



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Department of Commerce and Insurance - Insurance

Tax Reconciliations	The Department of Commerce and Insurance (DCI) - Insurance's procedures for reconciling information on tax payments collected by the Department of Revenue (DOR) and uploaded to the DCI-Insurance's tax systems to the tax collections posted in the statewide accounting system need improvement.
License Suspension	The state's process for the suspension of insurance licenses due to the licensee's failure to pay state taxes or failure to file a state tax return is not functioning. As a result, the DCI-Insurance has not received notice of any non-compliant licensees from the DOR since October 2018.
Electronic Communication Policies	The DCI-Insurance's records management and retention policy does not comply with the Missouri Secretary of State Records Services Division guidance, as approved by the Missouri State Records Commission.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.



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RECOMMENDATION SUMMARY

Recommendations in the audit of Department of Commerce and Insurance - Insurance

Tax Reconciliations	The DCI-Insurance perform a periodic reconciliation of premium and captive tax collections by type receipted by the DOR to amounts recorded in the DCI-Insurance's tax systems and posted to statewide accounting records to ensure records in the DCI-Insurance tax systems have been updated properly and credited to appropriate fund. In addition, the DCI-Insurance should work with the DOR to ensure captive and SPLRC tax transfers from the General Revenue Fund to the Insurance Dedicated Fund are calculated and recorded accurately in the state's accounting records.
License Suspension	The DCI-Insurance work with the DOR to receive notification of noncompliant license applicants and licensees to ensure licenses can be suspended for noncompliance as required by law.
Electronic Communication Policies	The DCI-Insurance update records management and retention policies to comply with the Missouri Secretary of State Records Services Division Electronic Communications Guidelines.