Scott Fitzpatrick

Missouri State Auditor

State of Missouri
Single Audit
Year Ended June 30, 2025

Report No. 2026-077

September 2026

auditor.mo.gov

Scott Fitzpatrick
Missouri State Auditor

CITIZENS SUMMARY

Findings in the Fiscal Year 2025 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 under the Uniform Guidance requires an audit of the State of Missouri's financial statements and expenditures of federal awards. The state expended approximately $20.5 billion in federal awards during the fiscal year ended June 30, 2025. The Single Audit involved audit work on 21 major federal programs with expenditures totaling approximately $16 billion, administered by 9 state agencies.
Medicaid and CHIP Eligibility System Controls	The Department of Social Services (DSS) does not have sufficient controls to ensure participants of the Medicaid program and the Children's Health Insurance Program (CHIP) are not improperly enrolled in more than one eligibility system. As of May 2025, there were 9,834 participants dually enrolled in both eligibility systems. The failure to implement and enforce adequate internal controls to ensure participants are not improperly enrolled in more than one eligibility system increases the risk that improper Medicaid program and CHIP payments may be made or claimed at the incorrect federal/state share.
Medicaid and CHIP MEDES Death Match	As noted in two previous audits, the vital records death match was not operating in the Medicaid Eligibility Determination and Enrollment System (MEDES) during the year ended June 30, 2025. As a result, there is no assurance that all participants in the Medicaid program and the CHIP are eligible for benefits and there is an opportunity for improper benefit payments to be made.
Medicaid and CHIP MAGI-Based Participant Eligibility Redeterminations	The DSS does not have sufficient controls to ensure eligibility redeterminations are completed as required for certain Medicaid program and CHIP participants whose eligibility is based on their Modified Adjusted Gross Income (MAGI). As of December 31, 2025, the DSS had a backlog of approximately 85,000 participants, for which redeterminations had not been completed. The failure to implement adequate internal controls to ensure redeterminations are performed as required and ineligible participant cases are closed can result in Medicaid program and CHIP payments being made on behalf of ineligible individuals (including the state matching portion of the payment), which would result in unallowable costs of the federal programs and additional state dollars spent for unqualified participants.
Medicaid and CHIP Eligibility Determination Timeliness	The DSS does not have sufficient controls to ensure eligibility determinations are performed within required timeframes for participants of the Medicaid program and the CHIP. Significant application processing delays noted in 3 previous audits continued during the year ended June 30, 2025. In a test of compliance with eligibility requirements for the year ended June 30, 2025, 19 of 120 eligibility determinations were made 7 to 115 days after the required timeframes and averaged approximately 40 days late.
Medicaid and CHIP Receipt Controls	As noted in 2 previous audits, 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. During the year ended June 30, 2025, the MHD processed Medicaid program and CHIP receipts totaling approximately $1.4 billion.
DSS Medicaid FFATA Reporting	The controls and procedures of the Division of Finance and Administrative Services (DFAS) within the DSS are not sufficient to timely submit Federal Funding Accountability and Transparency Act (FFATA) reports as required for the Medicaid program. During state fiscal year 2025, the DFAS did not timely submit a FFATA report for its one subrecipient of the Medicaid program.
Social Services Block Grant Post-Expenditure Reporting	The DFAS does not have adequate internal controls and procedures to ensure Social Services Block Grant (SSBG) program Post-Expenditure Report activities are accurately reported. In addition, the DHSS does not have adequate internal controls and procedures to ensure DHSS activities are accurately reported. As a result, the Post-Expenditure Report filed during the audit period as originally submitted did not accurately report expenditures for the year ended June 30, 2024.
DSS SSBG FFATA Reporting	DFAS controls and procedures are not sufficient to timely submit FFATA reports for the SSBG program. During state fiscal year 2025, the DFAS did not timely submit FFATA reports in accordance with its policy for 3 of 20 subrecipients reviewed.
SLFRF Program Subrecipient Monitoring	As noted in 2 previous audits, the Office of Administration (OA) had not established policies and procedures regarding monitoring subrecipients of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program. As a result, the OA and 2 other state agencies did not comply with the Uniform Guidance requirements regarding identifying and monitoring subrecipients of the SLFRF program. 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.
CACFP Subrecipient Reimbursements	As noted in 2 previous audits, the Department of Health and Senior Services (DHSS) - Bureau of Community Food and Nutrition Assistance (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 required by federal regulations. As a result, significant unallowable and unsupported reimbursements continue to be made without being prevented or detected timely. A randomly-selected sample of 60 BCFNA monitoring reviews conducted for 60 CACFP facilities/sponsors during the year ended June 30, 2025, noted BCFNA disallowances (overclaims/underclaims) in 50 of 58 (86%) reviews for which meal reimbursement claims were tested and errors quantified. Overclaims totaled $72,561 (43 reviews) and underclaims totaled $4,275 (7 reviews), with a net overclaim of $68,286, or at least 12% 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 $69.9 million.

CACFP Subrecipient Monitoring	As noted in 2 previous audits, BCFNA subrecipient monitoring procedures were not in compliance with subrecipient monitoring requirements and were not sufficient to ensure CACFP subrecipient compliance with program requirements. A review and analysis of the 60 sampled monitoring reviews noted the monitoring reviews identified significant errors, noncompliance, disallowances, and overclaims. A comparison of the sampled reviews to prior reviews noted deficient facilities/sponsors generally had continued deficiencies and little improvement from prior reviews. To prevent future errors, 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; and expand testing when significant errors are identified.
Medicaid SPPC Participant Choice Agreements	As similarly noted in 2 prior audit reports, the DHSS - Division of Senior and Disability Services (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 14 of 60 participants reviewed.
Medicaid Facility Survey Timeliness	As similarly noted in 4 previous audit reports, the Section for Long-Term Care Regulations (SLCR) within the DHSS did not perform facility survey procedures within required timeframes. In a test of 60 surveys, 14 Statements of Deficiencies and Plan of Corrections were sent 11 to 22 days after the survey exit instead of within 10 days, and 3 facility revisits were completed in 69-89 days instead of within 60 days of the initial survey date.
SEMA Subrecipient Monitoring	As similarly noted in the previous audit, the State Emergency Management Agency (SEMA) did not fully comply with subrecipient monitoring requirements for the Disaster Grants - Public Assistance (Presidentially Declared Disasters) (DGPA) program. The SEMA did not communicate all required federal award information to subrecipients, completed only 25% of the required number of subrecipient monitoring reviews, and did not perform supervisory reviews of some monitoring reviews.
SEMA FFATA Reporting	SEMA controls and procedures are not sufficient to fully comply with FFATA reporting requirements for the DGPA program. During state fiscal year 2025, the SEMA did not fully comply with FFATA reporting requirements for 6 of 17 subawards reviewed.
DED FFATA Reporting	Department of Economic Development (DED) controls and procedures are not sufficient to fully comply with FFATA reporting requirements for the Community Development Block Grant program. During state fiscal year 2025, the DED did not fully comply with FFATA reporting requirements for 18 of 27 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, 2025

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 $20.5 billion in federal awards during the state fiscal year ended June 30, 2025.

Summary of Single Audit Results

The following is the summary of our Single Audit results for the state fiscal year ended June 30, 2025.

Financial Statements

We issued our audit report (Report No. 2026-015[1]) of the state's Annual Comprehensive Financial Report (ACFR), as of and for the year ended June 30, 2025, in February 2026. In addition, we issued our Annual Comprehensive Financial Report - Report on Internal Control, Compliance, and Other Matters (Report No. 2026-036[2]) in April 2026. In that report, we reported 2 audit 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 audit finding. The CAPs were submitted to the Office of Administration (OA) and are in the Corrective Action Plans section of this report. State agencies 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 $20.5 billion in federal funds in state fiscal year 2025. 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 21 major federal programs with expenditures totaling approximately $16 billion, administered by 9 state agencies.

We issued a qualified opinion on 3 major federal programs and an unmodified opinion on 18 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=2026036>.

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

In total, we reported 16 audit findings related to 7 major federal programs at 5 state agencies. We did not report any known questioned costs related to federal awards. Of the 16 audit findings, 9 audit findings were repeated from prior Single Audits. These audit findings have been reported in the 1 to 4 prior years.

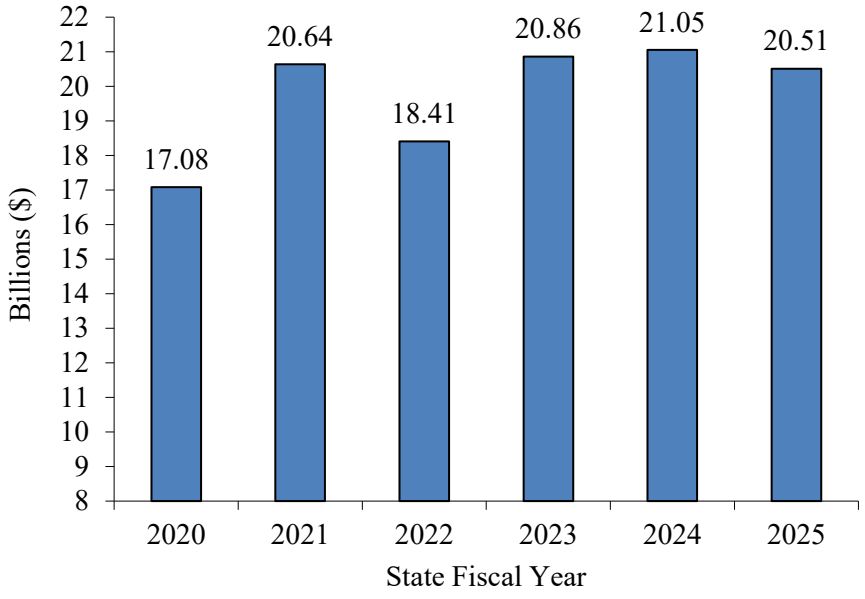
Of the 16 federal award audit findings, 15 related to internal control deficiencies. We consider 9 audit findings of internal control deficiencies to be material weaknesses and 6 audit findings to be significant deficiencies.

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.

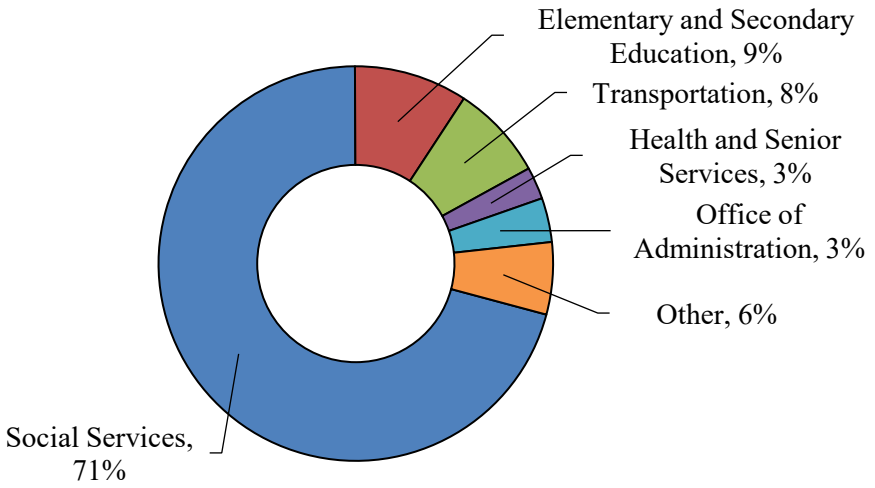
During the 5-year period prior to state fiscal year 2020, expenditures of federal awards averaged approximately $12 billion annually. Expenditures have remained elevated since then due to additional federal funding made available to state agencies to help with the state's emergency response to the Coronavirus Disease 2019 (COVID-19) and the Medicaid expansion effective in state fiscal year 2022.

Total Expenditures of Federal Awards
6 Year Comparison



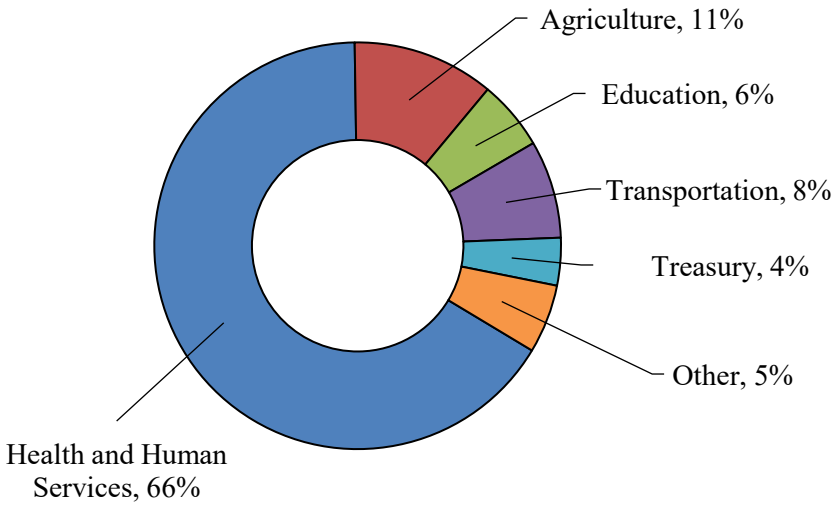
Of the 21 state agencies and offices that expended federal awards, 5 agencies spent the majority of the awards (94%) during state fiscal year 2025.

Expenditures of Federal Awards by State Agency



The state expended federal awards received from 24 federal agencies. Most of the federal award expenditures (95%) were from programs of 5 federal agencies.

Expenditures of Federal Awards by Federal Agency

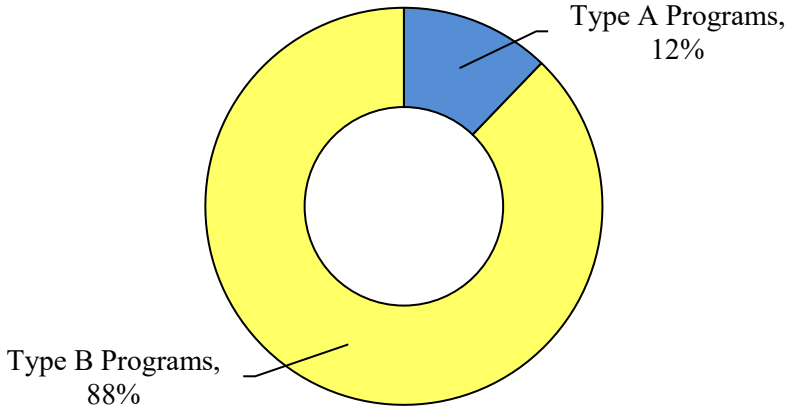


Overall, the state expended federal awards in 320 programs. These programs are listed in the accompanying Schedule of Expenditures of Federal Awards.

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 $30.76 million (total expenditures of $20,509,341,199 times 0.0015) since the federal award expenditures exceeded $20 billion during state fiscal year 2025.

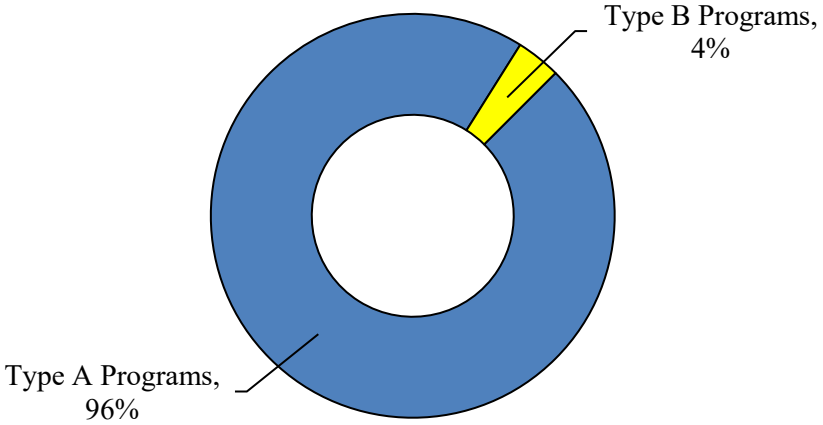
Programs with federal award expenditures of $30.76 million or more are Type A programs and programs with federal award expenditures under $30.76 million are Type B programs. Of the 320 federal award programs, 39, or 12% of the programs, were Type A programs and 281, or 88% of the programs, were Type B programs.

Type A and Type B Programs
Number of Programs



The 39 Type A programs had expenditures totaling approximately $19.78 billion, or 96% of total expenditures. The 281 Type B programs had expenditures totaling approximately $731 million, or 4% of total expenditures.

Type A and Type B Programs
Expenditures of Federal Awards



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 19 of the 39 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 20 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% of the Type A threshold, or $7.7 million. Of the 281 Type B programs, 30 were larger Type B programs. We performed risk assessments on the 30 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 78% of total state fiscal year 2025 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
Programs Audited				
Type A major programs	20	$	15,958,107,348	
Type B major programs	1		14,384,494	
Total major programs	21		15,972,491,842	78%
Programs not Audited				
Type A non-major programs	19		3,819,887,302	
Type B non-major programs	280		716,962,055	
Total non-major programs	299		4,536,849,357	22%
Total programs	320	$	20,509,341,199	100%

State of Missouri
Summary of Type A Programs
Year Ended June 30, 2025

AL Number	Program or Cluster Name	Federal Grantor Agency	Federal Awards Expended (1)	
	SNAP Cluster:			
10.551	Supplemental Nutrition Assistance Program	Agriculture	$	1,555,832,242
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Agriculture		73,932,353
	Total SNAP Cluster			1,629,764,595
	Child Nutrition Cluster:			
10.553	School Breakfast Program	Agriculture		87,057,690
10.555	National School Lunch Program	Agriculture		271,366,277
10.556	Special Milk Program for Children	Agriculture		126,769
10.559	Summer Food Service Program for Children	Agriculture		19,130,936
10.582	Fresh Fruit and Vegetable Program	Agriculture		3,479,615
	Total Child Nutrition Cluster			381,161,287
10.557	COVID-19 - WIC Special Supplemental Nutrition Program for Women, Infants, and Children	Agriculture	1,082,215	
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	Agriculture	92,936,959	
	Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children			94,019,174
10.558	Child and Adult Care Food Program	Agriculture		71,380,466
	Food Distribution Cluster:			
10.565	Commodity Supplemental Food Program	Agriculture		10,813,535
10.568	Emergency Food Assistance Program (Administrative Costs)	Agriculture		1,257,561
10.569	Emergency Food Assistance Program (Food Commodities)	Agriculture		30,595,254
	Total Food Distribution Cluster			42,666,350
10.646	Summer Electronic Benefit Transfer Program for Children	Agriculture		68,021,875
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Defense		54,719,423
14.228	COVID-19 - Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	Housing and Urban Development	13,529,237	
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	Housing and Urban Development	44,618,770	
	Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			58,148,007
	Fish and Wildlife Cluster:			
15.605	Sport Fish Restoration Program	Interior		8,849,897
15.611	Wildlife Restoration and Basic Hunter Education and Safety	Interior		26,703,940
	Total Fish and Wildlife Cluster			35,553,837
17.225	COVID-19 - Unemployment Insurance	Labor	(1,088,861)	
17.225	Unemployment Insurance	Labor	322,301,845	
	Total Unemployment Insurance			321,212,984
20.106	COVID-19 - Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	Transportation	955,872	
20.106	Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	Transportation	48,480,038	
	Total Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs			49,435,910
20.205	Highway Planning and Construction	Transportation		1,432,990,666
20.509	COVID-19 - Formula Grant for Rural Areas and Tribal Transit Program	Transportation	1,373,232	
20.509	Formula Grants for Rural Areas and Tribal Transit Program	Transportation	29,942,320	
	Total Formula Grants for Rural Areas and Tribal Transit Program			31,315,552
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	Treasury		731,862,244
21.029	COVID-19 - Coronavirus Capital Projects Fund	Treasury		44,372,291
64.015	COVID-19 - Veterans State Nursing Home Care	Veterans Affairs	4,844,230	
64.015	Veterans State Nursing Home Care	Veterans Affairs	78,646,661	
	Total Veterans State Nursing Home Care			83,490,891
66.458	Clean Water State Revolving Fund	Environmental Protection Agency		41,258,776
84.010	Title I Grants to Local Educational Agencies	Education		244,371,583

State of Missouri
Summary of Type A Programs
Year Ended June 30, 2025

AL Number	Program or Cluster Name	Federal Grantor Agency	Federal Awards Expended (1)	
	Special Education Cluster (IDEA):			
84.027	Special Education Grants to States	Education		279,264,863
84.173	Special Education Preschool Grants	Education		6,254,405
	Total Special Education Cluster (IDEA)			285,519,268
84.048	Career and Technical Education - Basic Grants to States	Education		32,234,349
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States	Education		93,901,618
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Education		35,920,428
	Education Stabilization Fund:			
84.425D	COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	Education		1,345,582
84.425U	COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	Education		320,382,989
84.425V	COVID-19 - American Rescue Plan - Emergency Assistance to Non-Public Schools (ARP EANS)	Education		17,480,348
84.425W	COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief - Homeless Children and Youth	Education		6,927,250
	Total Education Stabilization Fund			346,136,169
	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	204,702	
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	Health and Human Services	11,849,272	
	Total Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers			12,053,974
93.045	COVID-19 - Special Programs for the Aging, Title III, Part C, Nutrition Services	Health and Human Services	181,113	
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services	Health and Human Services	24,633,513	
	Total Special Programs for the Aging, Title III, Part C, Nutrition Services			24,814,626
93.053	Nutrition Services Incentive Program	Health and Human Services		2,989,554
	Total Aging Cluster			39,858,154
93.268	COVID-19 - Immunization Cooperative Agreements	Health and Human Services	18,131,312	
93.268	Immunization Cooperative Agreements	Health and Human Services	95,384,251	
	Total Immunization Cooperative Agreements			113,515,563
93.323	COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Health and Human Services	38,091,150	
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Health and Human Services	1,477,370	
	Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			39,568,520
93.558	Temporary Assistance for Needy Families	Health and Human Services		190,435,918
93.563	Child Support Services	Health and Human Services		38,763,552
93.568	COVID-19 - Low-Income Home Energy Assistance	Health and Human Services	3,970,432	
93.568	Low-Income Home Energy Assistance	Health and Human Services	79,849,325	
	Total Low-Income Home Energy Assistance			83,819,757
	CCDF Cluster:			
93.575	COVID-19 - Child Care and Development Block Grant	Health and Human Services	111,767,947	
93.575	Child Care and Development Block Grant	Health and Human Services	180,506,281	
	Total Child Care and Development Block Grant			292,274,228
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Health and Human Services		59,529,244
	Total CCDF Cluster			351,803,472
93.658	Foster Care Title IV-E	Health and Human Services		75,314,425
93.659	Adoption Assistance	Health and Human Services		76,376,524
93.667	Social Services Block Grant	Health and Human Services		43,114,495
93.767	Children's Health Insurance Program	Health and Human Services		509,670,000

State of Missouri
Summary of Type A Programs
Year Ended June 30, 2025

AL Number	Program or Cluster Name	Federal Grantor Agency	Federal Awards Expended (1)	
	Medicaid Cluster:			
93.775	State Medicaid Fraud Control Units	Health and Human Services		2,106,989
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	Health and Human Services		22,701,868
93.778	COVID-19 - Grants to States for Medicaid	Health and Human Services	1,516,079	
93.778	Grants to States for Medicaid	Health and Human Services	11,666,730,238	
	Total Grants to States for Medicaid			11,668,246,317
	Total Medicaid Cluster			11,693,055,174
93.788	Opioid STR	Health and Human Services		31,128,121
93.959	COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse	Health and Human Services	6,696,504	
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Health and Human Services	27,180,254	
	Total Block Grants for Prevention and Treatment of Substance Abuse			33,876,758
	Disability Insurance/SSI Cluster			
96.001	Social Security Disability Insurance	Social Security Administration		50,973,559
	Total Disability Insurance/SSI Cluster			50,973,559
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Homeland Security		197,262,915
	Total Type A Programs (expenditures greater than $30,764,012)		$	19,777,994,650

(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, 2025. 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, 2025.

