



# Scott Fitzpatrick

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## Missouri State Auditor

State of Missouri  
Single Audit  
Year Ended June 30, 2022

Report No. 2023-030

July 2023

[auditor.mo.gov](https://auditor.mo.gov)



**Scott Fitzpatrick**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the Fiscal Year 2022 State of Missouri Single Audit

Background	The United States Congress passed the Single Audit Act Amendments of 1996 to establish uniform requirements for audits of federal awards. A single audit requires an audit of the State of Missouri's financial statements and expenditures of federal awards. The state spent approximately \$18.4 billion in federal awards during the fiscal year ended June 30, 2022. The Single Audit involved audit work on 19 major federal programs administered by 7 state agencies, with expenditures totaling approximately \$13.9 billion.
Medicaid National Correct Coding Initiative	As noted in two previous audits, the Department of Social Services (DSS) - MO HealthNet Division did not fully implement the Medicaid National Correct Coding Initiative edits in the Medicaid Management Information System as required.
Medicaid and CHIP MAGI-Based Participant Eligibility	As noted in three previous audits, the DSS does not have sufficient controls to ensure compliance with the eligibility requirements of the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP) for certain participants whose eligibility is based on their Modified Adjusted Gross Income (MAGI). The DSS did not correct manual system overrides for some MAGI-based participants, preventing their cases from being closed when necessary.
Medicaid and CHIP Eligibility Determination Timeliness	The DSS did not perform eligibility determinations within required timeframes for participants of the Medicaid and the CHIP. The DSS did not meet timeliness requirements for 40 of the 115 new enrollment participants reviewed. The late determinations were made 2 to 144 days after the required 45 or 90-day requirement, and averaged 68 days late.
Department of Social Services Cost Allocation	DSS - Division of Finance and Administrative Services (DFAS) controls and procedures to allocate some administrative costs to federal programs were not sufficient to prevent and/or detect errors. For the year ended June 30, 2022, costs totaling approximately \$38.5 million were incorrectly allocated to 6 programs. As a result, approximately \$10.2 million (federal share) was allocated to state funding, that could have been allocated to federal funding for 4 programs.
Pandemic Electronic Benefit Transfer Food Benefits	DSS controls over the Pandemic Electronic Benefit Transfer Food Benefits (P-EBT) program were insufficient to prevent improper benefit issuances on behalf of school children. The audit sample of payments for 60 school children noted the DSS issued benefits on behalf of one ineligible child and made overpayments on behalf of another child.
DSS FFATA Reporting	As similarly noted in a previous audit, the DFAS needs to strengthen internal controls related to Federal Funding Accountability and Transparency Act (FFATA) reporting. During state fiscal year 2022, DFAS did not comply with FFATA reporting requirements for any of the subawards reviewed for the Social Services Block Grant (SSBG) program.

Medicaid Facility Survey Timeliness	As similarly noted in a prior audit report, the Section for Long-Term Care Regulations (SLCR) within the Department of Health and Senior Services (DHSS) did not perform facility survey procedures within required timeframes. For the year ended June 30, 2022, some Statement of Deficiencies and Plan of Corrections were sent 11 to 26 days after survey exit instead of within 10 days, and some facility revisits were completed between 61 and 82 days instead of within 60 days of the initial survey date.
ELC Program Subrecipient Monitoring	As similarly noted in a prior audit report, the Division of Community and Public Health (DCPH) within the DHSS did not adequately monitor Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) program subrecipient contracts during the year ended June 30, 2022. A review of a sample of 21 contracts requiring financial monitoring reviews noted 7 (33 percent) had not been completed as of June 30, 2022.
DESE FFATA Reporting	The Department of Elementary and Secondary Education (DESE) needs to strengthen internal controls related to FFATA reporting for the Education Stabilization Fund. As similarly noted in a previous audit, during state fiscal year 2022, the DESE did not comply with FFATA reporting requirements for any of the subawards reviewed for the GEER Fund or the EANS program. In addition, the DESE has not made corrections and resubmitted state fiscal year 2021 FFATA reports for the GEER Fund grants.

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

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# State of Missouri

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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	Missouri Revised Statutes
SAM II	Statewide Advantage for Missouri
SEFA	Schedule of Expenditures of Federal Awards
USC	United States Code

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# State of Missouri - Single Audit

## Introduction and Summary

### Year Ended June 30, 2022

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#### **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 \$18.4 billion in federal awards during the state fiscal year ended June 30, 2022.



State of Missouri - Single Audit  
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## Summary of Single Audit Results

### Financial Statements

The following is the summary of our Single Audit results for the state fiscal year ended June 30, 2022.

We issued our audit report (Report No. 2023-010<sup>1</sup>) of the state's Annual Comprehensive Financial Report (ACFR), as of and for the year ended June 30, 2022, in March 2023. In addition, we issued our Annual Comprehensive Financial Report - Report on Internal Control, Compliance, and Other Matters (Report No. 2023-022<sup>2</sup>) in May 2023. In that report, we reported 9 findings related to internal control deficiencies at 5 state agencies and 1 office. The state agencies' and office's responses to the audit findings are included in that report. The agencies prepared a Corrective Action Plan (CAP) for each finding. The CAPs were submitted to the Office of Administration (OA) and are in the Corrective Action Plans section of this report. The 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 \$18.4 billion in federal funds in state fiscal year 2022. 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 19 major federal programs with expenditures totaling approximately \$13.9 billion, administered by 7 state agencies.

We issued a qualified opinion on 2 major federal programs and an unmodified opinion on 17 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 Social Services:

- Children's Health Insurance Program, modified for Special Tests and Provisions
- Medicaid Cluster, modified for Special Tests and Provisions

In total, we reported 9 audit findings related to 6 major federal programs at 3 state agencies. We identified approximately \$1,000 in known questioned

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

<sup>2</sup>See report at <<https://auditor.mo.gov/AuditReport/ViewReport?report=2023022>>.



State of Missouri - Single Audit  
Introduction and Summary  
Year Ended June 30, 2022

costs related to federal awards. Of the 9 audit findings, 6 were repeated from prior Single Audits. These findings have been reported for 1 to 3 years.

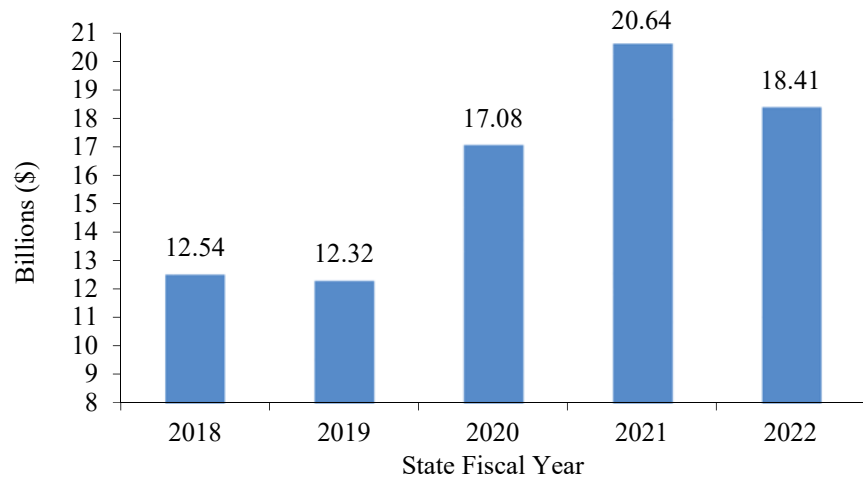
Of the 9 federal award audit findings, 6 related to internal control deficiencies. We consider 1 finding of internal control deficiency to be a material weakness and 5 to be significant deficiencies.

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

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

Expenditures of federal awards increased significantly in state fiscal years 2020 and 2021, and decreased but remained elevated in state fiscal year 2022. The increases were primarily due to the additional federal funding made available to state agencies to help pay for the state's emergency response to the Coronavirus Disease 2019 (COVID-19).

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

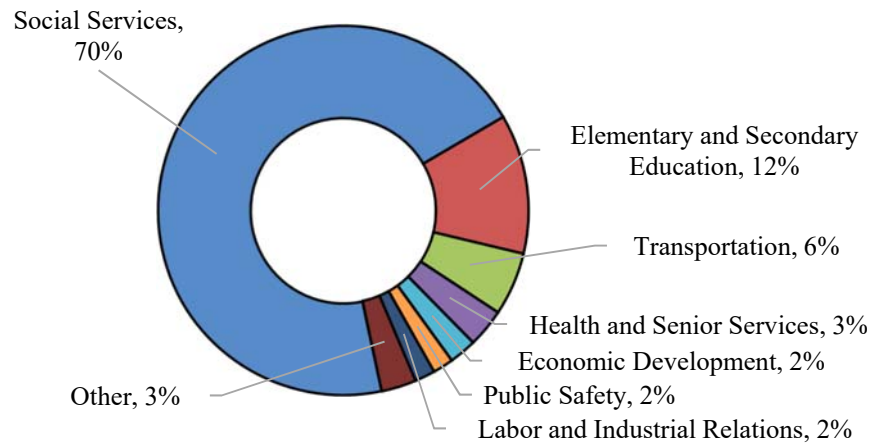




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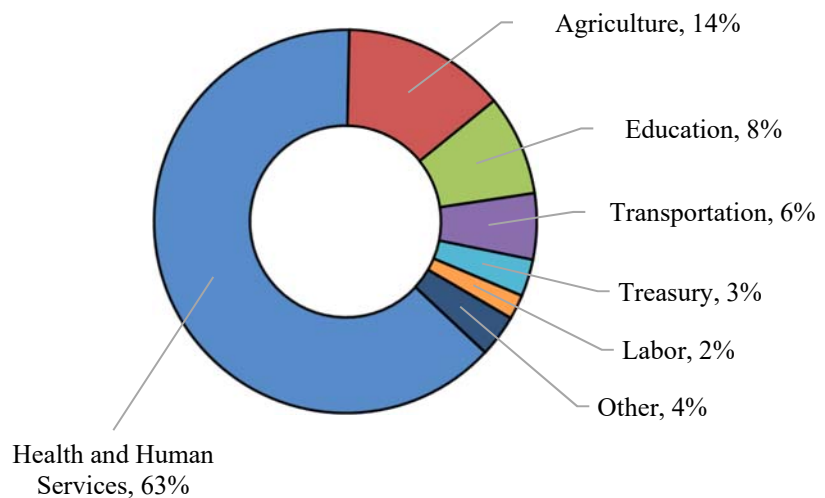
Of the 20 state agencies and offices that expended federal awards, 7 agencies spent the majority of the awards (97 percent) during state fiscal year 2022.

**Expenditures of Federal Awards by State Agency**



The state expended federal awards received from 23 federal agencies. Most of the federal award expenditures (96 percent) were from programs of 6 federal agencies.

**Expenditures of Federal Awards by Federal Agency**



Overall, the state expended federal awards in 311 programs. These programs are listed in the accompanying Schedule of Expenditures of Federal Awards.

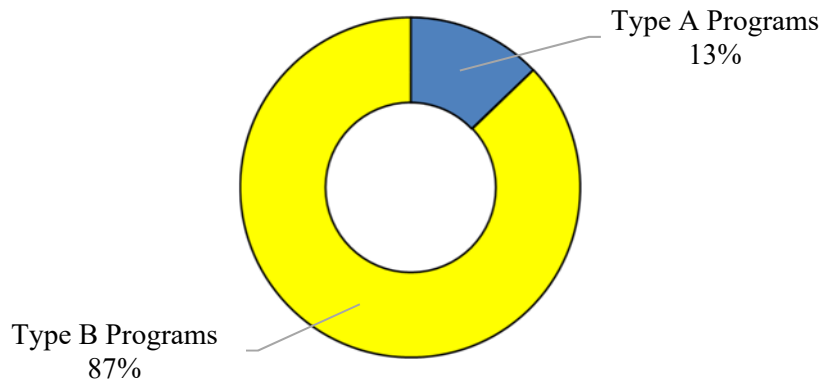


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The Uniform Guidance requires federal programs to be labeled Type A programs or Type B programs based on a dollar threshold. For the State of Missouri, the Uniform Guidance defines the dollar threshold as \$30 million since the federal award expenditures exceeded \$10 billion, but were less than or equal to \$20 billion.

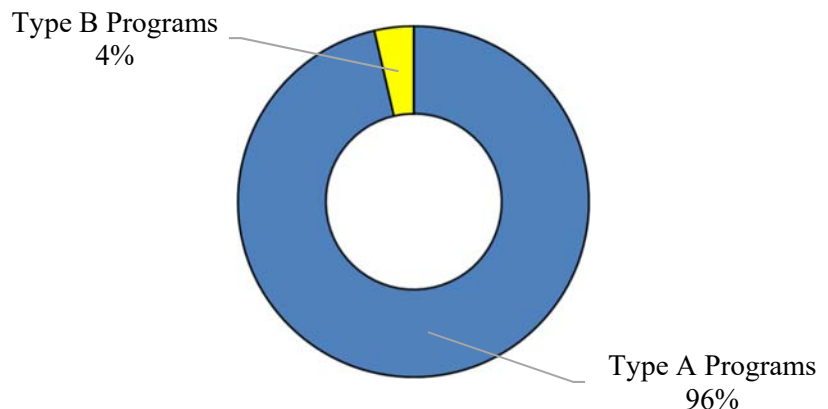
Programs with federal award expenditures over \$30 million are Type A programs and programs with federal award expenditures under \$30 million are Type B programs. Of the 311 federal award programs, 40, or 13 percent of the programs, were Type A programs and 271, or 87 percent of the programs, were Type B programs.

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



The 40 Type A programs had expenditures totaling approximately \$17.8 billion, or 96 percent of total expenditures. The 271 Type B programs had expenditures totaling approximately \$661 million, or 4 percent of total expenditures.

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





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Introduction and Summary  
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The Uniform Guidance requires the auditor to perform risk assessments on Type A programs and to audit as major each Type A program assessed as high risk based on specified risk factors. We performed a risk assessment on each Type A program and determined 22 of the 40 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 18 Type A programs assessed as high risk.

The Uniform Guidance also requires the auditor to perform risk assessments on larger Type B programs to determine which are high risk and need to be audited as major. The dollar threshold to determine the larger Type B programs is 25 percent of the Type A threshold, or \$7.5 million. Of the 271 Type B programs, 26 were larger Type B programs. We performed risk assessments on the 26 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 75 percent of total state fiscal year 2022 federal expenditures based on the risk assessments on Type A and larger Type B programs.

**Major and Non-major Federal Programs**

Type of Programs	Number of Programs	Expenditures	Percentage of Expenditures
<u>Programs Audited</u>			
Type A major programs	18	\$ 13,862,499,482	
Type B major programs	1	21,334,554	
Total major programs	19	13,883,834,036	75%
<u>Programs not Audited</u>			
Type A non-major programs	22	3,887,615,270	
Type B non-major programs	270	639,548,487	
Total non-major programs	292	4,527,163,757	25%
Total programs	311	\$ 18,410,997,793	100%

State of Missouri  
Summary of Type A Programs  
Year Ended June 30, 2022

AL Number	Program or Cluster Name	Federal Grantor Agency	Federal Awards Expended (1)
10.542	COVID-19 - Pandemic EBT Food Benefits	Agriculture	\$ 219,337,020
	SNAP Cluster:		
10.551	COVID-19 - Supplemental Nutrition Assistance Program	Agriculture	117,346,099
10.551	Supplemental Nutrition Assistance Program	Agriculture	1,271,336,154
	Total Supplemental Nutrition Assistance Program		1,388,682,253
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Agriculture	62,412,546
	Total SNAP Cluster		1,451,094,799
	Child Nutrition Cluster:		
10.553	School Breakfast Program	Agriculture	125,528,803
10.555	COVID-19 - National School Lunch Program	Agriculture	34,404,817
10.555	National School Lunch Program	Agriculture	405,512,105
	Total National School Lunch Program		439,916,922
10.556	Special Milk Program for Children	Agriculture	259,419
10.559	Summer Food Service Program for Children	Agriculture	69,934,308
10.582	Fresh Fruit and Vegetable Program	Agriculture	2,717,663
	Total Child Nutrition Cluster		638,357,115
10.557	COVID-19 - WIC Special Supplemental Nutrition Program for Women, Infants, and Children	Agriculture	2,965,036
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	Agriculture	61,272,259
	Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children		64,237,295
10.558	COVID-19 - Child and Adult Care Food Program	Agriculture	5,223,296
10.558	Child and Adult Care Food Program	Agriculture	112,503,671
	Total Child and Adult Care Food Program		117,726,967
	Food Distribution Cluster:		
10.565	COVID-19 - Commodity Supplemental Food Program	Agriculture	74,521
10.565	Commodity Supplemental Food Program	Agriculture	7,241,394
	Total Commodity Supplemental Food Program		7,315,915
10.568	COVID-19 - Emergency Food Assistance Program (Administrative Costs)	Agriculture	1,971,006
10.568	Emergency Food Assistance Program (Administrative Costs)		1,370,720
	Total Emergency Food Assistance Program (Administrative Costs)		3,341,726
10.569	Emergency Food Assistance Program (Food Commodities)	Agriculture	29,300,566
	Total Food Distribution Cluster		39,958,207
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Defense	58,000,471
14.228	COVID-19 - Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	Housing and Urban Development	360,455
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	Housing and Urban Development	40,862,091
	Total Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii		41,222,546
16.575	Crime Victim Assistance	Justice	51,534,658
17.225	COVID-19 - Unemployment Insurance	Labor	49,695,403
17.225	Unemployment Insurance	Labor	273,455,674
	Total Unemployment Insurance		323,151,077
	WIOA Cluster:		
17.258	WIOA Adult Program	Labor	12,680,103
17.259	WIOA Youth Activities	Labor	10,154,260
17.278	WIOA Dislocated Worker Formula Grants	Labor	11,832,233
	Total WIOA Cluster		34,666,596



