



**SCOTT FITZPATRICK**  
MISSOURI STATE AUDITOR

Honorable Michael L. Parson, Governor  
and  
Members of the General Assembly  
and  
Coordinating Board for Higher Education  
and  
Dr. Bennett Boggs, Commissioner  
Department of Higher Education and Workforce Development  
Jefferson City, Missouri

We completed audit work at the Department of Higher Education and Workforce Development (DHEWD) as part of our annual statewide audits of the State of Missouri's financial statements and federal awards for the fiscal year ended June 30, 2023. We issued audit reports (Report Nos. 2024-023 and 2024-036) of the state's Annual Comprehensive Financial Report, in March and May 2024; and issued the Single Audit Report (Report No. 2024-063), in September 2024.<sup>1</sup> The purpose of this letter is to summarize, and communicate to stakeholders, the audit work performed at the DHEWD 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 Office of Administration (OA) prepared the Annual Comprehensive 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 \$63 billion in total assets and \$38 billion in total expenses for fiscal year 2023. 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 internal controls for each of those accounts. For fiscal year 2023, our financial statement audit included work at the OA and 13 other 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

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

award expenditures of the public universities and other component units, reported the state expended \$20.9 billion in federal funds for 310 programs in fiscal year 2023. We performed risk assessments on each of the state's 37 Type A programs (programs with federal award expenditures more than \$31.3 million) and 25 larger Type B programs (programs with federal award expenditures between \$7.8 million and \$31.3 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 2023, our Single Audit included 16 major federal programs with expenditures totaling \$15.3 billion, administered by 8 state agencies.

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

For the DHEWD, we audited \$932.6 million in expenditure activity for the General Revenue Fund.

### **Single Audit Work at the DHEWD**

The DHEWD reported federal award expenditures totaling \$65.7 million for fiscal year 2023. No programs at the DHEWD were assessed as high risk; therefore, no programs were audited as major. We performed limited audit procedures related to risk assessments and the SEFA.

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

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 DHEWD. The Single Audit reported no material issues related to the limited work performed at the DHEWD.

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 DHEWD.

A handwritten signature in black ink, reading "Scott Fitzpatrick". The signature is written in a cursive, flowing style.

Scott Fitzpatrick  
State Auditor