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, 2025.

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)
2025-009	21.027	Coronavirus State and Local Fiscal Recovery Funds	Subrecipient Monitoring
2025-010	10.558	Child and Adult Care Food Program	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Subrecipient Monitoring
2025-011	10.558	Child and Adult Care Food Program	Subrecipient Monitoring
2025-014	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, 2025. 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 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 2025-004, 2025-006, 2025-007, 2025-012, 2025-015, and 2025-016. 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 these items.

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 2025-001 through 2025-005, 2025-009 through 2025-011, and 2025-014 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 2025-006 through 2025-008, 2025-012, 2025-015, and 2025-016 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 these items.

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, 2025, and the related notes to financial statements, which collectively comprise the State of Missouri's basic financial statements. We issued our report thereon dated February 20, 2026, 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 basic 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.

Scott Fitzpatrick
State Auditor

September 10, 2026, except for our report
on Schedule of Expenditures of
Federal Awards, for which the date is
February 20, 2026

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

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	$ 1,155,921	$ 148,517
10.069	Conservation Reserve Program	1,318,348	107,892
10.093	Voluntary Public Access and Habitat Incentive Program	741,025	-
10.125	Hazardous Waste Management	131	-
10.153	Market News	27,582	25,400
10.170	COVID-19 - Specialty Crop Block Grant Program - Farm Bill	114,985	105,323
10.170	Specialty Crop Block Grant Program - Farm Bill	233,404	213,658
	Total Specialty Crop Block Grant Program - Farm Bill	348,389	318,981
10.171	Organic Certification Cost Share Programs	11,698	11,698
10.182	Pandemic Relief Activities: Local Food Purchase Agreements with States, Tribes, and Local Governments	5,276,984	5,276,984
10.185	Local Food for Schools Cooperative Agreement Program	193,600	193,600
10.187	The Emergency Food Assistance Program (TEFAP) Commodity Credit Corporation Eligible Recipient Funds	668,056	638,602
10.190	Resilient Food System Infrastructure Program	86,671	69,374
10.435	State Mediation Grants	14,827	-
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	2,059,257	-
10.479	Food Safety Cooperative Agreements	150,432	-
10.500	Cooperative Extension Service	18,202	-
10.525	Farm and Ranch Stress Assistance Network Competitive Grants Program	27,477	25,500
10.541	Child Nutrition-Technology Innovation Grant	10,246	-
10.542	COVID-19 - Pandemic EBT Food Benefits	313	-
	SNAP Cluster:		
10.551	Supplemental Nutrition Assistance Program	1,555,832,242	-
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	73,932,353	16,896,834
	Total SNAP Cluster	1,629,764,595	16,896,834
	Child Nutrition Cluster:		
10.553	School Breakfast Program	87,057,690	87,057,690
10.555	National School Lunch Program	271,366,277	270,078,054
10.556	Special Milk Program for Children	126,769	126,769
10.559	Summer Food Service Program for Children	19,130,936	18,934,962
10.582	Fresh Fruit and Vegetable Program	3,479,615	3,479,615
	Total Child Nutrition Cluster	381,161,287	379,677,090
10.557	COVID-19 - WIC Special Supplemental Nutrition Program for Women, Infants, and Children	1,082,215	5,639
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	92,936,959	29,270,656
	Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children	94,019,174	29,276,295
10.558	Child and Adult Care Food Program	71,380,466	69,898,713
10.560	State Administrative Expenses for Child Nutrition	8,294,096	-
	Food Distribution Cluster:		
10.565	Commodity Supplemental Food Program	10,813,535	2,039,377
10.568	Emergency Food Assistance Program (Administrative Costs)	1,257,561	1,189,545
10.569	Emergency Food Assistance Program (Food Commodities)	30,595,254	93,994
	Total Food Distribution Cluster	42,666,350	3,322,916
10.572	WIC Farmers' Market Nutrition Program (FMNP)	100,403	30,203
10.576	Senior Farmers Market Nutrition Program	29,707	24,877
10.579	COVID-19 - Child Nutrition Discretionary Grants Limited Availability	124,738	124,738
10.579	Child Nutrition Discretionary Grants Limited Availability	291,615	291,615
	Total Child Nutrition Discretionary Grants Limited Availability	416,353	416,353
10.645	Farm to School State Formula Grant	149,015	3,850
10.646	Summer Electronic Benefit Transfer Program for Children	68,021,875	-
10.649	COVID-19 - Pandemic EBT Administrative Costs	(10)	-
10.664	Cooperative Forestry Assistance	1,741,049	409,681
	Schools and Roads Cluster:		
10.665	Schools and Roads - Grants to States	1,954,221	1,954,221
	Total Schools and Roads Cluster	1,954,221	1,954,221
10.680	Forest Health Protection	10,009	-
10.698	State & Private Forestry Cooperative Fire Assistance	671,410	536,468
10.731	Inflation Reduction Act Landscape Scale Restoration	100,000	100,000
10.934	Feral Swine Eradication and Control Pilot Program	1,315,602	568,076
Total Department of Agriculture		2,313,904,761	509,932,125
Department of Commerce			
11.031	Broadband Infrastructure Program	6,374,430	6,367,048
11.032	State Digital Equity Planning and Capacity Grant	449	-
11.035	Broadband Equity, Access, and Deployment Program	22,951	-
	Economic Development Cluster:		
11.307	Economic Adjustment Assistance	896,053	-
	Total Economic Development Cluster	896,053	-
Total Department of Commerce		7,293,883	6,367,048

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Assistance Listing Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
Department of Defense			
12.U01	Excess Property Program	959,565	-
12.112	Payments to States in Lieu of Real Estate Taxes	2,171,441	2,171,441
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	568,858	-
12.401	National Guard Military Operations and Maintenance (O&M) Projects	54,719,423	-
12.617	Economic Adjustment Assistance for State Governments	548,757	-
12.630	Basic, Applied, and Advanced Research in Science and Engineering	44,112	-
Total Department of Defense		59,012,156	2,171,441
Department of Housing and Urban Development			
14.228	COVID-19 - Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	13,529,237	13,254,856
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	44,618,770	43,026,527
	Total Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	58,148,007	56,281,383
14.241	Housing Opportunities for Persons with AIDS	1,317,551	1,317,551
14.267	Continuum of Care Program	12,799,459	12,799,459
14.912	Lead Hazard Control Capacity Building	17,003	-
Total Department of Housing and Urban Development		72,282,020	70,398,393
Department of the Interior			
15.018	Energy Community Revitalization Program (ECRP)	340,737	-
15.073	Earth Mapping Resources Initiative	357,352	-
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	187,297	-
15.252	Abandoned Mine Land Reclamation (AMLR)	2,482,279	-
15.433	Flood Control Act Lands	14,931	14,931
15.438	National Forest Acquired Lands	1,612,026	1,612,026
	Fish and Wildlife Cluster:		
15.605	Sport Fish Restoration	8,849,897	-
15.611	Wildlife Restoration and Basic Hunter Education and Safety	26,703,940	-
	Total Fish and Wildlife Cluster	35,553,837	-
15.608	Fish and Aquatic Conservation - Aquatic Invasive Species	1,240,321	394,798
15.615	Cooperative Endangered Species Conservation Fund	672,992	672,992
15.634	State Wildlife Grants	1,248,104	67,011
15.658	Natural Resource Damage Assessment and Restoration	4,836	-
15.669	Collaborative Landscape Conservation	297,609	297,609
15.684	White-nose Syndrome National Response Implementation	44,677	4,900
15.810	National Cooperative Geologic Mapping	527,581	-
15.814	National Geological and Geophysical Data Preservation	106,074	-
15.817	National Geospatial Program: Building the National Map	166,189	-
15.904	Historic Preservation Fund Grants-In-Aid	633,360	149,486
15.916	Outdoor Recreation Acquisition, Development and Planning	5,022,591	4,436,533
15.978	Upper Mississippi River Restoration Long Term Resource Monitoring	507,675	-
15.980	National Ground-Water Monitoring Network	1,437	-
Total Department of the Interior		51,021,905	7,650,286
Department of Justice			
16.U01	FBI Joint Terrorism Task Force	26,142	-
16.017	Sexual Assault Services Formula Program	769,155	738,120
16.540	Juvenile Justice and Delinquency Prevention	464,980	264,353
16.554	National Criminal History Improvement Program (NCHIP)	3,400,440	-
16.575	Crime Victim Assistance	12,090,190	10,972,014
16.576	Crime Victim Compensation	2,094,552	2,090,603
16.588	Violence Against Women Formula Grants	3,271,481	3,030,524
16.593	Residential Substance Abuse Treatment for State Prisoners	421,142	133,113
16.609	Project Safe Neighborhoods	199,293	171,540
16.710	Public Safety Partnership and Community Policing Grants	270,194	-
16.738	Edward Byrne Memorial Justice Assistance Grant Program	4,329,862	3,305,480
16.741	DNA Backlog Reduction Program	773,161	-
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program	473,894	296,797
16.750	Support for Adam Walsh Act Implementation Grant Program	394,263	-
16.812	Second Chance Act Reentry Initiative	879,771	216,811
16.813	NICS Act Record Improvement Program	895,059	-
16.833	National Sexual Assault Kit Initiative	565,672	-
16.839	STOP School Violence	411,896	407,644
16.922	Equitable Sharing Program	381,166	-
Total Department of Justice		32,112,313	21,626,999
Department of Labor			
17.002	Labor Force Statistics	920,385	-
17.005	Compensation and Working Conditions	332,096	-

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Assistance Listing Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
	Employment Service Cluster:		
17.207	Employment Service/Wagner-Peyser Funded Activities	10,678,371	749,367
17.801	Jobs for Veterans State Grants	2,797,203	-
	Total Employment Service Cluster	13,475,574	749,367
17.225	COVID-19 - Unemployment Insurance	(1,088,861)	-
17.225	Unemployment Insurance	322,301,845	-
	Total Unemployment Insurance	321,212,984	-
17.235	Senior Community Service Employment Program	1,663,692	1,636,471
17.245	Trade Adjustment Assistance	333,320	-
	WIOA Cluster:		
17.258	WIOA Adult Program	9,416,081	9,304,908
17.259	WIOA Youth Activities	9,832,043	9,599,861
17.278	WIOA Dislocated Worker Formula Grants	9,421,422	8,807,309
	Total WIOA Cluster	28,669,546	27,712,078
17.271	Work Opportunity Tax Credit Program (WOTC)	419,316	-
17.273	Temporary Labor Certification for Foreign Workers	220,194	-
17.277	WIOA National Dislocated Worker Grants / WIA National Emergency Grants	3,333,571	1,855,841
17.285	Registered Apprenticeship	1,872,001	998,335
17.504	Consultation Agreements	1,562,522	-
17.600	Mine Health and Safety Grants	499,046	-
Total Department of Labor		374,514,247	32,952,092
Department of Transportation			
20.106	COVID-19 - Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	955,872	955,872
20.106	Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	48,480,038	48,480,038
	Total Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	49,435,910	49,435,910
20.200	Highway Research and Development Program	316,683	-
20.205	Highway Planning and Construction	1,432,990,666	149,292,861
20.215	Highway Training and Education	230,482	-
	FMCSA Cluster:		
20.218	Motor Carrier Safety Assistance	11,242,842	4,653,650
	Total FMCSA Cluster	11,242,842	4,653,650
20.219	Recreational Trails Program	1,541,688	1,333,156
20.224	Federal Lands Access Program	374,960	175,563
20.232	Commercial Driver's License Program Implementation Grant	183,798	-
20.240	Fuel Tax Evasion-Intergovernmental Enforcement Effort	2,501	-
20.325	Consolidated Rail Infrastructure and Safety Improvements	858,068	858,068
20.326	Federal-State Partnership for Intercity Passenger Rail	385,570	385,570
	Federal Transit Cluster		
20.500	Federal Transit Capital Investment Grants	43,143	43,143
20.507	Federal Transit Formula Grants	547,724	547,724
20.526	Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	2,581,023	2,581,023
	Total Federal Transit Cluster	3,171,890	3,171,890
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	648,479	643,589
20.509	COVID-19 - Formula Grant for Rural Areas and Tribal Transit Program	1,373,232	1,373,232
20.509	Formula Grants for Rural Areas and Tribal Transit Program	29,942,320	28,767,523
	Total Formula Grant for Rural Areas and Tribal Transit Program	31,315,552	30,140,755
	Transit Services Programs Cluster:		
20.513	COVID-19 - Enhanced Mobility of Seniors and Individuals with Disabilities	225,091	225,091
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	8,579,789	8,096,865
	Total Enhanced Mobility of Seniors and Individuals with Disabilities	8,804,880	8,321,956
	Total Transit Services Programs Cluster	8,804,880	8,321,956
20.528	Rail Fixed Guideway Public Transportation System State Safety Oversight Formula Grant Program	545,243	411,948
20.534	Community Project Funding Congressionally Directed Spending	500,000	500,000
	Highway Safety Cluster:		
20.600	State and Community Highway Safety	7,581,312	7,161,390
20.616	National Priority Safety Programs	8,100,463	6,463,988
	Total Highway Safety Cluster	15,681,775	13,625,378
20.607	Alcohol Open Container Requirements	6,841,502	6,493,618
20.614	National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements	170,177	-
20.700	Pipeline Safety Program State Base Grant	785,217	-
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	512,849	674
20.721	PHMSA Pipeline Safety Program One Call Grant	7,817	-
20.933	National Infrastructure Investments	10,272,866	5,668,790
20.934	Nationally Significant Freight and Highway Projects	19,477,917	-
Total Department of Transportation		1,596,299,332	275,113,376

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Assistance Listing Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
Department of the Treasury			
21.016	Equitable Sharing	104,814	-
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	731,862,244	302,587,352
21.029	COVID-19 - Coronavirus Capital Projects Fund	44,372,291	44,372,291
Total Department of the Treasury		776,339,349	346,959,643
Equal Employment Opportunity Commission			
30.001	Employment Discrimination Title VII of the Civil Rights Act of 1964	269,160	-
Total Equal Employment Opportunity Commission		269,160	-
General Services Administration			
39.003	Donation of Federal Surplus Personal Property	1,760,451	580,900
Total General Services Administration		1,760,451	580,900
National Endowment for the Arts			
45.025	Promotion of the Arts Partnership Agreements	913,143	890,170
45.310	Grants to States	3,140,895	2,348,683
Total National Endowments for the Arts		4,054,038	3,238,853
Small Business Administration			
59.061	State Trade Expansion	327,848	321,656
Total Small Business Administration		327,848	321,656
Department of Veterans Affairs			
64.005	COVID-19 - Grants to States for Construction of State Home Facilities	3,504,871	-
64.005	Grants to States for Construction of State Home Facilities	57	-
	Total Grants to States for Construction of State Home Facilities	3,504,928	-
64.015	COVID-19 - Veterans State Nursing Home Care	4,844,230	-
64.015	Veterans State Nursing Home Care	78,646,661	-
	Total Veterans State Nursing Home Care	83,490,891	-
64.024	VA Homeless Providers Grant and Per Diem Program	969,966	969,966
64.053	Payments to States for Programs to Promote the Hiring and Retention of Nurses at State Veterans Homes	22,620	-
64.101	Burial Expenses Allowance for Veterans	1,217,080	-
64.115	Veterans Information and Assistance	619,002	-
64.203	Veterans Cemetery Grants Program	1,033,401	-
64.206	VA Outer Burial Receptacle Allowance Program	234,432	-
Total Department of Veterans Affairs		91,092,320	969,966
Environmental Protection Agency			
66.032	State and Tribal Indoor Radon Grants	103,916	17,678
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	1,782,681	-
66.040	Diesel Emissions Reduction Act (DERA) State Grants	471,433	442,484
66.046	Climate Pollution Reduction Grants	114,340	-
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	168,775	-
66.433	State Underground Water Source Protection	162,252	-
66.442	Water Infrastructure Improvements for the Nation Small and Underserved Communities Emerging Contaminants Grant	50,675	50,675
66.444	Voluntary School and Child Care Lead Testing and Reduction Grant Program (SDWA 1464(d))	274,325	-
66.454	Water Quality Management Planning	575,873	98,203
66.458	Clean Water State Revolving Fund	41,258,776	39,227,181
66.460	Nonpoint Source Implementation Grants	2,460,679	2,460,679
66.461	Regional Wetland Program Development Grants	72,051	71,961
66.468	Drinking Water State Revolving Fund	28,327,313	24,564,670
66.485	Support for the Gulf Hypoxia Action Plan	1,070,262	93,689
66.605	Performance Partnership Grants	12,099,615	151,154
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	6,868	-
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	1,001,323	822,474
66.804	Underground Storage Tank (UST) Prevention, Detection, and Compliance Program	441,665	-
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	1,016,041	-
66.817	State and Tribal Response Program Grants	1,159,138	-
66.820	State Programs for Control of Coal Combustion Residuals	19,741	-
66.961	Superfund State and Indian Tribe Combined Cooperative Agreements (Site-Specific and Core)	1,428,259	-
Total Environmental Protection Agency		94,066,001	68,000,848
Department of Energy			
81.041	State Energy Program	1,593,755	-
81.042	Weatherization Assistance for Low-Income Persons	19,923,650	18,582,692
81.128	Energy Efficiency and Conservation Block Grant Program (EECBG)	104,783	-
81.136	Long-Term Surveillance and Maintenance	73,880	-

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Assistance Listing Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
81.138	State Heating Oil and Propane Program	10,459	-
81.254	Grid Infrastructure Deployment and Resilience	(85)	-
Total Department of Energy		21,706,442	18,582,692
Department of Education			
84.002	Adult Education - Basic Grants to States	10,628,913	9,748,971
84.010	Title I Grants to Local Educational Agencies	244,371,583	240,817,579
84.011	Migrant Education State Grant Program	722,060	455,115
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth	1,305,358	1,293,822
	Special Education Cluster (IDEA):		
84.027	Special Education Grants to States	279,264,863	247,202,388
84.173	Special Education Preschool Grants	6,254,405	6,254,405
	Total Special Education Cluster (IDEA)	285,519,268	253,456,793
84.048	Career and Technical Education - Basic Grants to States	32,234,349	29,378,207
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States	93,901,618	-
84.144	Migrant Education Coordination Program	20,674	-
84.177	Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	486,473	-
84.181	Special Education-Grants for Infants and Families	8,690,576	-
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities	266,249	-
84.196	Education for Homeless Children and Youth	1,471,388	1,382,755
84.224	Assistive Technology	1,781	-
84.287	Twenty-First Century Community Learning Centers	20,116,691	19,482,707
84.323	Special Education - State Personnel Development	1,759,425	-
84.325	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	196,427	-
84.326	Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	214,617	-
84.358	Rural Education	3,346,656	3,186,741
84.365	English Language Acquisition State Grants	5,029,139	4,596,759
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	35,920,428	33,673,955
84.368	Competitive Grants for State Assessments	1,203,864	-
84.369	Grants for State Assessments and Related Activities	10,295,649	-
84.371	Comprehensive Literacy Development	5,515,387	-
84.372	Statewide Longitudinal Data Systems	471,173	-
84.423	Supporting Effective Educator Development Program	1,142,656	-
84.424	COVID-19 - Student Support and Academic Enrichment Program	4,726,395	4,690,625
84.424	Student Support and Academic Enrichment Program	19,919,919	19,534,950
	Total Student Support and Academic Enrichment Program	24,646,314	24,225,575
84.425D	COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	1,345,582	-
84.425U	COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	320,382,989	281,787,670
84.425V	COVID-19 - American Rescue Plan Emergency Assistance to Non-Public Schools (ARP EANS)	17,480,348	-
84.425W	COVID-19 - American Rescue Plan – Elementary and Secondary School Emergency Relief – Homeless Children and Youth	6,927,250	4,182,028
	Total Education Stabilization Fund	346,136,169	285,969,698
84.902	National Assessment of Educational Progress	140,875	-
Total Department of Education		1,135,755,760	907,668,677
National Archives and Records Administration			
89.003	National Historical Publications and Records Grants	3,431	-
Total National Archives and Records Administration		3,431	-
Elections Assistance Commission			
90.404	HAVA Election Security Grants	3,195,079	754,954
Total Elections Assistance Commission		3,195,079	754,954
Department of Health and Human Services			
93.008	Medical Reserve Corps Small Grant Program	638,053	422,704
93.041	Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	84,862	-
93.042	COVID-19 - Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	(3,000)	(3,000)
93.042	Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	361,948	130,209
	Total Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	358,948	127,209
93.043	COVID-19 - Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	50,381	50,381
93.043	Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	373,681	349,820
	Total Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	424,062	400,201

