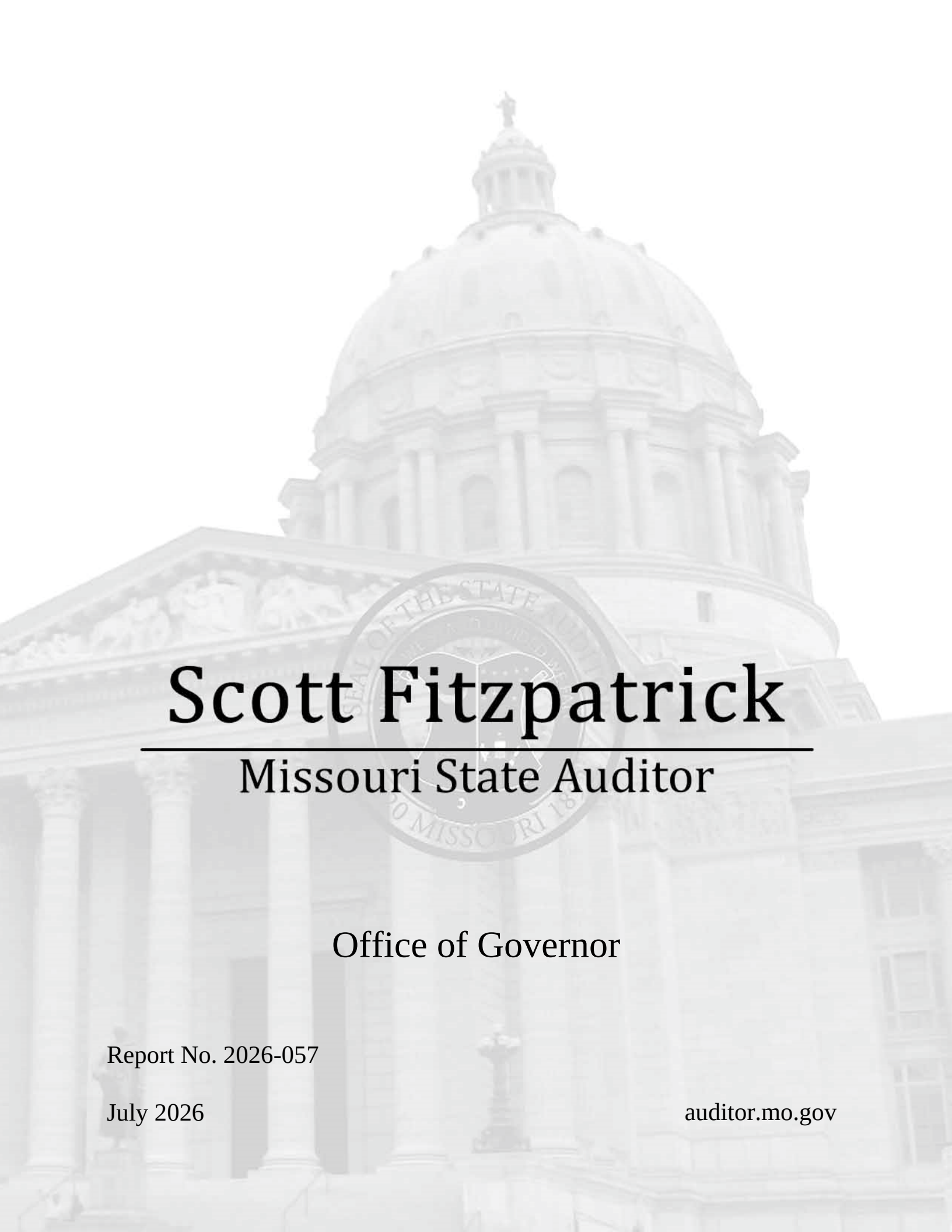

Scott Fitzpatrick

Missouri State Auditor

Office of Governor

Report No. 2026-057

July 2026

auditor.mo.gov

Scott Fitzpatrick
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Office of Governor

Unnecessary and Insufficiently Documented State Travel Costs	The Governor's office did not always maintain documentation indicating the purpose of state-paid trips, and paid travel costs for the Governor for non-business purposes that did not appear necessary to office operations or a reasonable use of state funds. For the 174 trips on state aircraft during the audit period that were paid by the Governor's office, with costs totaling $375,160, flight records did not specify the purpose of the flight and indicated only a general purpose, such as "Flight for Governor Parson." The Governor's office did not always maintain documentation of the purpose for lodging costs, and the audit found one lodging expenditure totaling $355 that was not related to business of the Governor's office.
Unallowable Payments for Employee Overtime and Tuition Reimbursements	The Governor's office made payments to top level employees for compensatory time in violation of state policy, and the Governor's office did not maintain adequate supporting documentation for overtime hours worked. The Governor's office made compensatory time payments to 4 top level employees on two occasions totaling $28,058. Also, the Governor' office provided tuition reimbursements to employees for coursework and fees that were not allowed by office policy and/or not approved in accordance with policy.
Office Records and Retention Procedures Not Adequate	The Governor's office did not completely archive records with the State Archives for the former Governor's tenure as required by state law, and personnel from the former and current administration of the Governor's office and personnel from the OA could not locate and provide copies of those records for the audit. Records not provided included the former Governor's calendar, some office policies and an employee manual, employee job descriptions, Sunshine Law request logs, and an internal control plan.
Payment of Operating Costs of Other Agencies	The Governor's office inappropriately used appropriations intended for Governor's office operations to subsidize the expenditures of other agencies totaling approximately $472,000 in fiscal year 2024. The Governor's office did not maintain documentation explaining the reasons for charging the items to appropriations of the Governor's office and there were no written agreements between the Governor's office and the other state agencies related to sharing such costs.
Employee Travel Procedures Not in Compliance With Policy	The Governor's office did not always comply with the State Travel Policy requiring employees to evaluate the most cost-effective method of travel. During the audit period, the Governor's office made payments to employees for mileage reimbursements totaling approximately $28,000. Four employees were reimbursed for vehicular travel, but none of the employees submitted trip optimizers, which is required by state policy, to document the lowest cost method of travel was used. The Governor's office often made lodging reservations without performing price comparisons or other procedures to ensure lodging costs were reasonable as required by State Travel Policy. During the audit period, the Governor's office paid $23,192 in lodging costs.

Documentation of Governor-Hosted Mansion Events Not Adequate

The Governor's office did not document the business purpose of Governor-hosted events and some events did not have a business purpose. Additionally, the Governor's office did not document the food costs for each event. As a result, there is no record of the costs of, and justification for, Governor-hosted events paid by the state. Food expenditures for the mansion, including food for events and food for the personal consumption by the Governor and First Lady, totaled approximately $210,000 during the audit period.