State of Missouri  
Summary of Type A Programs  
Year Ended June 30, 2022

AL Number	Program or Cluster Name	Federal Grantor Agency	Federal Awards Expended (1)
20.106	COVID-19 - Airport Improvement Program and COVID-19 Airports Programs	Transportation	877,296
20.106	Airport Improvement Program and COVID-19 Airports Programs	Transportation	42,628,775
	Total Airport Improvement Program and COVID-19 Airports Programs		43,506,071
	Highway Planning and Construction Cluster:		
20.205	Highway Planning and Construction	Transportation	895,119,416
20.219	Recreational Trails Program	Transportation	1,077,359
20.224	Federal Lands Access Program	Transportation	483,653
	Total Highway Planning and Construction Cluster		896,680,428
21.019	COVID-19 - Coronavirus Relief Fund	Treasury	140,302,082
21.023	COVID-19 - Emergency Rental Assistance Program	Treasury	269,650,237
21.026	COVID-19 - Homeowner Assistance Fund	Treasury	124,442,402
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	Treasury	41,449,261
64.015	Veterans State Nursing Home Care	Veterans Affairs	50,975,416
	Clean Water State Revolving Fund Cluster:		
66.458	Capitalization Grants for Clean Water State Revolving Funds	Environmental Protection Agency	51,748,128
	Total Clean Water State Revolving Fund Cluster		51,748,128
84.010	Title I Grants to Local Educational Agencies	Education	237,873,638
	Special Education Cluster (IDEA):		
84.027	Special Education Grants to States	Education	236,367,712
84.173	Special Education Preschool Grants	Education	5,981,056
	Total Special Education Cluster (IDEA)		242,348,768
84.032	Federal Family Education Loans	Education	47,611,189
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States	Education	67,651,755
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Education	35,997,466
84.425C	COVID-19 - Governor's Emergency Education Relief (GEER) Fund	Education	21,685,785
84.425D	COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	Education	424,689,701
84.425R	COVID-19 - Coronavirus Response and Relief Supplemental Appropriations Act, 2021- Emergency Assistance to Non-Public Schools (CRRSA EANS)	Education	46,930,108
84.425U	COVID-19 - American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	Education	333,956,271
	Total Education Stabilization Fund		827,261,865
	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	911,976
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	Health and Human Services	9,143,517
	Total Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers		10,055,493
93.045	COVID-19 - Special Programs for the Aging, Title III, Part C, Nutrition Services	Health and Human Services	1,470,658
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services	Health and Human Services	15,600,141
	Total Special Programs for the Aging, Title III, Part C, Nutrition Services		17,070,799
93.053	Nutrition Services Incentive Program	Health and Human Services	3,683,271
	Total Aging Cluster		30,809,563
93.268	COVID-19 - Immunization Cooperative Agreements	Health and Human Services	24,142,500
93.268	Immunization Cooperative Agreements	Health and Human Services	76,123,754
	Total Immunization Cooperative Agreements		100,266,254

State of Missouri  
Summary of Type A Programs  
Year Ended June 30, 2022

AL Number	Program or Cluster Name	Federal Grantor Agency	Federal Awards Expended (1)
93.323	COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Health and Human Services	109,855,746
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	Health and Human Services	1,501,884
	Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)		111,357,630
93.558	Temporary Assistance for Needy Families	Health and Human Services	191,000,130
93.568	COVID-19 - Low-Income Home Energy Assistance	Health and Human Services	31,306,316
93.568	Low-Income Home Energy Assistance	Health and Human Services	108,376,293
	Total Low-Income Home Energy Assistance		139,682,609
93.569	COVID-19 - Community Services Block Grant	Health and Human Services	13,995,140
93.569	Community Services Block Grant	Health and Human Services	18,912,095
	Total Community Services Block Grant		32,907,235
	CCDF Cluster:		
93.575	COVID-19 - Child Care and Development Block Grant	Health and Human Services	101,018,251
93.575	Child Care and Development Block Grant	Health and Human Services	104,826,097
	Total Child Care and Development Block Grant		205,844,348
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	Health and Human Services	68,502,800
	Total CCDF Cluster		274,347,148
93.658	Foster Care Title IV-E	Health and Human Services	62,766,910
93.659	Adoption Assistance	Health and Human Services	65,761,701
93.667	Social Services Block Grant	Health and Human Services	51,369,005
93.767	Children's Health Insurance Program	Health and Human Services	305,692,367
	Medicaid Cluster:		
93.775	State Medicaid Fraud Control Units	Health and Human Services	1,589,727
93.777	COVID-19 - State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	Health and Human Services	1,375,383
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	Health and Human Services	17,879,507
	Total State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare		19,254,890
93.778	COVID-19 - Medical Assistance Program	Health and Human Services	714,995,139
93.778	Medical Assistance Program	Health and Human Services	9,284,323,744
	Total Medical Assistance Program		9,999,318,883
	Total Medicaid Cluster		10,020,163,500
93.959	COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse	Health and Human Services	11,065,725
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Health and Human Services	27,028,104
	Total Block Grants for Prevention and Treatment of Substance Abuse		38,093,829
	Disability Insurance/SSI Cluster:		
96.001	Social Security Disability Insurance	Social Security Administration	45,327,066
	Total Disability Insurance/SSI Cluster		45,327,066
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Homeland Security	163,784,348
	Total Type A Programs (expenditures greater than \$30,000,000)	\$	17,750,114,752

(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 Michael L. Parson, 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, 2022. 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 Children's Health Insurance Program and the Medicaid Cluster***

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 Children's Health Insurance Program and the Medicaid Cluster for the year ended June 30, 2022.

##### ***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, 2022.

##### ***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 Children's Health Insurance Program and the Medicaid Cluster*

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

<b>Finding Number</b>	<b>AL Number(s)</b>	<b>Program (or Cluster) Name</b>	<b>Compliance Requirement(s)</b>
2022-001	93.767 93.775 93.777 93.778	Children's Health Insurance Program and Medicaid Cluster	Special Tests and Provisions

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, 2022. Our compliance audit, described in the Qualified and Unmodified Opinions section of our report, does not include the operations of these component units because they engaged other auditors to perform an audit of compliance, if required.

*Responsibilities of Management for Compliance*

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

*Auditor's Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the State of Missouri's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the State of Missouri's compliance with the requirements of each major federal program as a whole.

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

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

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

#### ***Other Matters***

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 2022-002, 2022-004 through 2022-006, and 2022-009. Our opinion on each major federal program is not modified with respect to these matters.

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

#### **Report on Internal Control over Compliance**

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

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

deficiency, or combination of deficiencies, in internal control over compliance, such that there is 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 deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as finding number 2022-001 to be a material weakness.

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 2022-002, 2022-004 through 2022-006, and 2022-009 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 noncompliance finding consists of both the response and the corrective action plan. The State of Missouri's responses and corrective action plans were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

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, 2022, and the related notes to financial statements, which collectively comprise the State of Missouri's basic financial statements. We issued our report thereon dated March 24, 2023, which contained qualified opinions on the governmental activities and the General Fund, a major fund, and unmodified opinions on all remaining opinion units.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Missouri's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Scott Fitzpatrick  
State Auditor

June 30, 2023, except for our report  
on Schedule of Expenditures of  
Federal Awards, for which the date is  
March 24, 2023

State of Missouri  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

AL 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	\$ 959,930	\$ -
10.069	Conservation Reserve Program	572,157	-
10.093	Voluntary Public Access and Habitat Incentive Program	459,047	-
10.125	Hazardous Waste Management	18,523	-
10.153	Market News	13,179	-
10.163	Market Protection and Promotion	26,400	-
10.170	Specialty Crop Block Grant Program - Farm Bill	470,472	456,214
10.171	Organic Certification Cost Share Programs	10,579	-
10.326	Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	10,974	-
10.351	Rural Business Development Grant	48,788	-
10.435	State Mediation Grants	14,477	-
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	1,332,643	-
10.479	Food Safety Cooperative Agreements	210,111	-
10.525	Farm and Ranch Stress Assistance Network Competitive Grants Program	78,711	-
10.535	SNAP Fraud Framework Implementation Grant	85,534	-
10.542	COVID-19 - Pandemic EBT Food Benefits	219,337,020	-
SNAP Cluster:			
10.551	COVID-19 - Supplemental Nutrition Assistance Program	117,346,099	-
10.551	Supplemental Nutrition Assistance Program	1,271,336,154	-
	Total Supplemental Nutrition Assistance Program	1,388,682,253	-
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	62,412,546	14,106,844
	Total SNAP Cluster	1,451,094,799	14,106,844
Child Nutrition Cluster:			
10.553	School Breakfast Program	125,528,803	125,528,803
10.555	COVID-19 - National School Lunch Program	34,404,817	34,404,817
10.555	National School Lunch Program	405,512,105	405,512,105
	Total National School Lunch Program	439,916,922	439,916,922
10.556	Special Milk Program for Children	259,419	259,419
10.559	Summer Food Service Program for Children	69,934,308	69,290,616
10.582	Fresh Fruit and Vegetable Program	2,717,663	2,717,663
	Total Child Nutrition Cluster	638,357,115	637,713,423
10.557	COVID-19 - WIC Special Supplemental Nutrition Program for Women, Infants, and Children	2,965,036	2,965,036
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	61,272,259	24,761,415
	Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children	64,237,295	27,726,451
10.558	COVID-19 - Child and Adult Care Food Program	5,223,296	5,223,296
10.558	Child and Adult Care Food Program	112,503,671	111,268,523
	Total Child and Adult Care Food Program	117,726,967	116,491,819
10.560	State Administrative Expenses for Child Nutrition	3,449,000	152,003
Food Distribution Cluster:			
10.565	COVID-19 - Commodity Supplemental Food Program	74,521	74,521
10.565	Commodity Supplemental Food Program	7,241,394	1,823,745
	Total Commodity Supplemental Food Program	7,315,915	1,898,266
10.568	COVID-19 - Emergency Food Assistance Program (Administrative Costs)	1,971,006	1,971,006
10.568	Emergency Food Assistance Program (Administrative Costs)	1,370,720	1,306,468
	Total Emergency Food Assistance Program (Administrative Costs)	3,341,726	3,277,474
10.569	Emergency Food Assistance Program (Food Commodities)	29,300,566	-
	Total Food Distribution Cluster	39,958,207	5,175,740
10.572	WIC Farmers' Market Nutrition Program (FMNP)	254,533	-
10.576	Senior Farmers Market Nutrition Program	267,312	-
10.578	WIC Grants To States (WGS)	536,728	-
10.579	Child Nutrition Discretionary Grants Limited Availability	402,520	388,846
10.649	COVID-19 - Pandemic EBT Administrative Costs	1,443,191	-
10.664	Cooperative Forestry Assistance	1,550,173	678,913
Forest Service Schools and Roads Cluster:			
10.665	Schools and Roads - Grants to States	3,207,927	3,207,927
	Total Forest Service Schools and Roads Cluster	3,207,927	3,207,927
10.674	Wood Utilization Assistance	10,000	10,000
10.676	Forest Legacy Program	11,160	-
10.680	Forest Health Protection	11,309	-
10.698	State & Private Forestry Cooperative Fire Assistance	364,150	364,150
10.902	Soil and Water Conservation	443,548	360,400
10.934	Feral Swine Eradication and Control Pilot Program	876,888	166,194
	Total Department of Agriculture	2,547,851,367	806,998,924



State of Missouri  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

AL Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
Department of Defense			
12.U01	Excess Property Program	1,766,302	-
12.112	Payments to States in Lieu of Real Estate Taxes	1,108,661	1,108,661
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	648,515	-
12.401	National Guard Military Operations and Maintenance (O&M) Projects	58,000,471	-
12.620	Troops to Teachers Grant Program	60,273	-
	Total Department of Defense	61,584,222	1,108,661
Department of Housing and Urban Development			
14.228	COVID-19 - Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	360,455	360,455
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	40,862,091	39,149,269
	Total Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	41,222,546	39,509,724
14.231	COVID-19 - Emergency Solutions Grant Program	8,950,449	8,950,449
14.231	Emergency Solutions Grant Program	2,613,912	2,604,773
	Total Emergency Solutions Grant Program	11,564,361	11,555,222
14.241	COVID-19 - Housing Opportunities for Persons with AIDS	11,837	11,837
14.241	Housing Opportunities for Persons with AIDS	608,578	608,578
	Total Housing Opportunities for Persons with AIDS	620,415	620,415
14.267	Continuum of Care Program	12,063,217	-
	Total Department of Housing and Urban Development	65,470,539	51,685,361
Department of the Interior			
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	174,709	-
15.252	Abandoned Mine Land Reclamation (AMLR)	1,455,634	659,613
15.433	Flood Control Act Lands	4,977	4,977
15.438	National Forest Acquired Lands	2,300,396	2,300,396
	Fish and Wildlife Cluster:		
15.605	Sport Fish Restoration	7,753,253	142,760
15.611	Wildlife Restoration and Basic Hunter Education	20,567,312	-
	Total Fish and Wildlife Cluster	28,320,565	142,760
15.608	Fish and Wildlife Management Assistance	463,869	129,987
15.615	Cooperative Endangered Species Conservation Fund	143,864	99,596
15.622	Sportfishing and Boating Safety Act	153,875	153,875
15.634	State Wildlife Grants	1,124,803	-
15.684	White-nose Syndrome National Response Implementation	13,829	-
15.808	U.S. Geological Survey Research and Data Collection	53,718	-
15.810	National Cooperative Geologic Mapping	340,544	-
15.814	National Geological and Geophysical Data Preservation	65,777	-
15.904	Historic Preservation Fund Grants-In-Aid	864,207	132,327
15.916	Outdoor Recreation Acquisition, Development and Planning	1,649,703	772,205
15.978	Upper Mississippi River Restoration Long Term Resource Monitoring	340,442	-
15.980	National Ground-Water Monitoring Network	45,719	-
15.981	Water Use and Data Research	48	-
	Total Department of the Interior	37,516,679	4,395,736
Department of Justice			
16.U01	FBI Joint Terrorism Task Force	30,448	-
16.017	Sexual Assault Services Formula Program	506,518	488,748
16.034	COVID-19 - Coronavirus Emergency Supplemental Funding Program	1,006,228	843,082
16.540	Juvenile Justice and Delinquency Prevention	1,211,484	980,258
16.554	National Criminal History Improvement Program (NCHIP)	929,058	269,197
16.575	Crime Victim Assistance	51,534,658	49,882,687
16.576	Crime Victim Compensation	1,465,281	1,465,281
16.582	Crime Victim Assistance/Discretionary Grants	329,583	-
16.585	Drug Court Discretionary Grant Program	331,502	-
16.588	Violence Against Women Formula Grants	1,895,457	1,665,311
16.593	Residential Substance Abuse Treatment for State Prisoners	531,701	48,725
16.606	State Criminal Alien Assistance Program	27,993	-
16.609	Project Safe Neighborhoods	102,603	90,517
16.710	Public Safety Partnership and Community Policing Grants	231,377	-
16.738	Edward Byrne Memorial Justice Assistance Grant Program	3,569,234	3,086,652
16.741	DNA Backlog Reduction Program	462,027	-

State of Missouri  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

AL Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
16.742	Paul Coverdell Forensic Sciences Improvement Grant Program	235,567	159,369
16.750	Support for Adam Walsh Act Implementation Grant Program	11,899	-
16.812	Second Chance Act Reentry Initiative	29,218	29,218
16.813	NICS Act Record Improvement Program	675,368	-
16.833	National Sexual Assault Kit Initiative	1,360,215	-
16.839	STOP School Violence	111,087	89,741
16.922	Equitable Sharing Program	149,627	-
	Total Department of Justice	66,738,133	59,098,786
Department of Labor			
17.002	Labor Force Statistics	835,652	-
17.005	Compensation and Working Conditions	299,963	-
	Employment Service Cluster:		
17.207	Employment Service/Wagner-Peyser Funded Activities	11,084,408	-
17.801	Jobs for Veterans State Grants	1,950,376	-
	Total Employment Service Cluster	13,034,784	-
17.225	COVID-19 - Unemployment Insurance	49,695,403	-
17.225	Unemployment Insurance	273,455,674	-
	Total Unemployment Insurance	323,151,077	-
17.235	Senior Community Service Employment Program	2,077,649	2,051,405
17.245	Trade Adjustment Assistance	1,981,046	-
	WIOA Cluster:		
17.258	WIOA Adult Program	12,680,103	10,103,904
17.259	WIOA Youth Activities	10,154,260	10,154,260
17.278	WIOA Dislocated Worker Formula Grants	11,832,233	10,938,886
	Total WIOA Cluster	34,666,596	31,197,050
17.261	WIOA Pilots, Demonstrations, and Research Projects	29,784	-
17.271	Work Opportunity Tax Credit Program (WOTC)	205,782	-
17.273	Temporary Labor Certification for Foreign Workers	137,219	-
17.277	COVID-19 - WIOA National Dislocated Worker Grants / WIA National Emergency Grants	644,002	-
17.277	WIOA National Dislocated Worker Grants / WIA National Emergency Grants	587,133	571,131
	Total WIOA National Dislocated Worker Grants / WIA National Emergency Grants	1,603,920	571,131
17.285	Apprenticeship USA Grants	510,012	207,690
17.504	Consultation Agreements	1,551,760	-
17.600	Mine Health and Safety Grants	432,378	-
17.804	Local Veterans' Employment Representative Program	1,231,654	-
	Total Department of Labor	381,376,491	34,027,276
Department of Transportation			
20.106	COVID-19 - Airport Improvement Program and COVID-19 Airports Programs	877,296	864,921
20.106	Airport Improvement Program and COVID-19 Airports Programs	42,628,775	42,628,775
	Total Airport Improvement Program and COVID-19 Airports Programs	43,506,071	43,493,696
20.200	Highway Research and Development Program	563,554	92,944
	Highway Planning and Construction Cluster:		
20.205	Highway Planning and Construction	895,119,416	86,237,458
20.219	Recreational Trails Program	1,077,359	954,644
20.224	Federal Lands Access Program	483,653	200,193
	Total Highway Planning and Construction Cluster	896,680,428	87,392,295
20.215	Highway Training and Education	148,552	-
	FMCSA Cluster:		
20.218	Motor Carrier Safety Assistance	8,442,721	6,107,372
20.237	Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements	663,962	-
	Total FMCSA Cluster	9,106,683	6,107,372
20.232	Commercial Driver's License Program Implementation Grant	43,425	-
20.240	Fuel Tax Evasion-Intergovernmental Enforcement Effort	13,564	-
20.301	Railroad Safety	7,177	-
	Federal Transit Cluster:		
20.500	Federal Transit Capital Investment Grants	29,895	29,895
	Total Federal Transit Cluster	29,895	29,895
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	1,342,429	1,252,401
20.509	COVID-19 - Formula Grants for Rural Areas and Tribal Transit Program	16,799,255	16,799,255
20.509	Formula Grants for Rural Areas and Tribal Transit Program	5,048,390	4,202,747
	Total Formula Grant for Rural Areas and Tribal Transit Program	21,847,645	21,002,002

