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Missouri State Auditor

State of Missouri
Single Audit
Year Ended June 30, 2024

Report No. 2025-056

September 2025

auditor.mo.gov



CITIZENS SUMMARY

Findings in the Fiscal Year 2024 State of Missouri Single Audit

Background	The United States Congress passed the Single Audit Act Amendments of 1996 to establish uniform requirements for audits of federal awards. A single audit requires an audit of the State of Missouri's financial statements and expenditures of federal awards. The state expended approximately \$21.1 billion in federal awards during the fiscal year ended June 30, 2024. The Single Audit involved audit work on 16 major federal programs with expenditures totaling approximately \$16.2 billion, administered by 10 state agencies.
Medicaid and CHIP MAGI-Based Participant Eligibility Redeterminations	As similarly noted in 5 previous audits, the Department of Social Services (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 certain participants whose eligibility is based on their Modified Adjusted Gross Income (MAGI). The DSS did not correct manual system overrides for approximately 10,200 (1 percent) MAGI-based participants, preventing their cases from being closed when necessary. These participants remained enrolled without redetermination of eligibility for up to 10 years.
Medicaid and CHIP Participant Eligibility Terminations	As noted in the previous audit, the DSS does not have sufficient controls to ensure benefits are terminated for participants no longer eligible for the Medicaid and the CHIP. A review found a death match was not operating in the Medicaid Eligibility Determination and Enrollment System during the year ended June 30, 2024. Additionally, for 1 of 60 participant cases sampled, the DSS received information requiring participant case termination, but did not manually terminate the participants' eligibility in the applicable eligibility system.
Medicaid and CHIP Eligibility Determination Timeliness	As noted in 2 previous audits, the DSS did not perform eligibility determinations within required timeframes for participants of the Medicaid and the CHIP. In a test of compliance with eligibility requirements for the year ended June 30, 2024, 29 of 120 eligibility determinations were made 2 to 168 days after the required timeframes and averaged 50 days late.
Medicaid and CHIP Receipt Controls	As noted in the previous audit, the DSS - MO HealthNet Division (MHD) does not have adequate controls to ensure proper management of receipts. The MHD does not adequately restrict user access within the Medicaid Management Information System (MMIS) and does not account for all cash control numbers to ensure all checks and money orders received are properly deposited or returned to senders if the payment cannot be accepted.
Medicaid Management Information System Access	As similarly noted in the previous audit, the MHD needs to strengthen controls to ensure MMIS access rights are removed for users no longer employed in positions needing access. A sample of 60 MMIS users with access as of March 2024 identified 1 terminated user whose access had not been removed for nearly 2 years.

<p>Department of Social Services Cost Allocation</p>	<p>As similarly noted in 2 previous audits, DSS - Division of Finance and Administrative Services (DFAS) controls and procedures to allocate some administrative costs to federal programs were not sufficient to prevent and/or detect errors. The DFAS did not include a type of fringe benefit costs in the AlloCAP system, totaling approximately \$2.66 million during the year ended June 30, 2024, that should have been allocated to 29 federal programs. As a result, allowable costs were paid from state funding, that could have been allocated to federal funding for various federal programs. The DSS estimated such allowable costs to total approximately 30 percent, or \$800,000. If this cost allocation issue had not been identified during the audit, based on the errors during the 9-month period ended March 31, 2024, at least \$1 million could have continued to be spent each year from state taxpayer funds instead of being claimed to federal funding sources.</p>
<p>SLFRF Program Subrecipient Monitoring</p>	<p>As noted in the previous audit, the Office of Administration (OA) has not established policies and procedures regarding monitoring subrecipients of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program. As a result, the OA did not comply with the Uniform Guidance requirements regarding identifying and monitoring subrecipients of the SLFRF program. The OA failed to fulfill its comprehensive subrecipient monitoring responsibilities, which include performing risk assessments; monitoring for compliance with federal requirements and subaward terms and conditions, and ensuring subaward performance goals are achieved; and reviewing subrecipient single audit reports.</p>
<p>CACFP Subrecipient Reimbursements</p>	<p>As noted in the previous audit, the Department of Health and Senior Services (DHSS) - Bureau of Community Food and Nutrition Assistance (BCFNA) does not have sufficient controls and procedures to ensure Child and Adult Care Food Program (CACFP) reimbursements to subrecipients are allowable and supported with sufficient documentation, as required by federal regulations. As a result, significant unallowable and unsupported reimbursements are made without being prevented or detected on a timely basis. A randomly-selected sample of 60 BCFNA monitoring reviews conducted for 60 CACFP facilities/sponsors during the year ended June 30, 2024, noted BCFNA disallowances (overclaims/underclaims) in 43 of 59 (73 percent) reviews for which meal reimbursement claims were tested. Overclaims totaled \$48,508 (40 reviews) and underclaims totaled \$10,144 (3 reviews), with a net overclaim of \$38,364, or at least 7 percent of claims tested by the BCFNA. While the BCFNA adjusted subsequent claims to recoup or reimburse for the identified overclaims/underclaims, unallowable costs could be significant if similar errors were made on the remaining population of CACFP meal reimbursements totaling approximately \$67 million.</p>
<p>CACFP Subrecipient Monitoring</p>	<p>As noted in the previous audit, BCFNA subrecipient risk assessment and monitoring procedures are not in compliance with subrecipient monitoring requirements and were not sufficient to ensure CACFP subrecipient compliance with program requirements. Review and analysis of 60 sampled monitoring reviews noted the monitoring reviews identified significant errors, noncompliance, disallowances, and overclaims; and continued deficiencies and little improvement from prior reviews. The BCFNA needs to strengthen and improve subrecipient monitoring procedures to provide for identification and recoupment of overclaims associated with all errors identified during monitoring reviews, as required by federal regulations; expand testing when significant errors are identified; and continue to verify CAP information.</p>

Medicaid SPPC Participant Choice Agreements	As similarly noted in the prior audit report, the Department of Health and Senior Services (DHSS) - Division of Senior and Disability Services does not have effective controls in place to ensure Participant Choice Agreements are completed and retained for participants of the State Plan Personal Care (SPPC) program. Required documentation was not on file for 10 of 60 participants reviewed.
Medicaid Facility Survey Timeliness	As similarly noted in 3 previous audit reports, the Section for Long-Term Care Regulations within the DHSS did not perform facility survey procedures within required timeframes. For the year ended June 30, 2024, some Statements of Deficiencies and Plan of Corrections were sent 11 to 20 days after the survey exit instead of within 10 days, and 1 facility revisit was completed in 64 days instead of within 60 days of the initial survey date.
SEMA Subrecipient Monitoring	The State Emergency Management Agency (SEMA) did not perform subrecipient monitoring reviews or review subrecipient single audit reports for the Disaster Grants - Public Assistance (Presidentially Declared Disasters) (DGPA) as required. The SEMA's Monitoring Specialist performed risk assessments for all 890 subrecipients of open projects; however, the SEMA did not perform the 190 monitoring reviews of these subrecipients as required by the monitoring policy. The SEMA did not conduct the required review of single audit reports for applicable DGPA program subrecipients as required by SEMA policies and federal regulations.
Child Care Payments	As similarly noted in the prior audit report, Department of Elementary and Secondary Education (DESE) controls over the Child Care Development Fund (Child Care) program's subsidy payments to child care providers are not sufficient to ensure payments are in accordance with the Child Care program subsidy state plan and costs are allowable. As a result, the DESE overpaid 29 providers and underpaid 8 providers of the 60 payments sampled.
DESE FFATA Reporting	As similarly noted in 3 previous audits, during state fiscal year 2024, the DESE did not comply with Federal Funding Accountability and Transparency Act (FFATA) reporting requirements for any of the 1,398 first-tier subawards, totaling approximately \$330 million, for the Child Nutrition Cluster programs. The DESE needs to strengthen internal controls related to FFATA reporting for the Child Nutrition Cluster to help ensure compliance with the reporting requirements.
MoDOT Monitoring of BABA Provisions	The Missouri Department of Transportation (MoDOT) did not establish policies and procedures to monitor contractor and subrecipient compliance with Build America, Buy America (BABA) domestic preference provisions for Infrastructure Investment and Jobs Act-funded projects of the Highway Planning and Construction program. As a result, the MoDOT did not ensure contractors and subrecipients complied with these provisions.
DED FFATA Reporting	During state fiscal year 2024, the Department of Economic Development (DED) did not comply with FFATA reporting requirements for any of the 47 first-tier subawards, totaling approximately \$196.7 million, for the Coronavirus Capital Projects Fund (CPF) program. The DED has not established internal controls over FFATA reporting for the CPF program.

DHEWD FFATA Reporting

The Department of Higher Education and Workforce Development (DHEWD) needs to strengthen internal controls related to FFATA reporting for the Workforce Innovation and Opportunity Act (WIOA) Cluster. During state fiscal year 2024, the DHEWD did not comply with FFATA reporting requirements for 4 of 10 subawards reviewed.

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

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Common Abbreviations

ACFR	Annual Comprehensive Financial Report
AL	Assistance Listing
CAP	Corrective Action Plan
CFR	Code of Federal Regulations
CSR	Code of State Regulations
COVID-19	Coronavirus Disease 2019
FFATA	Federal Funding Accountability and Transparency Act
OMB	Office of Management and Budget
RSMo	Revised Statutes of Missouri
SAM II	Statewide Advantage for Missouri
SEFA	Schedule of Expenditures of Federal Awards
UG	Uniform Guidance
USC	United States Code

State of Missouri - Single Audit

Introduction and Summary

Year Ended June 30, 2024

Introduction

The United States Congress passed the Single Audit Act Amendments of 1996 to establish uniform requirements for audits of federal awards. The Office of Management and Budget (OMB) issued Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) to set forth uniform cost principles and audit requirements for federal awards to nonfederal entities and administrative requirements for all federal grants and cooperative agreements.

A single audit under the Uniform Guidance requires an audit of the State of Missouri's financial statements and expenditures of federal awards. The audit is required to determine whether:

- The state's basic financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles.
- The state's schedule of expenditures of federal awards is stated fairly in all material respects in relation to the financial statements as a whole.
- The state has adequate internal controls to ensure compliance with federal award requirements.
- The state has 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 summary schedule of prior audit findings materially represents the status of the prior audit findings.

The Single Audit report includes the federal awards expended by all state agencies and offices that are part of the primary government. The report does not include the public universities and other component units, which are legally separate from the state and audited by other auditors. The state expended approximately \$21.1 billion in federal awards during the state fiscal year ended June 30, 2024.



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Summary of Single Audit Results

Financial Statements

The following is the summary of our Single Audit results for the state fiscal year ended June 30, 2024.

We issued our audit report (Report No. 2025-016¹) of the state's Annual Comprehensive Financial Report (ACFR), as of and for the year ended June 30, 2024, in April 2025. In addition, we issued our Annual Comprehensive Financial Report - Report on Internal Control, Compliance, and Other Matters (Report No. 2025-030²) in May 2025. In that report, we reported 2 findings related to internal control deficiencies at 2 state agencies. The state agencies' responses to the audit findings are included in that report. The agencies prepared a Corrective Action Plan (CAP) for each finding. The CAPs were submitted to the Office of Administration (OA) and are in the Corrective Action Plans section of this report. State agencies and an office prepared and submitted to the OA the status of the prior financial statement audit findings. These are presented in the Summary Schedule of Prior Audit Findings section of this report.

Federal Awards

We issued our report on the accompanying Schedule of Expenditures of Federal Awards (SEFA). The state's SEFA, which does not include federal award expenditures of the public universities and other component units, reported the state expended approximately \$21.1 billion in federal funds in state fiscal year 2024. Our report expressed the opinion that the SEFA is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We audited 16 major federal programs with expenditures totaling approximately \$16.2 billion, administered by 10 state agencies.

We issued a qualified opinion on 3 major federal programs and an unmodified opinion on 13 major federal programs. A qualified opinion is issued when the audit of a major federal program detects material noncompliance with direct and material compliance requirements. A qualified opinion was issued on the following major programs administered by the Department of Health and Senior Services, the Office of Administration, and the Department of Public Safety - State Emergency Management Agency:

- Child and Adult Care Food Program, modified for Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Subrecipient Monitoring
- Coronavirus State and Local Fiscal Recovery Funds program, modified for Subrecipient Monitoring

¹ The ACFR is available online at: <<https://oa.mo.gov/accounting/reports/annual-reports/annual-comprehensive-financial-reports>>.

² See report at <<https://auditor.mo.gov/AuditReport/ViewReport?report=2025030>>.



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- Disaster Grants - Public Assistance (Presidentially Declared Disasters) program, modified for Subrecipient Monitoring

In total, we reported 17 audit findings related to 13 major federal programs at 8 state agencies. We identified at least \$3,000 in known questioned costs related to federal awards. Of the 17 audit findings, 13 were repeated from prior Single Audits. These findings have been reported in the 1 to 5 prior years.

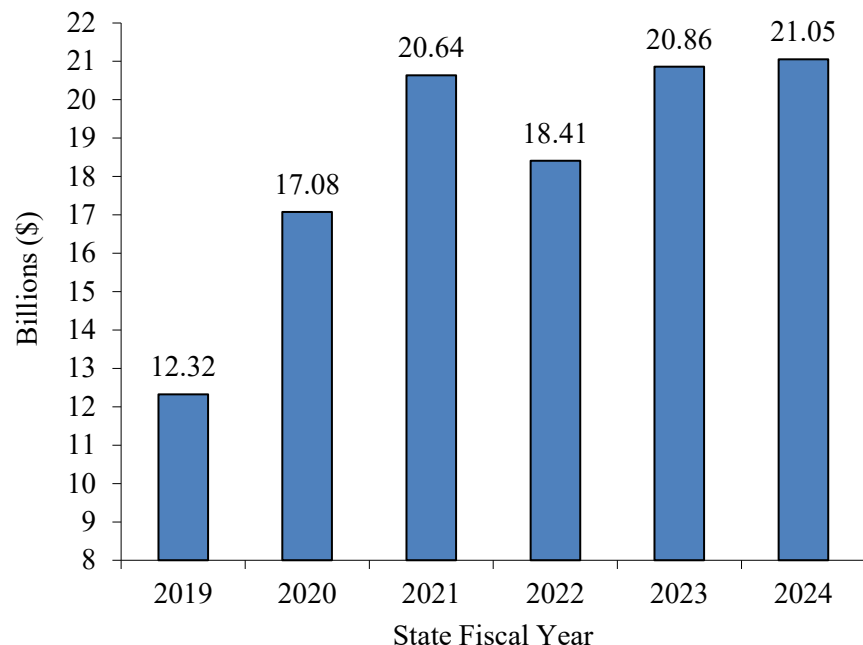
Of the 17 federal award audit findings, 16 related to internal control deficiencies. We consider 6 findings of internal control deficiencies to be material weaknesses and 10 to be significant deficiencies.

The state agencies' responses to the audit findings are included in this report. The state agencies prepared a CAP for each audit finding and submitted them to the OA. These are presented in the Corrective Action Plans section of this report.

In addition, the state agencies prepared and submitted to the OA the status of the prior audit findings. These are presented in the Summary Schedule of Prior Audit Findings section of this report.

Expenditures of federal awards have increased significantly and have remained elevated since state fiscal year 2020 due to additional federal funding made available to state agencies to help with the state's emergency response to the Coronavirus Disease 2019 (COVID-19) and the Medicaid expansion effective in state fiscal year 2022.

**Total Expenditures of Federal Awards
6 Year Comparison**

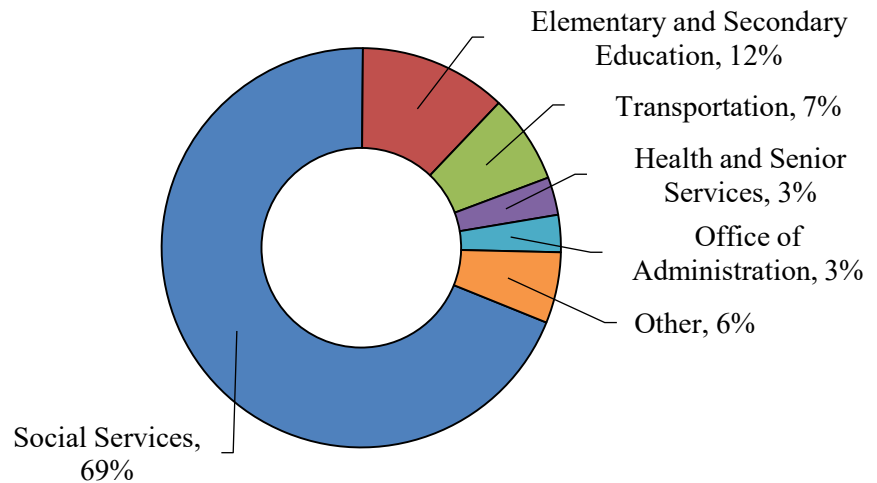




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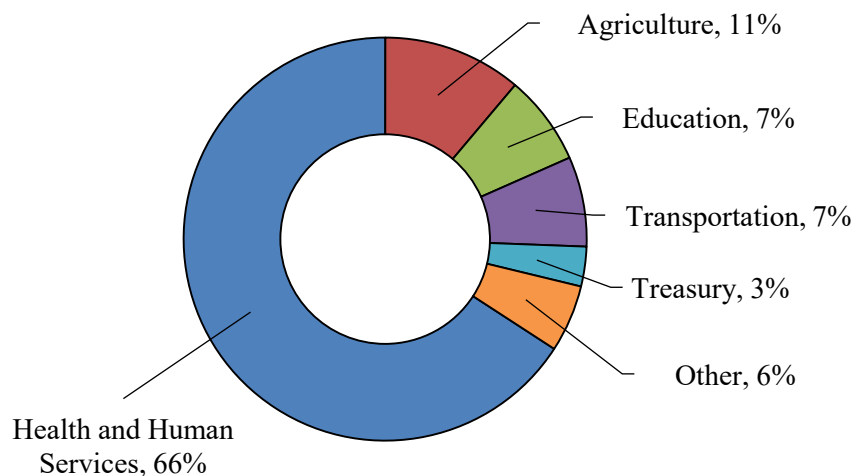
Of the 22 state agencies and offices that expended federal awards, 5 agencies spent the majority of the awards (94 percent) during state fiscal year 2024.

Expenditures of Federal Awards by State Agency



The state expended federal awards received from 24 federal agencies. Most of the federal award expenditures (94 percent) were from programs of 5 federal agencies.

Expenditures of Federal Awards by Federal Agency



Overall, the state expended federal awards in 317 programs. These programs are listed in the accompanying Schedule of Expenditures of Federal Awards.

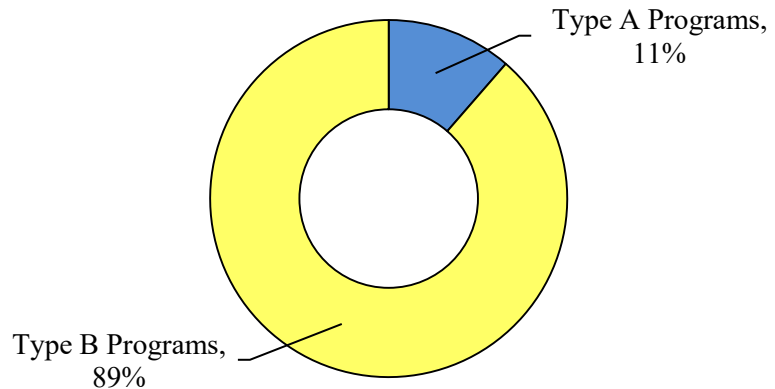


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The Uniform Guidance requires federal programs to be labeled Type A programs or Type B programs based on a dollar threshold. For the State of Missouri, the Uniform Guidance defines the dollar threshold as \$31.58 million (total expenditures of \$21,051,144,270 times 0.0015) since the federal award expenditures exceeded \$20 billion during state fiscal year 2024.

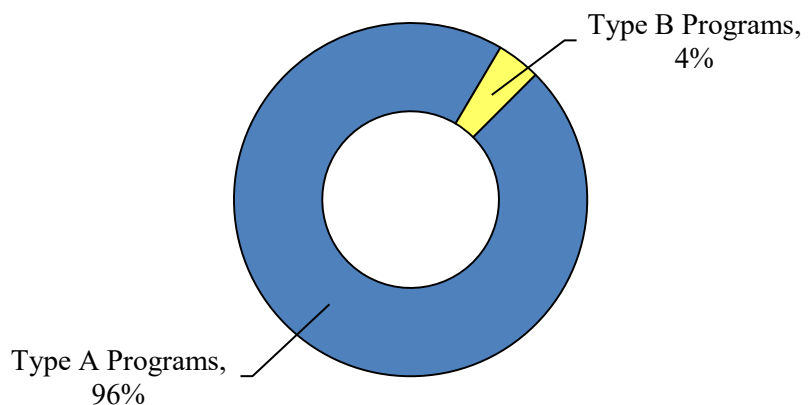
Programs with federal award expenditures of \$31.58 million or more are Type A programs and programs with federal award expenditures under \$31.58 million are Type B programs. Of the 317 federal award programs, 36, or 11 percent of the programs, were Type A programs and 281, or 89 percent of the programs, were Type B programs.

**Type A and Type B Programs
Number of Programs**



The 36 Type A programs had expenditures totaling approximately \$20.21 billion, or 96 percent of total expenditures. The 281 Type B programs had expenditures totaling approximately \$843 million, or 4 percent of total expenditures.

**Type A and Type B Programs
Expenditures of Federal Awards**





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The Uniform Guidance requires the auditor to perform risk assessments on Type A programs and to audit as major each Type A program assessed as high risk based on specified risk factors. We performed a risk assessment on each Type A program and determined 21 of the 36 Type A programs were low risk and did not need to be audited as major. In accordance with the Uniform Guidance, we audited as major the 15 Type A programs assessed as high risk.

The Uniform Guidance also requires the auditor to perform risk assessments on larger Type B programs to determine which are high risk and need to be audited as major. The dollar threshold to determine the larger Type B programs is 25 percent of the Type A threshold, or \$7.9 million. Of the 281 Type B programs, 33 were larger Type B programs. We performed risk assessments on the 33 larger Type B programs and determined 1 program was high risk. In accordance with the Uniform Guidance, we audited the program as major.

The programs audited as major are listed in the summary of auditor's results section of the Schedule of Findings and Questioned Costs section of this report. We audited 77 percent of total state fiscal year 2024 federal expenditures based on the risk assessments on Type A and larger Type B programs.

Major and Non-major Federal Programs

Type of Programs	Number of Programs	Expenditures	Percentage of Expenditures
<u>Programs Audited</u>			
Type A major programs	15	\$ 16,207,509,556	
Type B major programs	1	23,004,624	
Total major programs	16	16,230,514,180	77%
<u>Programs not Audited</u>			
Type A non-major programs	21	4,000,560,537	
Type B non-major programs	280	820,069,553	
Total non-major programs	301	4,820,630,090	23%
Total programs	317	\$ 21,051,144,270	100%

State of Missouri
Summary of Type A Programs
Year Ended June 30, 2024

AL Number	Program or Cluster Name	Federal Grantor Agency	Federal Awards Expended (1)
10.542	COVID-19 - Pandemic EBT Food Benefits	Agriculture	\$ 97,489,381
	SNAP Cluster:		
10.551	Supplemental Nutrition Assistance Program	Agriculture	1,508,675,164
10.561	COVID-19 - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Agriculture	9,689,693
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Agriculture	80,058,211
	Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program		89,747,904
	Total SNAP Cluster		1,598,423,068
	Child Nutrition Cluster:		
10.553	School Breakfast Program	Agriculture	96,098,094
10.555	COVID-19 - National School Lunch Program	Agriculture	28,555,708
10.555	National School Lunch Program	Agriculture	264,710,778
	Total National School Lunch Program		293,266,486
10.556	Special Milk Program for Children	Agriculture	123,483
10.559	Summer Food Service Program for Children	Agriculture	15,691,505
10.582	Fresh Fruit and Vegetable Program	Agriculture	3,789,370
	Total Child Nutrition Cluster		408,968,938
10.557	COVID-19 WIC Special Supplemental Nutrition Program for Women, Infants, and Children	Agriculture	428,280
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	Agriculture	88,617,461
	Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children		89,045,741
10.558	Child and Adult Care Food Program	Agriculture	68,821,591
	Food Distribution Cluster:		
10.565	Commodity Supplemental Food Program	Agriculture	9,406,381
10.568	Emergency Food Assistance Program (Administrative Costs)	Agriculture	1,454,827
10.569	Emergency Food Assistance Program (Food Commodities)	Agriculture	39,037,173
	Total Food Distribution Cluster		49,898,381
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Defense	58,242,308
14.228	COVID-19 - Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	Housing and Urban Development	5,959,315
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	Housing and Urban Development	49,232,834
	Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii		55,192,149
	Fish and Wildlife Cluster:		
15.605	Sport Fish Restoration Program	Conservation	8,925,583
15.611	Wildlife Restoration and Basic Hunter Education and Safety	Conservation	30,162,052
	Total Fish and Wildlife Cluster		39,087,635
17.225	COVID-19 - Unemployment Insurance	Labor	(6,321,253)
17.225	Unemployment Insurance	Labor	281,848,140
	Total Unemployment Insurance		275,526,887
	WIOA Cluster:		
17.258	WIOA Adult Program	Labor	10,153,072
17.259	WIOA Youth Activities	Labor	12,687,744
17.278	WIOA Dislocated Worker Formula Grants	Labor	10,136,587
	Total WIOA Cluster		32,977,403
20.205	Highway Planning and Construction	Transportation	1,384,284,251
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	Treasury	623,001,790
21.029	COVID-19 - Coronavirus Capital Projects Fund	Treasury	47,653,026
64.015	COVID-19 - Veterans State Nursing Home Care	Veterans Affairs	3,344,619
64.015	Veterans State Nursing Home Care	Veterans Affairs	66,442,265
	Total Veterans State Nursing Home Care		69,786,884

State of Missouri
Summary of Type A Programs
Year Ended June 30, 2024

AL Number	Program or Cluster Name	Federal Grantor Agency	Federal Awards Expended (1)	
66.458	Clean Water State Revolving Fund	Education		119,812,916
84.010	Title I Grants to Local Educational Agencies	Education		262,549,026
	Special Education Cluster (IDEA):			
84.027	COVID-19 - Special Education Grants to States	Education	20,617,480	
84.027	Special Education Grants to States	Education	<u>254,443,165</u>	
	Total Special Education Grants to States			275,060,645
84.173	COVID-19 - Special Education Preschool Grants	Education	1,488,363	
84.173	Special Education Preschool Grants	Education	<u>6,685,612</u>	
	Total Special Education Preschool Grants			<u>8,173,975</u>
	Total Special Education Cluster (IDEA)			<u>283,234,620</u>
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States	Education		85,513,725
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Education		36,063,591
	Education Stabilization Fund:			
84.425C	COVID-19 - Governor's Emergency Education Relief (GEER) Fund	Education		5,999,000
84.425D	COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	Education		71,433,786
84.425F	COVID-19 - Higher Education Emergency Relief Fund (HEERF) Institution Aid	Education		503,409
84.425R	COVID-19 - Coronavirus Response and Relief Supplemental Appropriations Act, 2021 - Emergency Assistance to Non-Public Schools (CRRSA EANS)	Education		3,933,787
84.425U	COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	Education		638,877,270
84.425V	COVID-19 - American Rescue Plan - Emergency Assistance to Non-Public Schools (ARP EANS)	Education		14,110,133
84.425W	COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth	Education		<u>3,443,368</u>
	Total Education Stabilization Fund			<u>738,300,753</u>
	Aging Cluster:			
93.044	COVID-19 - Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	Health and Human Services	5,271,046	
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	Health and Human Services	<u>8,588,976</u>	
	Total Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers			13,860,022
93.045	COVID-19 - Special Programs for the Aging, Title III, Part C, Nutrition Services	Health and Human Services	6,803,939	
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services	Health and Human Services	<u>14,564,345</u>	
	Total Special Programs for the Aging, Title III, Part C, Nutrition Services			21,368,284
93.053	Nutrition Services Incentive Program	Health and Human Services		<u>3,755,979</u>
	Total Aging Cluster			<u>38,984,285</u>
93.268	COVID-19 - Immunization Cooperative Agreements	Health and Human Services	17,222,606	
93.268	Immunization Cooperative Agreements	Health and Human Services	<u>100,174,017</u>	
	Total Immunization Cooperative Agreements			117,396,623
93.323	COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Health and Human Services	122,869,659	
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Health and Human Services	<u>1,602,999</u>	
	Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			124,472,658

State of Missouri
Summary of Type A Programs
Year Ended June 30, 2024

AL Number	Program or Cluster Name	Federal Grantor Agency	Federal Awards Expended (1)	
93.558	Temporary Assistance for Needy Families	Health and Human Services		194,701,921
93.563	Child Support Services	Health and Human Services		38,959,102
93.568	COVID-19 - Low-Income Home Energy Assistance	Health and Human Services	40,963,594	
93.568	Low-Income Home Energy Assistance	Health and Human Services	<u>55,760,579</u>	
	Total Low-Income Home Energy Assistance			96,724,173
	CCDF Cluster:			
93.575	COVID-19 - Child Care and Development Block Grant	Health and Human Services	416,764,203	
93.575	Child Care and Development Block Grant	Health and Human Services	<u>73,497,761</u>	
	Total Child Care and Development Block Grant			490,261,964
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Health and Human Services		<u>45,411,541</u>
	Total CCDF Cluster			<u>535,673,505</u>
93.658	Foster Care Title IV-E	Health and Human Services		81,922,224
93.659	Adoption Assistance	Health and Human Services		75,885,079
93.667	Social Services Block Grant	Health and Human Services		58,513,690
93.767	COVID-19 - Children's Health Insurance Program	Health and Human Services	3,061,376	
93.767	Children's Health Insurance Program	Health and Human Services	<u>396,314,769</u>	
	Total Children's Health Insurance Program			399,376,145
	Medicaid Cluster:			
93.775	State Medicaid Fraud Control Units	Health and Human Services		1,877,813
93.777	COVID-19 - State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	Health and Human Services	585,994	
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	Health and Human Services	<u>20,830,582</u>	
	Total State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare			21,416,576
93.778	COVID-19 - Medical Assistance Program	Health and Human Services	127,265,385	
93.778	Medical Assistance Program	Health and Human Services	<u>11,595,766,871</u>	
	Total Medical Assistance Program			<u>11,723,032,256</u>
	Total Medicaid Cluster			<u>11,746,326,645</u>
93.959	COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse	Health and Human Services	10,301,833	
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Health and Human Services	<u>28,146,104</u>	
	Total Block Grants for Prevention and Treatment of Substance Abuse			38,447,937
	Disability Insurance/SSI Cluster			
96.001	Social Security - Disability Insurance	Social Security Administration		<u>52,781,634</u>
	Total Disability Insurance/SSI Cluster			<u>52,781,634</u>
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Homeland Security		184,030,408
	Total Type A Programs (expenditures greater than \$31,576,716)		\$	<u>20,208,070,093</u>

(1) The first column under Federal Awards Expended shows the expenditures for programs partially funded with COVID-19 funds, as reported on the Schedule of Expenditures of Federal Awards.



SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER
COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mike Kehoe, Governor
and
Members of the General Assembly

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

We have audited the State of Missouri's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the State of Missouri's major federal programs for the year ended June 30, 2024. The State of Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Qualified Opinion on the Child and Adult Care Food Program, the Coronavirus State and Local Fiscal Recovery Funds program, and the Disaster Grants - Public Assistance (Presidentially Declared Disasters) program

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the State of Missouri complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Child and Adult Care Food Program, the Coronavirus State and Local Fiscal Recovery Funds program, and the Disaster Grants - Public Assistance (Presidentially Declared Disasters) program for the year ended June 30, 2024.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the State of Missouri complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2024.

Basis for Qualified and Unmodified Opinions

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the State of Missouri and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our qualified and unmodified opinions on compliance for each major federal program. Our audit does not provide a legal determination of the State of Missouri's compliance with the compliance requirements referred to above.