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

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

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Office of Governor
Table of Contents

State Auditor's Report 2

Management Advisory Report - State Auditor's Findings

1. Unnecessary and Insufficiently Documented State Travel Costs....4
2. Unallowable Payments for Employee Overtime and Tuition Reimbursements 7
3. Office Records and Record Retention Procedures Not Adequate....12
4. Payment of Operating Costs of Other Agencies....15
5. Employee Travel Procedures Not in Compliance With Policy....16
6. Documentation of Governor-Hosted Mansion Events Not Adequate....19

Overall Auditor's Comment 21

Organization and Statistical Information 22

Appendixes

A-1 Statement of Appropriations and Expenditures Period July 1, 2024 to January 13, 2025....23

A-2 Comparative Statement of Appropriations and Expenditures 2 Years Ended June 30, 2024....24

B Comparative Statement of Expenditures (from Appropriations) 5 Years Ended June 30, 2024....27

C Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments, Mansion Donation Fund 2 Years Ended June 30, 2024....28

D Governor Kehoe's Response....29

E Governor Parson's Response 30

SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

Honorable Michael L. Parson
and
Honorable Mike Kehoe, Governor
Jefferson City, Missouri

We have audited certain operations of the Office of Governor in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the period July 1, 2024 to January 13, 2025, and the years ended June 30, 2024 and 2023. The objectives of our audit were to:

1. Evaluate the office's internal controls over significant management and financial functions.

2. Evaluate the office's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and performing sample testing using judgmental selection, as appropriate. The results of our sample testing cannot be projected to the entire populations from which the test items were selected. We obtained an understanding of internal control that is significant to the audit objectives and planned and performed procedures to assess internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the office.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Office of Governor.



Scott Fitzpatrick
State Auditor

Office of Governor
Management Advisory Report
State Auditor's Findings

1. Unnecessary and Insufficiently Documented State Travel Costs

The Governor's office did not always maintain documentation indicating the purpose of state-paid trips, and paid travel costs for the Governor for non-business purposes that did not appear necessary to office operations or a reasonable use of state funds.

Flights on state aircraft not adequately documented, not for state business

The Governor's office did not maintain records to indicate the business purpose of flights on state aircraft and one of the flights seemed unrelated to state business. The Governor was a passenger on nearly all of the flights and often the First Lady and/or one or more Governor's office staff members were also onboard.[1] For the 174 trips on state aircraft during the audit period that were paid by the Governor's office, with costs totaling $375,160, flight records[2] did not specify the purpose of the flight and indicated only a general purpose, such as "Flight for Governor Parson." Additionally, as noted in MAR finding number 3, the Governor's office did not archive or provide records regarding the Governor's activities such as a calendar, media advisories, and news releases. Media advisories and news releases for Governor Parson were maintained on the Governor's website until his term ended, when the records were removed. We reviewed the media advisories and news releases that could be retrieved from internet archives[3] and the flight records and noted the following concerns related to the flights on state aircraft.

- A specific purpose for state business at the trip destination[4] could not be determined from the records provided for 58 of the 174 trips (33 percent) as follows:

  Thirty-five trips were during time periods where no media advisories were provided and no news releases were noted containing information about the trips, and for 23 trips with media advisories covering the period of the trip, neither those records nor any news releases during those periods indicated any purpose related to the trip.

[1] Flights with the Governor also included security personnel from the Highway Patrol.

[2] Flight records contained information about the flight including date, names of passengers, and destination airport(s). Flights originated from Jefferson City, where the aircraft were based.

[3] The Wayback Machine is a searchable digital archive of many publicly available internet web pages, <https://web.archive.org>, accessed March 4, 2025 and June 9, 2025.

[4] Many of the Governor's trips on state aircraft included either intermediate or solitary stops at the Bolivar airport near the Governor's home. Fifty-three of the 174 trips (30 percent) on state aircraft contained at least one stop at the Bolivar airport, including 8 trips where Bolivar was the only destination. Former Governor Parson indicated he often made stops at Bolivar for personal business, and he sometimes used Highway Patrol vehicular transportation services to travel to events in Southwest Missouri from his home in Bolivar. Consequently, destinations evaluated for state business purpose here excluded intermediate stops at Bolivar and solitary trips to Bolivar.

- The Governor made 16 flights to various destinations in the state for purposes that included book signing events for his commemorative biography, during 2024. According to media advisories, for most of the trips the Governor participated in various other activities in addition to the book signing events. For 1 of those flights no state business or other activities were planned and the media advisory described the purpose of the trip, which was to the site of the book publisher in Marceline, solely as a kick-off event for the Governor's book signings tour.[5] Flight costs for that trip totaled $1,386.

- A flight in December 2023 to Arlington Texas included the spouses of the Chief of Staff and Deputy Chief of Staff, although State Policy for State Aircraft (SP-8) prohibits spouses, with the exception of the First Lady, from being passengers on state aircraft. Former Governor Parson indicated the trip purpose was to attend the Cotton Bowl football game in which the University of Missouri Tigers played.

Lodging cost documentation not maintained

The Governor's office did not always maintain documentation of the purpose for lodging costs, and we noted one lodging expenditure totaling $355 that was not related to business of the Governor's office. Lodging costs for the Governor's office totaled $19,886 during the audit period. We judgmentally selected 16 lodging expenditures for testing and reviewed the supporting documentation and noted the following concerns:

- The Governor's office paid lodging expenses incurred by the Governor on July 4, 2023, and July 5, 2023, totaling $355 to participate in a golf tournament in East Moline, Illinois.[6] No media advisory was provided for that period. The invoice included the words "John Deere Pro Am" and we received a group pairings listing from the golf tournament which indicated the Governor participated in the tournament on July 5, 2023. The Governor's office could provide no documentation explaining any business purpose for the trip. Former Governor Parson indicated he participated in the golf tournament upon the request of John Deere tractor dealerships in Missouri.

- The Governor's office maintained no documentation of the business purposes for lodging costs totaling $594 for 2 nights in Hawaii for the Governor and First Lady in October 2023. Lodging costs paid by the state totaled $1,486 for 5 nights, but the Governor provided

[5] According to news releases of the Governor's office, net earnings from sales of the book were to go to a not-for-profit foundation, and the Governor would not receive any personal financial benefit from sales of the book.

[6] Our analysis does not include any travel costs incurred and paid by the Highway Patrol for members to transport and provide security for the Governor related to the event.

reimbursement[7] for 3 nights totaling $892. Governor's office staff indicated the Governor and First Lady vacationed in Hawaii and paid all travel costs except the 2 nights lodging because the Governor participated in business-related activities by visiting the USS Missouri battleship and attending a luncheon with the crew. While these activities do appear reasonable, the Governor's office did not maintain documentation supporting the business purpose of the trip.

The Governor's office did not maintain complete written office policies and an internal control plan as noted in MAR finding number 3. Such policies and plan could provide guidance to office staff about allowable costs, documentation of business purpose, and approvals needed for travel expenditures. Personnel in the Governor's office and Office of Administration approved Governor's office travel expenditures for payment. Lacking office policies and an internal control plan, contributed to the poor documentation and the potential excess costs. Policies and plans including business purpose documentation are needed to ensure state travel expenditures are only for necessary and allowable state business purposes.

Rule 1 CSR 10-3.010(1) requires that state payment of goods and services have a clear business relationship to the agency work program, and 1 CSR 10-11.010 (2) indicates:

> Reimbursable travel expenses are limited to those expenses authorized and essential for transacting official business of the state. Expenses incurred for the sole benefit of the state employee or official is not an allowable travel expense.

State Travel Policy (SP-6) requires documentation be maintained to fully substantiate travel expenses and the documentation should allow anyone to "…readily understand what expenses were incurred and why and how they relate to transacting state business." Additionally, SP-8 states, "State aircraft shall be used for official business only." SP-8 also indicates only state employees, officials, and members of the first family should be passengers on state aircraft, and spouses of state employees should not be passengers.

A similar condition was noted in our previous 4 reports.

[7] The state's accounting system, SAMII, contains no other records of reimbursements from Governor Parson during the audit period; however, news releases indicate the Governor privately funded other personal travels during the audit period. For example, news releases indicate the Governor and First Lady attended the Super Bowls in Nevada and Arizona in February 2024 and February 2023, respectively, and purchased their own tickets and there was no cost to taxpayers except for security by the Highway Patrol.

