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# CITIZENS SUMMARY

## Findings in the Fiscal Year 2019 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 \$12.3 billion in federal awards through 306 different federal programs during the fiscal year ended June 30, 2019. Our Single Audit involved audit work on 12 major federal programs administered by 5 state agencies, with expenditures totaling approximately \$8.8 billion. The audit reported 8 federal award findings related to 8 major federal programs at 3 state agencies. Of these audit findings, 3 have been repeated from prior Single Audits for 2 to 6 years. These findings are summarized below.

### Adoption Assistance Eligibility and Payments

As noted in our five previous audits of the Adoption Assistance program, Department of Social Services (DSS) controls over eligibility and assistance payments are not sufficient to prevent and/or detect payments made on behalf of ineligible children and unallowable assistance payments. Our review of eligibility and payment documentation for 60 children receiving Adoption Assistance payments noted the DSS - Children's Division made payments on behalf of 7 ineligible children and paid unallowable costs for 2 additional children. Total known questioned costs for these errors represent approximately 11 percent of payments reviewed.

### Department of Social Services Public Assistance Cost Allocation Plan

As noted in our previous audit, DSS - Division of Finance and Administrative Services 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.

### CSBG and CSE Program Subrecipient Risk Assessments

The DSS did not prepare and document risk assessments for subrecipients of the Community Services Block Grant (CSBG) and Child Support Enforcement (CSE) programs to determine the nature, timing, and extent of monitoring procedures.

### CSBG Program Reporting

The DSS does not have adequate procedures for preparation of the annual CSBG program federal financial report, and as a result, amounts on the interim report were misstated for the federal fiscal year ended September 30, 2018 grant.

### Medicaid and CHIP MAGI-Based Participant Eligibility

The 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 participants whose eligibility is based on their Modified Adjusted Gross Income (MAGI). In addition, the DSS does not have sufficient controls to ensure the eligibility status is updated in the claims payment system when participants are determined to be ineligible for benefits. Our review of eligibility documentation for 60 participants, of which 45 required a redetermination, identified 4 participants for which eligibility redeterminations were not performed as required and 1 ineligible participant for which the case was not closed in the claims payment system. These errors represent approximately 9 percent and 2 percent of the participants reviewed. The errors resulted from various Medicaid Eligibility Determination and Enrollment System (MEDES) problems.

<b>Medicaid Nursing Facility Audits</b>	The DSS - MO HealthNet Division has not established adequate internal controls to ensure audits of financial records of nursing facilities participating in the Medicaid program are conducted as required.
<b>Medicaid Developmental Disabilities Comprehensive Waiver Per Diem Rates</b>	As noted in our prior four 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 exceeding acuity-based rates, for 2 of the 16 group home habilitation service payments tested. The federal share of payments to providers for habilitation services provided to these 2 participants totaled \$244,757 during state fiscal year 2019.
<b>MVC SEFA</b>	The Missouri Veterans Commission's (MVC) controls and procedures related to the preparation of the schedule of expenditures of federal awards (SEFA) were not sufficient; and as a result, expenditures reported on the MVC SEFA submitted to the Office of Administration - Division of Accounting for inclusion in the statewide SEFA for the year ended June 30, 2019, were misstated.

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