Matters Giving Rise to Qualified Opinion on the Child and Adult Care Food Program, the Coronavirus State and Local Fiscal Recovery Funds program, and the Disaster Grants - Public Assistance (Presidentially Declared Disasters) program

As described in the accompanying Schedule of Findings and Questioned Costs, the State of Missouri did not comply with requirements regarding the following:

Finding Number	AL Number(s)	Program (or Cluster) Name	Compliance Requirement(s)
2024-007	21.027	Coronavirus State and Local Fiscal Recovery Funds	Subrecipient Monitoring
2024-008	10.558	Child and Adult Care Food Program	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Subrecipient Monitoring
2024-009	10.558	Child and Adult Care Food Program	Subrecipient Monitoring
2024-012	97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Subrecipient Monitoring

Compliance with such requirements is necessary, in our opinion, for the State of Missouri to comply with the requirements applicable to those programs.

Other Matter - Federal Expenditures Not Included in the Compliance Audit

The State of Missouri's basic financial statements include the operations of certain public universities and other component units, which expended federal awards that are not included in the State of Missouri's Schedule of Expenditures of Federal Awards for the year ended June 30, 2024. Our compliance audit, described in the Qualified and Unmodified Opinions section of our report, does not include the operations of these component units because they engaged other auditors to perform an audit of compliance, if required.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the State of Missouri's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the State of Missouri's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material

noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the State of Missouri's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the State of Missouri's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the State of Missouri's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the State of Missouri's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 2024-001 through 2024-003, 2024-005, 2024-010, and 2024-013 through 2024-017. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the State of Missouri's responses to the noncompliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The State of Missouri's response to each noncompliance finding consists of both the response and the corrective action plan. The state of Missouri's responses and corrective action plans were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain

deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 2024-004, 2024-007 through 2024-009, 2024-012, and 2024-013 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 2024-001 through 2024-003, 2024-005, 2024-006, 2024-010, and 2024-014 through 2024-017 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the State of Missouri's responses to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The State of Missouri's response to each internal control over compliance finding consists of both the response and the corrective action plan. The State of Missouri's responses and corrective action plans were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.


The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, pursuant to Section 29.200, RSMo, this report is a matter of public record and its distribution is not limited.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Missouri, as of and for the year ended June 30, 2024, and the related notes to financial statements, which collectively comprise the State of Missouri's basic financial statements. We issued our report thereon dated April 2, 2025, which contained qualified opinions on the governmental activities and the General Fund, a major fund, and unmodified opinions on all remaining opinion units.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Missouri's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility

of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Scott Fitzpatrick
State Auditor

September 15, 2025, except for our report
on Schedule of Expenditures of
Federal Awards, for which the date is
April 2, 2025

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Assistance Listing Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
Department of Agriculture			
10.025	Plant and Animal Disease, Pest Control, and Animal Care	\$ 941,193	\$ 108,401
10.069	Conservation Reserve Program	1,040,410	281,838
10.093	Voluntary Public Access and Habitat Incentive Program	868,014	8,885
10.153	Market News	117,620	25,400
10.170	COVID-19 - Specialty Crop Block Grant Program - Farm Bill	161,914	153,770
10.170	Specialty Crop Block Grant Program - Farm Bill	489,953	455,844
	Total Specialty Crop Block Grant Program - Farm Bill	651,867	609,614
10.171	Organic Certification Cost Share Programs	10,963	10,963
10.182	Pandemic Relief Activities: Local Food Purchase Agreements with States, Tribes, and Local Governments	3,851,477	3,851,477
10.185	Local Food for Schools Cooperative Agreement Program	109,025	109,025
10.187	The Emergency Food Assistance Program (TEFAP) Commodity Credit Corporation Eligible Recipient Funds	490,937	456,087
10.435	State Mediation Grants	7,404	-
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	1,474,066	1,287
10.479	Food Safety Cooperative Agreements	237,573	-
10.525	Farm and Ranch Stress Assistance Network Competitive Grants Program	171,246	169,269
10.535	SNAP Fraud Framework Implementation Grant	46,070	-
10.541	Child Nutrition-Technology Innovation Grant	4,475	-
10.542	COVID-19 - Pandemic EBT Food Benefits	97,489,381	-
	SNAP Cluster:		
10.551	Supplemental Nutrition Assistance Program	1,508,675,164	-
10.561	COVID-19 - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	9,689,693	-
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	80,058,211	15,915,501
	Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	89,747,904	15,915,501
	Total SNAP Cluster	1,598,423,068	15,915,501
	Child Nutrition Cluster:		
10.553	School Breakfast Program	96,098,094	96,098,094
10.555	COVID-19 - National School Lunch Program	28,555,708	28,555,708
10.555	National School Lunch Program	264,710,778	263,581,669
	Total National School Lunch Program	293,266,486	292,137,377
10.556	Special Milk Program for Children	123,483	123,483
10.559	Summer Food Service Program for Children	15,691,505	15,292,113
10.582	Fresh Fruit and Vegetable Program	3,789,370	3,789,370
	Total Child Nutrition Cluster	408,968,938	407,440,437
10.557	COVID-19 - WIC Special Supplemental Nutrition Program for Women, Infants, and Children	428,280	391
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	88,617,461	27,347,213
	Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children	89,045,741	27,347,604
10.558	Child and Adult Care Food Program	68,821,591	67,565,165
10.560	State Administrative Expenses for Child Nutrition	7,154,948	-
	Food Distribution Cluster:		
10.565	Commodity Supplemental Food Program	9,406,381	1,627,150
10.568	Emergency Food Assistance Program (Administrative Costs)	1,454,827	1,440,872
10.569	Emergency Food Assistance Program (Food Commodities)	39,037,173	77,259
	Total Food Distribution Cluster	49,898,381	3,145,281
10.572	WIC Farmers' Market Nutrition Program (FMNP)	28,748	28,748
10.576	Senior Farmers Market Nutrition Program	19,408	19,408
10.578	WIC Grants To States (WGS)	1,742,676	-
10.579	COVID-19 - Child Nutrition Discretionary Grants Limited Availability	421,919	421,919
10.579	Child Nutrition Discretionary Grants Limited Availability	239,733	239,733
	Total Child Nutrition Discretionary Grants Limited Availability	661,652	661,652
10.605	Quality Samples Program	5,499	-
10.645	Farm to School State Formula Grant	80,647	80,647
10.649	COVID-19 - Pandemic EBT Administrative Costs	3,464,210	-
10.664	Cooperative Forestry Assistance	1,965,504	842,738
	Forest Service Schools and Roads Cluster:		
10.665	Schools and Roads - Grants to States	2,639,657	2,639,657
	Total Forest Service Schools and Roads Cluster	2,639,657	2,639,657
10.676	Forest Legacy Program	2,049,900	-
10.680	Forest Health Protection	22,037	-
10.698	State & Private Forestry Cooperative Fire Assistance	517,045	512,537
10.727	Inflation Reduction Act Urban & Community Forestry Program	750,000	750,000
10.934	Feral Swine Eradication and Control Pilot Program	1,138,412	629,598
	Total Department of Agriculture	2,344,909,783	533,211,219

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Assistance Listing Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
Department of Commerce			
11.031	Broadband Infrastructure Program	19,337,837	19,337,837
11.032	State Digital Equity Planning and Capacity Grant	542,083	216,214
11.035	Broadband Equity, Access, and Deployment Program	304,941	-
	Economic Development Cluster:		
11.307	COVID-19 - Economic Adjustment Assistance	1,002,808	837,080
11.307	Economic Adjustment Assistance	76,847	-
	Total Economic Adjustment Assistance	1,079,655	837,080
	Total Economic Development Cluster	1,079,655	837,080
Total Department of Commerce		21,264,516	20,391,131
Department of Defense			
12.U01	Excess Property Program	74,526	-
12.112	Payments to States in Lieu of Real Estate Taxes	2,292,783	2,292,783
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	699,848	-
12.401	National Guard Military Operations and Maintenance (O&M) Projects	58,242,308	-
12.617	Economic Adjustment Assistance for State Governments	80,782	-
12.620	Troops to Teachers Grant Program	41,185	-
12.630	Basic, Applied, and Advanced Research in Science and Engineering	29,931	-
Total Department of Defense		61,461,363	2,292,783
Department of Housing and Urban Development			
14.228	COVID-19 - Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	5,959,315	5,868,385
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	49,232,834	47,343,388
	Total Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	55,192,149	53,211,773
14.231	COVID-19 - Emergency Solutions Grant Program	829,368	829,368
14.231	Emergency Solutions Grant Program	2,939,247	2,939,247
	Total Emergency Solutions Grant Program	3,768,615	3,768,615
14.241	COVID-19 - Housing Opportunities for Persons with AIDS	91,826	91,826
14.241	Housing Opportunities for Persons with AIDS	935,800	935,800
	Total Housing Opportunities for Persons with AIDS	1,027,626	1,027,626
14.267	Continuum of Care Program	14,014,560	14,014,560
14.268	Rural Housing Stability Assistance Program	402,596	384,036
Total Department of Housing and Urban Development		74,405,546	72,406,610
Department of the Interior			
15.018	Energy Community Revitalization Program (ECRP)	26,186	-
15.073	Earth Mapping Resources Initiative	148,802	-
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	174,399	-
15.252	Abandoned Mine Land Reclamation (AMLR)	3,673,537	-
15.438	National Forest Acquired Lands	1,715,397	1,715,397
	Fish and Wildlife Cluster:		
15.605	Sport Fish Restoration	8,925,583	-
15.611	Wildlife Restoration and Basic Hunter Education and Safety	30,162,052	-
	Total Fish and Wildlife Cluster	39,087,635	-
15.608	Fish and Wildlife Management Assistance	696,618	33,417
15.615	Cooperative Endangered Species Conservation Fund	122,422	104,803
15.622	Sportfishing and Boating Safety Act	200,000	200,000
15.634	State Wildlife Grants	1,183,661	86,549
15.684	White-nose Syndrome National Response Implementation	36,253	-
15.808	U.S. Geological Survey Research and Data Collection	20,768	-
15.810	National Cooperative Geologic Mapping	495,533	-
15.814	National Geological and Geophysical Data Preservation	97,632	-
15.904	Historic Preservation Fund Grants-In-Aid	957,474	35,526
15.916	Outdoor Recreation Acquisition, Development and Planning	5,334,415	5,323,543
15.978	Upper Mississippi River Restoration Long Term Resource Monitoring	509,308	-
Total Department of the Interior		54,480,040	7,499,235
Department of Justice			
16.U01	FBI Joint Terrorism Task Force	24,658	-
16.017	Sexual Assault Services Formula Program	576,088	539,269
16.034	COVID-19 - Coronavirus Emergency Supplemental Funding Program	6,416,401	-
16.540	Juvenile Justice and Delinquency Prevention	429,264	254,424
16.554	National Criminal History Improvement Program (NCHIP)	2,105,793	-
16.575	Crime Victim Assistance	30,574,261	28,753,496
16.576	Crime Victim Compensation	2,077,573	2,077,573
16.582	Crime Victim Assistance/Discretionary Grants	95,308	-

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Assistance Listing Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
16.585	Treatment Court Discretionary Grant Program	336,880	-
16.588	Violence Against Women Formula Grants	2,499,178	2,247,386
16.593	Residential Substance Abuse Treatment for State Prisoners	304,571	55,738
16.609	Project Safe Neighborhoods	99,966	77,454
16.710	Public Safety Partnership and Community Policing Grants	478,034	-
16.738	Edward Byrne Memorial Justice Assistance Grant Program	4,312,451	3,063,666
16.741	DNA Backlog Reduction Program	902,935	-
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program	396,316	205,030
16.750	Support for Adam Walsh Act Implementation Grant Program	260,661	-
16.812	Second Chance Act Reentry Initiative	95,219	63,910
16.813	NICS Act Record Improvement Program	958,420	-
16.833	National Sexual Assault Kit Initiative	1,973,235	-
16.839	STOP School Violence	542,173	85,593
16.922	Equitable Sharing Program	37,662	-
Total Department of Justice		55,497,047	37,423,539
Department of Labor			
17.002	Labor Force Statistics	989,933	-
17.005	Compensation and Working Conditions	326,088	-
Employment Service Cluster:			
17.207	Employment Service/Wagner-Peyser Funded Activities	7,998,789	326,014
17.801	Jobs for Veterans State Grants	2,187,928	-
Total Employment Service Cluster		10,186,717	326,014
17.225	COVID-19 - Unemployment Insurance	(6,321,253)	-
17.225	Unemployment Insurance	281,848,140	-
Total Unemployment Insurance		275,526,887	-
17.235	Senior Community Service Employment Program	1,859,457	1,836,787
17.245	Trade Adjustment Assistance	374,339	-
WIOA Cluster:			
17.258	WIOA Adult Program	10,153,072	8,429,883
17.259	WIOA Youth Activities	12,687,744	10,667,314
17.278	WIOA Dislocated Worker Formula Grants	10,136,587	7,233,386
Total WIOA Cluster		32,977,403	26,330,583
17.270	Reentry Employment Opportunities	111	-
17.271	Work Opportunity Tax Credit Program (WOTC)	560,269	-
17.273	Temporary Labor Certification for Foreign Workers	315,681	-
17.277	COVID-19 - WIOA National Dislocated Worker Grants / WIA National Emergency Grants	739,390	229,885
17.285	Registered Apprenticeship	535,590	-
17.504	Consultation Agreements	1,575,511	-
17.600	Mine Health and Safety Grants	517,239	-
Total Department of Labor		326,484,615	28,723,269
Department of Transportation			
20.106	COVID-19 - Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	1,187,537	1,187,537
20.106	Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	21,817,087	21,817,087
Total Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs		23,004,624	23,004,624
20.200	Highway Research and Development Program	710,686	78,163
20.205	Highway Planning and Construction	1,384,284,251	130,852,741
20.215	Highway Training and Education	158,052	-
FMCSA Cluster:			
20.218	Motor Carrier Safety Assistance	9,726,601	2,837,043
Total FMCSA Cluster		9,726,601	2,837,043
20.219	Recreational Trails Program	1,029,575	901,374
20.224	Federal Lands Access Program	2,775,014	1,821,406
20.232	Commercial Driver's License Program Implementation Grant	227,767	-
20.240	Fuel Tax Evasion-Intergovernmental Enforcement Effort	44,516	-
20.325	Consolidated Rail Infrastructure and Safety Improvements	1,741,834	1,741,834
Federal Transit Cluster:			
20.500	Federal Transit Capital Investment Grants	305,857	305,857
20.507	Federal Transit Formula Grants	82,256	82,256
20.526	Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	8,955,039	7,179,702
Total Federal Transit Cluster		9,343,152	7,567,815
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	1,361,542	940,111

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Assistance Listing Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
20.509	COVID-19 - Formula Grant for Rural Areas and Tribal Transit Program	11,598,235	11,445,824
20.509	Formula Grants for Rural Areas and Tribal Transit Program	17,606,693	16,292,888
	Total Formula Grant for Rural Areas and Tribal Transit Program	29,204,928	27,738,712
	Transit Services Programs Cluster:		
20.513	COVID-19 - Enhanced Mobility of Seniors and Individuals with Disabilities	497,134	497,134
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	2,960,278	2,585,844
	Total Enhanced Mobility of Seniors and Individuals with Disabilities	3,457,412	3,082,978
	Total Transit Services Programs Cluster	3,457,412	3,082,978
20.528	Rail Fixed Guideway Public Transportation System State Safety Oversight Formula Grant Program	431,261	303,294
	Highway Safety Cluster:		
20.600	State and Community Highway Safety	7,976,251	6,411,326
20.616	National Priority Safety Programs	8,164,649	5,115,259
	Total Highway Safety Cluster	16,140,900	11,526,585
20.607	Alcohol Open Container Requirements	5,090,326	3,815,041
20.614	National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements	180,617	-
20.700	Pipeline Safety Program State Base Grant	743,502	-
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	364,287	111,392
20.721	PHMSA Pipeline Safety Program One Call Grant	8,021	-
20.933	National Infrastructure Investments	15,803,389	12,449,186
20.934	Nationally Significant Freight and Highway Projects	12,565,768	-
	Total Department of Transportation	1,518,398,025	228,772,299
	Department of the Treasury		
21.016	Equitable Sharing	14,545	-
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	623,001,790	185,731,362
21.029	COVID-19 - Coronavirus Capital Projects Fund	47,653,026	47,653,026
	Total Department of the Treasury	670,669,361	233,384,388
	Equal Employment Opportunity Commission		
30.001	Employment Discrimination Title VII of the Civil Rights Act of 1964	273,462	-
	Total Equal Employment Opportunity Commission	273,462	-
	General Services Administration		
39.003	Donation of Federal Surplus Personal Property	1,578,128	882,482
	Total General Services Administration	1,578,128	882,482
	National Endowment for the Arts		
45.025	Promotion of the Arts Partnership Agreements	912,725	912,725
45.310	Grants to States	3,213,217	2,406,387
	Total National Endowments for the Arts	4,125,942	3,319,112
	Small Business Administration		
59.061	State Trade Expansion	328,601	185,626
	Total Small Business Administration	328,601	185,626
	Department of Veterans Affairs		
64.005	COVID-19 - Grants to States for Construction of State Home Facilities	211,628	-
64.005	Grants to States for Construction of State Home Facilities	302,035	-
	Total Grants to States for Construction of State Home Facilities	513,663	-
64.015	COVID-19 - Veterans State Nursing Home Care	3,344,619	-
64.015	Veterans State Nursing Home Care	66,442,265	-
	Total Veterans State Nursing Home Care	69,786,884	-
64.024	VA Homeless Providers Grant and Per Diem Program	967,358	967,358
64.053	Payments to States for Programs to Promote the Hiring and Retention of Nurses at State Veterans Homes	344,573	-
64.101	Burial Expenses Allowance for Veterans	1,180,635	-
64.115	Veterans Information and Assistance	612,572	-
64.203	Veterans Cemetery Grants Program	345,949	-
	Total Department of Veterans Affairs	73,751,634	967,358
	Environmental Protection Agency		
66.032	State Indoor Radon Grants	167,421	81,590
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	566,765	-
66.040	Diesel Emissions Reduction Act (DERA) State Grants	530,743	480,294
66.046	Climate Pollution Reduction Grants	185,281	36,147
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	61,232	-

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Assistance Listing Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
66.433	State Underground Water Source Protection	194,007	-
66.444	Voluntary School and Child Care Lead Testing and Reduction Grant Program (SDWA 1464(d))	264,820	-
66.454	Water Quality Management Planning	323,911	208,745
66.458	Clean Water State Revolving Fund	119,812,916	117,388,885
66.460	Nonpoint Source Implementation Grants	2,006,364	2,006,364
66.461	Regional Wetland Program Development Grants	51,034	50,499
66.468	Drinking Water State Revolving Fund	8,033,591	3,097,648
66.485	Support for the Gulf Hypoxia Action Plan	713,516	44,058
66.605	Performance Partnership Grants	15,096,172	186,623
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	18,723	-
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	859,582	612,859
66.804	Underground Storage Tank (UST) Prevention, Detection, and Compliance Program	1,083,819	692,000
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	1,028,105	-
66.817	State and Tribal Response Program Grants	1,342,833	-
66.818	Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	8,560	-
66.961	Superfund State and Indian Tribe Combined Cooperative Agreements (Site-Specific and Core)	1,528,011	-
Total Environmental Protection Agency		153,877,406	124,885,712
Department of Energy			
81.041	State Energy Program	1,374,779	-
81.042	Weatherization Assistance for Low-Income Persons	17,570,343	16,295,295
81.128	Energy Efficiency and Conservation Block Grant Program (EECBG)	20,837	-
81.136	Long-Term Surveillance and Maintenance	92,637	-
81.138	State Heating Oil and Propane Program	3,895	-
81.254	Grid Infrastructure Deployment and Resilience	8,542	-
Total Department of Energy		19,071,033	16,295,295
Department of Education			
84.002	Adult Education - Basic Grants to States	9,521,859	8,703,838
84.010	Title I Grants to Local Educational Agencies	262,549,026	259,402,743
84.011	Migrant Education State Grant Program	740,785	210,661
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth	1,581,837	1,571,087
Special Education Cluster (IDEA):			
84.027	COVID-19 - Special Education Grants to States	20,617,480	20,617,480
84.027	Special Education Grants to States	254,443,165	223,127,202
	Total Special Education Grants to States	275,060,645	243,744,682
84.173	COVID-19 - Special Education Preschool Grants	1,488,363	1,488,363
84.173	Special Education Preschool Grants	6,685,612	6,685,612
	Total Special Education Preschool Grants	8,173,975	8,173,975
	Total Special Education Cluster (IDEA)	283,234,620	251,918,657
84.048	Career and Technical Education - Basic Grants to States	30,352,969	27,622,522
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States	85,513,725	-
84.144	Migrant Education Coordination Program	116,675	-
84.177	Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	683,675	-
84.181	COVID-19 - Special Education-Grants for Infants and Families	2,279,421	-
84.181	Special Education-Grants for Infants and Families	10,993,757	-
	Total Special Education-Grants for Infants and Families	13,273,178	-
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities	277,064	-
84.196	Education for Homeless Children and Youth	1,314,671	1,312,590
84.224	Assistive Technology	576,323	-
84.287	Twenty-First Century Community Learning Centers	16,975,373	15,828,849
84.323	Special Education - State Personnel Development	435,314	-
84.325	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	194,554	-
84.326	Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	242,675	-
84.358	Rural Education	3,084,897	2,932,846
84.365	English Language Acquisition State Grants	5,604,556	5,353,372
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	36,063,591	33,370,204
84.368	Competitive Grants for State Assessments	541,486	-
84.369	Grants for State Assessments and Related Activities	6,329,393	-
84.371	Comprehensive Literacy Development	4,323,497	-
84.372	Statewide Longitudinal Data Systems	80,192	-
84.423	Supporting Effective Educator Development Program	877,678	-
84.424	Student Support and Academic Enrichment Program	19,006,256	18,808,561
84.425C	COVID-19 - Governor's Emergency Education Relief (GEER) Fund	5,999,000	1,883,371
84.425D	COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	71,433,786	52,314,535
84.425F	COVID-19 - Higher Education Emergency Relief Fund (HEERF) Institutional Aid	503,409	478,511

State of Missouri
Schedule of Expenditures of Federal Awards
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Assistance Listing Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
84.425R	COVID-19 - Coronavirus Response and Relief Supplemental Appropriations Act, 2021- Emergency Assistance to Non-Public Schools (CRRSA EANS) Program	3,933,787	-
84.425U	COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	638,877,270	606,702,017
84.425V	COVID-19 - American Rescue Plan Emergency Assistance to Non-Public Schools (ARP EANS)	14,110,133	-
84.425W	COVID-19 - American Rescue Plan – Elementary and Secondary School Emergency Relief – Homeless Children and Youth	3,443,368	3,353,595
	Total Education Stabilization Fund	738,300,753	664,732,029
84.902	National Assessment of Educational Progress	140,099	-
	Total Department of Education	1,521,936,721	1,291,767,959
National Archives and Records Administration			
89.003	National Historical Publications and Records Grants	10,342	-
	Total National Archives and Records Administration	10,342	-
Elections Assistance Commission			
90.404	HAVA Election Security Grants	2,502,576	60,459
	Total Elections Assistance Commission	2,502,576	60,459
Department of Health and Human Services			
93.008	Medical Reserve Corps Small Grant Program	99,003	66,223
93.041	Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	99,187	3,730
93.042	COVID-19 - Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	82,937	-
93.042	Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	406,231	152,056
	Total Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	489,168	152,056
93.043	COVID-19 - Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	619,476	619,476
93.043	Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	499,346	477,615
	Total Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	1,118,822	1,097,091
Aging Cluster:			
93.044	COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	5,271,046	4,899,806
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	8,588,976	8,269,947
	Total Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	13,860,022	13,169,753
93.045	COVID-19 - Special Programs for the Aging, Title III, Part C, Nutrition Services	6,803,939	6,778,596
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services	14,564,345	14,125,954
	Total Special Programs for the Aging, Title III, Part C, Nutrition Services	21,368,284	20,904,550
93.053	Nutrition Services Incentive Program	3,755,979	3,755,979
	Total Aging Cluster	38,984,285	37,830,282
93.052	COVID-19 - National Family Caregiver Support, Title III, Part E	2,140,687	2,133,599
93.052	National Family Caregiver Support, Title III, Part E	3,474,790	3,311,788
	Total National Family Caregiver Support, Title III, Part E	5,615,477	5,445,387
93.069	Public Health Emergency Preparedness	10,142,162	5,523,452
93.070	Environmental Public Health and Emergency Response	1,450,315	514,671
93.071	Medicare Enrollment Assistance Program	660,425	305,465
93.079	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	91,257	49,257
93.090	Guardianship Assistance	17,565,288	-
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program	791,120	516,440
93.103	Food and Drug Administration Research	1,903,536	73,242
93.110	Maternal and Child Health Federal Consolidated Programs	1,187,295	439,034
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	607,732	199,169
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	205,293	23,000
93.136	Injury Prevention and Control Research and State and Community Based Programs	9,019,263	4,918,392
93.150	Projects for Assistance in Transition from Homelessness (PATH)	939,991	-
93.155	COVID-19 - Rural Health Research Centers	2,365,173	2,365,173
93.165	Grants to States for Loan Repayment	587,087	517,548
93.197	Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	391,437	-

State of Missouri
Schedule of Expenditures of Federal Awards
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Assistance Listing Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
93.234	COVID-19 - Traumatic Brain Injury State Demonstration Grant Program	30,398	11,698
93.234	Traumatic Brain Injury State Demonstration Grant Program	149,785	102,962
	Total Traumatic Brian Injury State Demonstration Grant Program	180,183	114,660
93.235	Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program	1,019,259	513,065
93.236	Grants to States to Support Oral Health Workforce Activities	318,757	130,173
93.240	COVID-19 - State Capacity Building	17,874	-
93.240	State Capacity Building	477,869	-
	Total State Capacity Building	495,743	-
93.241	State Rural Health Flexibility Program	452,763	259,710
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	8,850,387	887,964
93.251	Universal Newborn Hearing and Screening	219,962	85,715
93.268	COVID-19 - Immunization Cooperative Agreements	17,222,606	9,092,049
93.268	Immunization Cooperative Agreements	100,174,017	194,114
	Total Immunization Cooperative Agreements	117,396,623	9,286,163
93.270	Viral Hepatitis Prevention and Control	426,403	-
93.301	Small Rural Hospital Improvement Grant Program	512,437	427,565
93.310	COVID-19 - Trans-NIH Research Support	1,287,670	49
93.314	Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	137,138	-
93.323	COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	122,869,659	35,367,215
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	1,602,999	45,931
	Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	124,472,658	35,413,146
93.324	State Health Insurance Assistance Program	1,133,626	-
93.334	The Healthy Brain Initiative: Technical Assistance to Implement Public Health Actions related to Cognitive Health, Cognitive Impairment, and Caregiving at the State and Local Levels	208,232	95,921
93.336	COVID-19 - Behavioral Risk Factor Surveillance System	5,943	-
93.336	Behavioral Risk Factor Surveillance System	800,949	-
	Total Behavioral Risk Factor Surveillance System	806,892	-
93.354	COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	18,701,021	17,309,454
93.366	State Actions to Improve Oral Health Outcomes and Partner Actions to Improve Oral Health Outcomes	486,725	232,138
93.367	Flexible Funding Model - Infrastructure Development and Maintenance for State Manufactured Food Regulatory Programs	471,420	-
93.369	ACL Independent Living State Grants	337,724	206,913
93.387	National and State Tobacco Control Program	1,963,076	626,270
93.391	COVID-19 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	11,368,237	11,315,502
93.426	The National Cardiovascular Health Program	1,132,792	551,733
93.434	Every Student Succeeds Act/Preschool Development Grants	11,398,591	-
93.435	The Innovative Cardiovascular Health Program	956,703	797,482
93.436	Well-Integrated Screening and Evaluation for Women Across the Nation (WISEWOMAN)	615,631	135,851
93.439	State Physical Activity and Nutrition (SPAN)	799,242	296,223
93.464	ACL Assistive Technology	665,864	-
93.478	Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees	511,595	190,073
93.499	COVID-19 - Low Income Household Water Assistance Program	2,290,676	633,609
93.556	COVID-19 - MaryLee Allen Promoting Safe and Stable Families Program	864,182	-
93.556	MaryLee Allen Promoting Safe and Stable Families Program	5,524,329	-
	Total MaryLee Allen Promoting Safe and Stable Families Program	6,388,511	-
93.558	Temporary Assistance for Needy Families	194,701,921	37,572,364
93.563	Child Support Services	38,959,102	3,824,920
93.564	Child Support Services Research	679,671	-
93.568	COVID-19 - Low-Income Home Energy Assistance	40,963,594	23,965,822
93.568	Low-Income Home Energy Assistance	55,760,579	6,876,707
	Total Low-Income Home Energy Assistance	96,724,173	30,842,529
93.569	Community Services Block Grant	21,158,214	20,451,129
	CCDF Cluster:		
93.575	COVID-19 - Child Care and Development Block Grant	416,764,203	-
93.575	Child Care and Development Block Grant	73,497,761	134,925
	Total Child Care and Development Block Grant	490,261,964	134,925
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	45,411,541	1,757,632
	Total CCDF Cluster	535,673,505	1,892,557
93.586	State Court Improvement Program	520,179	-
93.590	COVID-19 - Community-Based Child Abuse Prevention Grants	1,623,913	1,531,966
93.590	Community-Based Child Abuse Prevention Grants	1,009,244	1,009,244
	Total Community-Based Child Abuse Prevention Grants	2,633,157	2,541,210
93.597	Grants to States for Access and Visitation Programs	189,398	-
93.599	Chafee Education and Training Vouchers Program (ETV)	1,567,610	-
93.603	Adoption and Legal Guardianship Incentive Payments Program	114,881	-
93.630	Developmental Disabilities Basic Support and Advocacy Grants	1,792,912	-

State of Missouri
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Assistance Listing Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
93.643	Children's Justice Grants to States	355,776	-
93.645	Stephanie Tubbs Jones Child Welfare Services Program	5,597,434	-
93.658	Foster Care Title IV-E	81,922,224	23,316
93.659	Adoption Assistance	75,885,079	-
93.667	Social Services Block Grant	58,513,690	7,159,191
93.669	COVID-19 - Child Abuse and Neglect State Grants	969,144	-
93.669	Child Abuse and Neglect State Grants	2,109,612	-
	Total Child Abuse and Neglect State Grants	3,078,756	-
93.671	COVID-19 - Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	3,447,682	3,422,041
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	2,256,616	2,234,777
	Total Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	5,704,298	5,656,818
93.674	John H. Chafee Foster Care Program for Successful Transition to Adulthood	3,658,493	-
93.686	Ending the HIV Epidemic: A Plan for America - Ryan White HIV/AIDS Program Parts A and B	1,025,661	201,521
93.747	COVID-19 - Elder Abuse Prevention Interventions Program	2,341,093	981,438
93.767	COVID-19 - Children's Health Insurance Program	3,061,376	-
93.767	Children's Health Insurance Program	396,314,769	-
	Total Children's Health Insurance Program	399,376,145	-
	Medicaid Cluster:		
93.775	State Medicaid Fraud Control Units	1,877,813	-
93.777	COVID-19 - State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	585,994	585,994
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	20,830,582	-
	Total State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	21,416,576	585,994
93.778	COVID-19 - Medical Assistance Program	127,265,385	-
93.778	Medical Assistance Program	11,595,766,871	4,526,343
	Total Medical Assistance Program	11,723,032,256	4,526,343
	Total Medicaid Cluster	11,746,326,645	5,112,337
93.788	Opioid STR	29,008,446	-
93.791	COVID-19 - Money Follows the Person Rebalancing Demonstration	10,555	-
93.791	Money Follows the Person Rebalancing Demonstration	4,266,329	-
	Total Money Follows the Person Rebalancing Demonstration	4,276,884	-
93.870	COVID-19 - Maternal, Infant and Early Childhood Home Visiting Grant	600,277	600,277
93.870	Maternal, Infant and Early Childhood Homevisiting Grant Program	3,668,802	2,950,047
	Total Maternal, Infant and Early Childhood Home Visiting Grant	4,269,079	3,550,324
93.876	Antimicrobial Resistance Surveillance in Retail Food Specimens	141,836	-
93.889	COVID-19 - National Bioterrorism Hospital Preparedness Program	108,128	-
93.889	National Bioterrorism Hospital Preparedness Program	3,446,085	1,598,914
	Total National Bioterrorism Hospital Preparedness Program	3,554,213	1,598,914
93.898	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	3,385,070	1,995,301
93.913	Grants to States for Operation of Offices of Rural Health	136,542	-
93.917	HIV Care Formula Grants	23,331,400	22,302,829
93.940	HIV Prevention Activities Health Department Based	7,217,022	4,023,196
93.945	Assistance Programs for Chronic Disease Prevention and Control	90,334	88,282
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	153,246	-
93.958	COVID-19 - Block Grants for Community Mental Health Services	1,633,573	-
93.958	Block Grants for Community Mental Health Services	24,456,266	-
	Total Block Grants for Community Mental Health Services	26,089,839	-
93.959	COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse	10,301,833	-
93.959	Block Grants for Prevention and Treatment of Substance Abuse	28,146,104	-
	Total Block Grants for Prevention and Treatment of Substance Abuse	38,447,937	-
93.967	COVID-19 - Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	10,215,755	6,283,310
93.977	COVID-19 - Sexually Transmitted Diseases (STD) Prevention and Control Grants	2,258,398	1,608,695
93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants	1,485,104	66,031
	Total Sexually Transmitted Diseases (STD) Prevention and Control Grants	3,743,502	1,674,726
93.981	COVID-19 - Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools	478,254	131,527
93.981	Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools	22,753	-
	Total Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools	501,007	131,527
93.982	Mental Health Disaster Assistance and Emergency Mental Health	454,697	-
93.988	Cooperative Agreements for Diabetes Control Programs	584,666	235,657
93.991	Preventive Health and Health Services Block Grant	3,592,584	1,338,190
93.994	Maternal and Child Health Services Block Grant to the States	13,833,066	5,784,740
	Total Department of Health and Human Services	13,861,846,999	304,815,317

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Assistance Listing Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
Corporation for National and Community Service			
94.003	COVID-19 - AmeriCorps State Commissions Support Grant	39,109	-
94.003	AmeriCorps State Commissions Support Grant	485,269	-
	Total AmeriCorps State Commissions Support Group	524,378	-
94.006	COVID-19 - AmeriCorps State and National	1,804,380	1,762,117
94.006	AmeriCorps State and National	5,284,779	5,284,779
	Total AmeriCorps State and National	7,089,159	7,046,896
94.008	AmeriCorps Commission Investment Fund	194,261	-
94.013	AmeriCorps Volunteers In Service to America	114,626	-
	Total Corporation for National and Community Service	7,922,424	7,046,896
Executive Office of the President			
95.001	High Intensity Drug Trafficking Areas Program	3,018,826	2,334,813
	Total Executive Office of the President	3,018,826	2,334,813
Social Security Administration			
	Disability Insurance/SSI Cluster:		
96.001	Social Security Disability Insurance	52,781,634	-
	Total Disability Insurance/SSI Cluster	52,781,634	-
	Total Social Security Administration	52,781,634	-
Department of Homeland Security			
97.008	Non-Profit Security Program	1,168,174	1,110,402
97.012	Boating Safety Financial Assistance	2,632,884	-
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	399,665	-
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	184,030,408	180,195,069
97.039	Hazard Mitigation Grant	10,104,499	9,406,310
97.041	National Dam Safety Program	63,403	-
97.042	Emergency Management Performance Grants	7,507,538	4,221,562
97.045	Cooperating Technical Partners	6,915,157	-
97.047	BRIC: Building Resilient Infrastructure and Communities	484,339	484,339
97.050	COVID-19 - Presidential Declared Disaster Assistance to Individuals and Households - Other Needs	(227,353)	-
97.056	Port Security Grant Program	54,580	-
97.067	Homeland Security Grant Program	5,063,635	3,589,610
97.082	Earthquake State Assistance	59,837	-
97.088	Disaster Assistance Projects	781,211	734,987
97.137	State and Local Cybersecurity Grant Program Tribal Cybersecurity Grant Program	1,510,269	82,773
	Total Department of Homeland Security	220,548,246	199,825,052
Total Expenditures of Federal Awards		\$ 21,051,144,270	\$ 3,116,490,554

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

State of Missouri - Single Audit

Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

1. Significant Accounting Policies

The following is a summary of the significant accounting policies used by the State of Missouri.