Recommendation

The Office of Governor establish policies to ensure the business purpose of travel costs is documented, and ensure future expenditures are necessary and reasonable for the operation of the office.

Auditee's Response

Current Governor Kehoe's written response is included at Appendix D.

Former Governor Parson's written response is included at Appendix E.

2. Unallowable Payments for Employee Overtime and Tuition Reimbursements

The Governor's office made payments to top level employees for compensatory time in violation of state policy, and the Governor's office did not maintain adequate supporting documentation for overtime hours worked. Also, the Governor' office provided tuition reimbursements to employees for coursework and fees that were not allowed by office policy and/or not approved in accordance with policy.

During the audit period, the Governor's office paid total salaries from Governor's office and Mansion appropriations totaling approximately $5.4 million and incurred other expenses totaling approximately $1.7 million.

2.1 Noncompliant compensatory time awarded

The Governor's office made payments to top level employees for compensatory time that was not in compliance with state regulations. Additionally, the Governor's office did not maintain adequate supporting documentation for overtime hours worked.

The Governor's office made compensatory time payments to 4 top level employees on two occasions totaling $28,058 as follows:

Figure 1: Compensatory Time Payments to Top Level Employees

Payment Date	Employee Title	Compensatory Time (Hours)[1]	Compensatory Time (Amount)[1]
December 15, 2023	Chief of Staff	80	$ 7,166
December 15, 2023	Deputy Chief of Staff	80	5,769
December 15, 2023	General Counsel	40	2,423
June 28, 2024	Chief of Staff	50	4,479
June 28, 2024	Legislative Director	80	4,615
June 28, 2024	Deputy Chief of Staff	50	3,606
	Total	380	$ 28,058

[1] Employees were paid compensatory time at straight-time and payments were calculated as the employee's current hourly pay rate times the hours awarded.

While the Governor's office maintained no employee manual or job descriptions (see MAR finding number 3) detailing the positions within the office constituting top level supervisory employees, these employees received

the highest salaries[8] in the office, ranging from approximately $120,000 to approximately $186,000, annually.

Rule 1 CSR 20-5.010 (1)(C) provides that "Work authorized by an appointing authority for top level supervisory, managerial, and administrative staff and for persons employed in a very responsible professional, technical, or consultative capacity which causes the employee to exceed forty (40) hours in pay status during a workweek, will not be compensated except in unusual circumstances as determined by the appointing authority."

For the 3 payments made in December 2023, the Commissioner of the Office of Administration (OA), which processes payroll on behalf of the Office of Governor, signed a memo indicating the Commissioner had consulted with the Governor and determined that "unusual circumstances" exist to justify the compensatory time payments and the compensatory time hours awarded represented a portion of the extra hours routinely worked by those individuals. The memo explained the unusual circumstances as follows:

> The individuals are considered to be "top level supervisory, managerial, and administrative staff" and are "employed in a very responsible professional, technical, or consultative capacity" that routinely cause their work weeks to exceed a forty hour work-week. Further the demands of their unique positions and dedication to the work necessary for the Office of Governor regularly results in time away from their families and has also led to lapses of annual leave to varying levels for each individual. These individuals often work evenings and weekends to address the needs of the office and do not generally receive compensation for the time that they have worked in excess of the forty-hour week. Some of these individuals have also taken on additional duties and responsibilities that have required extra time and travel to ensure the needs of the office and the State of Missouri have been met.

However, as noted in MAR finding number 3, the Governor's office maintained no job descriptions or other documentation detailing the normal duties and expectations of the positions from which an evaluation and determination could be made of unusual circumstances warranting additional compensation. Additionally, the memo did not detail the additional duties and responsibilities assumed by some of the individuals or indicate which individuals that applied to; and the memo used the words "routinely", "regularly", and "often" which suggests the circumstances were normal and

[8] Excluding the salary of the Governor, which ranged from approximately $139,000 to $141,000 annually during the audit period.

recurring, which seems inconsistent with an explanation of "unusual circumstances." For the June 2024 payments, the Governor's office and OA maintained no documentation authorizing and explaining the "unusual circumstances" that would justify the payments. The former Governor's office Deputy Chief of Staff indicated the Governor authorized those payments as state compensatory time payments to senior leadership who worked well over 50 hours a week consistently, especially during the legislative session.

Proper authorization and explanation of the unusual circumstances justifying compensatory time payments to top level employees is needed to demonstrate the payments are not bonuses. Payments for services previously rendered are in violation of Article III, Section 39(3), Missouri Constitution, and contrary to Attorney General's Opinion 72-1955 (June 14, 1955), which states, ". . . a government agency which derives its power and authority from the Constitution and laws of this state would be prohibited from granting extra compensation in the form of bonuses to public officers or servants after the service has been rendered."

Additionally, the Governor's office maintained no timesheets or other records detailing the days and hours worked to support the compensatory time payments for the top level supervisory employees or for 2 other employees[9] receiving compensatory time payments on June 28, 2024, of $3,462 and $2,192 for 60 hours each. Compensatory time accruals, use, and balances were maintained in SAMII, the state's accounting system, for Governor's office employees, but the records indicated no accruals or use of compensatory time during the audit period except for the pay periods containing the compensatory time payments, when the entire amount of compensatory time hours for each employee was reported as accrued and used. This handling is inconsistent with the 2023 OA explanatory memo which indicated the employees routinely worked more than 40 hours per week. Rule 1 CSR 20-5.020 (3)(A) requires the Governor's office to maintain records of compensatory time earned. Additionally, without any documentation of time actually worked, the Office of Governor cannot demonstrate that the employees actually earned the compensatory time awarded to them.

The Fair Labor Standards Act (FLSA) under 29 CFR Section 516.2(a) requires employers to maintain accurate records of actual time worked by employees.

The lack of adequate policies and procedures about timekeeping, approval for overtime hours worked, and written job descriptions, as noted in MAR finding number 3 seems to have created a situation with insufficient guidance

[9] Policy Director and Deputy Director for Legislation and Policy.

for office personnel to carry out work requirements and comply with state regulations.

Written personnel policies that incorporate the requirements in state and federal regulations and strict compliance with those policies are necessary to ensure equitable treatment of employees, prevent misunderstandings, and ensure employees are properly compensated.

2.2 Tuition reimbursements not in accordance with policy

The Governor's office provided tuition reimbursements to employees for coursework and fees that were not allowed by office policy and/or state policy, and/or not approved in accordance with office and state policies. The Governor's office policy on education reimbursement was similar to State Tuition Reimbursement Policy (SP-1), however the Governor's office policy included additional requirements not contained in SP-1 including the following:

- Employees who resigned from the Governor's office were required to repay the tuition reimbursements received within the preceding 12 months and employees were required to complete and sign an Education Expense Reimbursement Agreement prior to enrollment in each course.
- Governor's office employees were not allowed reimbursement for courses to obtain a degree at the same level already possessed by the employee.
- Governor's office policy required employees complete a Request for Education Reimbursement form and receive supervisory approval prior to enrollment in each course, while SP-1 required each department to establish an approval process.