State of Missouri  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

AL Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
	Transit Services Programs Cluster:		
20.513	COVID-19 - Enhanced Mobility of Seniors and Individuals with Disabilities	926	926
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	965,250	840,766
	Total Enhanced Mobility of Seniors and Individuals with Disabilities	966,176	841,692
	Total Transit Services Programs Cluster	966,176	841,692
20.528	Rail Fixed Guideway Public Transportation System State Safety Oversight Formula Grant	380,965	275,516
	Highway Safety Cluster:		
20.600	State and Community Highway Safety	6,197,538	5,143,008
20.616	National Priority Safety Programs	5,818,122	4,320,626
	Total Highway Safety Cluster	12,015,660	9,463,634
20.607	Alcohol Open Container Requirements	5,203,205	4,097,219
20.614	National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements	155,164	-
20.615	E-911 Grant Program	2,384,857	2,350,956
20.700	Pipeline Safety Program State Base Grant	572,866	-
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	459,517	329,178
20.720	State Damage Prevention Program Grants	46,054	-
20.721	PHMSA Pipeline Safety Program One Call Grant	8,155	-
20.933	National Infrastructure Investments	29,931,158	6,266,017
	Total Department of Transportation	1,025,413,200	182,994,817
	Department of the Treasury		
21.016	Equitable Sharing	83,727	-
21.019	COVID-19 - Coronavirus Relief Fund	140,302,082	496,712
21.023	COVID-19 - Emergency Rental Assistance Program	269,650,237	269,650,237
21.026	COVID-19 - Homeowner Assistance Fund	124,442,402	124,442,402
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	41,449,261	-
	Total Department of the Treasury	575,927,709	394,589,351
	Equal Employment Opportunity Commission		
30.001	Employment Discrimination Title VII of the Civil Rights Act of 1964	365,381	-
	Total Equal Employment Opportunity Commission	365,381	-
	General Services Administration		
39.003	Donation of Federal Surplus Personal Property	1,439,813	766,908
	Total General Services Administration	1,439,813	766,908
	National Endowment for the Arts		
45.025	COVID-19 - Promotion of the Arts Partnership Agreements	896,554	896,554
45.025	Promotion of the Arts Partnership Agreements	804,800	779,700
	Total Promotion of the Arts Partnership Agreements	1,701,354	1,676,254
45.301	Museums for America	2,672	-
45.310	COVID-19 - Grants to States	273,131	273,131
45.310	Grants to States	4,684,336	3,508,668
	Total Grants to States	4,957,467	3,781,799
	Total National Endowments for the Arts	6,661,493	5,458,053
	Small Business Administration		
59.061	State Trade Expansion	283,229	145,688
	Total Small Business Administration	283,229	145,688
	Department of Veterans Affairs		
64.005	COVID-19 - Grants to States for Construction of State Home Facilities	722,172	-
64.005	Grants to States for Construction of State Home Facilities	1,840,578	-
	Total Grants to States for Construction of State Home Facilities	2,562,750	-
64.015	Veterans State Nursing Home Care	50,975,416	-
64.024	VA Homeless Providers Grant and Per Diem Program	790,075	-
64.101	Burial Expenses Allowance for Veterans	1,248,846	-
64.115	Veterans Information and Assistance	466,351	-
	Total Department of Veterans Affairs	56,043,438	-
	Environmental Protection Agency		
66.032	State Indoor Radon Grants	105,054	-

State of Missouri  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

AL Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	579,580	-
66.040	Diesel Emissions Reduction Act (DERA) State Grants	384,541	360,342
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	224,837	-
66.433	State Underground Water Source Protection	172,325	-
66.436	Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements- Sections 104(b)(3) of the Clean Water Act	35,801	35,801
66.442	Assistance for Small and Disadvantaged Communities Drinking Water Grant Program (SDWA 1459A)	40,934	40,934
66.444	Lead Testing in School and Child Care Program Drinking Water (SDWA 1464(d))	141,542	-
66.454	Water Quality Management Planning	512,809	177,621
66.458	Clean Water State Revolving Fund Cluster: Capitalization Grants for Clean Water State Revolving Funds	51,748,128	51,342,369
	Total Clean Water State Revolving Fund Cluster	51,748,128	51,342,369
66.460	Nonpoint Source Implementation Grants	675,964	485,092
66.468	Drinking Water State Revolving Fund Cluster: Capitalization Grants for Drinking Water State Revolving Funds	17,675,235	13,427,280
	Total Drinking Water State Revolving Fund Cluster	17,675,235	13,427,280
66.605	Performance Partnership Grants	13,692,279	58,592
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	1,821,323	471,621
66.804	Underground Storage Tank (UST) Prevention, Detection, and Compliance Program	513,917	63,680
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	871,081	7,938
66.817	State and Tribal Response Program Grants	948,137	-
66.818	Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	146,993	-
	Total Environmental Protection Agency	90,290,480	66,471,270
Department of Energy			
81.041	State Energy Program	759,139	-
81.042	Weatherization Assistance for Low-Income Persons	9,873,781	8,900,477
81.136	Long-Term Surveillance and Maintenance	42,980	-
81.138	State Heating Oil and Propane Program	2,026	-
	Total Department of Energy	10,677,926	8,900,477
Department of Education			
84.U01	National Assessment of Educational Progress	115,702	-
84.002	Adult Education - Basic Grants to States	8,557,739	7,666,082
84.010	Title I Grants to Local Educational Agencies	237,873,638	236,521,614
84.011	Migrant Education State Grant Program	1,007,606	999,265
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth	1,318,928	1,302,915
	Special Education Cluster (IDEA):		
84.027	Special Education Grants to States	236,367,712	215,914,711
84.173	Special Education Preschool Grants	5,981,056	5,981,056
	Total Special Education Cluster (IDEA)	242,348,768	221,895,767
84.032	Federal Family Education Loans	47,611,189	-
84.048	Career and Technical Education -- Basic Grants to States	24,290,406	22,529,448
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States	67,651,755	-
84.144	Migrant Education Coordination Program	55,878	-
84.177	Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	662,224	-
84.181	Special Education-Grants for Infants and Families	8,562,060	-
84.184	School Safety National Activities (formerly, Safe and Drug-Free Schools and Communities- National Programs)	333,341	-
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities	198,038	-
84.196	Education for Homeless Children and Youth	1,260,964	1,257,675
84.224	Assistive Technology	303,510	303,510
84.287	Twenty-First Century Community Learning Centers	15,272,569	14,112,474
84.323	Special Education - State Personnel Development	1,034,390	-
84.325	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	119,817	-
84.326	Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	195,606	-
84.358	Rural Education	2,704,918	2,550,451
84.365	English Language Acquisition State Grants	4,914,442	4,664,642
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	35,997,466	33,259,227

State of Missouri  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

AL Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
84.369	Grants for State Assessments and Related Activities	6,701,219	-
84.371	Comprehensive Literacy Development	1,860,460	-
84.377	School Improvement Grants	3,962,302	3,781,575
84.424	Student Support and Academic Enrichment Program	17,623,243	17,290,067
84.425C	COVID-19 - Governor's Emergency Education Relief (GEER) Fund	21,685,785	21,571,999
84.425D	COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund	424,689,701	418,262,635
84.425R	COVID-19 - Coronavirus Response and Relief Supplemental Appropriations Act, 2021- Emergency Assistance to Non-Public Schools (CRRSA EANS)	46,930,108	3,337,158
84.425U	COVID-19 - American Rescue Plan-Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	333,956,271	333,956,271
	Total Education Stabilization Fund	827,261,865	777,128,063
84.426	Randolph-Sheppard - Financial Relief and Restoration Payments	267,416	-
	Total Department of Education	1,560,067,459	1,345,262,775
National Archives and Records Administration			
89.003	National Historical Publications and Records Grants	2,750	2,750
	Total National Archives and Records Administration	2,750	2,750
Elections Assistance Commission			
90.404	2018 HAVA Election Security Grants	807,011	36,759
	Total Elections Assistance Commission	807,011	36,759
Department of Health and Human Services			
93.041	Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	102,673	14,373
93.042	COVID-19 - Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	81,066	30,126
93.042	Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	367,354	155,632
	Total Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	448,420	185,758
93.043	Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	249,496	229,218
	Aging Cluster:		
93.044	COVID-19 Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	911,976	911,976
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	9,143,517	8,726,330
	Total Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	10,055,493	9,638,306
93.045	COVID-19 - Special Programs for the Aging, Title III, Part C, Nutrition Services	1,470,658	1,470,658
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services	15,600,141	14,920,661
	Total Special Programs for the Aging, Title III, Part C, Nutrition Services	17,070,799	16,391,319
93.053	Nutrition Services Incentive Program	3,683,271	3,683,271
	Total Aging Cluster	30,809,563	29,712,896
93.052	COVID-19 - National Family Caregiver Support, Title III, Part E	94,563	94,563
93.052	National Family Caregiver Support, Title III, Part E	3,428,421	3,274,452
	Total National Family Caregiver Support, Title III, Part E	3,522,984	3,369,015
93.069	Public Health Emergency Preparedness	9,707,007	5,397,346
93.070	Environmental Public Health and Emergency Response	1,631,716	564,928
93.071	Medicare Enrollment Assistance Program	605,728	296,946
93.079	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	40,078	20,000
93.090	Guardianship Assistance	14,551,022	-
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program	972,996	580,859
93.093	Health Profession Opportunity Grants	1,137,264	1,125,855
93.103	Food and Drug Administration Research	1,789,562	-
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	504	-
93.110	Maternal and Child Health Federal Consolidated Programs	467,797	-
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	595,240	213,009
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	195,843	3,000
93.136	Injury Prevention and Control Research and State and Community Based Programs	4,083,187	2,050,267

State of Missouri  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

AL Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
93.150	Projects for Assistance in Transition from Homelessness (PATH)	863,670	-
93.155	COVID-19 - Rural Health Research Centers	258,376	258,376
93.165	Grants to States for Loan Repayment	348,688	348,688
93.184	Disabilities Prevention	55,962	43,182
93.197	Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	464,378	-
93.234	Traumatic Brain Injury State Demonstration Grant Program	111,867	67,565
93.235	Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program	1,336,429	728,008
93.236	Grants to States to Support Oral Health Workforce Activities	134,050	-
93.240	COVID-19 - State Capacity Building	68,455	-
93.240	State Capacity Building	334,301	-
	Total State Capacity Building	402,756	-
93.241	State Rural Hospital Flexibility Program	491,603	363,902
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	5,095,164	94,714
93.251	Early Hearing Detection and Intervention	211,572	103,434
93.268	COVID-19 - Immunization Cooperative Agreements	24,142,500	14,044,575
93.268	Immunization Cooperative Agreements	76,123,754	297,486
	Total Immunization Cooperative Agreements	100,266,254	14,342,061
93.270	Viral Hepatitis Prevention and Control	122,811	-
93.301	COVID-19 - Small Rural Hospital Improvement Grant Program	440,469	440,469
93.301	Small Rural Hospital Improvement Grant Program	527,073	457,828
	Total Small Rural Hospital Improvement Grant Program	967,542	898,297
93.310	COVID-19 - Trans-NIH Research Support	1,661,225	49,362
93.314	Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	144,592	-
93.323	COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	109,855,746	61,623,857
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	1,501,884	107,180
	Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	111,357,630	61,731,037
93.324	State Health Insurance Assistance Program	1,044,044	-
93.336	COVID-19 - Behavioral Risk Factor Surveillance System	42,940	-
93.336	Behavioral Risk Factor Surveillance System	282,672	36,766
	Total Behavioral Risk Factor Surveillance System	325,612	36,766
93.345	Leading Edge Acceleration Projects (LEAP) in Health Information Technology	275,581	-
93.354	COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	4,395,831	3,292,726
93.366	State Actions to Improve Oral Health Outcomes and Partner Actions to Improve Oral Health Outcomes	320,899	67,624
93.367	Flexible Funding Model - Infrastructure Development and Maintenance for State Manufactured Food Regulatory Programs	469,795	-
93.369	ACL Independent Living State Grants	415,537	327,994
93.387	National and State Tobacco Control Program	1,794,123	711,646
93.391	COVID-19 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	946,833	885,137
93.426	Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	1,989,359	1,150,830
93.434	Every Student Succeeds Act/Preschool Development Grants	10,249,282	-
93.435	Innovative State and Local Public Health Strategies to prevent and Manage Diabetes and Heart Disease and Stroke	1,537,775	1,418,617
93.436	Well-Integrated Screening and Evaluation for Women Across the Nation (WISEWOMAN)	576,255	250,087
93.439	State Physical Activity and Nutrition (SPAN)	704,075	395,723
93.464	ACL Assistive Technology	582,167	343,544
93.471	Title IV-E Kinship Navigator Program	21,590	-
93.478	Preventing Maternal Deaths: Supporting Maternal Mortality Review Committees	441,665	239,599
93.499	Low Income Household Water Assistance Program	3,192,102	1,600,637
93.556	MaryLee Allen Promoting Safe and Stable Families Program	7,265,538	-
93.558	Temporary Assistance for Needy Families	191,000,130	13,813,450
93.563	Child Support Enforcement	24,582,909	1,649,659
93.564	Child Support Enforcement Research	498,640	-
93.568	COVID-19 - Low-Income Home Energy Assistance	31,306,316	10,631,261
93.568	Low-Income Home Energy Assistance	108,376,293	52,056,061
	Total Low-Income Home Energy Assistance	139,682,609	62,687,322
93.569	COVID-19 - Community Services Block Grant	13,995,140	13,850,151
93.569	Community Services Block Grant	18,912,095	18,180,954
	Total Community Services Block Grant	32,907,235	32,031,105