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards (Schedule) of the State of Missouri is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the U.S. Office of Management and Budget (OMB) 2024 Compliance Supplement. The Schedule is not a required part of the State's basic financial statements. The Uniform Guidance requires a schedule that shows total federal awards expended for each federal financial assistance program, the Assistance Listing, and the total amount provided to subrecipients from each federal program. Federal financial assistance programs that have not been assigned an Assistance Listing are identified as Assistance Listing Number XX.Uxx, where XX represents the federal grantor agency and Uxx represents an unknown extension number. Appendix VII of the supplement states that expenditures of federal awards made under the Coronavirus Preparedness and Response Supplemental Appropriations Act, the Families First Coronavirus Response Act, the Coronavirus Aid, Relief and Economic Security Act (CARES Act), the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and the American Rescue Plan Act (ARPA) should be identified separately on the schedule with the inclusion of the prefix "COVID-19-" in the name of the federal program.

The Schedule includes all federal awards expended by the State during the year ended June 30, 2024, except for those programs administered by public universities and other component units, which are legally separate from the State and audited by other auditors. They are responsible for engaging other auditors to perform audits in accordance with the Uniform Guidance, if required.

To compile the Schedule, the Office of Administration required each department, agency, and office that expended direct and/or indirect federal funding during the state fiscal year to prepare a schedule of expenditures of federal awards. The schedules for the departments, agencies, and offices were combined to form the Schedule of Expenditures of Federal Awards for the State of Missouri.

B. Basis of Presentation

The accompanying Schedule includes the federal award activity of the State of Missouri for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance, which defines federal awards as federal financial assistance and cost-reimbursement contracts that non-federal entities receive or administer in the form of grants, loans, loan guarantees, non-cash assistance, property (including donated surplus property), cooperative agreements, interest



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subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include other contracts that a federal agency uses to buy goods or services from a contractor. Because the Schedule presents only a selected portion of the operations of the State, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the State.

C. Basis of Accounting

Most expenditures presented in the Schedule are reported on the cash basis of accounting, while some are presented on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance; wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

D. Indirect Cost Rate

For the fiscal year ending June 30, 2024, one agency, the Department of Agriculture, elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

2. Unemployment Insurance Expenditures

The Unemployment Insurance program (Assistance Listing No. 17.225) is administered by the Department of Labor and Industrial Relations through a unique federal-state partnership that was founded upon federal law but implemented through state law. Benefits are paid from federal funds and state unemployment taxes that are deposited into the state's account in the Federal Unemployment Trust Fund. The state's administrative expenditures incurred under this program are funded by federal grants. For the purposes of presenting the expenditures of this program in the Schedule, both state and federal funds have been considered federal awards expended. The breakdown of the state and federal portions of the total program expenditures for the fiscal year ended June 30, 2024, is as follows:

State Portion (Benefits Paid)	\$ 226,568,509
Federal Portion (Benefits Paid)	887,940
Federal Portion (Administrative Costs)	54,391,691
Federal Portion (Benefits Paid) - CARES Act Related	(11,195,802)
Federal Portion (Administrative Costs) - CARES and Families First Act Related	4,874,549
Total Program Expenditures	\$ 275,526,887

3. Special Supplemental Nutrition Program for Women, Infants and Children (WIC) Rebates

The State received cash rebates from an infant formula manufacturer totaling \$26,797,172 on sales of formula to participants in the WIC program



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(Assistance Listing No. 10.557) administered by the Department of Health and Senior Services (DHSS). This amount was excluded from total program expenditures. Rebate contracts with infant formula manufacturers are authorized by 7 CFR Section 246.16a as a cost containment measure. Rebates represent a reduction of expenditures previously incurred for WIC food benefit costs. The state was able to extend program benefits to more persons than could have been served this fiscal year in the absence of the rebate contract.

4. Medical Assistance Program (Medicaid) and Children's Health Insurance Program (CHIP) Prescription Drug Rebates

The state received cash rebates from drug manufacturers totaling \$1,005,319,211 (federal share) on purchases of covered outpatient drugs for participants in the Medicaid and the CHIP (Assistance Listing Nos. 93.778 and 93.767) administered by the Department of Social Services - MO HealthNet Division. This amount was excluded from total program expenditures. Rebate contracts with drug manufacturers are authorized by 42 USC Section 1396r-8 as a cost containment measure. Rebates represent a reduction of expenditures previously incurred for medical assistance costs.

5. HIV Care Formula Grants Prescription Drug Rebates

The State received cash rebates from drug manufacturers totaling \$11,890,090 on purchases of covered drugs for participants in the HIV Care Formula Grants program (Assistance Listing No. 93.917) administered by the DHSS. If program expenditures are available, the rebates will offset the program expenditures resulting in a reduction in expenditures incurred by the program. Of the amount of rebates received, \$11,890,090 reduced total program expenditures and these expenditures were not reported on the SEFA. The allowable use of drug rebates is restricted by 42 USC Section 300ff-26(g).

6. Federal Loan Guarantees

The State of Missouri has no Federal Loan Guarantees outstanding as of June 30, 2024.

7. Non-cash Assistance

The Schedule contains values for non-cash assistance for several programs.

Supplemental Nutrition Assistance Program and Pandemic EBT Food Benefits Program expenditures totaling \$1,606,143,282 (\$1,508,653,901 for Assistance Listing No. 10.551 and \$97,489,381 for Assistance Listing No. 10.542) represent actual disbursements for client purchases of authorized food products through the use of the electronic benefits card program



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administered by the Department of Social Services - Family Support Division (DSS-FSD).

The Department of Elementary and Secondary Education distributes food commodities to school districts under the National School Lunch Program (Assistance Listing No. 10.555). Distributions are valued at the cost of the food paid by the federal government and totaled \$44,115,465.

The DSS-FSD, through the Summer Food Service Program for Children (Assistance Listing No. 10.559), provides United States Department of Agriculture (USDA)-donated foods to providers who serve free healthy meals to children and teens in low-income areas during the summer months when school is not in session. The DSS-FSD, through the Emergency Food Assistance Program (Food Commodities) (Assistance Listing No. 10.569), provides USDA-donated foods for disaster relief and to six non-profit food banks for distribution to food pantries and community groups for feeding those in need. Distributions are valued at the federally assigned value of the product distributed and totaled \$30,093 for the Summer Food Service Program for Children and \$39,037,173 for the Emergency Food Assistance Program and Commodity Credit Corporation (CCC).

The DHSS distributes food commodities to low-income persons under the Commodity Supplemental Food Program (Assistance Listing No. 10.565). Distributions are valued at the cost of the food paid by the federal government and totaled \$7,621,691.

The Department of Public Safety distributes excess federal Department of Defense (DOD) equipment to state and local law enforcement agencies under the DOD Excess Property Program (Assistance Listing No. 12.U01). Property distributions totaled \$319,305 when valued at the historical cost assigned by the federal government. Distributions are presented at the estimated fair market value of the property at the time of distribution, calculated as 23.34 percent of the historical cost, or \$74,526.

The State Agency for Surplus Property distributes federal surplus property to eligible donees under the Donation of Federal Surplus Personal Property program (Assistance Listing No. 39.003). Property distributions totaled \$6,761,475 when valued at the historical cost assigned by the federal government. Distributions are presented at the estimated fair market value of the property at the time of distribution, calculated as 23.34 percent of the historical cost, or \$1,578,128.

The DHSS distributes vaccines to local health agencies and other health care professionals under the Immunization Cooperative Agreements program (Assistance Listing No. 93.268). Distributions are valued at the cost of the vaccines paid by the federal government and totaled \$95,033,505.

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Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Qualified

Unmodified for all opinion units except for the governmental activities and the General Fund, which were qualified.

Internal control over financial reporting:

- Material weaknesses identified? X yes no
- Significant deficiencies identified? yes X none reported

Noncompliance material to financial statements? yes X no

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? X yes no
- Significant deficiencies identified? X yes none reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified for all major programs except for the following major programs that were qualified:

AL

<u>Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.558	Child and Adult Care Food Program, modified for Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Subrecipient Monitoring
21.027	Coronavirus State and Local Fiscal Recovery Funds, modified for Subrecipient Monitoring
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters), modified for Subrecipient Monitoring

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance (2 CFR 200.516(a))?

 X yes no



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Identification of major federal programs:

<u>AL</u> Number(s)	Name of Federal Program or Cluster
10.553	Child Nutrition Cluster
10.555	
10.556	
10.559	
10.582	Child and Adult Care Food Program
10.558	
17.258	WIOA Cluster
17.259	
17.278	
20.106	Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs
20.205	Highway Planning and Construction
21.027	Coronavirus State and Local Fiscal Recovery Funds
21.029	Coronavirus Capital Projects Fund
66.458	Clean Water State Revolving Fund
84.027	Special Education Cluster (IDEA)
84.173	
93.558	Temporary Assistance for Needy Families
93.568	Low-Income Home Energy Assistance
93.575	Child Care and Development Fund (CCDF) Cluster
93.596	
93.658	Foster Care Title IV-E
93.767	Children's Health Insurance Program
93.775	Medicaid Cluster
93.777	
93.778	
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish
between Type A and Type B programs: \$31,576,716

Auditee qualified as a low-risk auditee? _____ yes X no



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Section II - Financial Statement Findings

The findings related to the financial statement audit are reported in the Annual Comprehensive Financial Report - Report on Internal Control, Compliance, and Other Matters (Report No. 2025-030³). That report included the following findings:

FS2024-001. Department of Revenue Financial Reporting Controls

FS2024-002. Medicaid and CHIP Receipt Controls

³ See report at <<https://auditor.mo.gov/AuditReport/ViewReport?report=2025030>>.



Section III - Federal Award Findings and Questioned Costs

2024-001.
Medicaid and CHIP
MAGI-Based Participant
Eligibility
Redeterminations

Federal Agency:	Department of Health and Human Services (DHHS)
Federal Program:	93.767 COVID-19 - Children's Health Insurance Program
	93.767 Children's Health Insurance Program
	2023 - 2305MO3002 and 2305MO5021
	2024 - 2405MO5021
	93.778 COVID-19 - Medical Assistance Program
	93.778 Medical Assistance Program
	2023 - 2305MO5MAP and 2305MO5ADM
	2024 - 2405MO5MAP and 2405MO5ADM
State Agency:	Department of Social Services (DSS) - MO
	HealthNet Division (MHD) and Family Support Division (FSD)
Type of Finding:	Internal Control (Significant Deficiency) and Nonmaterial Noncompliance
Compliance Requirements:	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Eligibility

As similarly noted in our 5 previous audits,⁴ the DSS does not have sufficient controls to ensure compliance with the eligibility requirements of the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP) for certain participants whose eligibility is based on the Modified Adjusted Gross Income (MAGI). As of June 30, 2024, the DSS had not corrected manual system overrides for approximately 10,200 (1 percent) of MAGI-based participants, preventing their cases from being identified as needing a redetermination and closed when necessary. These participants remained enrolled without redetermination of eligibility for up to 10 years. Of the approximately 1.3 million Medicaid and CHIP participants as of June 30, 2024, approximately 1.1 million were MAGI-based participants.

To ensure MAGI-based participants continue to be eligible for benefits, 42 CFR Section 435.916 requires a redetermination of eligibility once every 12 months, or when circumstances affecting a participant's eligibility change. The regulation requires termination of benefits when a participant no longer meets eligibility requirements. During the period March 19, 2020, to March 31, 2023, the eligibility redetermination and most termination requirements were temporarily suspended in response to the COVID-19 Public Health Emergency (PHE). During that period all validly enrolled participants on March 19, 2020, were to remain continuously enrolled, except for participants who requested removal, moved out of state, or died. Effective April 1, 2023,

⁴ See single audit reports at <<https://auditor.mo.gov/AuditReport/Reports?SearchLocalState=35>>, finding numbers 2023-005, 2022-002, 2021-005, 2020-003, and 2019-005.



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under the COVID-19/Annual Renewals Unwinding User Acceptance Test Plan, submitted to the DHHS - Centers for Medicare and Medicaid Services (DHHS-CMS), the DSS was to resume and complete redeterminations for all participants over a 14-month period, which ended June 30, 2024. In August 2024, the DSS received an extension of this deadline from the DHHS-CMS. Under the extension, the DSS is required to complete redeterminations for all participants, and terminate benefits for participants who no longer meet eligibility requirements, by December 31, 2025.

The Medicaid Eligibility Determination and Enrollment System (MEDES) tracks eligibility information from MAGI-based participants, including redetermination due dates; and in some cases, performs redeterminations. Non-automatic redeterminations for MAGI-based participants are performed manually by FSD eligibility benefit technicians. Eligibility information is transferred from the MEDES into the Medicaid Management Information System (MMIS), the Medicaid claims payment system, nightly. To ensure continuous enrollment during the PHE and the extended unwinding period, the DSS programmed the MEDES to continue coverage effective March 18, 2020, except in the case of a participant's death, out-of-state move, or voluntary closure.⁵

MEDES operations have been problematic since implementation in January 2014, and manual overrides have been made to individual cases to compensate for various system errors and limitations. DSS officials explained that for a period of time prior to June 2017, manual overrides were needed because the MEDES was incorrectly closing some eligible cases before a redetermination could be performed. To prevent the system from closing affected cases, DSS personnel manually overrode system controls. However, once these system limitations were corrected in June 2017, the DSS did not remove the previously established manual overrides. DSS officials explained in recent years, manual overrides are needed to correct MEDES errors related to initial eligibility determinations, which have substantially increased with the Medicaid expansion beginning in 2021.

Until corrected, the manual overrides prevent the MEDES from taking automatic actions such as identifying cases needing redetermination and closing cases. Participants with uncorrected manual overrides have remained enrolled, without a redetermination, since the override was created up to 10 years ago. As a result, cases for participants with manual overrides that did not meet eligibility requirements may not have been closed. In response to our prior year audit findings, in August 2023, the DSS developed a report

⁵ For some exceptions, the MEDES automatically closed the case. For other exceptions, an FSD eligibility benefit technician manually recorded the reason for closure and initiated closure of the participant's case in the MEDES.



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identifying the cases with manual overrides and began correcting the cases by removing overrides and performing redeterminations. The report of cases with manual overrides as of June 30, 2024, showed approximately 10,200 cases with overrides dating back to 2014. A comparison of the override report to the prior year override report showed during the year ended June 30, 2024, the DSS corrected the overrides for approximately 3,500 participants, and added overrides to an additional approximately 2,500 cases as shown in the following table (rounded to the nearest hundred).

Cases with overrides

Override Fiscal Year(s)	Balance June 30, 2023	Corrected	Balance June 30, 2024	Continuous Enrollment at June 30, 2024
2014 - 2017	8,500	(1,800)	6,700 ¹	7 - 10 years
2018 - 2023	2,700	(1,700)	1,000	1 - 6 years
2024	0	0	2,500	< 1 year
Totals	11,200	(3,500)	10,200	

¹ The Fiscal Year 2014-2017 group includes 38 cases with overrides in fiscal year 2014, 84 in fiscal year 2015, 435 in fiscal year 2016, and 6,129 in fiscal year 2017.

The failure to perform redeterminations for these participants, especially those who have not had redeterminations for many years, increases the risk of unallowable and/or unnecessary costs being paid from state and federal funds. The magnitude of this risk was increased by the waivers and extensions granted due to the PHE. For example, the 6,129 participants with overrides made in 2017, remained enrolled for over 7 years as of June 30, 2024, without any review for continued eligibility. When the PHE began on March 19, 2020, these participants had been enrolled without redetermination for over 2 years. During the PHE and extended unwinding period, these participants remained enrolled for at least another 5 years.

DSS officials estimate the process of removing overrides and correcting cases will be completed by July 2025. However, they also stated that the number of cases with system overrides will never be zero, because they will continue to bypass system controls to address system errors. Because our random sample of 60 (of approximately 1.3 million) MAGI-based participants enrolled during the year ended June 30, 2024, did not identify any participants with previously established overrides, no questioned costs were identified.

The failure to implement adequate internal controls to ensure ineligible participant cases are closed and redeterminations are performed as required can result in Medicaid and CHIP payments being made on behalf of ineligible individuals, which would be unallowable costs of the federal programs. Regulation 45 CFR Section 75.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing



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the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

Recommendation

The DSS through the MHD and the FSD continue to review and correct cases for participants with manual overrides in the MEDES, ensure redeterminations are completed for these participants as required, and close the cases of any ineligible participants. In addition, the DSS should ensure system controls are functioning as designed for these participants.

Auditee's Response

We disagree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement.

Auditor's Comment

The DSS Corrective Action Plan (CAP) states the DSS disagrees there is a significant deficiency in internal controls because no participants with manual overrides were identified in the audit sample. However, as noted in the finding, the DSS identified approximately 10,200 participants with manual overrides, or 1 percent of the MAGI-based participant population. The significant internal control weaknesses associated with these participants, who have remained continuously enrolled for up to 10 years, remain regardless of whether any of these participants were selected in the audit sample. The CAP states the DSS had processes in place to terminate eligibility for individuals who were deceased, voluntarily requested closure, or reported they have moved out of state. However, as noted in the finding, these processes were not applied to all participant cases with manual overrides; and instead of proactively reviewing cases as recommended in the past 5 audits, the DSS merely reacted when participants voluntarily submitted information.

Also in the CAP, the DSS argues they have received an extension to perform redeterminations for all participants, including the participants with manual overrides, through December 31, 2025. However, as noted in the finding, the extension does not exempt the DSS from the responsibility to terminate eligibility for participants who requested removal, moved out of state, or died. As shown in the table in the finding, at least 6,700 participants have remained continuously enrolled without a redetermination since we began recommending these cases be addressed. Until the manual overrides are corrected and/or applicable participants are reviewed, there will be continued circumvention of established internal controls and risk of improper payments on these cases.

2024-002.
Medicaid and CHIP
Participant Eligibility
Terminations

Federal Agency:	Department of Health and Human Services (DHHS)
Federal Program:	93.767 COVID-19 - Children's Health Insurance Program
	93.767 Children's Health Insurance Program
	2023 - 2305MO3002 and 2305MO5021
	2024 - 2405MO5021
	93.778 COVID-19 - Medical Assistance Program



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	93.778 Medical Assistance Program 2023 - 2305MO5MAP and 2305MO5ADM 2024 - 2405MO5MAP and 2405MO5ADM
State Agency:	Department of Social Services (DSS) - MO HealthNet Division (MHD) and Family Support Division (FSD)
Type of Finding:	Internal Control (Significant Deficiency) and Nonmaterial Noncompliance
Questioned Costs:	\$773
Compliance Requirements:	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Eligibility

As noted in our previous audit,⁶ the DSS does not have sufficient controls to ensure benefits are terminated for participants no longer eligible for the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP). A death match was not operating in the Medicaid Eligibility Determination and Enrollment System (MEDES) during the year ended June 30, 2024. Additionally, the DSS does not have adequate procedures to ensure cases are terminated when information requiring participant case termination is received. For 1 of 60 participant cases sampled, the DSS received information requiring participant case termination, but did not manually terminate the participant's eligibility in the applicable eligibility system. There were approximately 1.3 million Medicaid and CHIP participants as of June 30, 2024.

To ensure participants continue to be eligible for benefits, 42 CFR Sections 435.916(d) and 435.952(a) require the agency to redetermine eligibility whenever it receives information about a change in a participant's circumstances that may affect eligibility. The regulation requires termination of benefits when a participant no longer meets eligibility requirements.

During the period March 19, 2020, to March 31, 2023, the eligibility redetermination and most termination requirements were temporarily suspended in response to the COVID-19 Public Health Emergency (PHE), except for participants who requested removal, moved out of state, or died. Effective April 1, 2023, under the COVID-19/Annual Renewals Unwinding User Acceptance Test Plan, submitted to the DHHS - Centers for Medicare and Medicaid Services (DHHS-CMS), the DSS was to resume and complete redeterminations for all participants over a 14-month period, which ended June 30, 2024. In August 2024, the DSS received an extension of this deadline from the DHHS-CMS. Under the extension, the DSS is required to complete redeterminations for all participants, and terminate benefits for participants

⁶ See single audit report at <<https://auditor.mo.gov/AuditReport/ViewReport?report=2024063>>, finding number 2023-006.



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who no longer meet eligibility requirements, by December 31, 2025. Similar to the PHE period, during the extended unwinding period, the DSS is to terminate benefits for participants who requested removal, moved out of state, or died.

Termination of benefits originate from various sources including redeterminations, periodic matches against external records, or information voluntarily provided by the participant and/or their relatives. Certain match results automatically update participant eligibility in the eligibility systems.⁷ When other information is received, such as voluntarily-provided information or certain external match reports, a manual entry in the applicable eligibility system is generally required to initiate the termination and close the case.

Vital records death match As noted in the prior audit, the DSS monthly death match against Department of Health and Senior Services (DHSS) vital records information was not operating during the audit period. DSS officials indicated the death match, which automatically terminates eligibility for participants upon their death, was eliminated from the MEDES due to system problems sometime before July 2022. The DSS indicated they plan to resume use of the DHSS vital records death match in the MEDES in the future, but the anticipated resumption date is unknown. When operating, the monthly DHSS vital records death match serves as a key internal control to identify and terminate participants.

The DSS Corrective Action Plan (CAP) and Summary Schedule of Prior Audit Findings for prior audit finding number 2023-006 state although the DHSS vital records death match is not functional, the FAMIS death match with state records is functional for participants of the Supplemental Nutrition Assistance Program, Temporary Assistance for Needy Families, and/or Medicaid Aged, Blind and Disabled program. However, not all MEDES participants are subject to the death match in the FAMIS. If the participant does not receive other benefits from the DSS they are not in the FAMIS where the death match process occurs.

Information received As noted in the prior audit, the DSS does not have adequate procedures to ensure cases are terminated when information requiring participant case termination is received.

To test compliance with eligibility requirements, we reviewed eligibility documentation for a randomly-selected sample of 60 Medicaid and CHIP participants enrolled prior to the year ended June 30, 2024. Of the 60 participants, 1 qualified for one of the PHE/extended unwinding period

⁷ The MEDES is used for participants whose eligibility is based on their Modified Adjusted Gross Income, and the Family Assistance Management Information System (FAMIS) is used for Aged, Blind and Disabled program participants.



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exceptions requiring termination; however, the participant's case was not terminated in the MEDES. DSS personnel did not manually close the case when the contracted call center received 2 calls in March 2024 from the participant's head of household requesting voluntary closure of the case. Call center personnel documented both calls in the MEDES case notes; however, the case was not closed at that time. When a redetermination was subsequently performed in October 2024, during the extended unwinding period, DSS officials closed the case because the participant had moved out of state. Medicaid payments made on behalf of the participant after the request for voluntary closure totaled \$1,170 during the year ended June 30, 2024. We question the federal share, or \$773 (66.05 percent). Medicaid payments made during the period from the date of the first request for voluntary closure to the date of case closure, totaled \$1,374 (\$906 federal share and \$468 in state funding).

DSS officials indicated their procedures for terminating cases when relevant information is received by the call center are not automated and may not be adequate to ensure cases are terminated in these situations. DSS officials said they plan to develop new procedures to process information received from participants; however, implementation has been delayed due to competing priorities.

Conclusions

The failure to implement and enforce adequate internal controls to ensure ineligible participant cases are closed as required can result in Medicaid and CHIP payments being made on behalf of ineligible individuals, which would be unallowable costs of the federal programs and result in payments from state funds that should not have occurred. Regulation 45 CFR Section 75.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

Recommendation

The DSS through the MHD and the FSD continue to review, strengthen, and enforce internal controls to ensure ineligible participant cases are closed when necessary and resume the DHSS vital records death match in the MEDES.

Auditee's Response

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

Auditor's Comment

The CAP states the DSS partially agrees with the finding because there was a procedure in place for contracted staff to submit a form instructing DSS staff to terminate and close a case; however, the CAP acknowledges the procedure was not followed for the case cited in the finding and there are no controls when instructions are documented in the case notes instead of the



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form. This procedure is not truly "...in place..." when it is not being followed and there is no monitoring to ensure the procedure is being followed. Without a monitoring component, the internal control system is not properly designed to prevent, detect, or correct errors.

The CAP also states the FAMIS eligibility system death match with state records is functional and the annual review process in MEDES includes a death match with federal records. However, as noted in the finding, not all MEDES participants are in the FAMIS, and subject to the FAMIS death match, because they do not receive other DSS benefits. Additionally, the MEDES annual review process was not fully functional during the PHE/extended unwinding period.

2024-003.
Medicaid and CHIP
Eligibility Determination
Timeliness

Federal Agency:	Department of Health and Human Services
Federal Program:	93.767 COVID-19 - Children's Health Insurance Program
	93.767 Children's Health Insurance Program
	2023 - 2305MO3002 and 2305MO5021
	2024 - 2405MO5021
	93.778 COVID-19 - Medical Assistance Program
	93.778 Medical Assistance Program
	2023 - 2305MO5MAP and 2305MO5ADM
	2024 - 2405MO5MAP and 2405MO5ADM
State Agency:	Department of Social Services (DSS) - MO
	HealthNet Division (MHD) and Family Support Division (FSD)
Type of Finding:	Internal Control (Significant Deficiency) and Nonmaterial Noncompliance
Compliance Requirement:	Eligibility

The DSS does not have sufficient controls to ensure eligibility determinations are performed within required timeframes for participants of the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP). Significant application processing delays noted in our two previous audits,⁸ continued and increased during the year ended June 30, 2024. In our test of compliance with eligibility requirements for the year ended June 30, 2024, we noted 29 of 120 eligibility determinations were made 2 to 168 days after the required timeframes and averaged 50 days late.

The FSD is responsible for determining the eligibility of Medicaid and CHIP participants. FSD eligibility benefit technicians perform the majority of eligibility determinations using participants' Modified Adjusted Gross

⁸ See single audit reports at <<https://auditor.mo.gov/AuditReport/Reports?SearchLocalState=35>>, finding numbers 2023-007 and 2022-003.



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Income (MAGI). For the remaining non-MAGI participants, including participants in the MO HealthNet Aged, Blind, and Disabled programs, eligibility is not based on their MAGI. As of June 30, 2024, there were approximately 988,000 MAGI-based participants and approximately 304,000 non-MAGI-based participants.

To ensure applicants are able to receive necessary medical care timely, 42 CFR Section 435.912(c)(3) requires new Medicaid eligibility determinations be made within 45 days of application and within 90 days of application for applicants who apply for benefits on the basis of disability. Regulation 42 CFR Section 435.912(e) allows exceptions to these timeframes in certain unusual circumstances, such as a doctor's delay. Regulation 42 CFR Section 457.340(d) requires the same timeliness standards for CHIP participants.

To test compliance with eligibility requirements, we reviewed randomly-selected samples of 60 MAGI-based participants, and 60 non-MAGI-based participants, all of which were new enrollments, subject to the timeliness requirements. The DSS did not meet timeliness requirements for 17 of the 60 MAGI-based eligibility determinations (28 percent) and 12 of the 60 non-MAGI-based determinations (20 percent). The 29 late determinations were made 2 to 168 days after the required 45-day or 90-day requirement, and averaged 50 days late.

DSS officials indicated the FSD was not able to process applications in a timely manner due to a number of continued workload and staffing challenges, including a backlog of new applications created by the expansion of Medicaid, increases in annual federal Health Insurance Marketplace open enrollment applications, unwinding of eligibility redetermination COVID-19 waivers, staffing shortages, and temporary reassignment of staff to work on other tasks.

In addition to noncompliance with federal requirements, the failure to ensure eligibility determinations are performed timely can result in potentially eligible participants not receiving necessary medical care. To ensure compliance with federal requirements, the DSS should implement and enforce adequate internal controls to ensure eligibility determinations are performed within required timeframes. Regulation 45 CFR Section 75.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

Recommendation

The DSS through the MHD and the FSD review, strengthen, and enforce internal controls to ensure participant eligibility is determined within the required timeframes.