During the audit period, 3 employees received 12 total payments for tuition reimbursements as follows:

Figure 2: Tuition Reimbursement Payments

Title	Degree Sought	Number of Reimbursements	Amount of Reimbursements
Chief of Staff[1]	Master of Business Administration	5	$ 18,000
Southwest Regional Office Director	Master of Public Affairs	5	10,550
Communication Liaison	Bachelor of Science	2	1,899
	Total	12	$ 30,449

[1] The Chief of Staff resigned from his full time position with the Governor's office effective August 31, 2024 (he continued to work for the Governor's office on a part-time basis through the end of Governor Parson's term on January 13, 2025) and began making repayments for his tuition reimbursements on September 25, 2024. He made 3 repayments totaling $4,200 through October 31, 2024, when Governor Parson waived the requirement for him to make further repayments. In the 12 months preceding August 31, 2024, the Governor's office had made tuition reimbursement payments totaling $15,000 to the Chief of Staff. The total amount of reimbursements presented in this table for the Chief of Staff does not reflect any of the repayments.

We reviewed the tuition reimbursement requests and related documentation including proof of payment, proof of course completion, reimbursement agreements, and other documentation, and noted the following concerns:

- All of the payments to the Chief of Staff and the Southwest Regional Office Director were for coursework related to second masters degrees.[10]

- Approval and payment for reimbursement for two courses for $3,000 for the former Chief of Staff occurred in December 2024, after he had resigned from the full-time Chief of Staff position and accepted a part-time position as Senior Advisor with the Governor's office effective September 1, 2024. The expense reimbursement request form indicated the courses occurred from August 17, 2024, to October 11, 2024, and October 10, 2024, to December 13, 2024. The former Chief of Staff subsequently resigned from the Governor's office when Governor Parson's term ended on January 13, 2025. Both Governor's office policy and SP-1 require employees be employed in a position that is deemed to be of a "continuing nature." A part-time employee near the end of the Governor's term seems to not constitute a position of a "continuing nature". The Governor's office could provide no documentation explaining how the former Chief of Staff's part-time role qualified as a position of continuing nature.

- For 2 reimbursements, the amount reimbursed could not be supported in the proof of payment documentation as being for tuition only as required by Governor's office policy. One of these reimbursements, to the Southwest Regional Office Director, included an additional $50 "Payment Plan Setup Fee." Another reimbursement, for the Communication Liaison for $1,067, exceeded the amount on the Request for Education Reimbursement form ($855), and the proof of payment document summarized only the total amount paid ($1,067) and did not separate the amount into tuition and fees; consequently, it was not clear that this reimbursement was for tuition only. The Governor's office policy indicated the reimbursement is limited to tuition only.

- Ten of the 12 tuition reimbursements lacked an "Education Expense Reimbursement Agreement" as required by office policy.

[10] OA personnel indicated that records of college degrees such as school transcripts were not retained in employee files for the Governor's office; however, these employees indicated on LinkedIn profiles (<linkin.com>, accessed April 24, 2025) that they had previously obtained a master's degree.

- None of the "Request for Education Reimbursement" forms were submitted and approved prior to enrollment in the course(s). All of the forms except one were submitted after course completion. For 1 of the forms (submitted for reimbursement 14 months after start of the related courses), the Chief of Staff indicated in an email to the OA that the original request form was lost and therefore a new form was subsequently prepared.

- One of the requests totaling $3,000 in December 2023 for the Chief of Staff contained no evidence of independent or supervisory approval. The Governor's office policy required supervisor approval of each Request for Education Reimbursement form. Additionally, SP-1 requires each department establish an approval process and determine that the objectives of the requested course/degree are consistent with the department's stated mission.

Failure to comply with office policies and insufficient reviews of the documentation contributed to the errors and policy deviations noted. To ensure tuition reimbursement payments are reasonable and proper, employees must fully comply with state and office policies and supervisors must carefully and thoroughly review documentation and reimbursement requests.

Recommendations

The Office of Governor:

2.1 Discontinue compensatory time payments to top level employees without proper documentation and authorization of the unusual circumstances, and maintain adequate documentation of the hours worked for compensatory time.

2.2 Ensure tuition reimbursements are compliant with office and state policies.

Auditee's Response

Current Governor Kehoe's written response is included at Appendix D.

Former Governor Parson's written response is included at Appendix E.

3. Office Records and Record Retention Procedures Not Adequate

The Governor's office did not completely archive records with the State Archives for the former Governor's tenure as required by state law, and personnel from the former and current administration of the Governor's office and personnel from the OA could not locate and provide copies of those records for the audit. Records not provided included the former Governor's calendar, some office policies and an employee manual, employee job descriptions, Sunshine Law request logs, and an internal control plan. Portions of some of these records were maintained in files of the OA and Governor Kehoe's office; however, complete records were not provided to auditors or archived with the State Archives of the Secretary of State's office.

Calendar not archived	The Governor's office did not archive or provide to auditors a calendar of former Governor Parson's activities for the audit period. The Former Deputy Chief of Staff indicated a calendar was maintained but neither she nor personnel from Governor Kehoe's administration or State Archives could locate and provide a calendar for the audit period. An official calendar that adequately details the nature and official duties of all travels and office functions provides the public information related to Governor's office operations, and is necessary to provide transparency, openness, and accountability.
Office policies and employee manual not archived	The Governor's office did not archive or provide to auditors a complete record of office policies or an employee manual. Personnel for Governor Kehoe's office maintained only a copy of former Governor Parson's office Sunshine Law policy. The OA maintained a copy of the former Governor's office's policy only for education reimbursement as it had been submitted to OA with a tuition reimbursement request by the former Chief of Staff. Additionally, personnel from the State Archives indicated that no policies or employee manual for former Governor Parson's administration had been archived. The former Deputy Chief of Staff indicated the office maintained an employee manual but neither she, nor personnel from Governor Kehoe's administration, nor State Archives could locate and provide a copy of the manual. A comprehensive employee manual and office policies can benefit both the office and employees by providing an understanding between management and employees regarding rights and responsibilities. Such records can also provide guidance and control for the effective and consistent management of the office, help avoid misunderstandings, and ensure management's policies are fairly and consistently applied to all employees.
Employee job descriptions not prepared	The Governor's office did not prepare written job descriptions for all employees. Personnel from the Governor's office could locate no job descriptions and State Archives had a copy of the job description for only one position for former Governor Parson's administration. Throughout the audit period, the Governor's office employed approximately 25 to 30 persons in various positions. Job descriptions are needed to clarify the duties, responsibilities, required qualifications, and reporting relationships of each position to help prevent misunderstandings among employees and supervisors about performance expectations.
Sunshine law request log not adequately archived	Office personnel were unable to provide a copy of the office's Sunshine Law request tracking log for recording the receipt and disposition of requests received from citizens seeking copies of records. The former Deputy Chief of Staff and former General Counsel indicated a log was maintained and had been submitted to the State Archives for archiving. The State Archives maintained approximately 420 documents pertaining to Sunshine Law

requests from Governor Parson's administration. The documents were not organized or indexed, and included both requests for documents and responses to those requests. Approximately 200 of those documents related to the audit period, and others were from previous periods. Included among the documents was a log for tracking Sunshine Requests for the period June 1, 2021, through February 28, 2022, however no log for the audit period was among the archived records.

Section 610.023, RSMo, lists requirements for making records available to the public. To ensure compliance with this section, a log is needed containing adequate information to determine if requests are completed timely and all requests are adequately filled. The log information should include the date of request, a brief description of the request, the date the request is completed, and any associated costs of fulfilling the request.

Internal control plan not prepared

The Governor's office did not prepare an internal control plan. No plan had been filed with the OA - Division of Accounting, as required by state law, and personnel from the Governor's office, State Archives, and the OA could locate no plan.