State of Missouri  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

AL Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
	CCDF Cluster:		
93.575	COVID-19 - Child Care and Development Block Grant	101,018,251	25,266,493
93.575	Child Care and Development Block Grant	104,826,097	100,616,415
	Total Child Care and Development Block Grant	205,844,348	125,882,908
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	68,502,800	43,026,058
	Total CCDF Cluster	274,347,148	168,908,966
93.586	State Court Improvement Program	483,532	-
93.590	COVID-19 - Community-Based Child Abuse Prevention Grants	495,000	495,000
93.590	Community-Based Child Abuse Prevention Grants	559,230	559,230
	Total Community-Based Child Abuse Prevention Grants	1,054,230	1,054,230
93.597	Grants to States for Access and Visitation Programs	185,009	91,490
93.599	COVID-19 - Chafee Education and Training Vouchers Program (ETV)	1,170,679	-
93.599	Chafee Education and Training Vouchers Program (ETV)	782,795	-
	Total Chafee Education and Training Vouchers Program (ETV)	1,953,474	-
93.603	Adoption and Legal Guardianship Incentive Payments	580,000	-
93.630	COVID-19 - Developmental Disabilities Basic Support and Advocacy Grants	71,072	-
93.630	Developmental Disabilities Basic Support and Advocacy Grants	1,289,701	-
	Total Developmental Disabilities Basic Support and Advocacy Grants	1,360,773	-
93.639	COVID-19 - Section 9813: State Planning Grants for Qualifying Community - Based Mobile Crisis Intervention Services	154,135	154,135
93.643	Children's Justice Grants to States	196,763	-
93.645	COVID-19 - Stephanie Tubbs Jones Child Welfare Services Program	593,637	-
93.645	Stephanie Tubbs Jones Child Welfare Services Program	11,098,293	-
	Total Stephanie Tubbs Jones Child Welfare Services Program	11,691,930	-
93.658	Foster Care Title IV-E	62,766,910	44,763
93.659	Adoption Assistance	65,761,701	-
93.665	COVID-19 - Emergency Grants to Address Mental and Substance Use Disorders During COVID-19	1,844,882	-
93.667	Social Services Block Grant	51,369,005	17,437,233
93.669	Child Abuse and Neglect State Grants	804,091	-
93.671	COVID-19 - Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	92,184	92,184
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	1,879,070	1,799,698
	Total Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	1,971,254	1,891,882
93.674	COVID-19 - John H. Chafee Foster Care Program for Successful Transition to Adulthood	2,558,920	-
93.674	John H. Chafee Foster Care Program for Successful Transition to Adulthood	2,455,752	-
	Total John H. Chafee Foster Care Program for Successful Transition to Adulthood	5,014,672	-
93.686	Ending the HIV Epidemic: A Plan for America — Ryan White HIV/AIDS Program Parts A and B	364,118	11,485
93.747	Elder Abuse Prevention Interventions Program	302,263	-
93.758	Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	1,571,783	488,646
93.767	Children's Health Insurance Program	305,692,367	-
	Medicaid Cluster:		
93.775	State Medicaid Fraud Control Units	1,589,727	-
93.777	COVID-19 - State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	1,375,383	-
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	17,879,507	-
	Total State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	19,254,890	-
93.778	COVID-19 - Medical Assistance Program	714,995,139	-
93.778	Medical Assistance Program	9,284,323,744	2,769,135
	Total Medical Assistance Program	9,999,318,883	2,769,135
	Total Medicaid Cluster	10,020,163,500	2,769,135
93.788	Opioid STR	23,321,477	-
93.791	Money Follows the Person Rebalancing Demonstration	3,209,809	-
93.817	Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	2	-
93.870	Maternal, Infant and Early Childhood Home Visiting Grant	2,105,455	-
93.876	Antimicrobial Resistance Surveillance in Retail Food Specimens	154,382	-
93.889	COVID-19 - National Bioterrorism Hospital Preparedness Program	1,270,189	880,106
93.889	National Bioterrorism Hospital Preparedness Program	3,385,482	1,911,335
	Total National Bioterrorism Hospital Preparedness Program	4,655,671	2,791,441
93.898	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	3,852,448	2,669,830
93.913	Grants to States for Operation of State Offices of Rural Health	196,756	17,700
93.917	HIV Care Formula Grants	21,334,554	20,650,790

State of Missouri  
Schedule of Expenditures of Federal Awards  
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AL Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
93.940	HIV Prevention Activities Health Department Based	5,452,470	3,322,980
93.945	Assistance Programs for Chronic Disease Prevention and Control	291,407	278,436
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	117,517	2,912
93.958	COVID-19 - Block Grants for Community Mental Health Services	6,061,961	-
93.958	Block Grants for Community Mental Health Services	8,443,974	-
	Total Block Grants for Community Mental Health Services	14,505,935	-
93.959	COVID-19 - Block Grants for Prevention and Treatment of Substance Abuse	11,065,725	-
93.959	Block Grants for Prevention and Treatment of Substance Abuse	27,028,104	-
	Total Block Grants for Prevention and Treatment of Substance Abuse	38,093,829	-
93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants	1,686,087	224,531
93.981	COVID-19 - Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools	296,866	212,152
93.981	Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools	233,787	231,752
	Total Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools	530,653	443,904
93.982	COVID-19 - Mental Health Disaster Assistance and Emergency Mental Health	5,761,163	-
93.982	Mental Health Disaster Assistance and Emergency Mental Health	3,010,286	-
	Total Mental Health Disaster Assistance and Emergency Mental Health	8,771,449	-
93.991	Preventive Health and Health Services Block Grant	1,461,200	107,480
93.994	Maternal and Child Health Services Block Grant to the States	9,526,921	4,908,104
	Total Department of Health and Human Services	11,669,326,797	471,964,635
Corporation for National and Community Service			
94.003	COVID-19 - State Commissions	101,306	101,306
94.003	State Commissions	2,439,650	2,351,600
	Total State Commissions	2,540,956	2,452,906
94.006	AmeriCorps	1,272,243	878,327
94.008	Commission Investment Fund	2,382,423	2,319,551
	Total Corporation for National and Community Service	6,195,622	5,650,784
Executive Office of the President			
95.001	High Intensity Drug Trafficking Areas Program	3,092,486	2,518,879
	Total Executive Office of the President	3,092,486	2,518,879
Social Security Administration			
	Disability Insurance/SSI Cluster:		
96.001	Social Security Disability Insurance	45,327,066	-
	Total Disability Insurance/SSI Cluster	45,327,066	-
	Total Social Security Administration	45,327,066	-
Department of Homeland Security			
97.008	Non-Profit Security Program	38,715	38,715
97.012	Boating Safety Financial Assistance	2,308,294	-
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	225,411	-
97.029	Flood Mitigation Assistance	479,013	459,390
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	163,784,348	93,976,435
97.039	Hazard Mitigation Grant	4,096,566	3,335,013
97.041	National Dam Safety Program	70,671	-
97.042	Emergency Management Performance Grants	6,433,977	3,869,988
97.045	Cooperating Technical Partners	6,567,081	-
97.047	BRIC: Building Resilient Infrastructure and Communities	6,798,746	6,798,746
97.050	COVID-19 - Presidential Declared Disaster Assistance to Individuals and Households - Other Needs	92,296	-
97.056	Port Security Grant Program	365,896	-
97.067	Homeland Security Grant Program	7,230,703	5,653,318
97.082	Earthquake Consortium	46,785	-
	Total Department of Homeland Security	198,538,502	114,131,605
Total Expenditures of Federal Awards		\$ 18,410,997,793	\$ 3,556,209,495

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



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# State of Missouri - Single Audit

## Notes to the Schedule of Expenditures of Federal Awards

### Year Ended June 30, 2022

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#### 1. Significant Accounting Policies

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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) 2022 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 (ARP) 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, 2022, 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, 2022. 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



State of Missouri - Single Audit  
Notes to the Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

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.

*D. Indirect Cost Rate*

For the fiscal year ending June 30, 2022, one agency, the Department of Agriculture, elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

## **2. Unemployment Insurance Expenditures**

The Unemployment Insurance program (Assistance Listing No. 17.225) is administered by the Department of Labor and Industrial Relations through a unique federal-state partnership that was founded upon federal law but implemented through state law. Benefits are paid from federal funds and state unemployment taxes that are deposited into the state's account in the Federal Unemployment Trust Fund. The State's administrative expenditures incurred under this program are funded by federal grants. For the purposes of presenting the expenditures of this program in the Schedule, both state and federal funds have been considered federal awards expended. The breakdown of the state and federal portions of the total program expenditures for the fiscal year ended June 30, 2022, is as follows:

State Portion (Benefits Paid)	\$ 221,081,478
Federal Portion (Benefits Paid)	1,849,231
Federal Portion (Administrative Costs)	50,524,965
Federal Portion (Benefits Paid) - CARES Act Related	41,150,850
Federal Portion (Federal Reimbursement of Waiting Week) - CARES Act Related	363,367
Federal Portion (Administrative Costs) - CARES and Families First Coronavirus Response Act Related	8,181,185
Total Program Expenditures	\$ 323,151,076



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

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The State received cash rebates from an infant formula manufacturer totaling \$27,928,970 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.

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

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The State received cash rebates from drug manufacturers totaling \$583,261,949 (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.

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### **5. HIV Care Formula Grants Prescription Drug Rebates**

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The State received cash rebates from drug manufacturers totaling \$29,796,629 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, \$19,453,719 reduced total program expenditures and these expenditures were not reported on the SEFA. The remaining rebates of \$10,342,910 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).

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### **6. Federal Loan Guarantees**

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Because of the Healthcare and Education Affordability Reconciliation Act enacted March 30, 2010 (Public Law 111-152), the authority to make or ensure loans under the Federal Family Education Loans program (Assistance Listing No. 84.032) ended June 30, 2010. The Department of Higher Education and Workforce Development (DHEWD) has continued to act as the federal Department of Education's agent in fulfilling the responsibilities



State of Missouri - Single Audit  
Notes to the Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

related to the outstanding guarantees. The original principal outstanding of all loans guaranteed by the DHEWD was \$578,392,690 as of June 30, 2022. The balance of defaulted loans (including principal and accrued interest) that the federal Department of Education imposed continuing compliance requirements of the DHEWD was \$172,054,733 as of June 30, 2022.

Per Dear Colleague Letter GEN-21-03, guarantors were directed to halt collection of defaulted student loans and set interest rates to 0 percent through at least September 30, 2021 due to the COVID-19 National Emergency. The change was retroactive to March 13, 2020, requiring refunds of all involuntary payments and accrued interest. The Biden Administration extended the collection pause and 0 percent interest rate several times, with the final pause ending June 30, 2023.

The Missouri Student Loan Program ended effective September 30, 2022. This was due primarily to the cessation of collections retroactive to March 13, 2020, per Dear Colleague Letter GEN-21-03. Without collections, the Federal Reserve Fund and Operating Fund have dwindled steadily. All Missouri Student Loans guaranteed by the DHEWD were transferred to Educational Credit Management Corporation (ECMC) October 1, 2022. As of September 30, 2022, the original principal outstanding of all loans transferred was \$524,732,720. The balance of defaulted loans (including principal and accrued interest) transferred to ECMC on the same date was \$178,847,367.

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## 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 \$1,608,019,273 (\$1,388,682,253 for Assistance Listing No. 10.551 and \$219,337,020 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 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 \$32,138,022.

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),



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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 \$97,871 for the Summer Food Service Program for Children and \$29,300,566 for the Emergency Food Assistance Program.

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 \$5,314,579.

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 \$7,567,705 when valued at the historical cost assigned by the federal government. Distributions are presented at the estimated fair market value of the property at the time of distribution, calculated as 23.34 percent of the historical cost, or \$1,766,302.

The State Agency for Surplus Property distributes federal surplus property to eligible donees under the Donation of Federal Surplus Personal Property program (Assistance Listing No. 39.003). Property distributions totaled \$6,168,864 when valued at the historical cost assigned by the federal government. Distributions are presented at the estimated fair market value of the property at the time of distribution, calculated as 23.34 percent of the historical cost, or \$1,439,813.

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 \$72,572,524.

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## 8. Other Non-cash Assistance

The Schedule does not contain donations for non-cash assistance provided without any compliance or reporting requirements or Assistance Listing information from the donors.

The State Emergency Management Agency received donated personal protective items from the Federal Emergency Management Agency for activities related to the COVID-19 pandemic. Donated items are valued at the fair market value at time of donation and totaled \$469,703 and are unaudited.

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## Schedule of Findings and Questioned Costs

### Year Ended June 30, 2022

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#### Section I - Summary of Auditor's Results

##### Financial Statements

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

Qualified

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

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?        yes   X   no

##### Federal Awards

Internal control over major federal programs:

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

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

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

AL

<u>Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.767	Children's Health Insurance Program, modified for Special Tests and Provisions
93.775, 93.777, 93.778	Medicaid Cluster, modified for Special Tests and Provisions

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

  X   yes        no



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Identification of major federal programs:

AL Number(s)	Name of Federal Program or Cluster
10.542	Pandemic EBT Food Benefits
10.551	SNAP Cluster
10.561	
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii
21.023	Emergency Rental Assistance Program
21.026	Homeowner Assistance Fund
21.027	Coronavirus State and Local Fiscal Recovery Funds
64.015	Veterans State Nursing Home Care
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States
84.425C	Education Stabilization Fund
84.425D	
84.425R	
84.425U	
93.268	Immunization Cooperative Agreements
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
93.569	Community Services Block Grant
93.667	Social Services Block Grant
93.767	Children's Health Insurance Program
93.775	Medicaid Cluster
93.777	
93.778	
93.917	HIV Care Formula Grants
93.959	Block Grants for Prevention and Treatment of Substance Abuse
96.001	Social Security Disability Insurance

Dollar threshold used to distinguish  
between Type A and Type B programs: \$30,000,000

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



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## Section II - Financial Statement Findings

The findings related to the financial statement audit are reported in the Comprehensive Annual Financial Report - Report on Internal Control, Compliance, and Other Matters (Report No. 2023-022<sup>3</sup>). That report included the following findings:

FS2022-001. Department of Revenue Financial Reporting Controls

FS2022-002. Department of Social Services Financial Reporting Controls - Medicaid Payments

FS2022-003. Department of Social Services Financial Reporting Controls - Medicaid Accounts Receivable

FS2022-004. Department of Social Services Financial Reporting Controls - Accounts Payable

FS2022-005. Department of Natural Resources Financial Reporting Controls

FS2022-006. Office of Secretary of State Financial Reporting Controls

FS2022-007. Department of Labor and Industrial Relations Financial Reporting Controls

FS2022-008. Office of Administration Financial Reporting Controls - Fund Balance Classifications

FS2022-009. Office of Administration SAM II Transaction Approvals

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<sup>3</sup>See report at <<https://auditor.mo.gov/AuditReport/ViewReport?report=2023022>>.





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### Section III - Federal Award Findings and Questioned Costs

**2022-001.**  
**Medicaid National Correct**  
**Coding Initiative**

Federal Agency:	Department of Health and Human Services (DHHS)
Federal Program:	93.767 Children's Health Insurance Program 2021 - 2105MO5021 2022 - 2205MO5021 93.778 COVID-19 - Medical Assistance Program 93.778 Medical Assistance Program 2021 - 2105MO5MAP and 2105MO5ADM 2022 - 2205MO5MAP and 2205MO5ADM
State Agency:	Department of Social Services (DSS) - MO HealthNet Division (MHD)
Type of Finding:	Internal Control (Material Weakness) and Noncompliance

As noted in our 2 previous audits,<sup>4</sup> the MHD did not fully implement the Medicaid National Correct Coding Initiative (NCCI) edits in the Medicaid Management Information System (MMIS) as required. During the year ended June 30, 2022, the MHD made Medical Assistance Program (Medicaid) and Children's Health Insurance Program (CHIP) payments, subject to NCCI edits, totaling approximately \$8.9 billion.

The DSS contracts for the operation and maintenance of the MMIS. Medical providers submit fee-for-service claims for services provided to Medicaid and CHIP participants in the MMIS, and payments are made through the MMIS. To help ensure only allowable claims are paid, system edit checks flag and/or deny payment on suspicious or unusual claims. Section 6507 of the Affordable Care Act (Section 1903(r) of the Social Security Act<sup>5</sup>) requires the MHD to completely and correctly implement specific NCCI methodologies and edits into the MMIS. The purpose of the NCCI is to promote correct coding, prevent coding errors, prevent coding manipulation, and reduce improper payments. The DHHS - Centers for Medicare and Medicaid Services (CMS) published the Medicaid NCCI Policy Manual and the Medicaid NCCI Technical Guidance Manual to provide specific requirements and assist state Medicaid agencies to implement the NCCI methodologies.

The two NCCI edit categories are Procedure-to-Procedure (PTP) edits that are designed to identify pairs of procedure codes that should not be reported together; and Medically Unlikely Edits (MUE) that limit the number of units of service allowed for certain services and items. The DHHS-CMS provides

<sup>4</sup>See single audit reports at <<https://auditor.mo.gov/AuditReport/Reports?SearchLocalState=35>>, finding numbers 2021-004 and 2020-002.

<sup>5</sup> Title 42 USC 1396b(r).



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PTP and MUE edit files to the MHD quarterly. Each quarterly edit file contains all current edits and replaces the previously provided edit file. Section 7 of the Medicaid NCCI Technical Guidance Manual requires the MHD to implement the edit files into the MMIS on the first day of each quarter. If the applicable edit files are not implemented by the first day of the second month of the quarter, the MHD is required to reprocess any claims processed with outdated edits once the updates are implemented.

During the year ended June 30, 2022, rather than quarterly implementation, the MHD through the MMIS contractor implemented the PTP edit files annually; and the MHD did not reprocess claims upon implementation of the edits. For example, the MMIS contractor implemented the PTP edit file for the quarter ended March 31, 2022, in January 2022; and the MHD did not implement the prior quarters' edit files or reprocess claims paid for the quarters ended June 30, 2021, September 30, 2021, and December 31, 2021, with the updated edits. In addition, the MHD had not implemented any of the MUE edit files received. MHD officials indicated they worked with the MMIS contractor to fully implement both the PTP and MUE edits effective July 1, 2022, for claims processed in the quarter ended September 30, 2022. However, these changes were effective after the period covered by the audit.

In addition to noncompliance with Section 6507 of the Affordable Care Act, the failure to fully implement the NCCI edits and reprocess claims paid with incorrect edits increases the risk that coding errors or irregularities will go undetected, and improper payments will be made. To ensure compliance with the NCCI requirements, the MHD should establish internal controls over NCCI edits. Rule 45 CFR Section 75.303(a) requires the non-Federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

Recommendation

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

Auditee's Response

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

**2022-002.  
Medicaid and CHIP  
MAGI-Based Participant  
Eligibility**

Federal Agency:	Department of Health and Human Services (DHHS)
Federal Program:	93.767 Children's Health Insurance Program
	2021 - 2105MO5021
	2022 - 2205MO5021
	93.778 COVID-19 - Medical Assistance Program
	93.778 Medical Assistance Program
	2021 - 2105MO5MAP and 2105MO5ADM



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	2022 - 2205MO5MAP and 2205MO5ADM
State Agency:	Department of Social Services (DSS) - MO HealthNet Division (MHD) and Family Support Division (FSD)
Type of Finding:	Internal Control (Significant Deficiency) and Noncompliance

As similarly noted in our 3 previous audits,<sup>6</sup> the DSS does not have sufficient controls to ensure compliance with the eligibility requirements of the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP) for certain participants whose eligibility is based on their Modified Adjusted Gross Income (MAGI). The DSS did not correct manual system overrides for some MAGI-based participants, preventing their cases from being closed when necessary. Of the approximately 1.3 million Medicaid and CHIP participants as of June 30, 2022, approximately 942,000 were MAGI-based participants.