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Assistance Listing Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
	Aging Cluster:		
93.044	COVID-19 - Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	204,702	133,249
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	11,849,272	11,766,897
	Total Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	12,053,974	11,900,146
93.045	COVID-19 - Special Programs for the Aging, Title III, Part C, Nutrition Services	181,113	154,402
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services	24,633,513	23,833,362
	Total Special Programs for the Aging, Title III, Part C, Nutrition Services	24,814,626	23,987,764
93.053	Nutrition Services Incentive Program	2,989,554	2,989,554
	Total Aging Cluster	39,858,154	38,877,464
93.052	COVID-19 - National Family Caregiver Support, Title III, Part E	3,023	-
93.052	National Family Caregiver Support, Title III, Part E	4,723,047	4,599,283
	Total National Family Caregiver Support, Title III, Part E	4,726,070	4,599,283
93.069	Public Health Emergency Preparedness	10,031,708	5,042,354
93.070	Environmental Public Health and Emergency Response	1,185,886	394,485
93.071	Medicare Enrollment Assistance Program	630,370	227,445
93.074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	2,028,730	-
93.079	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	27,150	-
93.090	Guardianship Assistance	17,480,036	-
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program	847,448	523,725
93.103	Food and Drug Administration Research	2,143,295	59,784
93.110	Maternal and Child Health Federal Consolidated Programs	1,348,654	714,675
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	563,815	164,680
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	131,484	3,000
93.136	Injury Prevention and Control Research and State and Community Based Programs	5,224,878	2,821,500
93.150	Projects for Assistance in Transition from Homelessness (PATH)	979,863	-
93.165	Grants to States for Loan Repayment	540,483	490,019
93.197	Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	542,915	-
93.234	COVID-19 - Traumatic Brain Injury State Demonstration Grant Program	21,559	13,034
93.234	Traumatic Brain Injury State Demonstration Grant Program	184,030	139,107
	Total Traumatic Brian Injury State Demonstration Grant Program	205,589	152,141
93.235	Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program	1,030,632	516,096
93.236	Grants to States to Support Oral Health Workforce Activities	353,754	243,401
93.240	COVID-19 - State Capacity Building	18,081	-
93.240	State Capacity Building	619,357	-
	Total State Capacity Building	637,438	-
93.241	State Rural Health Flexibility Program	422,319	284,877
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	9,316,568	883,537
93.247	Advanced Nursing Education Workforce Grant Program	261,432	221,750
93.251	Early Hearing Detection and Intervention	216,327	76,073
93.268	COVID-19 - Immunization Cooperative Agreements	18,131,312	17,653,031
93.268	Immunization Cooperative Agreements	95,384,251	137,519
	Total Immunization Cooperative Agreements	113,515,563	17,790,550
93.270	Viral Hepatitis Prevention and Control	440,818	-
93.301	Small Rural Hospital Improvement Grant Program	426,229	397,560
93.310	COVID-19 - Trans-NIH Research Support	7,414	-
93.314	Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	122,494	-
93.323	COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	38,091,150	20,124,224
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	1,477,370	12,504
	Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	39,568,520	20,136,728
93.324	State Health Insurance Assistance Program	1,085,190	-
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	402,568	170,260
93.336	Behavioral Risk Factor Surveillance System	276,638	-
93.354	COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	7,418,606	7,332,504
93.354	Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	23,559	-
	Total Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	7,442,165	7,332,504
93.366	State Actions to Improve Oral Health Outcomes and Partner Actions to Improve Oral Health Outcomes	373,929	216,694
93.367	Flexible Funding Model - Infrastructure Development and Maintenance for State Manufactured Food Regulatory Programs	276,890	-
93.369	ACL Independent Living State Grants	341,410	206,913
93.387	National and State Tobacco Control Program	1,678,380	778,196

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Assistance Listing Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
93.391	COVID-19 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	4,207,278	4,185,128
93.426	The National Cardiovascular Health Program	878,690	412,544
93.434	Every Student Succeeds Act/Preschool Development Grants	3,025,386	-
93.436	Well-Integrated Screening and Evaluation for Women Across the Nation (WISEWOMAN)	709,525	258,217
93.439	State Physical Activity and Nutrition (SPAN)	693,523	264,985
93.464	ACL Assistive Technology	629,519	-
93.478	Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees	239,392	103,085
93.499	COVID-19 - Low Income Household Water Assistance Program	(149,439)	-
93.556	COVID-19 - MaryLee Allen Promoting Safe and Stable Families Program	3,775,905	-
93.556	MaryLee Allen Promoting Safe and Stable Families Program	6,240,949	-
	Total MaryLee Allen Promoting Safe and Stable Families Program	10,016,854	-
93.558	Temporary Assistance for Needy Families	190,435,918	34,035,182
93.563	Child Support Services	38,763,552	3,231,271
93.564	Child Support Services Research	422,585	-
93.568	COVID-19 - Low-Income Home Energy Assistance	3,970,432	3,427,516
93.568	Low-Income Home Energy Assistance	79,849,325	33,107,747
	Total Low-Income Home Energy Assistance	83,819,757	36,535,263
93.569	Community Services Block Grant	21,302,742	20,491,991
	CCDF Cluster:		
93.575	COVID-19 - Child Care and Development Block Grant	111,767,947	-
93.575	Child Care and Development Block Grant	180,506,281	974,362
	Total Child Care and Development Block Grant	292,274,228	974,362
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	59,529,244	233,242
	Total CCDF Cluster	351,803,472	1,207,604
93.586	State Court Improvement Program	525,404	-
93.590	COVID-19 - Community-Based Child Abuse Prevention Grants	1,721,405	1,721,405
93.590	Community-Based Child Abuse Prevention Grants	1,002,159	998,081
	Total Community-Based Child Abuse Prevention Grants	2,723,564	2,719,486
93.597	Grants to States for Access and Visitation Programs	131,568	-
93.599	Chafee Education and Training Vouchers Program (ETV)	845,384	-
93.603	Adoption and Legal Guardianship Incentive Payments Program	133,512	-
93.630	Developmental Disabilities Basic Support and Advocacy Grants	1,315,798	-
93.643	Children's Justice Grants to States	630,612	-
93.645	Stephanie Tubbs Jones Child Welfare Services Program	56,091	-
93.658	Foster Care Title IV-E	75,314,425	15,555
93.659	Adoption Assistance	76,376,524	-
93.667	Social Services Block Grant	43,114,495	7,533,436
93.669	COVID-19 - Child Abuse and Neglect State Grants	103,389	-
93.669	Child Abuse and Neglect State Grants	2,155,491	-
	Total Child Abuse and Neglect State Grants	2,258,880	-
93.671	COVID-19 - Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	3,518,894	3,430,301
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	2,544,693	2,348,597
	Total Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	6,063,587	5,778,898
93.674	John H. Chafee Foster Care Program for Successful Transition to Adulthood	4,720,203	-
93.686	Ending the HIV Epidemic: A Plan for America - Ryan White HIV/AIDS Program Parts A and B	6,663,236	6,028,218
93.747	COVID-19 - Elder Abuse Prevention Interventions Program	2,164,742	1,106,830
93.767	Children's Health Insurance Program	509,670,000	-
	Medicaid Cluster:		
93.775	State Medicaid Fraud Control Units	2,106,989	-
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	22,701,868	-
93.778	COVID-19 - Grants to States for Medicaid	1,516,079	-
93.778	Grants to States for Medicaid	11,666,730,238	4,545,979
	Total Grants to States for Medicaid	11,668,246,317	4,545,979
	Total Medicaid Cluster	11,693,055,174	4,545,979
93.788	Opioid STR	31,128,121	-
93.791	Money Follows the Person Rebalancing Demonstration	4,315,017	-
93.870	COVID-19 - Maternal, Infant and Early Childhood Home Visiting Grant	492,503	492,503
93.870	Maternal, Infant and Early Childhood Homevisiting Grant Program	4,421,317	3,849,879
	Total Maternal, Infant and Early Childhood Home Visiting Grant	4,913,820	4,342,382
93.876	Antimicrobial Resistance Surveillance in Retail Food Specimens	139,210	-
93.889	COVID-19 - National Bioterrorism Hospital Preparedness Program	152,043	-
93.889	National Bioterrorism Hospital Preparedness Program	3,596,358	1,802,459
	Total National Bioterrorism Hospital Preparedness Program	3,748,401	1,802,459
93.898	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	3,811,497	2,327,076
93.913	Grants to States for Operation of Offices of Rural Health	140,672	20,000
93.917	HIV Care Formula Grants	14,964,531	13,623,943
93.940	HIV Prevention Activities Health Department Based	5,752,710	2,709,312
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	461,491	38,859

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Assistance Listing Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
93.958	COVID-19 - Block Grants for Community Mental Health Services	9,713,021	345,987
93.958	Block Grants for Community Mental Health Services	16,143,406	542,440
	Total Block Grants for Community Mental Health Services	25,856,427	888,427
93.959	COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse	6,696,504	-
93.959	Block Grants for Prevention and Treatment of Substance Abuse	27,180,254	-
	Total Block Grants for Prevention and Treatment of Substance Abuse	33,876,758	-
93.967	COVID-19 - Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	14,706,467	11,128,895
93.968	States Advancing All-Payer Health Equity Approaches and Development (AHEAD) Model	291,332	-
93.977	COVID-19 - Sexually Transmitted Diseases (STD) Prevention and Control Grants	2,220,938	1,732,025
93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants	1,319,883	211,915
	Total Sexually Transmitted Diseases (STD) Prevention and Control Grants	3,540,821	1,943,940
93.981	Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools	441,774	121,764
93.982	Mental Health Disaster Assistance and Emergency Mental Health	408,473	-
93.988	Cooperative Agreements for Diabetes Control Programs	890,129	388,149
93.991	Preventive Health and Health Services Block Grant	3,276,916	869,967
93.994	Maternal and Child Health Services Block Grant to the States	14,362,566	5,961,454
Total Department of Health and Human Services		13,567,788,217	278,896,107
Corporation for National and Community Service			
94.003	COVID-19 - AmeriCorps State Commissions Support Grant	25,466	-
94.003	AmeriCorps State Commissions Support Grant	261,493	-
	Total AmeriCorps State Commissions Support Group	286,959	-
94.006	COVID-19 - AmeriCorps State and National	800,860	592,964
94.006	AmeriCorps State and National	8,128,961	7,910,513
	Total AmeriCorps State and National	8,929,821	8,503,477
94.008	AmeriCorps Commission Investment Fund	284,702	-
94.013	AmeriCorps Volunteers In Service to America	95,127	-
Total Corporation for National and Community Service		9,596,609	8,503,477
Executive Office of the President			
95.001	High Intensity Drug Trafficking Areas Program	3,766,566	2,572,270
Total Executive Office of the President		3,766,566	2,572,270
Social Security Administration			
	Disability Insurance/SSI Cluster:		
96.001	Social Security Disability Insurance	50,973,559	-
	Total Disability Insurance/SSI Cluster	50,973,559	-
Total Social Security Administration		50,973,559	-
Department of Homeland Security			
97.008	Non-Profit Security Program	2,241,980	2,088,671
97.012	Boating Safety Financial Assistance	2,571,127	-
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	407,360	-
97.029	Flood Mitigation Assistance	1,745,374	1,745,374
97.032	Crisis Counseling	118,001	-
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	197,262,915	196,575,272
97.039	Hazard Mitigation Grant	14,384,494	13,872,720
97.041	National Dam Safety Program	86,750	-
97.042	Emergency Management Performance Grants	6,052,544	3,981,237
97.045	Cooperating Technical Partners	3,624,220	-
97.047	BRIC: Building Resilient Infrastructure and Communities	527,296	527,296
97.050	COVID-19 - Presidential Declared Disaster Assistance to Individuals and Households - Other Needs	(135,865)	-
97.056	Port Security Grant Program	184,844	-
97.067	Homeland Security Grant Program	9,100,111	7,920,240
97.082	Earthquake State Assistance	76,513	-
97.088	Disaster Assistance Projects	1,000,926	941,495
97.137	State and Local Cybersecurity Grant Program Tribal Cybersecurity Grant Program	2,957,162	2,647,348
Total Department of Homeland Security		242,205,752	230,299,653
Total Expenditures of Federal Awards		$ 20,509,341,199	$ 2,793,561,456

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, 2025

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) 2025 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, 2025, 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, 2025. 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

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, 2025, one agency, the Department of Agriculture, elected to use the 10% 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, 2025, is as follows:

State Portion (Benefits Paid)	$ 265,658,115
Federal Portion (Benefits Paid)	927,938
Federal Portion (Administrative Costs)	55,715,792
Federal Portion (Benefits Paid) - CARES Act Related	(6,695,164)
Federal Portion (Administrative Costs) - CARES and Families First Act Related	5,606,303
Total Program Expenditures	$ 321,212,984

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

The State received cash rebates from an infant formula manufacturer totaling $32,426,079 on sales of formula to participants in the WIC program

(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. Grants to States for Medicaid (Medicaid) and Children's Health Insurance Program (CHIP) Prescription Drug Rebates

The state received cash rebates from drug manufacturers totaling $974,442,120 (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 $25,850,366 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, $23,383,399 reduced total program expenditures and these expenditures were not reported on the SEFA. The remaining rebates of $2,466,967 did not offset program expenditures and were not used to reduce program expenditures. 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, 2025. The loan program authorized under the Federal Family Education Loans program (Assistance Listing No. 84.032), which ended June 30, 2010, was transferred from the Department of Higher Education and Workforce Development (DHEWD) to the Educational Credit Management Corporation (ECMC) Foundation before the beginning of fiscal year 2025. However, due to budget bill issues, the federal fund was closed out during December of fiscal year 2025. A total of $205,721 in interest was transferred to the U.S. Department of Education.

7. Non-cash Assistance

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

Supplemental Nutrition Assistance Program and Pandemic EBT Program expenditures totaling $1,555,801,939 ($1,555,801,626 for Assistance Listing No. 10.551 and $313 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 administered by the Department of Social Services - Family Support Division (DSS-FSD).

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 $45,686 for the Summer Food Service Program for Children and $30,595,254 for the Emergency Food Assistance Program.

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 $45,238,175.

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 $8,604,180.

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 $4,111,249 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% of the historical cost, or $959,565.

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 $7,542,635 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% of the historical cost, or $1,760,451.

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 $90,689,539.

State of Missouri - Single Audit
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

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 Number(s)	Name of Federal Program or Cluster
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

Identification of major federal programs:

AL Number(s)	Name of Federal Program or Cluster
10.551 10.561	Supplemental Nutrition Assistance Program (SNAP) Cluster
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children
10.558	Child and Adult Care Food Program
10.646	Summer Electronic Benefit Transfer Program for Children
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
20.509	Formula Grants for Rural Areas and Tribal Transit Program
21.027	Coronavirus State and Local Fiscal Recovery Funds
64.015	Veterans State Nursing Home Care
84.048	Career and Technical Education - Basic Grants to States
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States
93.268	Immunization Cooperative Agreements
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
93.575 93.596	Child Care and Development Fund (CCDF) Cluster
93.667	Social Services Block Grant
93.767	Children's Health Insurance Program
93.775 93.777 93.778	Medicaid Cluster
93.788	Opioid STR
93.959	Block Grants for Prevention and Treatment of Substance Abuse
96.001	Social Security Disability Insurance
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)
97.039	Hazard Mitigation Grant

Dollar threshold used to distinguish between Type A and Type B programs: $30,764,012

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

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. 2026-036[3]). That report included the following findings:

FS2025-001. OA - Division of Accounting Financial Reporting Controls - ACFR Preparation

FS2025-002. Medicaid and CHIP Receipt Controls

[3] See report at <https://auditor.mo.gov/AuditReport/ViewReport?report=2026036>.

Section III - Federal Award Findings and Questioned Costs

2025-001. Medicaid and CHIP Eligibility System Controls

Federal Agency: Department of Health and Human Services
Federal Program: 93.767 Children's Health Insurance Program (CHIP)
2024 - 2405MO3002 and 2405MO5021
2025 - 2505MO3002 and 2505MO5021
93.778 COVID-19 - Grants to States for Medicaid (Medicaid)
93.778 Grants to States for Medicaid
2024 - 2405MO5MAP and 2405MO5ADM
2025 - 2505MO5MAP and 2505MO5ADM
State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD) and Family Support Division (FSD)
Type of Finding: Internal Control (Material Weakness)
Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Eligibility

The DSS does not have sufficient controls to ensure participants of the Medicaid program and the CHIP are not improperly enrolled in more than one eligibility system. As of May 2025, there were 9,834 participants dually enrolled in both eligibility systems. There were approximately 1.27 million Medicaid program and CHIP participants as of June 30, 2025.

The DSS maintains two eligibility systems for Medicaid program and CHIP participants. Eligibility for low-income adults, pregnant women, and children, based on their Modified Adjusted Gross Income (MAGI), is maintained in the Missouri Eligibility and Enrollment System (MEDES). Eligibility for participants who are aged 65 and over, blind, or disabled is maintained in the Family Assistance Management Information System (FAMIS). State match rates differ for each program within the MEDES and the FAMIS. For example, for the quarter ended June 30, 2025, the federal/state share was 90%/10% for the MEDES-based Adult Expansion Group (AEG) program and approximately 65%/35% for the FAMIS-based Aged, Blind and Disabled program. As of June 30, 2025, there were approximately 982,000 Medicaid program and CHIP participants in the MEDES, and approximately 288,000 Medicaid program and CHIP participants in the FAMIS.

Prior to October 2021, most participants met Medicaid program/CHIP eligibility requirements within only one of the eligibility systems. With the expansion of the Medicaid program, and addition of AEG program eligibility to the MEDES, some AEG program participants meet program eligibility requirements in both systems and participants must choose which program they want to participate in. For example, some disabled and blind participants who were enrolled in the FAMIS prior to the expansion also met the eligibility

requirements for the AEG program, and had the option to move from the FAMIS-based program to the MEDES-based AEG program. Also, with the expansion, AEG program-eligible participants applying for certain FAMIS-based programs are temporarily placed in the MEDES-based AEG program until the applicable determination is made. For most situations, if participants meet eligibility requirements of a program in both systems, adjustments to eligibility information in one or both systems are necessary to ensure the participant is enrolled in only one system. There are a few, rare situations in which participants can be properly enrolled in both systems.

According to the MHD Eligibility for Multiple MO HealthNet Programs policy, when processing new enrollments or eligibility redeterminations for participants who meet program eligibility requirements in both systems, FSD benefit program technicians should obtain the participant's program choice and update eligibility information in the applicable system to reflect enrollment in the chosen program, and disenrollment in the program not chosen, if necessary. The policy further provides that once disability determinations are made for AEG program-eligible participants temporarily placed in the AEG program, updates to the applicable systems should be made to ensure the participant is enrolled in only one system.

MEDES and FAMIS operate independently, have not been integrated, and do not interface. For participants who meet the eligibility requirements of programs in both systems, FSD staff must manually ensure each participant is enrolled in only one system, removing improper duplicate enrollment when necessary. There are no additional controls, such as reports, reconciliations, or match processes, to prevent, detect, or correct instances of participants improperly enrolled in both systems.

To test compliance with eligibility requirements, we reviewed eligibility documentation for a randomly-selected sample of 60 Medicaid program and CHIP participants enrolled in the MEDES and 60 enrolled in the FAMIS during the year ended June 30, 2025. Of the 120 participants, 1 (1%) was improperly enrolled in both the MEDES and the FAMIS. In November 2024, this participant applied for a FAMIS-based program. Because he was eligible for the AEG program, he was temporarily placed in the AEG program in the MEDES, effective November 2024, while his eligibility for the FAMIS-based program was being determined. In January 2025, when he was determined eligible for the FAMIS-based program, the FSD entered his eligibility for that program in the FAMIS, effective January 2025. However, the FSD did not manually identify the improper dual enrollment and disenroll him in the MEDES until June 2025, when his guardian made an inquiry regarding his benefits. During the period January through June 2025, the DSS made monthly managed care payments on behalf of the participant under the AEG program. Because payments were made for only one of the enrolled programs during that period, there are no questioned costs.

Upon our request, the MHD prepared and provided to auditors a listing showing 9,834 participants, or 1% of the total population, enrolled in both the MEDES and the FAMIS as of May 2025. Improper payments would not have occurred on behalf of all 9,834 participants since not all dual enrollments are improper. However, because the MHD had not identified, reviewed, and corrected eligibility for these participants, related improper payments and claims could be significant.

DSS officials agreed manual processes allowed the improper dual enrollment for the participant identified above. They indicated controls in the Medicaid Management Information System (payment system) could prevent some improper payments for dually-enrolled participants; however, these controls are limited and would not prevent all improper payments and claims.