As a condition of having access to the statewide accounting system, each agency must sign a "Cooperative Agreement on Accounting, Auditing, and Internal Control Activities" annually with the OA that outlines the responsibilities of the agency and the OA in regards to processing transactions in the accounting system. The agreement requires the agency to maintain an internal control plan for accounting activities and file a copy with the Division of Accounting each year. Additionally, the Chief of Staff of the Governor's office must certify each year to the division that the plan has been reviewed and document any material weaknesses in the agency's controls. For each year of the audit period, the former Chief of Staff signed both the cooperative agreement and the certification form.

The development and updating of an internal control plan is necessary to ensure processes and procedures are sufficient to safeguard assets and minimize the risk of improper handling of transactions.

Conclusion

Section 109.240, RSMo, requires the head of each agency to "… make and maintain records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures and essential transactions of the agency designed to furnish information to protect the legal and financial rights of the state and of persons directly affected by the agency's activities," and Section 109.270, RSMo, provides that all records made or received by an official in the course of his/her public duties are public property and are not to be disposed of except as provided by law. Also, the Secretary of State's Agency Records Disposition Schedule requires elected officials transfer official records to the Missouri State Archives upon completion of the official's term of office.

Recommendation

The Governor's office should ensure official records of the office, including the Governor's calendar, office policies and employee manual, Sunshine Law log, employee job descriptions, and internal control plan, are properly maintained and archived.

Auditee's Response

Current Governor Kehoe's written response is included at Appendix D.

Former Governor Parson's written response is included at Appendix E.

4. Payment of Operating Costs of Other State Agencies

The Governor's office inappropriately used appropriations intended for Governor's office operations to subsidize the expenditures of other agencies totaling approximately $472,000 in fiscal year 2024. This circumvents the appropriation process established by the General Assembly and obscures the true costs of operating the office.

The Governor's office used journal vouchers (JV), or adjusting accounting entries, to reclassify expenditures from 2 state agencies to the Governor's office General Revenue Fund (GRF) appropriation. These expenditures were procured and paid by the other agencies from their appropriations on various days throughout fiscal year 2024, and in June 2024 the Governor's office directed the OA to recode these transactions in SAMII to charge the expenditures to the Governor's office GRF appropriation as follows:

Figure 3: Expenditures Reclassified to Office of Governor Appropriations

Original Agency	Original Fund	Original Appropriation	Amount
Administration	Facilities Maintenance Reserve	Unprogrammed Maintenance and Repair	$ 300,000
Agriculture	Grain Inspection Fees	Grain Inspection Services Expenses	41,206
Agriculture	State Fair Fees	State Fair Equipment Replacement	40,407
Agriculture	AgriMissouri	Business Development Expenses	40,209
		Total	$ 421,822

Based on the original vendor payment entries in SAM II, the state's accounting system, the Office of Administration expenditures were payments to a construction vendor and the Department of Agriculture expenditures included payments made to suppliers of insurance and surety bonds, industrial vehicle scales, elderberry products, and other vendors.

Additionally, in June 2024, the Governor's office made a payment of $50,000 from its GRF appropriation to the Department of Economic Development (DED) to pay for a portion of a $200,000 billing received by DED from a DED contractor providing business and investment marketing services for the state. The invoice to DED from the contractor did not specify any part of the billed amount related to the Governor's office; however, OA stated the $50,000 billing was to cover the cost associated with a trade mission. The written agreement between the contractor and DED indicated the contractor would provide economic development and business recruitment services

including support for domestic and international investment missions led by the Governor or the Director of DED.

The Governor's office did not maintain documentation explaining the reasons for charging the items to appropriations of the Governor's office and there were no written agreements between the Governor's office and the other state agencies related to sharing such costs. Email correspondence between the Chief of Staff and OA personnel indicated the Governor's office directed the transactions be made and that previous discussions had occurred about the funds involved and amounts. OA personnel indicated the Administration reclassifications were for expenditures related to remodeling in the Governor's office in the Capitol (bathroom remodeling, replacing an HVAC unit, and mahogany door replacement) originally paid by the OA Division of Facilities Management, Design and Construction (FMDC), the Agriculture reclassifications were costs originally paid by the Department of Agriculture and intended to help relieve stress on the Agriculture funds, and the DED payment was to help cover the cost of the Governor's international trade mission.

The practice of paying costs of other agencies from appropriations of the Governor's office makes it difficult to establish accountability for the true and accurate costs of operating the Governor's office. This practice limits accountability and transparency over certain Governor's office expenditures and distorts the operating costs of both the Governor's office and the other affected state agencies. Additionally, 1 CSR 10-3.010(3) requires claims be within the purpose of the appropriation charged.

Recommendation

The Governor's office discontinue the practice of using Governor's office appropriations to pay certain operating costs of other agencies and maintain adequate supporting documentation explaining any transactions for other agencies. Any cost sharing arrangements with other agencies should be documented in written agreements.

Auditee's Response

Current Governor Kehoe's written response is included at Appendix D.

Former Governor Parson's written response is included at Appendix E.

5. Employee Travel Procedures Not in Compliance with Policy

The Governor's office did not always take adequate measures to minimize staff travel costs and comply with the State Travel Policy. The Governor's office did not use OA's Trip Optimizer tool, and did not have procedures in place to ensure lodging expenses were reasonable and in compliance with state policy.

5.1 Vehicular travel reimbursements

The Governor's office did not always comply with the State Travel Policy requiring employees to evaluate the most cost-effective method of travel. During the audit period, the Governor's office made payments to employees

for mileage reimbursements totaling approximately $28,000. Most of the mileage reimbursements (approximately $25,000) were for 3 employees domiciled in satellite offices in Kansas City, St. Louis, and Springfield.

State Travel Policy (SP-6) requires the use of a tool known as the Trip Optimizer to calculate travel costs and ensure employees use the most cost effective travel option for each trip. The Trip Optimizer calculates the total cost of a trip using a state vehicle, a rental car, and mileage reimbursement to allow the employee to select the most cost-effective option. OA maintains a fleet of state vehicles in Jefferson City for state employees to use and contracts with rental vehicle companies for state employees to use throughout the state.

We judgmentally selected for testing one monthly expense reimbursement for 4 employees (the 3 employees domiciled in satellite offices and 1 employee domiciled in Jefferson City) containing mileage reimbursements at the standard rate totaling $2,762. While all of the employees were reimbursed for vehicular travel, none of the employees submitted trip optimizers to document the lowest cost method of travel was used. The employee domiciled in Jefferson City attached a memo to the expense report indicating she had to use a personal vehicle rather than an OA vehicle because she had to haul items and also could not obtain an OA vehicle. The 3 other expense reimbursements contained no explanation for the use of the personal vehicle.

State Vehicular Travel Policy (SP-12) states:

> Employees must utilize the most cost effective travel option when traveling on state business. All relevant factors such as the: urgency; nature of travel required; type of vehicle required for the number of passengers, tool or equipment load; employee time and effort; official domicile; proximity to rental or state vehicles; and other administrative costs should be considered when selecting the most cost effective travel option. In most circumstances, state vehicles or rental vehicles are more cost effective than personal mileage reimbursement; therefore, employees should avoid driving privately owned vehicles for official state business.