To ensure MAGI-based participants continue to be eligible for benefits, 42 CFR Section 435.916 requires a redetermination of eligibility once every 12 months, or when circumstances affecting a participant's eligibility change. The regulation requires termination of benefits when a participant no longer meets eligibility requirements. On March 19, 2020, the eligibility redetermination and most termination requirements were temporarily suspended in response to the COVID-19 Public Health Emergency (PHE). 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. Subsequent to the audit period, the PHE and related requirement suspensions were lifted. Effective April 1, 2023, the DSS is required to initiate redeterminations within 12 months, and complete redeterminations within 14 months for all participants.

The Medicaid Eligibility Determination and Enrollment System (MEDES), implemented in January 2014, tracks eligibility information for MAGI-based participants, including redetermination due dates; and in some cases, performs redeterminations. Non-automatic redeterminations for MAGI-based participants are performed manually by FSD eligibility specialists. Eligibility information is transferred from the MEDES into the Medicaid Management System (MMIS), the Medicaid claims payment system, nightly. To ensure continuous enrollment during the PHE, the DSS programmed the MEDES to continue coverage effective March 18, 2020, except in the case of a participant's death, an out-of-state move, or voluntary closure. For some exceptions, the MEDES automatically closes the case. For other exceptions,

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<sup>6</sup>See single audit reports at <<https://auditor.mo.gov/AuditReport/Reports?SearchLocalState=35>>, finding numbers 2021-005, 2020-003, and 2019-005.



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an FSD eligibility specialist manually records the reason for closure and initiates closure of the participant's case in the MEDES.

MEDES operations have been problematic since implementation and manual overrides to individual cases to compensate for previous system errors and limitations were not corrected. DSS officials explained there was a period of time when the MEDES was incorrectly closing some eligible cases before a redetermination could be performed. To prevent affected cases from being closed, DSS personnel manually overrode system controls. However, once these system limitations were corrected in June 2017, the DSS did not remove the previously-established manual overrides, which prevented the system from taking automatic actions such as identifying cases needing redetermination and closing cases.

In response to prior audit recommendations, DSS officials indicated they developed a report to identify MEDES participants with overdue redeterminations due to these system problems. However, the DSS did not review all of these participants to ensure they remained eligible and did not meet one of the exceptions requiring termination during the PHE. As a result, cases for participants with manual overrides that did not meet eligibility requirements prior to and/or during the PHE, may not have been closed. Our random sample of 60 MAGI-based participants that were continuously enrolled during the year ended June 30, 2022, did not identify any participants with previously-established overrides.

The DSS Corrective Action Plan (CAP) and Summary Schedule of Prior Audit Findings for finding number 2021-005 state the DSS has processes in place to terminate eligibility for individuals who are deceased, voluntarily request closure, or report they have moved out of state. However, these processes have not been applied to all participant cases with manual system overrides needing closure. Missouri's system testing plan relating to the PHE unwinding processes, submitted to the DHHS - Centers for Medicare and Medicaid Services (CMS), states after the PHE is lifted, on April 1, 2023, the DSS plans to begin removing the manual overrides and performing redeterminations for these participants.

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



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Recommendation

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

Auditee's Response

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

Auditor's Comment

The DSS Corrective Action Plan (CAP) states the DSS disagrees there is a significant deficiency in internal controls because no participants with manual overrides were identified in the audit sample. However, the State Auditor's Office feels it is important to note the internal control weaknesses associated with these participants, which have existed for many years, remain regardless of whether any of these participants are selected in the audit sample of 60 of the approximately 942,000 participants. The CAP states the DSS has processes in place to terminate eligibility for individuals who are deceased, voluntarily request closure, or report they have moved out of state. However, as noted in the finding, these processes have not been applied to all participant cases with manual system overrides, and instead of proactively reviewing cases as recommended, the DSS is merely reacting when information is provided to them. Although recommended in the prior 3 audits, the DSS has not performed a review for all of these cases. Until the manual overrides are corrected and/or applicable participants reviewed, there will be continued circumvention of established internal controls and risk of improper payments on these cases. Therefore, this finding is valid.

**2022-003.  
Medicaid and CHIP  
Eligibility Determination  
Timeliness**

Federal Agency:	Department of Health and Human Services
Federal Program:	93.767 Children's Health Insurance Program 2021 - 2105MO5021 2022 - 2205MO5021
	93.778 COVID-19 - Medical Assistance Program
	93.778 Medical Assistance Program 2021 - 2105MO5MAP and 2105MO5ADM 2022 - 2205MO5MAP and 2205MO5ADM
State Agency:	Department of Social Services (DSS) - MO HealthNet Division (MHD) and Family Support Division (FSD)
Type of Finding:	Noncompliance

The DSS did not perform eligibility determinations within required timeframes for participants of the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP). There were approximately 1.3 million Medicaid and CHIP participants as of June 30, 2022.



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The FSD is responsible for determining the eligibility of Medicaid and CHIP participants. FSD eligibility specialists 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, 2022, there were approximately 942,000 MAGI-based participants and approximately 369,000 non-MAGI-based participants.

To ensure applicants are able to receive necessary medical care timely, 42 CFR Section 435.912(c)(3) requires new Medicaid eligibility determinations be made within 45 days of application and within 90 days of application for applicants who apply for benefits on the basis of disability. Rule 42 CFR Section 435.912(e) allows exceptions to these timeframes in certain unusual circumstances, such as a doctor's delay. Rule 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, of which 55 were new enrollments, 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 30 of the 55 MAGI-based eligibility determinations (55 percent) and 10 of the 60 non-MAGI-based determinations (17 percent). The 40 late determinations were made 2 to 144 days after the required 45 or 90-day requirement, and averaged 68 days late.

DSS officials indicated increased workloads hindered the department's ability to process applications within required timeframes during the year ended June 30, 2022. They also indicated a backlog of eligibility determinations for the Medicaid Adult Expansion Group, a new population that became eligible with the Medicaid expansion effective as of July 1, 2021, occurred due to the volume of new applications and litigation that prevented processing of the applications until October 2021. DSS officials stated there were also increased workloads associated with annual open enrollment applications from the federal Health Insurance Marketplace.

In addition to noncompliance with federal requirements, the failure to ensure determinations are performed timely can result in potentially eligible participants not receiving necessary medical care.

## Recommendation

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

## Auditee's Response

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



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**2022-004.**

**Department of Social  
Services Cost Allocation**

Federal Agency: Department of Health and Human Services  
Federal Program: 93.090 Guardianship Assistance  
2021 - 2101MOGARD  
2022 - 2201MOGARD  
93.558 Temporary Assistance for Needy Families  
2021 - 2101MOTANF  
2022 - 2201MOTANF  
93.658 Foster Care Title IV-E  
2021 - 2101MOFOST  
2022 - 2201MOFOST  
93.659 Adoption Assistance  
2021 - 2101MOADPT  
2022 - 2201MOADPT  
93.667 Social Services Block Grant  
2021 - 2101MOSOSR  
2022 - 2201MOSOSR  
93.778 Medical Assistance Program  
2021 - 2105MO5ADM  
2022 - 2205MO5ADM  
State Agency: Department of Social Services (DSS) - Division of  
Finance and Administrative Services (DFAS)  
Type of Finding: Internal Control (Significant Deficiency)

DFAS controls and procedures to allocate some administrative costs to federal programs were not sufficient to prevent and/or detect errors. Our testing of AlloCAP system allocations identified an error in 1 cost allocation methodology. For the year ended June 30, 2022, costs totaling approximately \$38.5 million were incorrectly allocated to 6 programs. As a result, approximately \$10.2 million (federal share) was allocated to state funding, that could have been allocated to federal funding for 4 programs.

The DFAS uses the AlloCAP system to identify, measure, and allocate costs to state and federal programs in accordance with its Public Assistance Cost Allocation Plan (PACAP). Each quarter, DFAS personnel import expenditure data from the state's accounting system into the AlloCAP system, which allocates costs to programs through allocation methodologies outlined in the department's PACAP.

The DSS uses the random moment time studies (RMTS) allocation method (as outlined in the PACAP) to allocate various administrative costs including salaries, benefits, and other operational costs. As part of this process, randomly-selected Children's Division staff are contacted by email at random moments and asked to record what program/activity they are engaged in at that moment. These surveyed time results are used to approximate the proportion of the administrative costs that apply to the various programs. In addition, the DSS uses quarterly penetration rates to further allocate the costs



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to the programs. The penetration rate for a given program reflects the percentage of federally-eligible children served by the state, compared to the total number of children served by the state. During the year ended June 30, 2022, administrative costs totaling approximately \$127.8 million were allocated through the RMTS allocation method to 6 programs through the AlloCAP system: Social Services Block Grant (SSBG), Temporary Assistance for Needy Families (TANF), Guardianship Assistance, Foster Care, Adoption Assistance, and the Medical Assistance Program.

Our testing noted the RMTS cost allocation methodology, and use of quarterly penetration rates, were not configured in the AlloCAP system correctly. This resulted in over-allocation of costs to the SSBG program and under-allocation of costs to the other programs during the year ended June 30, 2022, as shown in the following table.

Program Name	Over-allocation	Under-allocation	Under-allocation (Federal Share)
Social Services Block Grant	\$ 38,528,349	0	0
Temporary Assistance for Needy Families	0	18,499,881	0
Adoption Assistance	0	2,338,147	1,169,074
Foster Care	0	16,881,717	8,590,613
Guardianship Assistance	0	438,450	219,225
Medical Assistance Program	0	370,154	190,107
Total	\$ 38,528,349	38,528,349	10,169,019

DFAS officials indicated when developing the AlloCAP system, they intended the RMTS cost allocation methodology to mirror the previous manual allocation process; however, a configuration error was made and not detected by the DFAS. After we notified the DFAS of the errors, the DFAS updated the RMTS cost allocation methodology, and use of quarterly penetration rates. The DFAS then used the updated methodology to revise previous quarters' AlloCAP results, including administrative allocations. Finally, the DFAS resolved the 4 programs with under-allocations (federal share) by requesting increasing adjustments totaling \$21.6 million, in each program's September 30, 2022, and December 31, 2022, quarterly expenditure reports. These adjustments included the approximately \$10.2 million for the year ended June 30, 2022, plus another approximately \$11.4 million for the year ended June 30, 2021.

DSS personnel indicated it was unnecessary to revise the federal reports for the SSBG and TANF programs because allocations for those grants were already fully expended. Because significant portions of those programs are state-funded, the allocation errors could be applied to state funding portions. We do not question any federal costs associated with the errors identified in this finding because the resulting over-allocations were not attributable to federal funding.





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

Recommendation

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

Auditee's Response

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

Auditor's Comment

The DSS Corrective Action Plan (CAP) states the DSS partially agrees with the finding because the calculation error was the result of an isolated error that occurred during design and development of the new cost allocation system, effective October 2017. The CAP further states this error is not indicative of the strength of current internal controls. While the error noted was isolated to the costs allocated through the RMTS allocation method, those costs are significant, totaling over \$127 million and allocated to 6 different programs during the year ended June 30, 2022, alone. Furthermore, the fact that neither the DSS's original development effort in 2017, nor ongoing internal controls and procedures (from October 2017 through June 2022) detected this error, indicates there were internal control weaknesses associated with the design and testing of the system as well as reviews of system calculations. The DSS is responsible for ensuring adequate controls are in place to detect errors and ensure costs are properly allocated to federal programs. Therefore, this finding is valid.

If this cost allocation issue had not been identified during the audit, approximately \$10 million could have continued to be spent each year from state taxpayer funds instead of claimed to federal funding sources.

**2022-005.**  
**Pandemic Electronic**  
**Benefit Transfer Food**  
**Benefits**

Federal Agency:	United States Department of Agriculture (USDA)
Federal Program:	10.542 COVID-19 - Pandemic Electronic Benefit Transfer Food Benefits (P-EBT)
State Agency:	Department of Social Services (DSS) - Family Support Division (FSD)



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Type of Finding:	Internal Control (Significant Deficiency) and Noncompliance
Questioned Costs:	\$1,010

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DSS controls over the P-EBT program were insufficient to prevent improper benefit issuances on behalf of school children. Our audit sample of payments for 60 school children noted the DSS issued benefits on behalf of one ineligible child and made overpayments on behalf of another child. During the year ended June 30, 2022, the DSS issued P-EBT program benefits totaling approximately \$75 million on behalf of approximately 78,000 school children and approximately \$144 million on behalf of approximately 163,000 children in child care.

The objective of the P-EBT program is to provide nutrition assistance on EBT cards for school children who would have received free or reduced price school meals under the National School Lunch Program and School Breakfast Program had their schools not been closed or operating with reduced hours due to the COVID-19 public health emergency. The P-EBT program similarly provides benefits for Supplemental Nutrition Assistance Program-enrolled children in child care.

The Families First Coronavirus Response Act, Pub. L. 116-127, Section 1101, requires P-EBT program benefits be issued in accordance with the state's approved plan. For benefits for school children, the DSS and the Department of Elementary and Secondary Education jointly developed a plan for the administration of the P-EBT program for the 2020-2021 school year and a plan amendment for the summer 2021 period. The plan and 2 plan amendments were approved by the USDA in June 2021, August 2021, and September 2021, respectively; and the DSS began issuing P-EBT program benefits in July 2021. Under the state's plan, the DSS would receive from all school districts in the state: (1) surveys indicating the extent of school closures in the district due to COVID-19 for each month during the school year, and (2) listings of students eligible for free or reduced price meals during the school year. Pursuant to the plan, the DSS required parents to submit applications<sup>7</sup> for benefits, and established procedures to verify the applications to the listings obtained from the school districts, determine benefit amounts for each eligible child, and issue P-EBT program benefits to households with eligible children. Eligible participants were entitled to receive \$129.58 per month of virtual learning and/or \$77.75 per month of hybrid (mixed) learning. For the summer period, each eligible child was entitled to the standard summer benefit of \$375 despite the school's operating status during the school year.

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<sup>7</sup>The applications contained information about the child, child's school district, and household.



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To test compliance with the plan's provisions for school children, we reviewed a randomly-selected sample of P-EBT program payments for 60 school children, totaling \$31,009. The DSS made improper payments for 2 of 60 participants reviewed (3 percent). The DSS issued benefits totaling \$596 for one ineligible child who was not included in the listing of children eligible for free or reduced priced meals, and issued benefits for another child totaling \$414 in excess of amounts the child was entitled to receive. DSS officials indicated processing errors were made without detection for both children. We question the unallowable benefits totaling \$1,010 (100 percent federal share) issued on behalf of these children.

Without adequate internal controls, the DSS cannot ensure that P-EBT program benefits are issued in accordance with the approved state plan. Rule 2 CFR Section 200.303(a) requires the nonfederal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

Recommendation

The DSS through the FSD strengthen internal controls to ensure P-EBT program benefit issuances are in accordance with the state plan, and review and correct the overpayments for the children identified in this finding.

Auditee's Response

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

**2022-006.**  
**DSS FFATA Reporting**

Federal Agency	Department of Health and Human Services (DHHS)
Federal Program:	93.667 Social Services Block Grant (SSBG) 2021 - 2101MOSOSR 2022 - 2201MOSOSR
State Agency:	Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)
Type of Finding:	Internal Control (Significant Deficiency) and Noncompliance

As similarly noted in our previous audit,<sup>8</sup> the DFAS needs to strengthen internal controls related to Federal Funding Accountability and Transparency Act (FFATA) reporting. During state fiscal year 2022, the DFAS did not comply with FFATA reporting requirements for any of the subawards reviewed for the SSBG program. During state fiscal year 2022, the DSS

<sup>8</sup>See single audit report at <<https://auditor.mo.gov/AuditReport/ViewReport?report=2022043>>, finding number 2021-008.



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disbursed approximately \$7 million in first-tier subawards<sup>9</sup> to 20 subrecipients of the SSBG program. First-tier subaward payments accounted for approximately 14 percent of the program's expenditures.

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

#### Internal controls

DFAS policies and procedures over the FFATA reporting process require supervisory review of the information uploaded to the FSRS, but do not require the supervisors maintain documentation of reviews performed.

DFAS personnel prepare a monthly Excel spreadsheet of data from various sources including contracts and federal funding disclosure information sheets. DFAS personnel transfer the spreadsheet data to the federal FSRS template, and upload the data to the FSRS. Various subaward data is uploaded, including the entity name, award amount, and the date issued. DFAS personnel could not provide documentation supporting the supervisory reviews performed, but indicated they intend to implement documented reviews during the state fiscal year 2023.

Without documented supervisory reviews over FFATA reporting, the DFAS cannot demonstrate adherence to the established policies and procedures, and there is less assurance the information included in the FFATA reporting is complete and accurate. Rule 2 CFR Section 200.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

#### FFATA reporting

The DFAS did not comply with FFATA reporting requirements for the SSBG program. To test compliance with FFATA reporting requirements, we reviewed a sample of subawards for 2 of the 20 SSBG subrecipients, totaling \$1,952,465, awarded in state fiscal year 2022. Neither of the subawards were uploaded to the FSRS timely. The DSS entered into grant agreements with the subrecipients during July 2020 for the 2-year period of July 1, 2020, through June 30, 2022. DFAS personnel indicated they were required to report these subawards no earlier than November 2020 and November 2021,

<sup>9</sup>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.



