



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the Fiscal Year 2018 Statewide Single Audit

Background	A single audit requires an audit of the state's financial statements and expenditures of federal awards. The state spent approximately \$12.5 billion in federal awards through 302 different federal programs during the fiscal year ended June 30, 2018. Our Single Audit involved audit work on 15 major federal programs administered by 8 state agencies, with expenditures totaling approximately \$9.8 billion. The audit reported 3 financial statement findings and 15 federal award findings, and related recommendations. The federal award findings related to 9 major federal programs at 4 state agencies. Of these audit findings, 6 have been repeated from prior Single Audits for 2 to 8 years. Several of these findings are summarized below.
Department of Revenue Financial Reporting Controls	The Department of Revenue did not have adequate controls and procedures over financial reporting of sales and use tax accounts receivables following the implementation of a new computerized system in September 2017. As a result, sales and use tax accounts receivable data submitted to the Office of Administration - Division of Accounting (DOA) for inclusion in the state's financial statements for the year ended June 30, 2018, was misstated. In addition, the data was not submitted to the DOA timely.
Adoption Assistance Eligibility	As noted in the four previous audits of the Adoption Assistance program, the Department of Social Services (DSS) controls over eligibility are not sufficient to prevent and/or detect payments made on behalf of ineligible children. The DSS - Children's Division made payments on behalf of 8 ineligible children and could not provide documentation to demonstrate that another child met the various program eligibility requirements. Total known questioned costs for these errors represent approximately 18 percent of payments reviewed.
Department of Social Services Public Assistance Cost Allocation Plan	DSS - Division of Finance and Administrative Services (DFAS) controls over cost allocation are not sufficient to ensure administrative costs are accurately allocated to various federal programs in accordance with the proposed public assistance cost allocation plan (PACAP), and the proposed PACAP did not include an estimated cost impact analysis as required by federal regulations.
Child Care Eligibility Case Reviews	The DSS did not ensure monthly supervisory case reviews were completed as required for Family Support Division (FSD) eligibility specialists who perform eligibility determinations of households participating in the Child Care Development Fund (Child Care) subsidy program.
Child Care Payments	As noted in our prior eight audit reports, DSS controls over Child Care subsidy provider payments are not sufficient to prevent and/or detect improper payments to child care providers. Documentation was not adequate to support payments for 9 of 60 cases reviewed (15 percent).
Child Care Provider Monitoring	As noted in our prior two audit reports, the DSS's procedures to follow up on provider noncompliance identified during Child Care Review Team reviews were not sufficient.

Foster Care Case Management Contract Payment Reviews	The DSS - DFAS has not established adequate internal controls to ensure certain Foster Care assistance payments to contractors are allowable and adequately supported.
TANF Work Participation Sanctions	As noted in our five prior audits of the Temporary Assistance for Needy Families (TANF) program, the DSS-FSD did not have adequate controls to ensure TANF program recipients who failed to meet work participation requirements were sanctioned.
VOCA Subrecipient Monitoring	The DSS - DFAS did not perform monitoring reviews in accordance with its monitoring policy for the Crime Victims Assistance program, also known as the Victims of Crime Act (VOCA) program.
MO HealthNet Division Provider Eligibility	As noted in our prior two audit reports, the DSS did not establish effective internal controls over and did not fully implement federal revalidation requirements for providers participating in the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP). As of June 30, 2018, the DSS had not performed required revalidations for 48 percent of Medicaid and CHIP providers requiring revalidation.
Medicaid Developmental Disabilities Comprehensive Waiver Per Diem Rates	As noted in our prior three audit reports, the Department of Mental Health - Division of Developmental Disabilities (DD) continued to pay historical per diem rates to providers for residential habilitation services provided to participants of the Home and Community Based Services, Developmental Disabilities Comprehensive Waiver program. The DD did not retain documentation to support per diem rates, paid at historical rates, for 8 of the 37 individualized supported living habilitation service payments tested and 5 of the 15 group home habilitation service payments tested. The federal share of payments to providers for habilitation services provided to these 13 participants totaled \$732,022 during state fiscal year 2018.
State Emergency Management Agency Subrecipient Monitoring, Audits and Awards	The State Emergency Management Agency (SEMA) did not perform all required subrecipient risk assessments, perform monitoring reviews in accordance with its monitoring policy, or monitor subrecipient compliance with cash management requirements for the Public Assistance (PA) program. In addition, the SEMA has not established adequate controls to follow up on subrecipient audit findings of the PA program or to ensure all required award information is communicated to the subrecipients.
MoDOT Project Closeouts and Final Vouchers	The Missouri Department of Transportation (MoDOT)'s procedures related to preparation and review of Highway Planning and Construction program project closeouts and final vouchers were not sufficient to ensure the proper reporting of total project costs. As a result, the MoDOT incorrectly reported the costs of 2 projects, causing a \$19,432 overstatement of the federal share of costs for one project and an incorrect allocation of local entity matching funds for another project.

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