The failure to implement and enforce adequate internal controls to ensure participants are not improperly dually enrolled in the MEDES and the FAMIS increases the risk that improper Medicaid program and CHIP payments may be made or claimed at the incorrect federal/state share. Furthermore, 2 CFR Section 200.303(a) requires the recipient to "[e]stablish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient 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 strengthen internal controls to timely prevent, detect, and correct improper dual enrollments in the MEDES and the FAMIS for participants of the Medicaid program and the CHIP. The DSS should review the dual enrollments for the participants identified in this finding, correct any improper enrollments in the applicable eligibility system(s), and recoup any related improper payments and claims.

Auditee's Response

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

2025-002. Medicaid and CHIP MEDES Death Match

Federal Agency:	Department of Health and Human Services (DHHS)
Federal Program:	93.767 Children's Health Insurance Program (CHIP) 2024 - 2405MO3002 and 2405MO5021 2025 - 2505MO3002 and 2505MO5021 93.778 COVID-19 - Grants to States for Medicaid (Medicaid) 93.778 Grants to States for Medicaid 2024 - 2405MO5MAP and 2405MO5ADM 2025 - 2505MO5MAP and 2505MO5ADM
State Agency:	Department of Social Services (DSS) - MO HealthNet Division (MHD) and Family Support Division (FSD)

Type of Finding: Internal Control (Material Weakness)
Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Eligibility

As noted in our two previous audits,[4] the vital records death match was not operating in the Medicaid Eligibility Determination and Enrollment System (MEDES) during the year ended June 30, 2025. As a result, there is no assurance that all participants in the Medicaid program and the CHIP are eligible for benefits and there is an opportunity for improper benefit payments to be made.

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.

Monthly death matches against Department of Health and Senior Services (DHSS) vital records information serve as a key internal control to identify and terminate ineligible participants. When operating, vital records death match results automatically update participant eligibility, terminating eligibility upon death, in the applicable eligibility systems. As of June 30, 2025, there were approximately 982,000 participants in the MEDES, whose eligibility is based on their Modified Adjusted Gross Income (MAGI); and approximately 288,000 Aged, Blind and Disabled program participants in the Family Assistance Management Information System (FAMIS).

The monthly MEDES vital records death match was not operating during the year ended June 30, 2025. DSS officials indicated the death match was eliminated from the MEDES due to system problems sometime before July 2022. DSS officials 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.

The DSS Corrective Action Plan (CAP) and Summary Schedule of Prior Audit Findings (SSPAF) for prior audit finding number 2024-002 state although the MEDES death match is not functional, MEDES participants that receive other benefits in the FAMIS (Supplemental Nutrition Assistance Program, Temporary Assistance for Needy Families, and/or Medicaid Aged, Blind and Disabled program) are subject to the FAMIS death match. However, not all MEDES participants receive other benefits in the FAMIS and are subject to that death match. The CAP and SSPAF further state the MEDES annual review process includes a death match with federal records;

[4] See single audit reports at <https://auditor.mo.gov/AuditReport/Reports?SearchLocalState=35>, finding numbers 2024-002 and 2023-006.

however, as noted at finding number 2025-003, the annual redetermination process was not fully functional during the year ended June 30, 2025 and will not terminate deceased participants in a timely manner, allowing the opportunity for improper benefit payments to be made until the redetermination is completed.

The failure to implement and enforce adequate internal controls to ensure participant cases are closed upon death as required can result in Medicaid program 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 2 CFR Section 200.303(a) requires the recipient to "[e]stablish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient 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 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

Similar to prior audits, the DSS CAP states the DSS partially agrees with the finding because the "DSS has controls in place to identify deceased individuals in the MAGI eligibility system (MEDES)." As stated in the finding, the DSS has some controls that operate in place of the eliminated MEDES death match for some participants. However, since not all participants are subject to those controls, the remaining participants are not subject to a death match and the DSS does not have an anticipated completion date to reinstate this death match.

2025-003 Medicaid and CHIP MAGI-Based Participant Eligibility Redeterminations

Federal Agency:	Department of Health and Human Services (DHHS)
Federal Program:	93.767 Children's Health Insurance Program (CHIP) 2024 - 2405MO3002 and 2405MO5021 2025 - 2505MO3002 and 2505MO5021 93.778 COVID-19 - Grants to States for Medicaid (Medicaid) 93.778 Grants to States for Medicaid 2024 - 2405MO5MAP and 2405MO5ADM 2025 - 2505MO5MAP and 2505MO5ADM
State Agency:	Department of Social Services (DSS) - MO HealthNet Division (MHD) and Family Support Division (FSD)
Type of Finding:	Internal Control (Material Weakness)

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Eligibility

The DSS does not have sufficient controls to ensure redeterminations are completed as required for certain Medicaid program and CHIP participants whose eligibility is based on the Modified Adjusted Gross Income (MAGI). Controls in place during the year ended June 30, 2025, were not sufficient to ensure compliance with the December 31, 2025, extended unwinding period deadline for reassessments. As of December 31, 2025, the DSS had a backlog of approximately 85,000 participants, for which redeterminations had not been completed. As of June 30, 2025, there were approximately 982,000 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, 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 was 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 benefit program technicians. 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.

DSS officials previously estimated the backlog of redeterminations would be resolved by July 2025; however, they stated at the December 31, 2025, deadline, there were approximately 85,000 participants for which redeterminations had not been completed. DSS officials indicated the FSD

was not able to process redeterminations in a timely manner due to a number of continued workload and staffing challenges, including increased enrollment created by the expansion of Medicaid program, staffing shortages, and temporary reassignment of staff to work on other tasks.

Due to the magnitude of participants needing redeterminations, implementation of effective internal controls well in advance of deadlines, and closely monitoring the effectiveness of those controls, is necessary to achieve compliance by the deadlines. The failure to implement adequate internal controls to ensure redeterminations are performed as required and ineligible participant cases are closed can result in Medicaid program and CHIP payments being made on behalf of ineligible individuals (including the state matching portion of the payment), which would result in unallowable costs of the federal programs and additional state dollars spent for unqualified participants. Regulation 2 CFR Section 200.303(a) requires the recipient to "[e]stablish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient 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 strengthen internal controls to ensure redeterminations are completed as required.

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 with the finding because (1) the DSS was ". . . actively monitoring and strategizing to work towards completing all renewals by the deadline of December 31, 2025," and (2) the DSS ". . . does not consider this within the scope of the SFY [state fiscal year] 2025 audit because federal requirements did not require all renewals to be complete until December 31, 2025, which falls in SFY 2026."

As stated in the finding, the DSS had a backlog of approximately 85,000 participants requiring redetermination at the extended deadline of December 31, 2025. Recent information provided by DSS officials shows a backlog of approximately 47,000 (45% reduction) as of July 28, 2026, 7 months after the extended deadline. The CAP states the DSS increased its efforts to work the backlog in April 2025, 9 months prior to the extended deadline. These efforts were clearly too late and not sufficient to resolve the backlog by the extended deadline. Due to the magnitude and annual nature of redeterminations, it is clear processes needed to be established and strengthened years, not months, in advance of the extended deadline. Because the DSS lacked effective controls during the audit period (a period of 6 to 18 months prior to the extended deadline), a finding is warranted.

The longer the DSS continues to fail to timely perform redeterminations further escalates the risk of improper state and federal payments on behalf of ineligible individuals.

2025-004. Medicaid and CHIP Eligibility Determination Timeliness

Federal Agency:	Department of Health and Human Services
Federal Program:	93.767 Children's Health Insurance Program (CHIP) 2024 - 2405MO3002 and 2405MO5021 2025 - 2505MO3002 and 2505MO5021 93.778 COVID-19 - Grants to States for Medicaid (Medicaid) 93.778 Grants to States for Medicaid 2024 - 2405MO5MAP and 2405MO5ADM 2025 - 2505MO5MAP and 2505MO5ADM
State Agency:	Department of Social Services (DSS) - MO HealthNet Division (MHD) and Family Support Division (FSD)
Type of Finding:	Internal Control (Material Weakness) 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 Medicaid program and the CHIP. Significant application processing delays noted in our three previous audits[5] continued during the year ended June 30, 2025. In our test of compliance with eligibility requirements for the year ended June 30, 2025, we noted 19 of 120 eligibility determinations were made 7 to 115 days after the required timeframes and averaged approximately 40 days late.

The FSD is responsible for determining the eligibility of Medicaid program and CHIP participants. FSD benefit program technicians perform the majority of eligibility determinations using participants' Modified Adjusted Gross 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, 2025, there were approximately 982,000 MAGI-based participants and approximately 288,000 non-MAGI-based participants.

To ensure applicants can receive necessary medical care timely, 42 CFR Section 435.912(c)(3) requires new Medicaid program 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

[5] See single audit reports at <https://auditor.mo.gov/AuditReport/Reports?SearchLocalState=35>, finding numbers 2024-003, 2023-007, and 2022-003.

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 4 of the 60 MAGI-based eligibility determinations (7%), and 15 of the 60 non-MAGI-based determinations (25%). The 19 late determinations were made 7 to 115 days after the required 45-day or 90-day requirement, and averaged 40 days late.

Similar to the three previous audits, DSS officials indicated the FSD continues to be challenged with processing applications in a timely manner due to a number of workload and staffing challenges, including unwinding of eligibility redetermination COVID-19 waivers compounded by increased enrollment due to expansion of the Medicaid program, staffing shortages, and temporary reassignment of staff to work on other tasks. DSS officials indicated they are developing and implementing technologies to assist participants and the DSS with various eligibility actions such as submitting applications, verifying income and resources, and providing required information. DSS officials stated as of December 2025, they have resolved the delays for MAGI-based participants, and they are working to resolve the delays for non-MAGI-based participants.

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 2 CFR Section 200.303(a) requires the recipient to "[e]stablish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient 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 participant eligibility is determined within the required timeframes.

Auditee's Response

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

2025-005. Medicaid and CHIP Receipt Controls

Federal Agency: Department of Health and Human Services
Federal Program: 93.767 Children's Health Insurance Program
2024 - 2405MO3002 and 2405MO5021
2025 - 2505MO3002 and 2505MO5021
93.778 COVID-19 - Grants to States for Medicaid
93.778 Grants to States for Medicaid
2024 2405MO5MAP and 2405MO5ADM
2025 2505MO5MAP and 2505MO5ADM
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 2 previous audits,[6] 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, 2025, the MHD Financial Operations and Reporting Unit processed Grants to States for Medicaid (Medicaid) and Children's Health Insurance Program (CHIP) receipts totaling approximately $1.4 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 FS2025-002 in the Annual Comprehensive Financial Report - Report on Internal Control, Compliance, and Other Matters (Report No. 2026-36[7]), issued in April 2026.

2025-006. DSS Medicaid FFATA Reporting

Federal Agency: Department of Health and Human Services (DHHS)
Federal Program: 93.778 Grants to States for Medicaid (Medicaid)
2025 - 2505MO5ADM
State Agency: Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)
Type of Finding: Internal Control (Significant Deficiency) and Nonmaterial Noncompliance
Compliance Requirement: Reporting

[6] See single audit reports at <https://auditor.mo.gov/AuditReport/Reports?SearchLocalState=35>, finding numbers 2024-004 and 2023-004.

[7] See report at <https://auditor.mo.gov/AuditReport/ViewReport?report=2026036>, finding number FS2025-002.

DFAS controls and procedures are not sufficient to timely submit Federal Funding Accountability and Transparency Act (FFATA) reports as required for the Medicaid program. During state fiscal year 2025, the DFAS did not timely submit a FFATA report for its one subrecipient of the Medicaid program. During state fiscal year 2025, the DSS disbursed approximately $4.9 million in first-tier subawards[8] to its one Medicaid subrecipient, which accounted for less than 1% 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 DFAS to report first-tier subawards of $30,000 or more no later than the end of the month following the month in which the subaward was made. Information is reported to the System for Award Management (SAM.gov) (the FFATA Subaward Reporting System [FSRS.gov] prior to March 2025), and is publicly available at USASpending.gov.

To test compliance with FFATA reporting requirements, we reviewed the one subaward requiring FFATA reporting, totaling approximately $4.9 million, awarded during state fiscal year 2025. The subaward was made in September 2024; however, DFAS personnel did not submit the FFATA report until February 2025, resulting in a 4 month delay. DFAS personnel indicated the delay occurred due to employee turnover in the position responsible for FFATA reporting.

Without adequate internal control over FFATA reporting, there is less assurance the information included in the FFATA reporting is submitted timely. Regulation 2 CFR Section 200.303(a) requires recipients to "[e]stablish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient 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 strengthen internal controls to ensure information is timely reported for the Medicaid program and complete FFATA reporting in accordance with the applicable requirements.

Auditee's Response

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

[8] First-tier subawards are federal awards made to non-federal entities by the prime award recipient, in this case the DSS, on behalf of the federal awarding agency, the DHHS.

2025-007. Social Services Block Grant Post-Expenditure Reporting

Federal Agency: Department of Health and Human Services (DHHS)
Federal Program: 93.667 Social Services Block Grant
2023 - 2301MOSOSR
2024 - 2401MOSOSR
State Agencies: Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS) and Department of Health and Senior Services (DHSS)
Type of Finding: Internal Control (Significant Deficiency) and Nonmaterial Noncompliance
Compliance Requirement: Reporting

The DFAS does not have adequate internal controls and procedures to ensure Social Services Block Grant (SSBG) program Post-Expenditure Report activities are accurately reported. In addition, the DHSS does not have adequate internal controls and procedures to ensure DHSS activities are accurately reported. As a result, the Post-Expenditure Report filed during the audit period as originally submitted did not accurately report expenditures for the year ended June 30, 2024.

The SSBG program allows states the flexibility to determine what services will be provided, consistent with statutory goals and objectives; who is eligible for the services; and how funds will be distributed among services and entities within the state, including whether to provide services directly or contract with other public or private agencies and individuals for the services. The DSS is the SSBG program's lead agency and is responsible for submitting to the federal DHHS, the annual Post-Expenditure Report of services provided during the period. The DSS, through a memorandum of understanding (MOU), contracts with the DHSS for some SSBG program services. The DSS and the DHSS separately administer program services, and separately track data supporting those services, such as expenditures and individuals served. The MOU requires the DHSS to provide the DSS with data to be included in the annual report. Both agencies complete portions of a shared spreadsheet with data respective to the agencies' services. The DFAS uses the shared spreadsheet to prepare the annual report.

Our review of the SSBG Post-Expenditure Report for the year ended June 30, 2024, submitted by the DFAS in December 2024, noted errors in reported amounts for expenditures and recipient counts for various services. These errors occurred because personnel of both agencies entered inaccurate data in their respective portions of the shared spreadsheet. These inaccuracies, as well as other factors, led to errors in multiple lines and columns in the annual report.

For example, the DFAS originally reported some adjustments to Case Management expenditures (line 2), instead of Protective Services - Children and Residential Treatment expenditures (lines 22 and 24), causing

understatements and overstatements in these amounts, respectively. In addition, the DHSS originally reported expenditures for the federal fiscal year ended September 30, 2024, instead of the state fiscal year ended June 30, 2024 (lines 2, 3, 14, 28, and 29), causing both understatements and overstatements in the DHSS amounts. The effect of these errors on expenditures reported in the SSBG Post-Expenditure Report for the year ended June 30, 2024, is summarized in the table below.

Reporting Line Title (Service)	Agency	Originally Reported	Final Revision	Over/(Under)
Line 2: Case Management	Both	$ 18,678,293	25,895,162	(7,216,869)
Line 3: Congregate Meals	DHSS	100,543	174,896	(74,353)
Line 14: Home-Delivered Meals	DHSS	1,500,133	1,699,155	(199,022)
Line 22: Protective Services - Children	DSS	14,027,754	9,474,456	4,553,298
Line 24: Residential Treatment	DSS	11,970,829	8,780,551	3,190,278
Line 28: Transportation	DHSS	225,233	224,803	430
Line 29: Other Services	DHSS	558,185	811,947	(253,762)
Totals[1]		$ 47,060,970	47,060,970	0

[1] Totals show the total expenditures reported for the affected lines/services. Because expenditures exceeding the fixed SSBG program federal award are paid from state/other funding, combined revisions to line item amounts net to $0.

These errors were not detected during DFAS or DHSS supervisory review procedures. After we notified the DFAS of the DSS errors, the DFAS submitted a first revision to correct the errors. In response to our inquiries regarding the accuracy of the DHSS data, the DHSS corrected the shared spreadsheet and the DFAS submitted a second and final revision to correct the DHSS errors.

Regulation 45 CFR Section 96.74 requires each state to submit an annual SSBG Post-Expenditure Report. Effective internal controls and procedures are needed to ensure these reports are accurately prepared. Such controls should include detailed supervisory reviews of data entered into shared spreadsheets and annual reports. Regulation 2 CFR Section 200.303(a) requires recipients to "[e]stablish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

Recommendations

The DSS through the DFAS strengthen internal controls and procedures to ensure annual SSBG Post-Expenditure Reports are accurately prepared and submitted.

The DHSS strengthen internal controls and procedures to ensure expenditure data is accurately entered into the shared spreadsheet for inclusion in the annual SSBG Post-Expenditure Report.

Auditees' Responses

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

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

2025-008. DSS SSBG FFATA Reporting

Federal Agency: Department of Health and Human Services (DHHS)
Federal Program: 93.667 Social Services Block Grant
2025 - 2501MOSOSR
State Agency: Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)
Type of Finding: Internal Control (Significant Deficiency)
Compliance Requirement: Reporting

DFAS controls and procedures are not sufficient to timely submit Federal Funding Accountability and Transparency Act (FFATA) reports for the Social Services Block Grant (SSBG) program. During state fiscal year 2025, the DFAS did not timely submit FFATA reports in accordance with its policy for 3 of 20 subrecipients reviewed. During state fiscal year 2025, the DSS disbursed approximately $7.5 million in first-tier subawards[9] to 20 subrecipients of the SSBG program. First-tier subaward payments accounted for approximately 17% 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 DFAS to report first-tier subawards of $30,000 or more no later than the end of the month following the month in which the subaward was made. Information is reported to System for Award Management (SAM.gov) (the FFATA Subaward Reporting System [FSRS.gov] prior to March 2025), and is publicly available at USASpending.gov.

The DSS issues SSBG program subawards for a 3-year period, covering 3 state fiscal years (from federal funding, for 4 federal fiscal years). For subawards requiring FFATA reporting, because the DSS receives federal funding for 1-year periods, FFATA reporting is required at the time the subaward is made under the first year of federal funding. FFATA reporting is again required for the same subaward when the second and subsequent years

[9] First-tier subawards are federal awards made to non-federal entities by the prime award recipient, in this case the DSS, on behalf of the federal awarding agency, the DHHS.

of federal funding are received (several months later, then annually). The requirements related to the timing of FFATA reporting are clearly stated in 2 CFR Part 170, Appendix A for initial subawards (first year of federal funding), but are not addressed for second and subsequent years. The DFAS addresses subsequent years in its FFATA reporting policy, which states "[i]f a contract period is over multiple grant years, the second tier [year] of funding will need to be tracked to ensure DSS uploads the second tier [year] by the end of the month following the date of the award." For example, for federal awards issued in November, the policy provides for reporting for second and subsequent years by the end of December.

To test compliance with FFATA reporting requirements and DFAS policy, we randomly selected and reviewed subawards requiring FFATA reporting for 3 of the 20 SSBG program subrecipients, totaling $2,227,306 in state fiscal year 2025. The related agreements covered the 3-year period from July 1, 2022, to June 30, 2025. Because the federal fiscal year 2025 funding (fourth year of federal funding) was awarded in November 2024, the DFAS policy required FFATA reporting by December 2024. However, DFAS personnel did not submit these 3 reports until March 2025, resulting in a 3 month delay.

DFAS personnel indicated the delays occurred due to a vacancy in the position responsible for FFATA reporting. They stated they do not believe the delays and noncompliance with their policy during the vacancy period were problematic because the federal regulations do not specifically address second and subsequent year reports, and they consider the policy to be an internal procedure rather than a requirement.

Without adequate internal control over FFATA reporting, including adherence to policies and procedures, there is less assurance the information included in the FFATA reporting is submitted timely. Regulation 2 CFR Section 200.303(a) requires recipients to "[e]stablish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient 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 review, strengthen, and enforce internal controls to ensure information is timely reported for the SSBG program and complete FFATA reporting in accordance with its policy.

Auditee's Response

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

2025-009. SLFRF Program Subrecipient Monitoring

Federal Agency: Department of the 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 2 audits,[10] during the year ended June 30, 2025, the OA had not established policies and procedures regarding monitoring subrecipients of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program. As a result, the OA and 2 other state agencies 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 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 and various state agencies establish 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 that approximately $302 million was passed through to subrecipients of the SLFRF program during the year ended June 30, 2025. This amount represents

[10] See single audit reports at <https://auditor.mo.gov/AuditReport/Reports?SearchLocalState=35>, finding numbers 2024-007 and 2023-010.

approximately 41% of the SLFRF program expenditures. These awards were administered through the OA and 8 other state agencies.

In response to our prior audit findings, the OA held a training for state agency personnel in August 2024; sent a letter to state agencies in January 2025 covering agency responsibilities related to certain SLFRF program subrecipient monitoring requirements, such as subrecipient determinations, risk assessments, and single audits; and executed interagency agreements with the various state agencies in October and November 2025 (after the current audit period).

Of the 8 state agencies that administered subawards reported in the SEFA during the year ended June 30, 2025, 4 administered the majority of the subawards, with payments totaling approximately $272 million, or 90% of the total subrecipient payments reported in the SEFA. These 4 state agencies were the Department of Mental Health (DMH), the Department of Higher Education and Workforce Development (DHEWD), the 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 these 4 state agencies. For the 4 state agencies, a total of 287 recipients were identified as subrecipients in the SEFA.