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Auditee's Response

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

2024-004.
Medicaid and CHIP
Receipt Controls

Federal Agency: Department of Health and Human Services
Federal Program: 93.767 COVID-19 - Children's Health Insurance Program
93.767 Children's Health Insurance Program
2023 - 2305MO3002 and 2305MO5021
2024 - 2405MO5021
93.778 COVID-19 - Medical Assistance Program
93.778 Medical Assistance Program
2023 - 2305MO5MAP and 2305MO5ADM
2024 - 2405MO5MAP and 2405MO5ADM
State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD)
Type of Finding: Internal Control (Material Weakness)
Compliance Requirement: Other

As noted in our previous audit,⁹ the MHD does not have adequate controls to ensure proper management of receipts. The MHD does not adequately restrict user access within the Medicaid Management Information System and does not account for all cash control numbers to ensure all checks and money orders are properly deposited or returned to senders if the payment cannot be accepted.

During the year ended June 30, 2024, the MHD Financial Operations and Reporting Unit processed Medical Assistance Program (Medicaid) and Children's Health Insurance Program (CHIP) receipts totaling approximately \$1.5 billion. These receipts included checks and money orders received from participants, providers, and insurance companies for items such as premiums, reimbursements, and taxes. See Financial Statement Finding number FS2024-002 in the Annual Comprehensive Financial Report - Report on Internal Control, Compliance, and Other Matters (Report No. 2025-030¹⁰), issued in May 2025.

2024-005.
Medicaid Management
Information System Access

Federal Agency: Department of Health and Human Services
Federal Program: 93.767 COVID-19 - Children's Health Insurance Program
93.767 Children's Health Insurance Program
2023 - 2305MO3002 and 2305MO5021

⁹ See single audit report at <<https://auditor.mo.gov/AuditReport/ViewReport?report=2024063>>, finding number 2023-004.

¹⁰ See report at <<https://auditor.mo.gov/AuditReport/ViewReport?report=2025030>>, finding number 2024-002.



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	2024 - 2405MO5021
	93.778 COVID-19 - Medical Assistance Program
	93.778 Medical Assistance Program
	2023 - 2305MO5MAP and 2305MO5ADM
	2024 - 2405MO5MAP and 2405MO5ADM
State Agency:	Department of Social Services (DSS) - MO HealthNet Division (MHD)
Type of Finding:	Internal Control (Significant Deficiency) and Nonmaterial Noncompliance
Compliance Requirement:	Other

As similarly noted in our previous audit,¹¹ the MHD needs to strengthen controls to ensure Medicaid Management Information System (MMIS) access rights are removed for users no longer employed in positions needing access. Our sample of 60 MMIS users with access as of March 2024 identified 1 terminated user whose access was not removed for nearly 2 years. Approximately 1,500 various DSS employees and employees of DSS contractors have access to the MMIS.

The MMIS is the benefit claims processing and information retrieval system used by the MHD for the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP). DSS and contractor supervisors are instructed to notify MHD security officers of employee terminations so the MMIS access can be removed. The MHD Annual MMIS Security Review Procedures also require MHD security staff review all user account access annually to ensure access is still appropriate.

We randomly selected a sample of 60 active user accounts as of March 2024, when the DSS initiated the 2024 annual review. We identified 1 account (2 percent) for an individual terminated from the DSS in April and November 2022,¹² whose system access was not removed until May 2024. The individual had access to the MMIS for nearly 2 years while not employed by the DSS. DSS officials indicated in the 2023 annual review, personnel took no action when the supervisor did not respond to an inquiry regarding access for this individual. The individual was identified as terminated in the 2024 annual review and system access removed on May 31, 2024.

The Health Insurance Portability and Accountability Act (HIPAA) requires the state to follow 45 CFR Section 164.308(a)(3)(ii)(C), which requires implementation of procedures for terminating access to electronic protected

¹¹ See single audit report at <<https://auditor.mo.gov/AuditReport/ViewReport?report=2024063>>, finding number 2023-002.

¹² The individual was employed from October 1, 2018, to April 16, 2022, and July 11, 2022, to November 5, 2022. In total, the individual had access to the MMIS while not employed by the DSS, for more than 1 year and 9 months.



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health information when the employment of a workforce member ends. The failure to remove all terminated employees' and contractors' access on a timely basis increases the risk of unauthorized access and may compromise the confidentiality and integrity of MMIS data. Further, reviews of user access rights serve as an internal control over the administration of the Medicaid and the CHIP. Regulation 45 CFR Section 75.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

Recommendation

The DSS through the MHD continue to strengthen internal controls to ensure inappropriate access to the MMIS, including that of terminated users, is removed in a timely manner.

Auditee's Response

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

2024-006.
Department of Social
Services Cost Allocation

Federal Agency:	Department of Health and Human Services (DHHS)
Federal Program:	10.561 COVID-19 - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
	10.561 State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
	10.568 Emergency Food Assistance Program (Administrative Costs)
	84.126 Rehabilitation Services Vocational Rehabilitation Grants to States
	93.558 Temporary Assistance for Needy Families
	93.563 Child Support Enforcement
	93.568 COVID-19 Low-Income Home Energy Assistance
	93.568 Low-Income Home Energy Assistance
	93.658 Foster Care Title IV-E
	93.659 Adoption Assistance
	93.667 Social Services Block Grant
	93.767 COVID-19 - Children's Health Insurance Program
	93.767 Children's Health Insurance Program
	93.778 COVID-19 - Medical Assistance Program
	93.778 Medical Assistance Program
State Agency:	Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)
Type of Finding:	Internal Control (Significant Deficiency)
Compliance Requirements:	Activities Allowed or Unallowed and Allowable Costs/Cost Principles



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As similarly noted in our 2 previous audits,¹³ DFAS controls and procedures to allocate some administrative costs to federal programs were not sufficient to prevent and/or detect errors. The DFAS did not include a type of fringe benefit costs in the AlloCAP system, totaling approximately \$2.66 million during the year ended June 30, 2024. As a result, allowable costs were paid from state funding, that could have been allocated to federal funding for various federal programs. The DSS estimated such allowable costs to total approximately 30 percent, or \$800,000.

The DFAS Grants Unit uses the AlloCAP system to identify, measure, and allocate costs to state and federal programs in accordance with its Public Assistance Cost Allocation Plan (PACAP). The PACAP, which is governed by Regulation 45 CFR Section 95 Subpart E, is updated by the DFAS quarterly and periodically reviewed and approved by the DHHS - Division of Cost Allocation Services and various federal grantor agencies. Each quarter, DFAS personnel import expenditure data from SAM II, the state's accounting system, into the AlloCAP system, which allocates costs to programs through allocation methodologies outlined in the department's PACAP. Payroll and fringe benefit expenditure data is imported from quarterly SAM II system reports generated by the Office of Administration (OA).

The quarterly OA payroll and fringe benefit expenditure reports for the 21-month period from July 2022 to March 2024, did not include expenditures associated with a retirement savings match fringe benefit offered to state employees beginning in July 2022. As a result, fringe benefit expenditures totaling approximately \$2.66 million during the 9 months ended March 31, 2024, were not included in the AlloCAP system and allocated to various federal programs. DSS officials estimated the \$2.66 million in costs not allocated during the year ended June 30, 2024, should have been allocated to 29 federal programs.¹⁴ DSS officials estimated the federal share of this amount to be approximately 30 percent, or approximately \$800,000. Therefore, for the year ended June 30, 2024, an estimated \$800,000 was paid from state funds that should have been paid from federal funds.

These errors were not detected because DFAS cost allocation procedures do not include procedures, such as a reconciliation between the quarterly OA payroll and fringe benefit reports and the SAM II system, to ensure completeness and accuracy of the information imported to the AlloCAP

¹³ See single audit reports at <<https://auditor.mo.gov/AuditReport/Reports?SearchLocalState=35>>, finding numbers 2023-008 and 2022-004.

¹⁴ The 29 programs include the 11 large programs listed at the beginning of the finding, plus 18 smaller programs. DSS officials indicated federal funding for some of the 29 federal programs was not affected because the DSS had already exhausted the block grant or administrative limits of those programs.



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system. After we notified the DSS of the errors, the DFAS worked with the OA to update the quarterly payroll and fringe benefit expenditure report to include previously unreported fringe benefit expenditures, and began allocating the costs to programs effective with the quarter ended June 30, 2024. The DFAS also revised the reports for the 9-month period ended March 31, 2024, and the year ended June 30, 2023, to allocate costs totaling approximately \$2.66 million, and approximately \$3.06 million, respectively, to the various programs.

We do not question any federal costs associated with the errors identified in this finding because there were no resulting over-allocations. If this cost allocation issue had not been identified during the audit, the DSS could have continued to spend allowable costs from state taxpayer funds instead of claiming to federal funding sources.

Without adequate internal controls and procedures over the allocation of administrative costs, there is increased risk that DFAS staff will not properly allocate an appropriate share of costs to federal programs, and that errors will not be detected timely. In addition, cost allocation errors could result in over-allocation of costs and potentially unallowable costs. Regulation 45 CFR Section 75.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

Recommendation

The DSS through the DFAS continue to strengthen internal controls and procedures over the PACAP and the AlloCAP system to ensure costs are properly allocated to federal programs.

Auditee's Response

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

Auditor's Comment

The DSS Corrective Action Plan (CAP) states the DSS disagrees the finding should be reported as an internal control finding and the DSS believes the data integrity error is not indicative of the strength of current internal controls for cost allocation. The CAP further states oversight or reconciliation of source data provided by business units outside the DFAS Grants Unit is not an internal control function or within the objectives of the DSS Internal Control Plan (ICP) for cost allocation or the DFAS Grants Unit. The CAP states this is because "[i]mplementation of appropriate separation of duties and other internal control processes ensure SAM II data is not entered or maintained by the DFAS Grants Unit." The CAP argues "internal control findings for cost allocation should be relative to the approved objectives, data elements and processes outlined in the ICP for cost allocation or for which there is functional control."



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While the DFAS Grants Unit is not responsible for source data prepared by other business units, it is responsible for adhering to the approved PACAP. Therefore, it is responsible for ensuring the reliability and validity of the source data and ensuring costs are properly allocated to federal programs. This is clearly stated in the DSS ICP, which states a DFAS Grants Unit objective is to "timely and accurately prepare and reconcile AlloCAP expenditures, payrolls and timesheets," and a related control activity is to "verify all source data documentation has been received timely and accurately for cost allocation processing and federal financial reporting." While segregation of duties is an important control activity within a strong internal control system, it does not replace or eliminate the need to implement control activities designed to ensure imported data is complete and accurate. The absence or insufficiency of such procedures increases the risk of reliance on inaccurate source data and continued cost allocation errors.

If this cost allocation issue had not been identified during the audit, based on the errors during the 9-month period ended March 31, 2024, we estimate at least \$1 million could have continued to be spent each year from state taxpayer funds instead of being claimed to federal funding sources.

2024-007
SLFRF Program
Subrecipient Monitoring

Federal Agency: Department of the Treasury (Treasury)
Federal Program: 21.027 COVID-19 - Coronavirus State and Local
Fiscal Recovery Funds
SLFRP4542
State Agency: Office of Administration (OA)
Type of Finding: A - Internal Control (Material Weakness) and
Material Noncompliance
B - Internal Control (Material Weakness) and
Material Noncompliance
Compliance Requirement: Subrecipient Monitoring

As noted in our previous audit,¹⁵ the OA has not established policies and procedures regarding monitoring subrecipients of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program. As a result, the OA did not comply with the Uniform Guidance (UG) requirements regarding identifying and monitoring subrecipients of the SLFRF program.

The OA is the lead agency responsible for administering the SLFRF program. The purpose of the SLFRF program is to provide funding to respond to the COVID-19 public health emergency (PHE) or its negative impacts; respond to workers performing essential work during the PHE; provide government services, to the extent of the reduction in revenue due to the PHE (revenue

¹⁵ See single audit report at <<https://auditor.mo.gov/AuditReport/ViewReport?report=2024063>>, finding number 2023-010.



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replacement); make necessary investments in water, sewer, or broadband infrastructure; provide emergency relief from natural disasters or the negative economic impacts of natural disasters; and finance certain surface transportation and housing projects. The OA and various state agencies designed projects within the various allowable SLFRF program categories, and are responsible for administering the projects. The OA developed the American Rescue Plan Act Grant Management Portal (portal) to serve as the official repository of information and documentation supporting each SLFRF program project. The state agencies upload supporting documentation to the portal, including contracts, payment requests, and other supporting documentation. Most payments are made on a reimbursement basis. The OA reviews each payment request and processes the payments.

Some SLFRF program projects are administered through subawards. The OA establishes contracts with each subrecipient that outline various SLFRF program requirements, terms, and conditions. In the Schedule of Expenditures of Federal Awards (SEFA), the OA reported approximately \$186 million was passed through to subrecipients of the SLFRF program during the year ended June 30, 2024. This amount represents approximately 30 percent of the SLFRF program expenditures. These awards were administered through the OA and 7 other state agencies. However, as noted in finding point A., the amounts are not accurate due to subrecipient determination errors.

In response to our prior audit finding, the OA held a training for state agency personnel in August 2024 and sent a letter to state agencies in January 2025 (after the current audit period), covering agency responsibilities related to certain SLFRF program subrecipient monitoring requirements, such as subrecipient determinations and single audits.

Of the 7 state agencies that administered subawards reported in the SEFA during the year ended June 30, 2024, 4 administered the majority of the subawards, with payments totaling approximately \$181 million, or 97 percent of the total subrecipient payments reported in the SEFA. These 4 state agencies were the Department of Mental Health (DMH), Department of Higher Education and Workforce Development (DHEWD), Department of Natural Resources (DNR), and the Department of Economic Development (DED). Our review and testing of subrecipient monitoring procedures focused on the OA and the 4 state agencies. For the 4 state agencies, a total of 212 recipients were identified as subrecipients in the SEFA. However, as noted in finding point A., this count is not accurate due to subrecipient determination errors.

To understand the OA and state agency procedures, and to test compliance with subrecipient monitoring requirements, we randomly selected a sample of payments to 21 subrecipients for the 4 state agencies. In addition, we judgmentally selected an additional subrecipient at one of the agencies



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because we had received citizen concerns regarding the administration of the subrecipient project.¹⁶ The 22 subrecipients were awarded a total of approximately \$230 million in SLFRF program funding and were paid a total of approximately \$77.9 million during the year ended June 30, 2024. We reviewed records in the portal supporting the subawards and 1 payment for each of the 22 subrecipients. We reviewed payments totaling approximately \$5.9 million.

For the judgmentally-selected subrecipient,¹⁷ we reviewed documentation of the state agency's monitoring of the subrecipient, including documentation of decisions to terminate (June 2024), not reinstate (December 2024), and reinstate (June 2025) the project. No significant issues were identified in this review.

A. Subrecipient Determination

The OA has not established policies and procedures to determine whether recipients¹⁸ of the SLFRF program funds are subrecipients or contractors. As a result, some recipients were incorrectly classified, and the OA lacks a complete and accurate listing of subrecipients.

Subrecipient monitoring requirements are outlined in the UG. Regulation 2 CFR Section 200.331 states a pass-through entity must make case-by-case determinations whether each agreement it makes for the disbursement of federal program funds casts the party receiving the funds in the role of a subrecipient or a contractor. The classification of a subrecipient¹⁹ is dependent on whether the entity is responsible for making eligibility determinations for assistance, has its performance measured in relation to whether the objectives of the federal program were met, has responsibility for programmatic decision-making, is responsible for adherence to federal program requirements, and uses the federal funds to carry out a program for its public purpose.

The OA did not evaluate each SLFRF program recipient for the UG criteria, and did not make a determination of whether the entity was a subrecipient or contractor. OA officials assigned responsibility for making these determinations and identifying subrecipients to the applicable state agencies, but did not provide clear guidance to the state agencies or ensure the state agencies properly performed and documented the determinations. One of the 4 state agencies had not documented their determinations for any of their

¹⁶ Of these 22 subrecipients, we tested 4, 5, 6, or 7 from each of the 4 state agencies selected.

¹⁷ This subrecipient was the Greater Lake of the Ozarks Convention and Visitor's Bureau for the Ballparks National Field Expansion project. The subaward, administered by the DED, was \$2,752,750, and fiscal year 2024 payments totaled \$878,645.

¹⁸ SLFRF program recipients can also be classified as "beneficiaries" when they receive funding as end users.

¹⁹ As defined by 2 CFR Section 200.331(a).



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sampled subrecipients and another state agency had not documented its determinations for 2 of 4 sampled subrecipients.

Our analysis and review of the population of 212 subrecipients identified in the SEFA for the 4 state agencies revealed 1 state agency incorrectly recorded 2 contractors (office supply and electrical supply companies), with payments totaling \$6,509, as subrecipients.

The OA is the lead agency responsible for administering the SLFRF program. Without adequate procedures over subrecipient or contractor determinations, the OA lacks assurance that its subrecipients have been identified for subrecipient monitoring purposes.

The OA Corrective Action Plan and Summary Schedule of Prior Audit Findings for prior audit finding number 2023-010 state the OA disagrees that it needs to develop policies and procedures regarding subrecipient determinations since the requirements are already stated in the Uniform Guidance and SLFRF program regulations. However, documented policies and procedures are necessary to clearly communicate responsibilities to the state agencies, prevent misunderstandings, and demonstrate adequate internal controls over compliance with subrecipient monitoring requirements. Regulation 2 CFR Section 200.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in *Standards for Internal Control in the Federal Government*, issued by the Comptroller General of the United States or the *Internal Control Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission." Paragraph 3.10 of the *Standards for Internal Control in the Federal Government*, also known as the Green Book, states, "[e]ffective documentation assists in management's design of internal control by establishing and communicating the who, what, when, where, and why of internal control execution to personnel. Documentation also provides a means to retain organizational knowledge and mitigate the risk of having that knowledge limited to a few personnel, as well as a means to communicate that knowledge as needed to external parties, such as external auditors." Paragraph 12.01 states, "[m]anagement should implement control activities through policies."

B. Subrecipient Monitoring

The OA did not implement an effective subrecipient monitoring program to monitor the SLFRF subrecipients. As a result, some subrecipient monitoring procedures were not performed as required by the UG.

Regulation 2 CFR Section 200.332(b) states that pass-through entities must evaluate each subrecipient's risk of noncompliance with federal statutes,



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regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring. Risk assessments may consider factors such as the subrecipient's prior experience with the same or similar subawards, the results of previous audits, whether the subrecipient has new personnel or new or substantially-changed systems, and the extent and results of federal awarding agency monitoring. Regulation 2 CFR Section 200.332(d) requires pass-through entities to monitor the activities of the subrecipient as necessary to ensure the subrecipient is in compliance with federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include: (1) Reviewing financial and performance reports required by the pass-through entity; (2) following up and ensuring the subrecipient takes timely and appropriate action on all deficiencies pertaining to the federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and written confirmation from the subrecipient, highlighting the status of actions planned or taken to address single audit findings related to the particular subaward; and (3) issuing a management decision for applicable findings pertaining only to the federal award provided to the subrecipient from the pass-through entity. Regulation 2 CFR Section 200.332(f) requires pass-through entities to verify that every subrecipient had a single audit when it is expected that the subrecipient spent \$750,000 or more during the subrecipient's fiscal year.

To monitor subrecipients of the SLFRF program, the OA relies on its pre-payment monitoring process. The OA does not perform any post-payment monitoring procedures, and relies on the state agencies to perform these procedures. The OA did not establish policies and procedures over the pre-payment review process and these reviews were not always clearly documented. In addition, the OA did not sufficiently communicate with the state agencies regarding subrecipient monitoring responsibilities or ensure the state agencies performed monitoring reviews. The information communicated to the state agencies in memos, emails, and periodic meetings and trainings with state agency personnel were not formalized in a policy and did not cover all relevant compliance requirements. In addition, the OA did not ensure risk assessments were performed or that subrecipients received single audits as required by the UG.

Risk assessments

The OA did not ensure required risk assessments for subrecipients of the SLFRF program were performed to determine the nature, timing, and extent of monitoring procedures necessary. Two of the 4 state agencies did not perform any risk assessments for the sampled subrecipients.

OA officials indicated risk assessment procedures are the responsibility of the state agencies; however, the OA did not provide clear guidance to the state agencies or ensure the state agencies performed and used risk assessments as required. In addition to complying with federal requirements, risk



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OA pre-payment
monitoring procedures

assessments are necessary to ensure monitoring reviews are conducted with adequate frequency to help ensure subrecipient compliance with program requirements.

The OA has not developed policies and procedures outlining its pre-payment monitoring procedures and did not always clearly document monitoring performed prior to making payments.

In their review and approval of each SLFRF subrecipient payment request, OA officials stated they thoroughly review supporting documentation uploaded to the portal by the state agencies, including contracts, bid documentation, invoices, and other supporting documentation. OA officials further stated they review for compliance with certain types of SLFRF program compliance requirements, including allowable activities and allowable costs, procurement, and period of performance. However, the OA does not clearly document review procedures performed. For each of the 22 subrecipients sampled, the portal included documentation pertaining to some, but not all of the applicable compliance requirements. For example, for 5 subrecipient payments reviewed (for 2 state agencies), the portal included summary invoices, but did not include sufficiently detailed documentation showing compliance with the allowable activities and allowable costs and period of performance compliance requirements.

Without documented policies and procedures and documentation of prepayment monitoring procedures performed, the OA cannot demonstrate subrecipient monitoring procedures were performed.

Additional monitoring
procedures

The OA does not monitor subrecipients beyond the pre-payment monitoring process previously described. OA officials stated post-payment monitoring procedures are the responsibility of the state agencies; however, the OA did not sufficiently communicate with the agencies regarding subrecipient monitoring responsibilities or ensure the agencies performed monitoring reviews.

Our review of subrecipient monitoring procedures at the 4 state agencies noted 3 agencies had developed written policies or procedures regarding subrecipient monitoring. We also noted state agency review procedures varied significantly, did not cover all significant compliance requirements, and were not always documented. While officials of some state agencies indicated they perform detailed pre-payment reviews for compliance with allowable activities and allowable costs, period of performance, and/or local match requirements, officials of some agencies explained they and the OA sometimes review only summary invoices of expenditures from the subrecipients prior to payment. Additionally, officials of all state agencies described various post-payment review procedures such as reviews for compliance with certain requirements, reviews of documentation supporting



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expenditures of funds advanced to the subrecipient, billing reviews of documentation supporting summary invoices, and/or reviews of the final work product; however, none of the agencies performed all of these procedures. In addition, the agencies could not always provide documentation such reviews had been performed for the sampled items.

In addition to noncompliance with subrecipient monitoring requirements, the failure to ensure sufficient monitoring procedures were performed and documented increases the risk that subrecipient noncompliance will not be prevented or detected timely.

Subrecipient audits

The OA did not ensure the required reviews of single audit reports for applicable SLFRF program subrecipients were conducted.

OA officials indicated the state agencies are responsible for ensuring subrecipients had a single audit, and reviewing and following up on the audit reports; however, the OA did not ensure the state agencies performed these procedures. All 4 agencies described procedures to monitor and follow up on single audit reports.

Each subrecipient that spent in excess of \$750,000 in federal awards during its fiscal year must obtain a single audit in accordance with the UG within 9 months after the end of the fiscal year. In addition to noncompliance with subrecipient monitoring requirements, the failure to ensure subrecipients received required audits and to review and follow up on the related audit reports, increases the risk that subrecipient noncompliance will not be identified and addressed.

Conclusions

The following table summarizes the results of our sampling at the 4 state agencies, presented in finding points A. and B. Instances in which a criterion was partially met are shown as the applicable number of items sampled.

Criteria	DMH	DHEWD	DNR	DED
Documented Subrecipient Determinations	2 of 4 sampled	N	Y	Y
Accurate Subrecipient Determinations	Y	N	Y	Y
Documented Risk Assessments	N	N	Y	Y
Detailed Invoices	0 of 4 sampled	Y	Y	6 of 7 sampled
Written Monitoring Procedures	N	Y	Y	Y

Y - Yes

N - No

N/A - Not applicable

The OA is the lead agency responsible for administering the SLFRF program. OA officials indicated the state agencies were responsible for some of the



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subrecipient monitoring requirements. However, without clear communication and monitoring of these responsibilities, the OA lacks assurance of compliance with all subrecipient monitoring requirements.

Without an established subrecipient monitoring program, the OA cannot provide assurance subrecipients are complying with SLFRF program requirements and there is increased risk that noncompliance with program requirements or subaward terms and conditions will go undetected, or that subaward performance goals will not be achieved. In addition, a subrecipient monitoring program is necessary to demonstrate adequate internal controls over compliance with subrecipient monitoring requirements. Regulation 2 CFR Section 200.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-federal entity is managing that Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in *Standards for Internal Control in the Federal Government*, issued by the Comptroller General of the United States or the *Internal Control Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission." Paragraph 3.10 of the *Standards for Internal Control in the Federal Government*, also known as the Green Book, states, "[e]ffective documentation assists in management's design of internal control by establishing and communicating the who, what, when, where, and why of internal control execution to personnel. Documentation also provides a means to retain organizational knowledge and mitigate the risk of having that knowledge limited to a few personnel, as well as a means to communicate that knowledge as needed to external parties, such as external auditors." Paragraph 12.01 states, "[m]anagement should implement control activities through policies."

Recommendations

The OA:

- A. Develop policies and procedures to determine whether recipients of SLFRF program funds are subrecipients or contractors. Continue to work with the state agencies to ensure accurate and documented determinations are prepared for all recipients, and modify subrecipient records as needed.
- B. Develop a subrecipient monitoring program in accordance with the Uniform Guidance that includes performing risk assessments for each subrecipient for the purposes of determining the appropriate subrecipient monitoring procedures; monitoring for compliance with federal requirements and subaward terms and conditions, and ensuring subaward performance goals are achieved; and reviewing subrecipient single audit reports. Ensure tasks delegated to state agencies are adequately communicated and establish procedures to ensure those tasks are appropriately completed.



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Auditee's Response

- A. *We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.*
- B. *We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.*

Auditor's Comment

The OA Corrective Action Plan states the OA partially agrees with Finding point A. because the OA completed training for all agencies regarding agency subrecipient monitoring responsibilities and distributed a memo instructing the agencies to develop subrecipient monitoring policies and procedures. However, as noted in the audit finding, the training was held and letter was sent to state agencies after the current audit period. Because the OA took no corrective action prior to or during the audit period, the internal control weaknesses and noncompliance occurred again in the current audit period.

2024-008.
CACFP Subrecipient
Reimbursements

Federal Agency:	United States Department of Agriculture (USDA)
Federal Program:	10.558 Child and Adult Care Food Program (CACFP) 2022, 2023, 2024 - CACFP 2022, 2023, 2024 - CACFP-CIL 2023 and 2024 - CACFP-SPON
State Agency:	Department of Health and Senior Services (DHSS) - Bureau of Community Food and Nutrition Assistance (BCFNA)
Type of Finding:	Internal Control (Material Weakness) and Material Noncompliance
Questioned Costs:	\$0
Compliance Requirements:	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Subrecipient Monitoring

As noted in our previous audit,²⁰ during the year ended June 30, 2024, the BCFNA did not have sufficient controls and procedures to ensure CACFP reimbursements to subrecipients were allowable and supported with sufficient documentation, as required by federal regulations. As a result, significant unallowable and unsupported reimbursements were made without being prevented or detected timely.

The BCFNA administers the CACFP through contracts with child and adult care centers and sponsors of centers (subrecipients) that provide meals to

²⁰ See single audit report at <<https://auditor.mo.gov/AuditReport/ViewReport?report=2024063>>, finding number 2023-012.



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eligible children and adults under their care. The facilities/sponsors determine eligibility of each participant for free or reduced price meals, and are reimbursed at fixed rates for the number and type of meals served. During the year ended June 30, 2024, the BCFNA paid over 780 facilities/sponsors approximately \$67.6 million for meal services. Disbursements to facilities/sponsors represented approximately 98 percent of the program's expenditures.

To receive reimbursement for meals provided to eligible participants, CACFP facilities/sponsors submit monthly claims through the CNPWeb (CNP) claim system. The CNP system has edit checks to prevent and detect certain claim errors, such as meal claims that exceed facility/sponsor total enrollment and/or license capacity, or claims for types of meals the facility/sponsor was not approved to serve. Claims that pass the edit checks are reviewed by a BCFNA Public Health Program Associate, while claims that do not pass the edit checks are returned to the facility/sponsor for revision. Facilities/sponsors are not required to provide supporting documentation with their claim but are required to maintain and retain detailed records, including meal count, attendance, enrollment and eligibility determination records, receipt slips, menus, and other documentation to support meals claimed. Facility/sponsor records are maintained on a monthly basis, thus reviews or verifications of those records generally cover the entire month as opposed to a shorter period of time. BCFNA nutritionists perform periodic monitoring reviews of the facilities/sponsors and disallow costs associated with claim errors identified. These reviews have identified significant issues and claim errors, including some potentially fraudulent activity, and led to over 15 contract terminations in recent years.²¹

Since meal reimbursements are made without any supporting documentation, the BCFNA relies on system edit checks and subrecipient monitoring procedures to prevent and detect meal reimbursement claim errors. However, these edits and procedures alone were not sufficient to prevent and detect unallowable and unsupported meal reimbursement claims on a timely basis. The BCFNA has not implemented procedures to review supporting documentation, on a test basis, except for testing performed during routine monitoring reviews generally conducted once every 1 to 3 years for each facility/sponsor, and technical assistance reviews performed at the request of the facility/sponsor. Additionally, as noted in finding number 2024-009, weaknesses in the BCFNA monitoring procedures and noncompliance with subrecipient monitoring requirements were identified.

²¹ See DHSS Child and Adult Care Food Program and Summer Food Service Program audit report at <<https://auditor.mo.gov/AuditReport/ViewReport?report=2025032>>.



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Our review of documentation supporting a randomly-selected sample of 60 BCFNA monitoring reviews conducted for 60 CACFP facilities/sponsors during the year ended June 30, 2024, noted BCFNA disallowances (overclaims/underclaims) in 43 of 59 (73 percent) reviews for which meal reimbursement claims were tested.²² Overclaims totaled \$48,508 (40 reviews) and underclaims totaled \$10,144 (3 reviews), with a net overclaim of \$38,364, or at least 7 percent of claims tested by the BCFNA.²³ Disallowances resulted from various errors including incorrect or unsupported eligibility determinations, meal counts, attendance records, or noncompliance associated with menus and food purchases. The BCFNA adjusted subsequent claims to recoup or reimburse for the identified overclaims/underclaims.^{24, 25} Erroneous and unsupported reimbursements represent at least 7 percent of meal reimbursements tested. If similar errors were made on the remaining population of CACFP meal reimbursements totaling approximately \$67 million, unallowable costs could be significant.

Without sufficient controls to ensure the accuracy of facility/sponsor meal reimbursement claims, the BCFNA cannot demonstrate adequate internal controls to ensure CACFP costs are allowable and supported, and the risk of paying unsupported and unallowable claims will continue. Regulation 7 CFR Section 226.7(k) requires the BCFNA to establish procedures for institutions to properly submit claims for reimbursement. Such procedures must include edit checks, including but not limited to, ensuring payments are made only for approved meal types and that the number of meals for which reimbursement is provided does not exceed the product of the total enrollment times operating days times approved meal types. Regulation 2 CFR Section 200.403 (within 2 CFR Part 200, known as the Uniform Guidance), provides that costs charged to federal programs should be necessary and reasonable for the performance of the federal award and adequately documented. Furthermore, 2 CFR Section 200.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-federal entity is managing that Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in *Standards for Internal Control in the Federal*

²² The BCFNA did not quantify overclaim amounts for 1 review that resulted in termination. See finding number 2024-009.

²³ For each facility/sponsor reviewed, the BCFNA tested claims within a test month, and claims totaled \$537,466 during the test months.