The policy also states:

> Agencies shall establish internal procedures that require appropriate documentation to support the travel decisions made by their agency and employees. Agencies shall specifically approve and justify any exceptions to this policy and retain the documentation as part of the related financial transaction. Agencies must utilize the Trip Optimizer or other equivalent method to document the lowest cost travel

option and /maximum personal mileage reimbursement allowed.

Additionally, 1 CSR 10-11.010 indicates "…officials or agencies will establish internal procedures that require appropriate documentation to support the vehicular travel decisions made by their agency and employees" and "when a state vehicle is not available, but a rental vehicle is reasonably available and is a lower cost option for the trip, the maximum mileage reimbursement for the official or employee is not to exceed the cost of the rental option, including the cost of fuel."

Staff of former Governor Parson indicated the office did not require the use of the Trip Optimizer, but did not specify why the Governor's office does not follow State Travel Policy. Additionally, as noted in MAR finding number 3, the office could provide no office policies or internal control plan related to travel.

5.2 Lodging

The Governor's office often made lodging reservations without performing price comparisons or other procedures to ensure lodging costs were reasonable as required by State Travel Policy. During the audit period, the Governor's office paid $23,192 in lodging costs[11] from Governor's office and mansion appropriations.

Most lodging expenses reviewed exceeded Continental United States (CONUS) lodging rates (federal employee per diem maximums, established by the U.S. General Services Administration). We judgmentally selected 15 lodging expenditures of the Governor and/or Governor's office employees, and noted lodging costs for 7 of the 15 transactions (including 18 nights lodging) exceeded CONUS rates. The Governor's office did not document price comparisons or other procedures performed, or why the higher lodging cost was necessary and reasonable for any of the 7 transactions. In total, the Governor's office paid lodging costs in excess of CONUS rates by approximately $1,276 ($449 for lodging for the Governor and $827 for lodging for the First Lady and office employees) for the 18 nights lodging, or an average of approximately $71 per night in excess of CONUS rates. Former Governor Parson indicated that security concerns may have prevented him from using a lower cost room on some occasions, but did not list any specific concerns. Additionally, he believes lower cost rooms likely were not available for many of the rooms in excess of CONUS rates.

In cities where multiple hotels or motels are located, lodging can often be procured at rates less than CONUS rates. For example, the State Travel Policy (SP-6) requires that "…in areas where comparable accommodations are available at significantly different prices you should seek prior approval

[11] Net of personal reimbursement by Governor Parson in November 2023 for $892.

before selecting higher priced lodging and document the reason(s) for selecting the higher priced lodging. Key issues that determine hotel acceptability to the State include accountability, transparency, price, safety, convenience, ease of booking and payment, oversight and issue resolution." The policy also provides that CONUS rates should be used as a benchmark when evaluating lodging costs. Procedures requiring performing price comparisons to ensure rates do not exceed CONUS rates are necessary to demonstrate compliance with state policies and ensure lodging costs are reasonable. Documentation explaining the reasons for selecting lodging exceeding CONUS rates is needed to properly support the travel decisions.

A similar condition was noted in our previous 4 reports.

Recommendations

The Office of Governor:

5.1 Follow the State Travel Policy requiring employees use the most cost effective method of travel. If circumstances require a higher cost travel method, documentation should be maintained for the justification.

5.2 Require employees to perform price comparisons to ensure rates do not exceed CONUS rates when making lodging arrangements. If it is necessary to exceed CONUS rates, the Governor's office should ensure adequate documentation of the reason is prepared and retained.

Auditee's Response

Current Governor Kehoe's written response is included at Appendix D.

Former Governor Parson's written response is included at Appendix E.

6. Documentation of Governor-Hosted Mansion Events Not Adequate

Governor's office personnel did not consistently prepare documentation to support the business purpose and costs of food served at events hosted by the Governor, as required by state policy. As a result, there is no record of the costs of, and justification for, Governor-hosted events paid by the state.

During the audit period, approximately 160 events were held at the mansion, based on event documentation provided by the Governor's office, primarily for either events reserved by private entities or persons for fees, or events hosted by the Governor. The events typically included food service of either a breakfast, brunch, luncheon, reception, or dinner. Food expenditures for the mansion, including food for events and food for the personal consumption by the Governor and First Lady, totaled approximately $210,000 during the audit period, including approximately $118,000 paid from the Governor's office mansion appropriation, approximately $66,200 paid from an appropriation of

the Department of Natural Resources, and approximately $15,000 paid from the Mansion Donation Fund.[12]

Governor-hosted events

Governor's office personnel planned, scheduled, and managed the Governor-hosted mansion events. Governor's office personnel maintained an event guest listing and an event summary document upon which they recorded the general event description (e.g., luncheon or dinner), date and time, menu, and setup instructions. The food service for the Governor-hosted events included 19 dinners and 27 luncheons, and various breakfasts, brunches, and receptions. The Governor-hosted events included various persons and organizations such as state legislators, state department directors, other state officials and employees, friends and family, and other persons or groups.

The Governor's office did not document the business purpose of Governor-hosted events and some events did not have a business purpose. Additionally, the Governor's office did not document the food costs for each event. The event summary forms did not contain fields to record the event purpose or total food costs, and consequently that information was not documented. We reviewed the event summary forms and email correspondence such as guest lists, and noted events that seemed unlikely to have a business purpose such as approximately 12 dinners and luncheons involving friends and/or family of the Governor and First Lady. Additionally, for 10 dinners and events tested, the Governor's office could not provide any invoice for food purchases for 2 events and notations on the food invoices provided for 4 events indicated the purchase contained food items for multiple events and the items related to each event were not separately identified. Because the Governor's office did not identify all food expenditures as to the specific event, total food costs for each Governor-hosted event could not be determined from food invoices.

State Agency Provided Food Policy (SP-5) requires dinners and luncheons have a business purpose, and documentation be maintained of the state business conducted and the costs of the food. Additionally, SP-5 indicates agencies should exercise sound and prudent business judgment and establish sufficient controls to ensure agency provided food expenses are incurred only when appropriate. Including documentation of a clearly-detailed purpose and the cost of food provided would help demonstrate Governor-hosted events are reasonable, necessary, and prudent uses of public funds and facilities.

[12]Governor's Office personnel indicated that the Mansion appropriation pays for First Family food and also Governor-hosted events without a historical preservation purpose and tour, the Department of Natural Resources appropriation pays for Governor-hosted events that include a historical preservation purpose and mansion tour, and the Mansion Donation Fund pays costs related to food for private/billed events. See Appendix C for a schedule of receipts and disbursements for the Mansion Donation Fund.

Recommendation

The Governor's office ensure documentation supporting Governor-hosted events includes a clearly-detailed business purpose and the cost of food provided.

Auditee's Response

Current Governor Kehoe's written response is included at Appendix D.

Former Governor Parson's written response is included at Appendix E.

Overall Auditor's Comment

Former Governor Parson's response does not indicate any specific inaccuracies or misinterpretations in the report, but rather indicates explanations provided by him and his former staff to the findings were not meaningfully reflected in the report, the audit findings were subjective, and his administration no longer had access to records. The response also implies auditors may not have accurately interpreted or fully evaluated the records. However, *Government Auditing Standards* for performance audits require auditors to obtain sufficient, appropriate evidence to provide a reasonable basis for addressing the audit objectives and supporting the findings and conclusions. The audit findings contained in the report are supported by sufficient and appropriate evidence, and each finding reflects an objective evaluation of the finding's condition and identifies the criteria used to reach the audit's conclusions and recommendations. Auditors evaluated information provided by former Governor Parson and his former staff and many of the audit findings contain comments from the former Governor or his former staff for added context.