To understand the OA and state agency procedures, and to test compliance with subrecipient monitoring requirements, we randomly selected a sample of payments for 30 subrecipient projects from the 4 state agencies.[11] The 30 subrecipients were awarded a total of approximately $191 million in SLFRF program funding and were paid a total of approximately $53 million during the year ended June 30, 2025. We reviewed records in the portal and requested information from the state agencies to support the subawards.

A. Subrecipient Determination

During the year ended June 30, 2025, the OA had not established policies and procedures to determine whether recipients[12] of the SLFRF program funds were subrecipients or contractors. As a result, 1 of the 4 state agencies, the DHEWD, had not conducted determinations for any of their subrecipients.

Subrecipient monitoring requirements are outlined in the UG. Regulation 2 CFR Section 200.331 states the pass-through entity is responsible for making case-by-case determinations to determine whether the entity receiving federal funds is a subrecipient or a contractor. The classification of a subrecipient[13] is dependent upon whether the entity is responsible for making eligibility

[11] Of these 30 subrecipient projects, we tested 2 for the DMH, 2 for the DHEWD, 17 for the DNR, and 9 for the DED.

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

[13] As defined by 2 CFR Section 200.331(a).

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 implements a program for a 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. The DHEWD had not conducted determinations for either of its 2 sampled subrecipients. DHEWD personnel indicated they did not believe they were responsible for performing subrecipient determinations for 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.

B. Subrecipient Monitoring

During the year ended June 30, 2025, the OA did not implement an effective subrecipient monitoring program to monitor the SLFRF program subrecipients. As a result, 2 of the 4 agencies reviewed, the DHEWD and the DMH, did not perform sufficient subrecipient monitoring procedures.

Regulation 2 CFR Section 200.332(c) states that pass-through entities must evaluate each subrecipient's fraud risk and risk of noncompliance with a subaward to determine 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 any federal agency monitoring. Regulation 2 CFR Section 200.332(e) requires pass-through entities to monitor the activities of a subrecipient as necessary to ensure the subrecipient complies with federal statutes, regulations, and the terms and conditions of the subaward. The pass-through entity is responsible for monitoring the overall performance of a subrecipient to ensure the goals and objectives of the subaward are achieved. In monitoring a subrecipient, a pass-through entity must (1) review financial and performance reports; (2) ensure the subrecipient takes corrective action on all significant developments that negatively affect the subaward; (3) issue a management decision for audit findings pertaining only to the federal award provided to the subrecipient from the pass-through entity; and (4) resolve audit findings specifically related to the subaward.

To monitor subrecipients of the SLFRF program, the OA relies on its pre-payment monitoring process. During the year ended June 30, 2025, the OA

did not perform any post-payment monitoring procedures, and relied on the state agencies to perform these procedures without sufficiently communicating with the state agencies regarding their subrecipient monitoring responsibilities or ensuring the state agencies performed monitoring reviews.

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, the DHEWD and the DMH, did not perform any risk assessments for any of the sampled subrecipients.

OA officials indicated risk assessment procedures are the responsibility of the state agencies; however, during the year ended June 30, 2025, the OA did not provide clear guidance to the state agencies or ensure the state agencies performed and used risk assessments as required. DHEWD officials indicated they did not perform subrecipient risk assessments because the subrecipients are institutions of higher education, to which the DHEWD distributes annual state funding. However, the UG does not provide for exemptions to the risk assessment requirements for such entities. DMH officials indicated assessments were informally completed; however, the DMH could not provide any documentation of such informal risk assessments or how those risk assessments were considered in monitoring decisions. DMH officials stated they are in the process of developing formal risk assessment tools. In addition to complying with federal requirements, risk assessments are necessary to ensure monitoring reviews are conducted with adequate frequency to help ensure subrecipient compliance with program requirements.

The interagency agreements the OA executed with the various state agencies in October and November 2025 (after the current audit period) describe agency responsibilities for monitoring subrecipient compliance with SLFRF program requirements, including risk assessments.

OA pre-payment monitoring process

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

In their review and approval of each SLFRF program 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 30

subrecipient projects sampled, the portal included documentation pertaining to some, but not all of the applicable 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 did 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, during the year ended June 30, 2025, 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 2 agencies, the DHEWD and the DMH, had not developed written policies or procedures regarding subrecipient monitoring and did not perform sufficiently documented monitoring procedures. For 4 of 30 subrecipient projects sampled for the 4 agencies (13%), the DHEWD (2 subrecipients) and the DMH (2 subrecipients) could not provide documentation of subrecipient monitoring performed. While DHEWD officials indicated they perform pre-payment monitoring procedures, they could not provide documentation of such reviews for either of the 2 sampled projects. Furthermore, the DHEWD does not perform any additional subrecipient monitoring, such as monitoring subrecipients' compliance with procurement requirements. As a result, the DHEWD was unable to provide documentation to support the bidding of applicable aspects for 1 of 9 DHEWD projects sampled for a review of compliance with procurement requirements. While DMH officials indicated they perform annual billing service reviews to monitor subrecipients, the DMH did not perform such reviews for the 2 DMH projects sampled.

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.

The interagency agreements the OA executed with the various state agencies in October and November 2025 (after the current audit period) describe agency responsibilities for monitoring subrecipient compliance with SLFRF program requirements.

Conclusions

The OA is the lead agency responsible for administering the SLFRF program. OA officials indicated the state agencies were responsible for some of the 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. 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 recipient to "[e]stablish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the 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 (COSO)." Paragraph 3.10 of the *Standards for Internal Control in the Federal Government*, also known as the Green Book,[14] 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. Continue to work with the state agencies to ensure documented determinations are prepared to determine whether all recipients of SLFRF program funds are subrecipients or contractors.

B. Develop policies and procedures outlining pre-payment monitoring procedures and document monitoring performed prior to making payments. The OA should also continue to ensure subrecipient monitoring tasks delegated to state agencies are adequately communicated. Procedures should be established to ensure subrecipient monitoring procedures are appropriately completed in accordance with the Uniform Guidance, including performing risk assessments for each

[14] The Green Book was revised, effective October 1, 2025. This language is prior to the revision.

subrecipient, monitoring for compliance with federal requirements and subaward terms and conditions, and ensuring subaward goals and objectives are achieved.

Auditee's Response

A. We agree with the auditor's finding. Our Corrective Action Plan includes our 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.

2025-010. CACFP Subrecipient Reimbursements

Federal Agency:	United States Department of Agriculture (USDA)
Federal Program:	10.558 Child and Adult Care Food Program (CACFP) 2024 and 2025 CACFP 2024 and 2025 CACFP-CIL 2024 and 2025 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 two previous audits,[15] during the year ended June 30, 2025, 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. Audit sampling results show the subrecipient payment error rate continued to increase; however, the BCFNA has implemented only a few changes to address our prior-year audit findings and strengthen monitoring procedures.

The BCFNA administers the CACFP through contracts with child and adult care centers/sponsors of centers (subrecipients) that provide meals to 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, 2025, the BCFNA paid over 730 facilities/sponsors

[15] See single audit reports at <https://auditor.mo.gov/AuditReport/Reports?SearchLocalState=35>, finding numbers 2024-008 and 2023-012.

approximately $69.9 million for meal services. Disbursements to facilities/sponsors represented approximately 98% 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, eligibility determination records, receipt slips, menus, and other documentation to support meals claimed. Facility/sponsor records are maintained on a monthly basis, therefore reviews or verifications of those records generally cover the entire month as opposed to a shorter time period. 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.[16]

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 edit checks 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 for all new facilities/sponsors or at the request of the facility/sponsor. Additionally, as noted in finding number 2025-011, continued weaknesses in the BCFNA monitoring procedures and noncompliance with subrecipient monitoring requirements were identified.

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, 2025, noted BCFNA disallowances (overclaims/underclaims) in 50 of 58 (86%) reviews for which meal

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

reimbursement claims were tested and errors quantified.[17] Overclaims totaled $72,561 (43 reviews) and underclaims totaled $4,275 (7 reviews), with a net overclaim of $68,286 or at least 12% of claims tested by the BCFNA.[18] Disallowances resulted from various errors including incorrect or unsupported eligibility determinations, meal counts and attendance records, or noncompliance associated with menus and food purchases. The BCFNA adjusted subsequent claims to recoup or reimburse for the identified overclaims/underclaims.[19,20,21] Erroneous and unsupported reimbursements represent at least 12% of meal reimbursements tested. If similar errors were made on the remaining population of CACFP meal reimbursements totaling approximately $69.9 million, unallowable costs could be significant.

The table below summarizes audit sample results from the prior fiscal year 2023 and 2024 audits and current fiscal year 2025 audit. For each year, we performed a randomly-selected sample of BCFNA monitoring reviews conducted for CACFP facilities/sponsors during the applicable year.

Payment error rate - 3-year comparison

	Fiscal Year		
	2023	2024	2025
Reviews sampled	58	59	58
Reviews with Disallowances	41	43	50
Disallowance Amounts:			
Overclaims	$50,954	48,508	72,561
Underclaims	(280)	(10,144)	(4,275)
Net Overclaim	$50,674	38,364	68,286
Error rate (at least)	11%	7%	12%

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

[17] The BCFNA did not quantify overclaim amounts for 2 6-month Corrective Action Plan verification reviews, 1 of which resulted in termination. See finding number 2025-011.

[18] For each facility/sponsor reviewed, the BCFNA tested claims within a test month, and claims totaled $568,271 during the test months.

[19] Since these amounts were recouped, questioned costs totaled $0.

[20] 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.

[21] If overpayments of $600 or less are excluded, the error rate is at least 11%.

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 Uniform Guidance), provides that costs charged to federal programs should be necessary and reasonable for the performance of the federal award and adequately documented. Further, 2 CFR Section 200.303(a) requires the recipient to "[e]stablish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the 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 (COSO)."

In response to the USDA - Food and Nutrition Service (FNS) resolution of the fiscal year 2023 finding, the BCFNA made some changes such as improving application and corrective action plan processes. To prevent continued unallowable and unsupported reimbursements to subrecipients, the BCFNA needs to continue to strengthen internal controls over meal reimbursements.

An April 2025 email from an FNS official to the DHSS, provided to auditors by DHSS officials, states the fiscal year 2023 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. However, the prior audit finding neither recommended the BCFNA validate claims at the time of submission nor noted noncompliance with edit check requirements. As of August 2026, the DHSS had received no communication from the FNS regarding the fiscal year 2024 finding.

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 12% of subrecipient meal reimbursements tested by the BCFNA were not in compliance with federal requirements. The 12% error rate exceeds our audit materiality threshold of 4%. 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 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 2025-011, 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 BCFNA 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, for the third year in a row, disagrees with the finding and believes no corrective action is required because (1) they believe controls over meal reimbursements are in compliance with USDA requirements and guidance, and (2) the nearly identical FY23 finding (finding number 2023-012) was not sustained by the USDA. However, in making these statements, the DHSS ignored the

noncompliance with specific USDA and Uniform Guidance requirements identified in the finding, and failed to recognize and acknowledge that existing subrecipient reimbursement and monitoring procedures have allowed serious and material subrecipient noncompliance year after year. The statement that the FY23 finding was not sustained by the USDA misrepresents the outcome of the finding resolution, as the USDA required the DHSS to implement changes as part of that resolution (see further explanation in the finding). As of August 2026, the DHSS had received no communication from the USDA regarding the fiscal year 2024 finding.

The DHSS further argues their recoupment of the overclaims identified in the finding reduces the severity of the finding. However, existing recoupment practices are not sufficient to deter and prevent similar improper payments in the future. Regulation 7 CFR Section 226.7(k) requires the BCFNA to establish procedures for subrecipients to properly submit claims for reimbursement. Given the extent of material subrecipient noncompliance that continues to occur, BCFNA procedures are clearly not sufficient to prevent future noncompliance. The BCFNA has focused on individual components of its systems, but has not holistically evaluated whether the procedures, collectively and in their entirety, comply with the federal requirements intended to ensure subrecipient reimbursements are allowable and supported. The BCFNA continues to strictly follow existing procedures without making adequate adjustments to address and mitigate the serious subrecipient reimbursement problems. Recognizing problems and responding to them are critical components of an effective internal control system designed to ensure compliance with the federal requirements.

The DHSS CAP includes additional misrepresentations of the contents of the finding. These statements, which attempt to negate or reduce the significance of the noncompliance noted in the finding, are listed below:

- The CAP states the sentence stating meal reimbursements are made without any supporting documentation is "factually incorrect" because the subrecipients are required to maintain documentation. However, that sentence, which correctly summarizes procedures outlined in the previous paragraph, is referring to documentation maintained by the subrecipients but not submitted to or reviewed by the DHSS at the time of reimbursement.

- The CAP claims the SAO projected the sample errors to the full population of reimbursements for the year. This statement is not true, as the SAO did not perform a statistical sample, nor did we project sample results to the population. While the SAO did not project sample results, it is worth noting that the sample was pulled from a population of 389 monitoring reviews performed during the year that consisted of approximately one-half of all CACFP subrecipients.

Subrecipient data clearly shows significant subrecipient noncompliance continues to occur within the CACFP. These problems cannot be denied and should not be ignored. Until the DHSS recognizes these problems, acknowledges there are weaknesses in its existing procedures, and takes action to strengthen them, significant improper payments to subrecipients will likely continue.

2025-011. CACFP Subrecipient Monitoring

Federal Agency: United States Department of Agriculture (USDA)
Federal Program: 10.558 Child and Adult Care Food Program (CACFP)
2024 and 2025 CACFP
2024 and 2025 CACFP-CIL
2024 and 2025 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: Unknown
Compliance Requirement: Subrecipient Monitoring

As noted in our two previous audits,[22] during the year ended June 30, 2025, BCFNA subrecipient monitoring procedures were not in compliance with subrecipient monitoring requirements and were not sufficient to ensure CACFP subrecipient compliance with program requirements. As noted at finding 2025-010, audit sample results show the subrecipient payment error rate continued to increase. The BCFNA has implemented only a few changes to address our prior-year audit findings and strengthen monitoring procedures.

During the year ended June 30, 2025, the BCFNA disbursed approximately $69.9 million to over 730 CACFP subrecipients, which consist of child and adult care centers and sponsors of centers. Disbursements to subrecipients represented approximately 98% 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(c) requires pass-through entities to evaluate each subrecipient's fraud risk and risk of noncompliance with a subaward to determine the appropriate subrecipient monitoring. Regulation 2 CFR Section 200.332(e) requires pass-through entities to monitor the activities of the subrecipient as necessary to ensure the subrecipient complies

[22] See single audit reports at <https://auditor.mo.gov/AuditReport/Reports?SearchLocalState=35>, finding numbers 2024-009 and 2023-013.

with federal statutes, regulations, and the terms and conditions of the subaward, and achieves goals and objectives.

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 requirements. The manual requires the preparation of a risk assessment at the end of each monitoring review that assigns points to the facility/sponsor based on the number and severity of deficiencies and findings, with more deficiencies leading to a higher score. The score determines the required timing of future monitoring reviews of the facility/sponsor. Facilities/sponsors with a score of 0 to 10 points will be next monitored in 3 years, a score of 11 to 25 points within 2 years, a score of 26 to 35 points in 1 year; and facilities/sponsors with a score of 36 or more points are considered "seriously deficient" and are required to submit a Corrective Action Plan (CAP). If the CAP is deemed sufficient, seriously deficient facilities/sponsors will have a CAP verification review in 6 months. A score is not assigned for 6-month CAP verification reviews. During FY25, the BCFNA began performing technical assistance reviews for all new facilities/sponsors.

In May 2024, when the BCFNA changed the risk assessment and scoring system, the BCFNA ceased assigning a grade of A, B, B-, or C to each review and widened the score ranges and associated review requirements. DHSS officials indicated the scores assessed by the new system are frequently higher than those assessed under the previous manual system. The impact of these changes on the frequency and effectiveness of the monitoring reviews is unclear.

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 thresholds[23] are recouped/reimbursed in the facility's/sponsor's future claims. When reviews identify noncompliance, facilities/sponsors are required to prepare and submit a CAP to the BCFNA.[24] In addition, as noted at finding number 2025-010, the BCFNA relies on these subrecipient monitoring procedures to prevent and detect meal reimbursement claim errors. Monitoring reviews have identified

[23] 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.

[24] Effective April 2025, the BCFNA verifies CAP information.

significant issues and claim errors, including some potentially fraudulent activity, and led to over 15 contract terminations in recent years.[25]

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, 2025. 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 where 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:

- Of the 58 sampled monitoring reviews assigned a score,[26] 26 (45%) facilities/sponsors had a score of 10 or less, while 32 (55%) had a score of 11 or more.

- Of the 29 facilities/sponsors that had a score of 11 or more and had a prior review,[27] 27 (93%)[28] had the same or higher score than the prior review indicating a lack of significant improvement or decline in compliance since the prior review.

- Of the 2 facilities/sponsors that had a score of 36 or more and had a prior review, both had higher scores than the prior review.

- For 50 of 58 monitoring reviews (86%) for which the BCFNA tested claims and quantified errors[29] (with claims totaling $568,271 during the test months), the BCFNA identified overclaims totaling $72,561 and underclaims totaling $4,275, netting to $68,286, or at least 12% of the reimbursements tested.[30]

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

[26] Two reviews were 6-month CAP verification reviews, for which no score was assigned.

[27] There were no prior reviews for 3 facilities/sponsors that had a score of 11 or more.

[28] Of the 29 facilities/sponsors that had a prior review, 20 (69%) had a higher score, 7 (24%) had the same score, and 2 (7%) had a lower score than the prior review.

[29] The BCFNA did not quantify overclaim amounts for 2 6-month CAP verification reviews, 1 of which resulted in termination, as subsequently discussed in this finding.

[30] If overpayments of $600 or less are excluded, the error rate is at least 11%.

As noted at finding 2025-010, audit sample results show the subrecipient payment error rate increased from prior years. Our review of BCFNA subrecipient monitoring procedures during the year ended June 30, 2025, noted areas that should be strengthened and improved.

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. For example, 2 facilities had 100% overpayment rates and were assigned scores of 34 and 13; however, additional testing was not performed for either facility. Neither facility was deemed "seriously deficient;" and the facilities were scheduled to be next reviewed in 1 year and 2 years, respectively.

BCFNA personnel indicated monitoring reviews are limited to only 1 test month since the USDA Monitoring Handbook does not require expanded testing of records beyond 1 month. However, 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 points 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 6-month CAP verification review. For this sponsor, in the review prior to the 6-month CAP verification review, the BCFNA identified and recouped overclaims of $2,879, or 100% of total claims tested. In the subsequent 6-month CAP verification review, significant claim errors were identified in the test month claims paid, which totaled $4,091, and the sponsor was terminated. However, the test month claims were not fully tested, and overclaims were

not identified or recouped. Any overclaims not identified and recouped from this sponsor would be considered questioned costs; however, those questioned costs are unknown.

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. Further, 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. Subrecipient monitoring procedures should be designed to prevent future deficiencies and noncompliance. 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(h) requires pass-through entities to consider whether the results of a subrecipient's audit, site visits, or other monitoring necessitate adjustments to the pass-through entity's records. Further, 2 CFR Section 200.303(a) requires the recipient to "[e]stablish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should align with the 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 (COSO)."

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 subrecipient complies with federal statutes, regulations, and the terms and conditions of the subaward, and achieves goals and objectives. This conclusion is based on the facts, deficiencies, and noncompliance stated in the finding, including the following:

1) Disbursements to subrecipients represented approximately 98% 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 12% subrecipient payment error rate identified by the BCFNA, which exceeds our audit materiality threshold of 4%, 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 federal subrecipient monitoring requirements regarding disallowing and recovering improper payments.

4) Multiple deficiencies in monitoring procedures were identified.

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 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 *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 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 when "[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 comply with federal statutes, regulations, and the terms and conditions of subawards, and achieve goals and objectives. 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.

Recommendation

The DHSS through the BCFNA continue to 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; and expand testing when significant errors are identified. The DHSS should identify and recoup the overclaims for the terminated sponsor noted in this finding.

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, for the third year in a row, disagrees with the finding and believes no corrective action is required because (1) they believe subrecipient monitoring, claim recoupment, and risk assessment procedures comply with USDA requirements; and (2) the similar FY23 finding (finding number 2023-013) was closed by the USDA after reviewing the DHSS corrective action plan. The DHSS CAP further states they believe the SAO is holding the DHSS to higher standards than required by federal guidance and regulations and that implementing the SAO's recommendations would cause undue burden on the participants and providers of the program which the USDA warns against. However, in making these statements, the DHSS ignored the noncompliance with specific

USDA and Uniform Guidance requirements identified in the finding, and failed to recognize and acknowledge that existing subrecipient reimbursement and monitoring procedures have allowed serious and material subrecipient noncompliance year after year. Furthermore, federal agency closure of a prior year finding does not protect the DHSS from future findings. As of August 2026, the DHSS had received no communication from the USDA regarding the fiscal year 2024 finding.

Regarding the finding statement that policies and procedures should be strengthened and improved, the DHSS CAP states the SAO has applied performance audit standards instead of single audit standards. This statement is incorrect. While not required, we have included a finding classification section that outlines the auditor's responsibilities under the single audit, as well as audit guidance followed in making decisions regarding the BCFNA's internal controls and compliance with the federal statutes and regulations.

Regarding the finding section pertaining to recoupment of overclaims, the DHSS CAP claims the "BCFNA pursues recoupment of overclaims of only the test month per USDA requirements, although when warranted, additional reviews are conducted beyond the test month. In addition, BCFNA officials pursue recoupment of overclaims for facilities/sponsors with terminated contracts on a case-by-case basis, taking into consideration various factors." While the DHSS makes this claim, in our sample of 60 monitoring reviews, the DHSS did not expand testing beyond the test month for any reviews, and did not seek recoupment of overclaims for the facility/sponsor terminated as a result of the monitoring reviews.