²⁴ For overclaims, the BCFNA recoups amounts in excess of a \$600 threshold, established in accordance with 7 CFR Section 226.8(f) which states in conducting management evaluations, reviews, or audits, the state agency or the USDA may disregard an overpayment if the overpayment does not exceed \$600. No overpayment is to be disregarded where there is substantial evidence of violations of criminal law or civil fraud statutes.

²⁵ If overpayments of \$600 or less are excluded, the error rate is at least 6 percent.



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Government, issued by the Comptroller General of the United States or the *Internal Control Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission."

The DHSS Summary Schedule of Prior Audit Findings for prior audit finding number 2023-012, submitted in July 2025, states the DHSS disagreed with the finding and did not take corrective action. However, an April 2025 email from a USDA - Food and Nutrition Service (USDA-FNS) official to the DHSS regarding the prior audit finding, provided to auditors by DHSS officials, indicates some corrective action was taken. The email states to prevent overclaims, the USDA-FNS expects the BCFNA to have internal controls that focus on the areas of subrecipient screening during the application process and training; and the USDA-FNS validated the DHSS's actions to improve internal control processes in these specific areas.

The April 2025, USDA-FNS email also states the prior audit finding was not sustained by the FNS because (1) the FNS does not require or expect the BCFNA to validate claims at the time of claim submission, and (2) the BCFNA was in compliance with edit check requirements. While the prior audit finding neither recommended the BCFNA validate claims at the time of submission nor noted noncompliance with edit check requirements, it did recommend the BCFNA strengthen internal controls over meal reimbursements, such as those recommended and validated by the USDA-FNS.

Finding classification

This finding is classified as a material weakness in internal control and material noncompliance with the federal activities allowed, allowable costs, and subrecipient monitoring requirements.

The noncompliance identified in the finding is material based on the results of our audit sample, which identified at least 7 percent of subrecipient meal reimbursements tested by the BCFNA were not in compliance with federal requirements. The 7 percent error rate exceeds our audit materiality threshold of 4 percent. While the errors identified in the finding were corrected, similar material noncompliance in the remainder of the payments not tested is likely.

Our decisions regarding the classification of the internal control deficiencies were made in accordance with AU-C Section 935, Compliance Audits, and the *AICPA Audit Guide: Government Auditing Standards and Single Audits* (Audit Guide). The Audit Guide provides the following definitions regarding internal control deficiencies: "A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis." "A *material weakness in internal control over compliance* is a



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deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis." "A reasonable possibility exists when the likelihood of the event is either *reasonably possible* or *probable* ..." *Reasonably possible* is "[t]he chance of the future event or events occurring is more than remote but less than likely." *Probable* means "[t]he future event or events are likely to occur."

The failure to design and implement adequate controls and procedures to ensure CACFP reimbursements to subrecipients are allowable and supported led to material noncompliance with the applicable requirements. The BCFNA's controls failed to prevent the material noncompliance identified. While the BCFNA's controls detected and corrected the payment errors identified, the detection and correction was not timely, occurring up to 3 years after the payments were made. Also, the detection and correction was limited to only 1 test month per subrecipient without any attempt to identify and correct noncompliance that occurred beyond the test month because, as noted at finding number 2024-009, the BCFNA's controls do not provide for expanded testing when significant errors are identified. Therefore, similar, material noncompliance in the remainder of the payments not tested is likely. Further, because the internal control deficiencies have not been corrected, similar, material noncompliance in future payments is likely. For these reasons, the deficiencies are considered a material weakness.

Recommendation

The DHSS through the BCNFA continue to strengthen internal controls over meal reimbursements to CACFP facilities/sponsors to ensure costs are allowable and supported.

Auditee's Response

We disagree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement.

Auditor's Comment

The DHSS Corrective Action Plan (CAP) states the DHSS disagrees with the finding and believes no corrective action is required because the prior year finding (finding number 2023-012) was not sustained by the USDA-FNS. However, as noted in the finding, an April 2025 email from a USDA-FNS official to the DHSS regarding the prior audit finding indicates some corrective action was made and validated by the USDA-FNS. Such corrective action was made after the current (fiscal year 2024) audit period.

As noted in the finding, the prior audit finding recommended the BCFNA strengthen internal controls over meal reimbursements, such as those recommended and validated by the USDA-FNS. While the DHSS did not provide the State Auditor's Office information regarding the corrective action taken, any new procedures would have been implemented after the audit period, and will be subject to subsequent audits. Because the DHSS took no corrective action prior to or during the audit period, this finding is valid.



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2024-009.
CACFP Subrecipient
Monitoring

Federal Agency: United States Department of Agriculture (USDA)
Federal Program: 10.558 Child and Adult Care Food Program
(CACFP)
2022, 2023, 2024 - CACFP
2022, 2023, 2024 - CACFP-CIL
2023 and 2024 - CACFP-SPON
State Agency: Department of Health and Senior Services (DHSS) -
Bureau of Community Food and Nutrition Assistance
(BCFNA)
Type of Finding: A - Internal Control (Significant Deficiency) and
Nonmaterial Noncompliance
B - Internal Control (Material Weakness) and
Material Noncompliance
Questioned Costs: Unknown
Compliance Requirement: Subrecipient Monitoring

As noted in our previous audit,²⁶ during the year ended June 30, 2024, BCFNA subrecipient risk assessment and monitoring procedures were not in compliance with subrecipient monitoring requirements and were not sufficient to ensure CACFP subrecipient compliance with program requirements. During the year ended June 30, 2024, the BCFNA disbursed approximately \$67.6 million to over 780 CACFP subrecipients, which consist of child and adult care centers and sponsors of centers. Disbursements to subrecipients represented approximately 98 percent of the program's expenditures.

As part of its pass-through responsibilities, 7 CFR Section 226.6(a)(5), the BCFNA is required to ensure subrecipients effectively operate the program. Regulation 2 CFR Section 200.332(b) requires pass-through entities to evaluate each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring. Regulation 2 CFR Section 200.332(d) requires pass-through entities to monitor the activities of the subrecipient as necessary to ensure the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals.

The BCFNA's subrecipient monitoring process, outlined in the Internal Nutritionist Manual, provides the requirements for monitoring the CACFP facilities/sponsors. The manual provides the planned frequency and type of monitoring activities, monitoring methods, and corrective action

²⁶ See single audit report at <<https://auditor.mo.gov/AuditReport/ViewReport?report=2024063>>, finding number 2023-013.



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requirements. The manual requires the preparation of a risk assessment at the end of each monitoring review that assigns a grade of A, B, B-, or C to the facility/sponsor based on the number and severity of deficiencies and findings. Facilities/sponsors that receive a C grade are determined to be "seriously deficient." The assigned grade determines the required timing of future monitoring reviews of the facility/sponsor. Facilities/sponsors with an A grade will be next monitored in 3 years, a B grade within 2 years, a B-grade within 6 months to 1 year, and a C grade within 90 days.

During each monitoring review, BCFNA personnel review documentation supporting a sample of claims during a test month. Any identified errors and associated overclaims/underclaims exceeding established thresholds²⁷ are recouped/reimbursed in the facility's/sponsor's future claims. When reviews identify noncompliance, facilities/sponsors are required to prepare and submit a Corrective Action Plan (CAP) to the BCFNA. In addition, as noted at finding number 2024-008, the BCFNA relies on these subrecipient monitoring procedures to prevent and detect meal reimbursement claim errors. Monitoring reviews have identified significant issues and claim errors, including some potentially fraudulent activity, and led to over 15 contract terminations in recent years.²⁸

To test compliance with subrecipient monitoring requirements, and to evaluate the effectiveness of BCFNA monitoring procedures, we reviewed and analyzed a randomly-selected sample of 60 BCFNA monitoring reviews conducted for 60 CACFP facilities/sponsors during the year ended June 30, 2024. While our review found the sample monitoring reviews were performed in accordance with the policies and procedures outlined in the Internal Nutritionist Manual, we identified areas in which these policies and procedures could be strengthened and improved to ensure facilities/sponsors comply with program requirements and submit proper claims.

Our review and analysis of the 60 sampled monitoring reviews noted the monitoring reviews identified significant errors, noncompliance, disallowances, and overclaims. Our comparison of the sampled reviews to prior reviews noted deficient facilities/sponsors generally had continued deficiencies and little improvement from prior reviews, as follows:

²⁷ For overclaims, the BCFNA recoups amounts in excess of a \$600 threshold, established in accordance with 7 CFR Section 226.8(f) which states in conducting management evaluations, reviews, or audits, the state agency or the USDA may disregard an overpayment if the overpayment does not exceed \$600. No overpayment is to be disregarded where there is substantial evidence of violations of criminal law or civil fraud statutes.

²⁸ See DHSS Child and Adult Care Food Program and Summer Food Service Program audit report at <<https://auditor.mo.gov/AuditReport/ViewReport?report=2025032>>.



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- Of the 60 sampled, 32 facilities/sponsors received an A grade, while 28 received grades of B, B-, or C.
- Of the 24 facilities/sponsors that received grades of B, B-, or C, and had a prior review,²⁹ 21 (88 percent)³⁰ received the same or lower grade than the prior review.
- Of the 4 facilities/sponsors that received a C grade and had a prior review, 2 (50 percent) received the same grade as the prior review, and 2 (50 percent) received a lower grade.
- Of the 7 facilities/sponsors that received a C grade, 4 were terminated as a result of the review or as a result of a subsequent 90-day follow-up review.
- For 43 of 59 (73 percent) monitoring reviews for which the BCFNA tested claims³¹ (with claims totaling \$537,466 during the test months), the BCFNA identified overclaims totaling \$48,508 and underclaims totaling \$10,144, netting to \$38,364, or at least 7 percent of the reimbursements tested.³²

A. Risk Assessments

The BCFNA prepares and uses risk assessments to determine the extent of monitoring necessary for each facility/sponsor. However, the risk assessments prepared during the year ended June 30, 2024, considered only the previous monitoring review grade (conducted up to 3 years previously), and did not consider other pertinent risk factors outlined in federal regulations. Regulation 2 CFR Section 200.332(b) suggests risk assessments should consider the subrecipient's prior experience with the same or similar subawards, the results of previous audits, whether the subrecipient has new personnel or new or substantially-changed systems, and the extent and results of federal awarding agency monitoring.

While federal regulations provide the BCFNA discretion in selecting risk factors to consider, limiting risk assessments to only one risk factor and ignoring other relevant factors hinders the BCFNA's ability to identify red flags and fraud risk factors and properly assess facility/sponsor risk of noncompliance. Sufficient risk assessments are necessary to ensure

²⁹ There were no prior reviews for 3 facilities/sponsors that received a C grade and for 1 that received a B grade.

³⁰ Of the 24 facilities/sponsors, 3 (13 percent) received a higher grade than the prior review, 7 (29 percent) received the same grade, and 14 (58 percent) received a lower grade.

³¹ The BCFNA did not quantify overclaim amounts for 1 review that resulted in termination, as subsequently discussed in this finding.

³² If overpayments of \$600 or less are excluded, the error rate is at least 6 percent.



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monitoring reviews are conducted with adequate frequency to help ensure subrecipient compliance with program requirements.

Finding classification

This finding is classified as a significant deficiency in internal control and nonmaterial noncompliance with the federal subrecipient monitoring requirements regarding risk assessments.

As noted in the finding, BCFNA risk assessments prepared during the year ended June 30, 2024, do not meet the spirit of the federal regulation, which suggests the extent and level of monitoring for each subrecipient be based on various risk factors. As a result, there is a risk that monitoring reviews will not be performed as frequently and thoroughly as needed to identify and address subrecipient noncompliance. Because the BCFNA does perform risk assessments for each subrecipient and does monitor the subrecipients with lower grades with more frequency, the finding did not rise to a level of material noncompliance, and was therefore considered nonmaterial noncompliance.

Our decisions regarding the classification of the internal control deficiencies were made in accordance with AU-C Section 935, Compliance Audits and the *AICPA Audit Guide: Government Auditing Standards and Single Audits* (Audit Guide). In addition to the definitions outlined in part B of this finding, the Audit Guide states "[a] *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance." Our evaluation of the deficiencies for the possibility and magnitude of potential noncompliance determined the deficiencies are considered a significant deficiency.

B. Subrecipient Monitoring Procedures

Our review of BCFNA subrecipient monitoring procedures during the year ended June 30, 2024, noted areas that should be strengthened and improved.

Corrective action plans

BCFNA CAP review procedures were not adequate to ensure facilities/sponsors made and/or planned sufficient corrective actions to address noncompliance, as required by federal regulations.

The Internal Nutritionist Manual requires nutritionists to review subrecipient CAPs outlining corrective actions taken or planned for completeness and to ensure the required action items are adequately addressed. However, during the year ended June 30, 2024, this review was generally performed without verifying the accuracy of the CAP information through review of supporting documentation, testing, or other methods. The BCFNA did not require submission of supporting documentation of corrective actions taken or planned. BCFNA officials indicated they may request supporting



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documentation on occasion depending on the complexity of the finding, and they verify the CAP during 90-day follow-up reviews of "seriously deficient" facilities/sponsors.

Of the 60 monitoring reviews in our sample, 49 required a CAP. The monitoring review documentation indicated the CAP was verified during 7 of the 90-day follow-up reviews, but there was no documentation that the nutritionist verified the CAP information for any of the remaining 42 reviews (86 percent of the 49 reviews that required a CAP). Furthermore, our review of monitoring review documentation noted numerous instances in which the prior year CAP indicated a specific deficiency was addressed, but the same deficiency was again noted in the subsequent review.

Regulation 2 CFR Section 200.332(d) provides that monitoring must include following up and ensuring the subrecipient takes timely and appropriate action on all deficiencies identified. The USDA CACFP handbook, *Monitoring Handbook for State Agencies* (USDA Monitoring Handbook), provides that follow-up reviews (on-site or desk reviews of paperwork) may be conducted any time corrective action is required to ensure the facility/sponsor has completely corrected the review findings, according to its approved corrective action response. Example CAP forms included in the USDA Handbook require facilities/sponsors to submit supporting documentation along with the CAP to verify corrections were made or will be implemented. The USDA CACFP handbook, *Serious Deficiency, Suspension, & Appeals for State Agencies & Sponsoring Organizations*, provides that facilities/sponsors deemed "seriously deficient," must submit additional supporting documentation with the CAP to document that corrective actions have occurred; this might include copies of income eligibility forms, enrollment rosters, staff training documentation, site monitoring reports, menus, child nutrition labels or manufacturers' product analysis sheets or recipes, attendance records, meal count forms, and itemized food receipts.

Without verifying information in CAPs submitted, the BCFNA cannot demonstrate compliance with federal regulations and it lacks assurance the facilities/sponsors took timely and appropriate action on all deficiencies identified during monitoring reviews. In addition, there is increased risk that deficiencies will not be corrected and will continue without detection.

In August 2024, the BCFNA implemented an electronic system for facilities/sponsors to upload documentation supporting their CAPs. In May 2025, the BCFNA updated the Internal Nutritionist Manual to provide for reviews of the supporting documentation to verify facilities/sponsors implemented corrective action.



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Claims testing

The Internal Nutritionist Manual and monitoring practices provide for testing of a sample of claims within only 1 test month during each monitoring review, and do not provide for expanded testing when significant errors are identified.

BCFNA personnel indicated monitoring reviews are limited to only 1 test month because the USDA Monitoring Handbook does not require expanded testing of records beyond 1 month. While the BCFNA performs additional testing during 90-day follow-up reviews for facilities/sponsors deemed "seriously deficient," additional testing is not performed in any other situation. For example, one facility had a 33 percent overpayment rate and received a B grade while another facility had a 100 percent overpayment rate and received a B- grade; however, additional testing was not performed for either facility.

The USDA Monitoring Handbook suggests testing activities during 1 test month, and also suggests the state agency may determine additional review is warranted and review records beyond the test month to determine the extent of the noncompliance. When significant errors are identified, additional testing would help BCFNA nutritionists determine the extent that instances of noncompliance are isolated versus pervasive. Such information would be valuable to the overall conclusions and grade assigned to the review, and in decisions regarding subsequent monitoring.

Overclaim recoupment

BCFNA subrecipient monitoring procedures do not provide for identification and pursuit of recoupment of all overpayments associated with errors identified during monitoring reviews.

When overclaims due to noncompliance with eligibility requirements are identified during monitoring reviews, the BCFNA only identifies and seeks recoupment for the overclaims made during the test month. Overclaims associated with eligibility errors begin at the time the eligibility determination was made and continue until the error is discovered. Although the BCFNA is aware noncompliance occurred during the month(s) before the test month, the BCFNA does not attempt to identify those overclaims.

In addition, when a facility/sponsor is terminated, the BCFNA does not always identify or seek recoupment of overclaim amounts. In our sample of 60 monitoring reviews, the contract for 1 sponsor was terminated as a result of a 90-day follow-up review. For this sponsor, in the review prior to the 90-day follow-up review, the BCFNA identified and recouped overclaims totaling \$2,278, or 100 percent of total claims tested. In the subsequent 90-day follow-up review significant claim errors were identified in the test month claims, which totaled \$1,961; however, the test month claims were not fully tested, and overclaims were not identified or recouped. Any overclaims not identified and recouped from this terminated sponsor would be considered questioned costs; however, those questioned costs are unknown.



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BCFNA officials indicated they do not pursue recoupment of overclaims beyond the test month because this practice is allowed by the USDA. They indicated they pursue recoupment of overclaims for facilities/sponsors with terminated contracts on a case-by-case basis, considering various factors. However, 7 CFR Section 226.14 provides that state agencies shall disallow and recover any portion of a claim for reimbursement not properly payable, including claims not made in accordance with recordkeeping requirements. Pursuing full recoupment would hold facilities/sponsors accountable for all overclaims and would serve as a deterrent to future errors, noncompliance, and overclaims. Furthermore, without procedures to identify and recoup all overclaims, there is a risk that significant overclaims will go undetected and unrecouped, and questioned costs could be significant.

Conclusions

In addition to complying with federal requirements, strong subrecipient monitoring procedures are necessary to ensure facilities/sponsors comply with program requirements, submit proper claims, and address deficiencies identified. Without strong internal controls, there is increased risk of noncompliance, errors, fraud, waste, and abuse of federal funds. Strong monitoring procedures would ensure facilities/sponsors are held accountable for, and correct, errors and noncompliance identified.

Regulation 2 CFR Section 200.332(g) requires pass-through entities to consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records. Furthermore, 2 CFR Section 200.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-federal entity is managing that Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in *Standards for Internal Control in the Federal Government*, issued by the Comptroller General of the United States or the *Internal Control Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission."

Finding classification

This finding is classified as a material weakness in internal control and material noncompliance with the federal subrecipient monitoring requirements.

Our audit of the BCFNA's compliance with federal subrecipient monitoring requirements concluded the BCFNA did not materially comply with federal requirements to ensure subrecipients effectively operate the CACFP and to monitor the activities of the subrecipient as necessary to ensure the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals. This conclusion is based on the



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facts, deficiencies, and noncompliance stated in the finding, including the following:

- (1) Disbursements to subrecipients represented approximately 98 percent of the CACFP expenditures.
- (2) BCFNA subrecipient monitoring reviews identified significant errors, noncompliance, disallowances, and overclaims; and deficiencies identified often continued for years with little improvement from review to review. The 7 percent subrecipient payment error rate identified by the BCFNA, which exceeds our audit materiality threshold of 4 percent, along with the high rate of continued noncompliance, serve as indicators of the ineffectiveness of the BCFNA monitoring process.
- (3) The BCFNA did not comply with specific components of federal subrecipient monitoring requirements, including properly following up and ensuring subrecipients take timely and appropriate action on all deficiencies identified and disallowing and recovering improper payments.
- (4) Multiple deficiencies in monitoring procedures were identified, including the previously-listed deficiencies and inadequate payment testing.

In conducting a single audit in accordance with 2 CFR Part 200 (Uniform Guidance), auditors are required by 2 CFR Section 200.514(d)(1)(2), to determine whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards that may have a direct and material effect on each of its major programs, as outlined in the OMB *Compliance Supplement*. While compliance with the USDA CACFP handbooks was considered in the our audit, our conclusion on compliance is based on the BCFNA's compliance with the federal statutes and regulations, as required.

Our decisions regarding the classification of the internal control deficiencies were made in accordance with AU-C Section 935, Compliance Audits and the Audit Guide. The Audit Guide provides the following definitions regarding internal control deficiencies:

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis.



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A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

"A reasonable possibility exists when the likelihood of the event is either *reasonably possible* or *probable*..." *Reasonably possible* is "[t]he chance of the future event or events occurring is more than remote but less than likely." *Probable* means "[t]he future event or events are likely to occur."

The failure to design and implement adequate controls and procedures over subrecipient monitoring led to material noncompliance with the subrecipient monitoring requirements. The BCFNA's controls failed to develop an effective subrecipient monitoring process that ensures subrecipients use subawards for authorized purposes, comply with the terms and conditions of the subawards, and achieve performance goals. Because the internal control deficiencies have not been corrected, it is probable that the material noncompliance will continue. For these reasons, the deficiencies are considered a material weakness.

Recommendations

The DHSS through the BCFNA:

- A. Implement a CACFP subrecipient risk assessment process that is consistent with federal regulations.
- B. Review, strengthen, and enforce subrecipient monitoring procedures to ensure CACFP facilities/sponsors comply with program requirements, submit proper claims, and address deficiencies identified. The BCFNA should enhance procedures to provide for identification and recoupment of overclaims associated with all errors identified during monitoring reviews, as required by federal regulations; expand testing when significant errors are identified; and continue to verify CAP information. The DHSS should identify and recoup the overclaims for the terminated sponsor noted in this finding.

Auditee's Response

- A. *We disagree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement.*
- B. *We disagree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement.*

Auditor's Comment

The DHSS Corrective Action Plan (CAP) states the DHSS disagrees with the finding because, while the prior year finding (finding number 2023-013) was partially sustained by the USDA - Food and Nutrition Service (USDA-FNS),



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a corrective action plan was accepted and deemed adequate by the USDA-FNS. The CAP also states in April 2025, the USDA-FNS recommended final action to close the prior year finding. These statements are not accurate. April and June 2025 emails from USDA-FNS officials to the DHSS regarding the prior audit finding, provided to auditors by DHSS officials, indicate the finding was sustained; corrective action was required, taken, and validated by the USFA-FNS; and final action was approved by the USDA-FNS on June 10, 2025. It is unclear why the DHSS considers the prior year finding to be only partially sustained when the Summary Schedule of Prior Audit Findings, which was also prepared by the DHSS, states the finding was sustained.

Except for the information mentioned in the audit finding regarding subrecipient corrective action plans, the DHSS did not provide the State Auditor's Office information regarding corrective action taken. Any new procedures would have been implemented after the audit period, and will be subject to subsequent audits. Because the DHSS took no corrective action prior to or during the audit period, this finding is valid.

2024-010.
Medicaid SPPC Participant
Choice Agreements

Federal Agency:	Department of Health and Human Services (DHHS)
Federal Program:	93.778 COVID-19 - Medical Assistance Program
	93.778 Medical Assistance Program
	2023 - 2305MO5MAP and 2305MO5ADM
	2024 - 2405MO5MAP and 2405MO5ADM
State Agency:	Department of Health and Senior Services (DHSS) - Division of Senior and Disability Services (DSDS)
Type of Finding:	Internal Control (Significant Deficiency) and Nonmaterial Noncompliance
Compliance Requirements:	Activities Allowed or Unallowed and Allowable Costs/Cost Principles

As similarly noted in our prior audit report,³³ the DSDS does not have effective controls to ensure Participant Choice Agreements are completed and retained for participants of the State Plan Personal Care (SPPC) program. Required documentation was not on file for 10 of 60 participants reviewed.

The DSDS is responsible for the direct administration of various Medical Assistance Program (Medicaid) funded Home and Community Based Services (HCBS) programs for seniors and adults with disabilities, including the SPPC. During the year ended June 30, 2024, the DHSS made payments totaling approximately \$1 billion on behalf of approximately 72,100 participants of the SPPC.

³³ See single audit report at <<https://auditor.mo.gov/AuditReport/ViewReport?report=2024063>>, finding number 2023-014.



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As part of the initial assessment and annual reassessment process, DSDS personnel are required to ensure a Participant Choice Agreement (DA-3 form) was signed by the participant and the assessor, and uploaded to the CyberAccess web tool. The DSDS uses Participant Choice Agreements to comply with 42 CFR Section 441.725 that requires participants be provided information and given choices regarding their care and that written consent be obtained from the individual. Due to the COVID-19 Public Health Emergency (PHE), the DHHS - Centers for Medicare and Medicaid Services (DHHS-CMS) approved various requested temporary flexibilities to Medicaid requirements, effective March 2020 to May 11, 2023, including waiver of the written consent requirement and permitting documented verbal consent as an alternative.

Assessments and reassessments are completed by either DSDS personnel or provider personnel. DSDS personnel perform quality assurance reviews of assessments and reassessments completed by provider personnel, and are required to ensure a signed Participant Choice Agreement was uploaded or (prior to May 11, 2023) verbal consent was documented. Once the Participant Choice Agreement is uploaded to the CyberAccess web tool by the assessor, the original agreement is not retained to prevent Health Insurance Portability and Accountability Act (HIPAA) breaches. The DSDS identified a weakness in the upload process that has prevented successful upload of some Participant Choice Agreements, and because the original agreements are not retained, there is no record of those agreements. To address this weakness, a DHSS special projects team was created in 2024 to identify and resolve missing agreements on a sample basis. These efforts are ongoing.

To test compliance with federal requirements, we reviewed CyberAccess web tool records for 60 randomly-selected participants enrolled in the SPPC program during the year ended June 30, 2024. Of the 60 participants, 1 had a reassessment prior to May 11, 2023 (when documented verbal consent was permitted in lieu of the Participant Choice Agreement), and 59 had assessments/reassessments on or after that date. For the 59 participants with assessments/reassessments completed on or after May 11, 2023, a participant Choice Agreement was not retained in the CyberAccess web tool records for 10 (17 percent). Five of those assessments/reassessments were completed by DSDS personnel and 5 were completed by providers. Neither the DSDS quality assurance reviews nor the special projects team identified the missing agreements. DHSS officials were unable to determine whether Participant Choice Agreements were completed but not uploaded to the CyberAccess web tool due to the system upload problem, or never completed for these participants.

DHSS officials indicated in addition to the CyberAccess web tool upload problem, the missing forms can be attributed to turnover during the PHE, the large number of new staff, and returning to pre-PHE processes. DHSS officials also stated the DSDS worked with a vendor to develop a new case



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management system to replace the CyberAccess web tool. The DSDS began using the system in May 2025.

Without ensuring Participant Choice Agreements are completed and retained, the DSDS cannot demonstrate the participants were provided the proper choices in care services as required. Regulation 45 CFR Section 75.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

Recommendation

The DHSS through the DSDS continue to implement procedures to ensure a signed Participant Choice Agreement is completed and retained for all participants of the State Plan Personal Care program. The DSDS should identify and replace all missing Participant Choice Agreements with newly completed agreements.

Auditee's Response

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

2024-011.
Medicaid Facility Survey
Timeliness

Federal Agency:	Department of Health and Human Services (DHHS)
Federal Program:	93.777 COVID-19 - State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
	93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
	2023 and 2024 - TITLEXVIII
	2023 and 2024 - TITLEXIXSS
	2023 and 2024 - CLIA
	2023 and 2024 - XVIIIIMPAC
	2023 - TITLE18CRS (COVID)
State Agency:	Department of Health and Senior Services (DHSS) - Section for Long-Term Care Regulation (SLCR)
Type of Finding:	Nonmaterial Noncompliance
Compliance Requirement:	Special Tests and Provisions

As similarly noted in our 3 prior audit reports,³⁴ the SLCR did not perform facility survey procedures within required timeframes. In our test of compliance with facility survey requirements for 60 surveys performed during the year ended June 30, 2024, we noted 10 Statements of Deficiencies

³⁴ See single audit reports at <<https://auditor.mo.gov/AuditReport/Reports?SearchLocalState=35>>, finding numbers 2023-015, 2022-007, and 2021-013.



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and Plan of Corrections were sent 11 to 20 days after the survey exit instead of within 10 days, and 1 facility revisit was completed in 64 days instead of within 60 days of the initial survey date.

The DHSS is the state survey agency charged with inspecting providers of the Medical Assistance Program (Medicaid), including hospitals, nursing facilities, and other long-term care facilities. Under 42 CFR Section 431.108, as a basis for participation in Medicaid, providers are subject to survey and certification by the DHHS - Centers for Medicare and Medicaid Services (DHHS-CMS) or the DHSS to ensure providers and suppliers are in compliance with regulatory health and safety standards and conditions of participation. During the year ended June 30, 2024, the DHSS through the SLCR surveyed 523 providers, including 483 long-term care nursing facilities, 9 intermediate care facilities for individuals with intellectual disabilities, and 31 non-deemed hospitals.³⁵

The DHHS-CMS provides the State Operations Manual (SOM) to state agencies as guidelines for the survey and certification of providers. SOM Chapter 2, Section 2728, requires the state agency to mail to the provider a copy of Form CMS-2567 (Statement of Deficiencies and Plan of Correction) within 10 working days after the survey exit. In addition, SOM Chapter 7, Section 7317.2, requires onsite revisits for long-term care nursing facilities to occur any time between the last correction date on the plan of correction and the 60th day from the survey date to confirm the facility is in substantial compliance, and in certain cases, has the ability to remain in substantial compliance.

To test compliance with survey and certification requirements, we randomly selected 60 surveys including 44 long-term care nursing facility surveys, 5 intermediate care facility for individuals with intellectual disabilities surveys, and 11 non-deemed hospital surveys, performed between July 1, 2023, and June 30, 2024. Of the 58 surveys that required a Statement of Deficiencies and Plan of Correction, 10 statements (17 percent) were sent to facilities between 11 and 20 working days after the survey exit instead of within 10 working days as required. In addition, of the 27 long-term care nursing facilities that required a revisit, the revisit to 1 facility (4 percent) was completed 64 days after the initial survey date instead of within 60 days as required.

DHSS officials indicated there were multiple contributing factors for these delays including DHSS staffing shortages, industry labor shortages, insufficient state and federal funding, increased workloads due to increased

³⁵ Non-deemed hospitals are approved for participation in the Medicaid program by the DHSS. Deemed hospitals are approved by the DHHS-CMS.



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volume and severity of complaints received and violations identified, and the backlog of surveys due. DHSS officials stated they hired part-time retired surveyors and contracted with outside survey companies to help with the increased workload and backlog. They further indicated they are working with the DHHS-CMS to minimize the delays.

Conducting survey procedures within required timeframes helps to ensure providers are timely notified of deficiencies requiring correction so that timely follow up on those deficiencies can occur to provide assurance facilities are providing services to their clients that are in compliance with health and safety standards and conditions of participation.

Recommendation

The DHSS through the SLCR ensure survey procedures are conducted within required timeframes.

Auditee's Response

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

Auditor's Comment

The DHSS Corrective Action Plan states the DHSS disagrees that the revisit error should be a finding and that corrective action is needed because the error rate identified in the audit sample was less than the performance criteria (70 percent) used to measure compliance and require corrective action in the DHHS-CMS State Performance Standards System. However, the performance criteria is intended to measure the DHSS's level of compliance and identify when corrective action is needed to address deficiencies, and does not remove the DHSS's responsibility to comply with the timeframes required by the SOM.

2024-012.
SEMA Subrecipient
Monitoring

Federal Agency:	Department of Homeland Security - Federal Emergency Management Agency (FEMA)
Federal Program:	97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters) 2017 - FEMA-4317-DR-MO 2019 - FEMA-4435-DR-MO and FEMA-4551-DR-MO 2020 - FEMA-4490-DR-MO and FEMA-4452-DR-MO 2021 - FEMA-4612-DR-MO and FEMA-4636-DR-MO 2022 - FEMA-4665-DR-MO 2023 - FEMA-4741-DR-MO 2024 - FEMA-4803-DR-MO
State Agency:	Department of Public Safety - State Emergency Management Agency (SEMA)



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Type of Finding: Internal Control (Material Weakness) and Material Noncompliance

Compliance Requirement: Subrecipient Monitoring

During state fiscal year 2024, the SEMA did not perform subrecipient monitoring reviews or review subrecipient single audit reports for the Disaster Grants - Public Assistance (Presidentially Declared Disasters) (DGPA) as required. The SEMA disbursed approximately \$180 million to 320 DGPA program subrecipients during the year ended June 30, 2024.