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when they received the corresponding grants. However, DFAS personnel did not upload the subawards to the FSRS until August 2021 and February 2022, 9 months and 3 months later, respectively.

DFAS personnel indicated the FFATA reporting delays occurred because of staff turnover, federal government delays in uploading grant information into the FSRS, and FSRS limitations associated with changes in personnel who have system access. They indicated the DSS cannot prepare FFATA reports until the federal awarding agency first enters the federal award information into the FSRS; and since the DSS does not receive notification of this event, the DSS must continually check the system for updates. In addition to noncompliance with federal requirements, not reporting subawards to the FSRS timely increases the risk that those using the reports could rely on inaccurate information.

Recommendation

The DSS through the DFAS strengthen internal controls related to FFATA reporting by having supervisors maintain documentation of reviews performed of the information reported to the FSRS. In addition, the DFAS should timely 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 DSS Corrective Action Plan (CAP) states the DSS does not agree that documentation of supervisory reviews directly correlates to strong internal controls. The CAP further states the DSS adheres to formalized procedures for FFATA reporting, which includes managerial oversight and contends documented reviews may be preferred but are not required by regulation. However, without requiring documentation of supervisory reviews performed, the DSS cannot demonstrate adherence to the established policies and procedures. Additionally, the noncompliance identified in this audit and the previous audit is an indicator that DSS internal controls may not be operating as intended. Because effective internal controls include documentation demonstrating the controls are operating in accordance with the established internal control system, this finding is valid.

**2022-007.**  
**Medicaid Facility Survey**  
**Timeliness**

Federal Agency: Department of Health and Human Services (DHHS)  
Federal Program: 93.777 COVID-19 - State Survey and Certification  
of Health Care Providers and Suppliers (Title XVIII) Medicare  
93.777 State Survey and Certification of Health Care  
Providers and Suppliers (Title XVIII)  
Medicare  
2020, 2021, and 2022 - TITLE XVIII



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2020, 2021, and 2022 - TITLEXIXSS

2021 and 2022 - CLIA

2021 and 2022 - TITLE18CRS

2021 and 2022 - XVIIIIMPAC

State Agency: Department of Health and Senior Services (DHSS) -  
Section for Long-Term Care Regulations (SLCR)

Type of Finding: Noncompliance

As similarly noted in our prior audit report,<sup>10</sup> the SLCR did not perform facility survey procedures within required timeframes. In our test of compliance with facility survey requirements for the year ended June 30, 2022, we noted some Statement of Deficiencies and Plan of Corrections were sent 11 to 26 days after survey exit instead of within 10 days, and some facility revisits were completed between 61 and 82 days instead of within 60 days of the initial survey date.

The DHSS is the state survey agency charged with inspecting providers of the Medical Assistance Program (Medicaid), including hospitals, nursing facilities, and other long-term care facilities. Under 42 CFR Section 431.108, as a basis for participation in Medicaid, providers are subject to survey and certification by the DHHS - Centers for Medicare and Medicaid Services (DHHS-CMS) or the DHSS to ensure providers and suppliers are in compliance with regulatory health and safety standards and conditions of participation. During the year ended June 30, 2022, the DHSS through the SLCR surveyed 527 providers, including 514 long-term care nursing facilities and 13 intermediate care facilities for individuals with intellectual disabilities.

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

To test compliance with survey and certification requirements, we randomly selected 35 long-term care nursing facilities surveys, and 5 intermediate care facilities for individuals with intellectual disabilities surveys, performed between July 1, 2021, and June 30, 2022. Of 22 surveys that required a

<sup>10</sup>See single audit report at <<https://auditor.mo.gov/AuditReport/Reports?SearchLocalState=35>>, finding number 2021-013.



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Statement of Deficiencies and Plan of Correction, 8 statements (36 percent) were sent to facilities between 11 and 26 working days after the survey exit instead of within 10 working days as required. In addition, of the 19 long-term care nursing facilities that required a revisit, the revisits to 4 facilities (21 percent) were completed between 61 and 82 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 federal funding, and increased workloads due to increased volume and complexity of complaints received and the backlog of surveys due. DHSS officials further stated they are working to request additional staff and increased salaries, and to contract with outside survey companies to help with the increased workload and backlog.

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

Recommendation

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

Auditee's Response

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

**2022-008.  
ELC Program Subrecipient  
Monitoring**

Federal Agency:	Department of Health and Human Services
Federal Program:	93.323 COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
	93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)
	2020, 2021, and 2022 - NU50CK000546
State Agency:	Department of Health and Senior Services (DHSS) - Division of Community and Public Health (DCPH)
Type of Finding:	Noncompliance

As similarly noted in our prior audit report,<sup>11</sup> the DCPH did not adequately monitor ELC program subrecipient contracts during the year ended June 30, 2022. In our review of a sample of 21 contracts requiring financial monitoring reviews, we noted 7 had not been completed as of June 30, 2022.

<sup>11</sup> See single audit report at <<https://auditor.mo.gov/AuditReport/Reports?SearchLocalState=35>>, finding number 2021-010.



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Rule 2 CFR Section 200.332(d) requires pass-through entities to monitor the activities of subrecipients as necessary to ensure the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals. Pass-through entities are required to follow up and ensure the subrecipient takes timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means. The DHSS, as a pass-through entity, disbursed approximately \$61.7 million among 219 ELC program subrecipient contracts during the year ended June 30, 2022.

In response to the prior finding, the DCPH developed a monitoring plan for ELC program subrecipients, hired additional staff, and began performing monitoring reviews during the year ended June 30, 2022. The monitoring plan requires annual risk assessments, quarterly progress reviews, and completion of a financial monitoring review once during the contract period. If deficiencies are found during the monitoring review, the monitoring plan requires the subrecipient to submit a written corrective action plan to the DCPH, and the DCPH to follow up on the corrective action plan.

Due to the delayed implementation of the monitoring plan, the DCPH did not perform all required financial monitoring reviews of ELC program subrecipients during state fiscal year 2022. Our review of a randomly-selected sample of contracts for 21 of the 219 ELC program subrecipient contracts<sup>12</sup> requiring financial monitoring reviews noted risk assessments had been performed for all contracts; however, financial monitoring reviews had not been completed as of June 30, 2022, for 7 contracts (33 percent). We noted financial monitoring reviews were subsequently performed in state fiscal year 2023 for all 7 contracts included in the sample. DCPH officials indicated the delayed implementation of subrecipient monitoring procedures was due to the rapid distribution of COVID-19 funding to subrecipients and insufficient staffing, but they intend to have all reviews completed by March 2024.

When subrecipient monitoring procedures are not performed timely and in accordance with monitoring plan requirements, there is increased risk that noncompliance with program requirements will go undetected.

## Recommendation

The DHSS through the DCPH continue to implement and perform financial monitoring reviews in accordance with the ELC program monitoring plan.

## Auditee's Response

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

<sup>12</sup> Our sample represented 10 percent of the population.





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**2022-009.**  
**DESE FFATA Reporting**

Federal Agency: Department of Education (ED)  
Federal Program: 84.425C COVID-19 - Governor's Emergency  
Education Relief (GEER) Fund  
2020 - S425C100016  
2021 - S425C100016  
84.425R COVID-19 - Emergency Assistance for  
Non-Public Schools (EANS)  
2021 - S425R210052  
State Agency: Department of Elementary and Secondary Education  
(DESE)  
Type of Finding: Internal Control (Significant Deficiency) and  
Noncompliance

The DESE needs to strengthen internal controls related to Federal Funding Accountability and Transparency Act (FFATA) reporting for the Education Stabilization Fund.<sup>13</sup> As similarly noted in our previous audit,<sup>14</sup> during state fiscal year 2022, the DESE did not comply with FFATA reporting requirements for any of the subawards reviewed for the GEER Fund or the EANS program. In addition, the DESE has not made corrections and resubmitted state fiscal year 2021 FFATA reports for the GEER Fund grants.

The FFATA requires comprehensive reporting for certain federal awards to promote transparency and accountability over the use of the federal funds. Rule 2 CFR Part 170, Appendix A, requires the DESE to report first-tier subawards<sup>15</sup> of \$30,000 or more to the FFATA Subaward Reporting System (FSRS) no later than the end of the month following the month in which the subaward was made. Information entered into the FSRS is publicly available at [USASpending.gov](https://USASpending.gov).

The GEER Fund grants were initially awarded to the Governor's office. The Office of Administration (OA), on behalf of the Governor's office, entered into an interagency agreement with the DESE and the Department of Higher Education and Workforce Development (DHEWD), designating the DESE as the fiscal agent for the GEER Fund for the State of Missouri. The DESE draws down and disburses the funds to the DESE subrecipients (Local Education Agencies [LEAs]) and to the DHEWD. The DHEWD disburses funds to the DHEWD subrecipients (Institutions of Higher Education [IHEs]). The GEER interagency agreement states the DESE shall manage all reporting requirements by collecting information and data including data

<sup>13</sup>The Education Stabilization Fund consists of several programs, including the GEER Fund and the EANS program.

<sup>14</sup>See single audit report at <https://auditor.mo.gov/AuditReport/ViewReport?report=2022043>, finding number 2021-016.

<sup>15</sup>First-tier subawards are federal awards made to non-federal entities by the prime award recipient, in this case the DESE, on behalf of the federal awarding agency, the ED.



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from the DHEWD and the OA. For the EANS program, the DESE received the grant on behalf of the Governor's office, was designated the fiscal agent, and disbursed funds to the LEAs. During state fiscal year 2022, the DESE and the DHEWD disbursed approximately \$21.6 million of first-tier subawards to 348 subrecipients of the GEER Fund and the DESE disbursed approximately \$3.3 million in first-tier subawards to 82 subrecipients of the EANS program. First-tier subaward payments accounted for approximately 99 percent of the GEER Fund expenditures and 7 percent of the EANS program expenditures.

Internal controls

DESE policies and procedures over the FFATA reporting process require supervisory review of the information uploaded to the FSRS, but do not require the supervisors maintain documentation of reviews performed.

DESE personnel prepare an excel spreadsheet of the awards allocated to subrecipients, transfer the spreadsheet data to the federal FSRS template, and upload the data to the FSRS. Various subaward data is uploaded, including the entity name, award amount, and the date issued. DESE personnel could not provide documentation supporting the supervisory reviews performed, but indicated they intend to implement documented reviews during state fiscal year 2023.

Without documented supervisory review over FFATA reporting, the DESE cannot demonstrate adherence to the established policies and procedures, and has less assurance the information included in the FFATA reporting for the Education Stabilization Fund is complete and accurate. Rule 2 CFR Section 200.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

FFATA reporting

The DESE did not comply with FFATA reporting requirements for the GEER Fund and the EANS program.

To test compliance with FFATA reporting requirements for the GEER Fund and the EANS program, we reviewed the FSRS reports submitted by DESE personnel during state fiscal year 2022. For the GEER Fund, the DESE did not report any of the 81 LEA subawards requiring FFATA reporting, totaling approximately \$9.7 million, or the 22 IHE subawards, totaling approximately \$12 million, in the FSRS. Instead, the DESE incorrectly reported as subawards, the allocations by the Governor's office to the DESE and the DHEWD. For the EANS program, the DESE did not report any of the 9 subawards requiring FFATA reporting, totaling approximately \$3.7 million, in the FSRS. Instead, the DESE incorrectly reported as a subaward, the grant award received by the DESE on behalf of the Governor's office. All of these



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errors occurred prior to auditors identifying and communicating similar errors during the state fiscal year 2021 audit. Additionally, the DESE made some corrections to FFATA reports; however, as of April 2023, the DESE had not resubmitted fully corrected state fiscal year 2021 FFATA reports for the GEER Fund grants.

DESE personnel indicated the FFATA reporting errors occurred due to a misunderstanding of FFATA reporting requirements as well as the unusual nature of the GEER Fund and EANS program allocations. DESE personnel also indicated they have been working with the ED since April 2022 in an effort to correct the erroneous FFATA reports; however, due to technical difficulties with the FSRS, they have been unable to timely and fully correct the reports. In addition to noncompliance with federal requirements, not reporting subawards to the FSRS accurately and timely increases the risk that those using the reports could rely on inaccurate information.

## Recommendation

The DESE strengthen internal controls related to FFATA reporting by having supervisors maintain documentation of reviews performed of the information reported in the FSRS for the Education Stabilization Fund. In addition, the DESE should complete FFATA reporting for the Education Stabilization Fund programs in accordance with the applicable requirements and continue to work toward resubmitting corrected reports for state fiscal years 2021 and 2022.

## Auditee's Response

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

## Additional State Auditor's Reports

The Missouri State Auditor's Office regularly issues audit reports on various programs, agencies, and divisions of the state. Audit reports may include issues related to the administration of federal programs. We reviewed the reports issued from May 2022 to May 2023 and the following reports relate to federal programs.

Report Number	Report Name
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2023-001	Statewide Accounting System Internal Controls
2022-090	Department of Conservation Data Security

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

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# State of Missouri - Single Audit

## Summary Schedule of Prior Audit Findings

### Year Ended June 30, 2022

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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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**Michael L. Parson**  
Governor



**Kenneth J. Zellers**  
Commissioner

State of Missouri  
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Division of Accounting  
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**Stacy Neal**  
Director

**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, 2022, and includes all findings from the audit for the Fiscal Year ended June 30, 2021, and certain findings from the audits for the Fiscal Years ended June 30, 2020, 2019, 2018, 2017, 2016, and 2015.

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



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**2021-001A.**                      DED Subrecipient Determination and Monitoring

**Federal Agency:**            Department of the Treasury  
**Federal Program:**        21.023 COVID-19 - Emergency Rental Assistance Program  
**State Agency:**            Department of Economic Development (DED)

Improvements were needed in the DED's internal controls related to subrecipient determinations. The DED had not established policies and procedures to determine if the recipients of federal program funds are subrecipients or contractors. Additionally, the DED made an inaccurate determination and did not classify the Missouri Housing Development Corporation as a subrecipient. The assessment performed to make this determination was not documented.

**Recommendation:**

The DED develop and implement procedures regarding subrecipient determinations and ensure a determination is made when program funds are disbursed to determine if the recipient of the funds is a subrecipient or a vendor.

**Status of Finding:**

Corrective Action was taken.

**Contact Person:**            Stacey Hirst  
**Phone Number:**            (573) 526-7863



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**2021-001B.**                      DED Subrecipient Determination and Monitoring

**Federal Agency:**            Department of the Treasury  
**Federal Program:**        21.023 COVID-19 - Emergency Rental Assistance Program  
**State Agency:**            Department of Economic Development (DED)

The DED did not comply with certain Uniform Guidance subrecipient monitoring requirements for the Emergency Rental Assistance (ERA) Program. The DED did not implement a subrecipient monitoring program to monitor the Missouri Housing Development Commission (MHDC), the sole subrecipient. The DED did not perform a risk assessment of the MHDC to determine the extent of monitoring necessary and did not monitor the MHDC for compliance with various ERA Program requirements. Additionally, the DED did not follow up on and ensure the MHDC took appropriate action to address the deficiency identified in MHDC's Single Audit related to approximately \$1 million in questioned costs and did not issue a management decision related to the deficiency as required by federal regulations.

**Recommendation:**

The DED formally assess and document each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring. Additionally, develop a subrecipient monitoring program that includes ensuring the subrecipient is compliant with program and relevant legal provisions and appropriate monitoring of subrecipient audit findings related to the program.

**Status of Finding:**

Corrective Action was taken.

**Contact Person:**        Stacey Hirst  
**Phone Number:**        (573) 526-7863



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**2021-002.**

DED SEFA

**Federal Agency:** Department of the Treasury  
**Federal Program:** 21.023 COVID-19 - Emergency Rental Assistance Program  
21.026 COVID-19 - Homeowner Assistance Fund  
**State Agency:** Department of Economic Development (DED)

The expenditures reported on the DED's schedule of expenditures of federal awards (SEFA) submitted to the Office of Administration - Division of Accounting (DOA) for inclusion in the statewide SEFA for the year ended June 30, 2021, were misstated.

**Recommendation:**

The DED ensure an accurate SEFA is prepared and submitted to the DOA.

**Status of Finding:**

Corrective Action was taken.

**Contact Person:** Stacey Hirst  
**Phone Number:** (573) 526-7863





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**2021-003A.**                      DED Performance and FFATA Reporting

**Federal Agency:**            Department of the Treasury  
**Federal Program:**        21.023 COVID-19 - Emergency Rental Assistance Program  
**State Agency:**            Department of Economic Development (DED)

The DED did not establish an internal control system over required federal reporting of the Emergency Rental Assistance (ERA) Program and did not identify a significant inaccuracy in a quarterly performance report. The DED contracted with Missouri Housing Development Commission (MHDC) to submit the ERA Program performance reports on the DED's behalf. The DED did not review the reports prepared by MHDC until after the reports had been submitted, and this review was not documented. The quarterly report inaccurately stated the MHDC was a contractor instead of a subrecipient.

**Recommendation:**

The DED develop an internal control system over federal reporting requirements for the ERA Program and ensure reports are submitted accurately.

**Status of Finding:**

Corrective Action has been taken. DED has made contact with the U.S. Treasury and is working with them and MHDC to resolve the reporting issue going forward.

