHD continue to strengthen internal controls to ensure inappropriate access to the Medicaid Management Information System (MMIS), including that of terminated users, is removed in a timely manner.
Department of Social Services Cost Allocation	The DSS through the Division of Finance and Administrative Services (DFAS) continue to strengthen internal controls and procedures over the Public Assistance Cost Allocation Plan (PACAP) and the AlloCAP system to ensure costs are properly allocated to federal programs.
SLFRF Program Subrecipient Monitoring	The Office of Administration (OA): A. Develop policies and procedures to determine whether recipients of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program funds are subrecipients or contractors. Continue to work with the state agencies to ensure accurate and documented determinations are prepared for all recipients, and modify subrecipient records as needed. 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.
CACFP Subrecipient Reimbursements	The DHSS through the Bureau of Community Food and Nutrition Assistance (BCFNA) continue to strengthen internal controls over meal reimbursements to Child and Adult Care Food Program (CACFP) facilities/sponsors to ensure costs are allowable and supported.

CACFP Subrecipient Monitoring	<p>The DHSS through the BCFNA:</p> <ul style="list-style-type: none"> A. Implement a CACFP subrecipient risk assessment process that is consistent with federal regulations. 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 identification and recoupment of overclaims associated with all errors identified during monitoring reviews, as required by federal regulations; expand testing when significant errors are identified; and continue to verify Corrective Action Plan (CAP) information. The DHSS should identify and recoup the overclaims for the terminated sponsor noted in this finding.
Medicaid SPPC Participant Choice Agreements	<p>The DHSS through the Division of Senior and Disability Services (DSDS) continue to 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 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 Regulation (SLCR) ensure survey procedures are conducted within required timeframes.</p>
SEMA Subrecipient Monitoring	<p>The State Emergency Management Agency (SEMA) strengthen controls and procedures to ensure subrecipients of the Disaster Grants - Public Assistance (Presidentially Declared Disasters) (DGPA) are monitored in accordance with the monitoring policies and ensure policies are followed to ensure compliance with the monitoring requirements.</p>
Child Care Payments	<p>The Department of Elementary and Secondary Education (DESE) continue to review, strengthen, and enforce internal controls to ensure payments are made in accordance with the Child Care program subsidy state plan. The DESE should review and correct the uncorrected child care provider overpayments and underpayments identified in this finding as well as other reviews of Child Care Data System (CCDS) payments.</p>
DESE FFATA Reporting	<p>The DESE complete Federal Funding Accountability and Transparency Act (FFATA) reporting in accordance with the applicable requirements and strengthen internal controls to ensure information is accurately uploaded to the FFATA Subaward Reporting System (FSRS) for the Child Nutrition Cluster.</p>
MoDOT Monitoring of BABA Provisions	<p>The Missouri Department of Transportation (MoDOT) implement and enforce policies and procedures to monitor Highway Planning and Construction (HPC) program Infrastructure Investment and Jobs Act (IIJA)-funded projects to ensure contractor and subrecipient compliance with Build America, Buy America (BABA) domestic preference provisions, as required.</p>
DED FFATA Reporting	<p>The Department of Economic Development (DED) complete FFATA reporting in accordance with the applicable requirements, and establish internal controls related to FFATA reporting for the Coronavirus Capital Projects Fund (CPF) program.</p>

DHEWD FFATA Reporting

The Department of Higher Education and Workforce Development (DHEWD) strengthen internal controls related to FFATA reporting to require documented supervisory reviews of the information reported to the FSRS and complete FFATA reporting timely and accurately for the Workforce Innovation and Opportunity Act (WIOA) Cluster, as required.