Former Governor Parson's response states the administration's records were ". . . placed in archive, so you can construe or neglect what records you decide to review." However, MAR finding number 3 establishes that the administration's records were not properly archived and former administration officials could not locate certain records after the Parson administration left office. The delays and other issues created by not being able to locate administration records highlights the importance of adequate archive procedures for future administrations.

Office of Governor
Organization and Statistical Information

The governor is required to be at least 30 years of age and must have been a citizen of the United States for at least 15 years and a resident of this state at least 10 years prior to election. The governor is elected at the presidential election for a 4-year term and is subject to re-election. No person may hold the office for more than 2 terms.

On June 1, 2018, Michael L. Parson was inaugurated as the fifty-seventh governor, following the resignation of Governor Eric R. Greitens. Governor Parson was elected to a full term as Governor in the November 2020 election, which term expired on January 13, 2025. On that date, Mike Kehoe was inaugurated as the state's fifty-eighth Governor.

The Governor and his family reside in the Governor's mansion, located near the Capitol. The mansion was first occupied in 1872 and was added to the National Register of Historic Places in 1969. The Governor and First Lady host public and private events at the mansion. Events are also hosted by other entities including the Friends of the Missouri Governor's Mansion, a statewide, nonpartisan, nonprofit organization dedicated to the mansion's restoration and educational programs.

The Governor's office is located in Jefferson City. There are regional offices in Kansas City, St. Louis, and Springfield.

The supreme executive power of the state is vested in the governor. Unless otherwise provided by law, the governor appoints all members of boards, commissions, and state government department heads as well as those of several other entities in the state and all vacancies in public offices. The governor commissions all officers of the state unless otherwise provided by law. Through the capacity as commander-in-chief of the militia, the governor is the conservator of peace throughout the state.

Providing the state's principal financial administration, the governor presents to the General Assembly a proposed budget for each appropriation period. All bills passed by both houses are presented to and considered by the governor where they are signed into law or disapproved and returned to the originating house.

In addition to the duties specifically assigned to the governor in the Missouri Constitution, many other duties are assigned by statute and by custom. The governor is also a member of the Board of Public Buildings and the State Board of Fund Commissioners.

Financial Activity

A summary of the office's operating financial activity is presented in Appendixes A, B and C.

Appendix A-1

Office of Governor
Statement of Appropriations and Expenditures
Period July 1, 2024 to January 13, 2025

	Appropriation Authority	Expenditures	Encumbered	Uncommitted Appropriations
GENERAL REVENUE FUND (0101)				
National Guard Emergency	$ 4,000,001	314,834	0	3,685,167
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	775,780	361,382	218,541	195,857
Special Audits	30,000	0	0	30,000
Mansion	315,775	83,020	0	232,755
Governor's Office	3,116,969	1,365,781	0	1,751,188
Total General Revenue Fund	8,238,525	2,125,017	218,541	5,894,967
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS ADMINISTRATION FUND (0122)				
Governor's Office	44,991	0	0	44,991
DEPARTMENT OF MENTAL HEALTH FEDERAL FUND (0148)				
Governor's Office	3,011	0	0	3,011
DIVISION OF TOURISM SUPPLEMENTAL REVENUE FUND (0274)				
Governor's Office	22,560	0	0	22,560
GAMING COMMISSION FUND (0286)				
Governor's Office	6,073	0	0	6,073
DEPARTMENT OF NATURAL RESOURCES COST ALLOCATION FUND (0500)				
Governor's Office	35,949	0	0	35,949
STATE FACILITIES MAINTENANCE AND OPERATION FUND (0501)				
Governor's Office	15,863	0	0	15,863
DEPARTMENT OF COMMERCE AND INSURANCE ADMINISTRATIVE FUND (0503)				
Governor's Office	12,220	0	0	12,220
DEPARTMENT OF ECONOMIC DEVELOPMENT ADMINISTRATION FUND (0547)				
Governor's Office	27,951	0	0	27,951
DIVISION OF FINANCE FUND (0550)				
Governor's Office	5,831	0	0	5,831
INSURANCE DEDICATED FUND (0566)				
Governor's Office	9,843	0	0	9,843
PROFESSIONAL REGISTRATION FEES FUND (0689)				
Governor's Office	35,602	0	0	35,602
AGRICULTURE PROTECTION FUND (0970)				
Governor's Office	32,808	0	0	32,808
Total All Funds	$ 8,491,227	2,125,017	218,541	6,147,669

Note: State fund numbers are shown in parentheses after the fund names.

Appendix A-2

Office of Governor
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2024			2023		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND (0101)						
National Guard Emergency	$ 6,000,001	1,770,223	4,229,778	4,000,001	12,564	3,987,437
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	767,847	574,509	193,338	721,201	715,512	5,689
Special Audits	30,000	0	30,000	30,000	0	30,000
Mansion	312,160	175,460	136,700	303,119	165,475	137,644
Governor's Office	3,035,815	2,889,036	146,779	2,841,453	2,417,436	424,017
Mileage reimbursement rate increase	0	0	0	242	0	242
Partial Year Cost of Living Adjustment - Personal Service	0	0	0	85,197	1,546	83,651
Total General Revenue Fund	10,145,823	5,409,228	4,736,595	7,981,213	3,312,533	4,668,680
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS ADMINISTRATION FUND (0122)						
Governor's Office	43,596	0	43,596	57,483	0	57,483
Partial Year Cost of Living Adjustment - Personal Service	0	0	0	1,454	0	1,454
Total Department of Labor and Industrial Relations Administration Fund	43,596	0	43,596	58,937	0	58,937
DEPARTMENT OF MENTAL HEALTH FEDERAL FUND (0148)						
Governor's Office	2,918	0	2,918	3,848	0	3,848
Partial Year Cost of Living Adjustment - Personal Service	0	0	0	97	0	97
Total Department of Mental Health Federal Fund	2,918	0	2,918	3,945	0	3,945
DIVISION OF TOURISM SUPPLEMENTAL REVENUE FUND (0274)						
Governor's Office	21,860	0	21,860	27,378	0	27,378
Partial Year Cost of Living Adjustment - Personal Service	0	0	0	729	0	729
Total Division of Tourism Supplemental Revenue Fund	21,860	0	21,860	28,107	0	28,107

Appendix A-2

Office of Governor
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2024			2023		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
GAMING COMMISSION FUND (0286)						
Governor's Office	5,885	0	5,885	7,371	0	7,371
Partial Year Cost of Living Adjustment - Personal Service	0	0	0	196	0	196
Total Gaming Commission Fund	5,885	0	5,885	7,567	0	7,567
DEPARTMENT OF NATURAL RESOURCES COST ALLOCATION FUND (0500)						
Governor's Office	34,834	0	34,834	45,931	0	45,931
Partial Year Cost of Living Adjustment - Personal Service	0	0	0	1,162	0	1,162
Total Department of Natural Resources Cost Allocation Fund	34,834	0	34,834	47,093	0	47,093
STATE FACILITIES MAINTENANCE AND OPERATION FUND (0501)						
Governor's Office	15,371	0	15,371	20,268	0	20,268
Partial Year Cost of Living Adjustment - Personal Service	0	0	0	513	0	513
Total State Facilities Maintenance and Operation Fund	15,371	0	15,371	20,781	0	20,781
DEPARTMENT OF COMMERCE AND INSURANCE ADMINISTRATIVE FUND (0503)						
Governor's Office	11,841	0	11,841	15,613	0	15,613
Partial Year Cost of Living Adjustment - Personal Service	0	0	0	395	0	395
Total Department of Commerce and Insurance Administrative Fund	11,841	0	11,841	16,008	0	16,008
DEPARTMENT OF ECONOMIC DEVELOPMENT ADMINISTRATION FUND (0547)						
Governor's Office	27,084	0	27,084	33,921	0	33,921
Partial Year Cost of Living Adjustment - Personal Service	0	0	0	903	0	903
Total Department of Economic Development Administrative Fund	27,084	0	27,084	34,824	0	34,824
DIVISION OF FINANCE FUND (0550)						