Regulation 2 CFR Section 200.332(b) requires pass-through entities to evaluate each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring. Regulation 2 CFR section 200.332(d) requires pass-through entities to monitor the activities of the subrecipient as necessary to ensure the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals. Pass-through entities are required to follow up and ensure the subrecipient takes timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means. Regulation 2 CFR Section 200.332(f) requires pass-through entities to verify that every subrecipient has a single audit when it is expected that the subrecipient spent \$750,000 or more during the subrecipient's fiscal year.

The SEMA's tiered monitoring process, outlined in the SEMA's Risk Assessment Form and Recovery Division Monitoring Policy, requires risk assessments be performed 24 months after the disaster declaration for each subrecipient. Risk assessments are to evaluate various risk indicators and categorize each subrecipient as high, medium, or low risk. The risk category determines the required type and nature of monitoring required for the subrecipient. The policy requires on-site monitoring reviews for all high-risk subrecipients and desk reviews of 20 percent of medium-risk subrecipients. No additional action is required for low-risk subrecipients.

The monitoring policy requires the SEMA to generate reports listing any deficiencies noted during on-site and desk monitoring reviews. The Monitoring Report will, if applicable, reflect any notice given to the subrecipient about delinquent reports, failure to submit proper documentation, and any issues noted during the review. The monitoring report also identifies the SEMA's and subrecipient's actions and plans to resolve the issue(s), by documenting a brief written plan and timeline for the resolution of the issues identified. When all issues have been resolved, the policy requires a follow-up letter and updated review report to be provided to the subrecipient.

The monitoring policy further requires the SEMA during both the desk and on-site monitoring to review the subrecipient's financial and compliance audit



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reports. The SEMA's single audit compliance policy requires the SEMA to verify every subrecipient had a single audit when required. Once the single audit is reviewed and additional documentation is obtained, the SEMA will issue a Management Decision Letter.

Monitoring reviews

During state fiscal year 2024, the SEMA's Monitoring Specialist performed risk assessments for all 890 subrecipients of open projects; however, the SEMA did not perform the 190 monitoring reviews of these subrecipients as required by the monitoring policy. The following table shows the results of the risk assessments performed for that fiscal year, and the supervisory monitoring reviews required by federal regulation and SEMA policy.

Risk Assessment	High	Medium	Low
Number of Subrecipients	83	536	271
Type of Monitoring Required	On-Site Monitoring	Desk Monitoring	None
Number of Monitoring Reviews Required	83	107	0

When subrecipient monitoring reviews are not performed as required by federal regulation and SEMA policy, there is increased risk that noncompliance with program requirements will go undetected.

Subrecipient audits

During state fiscal year 2024, the SEMA did not conduct the required review of single audit reports for applicable DGPA program subrecipients as required by SEMA policies and federal regulations. During September 2023, the SEMA sent letters to all subrecipients asking if they were required to have a single audit; but performed no further procedures such as ensuring subrecipients obtained the audits or reviewing and following up on audit reports.

Each subrecipient that spent in excess of \$750,000 in federal awards during its fiscal year must obtain a single audit in accordance with federal regulations within 9 months after the end of the fiscal year. In addition to noncompliance with subrecipient monitoring requirements, the failure to ensure subrecipients received required audits and to review and follow up on the related audit reports, increases the risk that subrecipient noncompliance will not be identified and addressed.

Conclusions

SEMA personnel indicated the monitoring reviews and single audit reviews were not performed due to turnover and shortages in staff. Adherence to policies and procedures is necessary to ensure compliance with subrecipient monitoring requirements. Regulation 2 CFR Section 200.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-federal



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entity is managing the Federal award in compliance with Federal regulations, SEMA policies and the terms and conditions of the Federal award."

Recommendation

The SEMA strengthen controls and procedures to ensure subrecipients of the DGPA are monitored in accordance with the monitoring policies and ensure policies are followed to ensure compliance with the monitoring requirements.

Auditee's Response

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

2024-013.
Child Care Payments

Federal Agency: Department of Health and Human Services (DHHS)
Federal Program: 93.575 COVID-19 - Child Care and Development Block Grant
2022 - 2102MOCCC5
2022 - 2102MOCSC6
2022 - 2102MOCCDC6
93.575 Child Care and Development Block Grant
2022 - 2202MOCCDD
2023 - 2302MOCCDD
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
2022 - 2202MOCCDF
2023 - 2302MOCCDF
2024 - 2402MOCCDF
2024 - 2402MOCCDM
State Agency: Department of Elementary and Secondary Education (DESE)
Type of Finding: Internal Control (Material Weakness) and Nonmaterial Noncompliance
Questioned Costs: \$2,223
Compliance Requirements: Activities Allowed or Unallowed and Allowable Costs/Cost Principles

As similarly noted in our prior audit report,³⁶ DESE controls over the Child Care Development Fund (Child Care) program's subsidy payments to child care providers are not sufficient to ensure payments are in accordance with the Child Care program subsidy state plan and costs are allowable. As a result, the DESE overpaid 29 providers and underpaid 8 providers of the 60 payments sampled. The Child Care program transferred from the Department of Social Services (DSS) to the DESE, and the DESE became the lead agency responsible for all Child Care program policies and procedures effective

³⁶ See single audit report at<<https://auditor.mo.gov/AuditReport/ViewReport?report=2024063>>, finding number 2023-016.



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August 28, 2021. Through June 2024, the DSS continued to perform certain agreed-upon responsibilities of the program.

The DESE provides subsidy funds to child care providers who serve eligible clients (parents/caregivers). Prior to January 2024, clients applied to the DSS for participation in the Child Care subsidy program. In January 2024, the DESE implemented the Child Care Data System (CCDS), and the application and eligibility process transferred from the DSS to the DESE. During the year ended June 30, 2024, the DESE's electronic time and attendance reporting system, the Child Care Business Information Solution (CCBIS), interfaced with the CCDS and the DSS's Family Assistance Management Information System (FAMIS), to process payments to child care providers.

DESE personnel (previously DSS personnel) enter maximum authorized service units into the CCDS (previously FAMIS) for the amount and type of care that best meets the client's need. Child care providers receive monthly payments based on authorized services and attendance information they submit in the CCBIS and the CCDS. Providers are paid daily rates referenced in the Child Care program subsidy state plan for each child based on the child's age, type of facility, location of facility, daytime versus evening or weekend care, part-time versus half-time versus full-time care, the client's income-based sliding fee, and protective services/income maintenance status. Child care providers receive rate enhancements for various items such as accreditation, providing weekend and evening care, serving a disproportionate share of subsidy children, and serving special needs children.

Providers are paid for up to 23 days of attendance per child per month, and up to 3 or 5 absences and/or holidays per child per month depending on the number of units of care authorized per month. Providers may bill up to 11 holidays in a state fiscal year. As of June 30, 2024, the DESE contracted with 2,360 providers and had approved services for 33,110 children. During the year ended June 30, 2024, the DESE paid about \$170 million to providers that served children of eligible clients. Approximately \$94 million of the \$170 million was processed from the CCDS and approximately \$76 million was processed from the FAMIS.

CCDS operations have been problematic since implementation as various programming and data migration errors have caused overpayments and underpayments to providers. In June 2024, the DESE awarded a contract with a consultant to review payments made from the CCDS from January 1 to May 31, 2024. The consultant identified numerous instances of overpayments and underpayments and reported, with all overpayments and underpayments combined (netted) per provider, 70 percent of providers were overpaid and 25 percent were underpaid (5 percent were correctly paid). The consultant reported for providers with net overpayments, the overpayments ranged from



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6 cents to \$80,410 per provider; and for providers with net underpayments, the underpayments ranged from 16 cents to \$195,446 per provider.

The consultant found the overpayments were most commonly related to paying rates of the incorrect age category and duplicate payments for attendance, and the underpayments were most commonly related to not paying enhancement rates and the full market rate for protective services children. DESE personnel indicated, between January and October 2024, they corrected the programing and migration issues that led to the provider overpayments and underpayments. As of June 30, 2025, DESE personnel indicated they had compensated those providers with net underpayments identified by the consultant, and they were working with the DHHS - Administration for Children and Families (DHHS-ACF) to resolve the remaining amounts to providers with net overpayments identified. They further stated they were working with a second consultant to identify and address additional underpayments and overpayments that occurred from June to October 2024, the period between the end of the first consultant's review period and when all system programming and migration issues were resolved.

To test compliance with program requirements, we randomly selected a sample of 60 payments totaling \$33,814 to 60 child care providers. Each payment was for 1 child for 1 month of care. Of the 60 payments tested, 45 payments totaling \$25,902 were from the CCDS and 15 payments totaling \$7,912 were from the FAMIS.

Of the 60 payments tested, 37 (62 percent) contained 1 or more types of overpayments, totaling \$3,225, and/or 1 or more types of underpayments totaling \$838. Of the 37 payments with errors, 35 payments were CCDS errors and 2 payments were FAMIS errors. When overpayments and underpayments were combined for each for the 37 payments with errors, 29 payments (all CCDS errors) were net overpayments of \$3,063, and 8 payments (6 CCDS and 2 FAMIS) were net underpayments of \$674. We question the federal share, or \$2,223 (72.56 percent) of the net overpayments.

CCDS payment errors

Our review of 45 CCDS payments totaling \$25,902, identified 35 (78 percent) that contained 1 or more types of errors. The following table shows the absolute counts and amounts by error type, prior to being combined (netted) with other types of errors within each payment.



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Error Type	Payments with		Underpaid	Net Overpaid/ Underpaid
	Error Type	Overpaid		
Duplicate payments - child accounts	3	\$ 1,104	0	1,104
Absence and holiday maximums exceeded	3	592	0	592
Duplicate payments - absences and holidays	3	385	0	385
Attendance day maximum exceeded	2	332	0	332
Unsupported attendance days	7	361	(47)	314
Erroneous sliding fee absence and holiday rates	24	235	0	235
Erroneous sliding fee rates	6	193	(88)	105
Erroneous enhancement rates	5	20	(185)	(165)
Erroneous rates - child's age and county	1	0	(85)	(85)
Unknown	2	3	(12)	(9)
Totals ¹		\$ 3,225	(417)	2,808

¹ The table only includes CCDS payment errors. When combined with the FAMIS underpayments totaling \$421 (see subsequent explanation), overpayments total \$3,225 and underpayments total \$838.

The 7 error types with net overpayments were as follows:

- Duplicate payments were made because duplicate child accounts were created in the migration of cases from the FAMIS to the CCDS.
- Overpayments occurred because child care providers were paid for 10 absences and holidays instead of the maximum of 3 or 5 absences and holidays for the month. This error affected payments made in January and February 2024.
- Duplicate payments were made for absences and holidays. Providers were incorrectly paid twice the number of reported absences and holidays, up to the maximums.
- Overpayments occurred because providers were paid for more than the maximum 23 days of attendance for the month.
- Overpayments and underpayments occurred because more or less attendance days were paid than recorded in the CCBIS.
- Overpayments occurred because absences and holidays were paid at the sliding fee rate for part-time instead of full-time care.³⁷
- Overpayments and underpayments occurred due to various other sliding fee rate errors. For example, underpayments occurred since the sliding

³⁷ Payments are reduced by the client's sliding fees. Since the part-time rate is less than the full-time rate, the payment was not adequately reduced, and providers were overpaid.



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fee rate was set at \$1 per child per day for children of clients with very low income instead of \$0.

Deficiencies in the design and testing of the CCDS led to the significant issues noted above. DESE officials indicated all of the errors identified in the audit occurred due to CCDS programming errors as well as data migration errors from the FAMIS to the CCDS. DESE officials stated the errors identified in the audit were also identified by the first consultant, all related system errors had been corrected, and the child care providers with net underpayments had been compensated; but the child care providers with net overpayments had not been resolved. Net overpayments identified in the sample represent about 12 percent of the CCDS payments tested. Due to the systemic nature of the errors, similar errors on the remaining population of CCDS payments totaling \$94 million are likely, and unallowable costs could be significant.

FAMIS payment errors

Our review of 15 FAMIS payments totaling \$7,912, identified 2 payments (13 percent) that contained underpayments totaling \$421 (5 percent) due to incorrect enhancement rate calculations. DESE officials were unable to explain why or how these errors occurred.

Conclusions

The failure to design and implement adequate internal controls to ensure payments are made in accordance with the Child Care program subsidy state plan led to overpayments to child care providers, which are unallowable costs of the Child Care program.

Regulation 45 CFR Section 75.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in *Standards for Internal Control in the Federal Government*, issued by the Comptroller General of the United States or the *Internal Control Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission." Paragraph 16.01 of the *Standards for Internal Control in the Federal Government*, also known as the Green Book, provides that "[m]anagement should establish and operate monitoring activities to monitor the internal control system and evaluate the results." In addition, 45 CFR Section 98.68(a) requires the lead agency to document in its Child Care program subsidy state plan that it has effective controls to ensure integrity and accountability in the program.

Recommendation

The DESE continue to review, strengthen, and enforce internal controls to ensure payments are made in accordance with the Child Care program subsidy state plan. The DESE should review and correct the uncorrected child care provider overpayments and underpayments identified in this finding as well as other reviews of CCDS payments.



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Auditee's Response

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

**2024-014.
DESE FFATA Reporting**

Federal Agency: United States Department of Agriculture (USDA)
Federal Program: 10.553 School Breakfast Program
2022 - 223MO304N1099
2023 - 233MO304N1099
2024 - 243MO304N1099
10.555 COVID-19 - National School Lunch Program
2020 - 203MO531N8503
10.555 National School Lunch Program
2022 - 223MO304N1099
2023 - 233MO304N1099
2024 - 243MO304N1099
10.556 Special Milk Program for Children
2022 - 223MO304N1099
2023 - 233MO304N1099
2024 - 243MO304N1099
10.582 Fresh Fruit and Vegetable Program
2022 - 223MO375L1903
2023 - 233MO375L1903
2024 - 243MO375L1903
State Agency: Department of Elementary and Secondary Education (DESE)
Type of Finding: Internal Control (Significant Deficiency) and Nonmaterial Noncompliance
Compliance Requirement: Reporting

As similarly noted in our 3 previous audits,³⁸ during state fiscal year 2024, the DESE did not comply with Federal Funding Accountability and Transparency Act (FFATA) reporting requirements for any of the 1,398 first-tier subawards,³⁹ totaling approximately \$330 million, for the Child Nutrition Cluster programs administered by the DESE.⁴⁰ First-tier subaward payments accounted for 84 percent of the DESE Child Nutrition Cluster expenditures. The DESE needs to strengthen internal controls related to FFATA reporting

³⁸ See single audit reports at <<https://auditor.mo.gov/AuditReport/Reports?SearchLocalState=35>>, finding numbers 2023-017, 2022-009, and 2021-016.

³⁹ First-tier subawards are federal awards made to non-federal entities by the prime award recipient, in this case the DESE, on behalf of the federal awarding agency, the USDA.

⁴⁰ The Child Nutrition Cluster is administered by the DESE, the Department of Health and Senior Services, and the Department of Social Services. During state fiscal year 2024, approximately 96 percent of the total cluster expenditures were made by the DESE for the School Breakfast Program, the National School Lunch Program, the Special Milk Program for Children, and the Fresh Fruit and Vegetable Program.



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for the Child Nutrition Cluster to help ensure compliance with the reporting requirements.

The FFATA requires comprehensive reporting for certain federal awards to promote transparency and accountability over the use of the federal funds. Regulation 2 CFR Part 170, Appendix A, requires the DESE to report first-tier subawards of \$30,000 or more to the FFATA Subaward Reporting System (FSRS) no later than the end of the month following the month in which the subaward was made. Information entered into the FSRS is publicly available at USASpending.gov.

FFATA reporting

The DESE did not comply with FFATA reporting requirements for the Child Nutrition Cluster. DESE personnel did not report any of the 1,398 first-tier subawards, totaling approximately \$330 million, requiring FFATA reporting during state fiscal year 2024, in the FSRS. After we brought this to their attention, DESE personnel began the process of preparing and submitting the FFATA reports.

DESE personnel indicated the FFATA reporting errors occurred due to an oversight. In addition to noncompliance with federal requirements, not reporting subawards to the FSRS accurately and timely increases the risk that those using the reports could rely on incomplete information.

Internal controls

During state fiscal year 2024, DESE personnel did not ensure the Child Nutrition Cluster FFATA information was prepared and uploaded to the FSRS.

The DESE's FFATA reporting policies and procedures require the Chief Operating Officer (COO) to verify information is accurately uploaded to the FSRS. The COO delegated these duties for some programs to various program liaisons within the DESE. For state fiscal year 2024, the Child Nutrition Cluster FFATA reporting responsibilities were delegated to the Nutrition Finance Manager and the Food and Nutrition Services Coordinator. The Nutrition Finance Manager was responsible for preparing the FFATA reporting information and the Food and Nutrition Services Coordinator was responsible for reviewing and uploading the information to the FSRS. However, as previously noted, the required FFATA reporting was not performed for the Child Nutrition Cluster programs administered by the DESE during the state fiscal year 2024. None of the individuals responsible ensured this information was prepared and uploaded to the FSRS.

Adherence to policies and procedures is necessary to ensure FFATA reporting is completed accurately and timely. Regulation 2 CFR Section 200.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the



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non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

Recommendation

The DESE complete FFATA reporting in accordance with the applicable requirements and strengthen internal controls to ensure information is accurately uploaded to the FSRS for the Child Nutrition Cluster.

Auditee's Response

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

2024-015.
MoDOT Monitoring of
BABA Provisions

Federal Agency: Department of Transportation
Federal Program: 20.205 Highway Planning and Construction (HPC)
Various awards
State Agency: Missouri Department of Transportation (MoDOT)
Type of Finding: Internal Control (Significant Deficiency) and
Nonmaterial Noncompliance
Compliance Requirement: Procurement and Suspension and Debarment

The MoDOT did not establish policies and procedures to monitor contractor and subrecipient compliance with Build America, Buy America (BABA) domestic preference provisions for Infrastructure Investment and Jobs Act (IIJA)-funded projects of the HPC program. As a result, the MoDOT did not ensure contractors and subrecipients complied with these provisions. During the year ended June 30, 2024, the MoDOT expended approximately \$922 million in IIJA funding for the HPC program, which represents approximately 68 percent of total program spending.

The MoDOT is responsible for ensuring compliance with BABA domestic preference provisions for all IIJA-funded infrastructure projects. Section 70914(a) of the BABA Act, enacted as part of the IIJA, requires all iron, steel, manufactured products, and construction materials used in IIJA-funded infrastructure projects to be produced in the United States. Regulation 2 CFR Section 200.318(a) requires the MoDOT to maintain documented procurement procedures, and 2 CFR Section 200.318(b) requires the MoDOT to monitor contractor and subrecipient compliance with the terms and conditions of project agreements, including BABA provisions.

The MoDOT includes BABA provisions in every contractor and subrecipient project agreement, including IIJA-funded projects. However, the MoDOT did not develop monitoring policies and procedures and did not verify contractors and subrecipients complied with these provisions. MoDOT officials stated specific monitoring procedures had not yet been developed because the requirements were relatively new and took effect in May 2022.

In addition to noncompliance with federal requirements, without adequate monitoring policies and procedures, the MoDOT lacks assurance its



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contractors and subrecipients are in compliance with BABA requirements. Regulation 2 CFR Section 200.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

Recommendation

The MoDOT implement and enforce policies and procedures to monitor HPC program IIJA-funded projects to ensure contractor and subrecipient compliance with BABA domestic preference provisions, as required.

Auditee's Response

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

2024-016.
DED FFATA Reporting

Federal Agency: Department of the Treasury (Treasury)
Federal Program: 21.029 COVID-19 - Coronavirus Capital Projects
Fund
CPFFN0151
State Agency: Department of Economic Development (DED)
Type of Finding: Internal Control (Significant Deficiency) and
Nonmaterial Noncompliance
Compliance Requirement: Reporting

During state fiscal year 2024, the DED did not comply with Federal Funding Accountability and Transparency Act (FFATA) reporting requirements for any of the 47 first-tier subawards,⁴¹ totaling approximately \$196.7 million, for the Coronavirus Capital Projects Fund (CPF) program. First-tier subaward payments accounted for 100 percent of the program's expenditures. In addition, the DED has not established internal controls over FFATA reporting for the CPF program.

The FFATA requires comprehensive reporting for certain federal awards to promote transparency and accountability over the use of the federal funds. Regulation 2 CFR Part 170, Appendix A, requires the DED to report first-tier subawards of \$30,000 or more to the FFATA Subaward Reporting System (FSRS) no later than the end of the month following the month in which the subaward was made. Information entered into the FSRS is publicly available at USASpending.gov. Due to initial technical difficulties with the FSRS, the Treasury requested CPF program recipients to complete their outstanding FFATA reports by no later than June 30, 2024.

⁴¹ First-tier subawards are federal awards made to non-federal entities by the prime award recipient, in this case the DED, on behalf of the federal awarding agency, the Treasury.



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The DED is responsible for administering the CPF program. The CPF program grant was initially awarded to the Office of Administration (OA). The DED was authorized under an interagency spending delegation agreement with the OA to access and expend CPF program funds.

FFATA reporting

The DED did not comply with FFATA reporting requirements for the CPF program. DED personnel did not report any of the 47 subawards, totaling approximately \$196.7 million, that required FFATA reporting by June 30, 2024, as required by the Treasury. DED officials indicated they did not complete FFATA reporting because they initially believed the OA would complete FFATA reporting for the DED. Once the DED realized they were responsible for FFATA reporting, in November 2024, DED personnel prepared and uploaded information for these subawards in the FSRs.

In addition to noncompliance with federal requirements, not reporting subawards to the FSRs accurately and timely increases the risk that those using the reports could rely on inaccurate information.

Internal controls

The DED has not established internal controls over FFATA reporting for the CPF program. As a result, the required FFATA reporting was not performed for the CPF program during the year ended June 30, 2024.

Without internal controls over the FFATA reporting process, there is less assurance the reporting will be completed accurately and timely. Regulation 2 CFR Section 200.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

Recommendation

The DED complete FFATA reporting in accordance with the applicable requirements, and establish internal controls related to FFATA reporting for the CPF program.

Auditee's Response

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

2024-017.
DHEWD FFATA Reporting

Federal Agency:	Department of Labor (DOL)
Federal Program:	17.258 WIOA Adult Program 2023 - 23A55AT000005
	17.259 WIOA Youth Activities 2023 - 23A55AY000048
	17.278 WIOA Dislocated Worker Formula Grants 2023 - 23A55AW000007
State Agency:	Department of Higher Education and Workforce Development (DHEWD)



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Type of Finding: Internal Control (Significant Deficiency) and
Nonmaterial Noncompliance

Compliance Requirement: Reporting

The DHEWD needs to strengthen internal controls related to Federal Funding Accountability and Transparency Act (FFATA) reporting for the Workforce Innovation and Opportunity Act (WIOA) Cluster. During state fiscal year 2024, the DHEWD did not comply with FFATA reporting requirements for 4 of 10 subawards reviewed. During state fiscal year 2024, the DHEWD disbursed approximately \$26.3 million in first-tier subawards⁴² to 13 subrecipients (local workforce development boards) of the WIOA Cluster. First-tier subaward payments accounted for approximately 80 percent of the program's expenditures.

The FFATA requires comprehensive reporting for certain federal awards to promote transparency and accountability over the use of the federal funds. Regulation 2 CFR Part 170, Appendix A, requires the DHEWD to report first-tier subawards of \$30,000 or more to the FFATA Subaward Reporting System (FSRS) no later than the end of the month following the month in which the subaward was made. Information entered into the FSRS is publicly available at USASpending.gov.

On a monthly basis, DHEWD procedures provide that DHEWD personnel download information pertaining to subrecipient awards from the DHEWD document system, filter the information to identify subawards that require FFATA reporting, enter the information into a spreadsheet, upload the data to the FSRS, notify the supervisor, and subsequently verify the entry appears at USASpending.gov. Various subaward data is uploaded to the FSRS, including the entity name, award amount, and the date issued. DHEWD procedures also require DHEWD personnel record on the spreadsheet the date of FSRS entry and the date the entry was verified at USASpending.gov.

Internal controls

The DHEWD's policies and procedures over the FFATA reporting process do not require a documented supervisory review of the information uploaded to the FSRS. Procedures require that the supervisor be notified of the FSRS entry, but do not require that a review be documented.

Without adequate supervisory review over FFATA reporting, the DHEWD has less assurance the information included in the FFATA reporting for the WIOA Cluster is complete and accurate. Procedures, at a minimum, should define the responsibilities of various program personnel and include procedures for ensuring the accuracy and completeness of all FFATA

⁴² First-tier subawards are federal awards made to non-federal entities by the prime award recipient, in this case the DHEWD, on behalf of the federal awarding agency, the DOL.



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reporting elements. Regulation 2 CFR Section 200.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

FFATA reporting

The DHEWD did not comply with FFATA reporting requirements for the WIOA Cluster. To test compliance with FFATA reporting requirements, we haphazardly selected for review 2 of the 13 subrecipients, and reviewed the 10 subawards to those 2 subrecipients, totaling approximately \$2.2 million, awarded during state fiscal year 2024. Of the 10 subawards reviewed, the DHEWD did not upload to the FSRS 4 subawards totaling approximately \$987,000. After we brought this to their attention, DHEWD personnel prepared and uploaded information for these subawards in the FSRS.

DHEWD personnel indicated the FFATA reporting errors occurred because personnel newly assigned to the process were unfamiliar with the FFATA reporting requirements. In addition to noncompliance with federal requirements, not reporting subawards to the FSRS accurately and timely increases the risk that those using the reports could rely on incomplete information.

Recommendation

The DHEWD strengthen internal controls related to FFATA reporting to require documented supervisory reviews of the information reported to the FSRS and complete FFATA reporting timely and accurately for the WIOA Cluster, as required.

Auditee's Response

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

Additional State Auditor's Reports

The Missouri State Auditor's Office regularly issues audit reports on various programs, agencies, and divisions of the state. Audit reports may include issues related to the administration of federal programs. We reviewed the reports issued from June 2024 to June 2025 and the following reports relate to federal programs.

Report Number	Report Name
2025-032	Department of Health and Senior Services - Child and Adult Care Food Program and Summer Food Service Program

All reports are available on the Missouri State Auditor's Office website: <http://auditor.mo.gov>.

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Summary Schedule of Prior Audit Findings

Year Ended June 30, 2024

The Uniform Guidance requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all audit findings included in the prior audit's Schedule of Findings and Questioned Costs. The schedule is also to report the status of findings included in the prior audit's Summary Schedule of Prior Audit Findings, except those that were corrected, no longer valid, or not warranting further action.

The Uniform Guidance requires the auditor to follow up on prior audit findings; perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and report, as a current year audit finding, when the auditor concludes the schedule materially misrepresents the status of any prior audit finding.



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Mike Kehoe
Governor

Kenneth J. Zellers
Commissioner



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Stacy Neal
Director
Division of Accounting

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

The Uniform Guidance requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all audit findings included in the prior audit's Schedule of Findings and Questioned Costs. The Schedule is also to report the status of findings included in the prior audit's Summary Schedule of Prior Audit Findings, except those that were corrected, no longer valid, or not warranting further action.

The attached documents are the Summary Schedule of Prior Audit Findings for the year ended June 30, 2024, and includes all findings from the audit for the Fiscal Year ended June 30, 2023, and certain findings from the audits for the Fiscal Years ended June 30, 2022, 2021, 2020, and 2019.

These documents were prepared by the applicable State agencies as noted with each prior year finding.



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2023-001. Medicaid National Correct Coding Initiative

Federal Agency: Department of Health and Human Services
Federal Program: 93.767 Children's Health Insurance Program
 93.778 COVID-19 - Medical Assistance Program
 93.778 Medical Assistance Program
State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD)
Similar Findings: 2022-001, 2021-004, and 2020-002

The MHD had not fully implemented the Medicaid National Correct Coding Initiative (NCCI) edit requirements. The MHD through the Medicaid Management Information System contractor, did not reprocess claims when edit files were implemented late. As a result, the claims processed during 103 of the days, or 28 percent, during the year ended June 30, 2023, were processed using outdated edits.

Recommendation:

The DSS through the MHD continue to strengthen controls over the NCCI requirements to ensure claims are reprocessed when NCCI edits are not implemented timely, as required.

Status of Finding:

The corrective action plan has been implemented and the issue is resolved. The DSS through the MHD will continue to update the NCCI edits quarterly, within the Centers for Medicare & Medicaid Services (CMS) requirement that the files must be implemented by the beginning of the second month of the calendar quarter. All adjustments have been completed on prior quarters. Moving forward, claims will be reprocessed when changes are not in the system, as required by CMS.

Contact Person: Kim Johnson
Phone Number: 573-751-7988



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2023-002. Medicaid Management Information System Access

Federal Agency: Department of Health and Human Services
Federal Program: 93.767 Children's Health Insurance Program
 93.778 COVID-19 - Medical Assistance Program
 93.778 Medical Assistance Program
State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD)

The MHD did not timely review Medicaid Management Information System (MMIS) access rights and remove user accounts for users no longer employed in positions needing access.

Recommendation:

The DSS through the MHD review user access to the MMIS annually and ensure inappropriate access, including that of terminated users, is removed in a timely manner.

Status of Finding:

The corrective action plan has been implemented and the issue is resolved. The MO HealthNet MMIS Unit has implemented several strategies to complete the audit within the fiscal year. The MHD Security team reviewed and discussed the audit requirements regarding due dates, and subsequently updated our plan of action. Team member roles to complete the audit were identified and assigned. A calendar event was built to automatically alert the Security team to request the users report. Monthly meetings were scheduled to make sure the team was making adequate progress. For the month of June, two meetings were scheduled to ensure the audit would be complete. This plan of action was implemented for the FY24 audit, and the audit was completed prior to the deadline.

Contact Person: Michelle Hoeller
Phone Number: 573-751-5204



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2023-003. Medicaid and CHIP New Provider Eligibility

Federal Agency: Department of Health and Human Services
Federal Program: 93.767 Children's Health Insurance Program
 93.778 COVID-19 - Medical Assistance Program
 93.778 Medical Assistance Program
State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD) and
 Missouri Medicaid Audit and Compliance (MMAC)

The DSS needed to improve internal control to ensure new provider applications for participation in the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP) are properly reviewed and screened as required by federal regulations and state procedures. MMAC Provider Enrollment Unit staff did not fully complete and/or retain new provider enrollment application checklists for 3 of 40 (8 percent) new providers sampled

Recommendation:

The DSS through the MHD and the MMAC review, strengthen, and enforce internal controls to ensure complete new provider enrollment application checklists are prepared and retained documenting that new Medicaid and CHIP provider applications were reviewed and screened as required.

Status of Finding:

Missouri Medicaid Audit and Compliance is following the Corrective Action Plan agreed upon after the SFY 23 audit by doing the following steps:

1. The MMAC Provider Enrollment Unit (PEU) added a new final check box at the bottom of all the provider enrollment verification forms where the PEU Specialist verifies each required step to enroll a new or re-enrolling provider was completed properly.
2. The Provider Enrollment Unit has increased the number of quality control reviews of completed provider enrollment verification checklists by supervisors and managers.
3. The Provider Enrollment Unit supervisor trained staff that scan the completed enrollment files into FileNet to look at the verification checklist and make sure it has all required initials and checks. If the scanning staff determines there are deficiencies, the enrollment file will be returned to the PEU Supervisor for corrections.
4. Provider Enrollment Unit staff working new or re-enrolling applications received additional training on the importance of checking each step on the verification checklist to indicate whether each step was completed or "not applicable".