As part of its pass-through responsibilities outlined in the federal regulations, the BCFNA is required to ensure subrecipients comply with federal regulations and terms and conditions of the subaward, and effectively operate the program. Given the extent of material subrecipient noncompliance that continues to occur, BCFNA procedures are clearly not sufficient to deter and prevent future noncompliance. The BCFNA has focused on individual components of its systems, but has not holistically evaluated whether the procedures, collectively and in their entirety, comply with the federal requirements intended to ensure subrecipient reimbursements are allowable and supported. The BCFNA continues to strictly follow existing procedures without making adequate adjustments to address and mitigate the serious subrecipient reimbursement problems. Recognizing problems and responding to them are critical components of an effective internal control system designed to ensure compliance with the federal requirements.

For three years, the SAO has recommended the BCFNA enhance procedures related to identification and recoupment of overclaims, as required by federal regulations; and expand testing when significant errors are identified. The BCFNA has ignored these recommendations; and as a result, lacks a sufficient

method for deterring future noncompliance. While the DHSS argues these recommendations would cause undue burden on the participants of the program and the subrecipients, not implementing these recommendations could cause an undue burden on the DHSS and the subrecipients, since weak consequences or deterrents to noncompliance leads to continued noncompliance, which requires increased monitoring and follow-up efforts.

Subrecipient data clearly shows significant subrecipient noncompliance is occurring within the CACFP. These problems cannot be denied and should not be ignored. Until the DHSS recognizes these problems, acknowledges there are weaknesses in its existing procedures, and takes action to strengthen them, significant improper payments to subrecipients will likely continue.

2025-012. Medicaid SPPC Participant Choice Agreements

Federal Agency: Department of Health and Human Services
Federal Program: 93.778 Grants to States for Medicaid (Medicaid)
2024 - 2405MO5MAP and 2405MO5ADM
2025 - 2505MO5MAP and 2505MO5ADM
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 2 prior audit reports,[31] 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 14 of 60 participants reviewed.

The DSDS is responsible for the direct administration of various Medicaid funded Home and Community Based Services (HCBS) programs for seniors and adults with disabilities, including the SPPC. During the year ended June 30, 2025, the DHSS made payments totaling approximately $1.2 billion on behalf of approximately 76,700 participants of the SPPC.

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. 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. Signed agreements were uploaded to the CyberAccess web tool prior to May 2025, when the

[31] See single audit reports at <https://auditor.mo.gov/AuditReport/Reports?SearchLocalState=35>, finding numbers 2024-010 and 2023-014.

CyberAccess web tool was replaced by the Fusion web tool. Agreements previously uploaded to the CyberAccess web tool were transferred to the Fusion web tool.

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. Once the Participant Choice Agreement is uploaded to the CyberAccess or Fusion 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 CyberAccess web tool upload process that 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, the DHSS used a special projects team to identify and resolve missing agreements on a sample basis.

To test compliance with federal requirements, we reviewed Fusion web tool records for 60 randomly-selected participants enrolled in the SPPC program during the year ended June 30, 2025. A Participant Choice Agreement was not retained in the Fusion web tool records for 14 participants (23%). Of the 14 participants, 10 assessments/reassessments were completed by DSDS personnel and 4 were completed by providers. Neither the DSDS quality assurance reviews nor the special projects team identified the missing agreements. Assessments/reassessments for 13 participants originated in the CyberAccess web tool and 1 originated in the Fusion web tool. DHSS officials were unable to determine whether Participant Choice Agreements were completed but not uploaded to the CyberAccess web tool and/or migrated to the Fusion web tool, 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 and a large number of new staff, as well as issues with the migration of information from the CyberAccess web tool to the Fusion web tool.

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 2 CFR Section 200.303(a) requires recipients to "[e]stablish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient 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.

2025-013. Medicaid Facility Survey Timeliness

Federal Agency: Department of Health and Human Services (DHHS)
Federal Program: 93.777 State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
2024 and 2025 - TITLEXVIII
2024 and 2025 - TITLEXIXSS
2024 and 2025 - CLIA
2024 and 2025 - XVIIIIMPAC
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 4 prior audit reports,[32] 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, 2025, we noted 14 Statements of Deficiencies and Plan of Corrections were sent 11 to 22 days after the survey exit instead of within 10 days, and 3 facility revisits were completed in 69-89 days instead of within 60 days of the initial survey date.

The DHSS is the state survey agency charged with inspecting providers of the Medicaid program, including hospitals, nursing facilities, and other long-term care (LTC) 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, 2025, the DHSS through the SLCR surveyed 518 providers, including 482 LTC nursing facilities, 6 intermediate care facilities for individuals with intellectual disabilities, and 30 non-deemed hospitals.[33]

[32] See single audit reports at <https://auditor.mo.gov/AuditReport/Reports?SearchLocalState=35>, finding numbers 2024-011, 2023-015, 2022-007, and 2021-013.

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

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 LTC 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 surveys performed during the year ended June 30, 2025, or the most recent survey if a survey had not been performed during this period, for 60 facilities including 45 LTC nursing facilities, 5 intermediate care facilities for individuals with intellectual disabilities, and 10 non-deemed hospitals. Due to survey delays and backlogs, 4 of the surveys sampled were performed in state fiscal year 2026, 44 in state fiscal year 2025, and 12 in state fiscal year 2024. Of the 58 facility surveys that required a Statement of Deficiencies and Plan of Correction, 14 statements (24%)[34] were sent to facilities between 11 and 22 working days after the survey exit instead of within 10 working days as required. In addition, of the 26 LTC nursing facilities that required a revisit, the revisit to 3 facilities (12%)[35] was completed 69 to 89 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 volume and severity of complaints received and violations identified, transitions to a new federal monitoring software system, 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. DHSS officials 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.

[34] One survey was performed in state fiscal year 2026, 11 were performed in state fiscal year 2025, and 2 were performed in state fiscal year 2024.

[35] Two revisits were performed in state fiscal year 2025 and 1 was performed in state fiscal year 2024.

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 a finding and corrective action is needed because (1) the State Auditor's Office (SAO) has determined the errors to be nonmaterial noncompliance, (2) the DHHS-CMS evaluation of DHSS compliance with revisit requirements has deemed the requirements to be "met" (compliance at a level at or exceeding a DHHS-CMS-determined threshold of 70%), and (3) the 3 revisit errors were not truly noncompliance because 1 revisit was not required and 2 revisits could not occur until additional actions were taken to address complaints.

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*. The OMB *Compliance Supplement,* Part 4, for the Special Tests and Provisions Compliance Requirement directs auditors to "[d]etermine whether the state ensures that hospitals, nursing facilities, and [intermediate care facilities for individuals with intellectual disabilities] that serve Medicaid patients meet the prescribed health and safety standards." As stated in the finding, in making this determination, we review DHSS compliance with the DHHS-CMS SOM requirements. DHSS arguments that the revisit and SOD errors noted in the finding are not noncompliance and/or significant are not valid arguments, as explained below.

(1) The SAO has not determined the 24% SOD or 12% revisit error rates to be insignificant. The finding was classified as nonmaterial noncompliance in our evaluation of the state's compliance with all 10 requirements within the Special Tests and Provisions Compliance Requirement for the Medicaid Cluster as a whole. All instances of noncompliance identified in the audit were cumulatively reviewed for purposes of forming our opinion on compliance with the direct and material compliance requirements.

(2) The SAO has not misunderstood or disregarded the DHHS-CMS State Performance Standards System. While the DHHS-CMS also evaluates DHSS compliance through this system, the performance system is intended to measure the DHSS's level of compliance and identify when corrective action is needed to address deficiencies, but does not remove or waive the DHSS's responsibility to comply with the timeframes required by the SOM.

(3) The audit exception listing provided to, and discussed with, the DHSS correctly lists the 3 revisit errors identified in the finding. Although the DHSS claims a revisit was not required for 1 of the errors, a revisit was clearly required per the SOM. The applicable survey letter documents the facility received a grid placement of "F". The SOM Matrix for Scope and Severity (Section 7400.3.1) classified a grid placement of "F" as "substandard quality of care," and SOM Section 7317.2 required revisits when surveys find "deficiencies that constitute substandard quality of care, harm, or immediate jeopardy." The DHSS provided no documentation or CMS policy that waived the revisit requirement for this facility. Regarding the other 2 errors, for which the DHSS argued the revisits could not occur until complaints regarding the facilities were resolved, the DHSS provided no CMS policy or directive indicating the DHSS could pause and delay revisits for facilities when complaints are received; and such revisit delays may allow deficiencies to continue and/or worsen over the course of the delay. In addition, the DHHS-CMS requirement to prioritize required actions does not remove or waive the DHSS's responsibility to perform revisits within required timeframes.

2025-014. 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 - 4451 DR-MO
2020 - FEMA - 4490 DR-MO and FEMA - 4552 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
2025 - FEMA - 4855 DR-MO

State Agency: Department of Public Safety - State Emergency Management Agency (SEMA)

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

Compliance Requirement: Subrecipient Monitoring

As similarly noted in our previous audit,[36] during state fiscal year 2025, the SEMA did not fully comply with subrecipient monitoring requirements for the Disaster Grants - Public Assistance (Presidentially Declared Disasters)

[36] See single audit report at <https://auditor.mo.gov/AuditReport/ViewReport?report=2025056>, finding number 2024-012.

(DGPA) program. The SEMA did not communicate all required federal award information to subrecipients, completed only 25% of the required number of subrecipient monitoring reviews, and did not perform supervisory reviews of some monitoring reviews. The SEMA disbursed approximately $197 million to 312 DGPA program subrecipients during the year ended June 30, 2025.

Regulation 2 CFR Section 200.332(b) requires pass-through entities to ensure every subaward is clearly identified to the subrecipient as a subaward and lists specific information to be communicated to the subrecipient. Regulation 2 CFR Section 200.332(c) requires pass-through entities to evaluate each subrecipient's fraud risk and risk of noncompliance with a subaward to determine the appropriate subrecipient monitoring. Regulation 2 CFR Section 200.332(e) requires pass-through entities to monitor the activities of the subrecipient as necessary to ensure the subrecipient complies with federal statutes, regulations, and the terms and conditions of the subaward, and achieves performance goals and objectives. Pass-through entities are required to ensure the subrecipient takes corrective action on all significant developments that negatively affect the subaward, including findings from single audits, site visits, and other means.

The SEMA enters into a subaward agreement and provides a grant award form to each DGPA program subrecipient with various information about the grant. The SEMA's tiered monitoring process, outlined in the SEMA's Risk Assessment Form and Recovery Division Monitoring Policy (monitoring policy), requires risk assessments be performed 24 months after the disaster declaration for each subrecipient. Risk assessments are performed to evaluate various risk indicators and categorize each subrecipient as high, medium, or low risk. The risk category determines the 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% 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 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 monitoring report to be provided to the subrecipient. The policy requires that the appropriate section specialist and the fiscal manager approve the monitoring reports.

Subaward information

As similarly noted in a FEMA report summarizing an August 2025 FEMA review, during state fiscal year 2025, the SEMA did not include all required

federal award identification information in the grant award forms. The grant award forms lacked the following required information: federal award date; subaward budget period start and end date; amount of federal funds obligated in the subaward; total amount of federal funds obligated to the subrecipient, including the current financial obligation; and total amount of the federal award committed to the subrecipient.

When required federal grant award information is excluded from grant award forms, subrecipients can be uninformed about specific requirements pertaining to the subaward and there is increased risk of noncompliance with program requirements. In response to the FEMA review, the SEMA updated the grant award forms to include the missing information effective for grants issued in January 2026.

Monitoring reviews

During state fiscal year 2025, the SEMA performed risk assessments for all 1,049 subrecipients requiring risk assessments; however, the SEMA performed only 64 of the 259 (25%) monitoring reviews required by the monitoring policy. The following table shows the results of the risk assessments performed for fiscal year 2025, the monitoring reviews required by federal regulation and SEMA policy, the monitoring reviews completed, and the monitoring reviews outstanding at year end.

Risk Assessment	High	Medium	Low
Number of Subrecipients	133	628	288
Type of Monitoring Required	On-Site Monitoring	Desk Monitoring	None
Number of Monitoring Reviews Required	133	126	0
Number of Monitoring Reviews Completed	17	47	0
Number of Monitoring Reviews Outstanding at Year End	116	79	0

In addition, our randomly-selected sample of 2 of the 17 on-site reviews and 5 of the 47 desk reviews completed during state fiscal year 2025, noted the 2 on-site monitoring reports were not approved by the Section Specialist or the Fiscal Manager, as required by the monitoring policy.

SEMA personnel indicated they began performing monitoring reviews in January 2025, in response to the prior audit finding; however, they did not have enough time to complete all required monitoring reviews by the end of

the fiscal year. SEMA personnel also explained they did not realize supervisory approval of the on-site monitoring reports was required by SEMA's monitoring policy.

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. Without adequate supervisory review of monitoring reports, the SEMA has less assurance the reviews were performed adequately and in accordance with the monitoring policy.

Conclusions

Without adequate internal controls over subrecipient monitoring requirements, there is increased risk of noncompliance, errors, fraud, waste, and abuse of federal funds. Adherence to policies and procedures is necessary to ensure compliance with subrecipient monitoring requirements. Regulation 2 CFR Section 200.303(a) requires the recipient to "[e]stablish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

Recommendation

The SEMA continue to strengthen controls and procedures to communicate federal award information to DGPA program subrecipients and monitor subrecipients in accordance with the monitoring policy. In addition, the SEMA should ensure supervisory reviews of monitoring reports are performed, as required.

Auditee's Response

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

2025-015. SEMA FFATA Reporting

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 - 4451 DR-MO
2020 - FEMA - 4490 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
2025 - FEMA - 4855 DR-MO

State Agency: Department of Public Safety - State Emergency Management Agency (SEMA)

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

SEMA controls and procedures are not sufficient to fully comply with Federal Funding Accountability and Transparency Act (FFATA) reporting requirements for the Disaster Grants - Public Assistance (Presidentially Declared Disasters) (DGPA) program. During state fiscal year 2025, the SEMA did not fully comply with FFATA reporting requirements for 6 of 17 subawards reviewed. During state fiscal year 2025, the SEMA disbursed approximately $197 million in first-tier subawards[37] to 312 subrecipients of the DGPA program. First-tier subaward payments accounted for nearly 100% of total program 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 SEMA to report first-tier subawards of $30,000 or more no later than the end of the month following the month in which the subaward was made. Information is reported to the System for Award Management (SAM.gov) (to the FFATA Subaward Reporting System [FSRS.gov] prior to March 2025) and is publicly available at USASpending.gov.

On a monthly basis, SEMA procedures provide that SEMA personnel enter subawards made during the previous month into an Excel spreadsheet. SEMA personnel filter the spreadsheet information to identify subawards that require FFATA reporting, transfer the data to the federal reporting template, and upload the data to SAM.gov (previously FSRS.gov). Various subaward data is uploaded, including the entity name, award amount, and the date issued.

To test compliance with FFATA reporting requirements, we reviewed 17 randomly-selected DGPA program subawards, totaling approximately $23.8 million, awarded during state fiscal year 2025. Of the 17 subawards, 6 (35%) had instances of noncompliance, as shown in the following table.

[37] First-tier subawards are federal awards made to non-federal entities by the prime award recipient, in this case the SEMA, on behalf of the federal awarding agency, the FEMA.

Subawards Tested	Subaward not reported	Report not timely (1)	Subaward amount incorrect	Subaward missing key elements (2)
17	0	4	0	2
Dollar Amount of Tested subawards	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
$23,777,360	$0	$4,764,739	$0	$5,707,898

(1) Reports were submitted 5 to 14 months after the last day of the month following the month in which the subawards were made.
(2) Subawards lacked project numbers.

SEMA personnel indicated the FFATA reporting delays occurred due to technical issues encountered during the transition from FSRS.gov to SAM.gov, and difficulties identifying the Unique Entity Identifier (UEI) for some subrecipients. However, the SEMA did not timely upload the reports once these issues were resolved. SEMA personnel indicated reports for two subawards lacked the project numbers due to manual entry errors.

Without adequate internal control over FFATA reporting, there is less assurance the information included in the FFATA reporting is complete, accurate, and submitted timely. In addition to noncompliance with federal requirements, not reporting subawards to the FSRS accurately and timely increases the risk that users of the reports could rely on incomplete and inaccurate information. Regulation 2 CFR Section 200.303(a) requires recipients to "[e]stablish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

Recommendation

The SEMA strengthen internal controls to ensure information is timely and accurately reported for the DGPA program and complete FFATA reporting in accordance with the applicable requirements.

Auditee's Response

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

2025-016. DED FFATA Reporting

Federal Agency: Department of Housing and Urban Development (HUD)

Federal Program:
14.228 COVID-19 - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
2020 - B-20-DW-29-0001
14.228 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
2017 - B-17-DC-29-0001

2018 - B-18-DC-29-0001, B-18-DP-29-0001, and B-18-DP-29-0002
2019 - B-19-DC-29-0001 and B-19-DP-29-0001
2020 - B-20-DC-29-0001
2021 - B-21-DC-29-0001
2022 - B-22-DC-29-0001

State Agency: Department of Economic Development (DED)
Type of Finding: Internal Control (Significant Deficiency) and Nonmaterial Noncompliance
Compliance Requirement: Reporting

DED controls and procedures are not sufficient to fully comply with Federal Funding Accountability and Transparency Act (FFATA) reporting requirements for the Community Development Block Grant (CDBG) program. During state fiscal year 2025, the DED did not fully comply with FFATA reporting requirements for 18 of 27 subawards reviewed. During state fiscal year 2025, the DED disbursed approximately $56.2 million in first-tier subawards[38] to 178 subrecipients of the CDBG program. First-tier subaward payments accounted for approximately 97% 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 DED to report first-tier subawards of $30,000 or more no later than the end of the month following the month in which the subaward was made. The regulation provides "[t]he recipient must also report a subaward if a modification increases the Federal funding to an amount that equals or exceeds $30,000. All reported subawards should reflect the total amount of the subaward." Information is reported to System for Award Management (SAM.gov) (the FFATA Subaward Reporting System [FSRS.gov] prior to March 2025) and is publicly available at USAspending.gov.

The DED issues CDBG program subawards to local governments, such as counties and cities, for multiple-year periods. Due to the nature of the subawards and because the DED can spend federal awards over a several-year period (typically 8 federal fiscal years), the DED continuously modifies and updates subaward amounts and sources as subaward terms and conditions change, and as federal awards are reallocated to the subawards. Modifications to subawards impact FFATA reporting, and uncorrected reporting errors can carry forward for many years.

[38] 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 HUD.

To test compliance with FFATA reporting requirements, we reviewed a random sample of 27 CDBG subawards, totaling $18,598,846, that were active during the year ended June 30, 2025. For each subaward tested, we reviewed the original issuance and any applicable modifications, including issuances/modifications that occurred before the year ended June 30, 2025 (our review for timeliness of reporting was limited to the year ended June 30, 2025). Of the 27 subawards, 18 (67%) had instances of noncompliance (11 of which had at least 1 instance during the year ended June 30, 2025), as shown in the following table:

Subawards Tested	Subaward not reported	Report not timely (1) (2)	Subaward amount incorrect (2)	Subaward missing key elements
27	1	5	16	0
Dollar amount of tested subawards	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
$18,598,846	$503,500	$4,037,371	$10,894,626	$0

(1) Reports were submitted 1 to 20 months after the last day of the month following the month in which the subawards/modifications were made.
(2) Reports for 4 subawards, totaling $3,885,771, that were both not timely and incorrect were shown in both columns.

In addition to the errors noted in the table, FFATA reports for 11 of 27 (41%) subawards did not report the correct federal award identification number (FAIN), or correct combination of FAINs. As a result, some or all of the subaward amounts were reported under incorrect federal award year(s).

The following example explains 1 subaward that had multiple types of errors as of auditors' testing through February 2026: When the subaward totaling $957,409 was issued in April 2021, the DED timely and correctly completed FFATA reporting for $957,409, but reported the incorrect FAIN (federal award year 2019 instead of 2018). When the subaward was modified in August 2024, increasing the amount by $121,179, to $1,078,588, the DED correctly reported the increase amount and the FAIN, but completed FFATA reporting 1 month late. When the subaward was again modified in April 2025, decreasing the amount by $15,000, to $1,063,588, the DED did not complete any FFATA reporting. As a result, the subaward was overstated by $15,000 on USAspending.gov, and approximately 90% of the total amount was reported under an incorrect federal award year.

Many FFATA reporting errors noted were associated with subaward modifications. Each of the 27 sampled subawards remained above $30,000 following each modification. DED personnel disagreed with some of the errors associated with modifications because they believe FFATA reporting is only required for subaward increases of $30,000 or more, regardless of the resulting subaward amount. They further stated they believe FFATA

reporting is not required for any decreases of subaward amounts. However, the FFATA clearly states reporting is required if the modification results in a subaward amount that equals or exceeds $30,000 and that the total subaward amount should be reflected.

Without adequate internal control over FFATA reporting, there is less assurance the information included in the FFATA reporting is complete, accurate, and submitted timely. In addition to noncompliance with federal requirements, FFATA inaccuracies increase the risk that those using the reports could rely on incomplete information. Regulation 2 CFR Section 200.303(a) requires recipients to "[e]stablish, document, and maintain effective internal control over the Federal award that provides reasonable assurance that the recipient or subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

Recommendation

The DED strengthen internal controls to ensure information is timely and accurately reported for the CDBG program and complete FFATA reporting in accordance with the applicable requirements.