**Contact Person:**        Stacey Hirst  
**Phone Number:**        (573) 526-7863



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**2021-003B.**                      DED Performance and FFATA Reporting

**Federal Agency:**            Department of the Treasury  
**Federal Program:**        21.023 COVID-19 - Emergency Rental Assistance Program  
**State Agency:**            Department of Economic Development (DED)

The DED did not take the appropriate steps to ensure the required Federal Funding Accountability and Transparency Act (FFATA) reporting occurred. The Treasury did not submit the FFATA report for the Emergency Rental Assistance Program due to the inaccuracy on the DED's first quarter performance report.

**Recommendation:**

The DED take the steps necessary to ensure the FFATA reporting requirements are met.

**Status of Finding:**

Corrective Action has been taken. DED made contact with the U.S. Treasury and is working with them and MHDC to correct the reports going forward.

**Contact Person:**        Stacey Hirst  
**Phone Number:**        (573) 526-7863



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**2021-004.**                      Medicaid National Correct Coding Initiative

**Federal Agency:**        Department of Health and Human Services  
**Federal Program:**        93.767 Children's Health Insure 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:**        2020-002

The MHD had not fully implemented the Medicaid National Correct Coding Initiative (NCCI) edits in the Medicaid Management Information System (MMIS) as required by Section 6507 of the Affordable Care Act (Section 1903(r) of the Social Security Act<sup>1</sup>). Rather than quarterly implementation, the MHD through the MMIS contractor implemented the Procedure-to-Procedure edit files annually; and the MHD did not reprocess claims upon implementation of the edits. In addition, the MHD had not implemented any of the Medically Unlikely Edits files received.

**Recommendation:**

The DSS through the MHD strengthen controls over the NCCI requirements to ensure NCCI edits are fully implemented and reprocess claims paid when edits are not implemented timely, as required.

**Status of Findings:**

The MHD has fully implemented the Medicaid National Correct Coding Initiative (NCCI) edits in the Medicaid Management Information System (MMIS) as required by Section 6507 of the Affordable Care Act (Section 1903(r) of the Social Security Act<sup>2</sup>) effective July 1, 2022. All edit files are now updated quarterly.

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

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<sup>1</sup> Title 42 USC 1396b(r)

<sup>2</sup> Title 42 USC 1396b(r)



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**2021-005.**                      Medicaid and CHIP Participant Eligibility

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

The DSS did not have sufficient controls to ensure compliance with the eligibility requirements of the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP) for certain participants whose eligibility is based on their Modified Adjusted Gross Income (MAGI). The DSS did not correct system overrides in the Medicaid Eligibility Determination and Enrollment System (MEDES) for some MAGI-based participants, preventing their cases from being closed when necessary. DSS did not close the case of a participant who moved out of state.

**Recommendation:**

The DSS through the MHD and the FSD review participants with manual overrides in the MEDES to ensure the participants remain eligible and do not meet one of the exceptions requiring removal from the Medicaid and the CHIP during the public health emergency. In addition, the DSS should review and correct the eligibility for the ineligible participant identified in this finding.

**Status of Findings:**

The DSS did not agree with the finding. Therefore, there was no corrective action necessary.

The SAO identified one ineligible participant who had previously moved out of state prior to the Public Health Emergency (PHE). This is 1.67% of the 60 MAGI cases reviewed and no payments were made for the individual, so there was no financial impact during the audit period. Additionally, the DSS has taken action to close the eligibility case noted in the recommendation.

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

During the PHE, the DSS is not conducting reviews of cases that do not report current changes. In accordance with CMS guidance, Missouri expects to unwind from the PHE by completing annual reviews for all MO HealthNet cases over twelve months from the expiration of the PHE. At the time of the review of each case, the DSS will appropriately end MO HealthNet eligibility for all individuals determined to no longer be eligible.

The Consolidated Appropriations Act, 2023, signed on December 29, 2022, amends section 6008 of the FFCRA such that the continuous enrollment condition will end on March 31, 2023. DSS will begin the twelve month unwinding period on April 1, 2023.

**Contact Person:** Heather Atkins  
**Phone Number:** 573-751-4269



State of Missouri - Single Audit  
Summary Schedule of Prior Audit Findings  
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**2021-006.** Foster Care Maintenance Payment Rates

**Federal Agency:** Department of Health and Human Services  
**Federal Program:** 93.658 Foster Care - Title IV-E  
**State Agency:** Department of Social Services (DSS) - Children's Division (CD) and Division of Finance and Administrative Services (DFAS)

The DSS had not documented policies and procedures, including a periodic schedule, for reviews of Foster Care program maintenance payment rates. In addition, the DSS could not provide documentation supporting any review of the rates in effect for the year ended June 30, 2021.

**Recommendation:**

The DSS through the CD and the DFAS develop policies and procedures, including a reasonable and specific schedule, for periodic reviews of Foster Care program maintenance payments and rates, and implement the schedule for reviewing and determining the appropriateness of the payments and rates as required. Also, maintain documentation of all reviews performed.

**Status of Finding:**

The DSS did not agree with this finding and therefore corrective action was not required. The rates are reviewed through the budget process each year.

In addition, the Children's Division Fiscal Unit met with the DFAS Budget Unit on September 8, 2022. The current Foster Care program maintenance payments and rates were reviewed in comparison to a USDA report on the costs of raising a child. Documentation has been kept and procedures are established to review annually with the process beginning each July.

**Contact Person:** Courtney Stalter  
**Phone Number:** 573-526-4671



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**2021-007.** Child Care Corrective 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 Program Fund  
**State Agency:** Department of Social Services (DSS)  
**Questioned Costs:** \$179

DSS controls over Child Care Development Fund (Child Care) program's corrective (manual) subsidy payments to child care providers were not sufficient to prevent improper payments. The DSS made unsupported corrective payments and/or overpaid providers on behalf of 3 children.

Effective August 28, 2021, through Executive Order 21-02, the Governor transferred the Child Care program, including some personnel, from the DSS to the Department of Elementary and Secondary Education (DESE) - Office of Childhood. The DSS remained the lead agency responsible for all Child Care program policies and procedures during the year ended June 30, 2021. In subsequent years, the DSS will continue to perform certain agreed-upon responsibilities for the program.

**Recommendation:**

The DSS and the DESE review, strengthen, and enforce policies and procedures regarding Child Care subsidy provider corrective payments. These procedures should include receipt and retention of payment resolution request forms and attendance records that sufficiently support the corrective payments. The DSS should review and correct the overpayments for the children identified in this finding.

**Status of Finding:**

The Child Care subsidy program transitioned from DSS to DESE on August 28, 2021.

The Lead Agency, for purposes of this response, has already taken the necessary steps to mitigate substantial errors by implementing the CCBIS system and a process to electronically scan all PRRs into an internal online system. Therefore, the Lead Agency has determined additional corrective action is not applicable.

DESE has reviewed, strengthened, and is enforcing policies and procedures regarding Child Care subsidy provider corrective payments. These policies include receipt and record retention of PRRs and attendance records.

DSS and DESE have corrected any payments that were deemed as true overpayments and not supporting documentation issues.

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



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**2021-008.**

DSS FFATA Reporting

**Federal Agency:** Department of Health and Human Services  
**Federal Program:** 93.558 Temporary Assistance for Needy Families (TANF)  
93.568 COVID-19 - Low-Income Home Energy Assistance (LIHEAP)  
93.568 Low-Income Home Energy Assistance (LIHEAP)  
**Federal Agency:** Department of Justice  
**Federal Program:** 16.575 Crime Victim Assistance (CVA)  
**State Agency:** Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)

The DFAS needed to strengthen internal controls related to Federal Funding Accountability and Transparency Act (FFATA) reporting for the TANF, LIHEAP, and CVA programs. The DFAS did not require supervisors maintain documentation of reviews of information uploaded to the FFATA Subaward Reporting System (FSRS). During state fiscal year 2021, the DFAS did not fully comply with FFATA reporting requirements for more than half of the subawards reviewed.

**Recommendation:**

The DSS through the DFAS strengthen internal controls related to FFATA reporting by having supervisors maintain documentation of reviews performed of the information reported to the FSRS for the TANF, LIHEAP, and CVA programs. In addition, the DFAS should complete FFATA reporting in accordance with the applicable requirements.

**Status of Finding:**

The DSS partially agreed with this finding. The DSS did not agree with the correlation of strong internal controls as it relates to FFATA reporting and supervisors maintaining documentation of the reviews performed. The DSS adheres to formalized procedures for FFATA reporting which includes managerial oversight and contends documented reviews may be preferred but are not required by regulation. The DSS had a transition of staff during the timeframe in question and the FSRS system does not permit users to access and compliance data or reports uploaded in the system by an alternate user. These circumstances allowed for exceptions identified. The DSS uploaded reports for all exception items to ensure the information is available in USA Spending.

The DSS will continue to adhere to written procedures and maintain strong internal controls to maintain FFATA reporting compliance.

**Contact Person:** Sheena Frazer  
**Phone Number:** 573-751-7302



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Summary Schedule of Prior Audit Findings  
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**2021-009.** ELC Program Subrecipient Reimbursements

**Federal Agency:** Department of Health and Human Services  
**Federal Program:** 93.323 COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)  
93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)  
**State Agency:** Department of Health and Senior Services (DHSS) - Division of Community and Public Health (DCPH)  
**Questioned Costs:** \$105,507

The DHSS did not have sufficient controls and procedures to ensure ELC program reimbursements to subrecipients were allowable, reasonable, and supported with sufficient documentation. As a result, DHSS made unsupported reimbursements totaling \$105,507 to some subrecipients.

**Recommendation:**

The DHSS through the DCPH establish procedures for reviewing detailed documentation supporting reimbursements to ELC program subrecipients to ensure costs are allowable, reasonable, and supported.

**Status of Finding:**

The Monitoring Plan has been developed for the ELC Cares contracts and is in the review process. The thirteen LPHAs mentioned in the audit have submitted their back-up documentation and the back-up documentation has been reviewed and approved. The staff member hired to assist with monitoring efforts has been trained and the ELC contracts have either been reviewed or are scheduled for review. The program anticipates all contracts will be reviewed by March 2024.

**Contact Person:** Jennifer Harrison, Senior Program Specialist

**Phone Number:** 573-522-2881





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**2021-010.**

ELC Program Subrecipient Monitoring

**Federal Agency:** Department of Health and Human Services  
**Federal Program:** 93.323 COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)  
93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)  
**State Agency:** Department of Health and Senior Services (DHSS) - Division of Community and Public Health (DCPH)

The DCPH did not perform subrecipient monitoring procedures in accordance with the department monitoring policy. The DCPH did not develop a monitoring plan as required by the DHSS monitoring policy. In addition, risk assessments to determine the nature, timing, and extent of monitoring procedures; and monitoring reviews were not performed as required by federal regulations and the monitoring policy.

**Recommendation:**

The DHSS through the DCPH ensure subrecipient monitoring procedures are performed in accordance with the department monitoring policy.

**Status of Finding:**

The monitoring plan has been developed for the ELC Cares contracts and is in the review process. The staff member hired to assist with monitoring efforts has been trained and the ELC contracts have either been reviewed or are scheduled for review. The program anticipates all contracts will be reviewed by March 2024.

**Contact Person:** Jennifer Harrison, Senior Program Specialist

**Phone Number:** 573-522-2881



State of Missouri - Single Audit  
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**2021-011.** DHSS FFATA Reporting

**Federal Agency:** Department of Health and Human Services  
**Federal Program:** 93.323 COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)  
93.323 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)  
**State Agency:** Department of Health and Senior Services (DHSS)

During state fiscal year 2021, the DHSS did not complete Federal Funding Accountability and Transparency Act (FFATA) reporting within required timeframes for some ELC program subawards.

**Recommendation:**

The DHSS complete FFATA reporting for the ELC program within required timeframes.

**Status of Finding:**

The DHSS Division of Administration continues to evaluate current FFATA reporting processes and implement changes by the anticipated completion date of June 30, 2023 to ensure timeliness of FFATA reporting.

**Contact Person:** Pamela Sandbothe, Controller  
**Phone Number:** 573-522-3471



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2021-012

Medicaid SPPC Participant Choice Agreements

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

The DSDS did not have effective controls in place to ensure Participant Choice Agreements were obtained and/or retained for participants of the State Plan Personal Care (SPPC) program. A Participant Choice Agreement was not retained for 5 participants reviewed.

**Recommendation:**

The DHSS through the DSDS implement procedures to ensure a signed Participant Choice Agreement is obtained and retained for all participants of the State Plan Personal Care program.

**Status of Finding:**

The corrective actions have all been implemented as outlined. DHSS continues to utilize the Provider Reassessment Case Record Review Tool to review all reassessments and care planning completed by provider reassessors. A copy of the completed review is sent via email to the provider for each case. The tool details any areas of education or remediation needed. Missing forms such as the Participant Choice Statement are considered a critical remediation, meaning the case may not be authorized until the remediation is completed.

The new Quality Unit position is working closely with the Provider Reassessor Review team to ensure accuracy and consistency amongst reviewers. In September 2022 a new tool was implemented to evaluate each of the provider reassessor reviewers. This tool allows the DHSS Quality Unit to look at the provider reassessor review team similar to how the providers are reviewed. This tool brings a consistent approach to oversight completed by both the Quality Unit and the review team supervisors. The aggregated information will be provided quarterly to staff highlighting areas of needed improvement.

**Contact Person:** Melanie Highland  
**Phone Number:** 573-526-3627



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Summary Schedule of Prior Audit Findings  
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**2021-013.**                      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)

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

**Recommendation:**

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

**Status of Finding:**

As noted in the Corrective Action Plan (CAP) of June 2022, the Section for Long Term Care Regulation (SLCR) has procedures in place to ensure surveys and certifications are performed in accordance with the State Operations Manual. The DHSS secured some additional federal funding in order to contract for a number of surveys through the end of calendar year 2022.

The contracts were sent to the vendors on September 23, 2022 and were executed by the end of September, 2022. The contractors completed 13 health recertification surveys between October 2022 and December 2022. In addition, the DHSS requested an increase in general revenue funds to increase surveyor salaries to improve recruitment and retention, reduce vacancies, and to ensure recent salary increases and increases in workload are fully funded. This specific request was not approved, but rather incorporated into the overall salary increases for state employees. This increase, however, was not adequate in improving recruitment and retention efforts, especially for Registered Nurses. In addition, CMS has informed the DHSS there will be no increase in federal funding for Federal Fiscal Year 2023.

**Contact Person:**        Shelly Williamson, Administrator, Section for Long Term Care  
                                    Regulation, Division of Regulation and Licensure  
**Phone Number:**        573-526-4872



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**2021-014.** Medicaid Developmental Disabilities Comprehensive Waiver Per Diem Rates

**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 Mental Health (DMH) - Division of Developmental Disabilities (DD)  
**Similar Findings:** 2020-005, 2019-007, 2018-014, 2017-017, 2016-006, and 2015-015

The DD continued to pay historical per diem rates to providers for residential habilitation services provided to participants of the Home and Community Based Services (HCBS), Developmental Disabilities Comprehensive Waiver (Comprehensive Waiver) program, but did not retain adequate documentation to support these rates. As a result, the DD could not demonstrate some amounts paid were allowable costs of the Comprehensive Waiver program.

**Recommendation:**

The DMH through the DD continue to transition all per diem rates paid to providers for residential habilitation services provided under the Comprehensive Waiver program from historical rates to acuity-based rates and ensure documentation to support per diem rates is maintained as required.

**Status of Finding:**

The Division of Developmental Disabilities (DD) anticipates CMS will suspend the disallowance for this finding, as it did with previous findings 2020-005, 2019-007, and 2018-014, pending completion of a corrective action plan that has been approved by Division of DD. The result of the corrective action plan will be to align rates paid to providers with the approved rate methodology for this service based on a market based rate study completed by DD and the state's actuarial firm, Mercer. During state fiscal year 2022, all per diem rates had been increased to the lower bound acuity-based rates based on the 2018 Mercer Rate Study. During state fiscal year 2023, all per diem rates will be further increased to the upper bound acuity-based rates based on the 2018 Mercer Rate Study trended forward to SFY 2024.

**Contact Person:** Brad Fawl, Audit Director  
**Phone Number:** 573-751-8052



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**2021-015.**                      GEER Fund Annual Performance Reporting

**Federal Agency:**            Department of Education  
**Federal Program:**        84.425C COVID-19 - Governor's Emergency Education Relief (GEER) Fund  
**State Agency:**            Department of Elementary and Secondary Education (DESE)

The DESE did not report subaward information in its annual performance report of the GEER Fund for the period March 13 through September 30, 2020.

**Recommendation:**

The DESE ensure accurate annual performance reports are submitted for the GEER Fund.

**Status of Finding:**

All previous reports have been corrected and resubmitted. DESE has reviewed, strengthened, and is enforcing policies and procedures regarding accurate and timely report submission.

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



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**2021-016.** DESE FFATA Reporting

**Federal Agency:** Department of Education  
**Federal Program:** 84.425C COVID-19 - Governor's Emergency Education Relief (GEER) Fund  
84.425D COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund  
**State Agency:** Department of Education and Secondary Education (DESE)

During state fiscal year 2021, the DESE did not comply with Federal Funding Accountability and Transparency Act (FFATA) reporting requirements for any of the subawards reviewed for the GEER Fund and the ESSER Fund grants.

**Recommendation:**

The DESE complete FFATA reporting for the GEER Fund and the ESSER Fund in accordance with the applicable requirements.

**Status of Finding:**

All previous reports have been corrected and are ready to submit. However, DESE is unable to submit due to a previous open report that the Federal Government has to close and then delete to prevent duplicate reporting. DESE has tried to submit the report multiple times without success. DESE has reached out to FSRS for assistance in resolving this issue, and continues to communicate with the FSRS team.