Contact Person: Richard Ferrari
Phone Number: 573-751-5296



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Summary Schedule of Prior Audit Findings
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2023-004. Medicaid and CHIP Receipt Controls

Federal Agency: Department of Health and Human Services
Federal Program: 93.767 Children's Health Insurance Program
 93.778 COVID-19 - Medical Assistance Program
 93.778 Medical Assistance Program
State Agency: Department of Social Services (DSS)- MO HealthNet Division (MHD)

The MHD did not have adequate controls in place to ensure the proper management of receipts. The MHD did not adequately restrict user access within the Medicaid Management Information System (MMIS) for Financial Operations and Reporting Unit (FORU) accounting personnel, and did not account for all cash control numbers to ensure all checks and money orders received were properly deposited or returned to senders if the payment could not be accepted.

Recommendation:

The DSS through the MHD review, strengthen, and enforce internal controls over Medicaid and CHIP receipts. The MHD should restrict user access within the MMIS for FORU accounting personnel and adequately segregate asset custody and receipt recording duties from accounts receivable duties, or perform documented supervisory reviews of MMIS entries and changes made by employees whose duties are not segregated. In addition, the MHD should establish procedures to account for all cash control numbers to ensure all receipts are deposited or returned to senders.

Status of Findings:

This corrective action plan has been partially implemented. MHD, as a result of the FY23 finding, has implemented a process to document supervisory reviews of the Finance Manual Checks Quarterly report to ensure segregation of duties in HealthTrack/AHS. This process began in August 2024. As a result of clarification on the finding during the FY24 audit, there is additional information added to the Finance Manual Check Quarterly report to include transactions the FORU Manager performed in the AHS system. This change was requested beginning in March 2025 and will be in use as soon as the report is available for review. MHD will continue to perform the audit of clerk ID ad hoc reports to review any segregation of duties within the MMIS.

As a result of the FY23 audit, MHD implemented a process to ensure all cash control numbers in Healthtrack/AHS are accounted for by establishing a new cash control number (CCN) sequence, exclusive to manual checks logged within the FORU. This resolved the issue of cash control numbers for participant checks occurring out of sequence due to AHS running files in the background at the same time checks are being logged. This portion of the implementation occurred in August 2024. During the FY24 audit, MHD received further clarification and is implementing a review of a monthly report containing missing and unused cash control numbers for provider checks in eMMIS. This will be compared to a file updated by the Accounts Assistant with the daily cash control numbers used. FORU will use the monthly report to document reasons for any unused or skipped CCNs. This process is being completed monthly beginning March 2025.

Contact Person: Daniel Gladow
Phone Number: 573-522-4463



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2023-005. Medicaid and CHIP MAGI-Based Participant Eligibility Redeterminations

Federal Agency: Department of Health and Human Services
Federal Program: 93.767 Children's Health Insurance Program
93.778 COVID-19 - Medical Assistance Program
93.778 Medical Assistance Program
State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD) and
Family Support Division (FSD)
Similar Findings: 2022-002, 2021-005, 2020-003, and 2019-005

The DSS did 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 certain participants whose eligibility is based on their Modified Adjusted Gross Income (MAGI). The DSS did not correct manual system overrides in the Medicaid Eligibility Determination and Enrollment System (MEDES) for approximately 11,500 (1 percent) MAGI-based participants, preventing their cases from being closed when necessary, and did not perform redeterminations for those participants requiring redeterminations once previously-suspended requirements resumed.

Recommendation:

The DSS through the MHD and the FSD review and correct cases for participants with manual overrides in the MEDES, ensure redeterminations are completed for these participants as required, and close the cases of any ineligible participants. In addition, the DSS should ensure system controls are functioning as designed for these participants.

Status of Findings:

Missouri DSS began the process of "unwinding" in April 2023. At this time the participants who are no longer eligible for MO HealthNet coverage based on the approved renewal process had their coverage terminated. DSS anticipated the renewals would be completed by August 2024, but were unable to complete them in that timeframe. Per updated guidelines provided in the Informational Bulletin released August 29, 2024, Missouri expects that all remaining renewals will be completed by December 2025.

A bypass list has been created as of August 2023 to ensure that individuals with determinations created outside of the MEDES system are being renewed timely. The DSS continues to work this report monthly. Program and policy staff are working with MEDES staff to systematically complete renewals on participants included on the bypass listing that require an annual renewal. DSS estimates that the bypass renewals will be completed by July 2025.

DSS will continue to use this report to ensure that all individuals that receive coverage outside of the MEDES system will receive their annual renewal as required by CFR 435.916.

Contact Person: Stacy Kaylor
Phone Number: 573-441-6208



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2023-006. Medicaid and CHIP Participant Eligibility Terminations

Federal Agency: Department of Health and Human Services
Federal Program: 93.767 Children's Health Insurance Program
93.778 COVID-19 - Medical Assistance Program
93.778 Medical Assistance Program
State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD) and
Family Support Division (FSD)
Questioned Costs: \$1,555

The DSS did not have sufficient controls to ensure benefits were terminated for participants no longer eligible for the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP). Our review found a death match against Department of Health and Senior Services (DHSS) vital records information was not operating in the Medicaid Eligibility Determination and Enrollment System (MEDES) during the year ended June 30, 2023. Additionally, for 2 of 60 participant cases sampled, the DSS received information requiring participant case termination, but did not manually terminate the participants' eligibility in the applicable eligibility system.

Recommendation:

The DSS through the MHD and the FSD review, strengthen, and enforce internal controls to ensure ineligible participant cases are closed when necessary and resume the DHSS vital records death match in the MEDES.

Status of Finding:

The death match with Department of Health and Senior Services (DHSS) vital records is still not functional in MEDES. The death match is functional in the Family Assistance Management Information System (FAMIS) eligibility system currently used for SNAP, TANF, and MO HealthNet for Aged, Blind, and Disabled individuals. When the match is received into FAMIS from DHSS, that information is included on the eligibility file submitted to MMIS to ensure that the death date is captured in MMIS to prohibit any payments after the death of the individual. This control ensures that no improper payments are made on a beneficiary's behalf after the date of death. DSS intends to resume use of the DHSS vital statistics match in MEDES in the future but does not have an anticipated resumption date.

The DSS is strengthening internal controls by developing technology to receive changes from participants using technology that will populate the changes reported into MEDES and will create a task for DSS staff to review and authorize the change in the case. Additionally, participants can also report changes, including voluntary case closure on the FSD Portal at <https://mydss.mo.gov/>. Changes reported through the FSD Portal are uploaded and tasks are generated for DSS staff to review and complete the determination. In June of 2024 the IVR was anticipated to be updated to accept reports of household changes for Medicaid on IVR and Chat; however, due to competing priorities, those changes are now expected to be complete December 2024.

Contact Person: Stacy Kaylor
Phone Number: 573-441-6208



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2023-007. Medicaid and CHIP Eligibility Determination Timeliness

Federal Agency: Department of Health and Human Services
Federal Program: 93.767 Children's Health Insurance Program
 93.778 COVID-19 - Medical Assistance Program
 93.778 Medical Assistance Program
State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD) and
 Family Support Division (FSD)
Similar Finding: 2022-003

The DSS did not perform eligibility determinations within required timeframes for participants of the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP).

Recommendation:

The DSS through the MHD and the FSD ensure participant eligibility is determined within the required timeframes.

Status of Findings:

During SFY 2022, DSS experienced significant delays in completing determinations of eligibility at application, resulting in sizable backlogs and applications pending beyond the timeframes permitted in regulation. Due to this, Missouri collaborated with CMS to mitigate the backlog. As of September 30, 2022, DSS completed processing of all overdue applications.

Missouri has continued to experience increases in applications since completing the mitigation plan in September 2022. Available staff are being used for new and additional duties and due to competing priorities, sometimes staff are interrupted during their ordinary duties to move to another necessary task. While diversifying functions of the workforce help to improve efficiency for FSD functions overall, they can be disruptive to staff production.

DSS is currently under a mitigation plan with CMS for timeliness of MAGI and Non-MAGI application processing. The Family Support Division (FSD) meets with CMS bi-weekly to review policies and procedures and provide guidance and develop strategies to meet eligibility timeframes.

The DSS continues to work on all pending eligibility determinations and is working to meet processing deadlines as outlined in 42 CFR 435.912(c)(3) and 42 CFR 457.340(d).

Contact Person: Stacy Kaylor
Phone Number: 573-441-6208



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2023-008. Department of Social Services Cost Allocation

Federal Agency: Department of Health and Human Services
Federal Program: 93.090 Guardianship Assistance
93.558 Temporary Assistance for Needy Families
93.658 Foster Care Title IV-E
93.659 Adoption Assistance
93.667 Social Services Block Grant
93.778 COVID-19 - Medicaid Assistance Program
93.778 Medical Assistance Program
State Agency: Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS) and Children's Division
Similar Finding: 2022-004

DSS controls and procedures over the Public Assistance Cost Allocation Plan (PACAP), the AlloCAP system, the random moment time studies (RMTS) process, were not sufficient to ensure some administrative costs were allocated to federal programs in an equitable and consistent manner. RMTS containing over 200 invalid staff surveys were used to allocate administrative costs. For the year ended June 30, 2023, costs totaling approximately \$1.08 million were incorrectly allocated to 6 programs. As a result, approximately \$546,000 (federal share) was allocated to state funding, that could have been allocated to federal funding for 4 programs.

Recommendation:

The DSS continue to strengthen internal controls and procedures over the PACAP, the AlloCAP system, the RMTS process, and the RMTS allocation to ensure costs are properly allocated to federal programs. In addition, the DSS should revise the PACAP to reflect updates to the RMTS process.

Status of Findings:

The logic provided to ITSD to create the sample universe was corrected and employed effective January 1, 2024 and the CD RMTS Sampling Plan and PACAP have been updated to reflect the revised logic accordingly. The Children's Division has further strengthened internal controls by assigning a staff to review the monthly CD RMTS detailed results to ensure all responses received are from personnel in alignment with the logic criteria. Since the implementation of the CAP and additional internal control measures, there have not been any staff selected that did not fit the criteria.

Contact Person: Arlene Damron
Phone Number: 573-751-8927



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2023-009.

Adoption Savings

Federal Agency: Department of Health and Human Services
Federal Program: 93.659 Adoption Assistance
State Agency: Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)

The DFAS did not have adequate internal controls and procedures related to adoption savings requirements. As a result, the amount of adoption savings reported in the federal fiscal year 2022 Annual Adoption Savings Calculation and Accounting Report was overstated by approximately \$1 million.

Recommendation:

The DSS through the DFAS strengthen internal controls and procedures to ensure Annual Adoption Savings Calculation and Accounting Reports are accurately prepared and submitted to ensure compliance with federal adoption savings requirements.

Status of Finding:

The DSS agreed with this finding. The DSS implemented the SAO's recommendations to further strengthen internal controls and actively works to ensure staff familiarity with federal workbook instructions and any applicable updates. The DSS continues to adhere to these processes to ensure the federal report is accurate and compliant.

No further corrective action was required, and the status remains unchanged.

Contact Person: Sheena Frazer
Phone Number: (573) 751-7302



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2023-010A. SLFRF Program Subrecipient Monitoring

Federal Agency: Department of the Treasury
Federal Program: 21.027 - COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
State Agency: Office of Administration (OA)

Summary of Finding:

The OA had not established policies and procedures to determine whether recipients of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program funds were subrecipients or contractors. As a result, some recipients were incorrectly classified as subrecipients, and the OA lacked a complete and accurate listing of subrecipients.

Recommendation:

The OA develop policies and procedures to determine whether recipients of SLFRF program funds are subrecipients or contractors. Work with the state agencies to ensure accurate and documented determinations are prepared for all recipients and modify subrecipient records as needed.

Status of Finding:

Our response to this finding was OA believes there are opportunities to improve the classification of subrecipient vs contractor to ensure compliance with federal regulations. We concur that OA, as the responsible party, should modify a department determination of subrecipient when there is a conflict with the regulation. Finally, we agree that clear communication on roles and responsibilities of OA vs departments related to compliance is essential and can be improved. Given this position, we disagree that OA needs to issue procedures that restate the rules the uniform guidance and SLFRF regulations already state. We will continue to have discussions with agencies and ensure compliance with federal regulations.

As stated in 07_COVID_19 Questionnaire during the FY23 audit it was recommended to develop additional policies and procedures to identify subrecipients or contractors and to determine appropriate subrecipient monitoring procedures. OA provided a training in August 2024 to educate agencies to clarify identification of subrecipients and/or contractors and the roles and responsibilities of subrecipient monitoring to the agencies. This will be posted online for those who will need access to the training. OA Accounting will send out additional information on subrecipient monitoring requirements and expectations to agencies. However, due to the timing of the FY23 audit coming after FY24 was closed, these corrections were not made during FY24, but the corrective actions are actively being pursued. This includes a defining memo but may not be limited to directing agencies to the subrecipient monitoring requirements.

Contact Person: Felicia Hubble
Phone Number: 573-751-1987



State of Missouri - Single Audit
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2023-010B. SLFRF Program Subrecipient Monitoring

Federal Agency: Department of the Treasury
Federal Program: 21.027 - COVID-19 - Coronavirus State and Local Fiscal Recovery Funds
State Agency: Office of Administration (OA)

The OA had not implemented an effective subrecipient monitoring program to monitor the SLFRF program subrecipients. As a result, some subrecipient monitoring procedures were not performed as required by the Uniform Guidance. The OA did not perform required risk assessments for subrecipients of the SLFRF program to determine the nature, timing, and extent of monitoring procedures necessary. The OA had not developed policies and procedures outlining its pre-payment monitoring procedures, did not always clearly document monitoring performed prior to making payments, and did not monitor subrecipients beyond the pre-payment monitoring process. The OA did not conduct the required review of single audit reports for applicable SLFRF program subrecipients.

Recommendation:

The OA develop a subrecipient monitoring program in accordance with the Uniform Guidance, that includes performing risk assessments for each subrecipient for the purposes of determining the appropriate subrecipient monitoring procedures; monitoring for compliance with federal requirements and subaward terms and conditions and ensuring subaward performance goals are achieved; and reviewing subrecipient single audit reports. Ensure tasks delegated to state agencies are adequately communicated and establish procedures to ensure those tasks are appropriately completed.

Status of Finding:

The OA has currently instructed agencies through training provided in August to the Financial Management Advisory Committee (FMAC) to follow the Uniform Guidance which would include the information above. The OA will disseminate additional information once all the Expenditure Categories are finalized. The Expenditure Categories will be finalized after the obligation deadline of December 31, 2024. The Revenue Replacement category does not require subrecipient monitoring. The OA wants to be clear with agencies regarding their responsibilities.

Contact Person: Felicia Hubble
Phone Number: 573-751-1987



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
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2023-011. OA Statewide SEFA

Federal Agency: Department of Housing and Urban Development
 Department of the Treasury
 Department of Labor
 Department of Health and Human Services

Federal Program: 14.231 Emergency Solutions Grant Program
 21.023 COVID-19 - Emergency Rental Assistance Program
 17.225 Unemployment Insurance
 93.575 COVID-19 - Child Care and Development Block Grant
 93.575 Child Care and Development Block Grant

State Agency: Office of Administration (OA) - Division of Accounting (DOA)

DOA controls and procedures related to the preparation of the statewide Schedule of Expenditures of Federal Awards (SEFA) were not sufficient; and as a result, a complete and accurate SEFA was not prepared timely for the year ended June 30, 2023.

Recommendation:

The OA through the DOA strengthen controls and procedures to prepare a timely and accurate statewide SEFA. Such procedures should provide for proper reporting of subrecipient amounts.

Status of Finding:

On October 31, 2024, OA filed the SEFA as we indicated.

Contact Person: Stacy Neal

Phone Number: 573-751-4013



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2023-012

DHSS CACFP Subrecipient Reimbursements

Federal Agency: United States Department of Agriculture
Federal Program: 10.558 - Child and Adult Care Food Program
State Agency: Department of Health and Senior Services (DHSS) - Bureau of Community Food and Nutrition Assistance (BCFNA)
Questioned Costs: \$0

The BCFNA did not have sufficient controls and procedures to ensure Child and Adult Care Food Program (CACFP) reimbursements to subrecipients were allowable and supported with sufficient documentation. As a result, significant unallowable and unsupported reimbursements were made without being prevented or detected on a timely basis.

Recommendation:

The DHSS through the BCFNA strengthen internal controls over meal reimbursements to CACFP facilities/sponsors to ensure costs are allowable and supported.

Status of Finding:

The DHSS disagreed with this finding therefore no corrective action has been taken. The DHSS through BCFNA maintains a strong system of internal controls over meal reimbursements to CACFP facilities/sponsors to ensure costs are allowable and supported. The system is in compliance with Uniform Guidance and USDA program requirements. The system includes subrecipient monitoring based on risk assessments per the substance and spirit of Uniform Guidance, initial and ongoing training and technical assistance opportunities, and reviews of invoices. In the U.S. Department of Agriculture's Management Decision of April 17, 2025, the finding was not sustained and therefore this audit finding should be closed.

Contact Person: Sarah Walker, Program Manager
Phone Number: 573.751.6256



State of Missouri - Single Audit
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2023-013A

CACFP Subrecipient Monitoring

Federal Agency: United States Department of Agriculture
Federal Program: 10.558 - Child and Adult Care Food Program
State Agency: Department of Health and Senior Services (DHSS) - Bureau of Community Food and Nutrition Assistance (BCFNA)

BCFNA subrecipient risk assessments were not sufficient to ensure Child and Adult Care Food Program (CACFP) subrecipient compliance with program requirements. The risk assessments considered only the previous monitoring review grade (conducted up to 3 years previously) and did not consider other pertinent risk factors outlined in federal regulations.

Recommendation:

The DHSS through the BCFNA implement a CACFP subrecipient risk assessment process that is consistent with federal regulations.

Status of Finding:

In the U.S. Department of Agriculture's Management Decision of April 17, 2025, the finding was sustained and notification that the CAP was accepted was received June 12, 2025. Therefore, this audit finding should be closed.

Contact Person: Sarah Walker, Program Manager
Phone Number: 573.751.6256



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2023-013B

CACFP Subrecipient Monitoring

Federal Agency: United States Department of Agriculture
Federal Program: 10.558 - Child and Adult Care Food Program
State Agency: Department of Health and Senior Services (DHSS) - Bureau of Community Food and Nutrition Assistance (BCFNA)
Questioned Costs: Unknown

BCFNA subrecipient monitoring procedures were not sufficient to ensure Child and Adult Care Food Program (CACFP) subrecipient compliance with program requirements. BCFNA Corrective Action Plan (CAP) review procedures were not adequate to ensure facilities/sponsors made or planned sufficient corrective actions to address noncompliance, as required by federal regulations. BCFNA monitoring procedures and practices did not provide for expanded testing when significant errors were identified. BCFNA subrecipient monitoring procedures did not provide for identification and pursuit of recoupment of all overpayments associated with errors identified during monitoring reviews as required by federal regulations. We noted 2 terminated sponsors for which the BCFNA monitoring reviews identified significant claim errors, but the test month claims were not fully tested, and overclaims were not identified or recouped.

Recommendation:

The DHSS through the BCFNA review, strengthen, and enforce subrecipient monitoring procedures to ensure CACFP facilities/sponsors comply with program requirements, submit proper claims, and address deficiencies identified. The BCFNA should enhance procedures to provide for verification of CAP information and identification and recoupment of overclaims associated with all errors identified during monitoring reviews, as required by federal regulations; and expand testing when significant errors are identified. The DHSS should identify and recoup the overclaims for the 2 terminated sponsors noted in this finding.

Status of Finding:

In the U.S. Department of Agriculture's Management Decision of April 17, 2025, the finding was sustained and notification that the CAP was accepted was received June 12, 2025. Therefore, this audit finding should be closed.

Contact Person: Sarah Walker, Program Manager
Phone Number: 573.751.6256



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
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2023-014

Medicaid SPPC Participant Choice Agreements

Federal Agency: Department of Health and Human Services
Federal Program: 93.778 COVID-19 - Medical Assistance Program
93.778 Medical Assistance Program
State Agency: Department of Health and Senior Services (DHSS) - Division of Senior and Disability Services (DSDS)

The DSDS did not have effective controls in place to ensure Participant Choice Agreements were completed and retained for participants of the State Plan Personal Care (SPPC) program. Required documentation was not on file for 3 of 60 participants reviewed. DHSS officials indicated the Participant Choice Agreements were completed but not uploaded to the CyberAccess web tool due to the system upload problem. However, without any documentation, we could not determine whether the Participant Choice Agreements were completed.

Recommendation:

The DHSS through the DSDS implement procedures to ensure a signed Participant Choice Agreement is completed and retained for all participants of the State Plan Personal Care program. The DSDS should resolve the CyberAccess web tool upload weakness and identify and replace all missing Participant Choice Agreements with newly completed agreements.

Status of Finding:

DSDS continues to work with the CyberAccess vendor to eliminate document upload weaknesses. DSDS is developing a replacement case management system with a new vendor. The work on the new system began in June 2023 and is set to go live in early 2025.

DSDS also worked to remediate the missing Participant Choice Agreements using special project teams. These teams have conducted significant outreach to address the missing forms. Additionally, missing choice agreements are identified and remediated during the monthly case record review process.

Contact Person: Kim Toebben

Phone Number: 573.526.8568



State of Missouri - Single Audit
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2023-015 Medicaid Facility Survey Timeliness

Federal Agency: Department of Health and Human Services
Federal Program: 93.777 COVID-19 - State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
State Agency: Department of Health and Senior Services (DHSS) - Section for Long-Term Care Regulation (SLCR)
Similar Findings: 2022-007 and 2021-013

The SLCR did not perform facility survey procedures within required timeframes.

Recommendation:

The DHSS through the SLCR ensure survey procedures are conducted within required timeframes.

Status of Findings:

DHSS through the SLCR will continue its efforts to conduct survey procedures within required timeframes. The Centers for Medicare and Medicaid Services (CMS) has not provided an increase in funding to support survey and certification work since FY2015, although the number of mandatory survey tasks, training requirements for surveyors, and complaint investigations have dramatically increased. Since 2019, DHSS has seen increases in the number and severity of complaints, and the severity of violations found in long term care facilities. Complaints increased overall by thirty-six percent (36%) from 9,011 complaints in FY2019 to 12,236 complaints in FY2023. The largest increase was in severe complaints, including a 125% increase in immediate jeopardy complaints (require an onsite investigation within 24 hours-2 days) and a twenty-five percent (25%) increase in non-immediate jeopardy, high priority complaints (which require onsite investigation within 10 working days) within the same timeframe. Because of the seriousness of these complaints, surveyors were often reassigned to investigate these complaints, which results in a delay in conducting revisits or sending a statement of deficiencies timely.

In addition to frequency and severity of complaints, DHSS has seen an increase in the number of citations issued per recertification survey and complaint investigations. Between 2019 and 2023, the average number of health citations issued to a facility during a recertification survey increased by 25% and the number of citations issued from stand-alone complaint findings increased 100% during the same timeframe. The number of citations issued at an immediate jeopardy level scope and severity increased from 2021 to 2023 by almost 38%.

These increases require additional time devoted to investigating often complex violations, increased time spent with write up activities, including the creation of the Statement of Deficiency, plan of correction review, onsite and offsite revisit activity and communication with complainants and facilities. Increases in this workload often requires team members to begin investigating new high priority complaints, prior to fully writing up activities or revisits to other processes being completed. Additionally, subsequent complaint investigations often cause revisits to be delayed due to open enforcement cases and substantial compliance dates conflicting.

During FY23, DHSS experienced staffing shortages, particularly in the Registered Nurse job classification, which impacted the ability to complete work consistently within the prescribed time frames. Each recertification survey requires at least one team member to be Registered Nurse and due to the nature of many complaints, a Registered Nurse often must complete these



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investigations. No meaningful increase in the federal budget since 2015 further impacted the ability of the state survey agency to hire and retain Registered Nurses. In addition, as CMS is aware, there is an ongoing shortage in the labor market for these professionals. DHSS has experienced turnover among surveyors leaving for other opportunities at a much higher salary. DHSS invests at least one calendar year into training new surveyors. This is CMS required training, in order to meet the stringent surveyor qualifications. In 2015, the number of RN vacancies the Section for Long-Term Care had averaged around 14 positions. In 2023, the average was 27 positions.

In order to attempt to meet these time frames, DHSS requested increased funding from both federal and state sources to increase across the board salaries for Registered Nurse and other survey staff. That request was not successful in FY2023.

DHSS has hired retired, federally qualified surveyors part-time to help with survey and complaint backlog. DHSS continually works toward identifying inefficiencies and implementing measures to address them, such as bundling complaint investigations with other regulatory processes.

As a short-term, time-limited solution possible through one-time additional funding from the Centers for Medicare and Medicaid Services and state ELC funding, DHSS contracted with three third-party contractors to complete recertification surveys, to assist in the overdue workload and better meet CMS requirements. Unfortunately, those contractors are unable to perform more than five surveys total per month, due to the demand on their services across the nation with other states experiencing similar challenges.

CMS acknowledged the overdue workload many states were experiencing due to the resumption of ongoing activities as a result of survey work prioritization by CMS during the Public Health Emergency in the FY 2022 and FY2023 Mission and Priority Document.

CMS reviews state performance through measures that are evaluated each federal fiscal year. In FY2023, MO was evaluated to determine if the past-due standard recertification surveys from October 2022 to October 2023 was at least 50% less. Missouri met CMS' requirement for percent of change at 57.6%. CMS also evaluated timeliness of revisits and Missouri met CMS' threshold of 70%, accomplishing 76.3%.

Contact Person: Tracy Niekamp

Phone Number: 573-526-0706



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2023-016.

Child Care Payments

Federal Agency: Department of Health and Human Services
Federal Program: 93.575 COVID-19 - Child Care and Development Block Grant
93.575 Child Care and Development Block Grant
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
State Agency: Department of Elementary and Secondary Education (DESE)
Questioned Costs: \$439

DESE controls over the Child Care Development Fund (Child Care) program's subsidy payments to child care providers were not sufficient to ensure correct rates are paid. As a result, the DESE overpaid providers for 2 of 60 payments sampled.

Recommendation:

The DESE review, strengthen, and enforce internal controls to ensure the correct Child Care subsidy rates are paid for protective services children who are adopted. The DESE should review payments on behalf of protective services children who were adopted and correct any overpayments identified.

Status of Finding:

DESE has implemented several measures to strengthen and enforce internal control to ensure correct Child Care subsidy rates are paid for protective services children who are adopted and overpayments have been corrected.

Contact Person: Shelley Woods
Phone Number: 573-751-8292



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2023-017. DESE FFATA Reporting

Federal Agency: Department of Health and Human Services
Federal Program: 93.596 Child Care Mandatory and Matching Funds of the Child Care and
 Development Fund
State Agency: Department of Elementary and Secondary Education (DESE)
Similar Findings: 2022-009 and 2021-016

The DESE needed to strengthen internal controls related to Federal Funding Accountability and Transparency Act (FFATA) reporting for the Child Care Mandatory and Matching Funds of the Child Care and Development Fund (Child Care) program. The DESE did not ensure supervisory reviews of FFATA reporting were performed. The DESE did not report any of the 15 first-tier subawards, totaling approximately \$1.2 million, requiring FFATA reporting during state fiscal year 2023, in the FFATA Subaward Reporting System (FSRS).

Recommendation:

The DESE ensure supervisory reviews of FFATA reporting are performed to verify that information is accurately uploaded to the FSRS. In addition, the DESE should complete FFATA reporting in accordance with the applicable requirements for the Child Care program.

Status of Findings:

DESE has strengthened internal controls for FFATA reporting and uploaded all information into FSRS.

Contact Person: Shelley Woods
Phone Number: 573-751-8292



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
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2023-018. Missouri National Guard Cooperative Agreement Extensions and Final Accounting

Federal Agency: Department of Defense
Federal Program: 12.401 National Guard Military Operations and Maintenance (O&M) Projects
State Agency: Missouri National Guard (MONG)

The MONG did not have adequate controls and procedures to ensure a final accounting and/or a written request(s) for extension was timely filed for each National Guard Military O&M Projects program cooperative agreement (CA) appendix as required. A sample of 9 CA appendixes identified 6 CA appendixes for which the MONG did not complete some extension requests as required and/or did not complete some final accounting and/or extension requests within required timeframes.

Recommendation:

The MONG establish controls and procedures to ensure a final accounting of all funding and disbursements and/or a written request(s) for extension is filed for each CA appendix in compliance with National Guard regulations.

Status of Finding:

Corrective action was taken.

Contact Person: Lindsey Hedges
Phone Number: 573-638-9500



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
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FS2023-001. Office of Administration Financial Reporting Controls - ACFR Preparation

State Agency: Office of Administration (OA) - Division of Accounting (DOA)

The DOA did not have adequate controls and procedures over preparation of the State of Missouri Annual Comprehensive Financial Report (ACFR). If various errors had not been corrected, the Notes to the Financial Statements and the Required Supplementary Information would have been materially misstated in the ACFR for the year ended June 30, 2023.

Recommendation:

The DOA strengthen controls and procedures to ensure proper disclosure of information in the Notes to the Financial Statements and the Required Supplementary Information in the ACFR.

Status of Finding:

Corrective action was taken.

Contact Person: Stacy Neal

Phone Number: 573-751-4013



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024

FS2023-002. Department of Revenue Financial Reporting Controls

State Agency: Department of Revenue (DOR)
Similar Findings: FS2022-001 and FS2021-001

The DOR did not have adequate controls and procedures over financial reporting of certain governmental and custodial fund activities. As a result, numerous balances submitted to the Office of Administration - Division of Accounting (DOA) for inclusion in the State of Missouri Annual Comprehensive Financial Report for the year ended June 30, 2023, were materially misstated. In addition, the financial reports were not submitted timely to the DOA.

Recommendation:

The DOR strengthen controls and procedures to prepare and submit accurate and timely financial reports to the DOA.

Status of Finding:

Corrective actions were taken as stated in the State Auditor's Office Report 2024-036 titled State of Missouri Annual Comprehensive Financial Report on Internal Control, Compliance, and Other Matters Year Ended June 30, 2023.

Contact Person: Amanda Bolin
Phone Number: (573) 751-5236



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024

FS2023-003. Department of Social Services Financial Reporting Controls

State Agency: Department of Social Services

The Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS) did not have adequate controls and procedures over financial reporting of federal grant accounts receivable. As a result, the accounts receivable data submitted to the Office of Administration - Division of Accounting (DOA) for inclusion in the State of Missouri Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2023, was misstated.

Recommendation:

The DSS through the DFAS strengthen controls and procedures to prepare and submit accurate federal grant accounts receivable reports to the DOA

Status of Finding:

The Accounts Receivable Financial Reporting processes have been documented along with the overall process for submitting financial reports to the DOA. Additionally, these processes were implemented during the preparation of the SFY 2024 ACFR surveys.

Contact Person: Patrick Luebbering

Phone Number: 573-751-7533



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2024

FS2023-004. Office of Secretary of State Financial Reporting Controls

State Agency: Office of Secretary of State (SOS)

Finding: FS2023-004

The SOS did not have adequate controls and procedures over financial reporting of accounts receivable. As a result, civil penalty accounts receivable data submitted to the Office of Administration - Division of Accounting (DOA) for inclusion in the State of Missouri Annual Comprehensive Financial Report for the year ended June 30, 2023, was misstated.

Recommendation:

The SOS continue to implement newly established controls and procedures to prepare and submit accurate accounts receivable reports to the DOA.

Status of Findings:

The SOS has established a methodology regarding the 616 financial reporting of the account estimated receivables of outstanding civil penalties.

Contact Person: Trish Vincent, Executive Deputy Secretary of State/Chief of Staff

Phone Number: 573/751-8731



State of Missouri - Single Audit
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FS2023-005. Office of Administration SAM II Transaction Approvals

State Agency: Office of Administration (OA)

Similar Finding: FS2022-009

OA management had not fully corrected a weakness in the Statewide Advantage for Missouri (SAM II) Financial system security settings that allowed users to create a transaction and then apply approval to the same transaction without review or additional approval from another party.

Recommendation:

The OA continue to eliminate the risk of users approving transactions they create and establish policies to ensure future users are not granted this ability.

Status of Findings:

We have corrected all identified issues.