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 DED Corrective Action Plan (CAP) states the DED partially agrees with the recommendation, and provides the following 4 arguments:

(1) The DED disagrees with the inclusion of errors in the audit report that were related to subawards executed prior to the audit period (year ended June 30, 2025), and believes the correct audit population should only include new subawards and amendments executed during the audit period, rather than all active subawards. However, as noted in the finding, due to the nature of the subawards (including DED's continuous modifications over a several year period), and the risk that uncorrected reporting errors can carry forward for many years, we reviewed a sample of subawards that were active during the year ended June 30, 2025. It was necessary to review the subaward, including original issuance and any applicable modifications, in entirety to determine the accuracy of FFATA reporting. Ignoring some activity could have led to inaccurate conclusions.

(2) The DED believes the finding is inconsistent with the regulatory intent regarding systemic noncompliance because the DED corrected certain FFATA reporting discrepancies prior to and during the audit period. However, as reported in the finding, these corrections did not fully address all FFATA discrepancies. In addition, this argument disregards

the auditor's responsibility to follow criteria outlined in 2 CFR 200.516 (Uniform Guidance) for reporting audit findings. The DED's insufficient internal controls and noncompliance with FFATA reporting requirements are systemic in nature; and therefore, the finding is classified as a significant deficiency in internal control, which is required to be reported.

(3) Under the DED's literal interpretation of 2 CFR Part 170, Appendix A, DED personnel believe the DED does not have to report any deobligations (decreases of subaward amounts) and it only has to report subaward increases of $30,000 or more, regardless of the resulting subaward amount.

(4) The DED disagrees subawards were reported in the incorrect federal award year (FAIN) because DED personnel do not believe they have to report modifications to FAIN information that occur after the initial award. Arguments (3) and (4) directly conflict with the FFATA's stated goal, which is "[t]o require full disclosure of all entities and organizations receiving federal funds." Further, the OMB *Compliance Supplement* defines "amount of subaward" as "[t]he net dollar amount of federal funds awarded to the subawardee including modifications." In addition to noncompliance, not reporting (a) deobligations, (b) all modifications that result in a subaward amount that equals or exceeds $30,000, and (c) FAIN modifications, prevents users from accessing complete and accurate information.

The following example further illustrates the impact of inaccurate FFATA reporting by the DED. In our review of some subawards associated with FAIN B-19-DC-29-0001 (one of the DED's federal awards during the 2019 federal award year), we observed the USASpending.gov website[39] showed the DED received $22.6 million in federal award funding, but awarded $95.9 million in subawards of these federal funds, over 4 times the federal award amount.

Incomplete and inaccurate FFATA reporting leads to limited accuracy and transparency to the public. Until the errors are corrected, the DED's FFATA reporting will remain erroneous in future years.

[39] USASpending.gov, Grant Summary, FAIN B-19-DC-29-0001, <https://www.usaspending.gov/award/ASST_NON_B-19-DC-29-0001_086>, accessed August 14, 2026.

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 July 2025 to June 2026 and noted there were no reports that relate to federal programs.

State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2025

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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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, 2025, and includes all findings from the audit for the Fiscal Year ended June 30, 2024, and certain findings from the audits for the Fiscal Years ended June 30, 2023, 2022, 2021, 2020, and 2019.

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

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

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
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: 2023-005, 2022-002, 2021-005, 2020-003, and 2019-005

The DSS did not have sufficient controls to ensure compliance with eligibility 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 had not corrected manual system overrides in the Medicaid Eligibility Determination and Enrollment System (MEDES) for approximately 10,200 (1 percent) 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.

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.

Status of Findings: 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. DSS staff completed redeterminations on all cases with manual overrides that have had continuous coverage for over one year by September 1, 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 42 CFR 435.916.

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

2024-002. Medicaid and CHIP Participant Eligibility Terminations

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
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: $773 (2024)
Similar Finding: 2023-006

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). A death match was not operating in the Medicaid Eligibility Determination and Enrollment System (MEDES) 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 participant's eligibility in the applicable eligibility system.

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.

Status of Findings: DSS has strengthened controls to ensure ineligible participants cases are closed by revising the procedures of the contracted FSD Call Center to ensure case actions, including closures, are completed timely. In addition, FSD continues to develop technology to allow customers to report changes including requests for closure and apply the changes to the system, the estimated completion date is late 2027.

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) 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.

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

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
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: 2023-007 and 2022-003

The DSS did not have sufficient controls to ensure eligibility determinations were performed within required timeframes for participants of the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP). 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.

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.

Status of Findings:
DSS has made significant progress in reducing the backlog of applications. Modified Adjusted Gross Income (MAGI) eligibility determinations are currently being completed within the required timeframes. DSS continues to process the backlog of Non-MAGI cases and analyze and revise policy and procedures to ensure all eligibility determinations are completed within the required timeframes. In addition, DSS continues to develop and implement technologies intended to assist the department and participants with necessary actions such as submitting applications, verifying income and resources, and providing required information.

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).

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

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
93.778 COVID-19 - Medical Assistance Program
93.778 Medical Assistance Program
State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD)
Similar Finding: 2023-004

The MHD did not have adequate controls to ensure 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 were properly deposited or returned to senders if the payment could not be accepted.

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.

Status of Finding:
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, made available and implemented starting July 2025. 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 quarterly report containing missing and unused cash control numbers for provider checks in eMMIS. This is compared to a file updated by the Accounts Assistant with the daily cash control numbers used. FORU uses the quarterly report to document reasons for any unused or skipped CCNs. This process is being completed quarterly beginning March 2025.

Contact Person: Andrea Smith
Phone Number: 573-522-3288

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
93.778 COVID-19 - Medical Assistance Program
93.778 Medical Assistance Program
State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD)
Similar Finding: 2023-002

The MHD needed to strengthen controls to ensure Medicaid Management Information System (MMIS) access rights were 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.

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.

Status of Finding:
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.

Contact Person: Christpher Boyle
Phone Number: 573-751-6927

2024-006. Department of Social Services Cost Allocation

Federal Agency: Department of Health and Human Services
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)
Similar Findings: 2023-008 and 2022-004

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.

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.

Status of Finding:
The DSS' CAP confirmed the change had been implemented and no further corrective action was required.

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

2024-007A. 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)
Similar Finding: 2023-010A

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, 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. Continue to work with the state agencies to ensure accurate and documented determinations are prepared for all recipients and modify subrecipient records as needed.

Status of Findings:

OA has completed signed MOUs with Departments to assign the responsibilities of Subrecipient Monitoring for the SLFRF funds to the Departments.

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

2024-007B. 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)
Similar Finding: 2023-010B

The OA had not implemented an effective subrecipient monitoring program to monitor the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) subrecipients. As a result, some subrecipient monitoring procedures were not performed as required by the Uniform Guidance. 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. 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 ensure the required review of single audit reports for applicable SLFRF program subrecipients were conducted.

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 Findings:

OA has completed signed MOUs with Departments to assign the responsibilities of Subrecipient Monitoring for the SLFRF funds to the Departments.

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

2024-008. CACFP Subrecipient Reimbursements

Federal Agency: United States Department of Agriculture
Federal Program: 10.558 Child and Adult Care Food Program (CACFP)
State Agency: Department of Health and Senior Services (DHSS) - Bureau of Community Food and Nutrition Assistance (BCFNA)
Questioned Costs: $0 (2024)
Similar Finding: 2023-012

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 required by federal regulations. As a result, significant unallowable and unsupported reimbursements were made without being prevented or detected timely.

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.

Status of Findings:
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.

Contact Person: Sarah Walker, Chief, Bureau of Community Food and Nutrition Assistance
Phone Number: 573-751-6256

2024-009A. CACFP Subrecipient Monitoring

Federal Agency: United States Department of Agriculture
Federal Program: 10.558 Child and Adult Care Food Program (CACFP)
State Agency: Department of Health and Senior Services (DHSS) - Bureau of Community Food and Nutrition Assistance (BCFNA)
Similar Finding: 2023-013A

BCFNA subrecipient risk assessment procedures were not in compliance with subrecipient monitoring requirements and 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 Findings:
DHSS disagreed with this finding therefore no corrective action has been taken. The risk assessment process performed by BCFNA is in compliance with the substance and spirit of federal regulations – both of the federal funding agency, USDA, and 2 CFR 200, Uniform Grant Guidance. BCFNA risk assessments consider relevant information and are used to determine the extent and timing of monitoring as set out in the Nutritionist Manual. The BCFNA risk-based monitoring approach already allows for monitoring subrecipients more frequently than required by USDA.

Contact Person: Sarah Walker, Chief, Bureau of Community Food and Nutrition Assistance
Phone Number: 573-751-6256

2024-009B. CACFP Subrecipient Monitoring

Federal Agency: United States Department of Agriculture
Federal Program: 10.558 Child and Adult Care Food Program (CACFP)
State Agency: Department of Health and Senior Services (DHSS) - Bureau of Community Food and Nutrition Assistance (BCFNA)
Questioned Costs: Unknown (2024)
Similar Finding: 2023-013B

BCNFA subrecipient monitoring procedures were not in compliance with subrecipient monitoring requirements and 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 and/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. We noted 1 terminated sponsor 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 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.

Status of Findings: 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. The DHSS through BCFNA has and will continue to review, strengthen and enforce subrecipient monitoring procedures in accordance with federal program requirements and management evaluation. The DHSS through BCFNA has put a CAP verification system in place to follow up with the sponsor to ensure the CAP is being implemented. BCFNA has and continues to exceed what is required by the federal awarding agency by implementing a risk-based monitoring plan that allows for more frequent onsite monitoring than required by the USDA.

Contact Person: Sarah Walker, Chief, Bureau of Community Food and Nutrition Assistance
Phone Number: 573-751-6256

2024-010. 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)
Similar Finding: 2023-014

The DSDS did not have effective controls to ensure Participant Choice Agreements were completed and retained for participants of the State Plan Personal Care program. Required documentation was not on file for 10 of 60 participants reviewed.

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.

Status of Findings:
DHSS launched a new case management system in May 2025. The launch presented challenges surrounding the expansive document migration. DHSS continues to work through the barriers associated with document migration. Participant Choice Agreements will be updated at the time of the next annual assessment.

Contact Person: Jessica Schaefer
Phone Number: 573-751-5973

2024-011. 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: 2023-015, 2022-007, and 2021-013

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 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.

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

Status of Findings:
Missouri Section for Long Term Care Regulation (SLCR) continues to work diligently to meet revisit and statement of deficiency issuance timelines in addition to complaint investigation and recertification survey timelines. The continued progress, unfortunately, was derailed by the federal shutdown from October 1 through November 12, 2025. Due to the federal shutdown and Center for Medicare and Medicaid Services' communication with states regarding excepted work, Missouri SLCR is again faced with a backlog of overdue survey-related work. Missouri SLCR was prohibited by CMS from conducting revisits or issuing statements of deficiency unless they met specific criteria. See REVISED: Contingency Plans – State Survey & Certification Activities in the Event of Federal Government Shutdown | CMS

Contact Person: Tracy Niekamp, Administrator, Section for Long Term Care Regulation
Phone Number: 573-526-0706

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)
State Agency: Department of Public Safety - State Emergency Management Agency (SEMA)

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.

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.

Status of Finding:
Partially corrected. Monitoring Policy has been updated and new procedures implemented to ensure monitoring is completed within the required timeframe. Per the previous finding, SEMA had to perform 190 monitoring reviews. As of December 1, 2025, the SEMA has 70 site visits and 9 desk monitoring's to complete. The Single Audit has been corrected.

Contact Person: Nikol Enyart
Phone Number: (573) 526-9136

2024-013. 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: $2,223 (2024)
Similar Finding: 2023-016

DESE controls over the Child Care Development Fund (Child Care) program's subsidy payments to child care providers were not sufficient to ensure payments were in accordance with the Child Care program subsidy state plan and costs were allowable. As a result, the DESE overpaid 29 providers and underpaid 8 providers of the 60 payments sampled.

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.

Status of Findings:

All payments have been corrected as required by 45 CFR 98. DESE has fixed all issues within the Child Care Data System (CCDS) causing incorrect payments and has implemented stronger internal controls to ensure accurate payments.

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

2024-014. DESE FFATA Reporting

Federal Agency: United States Department of Agriculture
Federal Program: 10.553 School Breakfast Program
10.555 COVID-19 - National School Lunch Program
10.555 National School Lunch Program
10.556 Special Milk Program for Children
10.582 Fresh Fruit and Vegetable Program
State Agency: Department of Elementary and Secondary Education (DESE)
Similar Findings: 2023-017, 2022-009, and 2021-016

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 administered by the DESE. The DESE needed to strengthen internal controls related to FFATA reporting for the Child Nutrition Cluster to help ensure compliance with the reporting requirements.

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

Status of Findings:

All FFATA reporting has been completed for those entities with UEI numbers. DESE is still working with some entities to obtain UEI numbers in order to complete FFATA reporting. DESE has implemented stronger internal controls to ensure timely and accurate FFATA reporting.

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

2024-015. MoDOT Monitoring of BABA Provisions

Federal Agency: Department of Transportation
Federal Program: 20.205 Highway Planning and Construction (HPC)
State Agency: Missouri Department of Transportation (MoDOT)

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.

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.

Status of Finding:
The corrective action has been implemented and the issue is resolved. MoDOT has developed written policies and procedures for monitoring contractor and subrecipient compliance with the BABA domestic preference provisions for IIJA-funded projects. The monitoring process was approved by the Federal Highway Administration (FHWA) and will be incorporated into MoDOT's Engineering Policy Guide, Section 106.9.

Contact Person: Doug Hood
Phone Number: 573-526-3955

2024-016. DED FFATA Reporting

Federal Agency: Department of Treasury
Federal Program: 21.029 COVID-19 - Coronavirus Capital Projects
State Agency: Department of Economic Development (DED)

The DED did not comply with Federal Funding Accountability and Transparency Act (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 had not established internal controls over FFATA reporting for the CPF program.

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

Status of Finding: DED completed the FFATA reporting in accordance with the applicable requirements. The Federal Initiatives and Office of Broadband Development created a flow chart for procedures and established internal controls to ensure that future requirements are met.

Contact Person: Kayla Kueckelhan
Phone Number: 573-751-5606

2024-017. DHEWD FFATA Reporting

Federal Agency: Department of Labor
Federal Program: 17.258 WIOA Adult Program
17.259 WIOA Youth Activities
17.278 WIOA Dislocated Worker Formula Grants
State Agency: Department of Higher Education and Workforce Development (DHEWD)

The DHEWD needed to strengthen internal controls related to Federal Funding Accountability and Transparency Act (FFATA) reporting for the Workforce Innovation and Opportunity Act (WIOA) Cluster. The DHEWD did not comply with FFATA reporting requirements for 4 of 10 subawards reviewed.

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

Status of Finding: DHEWD has successfully implemented corrective action as outlined in its previous corrective action report. DHEWD has not received any resolutions from the federal oversight agency related to this finding.

Contact Person: Elizabeth Roberts
Phone Number: 573-522-3767

FS 2024-001. Department of Revenue Financial Reporting Controls

State Agency: Department of Revenue (DOR)
Similar Findings: FS2023-002, 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, several 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, 2024, were materially misstated.

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

Status of Findings:
Corrective actions were taken as stated in the State Auditor's Office Report 2025-030 titled State of Missouri Annual Comprehensive Financial Report on Internal Control, Compliance, and Other Matters Year Ended June 30, 2024.

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

FS2024-002. Medicaid and CHIP Receipt Controls

State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD)

The MHD did not have adequate controls to ensure 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 were properly deposited or returned to senders if the payment could not be accepted.

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.

Status of Finding:
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, made available and implemented starting July 2025. 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 quarterly report containing missing and unused cash control numbers for provider checks in eMMIS. This is compared to a file updated by the Accounts Assistant with the daily cash control numbers used. FORU uses the quarterly report to document reasons for any unused or skipped CCNs. This process is being completed quarterly beginning March 2025.

Contact Person: Andrea Smith
Phone Number: 573-522-3288

State of Missouri - Single Audit
Corrective Action Plans
Year Ended June 30, 2025

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.

Mike Kehoe
Governor

Kurt Schaefer
Commissioner

Stacy Neal
Director
Division of Accounting

State of Missouri
Office of Administration
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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, 2025. Each Corrective Action Plan was prepared by the State agency noted.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2025

State Agency: Office of Administration

Audit Finding Number: FS2025-001 – OA–Division of Accounting Financial Reporting Controls – ACFR Preparation

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

Anticipated completion date for corrective action: December 2026

Recommendation: The DOA strengthen controls and procedures to ensure proper disclosure of information in the Notes to the Financial Statements in the ACFR. In addition, the DOA should automate calculations to the extent possible in its financial reporting software.

Corrective action planned is as follows:

The Division of Accounting has added additional formulas to perform more error-checking for the ACFR. The Division is currently down four senior staff that have been dedicated to the statewide accounting system replacement project. As those staff return to normal duties in the Division, additional management reviews will be performed.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2025

State Agency: Department of Social Services – MO HealthNet Division

Audit Finding Number: FS2025-002 - Medicaid and CHIP Receipt Controls

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

Anticipated completion date for corrective action: March 31, 2026

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 relating to premium payments. This process was implemented in August 2024 with additional information added to the Finance Manual Checks Quarterly Report and activated in July 2025. Effective for quarter ending March 2026, the FORU Manager/Senior Accountant will review the report to ensure team members are following appropriate practices. The Director of Fiscal Policy will populate the report for an independent review of actions performed by the FORU Manager/Senior Accountant.

MHD will continue to perform the audit of clerk ID ad hoc reports to review any segregation of duties within the MMIS. All reports will be sent from the MMIS analyst to the FORU Manager/Senior Accountant to review team member's actions and to the Director of Fiscal Policy to review the FORU Manager/Senior Accountant's actions within MMIS.

MHD implemented a process establishing a new cash control number (CCN) sequence, exclusive to manual checks logged within the FORU, in August 2024. This resolved the issue of CCNs for participant checks occurring out of sequence due to AHS running files in the background. During the FY25 audit, MHD received further clarification and is implementing a review a Manual Checks Monthly report to verify there are no missing or unused CCNs for participant checks in HealthTrack. In the event there are any discrepancies, information will be notated accordingly on the report.

MHD continues to review provider checks in MMIS for any unused or skipped CCNs in MMIS. This is completed by FORU staff comparing a spreadsheet updated by the Accounts Assistant with the daily CCNs used with a quarterly report received from MMIS/Wipro to document reasons for any unused or skipped CCNs.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2025

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

Audit Finding Number: 2025-001 – Medicaid and CHIP Eligibility System Internal Controls

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

Anticipated completion date for corrective action: 4/1/26

Recommendation: The DSS through the MHD and the FSD strengthen internal controls to timely prevent, detect, and correct improper dual enrollments in the MEDES and the FAMIS for participants of the Medicaid program and the CHIP. The DSS should review the dual enrollments for the participants identified in this finding, correct any improper enrollments in the applicable eligibility system(s), and recoup any related improper payments and claims.

DSS Response: The DSS agrees with this finding.

Corrective action planned is as follows: A report was developed in October 2025 to identify individuals with multiple active Medicaid Eligibility (ME) Codes that include different coverage types. The report is filtered through the FAMIS system to ensure both levels of coverage are active when the report is worked. Staff began working this report manually in Spring of 2025 and they identified higher priority tasks such as closing Adult Expansion Group (AEG) coverage for individuals who have been determined eligible for a mandatory Non-MAGI coverage type. Staff have significantly reduced the number of individuals with dual coverage as of Spring 2026. Please note that there are certain ME Codes that can run concurrently with other coverage. In order to reduce staff burden and improve efficiency, program staff will work with system staff to automate the manual processes that are done with this report to ensure dual coverage is closed in a timely manner. There is no estimated completion date at this time, but the DSS hopes to have some level of automation by December 31, 2027.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2025

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

Audit Finding Number: 2025-002 - Medicaid and CHIP MEDES Death Match

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

Anticipated completion date for corrective action: 1/1/2027

Recommendation: The DSS through the MHD and the FSD 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 identify deceased individuals in the MAGI eligibility system (MEDES). DSS administers an electronic verification match with the federal hub at application and during the annual review process to inquire about death.

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 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 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 DSS does not have an anticipated completion date.

Corrective action planned is as follows: The DSS is strengthening controls by updating the eligibility systems to include the quarterly match with the Social Security Administration (SSA) master death file as required by HR 1. DSS estimates that the update will be completed by January 1, 2027 as required.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2025

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

Audit Finding Number: 2025-003 - 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: 12/31/2026

Recommendation: The DSS through the MHD and the FSD strengthen internal controls to ensure redeterminations are completed as required.

DSS Response: The DSS disagrees with this finding. Throughout SFY 2025, the agency was actively monitoring and strategizing to work towards completing all renewals by the deadline of December 31, 2025. While the DSS was unable to complete all renewals by the deadline of December 31, 2025, progress throughout all of SFY 2025 continued. Additionally, the DSS does not consider this within the scope of the SFY 2025 audit because federal requirements did not require all renewals to be complete until December 31, 2025, which falls in SFY 2026.

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 staffing 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.

With the backlog of MAGI annual renewals and the changes that will be implemented from the passage of HR. 1 (the Big, Beautiful Bill), a new plan to complete redeterminations was formed based on federal flexibilities. The DSS continued to complete redeterminations for MAGI participants throughout the unwinding period; however, around April 2025 leadership began revising the procedures of eligibility staff and leveraging additional staff to ensure case

actions, including annual renewals, were completed timely. The department contracted to increase temporary staff through 2026 to focus on working the backlog for MAGI annual renewals by December 31, 2026.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2025

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

Audit Finding Number: 2025-004 - Medicaid and CHIP Eligibility Determination Timeliness

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

Anticipated completion date for corrective action: 12/31/2027

Recommendation: The DSS through the MHD and the FSD continue to 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 has made significant progress in reducing the backlog of applications. DSS continues to develop and implement technologies intended to assist the department and participants with necessary actions such as submitting applications, verifying income and resources, and providing required information. The estimated implementation date of this technology is December 31, 2027.

