



## NICOLE GALLOWAY, CPA Missouri State Auditor

Honorable Michael L. Parson, Governor  
and  
Members of the General Assembly  
and  
Sarah H. Steelman, Commissioner  
Office of Administration  
Jefferson City, Missouri

We completed audit work at the Office of Administration (OA) as part of our annual statewide audits of the state's financial statements and federal awards for the fiscal year ended June 30, 2020. We issued audit reports (Report Nos. 2021-006 and 2021-017) of the state's Comprehensive Annual Financial Report, in February and March 2021; and issued the Single Audit Report (Report No. 2021-024), in May 2021.<sup>1</sup> The purpose of this letter is to summarize and communicate to stakeholders, the audit work performed at the OA during these audits and the audit results.

### **Statewide Audits and Methodology**

We conducted the annual financial statement audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statement audit includes, among other things, expressing an opinion on whether the state's financial statements are fairly presented, in all material respects. The OA prepared the Comprehensive Annual Financial Report (financial statements) from various sources including the statewide accounting (SAM II) system and survey data received from state agencies and offices. The state's financial statements covered \$47 billion in total assets and \$31 billion in total expenses for fiscal year 2020. To satisfy our audit objectives, we evaluated and identified the accounts significant to each opinion unit within the state's financial statements and performed various audit procedures, including reviews of related internal controls for each of those accounts. For fiscal year 2020, our financial statement audit included work at the OA and 12 state agencies and offices.

We conducted the annual Single Audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Single Audit includes, among other things, expressing an opinion on whether the state complied with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each of its major federal programs. The state's Schedule of Expenditures of Federal Awards (SEFA), which did not include federal award expenditures of the public universities and other component units, reported the state expended more than \$17 billion in federal funds for 308 programs in fiscal year 2020. We performed risk assessments on each of the state's 31 Type A programs (programs with federal award expenditures more than \$30 million)

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<sup>1</sup> Audit reports are available at: <<https://auditor.mo.gov/AuditReport/Menu>>.

and 24 larger Type B programs (programs with federal award expenditures between \$7.5 million and \$30 million) and audited (as major) each program assessed as high risk in accordance with the Uniform Guidance. For each major program, we performed various audit procedures, including testing and reviews of internal control over compliance requirements that could have a direct and material effect on the program. For fiscal year 2020, our Single Audit included 15 major federal programs with expenditures totaling \$12.6 billion, administered by 9 state agencies.

### **Financial Statement Audit Work at the OA**

We audited certain significant accounts specific to OA operations. For the OA, we audited revenue activity of \$1.5 billion and expenditure activity of \$138 million for the State Emergency Management Agency Federal Stimulus Fund; revenue activity of \$521 million and expenditure activity of \$521 million for the OA Federal Stimulus Fund; revenue activity of \$91 million and expenditure activity of \$76 million for the Missouri Revolving Information Technology Trust Fund; and expenditure activity of \$55 million for the State Facility Maintenance and Operating Fund.

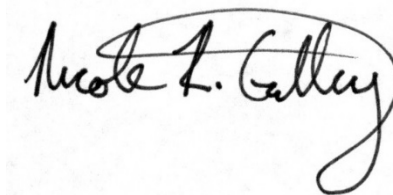
### **Single Audit Work at the OA**

The OA reported federal award expenditures totaling \$710.6 million for fiscal year 2020. We audited, as major, the Coronavirus Relief Fund program with expenditures of \$702.2 million.

### **Audit Results and Findings at the OA**

Our responsibility for the statewide audits is limited to the previously stated objectives. The audit reports of the state's financial statements reported no material misstatements for the OA. The Single Audit reported no material noncompliance with direct and material compliance requirements for the major program audited at the OA.

We are required by the audit standards and single audit requirements to report as audit findings certain significant or material conditions such as weaknesses in internal control; noncompliance with provisions of laws, regulations, contracts, or grant agreements; fraud; and/or known or likely questioned costs greater than \$25,000. The reports issued reported no audit findings related to the audit procedures performed at the OA.

A handwritten signature in black ink that reads "Nicole R. Galloway". The signature is written in a cursive style with a large, looping flourish at the end.

Nicole R. Galloway, CPA  
State Auditor