Appendix A-2

Office of Governor
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2024			2023		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
Governor's Office	5,650	0	5,650	7,451	0	7,451
Partial Year Cost of Living Adjustment - Personal Service	0	0	0	188	0	188
Total Division of Finance Fund	5,650	0	5,650	7,639	0	7,639
INSURANCE DEDICATED FUND (0566)						
Governor's Office	9,538	0	9,538	12,576	0	12,576
Partial Year Cost of Living Adjustment - Personal Service	0	0	0	318	0	318
Total Insurance Dedicated Fund	9,538	0	9,538	12,894	0	12,894
PROFESSIONAL REGISTRATION FEES FUND (0689)						
Governor's Office	34,498	0	34,498	43,207	0	43,207
Partial Year Cost of Living Adjustment - Personal Service	0	0	0	1,150	0	1,150
Total Professional Registration Fees Fund	34,498	0	34,498	44,357	0	44,357
AGRICULTURE PROTECTION FUND (0970)						
Governor's Office	31,791	0	31,791	39,815	0	39,815
Partial Year Cost of Living Adjustment - Personal Service	0	0	0	1,060	0	1,060
Total Agriculture Protection Fund	31,791	0	31,791	40,875	0	40,875
Total All Funds	$ 10,390,689	5,409,228	4,981,461	8,304,240	3,312,533	4,991,707

Note: State fund numbers are shown in parentheses after the fund names.

Appendix B

Office of Governor
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2024	2023	2022	2021	2020
Governor's office:					
Salaries and wages	$ 2,018,845	2,051,455	1,854,302	2,066,778	2,165,094
Travel, in-state	186,387	167,227	192,422	151,792	102,254
Travel, out-of-state	7,402	4,629	4,383	1,053	11,598
Supplies	70,122	44,967	101,972	53,423	40,688
Professional development	22,173	4,705	1,370	2,389	3,825
Communication services and supplies	32,351	32,962	34,821	42,845	66,409
Services:					
Professional	419,411	39,178	73,552	39,460	93,443
Maintenance and repair	46,097	153	294	198	1,268
Equipment					
Office	909	10,340	43,158	4,624	5,970
Other	59,226	49,856	49,638	41,647	11,881
Agency provided food	11,440	11,930	11,934	8,788	9,150
Miscellaneous expenses	14,426	34	39	39	39
Refunds	52	0	459	0	0
Total office expenditures	2,888,841	2,417,436	2,368,344	2,413,036	2,511,619
Mansion:[1]					
Salaries and wages	98,357	29,687	30,750	29,604	29,095
Travel, in-state	20	376	0	0	3,014
Travel, out-of-state	999	267	0	0	548
Supplies	28,123	71,405	20,279	8,481	9,551
Professional development	0	1,515	0	0	100
Services:					
Professional	5,894	4,499	2,368	2,850	11,946
Maintenance and repair	1,012	850	704	672	912
Equipment:					
Office	2,336	295	260	-27	120
Other	930	528	2,588	1,142	1,821
Agency provided food	37,789	56,053	54,213	40,236	16,520
Total mansion expenditures	175,460	165,475	111,162	82,958	73,627
Other:					
National Guard emergency	1,770,223	12,564	518,943	875,113	1,974,530
Building lease payments	574,884	717,058	528,955	478,134	473,206
Special audits	0	0	0	0	0
Total Expenditures	$ 5,409,408	3,312,533	3,527,404	3,849,241	5,032,982

[1] Mansion expenditures do not include expenses paid from the Mansion Donation Fund (see Appendix C) or expenses paid by the Department of Natural Resources.

Appendix C

Office of Governor
Mansion Donation Fund[1]
Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments

	Year Ended June 30,	
	2024	2023
Receipts	$ 87,368	77,082
Disbursements	27,569	60,000
Receipts Over (Under) Disbursements	59,799	17,082
Cash and Investments, July 1	133,176	116,094
Cash and Investments, June 30	$ 192,975	133,176

[1] The Mansion Donation Fund is a revolving fund established within the State Facility Maintenance and Operation Fund. The purpose of the fund is to accept donations and fees for payment of costs of mansion events and operating costs.

STATE CAPITOL
201 W. CAPITOL AVENUE, ROOM 216
JEFFERSON CITY, MISSOURI 65101

(573) 751-3222
WWW.GOVERNOR.MO.GOV

Mike Kehoe
GOVERNOR
STATE OF MISSOURI

This response letter includes comments related to both the audit of the Office of the Governor as well as the audit of the Office of the Lieutenant Governor, due to Governor Kehoe's involvement with both offices.

April 27, 2026

The Honorable Scott Fitzpatrick
Missouri State Auditor
Missouri Capitol Building, Room 228
Jefferson City, Missouri

BY HAND DELIVERY

Dear Auditor Fitzpatrick,

Our office has received and reviewed the draft auditor's reports regarding the Office of the Lieutenant Governor and the Office of the Governor for the time period ending January 13, 2025. This letter constitutes the responses to those reports from this office.

Draft Report Regarding the Office of the Governor

Obviously, Governor Kehoe began service as Missouri Governor on the same date as the end of the time period covered by the auditor's report. There are no persons in policy-making positions serving under Governor Kehoe who also served during the time period of the auditor's report. Accordingly, we have no knowledge of the facts discussed in the auditor's report.

I will note that most of the findings do not apply to the policies and operations of the Governor's office since January 13, 2025. Examples include the following:

- There is no plan to pay compensatory time to "top level employees," or any employees for the that matter.
- Practices regarding travel are different than what is described in the auditor's report.
- A sunshine law request log is maintained.

Draft Report Regarding the Office of Lieutenant Governor

The office of Lieutenant Governor Kehoe fully complied with all legal requirements.

Sincerely,

Adam Gresham
Chief of Staff
Office of Governor Mike Kehoe

March 4, 2026

Subject: Response to Audit Findings

Dear Auditor Fitzpatrick:

I am writing in response to the findings outlined in your recent audit report.

I strongly disagree with the conclusions presented. During the audit process, my team and I met with your staff to address and explain each of the so-called findings in detail. We provided context, documentation, and clarification. Unfortunately, none of those explanations were meaningfully reflected in the final report.

To characterize these matters as findings of concern is misleading. None of the issues cited constitute unethical conduct. At most, they reflect differences in interpretation or perception—not wrongdoing.

Further, the subjectivity of your auditor's analysis is disappointing to say the least, and it should be noted that once an administration leaves office, they no longer have access to their records. Records are placed in archive, so you exclusively can construe or neglect what records you decide to review.

My administration worked diligently and in good faith to conduct the people’s business properly and transparently, and I remain proud of the work accomplished during my time as Governor.

I respectfully request that our responses be fully and fairly considered as part of the public record.

Sincerely,

Michael L. Parson
Missouri’s 57th Governor