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).

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2025

State Agency: Department of Social Services – MO HealthNet Division

Audit Finding Number: 2025-005 - Medicaid and CHIP Receipt Controls

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

Anticipated completion date for corrective action: March 31, 2026

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 relating to premium payments. This process was implemented in August 2024 with additional information added to the Finance Manual Checks Quarterly Report and activated in July 2025. Effective for quarter ending, March 2026, the FORU Manager/Senior Accountant will review the report to ensure team members are following appropriate practices. The Director of Fiscal Policy will populate the report for an independent review of actions performed by the FORU Manager/Senior Accountant.

MHD will continue to perform the audit of clerk ID ad hoc reports to review any segregation of duties within the MMIS. All reports will be sent from the MMIS analyst to the FORU Manager/Senior Accountant to review team member's actions and to the Director of Fiscal Policy to review the FORU Manager/Senior Accountant's actions within MMIS.

MHD implemented a process establishing a new cash control number (CCN) sequence, exclusive to manual checks logged within the FORU, in August 2024. This resolved the issue of CCNs for participant checks occurring out of sequence due to AHS running files in the background. During the FY25 audit, MHD received further clarification and is implementing a review a Manual Checks Monthly report to verify there are no missing or unused CCNs for participant checks in HealthTrack. In the event there are any discrepancies, information will be notated accordingly on the report.

MHD continues to review provider checks in MMIS for any unused or skipped CCNs in MMIS. This is completed by FORU staff comparing a spreadsheet updated by the Accounts Assistant with the daily CCNs used with a quarterly report received from MMIS/Wipro to document reasons for any unused or skipped CCNs.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2025

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

Audit Finding Number: 2025-006 - DSS Medicaid FFATA Reporting

Name of the contact person responsible for corrective action: Clarissa Engelbrecht

Anticipated completion date for corrective action: N/A

Recommendation: The DSS through the DFAS strengthen internal controls to ensure information is timely reported for the Medicaid program and complete FFATA reporting in accordance with the applicable requirements.

DSS Response: The DSS agrees with this finding. The DSS has experienced staff transitions and actively works to ensure staff familiarity with federal regulations and desk procedures.

Corrective action planned is as follows: The DSS will strengthen FFATA reporting internal controls to timely report and complete FFATA reporting in accordance with regulation. DSS will also maintain FFATA reporting compliance based on available guidance.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2025

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

Audit Finding Number: 2025-007 - Social Services Block Grant Post-Expenditure Reporting

Name of the contact person responsible for corrective action: Clarissa Engelbrecht

Anticipated completion date for corrective action: June 1, 2026

Recommendation: The DSS through the DFAS strengthen internal controls and procedures to ensure annual SSBG Post-Expenditure Reports are accurately prepared and submitted.

DSS Response: The DSS agrees with this finding. This agreement is based on the understanding—clarified during the exit meeting—that while DSS is the lead agency, it is not the SAO's intent to hold DSS accountable for the accuracy of data submitted by the Department of Health and Senior Services (DHSS) for this reporting.

Corrective action planned is as follows: The DSS will strengthen internal controls for the SSBG Expenditure Reporting. DSS will work to streamline the process with DHSS prior to the next reporting deadline to ensure this report is prepared and submitted accurately.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2025

State Agency: Department of Health and Senior Services

Audit Finding Number: 2025-007 - Social Services Block Grant Post-Expenditure Reporting

Name of the contact person responsible for corrective action: Becky Harris and Angela Burgess

Anticipated completion date for corrective action: 06/30/2026

Corrective action planned is as follows:

The Department of Health and Senior Services will revise and document the procedures involved in completing and validating the data included in the shared spreadsheet for inclusion in the annual Post-Expenditure Report. The procedures will continue to be reviewed on an ongoing basis and updated as needed. Procedures will be documented by the Fiscal Oversight and Reporting team, the Division of Senior and Disability Services (DSDS) team, and the Division Liaison Services – DSDS team to ensure consistency in the data being reported.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2025

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

Audit Finding Number: 2025-008 - DSS SSBG FFATA Reporting

Name of the contact person responsible for corrective action: Clarissa Engelbrecht

Anticipated completion date for corrective action: July 16, 2026

Recommendation: The DSS through the DFAS review, strengthen, and enforce internal controls to ensure information is timely reported for the SSBG program and complete FFATA reporting in accordance with its policy.

DSS Response: The DSS agrees with this finding. The DSS has experienced staff transitions and actively works to ensure staff familiarity with federal regulations and desk procedures.

Corrective action planned is as follows: The DSS will strengthen FFATA reporting internal controls for second and subsequent year funding to timely report and complete FFATA reporting in accordance with our policy, updated July 2026. The DSS will also maintain FFATA reporting compliance based on available guidance.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2025

State Agency: Office of Administration

Audit Finding Number: 2025-009 - SLFRF Program Subrecipient Monitoring

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

Anticipated completion date for corrective action: Already Completed

Recommendation A: Continue to work with the state agencies to ensure documented determinations are prepared to determine whether all recipients of SLFRF program funds are subrecipients or contractors.

OA agrees with the auditor's finding.

Corrective action has already been accomplished. After receiving the FY24 audit finding in FY26 (specifically September 30, 2025), OA established Memorandums of Understandings (MOU) in November of 2025 with partner agencies. These MOUs clarify the definition of a subrecipient as provided in 2 C.F.R § 200.1 and delineate responsibilities for making and documenting subrecipient versus contractor determinations. Because these corrective actions are already complete, OA considers this a timing-related finding.

Recommendation B: Develop policies and procedures outlining pre-payment monitoring procedures and document monitoring performed prior to making payments. The OA should also continue to ensure subrecipient monitoring tasks delegated to state agencies are adequately communicated. Procedures should be established to ensure subrecipient monitoring procedures are appropriately completed in accordance with the Uniform Guidance, including performing risk assessments for each subrecipient, monitoring for compliance with federal requirements and subaward terms and conditions, and ensuring subaward goals and objectives are achieved.

OA agrees with the auditor's finding.

Corrective action has already been accomplished. After receiving the FY24 audit finding in FY26 (specifically September 30, 2025), OA established Memorandums of Understandings (MOU) in November of 2025 with partner

agencies to ensure agencies understood their responsibilities for subrecipient monitoring included subrecipient specific risk assessments and monitoring. Because these corrective actions are already complete, OA considers this a timing-related finding.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2025

State Agency: Department of Health and Senior Services

Audit Finding Number: 2025-010 - CACFP Subrecipient Reimbursements

Name of the contact person responsible for corrective action: Sarah Walker, Administrator, Bureau of Community Food and Nutrition Assistance (BCFNA), Division of Community and Public Health

Anticipated completion date for corrective action: Not Applicable

The Missouri Department of Health and Senior Services (DHSS) disagrees with this finding because the controls over meal reimbursements are in compliance with the federal U.S. Department of Agriculture (USDA) requirements and guidance. In addition, the nearly identical audit finding of fiscal year 2023 was not sustained by the federal funding agency.

One hundred percent of the 43 overclaim exceptions noted by the SAO were either under the USDA's acceptable minimum threshold of $600 or were recouped from subsequent claims in accordance with USDA and DHSS program requirements. The remaining 7 errors were underclaims. None of the error items noted by the SAO which exceeded the established USDA threshold resulted in questioned costs.

The following SAO statement is factually incorrect: "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." BCFNA is in compliance with USDA regulation as well as DHSS policies and procedures in regard to reviewing supporting documentation. In accordance with USDA regulations, sponsors are required to maintain documentation for three years in addition to the current year. However, this documentation is not required to be submitted to the state agency prior to every month's claim reimbursement.

The SAO said, "If similar errors were made on the remaining population of CACFP meal reimbursements totaling approximately $69.9 million, unallowable costs could be significant." The SAO's projection of a full year of ineligible sponsor claims is not supportable to determine this finding is material noncompliance. The sample of those sponsors is not representative of the population and cannot be assumed to be a claim error for the whole year, as it is based on a biased population of reviews performed by DHSS. DHSS's risk-based monitoring approach of reviewing higher risk subrecipients more frequently would lead to higher claim amounts than a sample of the population as a whole.

Each of the claims in question were recouped in subsequent months in accordance with USDA regulations and BCFNA policies and procedures, resulting in no loss of federal program funds or questioned costs.

Further, all but one of the items with $2,000 or more in overclaims were due at least in part to temporary eligibility issues resulting from untimely submission of Income Eligibility Forms (IEFs). These were identified as a result of BCFNA's well-designed monitoring processes and remedied in following months when parents or guardians provided the completed eligibility forms and should not be automatically assumed to account for a full year of overclaims.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2025

State Agency: Department of Health and Senior Services

Audit Finding Number: 2025-011 - CACFP Subrecipient Monitoring

Name of the contact person responsible for corrective action: Sarah Walker, Administrator, Bureau of Community Food and Nutrition Assistance (BCFNA), Division of Community and Public Health

Anticipated completion date for corrective action: Not Applicable

The Missouri Department of Health and Senior Services (DHSS) disagrees with this finding because the BCFNA subrecipient monitoring, claim recoupment and risk assessment procedures comply with the U.S. Department of Agriculture (USDA), the federal funding agency. In addition, the similar fiscal year 2023 audit finding was closed by the USDA after reviewing DHSS's corrective action plan and supporting documentation.

The SAO stated, "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 where these policies and procedures could be strengthened and improved to ensure facilities/sponsors comply with program requirements and submit proper claims." The SAO is holding DHSS to higher performance audit standards instead of Single Audit compliance audit standards as well as to higher standards than required by federal guidance and regulations.

The SAO's stated, "In May 2024, when the BCFNA changed the risk assessment and scoring system, the BCFNA ceased assigning a grade of A, B, B-, or C to each review and widened the score ranges and associated review requirements. DHSS officials indicated the scores assessed by the new system are frequently higher than those assessed under the previous manual system. The impact of these changes on the frequency and effectiveness of the monitoring reviews is unclear."

While working with the software provider during the development, testing, and implementation stages over the course of several years, the new point range was thoroughly reviewed prior to implementation. This ensured reviews are classified appropriately for risk categories. The new system provides a monitoring process more stringent than USDA requirements. All monitoring is reviewed by supervisory staff to ensure a comprehensive assessment.

During testing, it was found that the new system frequently returned a higher point level, as every finding now results in a point. The increased score range was required to more precisely reflect monitoring reviews and reflects an even more stringent monitoring process than is required by USDA.

The SAO reported "….BCFNA only identifies and seeks recoupment for the overclaims made during the test month." As noted in previous CAPs, BCFNA pursues recoupment of overclaims of only the test month per USDA requirements, although when warranted, additional reviews are conducted beyond the test month. In addition, BCFNA officials pursue recoupment of overclaims for facilities/sponsors with terminated contracts on a case-by-case basis, taking into consideration various factors. The USDA established an acceptable level of risk with respect to the CACFP program and provided approved risk management processes and requirements.

The previous and current risk assessment processes are in compliance with federal requirements. BCFNA has a structured risk assessment process that informs its monitoring extent and frequency, which leads to subrecipients being monitored more frequently than every three years as required by the USDA. The USDA is aware of the risk assessment process used by BCFNA and did not require any changes to the process after the previous three similar findings by the SAO.

As stated in previous CAPs on similar findings, the DHSS is in compliance with USDA guidelines and requirements for CACFP and implementing the SAO's recommendations would cause undue burden on the participants and providers of this program which USDA warns against.

In addition, the SAO applied the same testing methodology and error projection approach to determine materiality for this finding as it did for finding 2025-010. Accordingly, DHSS maintains the same position and arguments previously presented.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2025

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

Audit Finding Number: 2025-012 - Medicaid SPPC Participant Choice Agreements

Name of the contact person responsible for corrective action: Kim Toebben

Anticipated completion date for corrective action: DHSS anticipates that the work described below will be completed by July 2029.

Corrective action planned is as follows:

The Department of Health and Senior Services (DHSS), Division of Senior and Disability (DSDS) agrees with the auditor's findings and appreciates the opportunity to respond to the missing Participant Choice Statements in the records of 14 Home and Community Based Services (HCBS) participants. DHSS is monitoring this issue closely and taking this finding seriously.

DSDS continues to work diligently to improve the percentage of forms signed and uploaded while conducting reassessments. In May 2025, DSDS implemented a new case management system that expanded reporting capabilities and strengthened DSDS's capacity to monitor missing documentation. Additionally, DSDS continues to rely on established quality assurance practices, which include monthly random case record reviews of assessor documentation to ensure accuracy and completeness.

In addition, DSDS has been working to expand partnerships with new contractors to assist with reassessment volume. The goal is to shift from a high volume of provider-based reassessors to more value-based partners. These value-based partners receive enhanced monitoring to qualify for a higher reimbursement rate. If quality standards are not met, they are no longer eligible for enhanced payment. This model is designed to build partnerships with contracted assessors who consistently produce accurate, timely, and high-quality work.

These expanded partnerships are beginning to provide state staff with more time to focus on their assigned workload, ultimately improving overall documentation

quality. DSDS's goal is to continue to increase the number of these partners and their caseload capacity so that all assessors have adequate time to complete thorough, high-quality assessments with proper documentation. Existing partners have set scaling plans to increase the number of assessments they are supporting DSDS with over the next year.

While DSDS is committed to resolving documentation gaps, the division is unable to immediately correct all missing Participant Choice Statements due to staffing limitations and the size of the program. With more than 70,000 participants statewide, managing active caseloads while addressing legacy documentation issues presents ongoing operational challenges. DSDS will utilize quality assurance processes, targeted training, and enhanced reporting to identify issues and implement necessary improvements and remediations at time of assessment.

Missing Participant Choice Statements will be completed at each participant's next reassessment. Moving forward, DSDS's efforts will center on ensuring that Participant Choice Statements are consistently completed during the assessment itself rather than relying on remediation after the fact. The continued expansion of value-based partnerships is expected to significantly support this shift. As these partners assume a greater share of reassessments, DSDS anticipates improved consistency, timeliness, and documentation quality at the point of assessment. This increased capacity allows state staff to focus more on oversight and quality assurance, strengthening long-term compliance, and reducing the need for follow-up corrections.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2025

State Agency: Department of Health and Senior Services

Audit Finding Number: 2025-013 - 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, 2028

Corrective action planned is as follows:

Corrective Action Plan related to the finding regarding revisits not being performed within 60 days.

DHSS disagrees with the finding and contends a finding, and corrective action plan is not required related to the three revisits not performed within 60 days. The SAO has determined these exceptions to be nonmaterial noncompliance and as such, a finding in the single audit is not required. In addition, Centers for Medicare and Medicaid Services (CMS) is well aware of DHSS' compliance level with this requirement and has deemed it met. During Federal Fiscal Year 2025, DHSS met the performance standard set out by the CMS for onsite revisits as outlined in Fiscal Year (FY) 2025 State Performance Standards System (SPSS) Guidance. Admin Info: 25-03-ALL.

The SAO's exception listing is inaccurate. Despite documentation provided to the SAO, the SAO demonstrated a misunderstanding or disregard of CMS' grading system. One exception did not fall into the SAO's cited category and failed to meet the deficiency threshold requiring a 60-day revisit. For the other two exceptions, additional complaints were received between the original visit and revisit which, according to CMS guidelines, had to be resolved before the revisit could occur.

Further, DHSS follows CMS' stated work priorities to conduct surveys and revisits as mandated by CMS Mission and Priority Document. See the explanation below regarding the increase in severe complaints, including immediate jeopardy (IJ) complaints (which require an onsite investigation within 24 hours to seven days), and the impact on SLCR's decision to address immediate threats to residents as required by CMS.

Corrective action plan related to the delayed issuance of Statements of Deficiencies and Plans of Correction (SODs) within the required 10-day timeframe.

DHSS partially agrees with this finding. While DHSS agrees that the 14 SODs were not issued within 10 days, DHSS disagrees that, as a nonmaterial noncompliance finding, this issue should be reported in the single audit and therefore disagrees that a corrective action plan is needed. DHSS has continued to make significant progress in meeting expectations since FY2023. During the FY23 audit, 19 of the sampled statements of deficiency did not meet the 10-day timeframe for release to the facility. Results of the FY24 and FY25 audits showed improvement in DHSS performance as the number of sampled statements of deficiency that did not meet the 10-day timeframe for release to the facility decreased to 13 and 14 respectively.

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 12,237 in FY2024. In FY2025, DHSS received 12,203 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 (require onsite investigation within 15 working days). Because of the seriousness of these complaints, and to adhere to the CMS Mission and Priority document, often surveyors must 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 a high volume of citations issued per recertification survey and 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.

These increases require additional time devoted to investigating often complex violations, increased time spent on 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 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. Regulatory noncompliance identified during the survey is discussed with administration at the facility while surveyors are on site. Findings of immediate jeopardy require a prompt plan of correction to address the immediacy of the violation prior to surveyors exiting the process. For all violations,

facilities typically begin to take immediate corrective action, not waiting for receipt of the written SOD from SLCR.

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 in more than a decade, which further impacts the ability to hire and retain Registered Nurses. In addition, there is an ongoing 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 has and will continue to request increased funding from CMS to support competitive salaries for Registered Nurses and fully fund the federal portion of the survey and certification workload.

DHSS will continue its endeavors to hire 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 CMS 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. (Note: That funding terminated on March 24, 2025.) DHSS will maintain current contracts with the entities so that if funding becomes available contract surveys can be set up shortly after.

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.

DHSS will provide training to surveyors related to writing statements of deficiency to ensure a clear, concise, legally defensible document is produced and to reduce the review time required.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2025

State Agency: Missouri State Emergency Management Agency

Audit Finding Number: 2025-014 – SEMA Subrecipient Monitoring

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

Anticipated completion date for corrective action: Completed

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 in completing the risk assessments within the time dictated by the policy. SEMA has completed all desk monitoring reports for the medium-risk subrecipients and all site visits for high-risk subrecipients. SEMA has also cross-trained multiple employees in the steps and processes to achieve high output 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 progress made during those two weeks, which are submitted to the Recovery Division Manager. This report was first created and submitted on January 31, 2025.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2025

State Agency: Missouri State Emergency Management Agency

Audit Finding Number: 2025-015 – SEMA FFATA Reporting

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

Anticipated completion date for corrective action: Completed

Corrective action planned is as follows:

To avoid future errors, a comparison of the reports received from grant staff with those entered in SAM.GOV will be conducted, and any necessary corrections will be made before the reporting deadline. The absence of UEI numbers will be followed up monthly, and a tracking sheet will be maintained to document the follow-up and will be accessible to the Fiscal Manager for viewing.

State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2025

State Agency: Department of Economic Development

Audit Finding Number: 2025-016 – DED FFATA Reporting

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

Anticipated completion date for corrective action: June 30, 2026

The Department partially agrees with the auditor's findings. The Departments Corrective Action Plan below includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

The Department agrees that we need to strengthen internal controls to ensure information is timely and accurately reported for the CDBG program and complete FFATA reporting in accordance with the applicable requirements. The one (1) award that was not reported as required was a clerical error and was not repeated.

The Department disagrees with the findings that exceed the scope of the current audit period (July 1, 2024 – June 30, 2025). The correct audit population comprises new subawards, and amendments executed during the audit period, rather than all active subawards. The reported items were submitted before June 30, 2024, and correspond to prior award periods that are now closed. Furthermore, the Department's internal control mechanisms identified the FFATA reporting discrepancy in September 2024. The Department subsequently conducted a retrospective review and reported all outstanding amendments. Because the Department discovered and corrected the breakdown through its own internal controls, we believe the finding is inconsistent with the regulatory intent regarding systemic non-compliance.

The Department maintains that FFATA does not require the reporting of deobligations or a reconciliation with USASpending.gov. Per 2 CFR §170 Appendix A, the regulatory requirement is as follows:

> "…the recipient must report each subaward that equals or exceeds $30,000 in Federal funds... The recipient must also report a subaward if a modification increases the Federal funding to an amount that equals or exceeds $30,000. All reported subawards should reflect the total amount of the subaward."

The Department adheres to the literal language of this regulation. The requirement specifies reporting the total amount of the subaward, rather than a "net" amount or a "remaining balance." In accounting and auditing standards, "Total," "Balance," and "Net" are distinct terms with specific applications; had the regulation intended for deobligations to be factored into the reported figure, it would have specified a "net", "balance", or "liquidated" balance.

The Department disagrees with the finding that subawards were reported in the incorrect year. For annual federal funds, the Department operates on a First-In, First-Out (FIFO) basis.

In the standard course of business, subaward invoices are typically paid from the specific pool of funds from which they were awarded. However, as older funding streams approach expiration, an invoice for a subaward originally awarded and properly reported to FFATA in FY2022 may be relieved using FY2019 funds.

Since the subawards were reported accurately at the time of the award action, they remain in compliance with FFATA regulations.

Corrective Plan of Action:

The CDBG program will implement the following measures to ensure ongoing compliance and strengthen oversight:

- **Training and Regulatory Review:** The Department will conduct comprehensive FFATA training for the reporting team, specifically focusing on the requirements set forth in 2 CFR Part 170. This review will ensure that all staff are aligned with federal reporting standards and the literal requirements of the regulation.
- **Internal Control Enhancement:** A thorough evaluation of existing internal controls related to FFATA reporting is underway. The Department will identify and implement any necessary improvements to provide reasonable assurance that all reporting remains accurate and compliant.
- **Best Practice Research and Benchmarking:** The Department will engage with peer agencies in other states to determine if a reconciliation process with USAspending.gov is utilized as a best practice.
- **Process Implementation:** If an effective reconciliation model is identified through this benchmarking, the Department will evaluate its feasibility and integrate a similar reconciliation process into the State of Missouri's standard operating procedures to further bolster reporting integrity.