Contact Person: Stacy Neal

Phone Number: 573-751-4013

State of Missouri - Single Audit

Corrective Action Plans

Year Ended June 30, 2024

The Uniform Guidance requires the auditee to prepare a Corrective Action Plan (CAP) for each finding reported in the Schedule of Findings and Questioned Costs. The CAPs were prepared by the management of the applicable state agencies.



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Corrective Action Plans
Year Ended June 30, 2024

Mike Kehoe
Governor

Kenneth J. Zellers
Commissioner



Stacy Neal
Director
Division of Accounting

State of Missouri
Office of Administration
Division of Accounting
Post Office Box 809
Jefferson City, Missouri 65102
(573) 751-2971
acctmail@oa.mo.gov

CORRECTIVE ACTION PLANS

The State of Missouri's Office of Administration, Division of Accounting respectfully submits the following Corrective Action Plans for the findings related to the Statewide Single Audit for fiscal year ended June 30, 2024. Each Corrective Action Plan was prepared by the State agency noted.



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Corrective Action Plans
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**State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2024**

State Agency: Department of Revenue (DOR)

Audit Finding Number: FS2024-001 - Department of Revenue Financial Reporting Controls

Name of the contact person responsible for corrective action: Amanda Bolin

Anticipated completion date for corrective action: May 6, 2025

Corrective action planned is as follows:

The Department of Revenue is aware of the concerns noted in the State Auditor's Office (SAO) finding regarding controls and procedures over the financial reporting of certain governmental and custodial fund financial activities. The Department of Revenue continues to evaluate and improve our two-step review process of financial reports submitted to the Office of Administration – Division of Accounting (DOA) and SAO to ensure our financial reports are accurate. Upon notification of the financial reports being inaccurate, the Department of Revenue took immediate corrective action by resubmitting the financial reports to the DOA, continuing to use our two-step review process, providing additional cross-training to employees, and maintaining adequate supporting documentation for all financial reports being submitted to the DOA and the SAO. The Department of Revenue will ensure all financial reports are submitted accurately to the DOA and SAO in the future.



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Corrective Action Plans
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**State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2024**

State Agency: Department of Social Services – MO HealthNet Division

Audit Finding Number: FS2024-002 - Medicaid and CHIP Receipt Controls

Name of the contact person responsible for corrective action: Andrea Smith

Anticipated completion date for corrective action: June 30, 2025

Recommendation: The DSS through the MHD continue to review, strengthen, and enforce internal controls over Medicaid and CHIP receipts. The MHD should restrict user access within the MMIS for FORU accounting personnel and adequately segregate asset custody and receipt recording duties from accounts receivable duties, or perform documented supervisory reviews of MMIS entries and changes made by employees whose duties are not segregated. In addition, the MHD should establish procedures to account for all cash control numbers to ensure all receipts are deposited or returned to senders.

DSS Response: DSS agrees with the auditor's recommendation. The Corrective Action Plan includes the department's planned actions to address the finding.

Corrective action planned is as follows: MHD has implemented a process to document supervisory reviews of the Finance Manual Checks Quarterly report to ensure segregation of duties in HealthTrack/AHS. This process began in August 2024. As a result of clarification on the finding during the FY24 audit, additional information has been added to the Finance Manual Check Quarterly report to include transactions the FORU Manager performed in the AHS system. This change was requested beginning in March 2025 and will be in use as soon as the report is available for review. MHD will continue to perform the audit of clerk ID ad hoc reports to review any segregation of duties within the MMIS.

MHD implemented a process to ensure all cash control numbers in HealthTrack/AHS are accounted for by establishing a new cash control number (CCN) sequence, exclusive to manual checks logged within the FORU. This resolved the issue of cash control numbers for participant checks occurring out of sequence due to AHS running files in the background at the same time checks are being logged. This portion of the implementation occurred in August 2024. During the FY24 audit, MHD received further clarification and is implementing a review of a monthly report containing missing and unused cash control numbers for provider checks in eMMIS. This will be compared to a file updated by the



State of Missouri - Single Audit
Corrective Action Plans
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Accounts Assistant with the daily cash control numbers used. FORU will use the monthly report to document reasons for any unused or skipped CCNs. This process is being completed monthly beginning March 2025.



State of Missouri - Single Audit
Corrective Action Plans
Year Ended June 30, 2024

**State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2024**

State Agency: Department of Social Services – Family Support Division

Audit Finding Number: 2024-001 – Medicaid and CHIP MAGI-Based Participant Eligibility Redeterminations

Name of the contact person responsible for corrective action: Stacy Kaylor

Anticipated completion date for corrective action: N/A

Recommendation: The DSS through the MHD and the FSD continue to review and correct cases for participants with manual overrides in the MEDES, ensure redeterminations are completed for these participants as required, and close the cases of any ineligible participants. In addition, the DSS should ensure system controls are functioning as designed for these participants.

DSS Response: The DSS disagrees with this finding. The DSS disagrees there is a significant deficiency in internal controls. As noted in the finding, from the 60 participants selected, the SAO did not identify any participants with previously-established overrides; therefore, no incorrect payments were cited.

Section 6008 of the Families First Coronavirus Response Act (FFCRA) required states to provide continuous coverage, through the end of the month in which the PHE period ends, to all Medicaid beneficiaries who were enrolled in Medicaid on or after March 18, 2020, regardless of any changes in eligibility unless the individual voluntarily terminated eligibility, is deceased, or moved out of state. As required by the Centers for Medicaid and Medicare Services (CMS) during the PHE, the DSS had processes in place to terminate eligibility for individuals who were deceased, voluntarily requested closure, or reported they have moved out of state when a current change was reported.

The Consolidated Appropriations Act, 2023, signed on December 29, 2022, amended section 6008 of the FFCRA such that the continuous enrollment condition ended on March 31, 2023.

During the PHE, the DSS did not conduct reviews of cases that did not report current changes.



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Corrective Action Plans
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DSS resumed initiating renewals starting in April 2023 under the unwinding plan submitted to CMS with the goal to complete all unwinding related renewals prior to the deadline of August 31, 2024. However, DSS encountered challenges in completing all unwinding renewals by the established deadline. On August 29, 2024, CMS released guidance recognizing the challenges that many states faced impacting the ability to complete unwinding related renewals and restore routine operations within the original timelines established, extending the allowance for states to continue to use the exception under 42 CFR 435.912(e) through December 31, 2025.

A report identifying all individuals with manual overrides was created in August 2023 to ensure that individuals with determinations created outside of the MEDES system are being renewed timely. The DSS continues to work this report monthly. DSS staff are working to complete renewals on participants included on the report that require an annual renewal. DSS will complete redeterminations on all cases with manual overrides that have had continuous coverage for over one year by July 31, 2025. DSS notes that not all cases with manual overrides have had continuous coverage for more than one year and therefore do not currently require a redetermination. DSS will complete redeterminations on these cases when they become due.

DSS will continue to use this report to ensure that all individuals that receive coverage outside of the MEDES system will receive their annual renewal as required by CFR 435.916.



State of Missouri - Single Audit
Corrective Action Plans
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**State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2024**

State Agency: Department of Social Services (DSS) – MO HealthNet Division (MHD) and Family Support Division (FSD)

Audit Finding Number: 2024-002 - Medicaid and CHIP Participant Eligibility Terminations

Name of the contact person responsible for corrective action: Stacy Kaylor

Anticipated completion date for corrective action: September 1, 2025

Recommendation: The DSS through the MHD and the FSD continue to review, strengthen, and enforce internal controls to ensure ineligible participant cases are closed when necessary and resume the DHSS vital records death match in the MEDES.

DSS Response: The DSS partially agrees with this finding. DSS has controls in place to close coverage when a customer requests closure; however, the procedures were not followed.

During the audit period, the FSD Call Center had processes in place to accept calls for applications, renewals, change in circumstance, enter evidence and inquiries. However, contracted staff are unable to authorize any action that results in a case closing and that authorization must be completed by a DSS employee. There were procedures in place for contracted staff to submit a form that will create a task for DSS staff to finalize the actions. For the case cited in the finding, the task was not created, resulting in DSS staff not receiving the request to voluntarily close the case. Although call center staff noted in the electronic case file the purpose of the call, there are not systematic controls in place to take action or create tasks for DSS employees from the case notes.

Currently, a death match with Department of Health and Senior Services (DHSS) vital records is functional in the Family Assistance Management Information System (FAMIS) eligibility system currently used for Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and MO HealthNet for Aged, Blind, and Disabled (MHABD) individuals. When the match is received into FAMIS from DHSS, that information is included on the eligibility file submitted to the Medicaid Management Information System (MMIS)



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to ensure that the death date is captured in MMIS to prohibit any payments after the death of the individual. This control ensures that no improper payments are made on a beneficiary's behalf after the date of death. DSS has processes in place to close eligibility when death information is received from family members and providers during the certification period. Additionally, in compliance with 42 CFR 435.949, DSS administers an electronic verification match with the federal hub at application and during the annual review process to inquire about death. DSS is continuing to evaluate necessary steps to reinstate the death match with DHSS vital records, but do not have an anticipated completion date.

Regarding the questioned costs, eligibility errors are governed by section 1903(u) of the Social Security Act. Therefore, questioned costs identified in the single statewide audit should not be subject to recoupment.

Corrective action planned is as follows: DSS is strengthening controls by revising the procedures of the contracted FSD Call Center to ensure case actions are completed timely. DSS will use a system action to close cases with out of state address evidence in the Missouri Eligibility and Enrollment System (MEDES).



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State Agency: Department of Social Services (DSS) – MO HealthNet Division (MHD) and Family Support Division (FSD)

Audit Finding Number: 2024-003 - Medicaid and CHIP Eligibility Determination Timeliness

Name of the contact person responsible for corrective action: Stacy Kaylor

Anticipated completion date for corrective action: December 2025

Recommendation: The DSS through the MHD and the FSD review, strengthen, and enforce internal controls to ensure participant eligibility is determined within the required timeframes.

DSS Response: The DSS agrees with this finding.

DSS is currently working with Centers for Medicare and Medicaid Services (CMS) to create a plan to mitigate the backlog of applications and ensure eligibility determinations are completed timely according to 42 CFR 435.912(c)(3) and 457.340(d). The backlog plan was sent to CMS February 13, 2025. DSS estimates the backlog to be complete by the end of December, 2025.

To address the continued increase in applications, DSS is leveraging new and available technologies. These technologies are intended to assist the department and participants with necessary actions such as submitting applications, verifying income and resources, and providing required information. DSS is completing an analysis of policies and procedures to determine areas in which changes can be made to improve efficiencies.

Corrective action planned is as follows: The DSS will continue to work towards completing applications within the established timeframes outlined in 42 CFR 435.912(c)(3) and 42 CFR 457.340(d).



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State Agency: Department of Social Services – MO HealthNet Division

Audit Finding Number: 2024-004 - Medicaid and CHIP Receipt Controls

Name of the contact person responsible for corrective action: Andrea Smith

Anticipated completion date for corrective action: June 30, 2025

Recommendation: The DSS through the MHD continue to review, strengthen, and enforce internal controls over Medicaid and CHIP receipts. The MHD should restrict user access within the MMIS for FORU accounting personnel and adequately segregate asset custody and receipt recording duties from accounts receivable duties, or perform documented supervisory reviews of MMIS entries and changes made by employees whose duties are not segregated. In addition, the MHD should establish procedures to account for all cash control numbers to ensure all receipts are deposited or returned to senders.

DSS Response: DSS agrees with the auditor's recommendation. The Corrective Action Plan includes the department's planned actions to address the finding.

Corrective action planned is as follows: MHD has implemented a process to document supervisory reviews of the Finance Manual Checks Quarterly report to ensure segregation of duties in HealthTrack/AHS. This process began in August 2024. As a result of clarification on the finding during the FY24 audit, additional information has been added to the Finance Manual Check Quarterly report to include transactions the FORU Manager performed in the AHS system. This change was requested beginning in March 2025 and will be in use as soon as the report is available for review. MHD will continue to perform the audit of clerk ID ad hoc reports to review any segregation of duties within the MMIS.

MHD implemented a process to ensure all cash control numbers in HealthTrack/AHS are accounted for by establishing a new cash control number (CCN) sequence, exclusive to manual checks logged within the FORU. This resolved the issue of cash control numbers for participant checks occurring out of sequence due to AHS running files in the background at the same time checks are being logged. This portion of the implementation occurred in August 2024. During the FY24 audit, MHD received further clarification and is implementing a review of a monthly report containing missing and unused cash control numbers for provider checks in eMMIS. This will be compared to a file updated by the



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Accounts Assistant with the daily cash control numbers used. FORU will use the monthly report to document reasons for any unused or skipped CCNs. This process is being completed monthly beginning March 2025.



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State Agency: Department of Social Services – MO HealthNet Division

Audit Finding Number: 2024-005 – Medicaid Management Information System Access

Name of the contact person responsible for corrective action: Christopher Boyle

Anticipated completion date for corrective action: March 10, 2024

Recommendation: The DSS through the MHD continue to strengthen internal controls to ensure inappropriate access to the MMIS, including that of terminated users, is removed in a timely manner.

DSS Response: DSS agrees with the auditor's recommendation. The Corrective Action Plan includes the department's planned actions to address the finding.

Corrective action planned is as follows: MHD will continue to perform the annual review, but to ensure that the annual review is completed timely, monthly meetings have been scheduled.

In addition to the annual review, instead of relying on supervisors to inform MHD of terminations, MHD staff have updated the off-boarding process to identify additional eMOMED and eMMIS users who no longer require access. MHD staff are comparing the MMIS active user lists with lists of terminated users. When an active user is located on a termination list, a request to disable the MMIS account is submitted.

Since these new processes have already been implemented, no further corrective action is required.



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State Agency: Department of Social Services (DSS) – Division of Finance and Administrative Services (DFAS)

Audit Finding Number: 2024-006 - Department of Social Services Cost Allocation

Name of the contact person responsible for corrective action: Sheena Frazer

Anticipated completion date for corrective action: N/A

Recommendation: The DSS through the DFAS continue to strengthen internal controls and procedures over the PACAP and the AlloCAP system to ensure costs are properly allocated to federal programs.

DSS Response: The DSS partially agrees with this finding.

The DSS agrees the logic used by OA-ITSD to generate the payroll extract report provided to DSS DFAS for import into the AlloCAP system did not include expenditures associated with Deferred Compensation Match Fringe (PDEFC) offered to state employees beginning in July 2022. It should be noted the PDEFC is not automatic or guaranteed and must be authorized and funded each year by the legislature during the budget process. FY23 was the first year in relative history the legislature authorized funding for PDEFC. The reason for the unchanged logic is unknown as staff transition occurred in both DSS and OA-ITSD during this time.

The DSS respectfully disagrees with the finding and recommendation as represented and reported as an internal control finding related to cost allocation. The Internal Control Plan (ICP) clearly states the objectives related to the cost allocation plan and does not include oversight or reconciliation of source data provided to verify accuracy. Implementation of appropriate separation of duties and other internal control processes ensure SAMII data is not entered or maintained by the DFAS Grants Unit. As such, data integrity of SAMII and other source data provided by business units is not an internal control function within the ICP for cost allocation or the DFAS Grants Unit. Internal control findings for cost allocation should be relative to the approved objectives, data elements and processes outlined within the ICP for cost allocation or for which there is functional control.



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DSS DFAS continues to review internal control processes over the PACAP and AlloCap to ensure compliance with requirements and contends both were operating correctly as designed. This is evidenced as the finding did not result in any changes being required of the written PACAP or the programmed logic in AlloCap, only the raw data source provided which is not overseen or controlled by DFAS Grants Unit. It is for this reason the DSS partially agrees with the finding as the error is related to data integrity and not indicative of the strength of current internal controls for cost allocation.

Corrective action planned is as follows:

The DSS HRC and OA-ITSD have already identified the payroll tables and fields needed and revised the logic used to generate the payroll extract report to include Deferred Compensation Match Fringe (PDEFC). The DFAS Grants Unit utilized the revised payroll extract reports generated and provided to re-process the cost allocation system for the affected quarters in September and October 2024. As the DSS has already implemented the change, no further corrective action is required.



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State Agency: Office of Administration

Audit Finding Number: 2024-007, SLFRF Program Subrecipient Monitoring

Name of the contact person responsible for corrective action: Stacy Neal

Anticipated completion date for corrective action: November 1, 2025

Recommendation A.: Develop policies and procedures to determine whether recipients of SLFRF program funds are subrecipients or contractors. Continue to work with the state agencies to ensure accurate and documented determinations are prepared for all recipients and modify subrecipient records as needed.

OA partially agrees with the auditor's finding.

Corrective action planned is as follows: OA did complete a training for all agencies regarding subrecipient monitoring and the agencies responsibilities. OA also distributed a memo instructing agencies where to find information regarding subrecipient monitoring and instructing agencies to develop policies and procedures for their agency. To avoid confusion, OA will pursue Memorandums of Understandings (MOU) with agencies to ensure agencies understand their responsibilities for sub-recipient monitoring including sub-recipient specific risk assessments and monitoring. Finally, OA will implement random reviews of the sub-recipient monitoring compliance.

Recommendation B.: The OA did not implement an effective subrecipient monitoring program to monitor the SLFRF subrecipients. As a result, some subrecipient monitoring procedures were not performed as required by the UG.

OA agrees with the auditor's finding.

Corrective action planned is as follows: OA will pursue Memorandums of Understandings (MOU) with agencies to ensure agencies understand their responsibilities for sub-recipient monitoring including sub-recipient specific risk assessments and monitoring. Finally, OA will implement random reviews of the sub-recipient monitoring compliance.



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State Agency: Department of Health and Senior Services (DHSS)

Audit Finding Number: 2024-008 - CACFP Subrecipient Reimbursements

Name of the contact person responsible for corrective action:
Sarah Walker, Bureau Chief

Anticipated completion date for corrective action:

Corrective action planned is as follows:

The agency does not agree with the audit findings and therefore no corrective action is required.

Explanation and specific reasons are as follows:

Department of Health and Senior Services (DHSS) disagrees with this finding because the previous audit finding in the FY2023 SWSA was not sustained by the federal funding agency, therefore no finding or corrective action is required.



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State Agency: Department of Health and Senior Services (DHSS)

Audit Finding Number: 2024-009 - CACFP Subrecipient Monitoring

Name of the contact person responsible for corrective action:
Sarah Walker, Bureau Chief

Anticipated completion date for corrective action:

Corrective action planned is as follows:

The agency does not agree with the audit findings and therefore no corrective action is required.

Explanation and specific reasons are as follows:

DHSS disagrees with this finding. While the USDA partially sustained the previous finding in the FY2023 SWSA, the corrective action plan and supporting documentation submitted by DHSS was accepted by USDA and deemed adequate. On April 17, 2025, the USDA recommended final action to close the FY2023 audit finding.



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State Agency: Department of Health and Senior Services, Division of Senior and Disability Services

Audit Finding Number: 2024-010 - Medicaid SPPC Participant Choice Agreements

Name of the contact person responsible for corrective action: Kim Toeppen, Deputy Director, Division of Senior and Disability Services

Anticipated completion date for corrective action: May 2027

Missouri Department of Health and Senior Services agrees with the auditor's recommendation. Corrective action planned is as follows:

Division of Senior and Disability Services (DSDS) implemented a new electronic case management system, Fusion, in May 2025. As part of the upgraded efforts, the system will help to ensure more consistency with form retainment. This, however, will take some time due to challenges with data migration and staff adapting to the new workflow of the system. DSDS looks forward to improved compliance following the first full year of system implementation with a goal of full compliance by year 2 of system implementation.



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State Agency: Department of Health and Senior Services

Audit Finding Number: 2024-011 – Medicaid Facility Survey Timeliness

Name of the contact person responsible for corrective action: Tracy Niekamp, Administrator, Section for Long Term Care Regulation, Division of Regulation and Licensure

Anticipated completion date for corrective action: December 31, 2026

Corrective action planned is as follows: Missouri Department of Health and Senior Services (DHSS) partially agrees with the audit finding.

Regarding the timeliness of revisits DHSS does not agree with the finding or that corrective action is needed. The reasons for disagreement are stated below.

Related to timely mailing of Statements of Deficiencies, DHSS agrees with the finding and the corrective action plan is stated below.

As previously stated, since 2019, DHSS has seen increases in the number and severity of complaints, and the severity of violations found in long term care facilities. Complaints increased overall by thirty-six percent (36%) from 9,011 complaints in FY2019 to 12,236 in FY2023. In FY2024, DHSS investigated 12,237 complaints. The largest increase has been in severe complaints, including immediate jeopardy complaints (which require an onsite investigation within 24 hours to seven days) and non-immediate jeopardy, high priority complaints (which require onsite investigation within 15 working days). Because of the seriousness of these complaints, often surveyors have to be reassigned to investigate these complaints, which results in a delay in conducting revisits or sending a statement of deficiencies timely.

In addition to frequency and severity of complaints, changes to the survey process, and increased regulatory requirements, DHSS continues to see increases in the number of citations issued per recertification survey and in complaint investigations. Since 2019, the average number of health citations issued to a facility during a recertification survey has increased by 25% and the number of citations issued from stand-alone complaint findings has increased 100% during the same timeframe.



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These increases require additional time devoted to investigating often complex violations, increase time spent with write up activities, including the creation of the Statement of Deficiency, plan of correction review, onsite and offsite revisit activity and communication with complainants and facilities. Increases in this workload often require team members to begin investigating new complaints prior to the write up activities or revisits related to other processes being completed. Additionally, subsequent complaint investigations often cause revisits to be delayed due to open enforcement cases and substantial compliance date conflicts.

DHSS continues to experience staffing shortages, particularly in the Registered Nurse job classification, which impacts the ability to complete work consistently within the prescribed time frames. Each recertification survey requires at least one team member to be Registered Nurse and due to the nature of many complaints, a Registered Nurse must also complete these investigations. There has been no meaningful increase in the federal budget since 2015, which further impacts the ability to hire and retain Registered Nurses. In addition, there is an ongoing labor shortage in the labor market for these professionals. The shortage has driven salaries well beyond the surveyor salary structure. DHSS has experienced turnover among surveyors leaving for other opportunities at a much higher salary. DHSS invests at least one calendar year into training new surveyors. This is training required by CMS in order to meet the stringent surveyor qualifications. In 2015, the number of RN vacancies the Section for Long-Term Care had averaged around 14 positions. In 2023, the average vacancy was 27 positions. In 2024 SLCR was able to hire several Registered Nurse positions statewide. Given the required training to independently conduct complaint investigations takes 12 months, SLCR hopes to see continued improvement in meeting deadlines in FY2025 due to a greater number of trained and qualified team members.

DHSS has seen significant progress in meeting expectations since FY2023. During the FFY23 audit, 19 of the sampled statements of deficiency did not meet the 10-day timeframe for release to the facility and 9 of the sampled revisits did not occur within 60 calendar days of the exit date. Results of the FFY24 audit shows improvement in DHSS performance: 10 of the sampled statements of deficiency did not meet the 10-day timeframe for release to the facility and only one of the sampled revisits did not occur within 60 calendar days of the exit date.

DHSS has and will continue to request increased funding from both federal and state sources to support competitive salaries for Registered Nurses and other survey staff.

DHSS will continue to hire retired, federally qualified surveyors part-time to help with survey and complaint backlog, as able. DHSS continually works toward identifying inefficiencies and implementing measures to address them, such as bundling complaint investigations with other regulatory processes.



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As a short-term, time-limited solution possible through one-time additional funding from the Centers for Medicare and Medicaid Services and Centers for Disease Control and Prevention Epidemiology and Laboratory Capacity (CDC-ELC), DHSS contracted with three third-party contractors to assist with workload completion. However, this funding was terminated on March 24, 2025.

DHSS will continue to track timeframes for completion of Statements of Deficiencies and revisits and make every effort to meet those timeframes.

DHSS will continue to assign workload based on CMS' stated priorities in the Mission and Priority Document, taking into account the potential for direct impact on residents.

The agency does not agree with the audit findings and believes that corrective action is not required for timely revisits within 60 days. Explanation and specific reasons are as follows:

The Centers for Medicare and Medicaid Services (CMS) completes performance standard reviews of states each federal fiscal year. The CMS expectation provided in the Fiscal Year (FY) 2024 State Performance Standards System (SPSS) Guidance is that the state meets the requirement for revisits within 60 days 70% of the time. States are not required to submit a corrective action plan to the CMS unless they fall below the 70% threshold. During the FFY24 audit, only one of the sampled revisits did not occur within 60 calendar days of the exit date, which means DHSS did meet the timeframe requirement 96.3% of the time. This percentage is well above the CMS's acceptable rate of 70% and, therefore, should not require a finding or corrective action plan.



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State Agency: State Emergency Management Agency

Audit Finding Number: 2024-012 - SEMA Subrecipient Monitoring

Name of the contact person responsible for corrective action: Nikol Enyart

Anticipated completion date for corrective action: Implemented

Corrective action planned is as follows:

Since the discovery of the shortfall in the monitoring of subrecipients, SEMA has taken action to get the program back on track. SEMA has maintained forward momentum on completing the risk assessments during the time dictated by the policy. SEMA has also completed 46 out of 107 desk monitoring reports for the medium risk subrecipients, and SEMA has completed 17 out of 83 site visits for high risk subrecipients. SEMA has also cross trained multiple employees in the steps and processes to achieve high outputs for this process. SEMA has created a separate tracker to focus directly on the desk monitoring and site visits that have been completed or still need to be completed. This tracker is monitored by the Deputy Recovery Division Manager. SEMA also generates reports on the 15th and 30th of each month outlining any progress made during those two weeks, and those reports are submitted to the Recovery Division Manager. This report was first created and submitted on January 31, 2025.

In relation to the A-133 audits, SEMA has implemented cross training for staff that will ensure should one employee leave, the task will continue without disruption. Two staff are now trained and will submit a report each quarter to the Deputy Fiscal Manager to ensure compliance with the A-133 requirements.



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State Agency: Department of Elementary and Secondary Education (DESE)

Audit Finding Number: 2424-013 - Child Care Payments

Name of the contact person responsible for corrective action: Shelley Woods

Anticipated completion date for corrective action: 12/31/2025

Corrective action planned is as follows:

DESE agrees with the auditor's finding. DESE is working on strengthening internal controls within the Child Care Data System (CCDS) to prevent duplicate payments and overpayments due to absences and attendance and ensure sliding fees for each child are correct. DESE has worked with the Administration for Children and Families on the specific requirements related to correcting overpayments. DESE has paid the providers with underpayments.



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State Agency: MO Department of Elementary and Secondary Education (DESE)

Audit Finding Number: 2024-014 - DESE FFATA Reporting

Name of the contact person responsible for corrective action: Shelley Woods

Anticipated completion date for corrective action: 7/1/2025

Corrective action planned is as follows:

The agency agrees with the auditor's finding. DESE has changed internal procedures to ensure FFATA reporting follows applicable requirements. DESE is designating a Federal Compliance Coordinator to submit all FFATA reporting as opposed to each section Fiscal Liaison uploading the report. The terms and conditions for each grant award will be reviewed by the Federal Compliance Coordinator to determine if FFATA is applicable, and then the Federal Compliance Coordinator will work the Fiscal Liaison to collect and report the information required under FFATA.



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State Agency: Missouri Department of Transportation

Audit Finding Number: 2024-015 - MoDOT Monitoring of BABA Provisions

Name of the contact person responsible for corrective action: Todd Grosvenor,
MoDOT Financial Services Director, 573-751-4626

Anticipated completion date for corrective action: January 12, 2026

Corrective action planned is as follows: MoDOT will develop written policies and procedures for monitoring contractor and subrecipient compliance with the Build America, Buy America (BABA) domestic preference provisions for Infrastructure Investments and Jobs Act (IIJA)-funded projects. To date, MoDOT has drafted the policies and procedures, which are being reviewed by the Federal Highway Administration (FHWA). The next available document submission date for policy revisions is November 27, 2025. MoDOT will submit the FHWA-approved monitoring plan to be added to MoDOT's policies by that deadline. The policy is scheduled to be published by January 12, 2026. MoDOT will provide training to the department's resident engineers in November 2025.



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State Agency: Missouri Department of Economic Development (DED)

Audit Finding Number: 2024-016 - DED FFATA Reporting

Name of the contact person responsible for corrective action: Nikki Wrinkles

Anticipated completion date for corrective action:

FFATA Reporting was completed November 8, 2024. Internal control was adopted April 28, 2025.

Corrective action planned is as follows:

FFATA Reporting:

- (a) In the foreseeable future, if the Missouri Office of Administration (OA) is the recipient of a federal grant and DED agrees to administer the federal grant, DED will attempt to ensure that the issue of which agency is responsible for filing the Federal Funding Accountability and Transparency Act (FFATA) report is clearly delineated. In the event this is not delineated by the time a FFATA is due to be filed in the FFATA Subaward Reporting System (FSRS), DED will simply proceed to file using the Unique Entity Identifier (UEI) on the grant agreement between OA and the federal agency.
- (b) DED did file the FFATA report on November 8, 2024.
- (c) DED did not anticipate any additional awards being made from the Coronavirus Capital Projects Fund (CPF), and no such awards have been made since March 2022. If additional awards are made from the CPF, DED will follow the internal control process it has now established.

Internal controls:

DED has established an internal control process for the CPF in the event additional awards are made in the future and will use OA's UEI for any such future reporting. A copy of the internal control policy regarding FFATA reporting compliance is included with this CAP.



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State Agency: Department of Higher Education and Workforce Development

Audit Finding Number: 2024-017 – DHEWD FFATA Reporting

Name of the contact person responsible for corrective action: Elizabeth (Liz) Roberts

Anticipated completion date for corrective action: January 1, 2025

Corrective action planned is as follows:

In response to the auditor's report finding, we dedicated a team of staff to review our subaward files for the date range in question. Staff compared our subawards from that time to federal reporting system data and reported any subawards that were missing. We will continue to monitor these historical files for their reported status as we encounter them through the course of our current normal business activities. We have strengthened internal controls related to FFATA reporting for the WIOA cluster, and our new federal award reporting and monitoring process is outlined below:

On the fifteenth day of every month following the subaward execution month, staff utilize a spreadsheet populated with subaward data the previous month to enter subaward information for that month into the federal reporting system.

After the subawards have been reported in the system, the full subaward report data and their submission receipts (proof of submission) are saved to internal electronic files. Each file now features a descriptive file name to which allows for an easily searchable, historical record.

- Files are organized by FY and report month
- Each month now includes a spreadsheet of the awards reported
- Each report is now categorized by grant, and reports with multiple subawards per grant now contain a cover page with table of contents summarizing the subaward report data included on the subsequent pages with any changes indicated in red
- Each file now contains Auditor notes where necessary, indicated in red



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Folder —> FY25 —> 07 Jan 2025

Reports —

- 23A55AY000048 FWCA Admin of STLDWA \$30,649.57 1.2.25
- 23A55WP000038 PY24 Cen WP \$40k 1.30.2025
- 23A60DW000014 CEN Quest MOD1 10-09-09-23(1) \$25k 1.3.25
- 24A55AT000098 FY25 OZ WIOA FF \$515,799 1.8.25; FWCA Admin of STLDWA \$57,502.29 1.2.25
- 24A55AW000064 various
- 24A55AY000080 FWCA Admin of STLDWA \$60,028.43 1.2.25
- AA3853922A29 PY24 Cen ITA \$100k, EJ OST \$126,500, KCV OST \$151k 1.14.2025

Spreadsheet Summary — Jan 25 FFATA

After the reports are submitted, staff now sends the reports and spreadsheet summary for each month to a supervisor to review, who compares them with each executed subaward notification email sent to the executed subaward notification group in the previous month. The supervisor responds with monitoring results (e.g. missing, incorrect, complete). Reports are adjusted as necessary based on this review.

The supervisor's emailed approval response is saved to the file.

DHEWD will provide proper FFATA reporting training to staff. The process outlined above will evolve slightly since, as of March 8, 2025, [FSRS.gov has transitioned to SAM.gov](#). SAM.gov features enhancements that support improved reporting accuracy, such as auto-checking for previously reported subawards to avoid duplication.