DESE has reviewed, strengthened, and is enforcing policies and procedures regarding accurate and timely report submission.

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



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**2021-017.**                      Special Education Cluster Subrecipient Monitoring

**Federal Agency:**        Department of Education  
**Federal Program:**        84.027 Special Education Grants to States  
                                     84.173 Special Education Preschool Grants  
**State Agency:**            Department of Elementary and Secondary Education (DESE)

The DESE needed to strengthen internal controls to ensure compliance with subrecipient monitoring requirements. The DESE did not perform subrecipient monitoring reviews in accordance with its monitoring guide for the Special Education Cluster. The DESE did not perform the required on-site/virtual monitoring visits for 7 Local Education Agencies (LEAs) categorized as high-risk. In addition, 2 reviews were incomplete and DESE personnel had not timely followed up with the LEAs about outstanding items necessary to complete the reviews.

**Recommendation:**

The DESE strengthen controls and procedures to ensure subrecipients of the Special Education Cluster are monitored in accordance with the monitoring guide.

**Status of Finding:**

DESE has reviewed, strengthened, and is enforcing policies and procedures in accordance with the Special Education monitoring guide.

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





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**2021-018.**

DESE SEFA

**Federal Agency:** Department of Education  
**Federal Program:** 10.555 COVID-19 - National School Lunch Program  
10.555 - National School Lunch Program  
84.425C COVID-19 - Governor's Emergency Education Relief (GEER) Fund  
84.126 Rehabilitation Services Vocational Rehabilitation Grants to States  
96.001 Social Security Disability Insurance  
**State Agency:** Department of Elementary and Secondary Education (DESE)

The DESE's controls and procedures related to the preparation of the schedule of expenditures of federal awards (SEFA) were not sufficient, and as a result, expenditures reported on the DESE SEFA submitted to the Office of Administration - Division of Accounting (DOA) for inclusion in the statewide SEFA for the year ended June 30, 2021, were misstated.

**Recommendation:**

The DESE implement controls and procedures to prepare and submit an accurate SEFA to the DOA.

**Status of Finding:**

DESE has reviewed, strengthened, and is enforcing policies and procedures regarding accurate SEFA submissions.

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



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**2021-019.** Department of Labor and Industrial Relations UInteract System Controls

**Federal Agency:** Department of Labor  
Department of Homeland Security  
**Federal Program:** 17.225 COVID-19 - Unemployment Insurance  
17.225 Unemployment Insurance  
97.050 COVID-19 - Presidential Declared Disaster Assistance to Individuals and Households - Other Needs  
**State Agency:** Department of Labor and Industrial Relations (DOLIR)  
**Questioned Costs:** \$86,500

The DOLIR's UInteract system controls were not sufficient to prevent or detect improper payments authorized by an employee totaling approximately \$123,000 during fiscal years 2020 and 2021. We questioned the overpayments totaling \$86,500 during the year ended June 30, 2021.

**Recommendation:**

The DOLIR implement the confidentially communicated recommendations for improving UInteract system controls and correct the improper payments.

**Status of Finding:**

Corrective Action was taken.

**Contact Person:** Julie Coon  
**Phone Number:** 573-751-3136



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**2021-020.**

SEMA Suspension and Debarment Procedures

**Federal Agency:** Department of Homeland Security - Federal Emergency Management Agency  
**Federal Program:** 97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)  
**State Agency:** Department of Public Safety - State Emergency Management Agency (SEMA)

During the year ended June 30, 2021, the SEMA did not have adequate procedures to ensure the timely verification that subrecipients of the Disaster Grants - Public Assistance (Presidentially Declared Disasters) (DGPA) program were not suspended or debarred.

**Recommendation:**

The SEMA should continue to strengthen and enforce internal controls over suspension and debarment requirements to verify each subrecipient of the DGPA program was not suspended or debarred prior to approving funding.

**Status of Finding:**

Corrected and Closed

**Contact Person:** Nikol Enyart  
**Phone Number:** 573-526-9136



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2021-021.

SEMA FFATA Reporting

**Federal Agency:** Department of Homeland Security - Federal Emergency Management Agency  
**Federal Program:** 97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)  
**State Agency:** Department of Public Safety - State Emergency Management Agency (SEMA)

The SEMA needed to strengthen internal controls related to Federal Funding Accountability and Transparency Act (FFATA) reporting for the Disaster Grants - Public Assistance (Presidentially Declared Disasters) program. During state fiscal year 2021, the SEMA did not comply with FFATA reporting requirements for any of the subawards reviewed. The SEMA's policies and procedures over the FFATA reporting process do not include procedures for compiling subaward data or requiring a documented supervisory review of information updated to the FFATA Subaward Reporting System (FSRS).

**Recommendation:**

The SEMA strengthen internal controls related to FFATA reporting to include formal written policies and procedures for compiling subaward data and documented supervisory reviews of the information reported to the FSRS for the Disaster Grants - Public Assistance (Presidentially Declared Disasters) program. In addition, the SEMA should complete FFATA reporting in accordance with the applicable requirements.

**Status of Findings:**

Corrected and Closed

**Contact Person:** Nikol Enyart  
**Phone Number:** 573-526-9136



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**2021-022.**

**MoDOT FFATA Reporting**

**Federal Agency:** Department of Transportation  
**Federal Program:** 20.106 COVID-19 - Airport Improvement Program and COVID-19 Airports Programs  
20.106 Airport Improvement Program and COVID-19 Airports Programs  
**State Agency:** Missouri Department of Transportation (MoDOT)

The MoDOT needed to strengthen internal controls related to Federal Funding Accountability and Transparency Act (FFATA) reporting for the Airport Improvement Program (AIP). The MoDOT's formal written policies and procedures over the FFATA reporting process did not include procedures for compiling subaward data to be uploaded to the FFATA Subaward Reporting System (FSRS). In addition, documented supervisory reviews of information uploaded to the FSRS were not always performed.

**Recommendation:**

The MoDOT strengthen internal controls related to FFATA reporting to include formal written policies and procedures for compiling subaward data, and perform documented supervisory reviews of the information reported to the FSRS for the Airport Improvement Program.

**Status of Finding:**

MoDOT has strengthened internal controls related to FFATA reporting which includes formal written policies and procedures for compiling subaward data and documented supervisor reviews of the information reported to the FSRS for the Airport Improvement Program.

**Contact Person:** Todd Grosvenor

**Phone Number:** 573-751-4626



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**FS2021-001.**                      Department of Revenue Financial Reporting Controls

**State Agency:**                Department of Revenue (DOR)

The DOR did not have adequate controls and procedures over financial reporting of sales and use tax accounts receivable. As a result, net accounts receivable and related liability balances submitted to the Office of Administration - Division of Accounting (DOA) for inclusion in the *Missouri Annual Comprehensive Financial Report* for the year ended June 30, 2021, were misstated.

**Recommendation:**

The DOR implement controls and procedures to prepare and submit accurate sales and use tax accounts receivable reports to the DOA.

**Status of Finding:**

Corrective actions were taken as stated in the State Auditor's Office Report 2022-22 titled State of Missouri Comprehensive Annual Financial Report on Internal Control, Compliance, and Other Matters Year Ended June 30, 2021.

**Contact Person:** Lindsey Herigon  
**Phone Number:** 751-5236



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**FS2021-002.** Department of Natural Resources Capital Asset Controls

**State Agency:** Department of Natural Resources (DNR)

The DNR did not have adequate controls and procedures over reporting capital assets in the statewide accounting (SAM II) system. If the accounting system errors had not been identified during the audit, Government Wide - Business Type Activities and Non-Major Enterprise Fund accumulated depreciation of capital assets would have been overstated and net capital assets would have been understated in the *Missouri Annual Comprehensive Financial Report* for the year ended June 30, 2021.

**Recommendation:**

The DNR strengthen controls and procedures to ensure capital assets are accurately reported in the SAM II system

**Status of Finding:**

Future period depreciation and the useful life were corrected for the capital assets in question. Procedures were implemented in December 2021 to monitor the depreciation of assets on a monthly basis.

**Contact Person:** Darcy A. Bybee  
**Phone Number:** (573) 751-1117



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**FS2021-003.**                      Department of Social Services Financial Reporting Controls

**State Agency:**                Department of Social Services (DSS)

The DSS - Division of Finance and Administrative Services (DFAS) did not have adequate controls and procedures over financial reporting of federal grant accounts receivable. As a result, accounts receivable data submitted to the Office of Administration - Division of Accounting (DOA) for inclusion in the *Missouri Annual Comprehensive Financial Report* for the year ended June 30, 2021, was misstated.

**Recommendation:**

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

**Status of Finding:**

Starting with the completion of the SFY 2022 ACFR Accounts Receivable reporting, the DSS will use the Temporary Assistance federal financial report to ensure accurate accounts receivable reporting.

**Contact Person:**              Melanie Myers  
**Phone Number:**              573-522-2528





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**FS2021-004.** Department of Labor and Industrial Relations UInteract System Controls

**State Agency:** Department of Labor and Industrial Relations (DOLIR)

The DOLIR needed to improve certain UInteract system controls. System controls were not sufficient to prevent or detect improper payments authorized by an employee totaling approximately \$123,000 during fiscal years 2020 and 2021.

**Recommendation:**

The DOLIR implement the confidentially communicated recommendations for improving UInteract system controls and correct the improper payments.

**Status of Finding:**

Corrective action was taken.

**Contact Person:** Julie Coon

**Phone Number:** 573-751-3136



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**2020-004.**                      Adoption Assistance Eligibility and Payments

**Federal Agency:**            Department of Health and Human Services  
**Federal Program:**           93.659 Adoption Assistance  
**State Agency:**             Department of Social Services (DSS) - Children's Division (CD) and Division of  
Finance and Administrative Services (DFAS)  
**Questioned Costs:**        \$14,465 (2020)  
**Similar Findings:**        2019-001 and 2018-004

The DSS made payments on behalf of ineligible children and did not have sufficient controls to prevent and/or detect certain unallowable payments. The CD made payments on behalf of some ineligible children with backdated subsidy agreements, and made an unallowable payment for an additional child.

**Recommendation:**

The DSS through the CD and the DFAS enforce policies and procedures regarding Adoption Assistance payments. The DSS should review and correct the eligibility and payments for the children identified in this finding.

**Status of Findings:**

The DSS previously addressed this finding, therefore DSS disagrees with the current recommendation. The Department implemented new processes in FY 2008 regarding backdating subsidy agreements as stated in prior audit responses. Additionally, as noted by the SAO, DHHS – Administration for Children and Families (ACF) has issued decision letters regarding this matter. The DSS continues to provide new worker and refresher trainings to adoption assistance staff regarding adoption assistance agreement requirements and quality assurance reviews to ensure service start dates of the agreement are as of or after the Director's signature on the agreement and ensuring start dates are on or prior to the date of adoption to assure eligibility for IV-E Adoption funds. The DSS continues provide training to Title IV-E Benefit Program Specialists on reviewing adoption assistance payments to ensure they are allowable. DSS also has internal steps in place to ensure agreements have proper signatures and effective dates.

Payments for the children identified in this finding were fund recouped from Title IV-E Adoption Assistance funding on February 9, 2021, and were reflected as a decreasing adjustment on the QE 03/31/2021 grant reports. ACF confirmed that all questioned costs from the finding were received and considered resolved.

Additionally, DSS gathered a listing of all Title IV-E Adoption Assistance cases opened in May 2008 and earlier that continue to be active for Title IV-E Adoption Assistance payments in SFY 2022. The DSS is in the process of reviewing documentation and conducting case reviews to ensure allowability of claiming to the Title IV-E Adoption Assistance program for each case.

Contact Person:    Jodi Lodewegen  
Phone Number:    573-526-2046



State of Missouri - Single Audit  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2022

**2019-004.** CSBG Program Reporting

**Federal Agency:** Department of Health and Human Services  
**Federal Program:** 93.569 Community Services Block Grant (CSBG)  
**State Agency:** Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)

The DSS did not have adequate procedures for preparation of the annual CSBG program federal financial report (SF-425), and as a result, amounts on the interim SF-425 report were misstated for the federal fiscal year ended September 30, 2018 (FFY18) grant. On the FFY18 grant interim SF-425 report, the DFAS reported unliquidated obligations as the total unspent FFY18 grant award of \$11.6 million rather than the total unpaid FFY18 contract amounts of \$3.8 million. By incorrectly reporting unliquidated obligations as the unspent FFY18 grant award, the DFAS overstated unliquidated obligations and understated the resulting unobligated balance at September 30, 2018, by about \$7.8 million.

**Recommendation:**

The DSS through the DFAS establish controls and procedures to ensure CSBG program federal financial reports are accurately prepared in accordance with federal requirements. In addition, the DSS should review, revise, and resubmit previously submitted inaccurate federal reports.

**Status of Finding:**

The DSS disagrees with this finding. In accordance with the DSS' 12/21/2018 response letter to the Administration for Children and Families (ACF) CSBG Missouri State Assessment Draft Monitoring Report, the accounting methodology employed for drawing and disbursing the CSBG award funds to eligible entities was based on the "first-in, first-out" approach. While the DSS contended the accounting records and methodologies were in compliance with the general terms and conditions of the grant and 45 CFR 75.309(a)(b), it acknowledged ACF's request to discontinue the "first-in, first-out" approach. On 6/26/2019 following issuance of the ACF CSBG Missouri State Assessment Final Monitoring Report, the DSS again acknowledged ACF's request to discontinue use of the "first-in, first-out" accounting method and confirmed the work being completed with the Community Action Agencies and other internal actions to affect the change that was implemented on October 1, 2019. As such, the difference between records referenced in the finding is due to the accounting methodology employed for drawing and disbursing CSBG award funds to eligible entities during the referenced time period.

Additionally, on September 30, 2020, the DSS awarded a contract for an independent and objective audit to be conducted on the FFY 2016 CSBG grant award. This audit was conducted and the conclusion was DSS claim was accurate and supported.

Corrective action planned is as follows: Not applicable. The DSS disagrees with this finding and does not plan to resubmit the previously submitted FFY 18 federal reports.

**Contact Person:** Pat Luebbering  
**Phone Number:** 573-751-7533

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# State of Missouri - Single Audit

## Corrective Action Plans

### Year Ended June 30, 2022

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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.



State of Missouri - Single Audit  
Corrective Action Plans  
Year Ended June 30, 2022

Michael L. Parson  
Governor

Kenneth J. Zellers  
Commissioner



State of Missouri  
**OFFICE OF ADMINISTRATION**  
Division of Accounting  
570 Truman Building, 301 West High Street  
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Stacy Neal  
Director

## 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, 2022. Each Corrective Action Plan was prepared by the State agency noted.



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**State of Missouri  
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State Agency: Department of Revenue (DOR)

Audit Finding Number: FS2022-001 Department of Revenue Financial Reporting Controls

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

Anticipated completion date for corrective action: April 17, 2023

Corrective action planned is as follows:

The Department of Revenue is aware of the concerns noted in the State Auditor's Office (SAO) finding regarding controls and procedures over the financial reporting of certain governmental and custodial fund financial activities. The Department of Revenue experienced significant turnover in the Administration Division during the fiscal year ended June 30, 2022, and as a result, the two-step review, established in the prior fiscal year, did not ensure our financial reports submitted to the Office of Administration – Division of Accounting (DOA) and SAO were accurate. The Department of Revenue took immediate corrective action by resubmitting the financial reports to the DOA, continuing to use our two-step review process, providing additional cross-training to team members, and maintaining adequate supporting documentation for all financial reports being submitted to the DOA and the SAO. The Department of Revenue will ensure all financial reports are submitted accurately to the DOA and SAO in the future.



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

Audit Finding Number: FS2022-002 Department of Social Services Financial Reporting Controls – Medicaid Payments

Name of the contact person responsible for corrective action: Becky McCarthy

Completion date for corrective action: December 23, 2022

Recommendation: The DSS through the MHD and the DFAS strengthen controls and procedures to prepare and submit accurate Medicaid payment reports to the DOA.

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

Corrective action planned is as follows: MO HealthNet and Research and Evaluation staff have worked together to update coding on the reports used in the creation of the Annual Comprehensive Financial Report to include the Medicaid Expansion group.



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

Audit Finding Number: FS2022-003 Department of Social Services Financial Reporting Controls – Medicaid Accounts Receivable

Name of the contact person responsible for corrective action: Becky McCarthy

Anticipated completion date for corrective action: October 1, 2023

Recommendation: The DSS through the MHD and the DFAS strengthen controls and procedures to prepare and submit accurate Medicaid accounts receivable reports to the DOA

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

Corrective action planned is as follows: MO HealthNet staff will examine the methodology used in the creation of the Medicaid accounts receivable report and will adjust accordingly. MO HealthNet and DFAS staff will continue to ensure reviews are completed.





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**State of Missouri  
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State Agency: Department of Social Services (DSS)

Audit Finding Number: FS2022-004 – Department of Social Services Financial Reporting Controls – Accounts Payable

Name of the contact person responsible for corrective action: Angela Wallace

Anticipated completion date for corrective action: February 2023

Recommendation: The DSS through the DFAS strengthen controls and procedures to prepare and submit accurate accounts payable reports to the DOA.

DSS Response: The Department of Social Services (DSS) agrees with the SAO's recommendation. In prior years, the ACFR Accounts Payable (AP) procedures in place took a significant amount of staff time to complete. Therefore, the DSS did change the procedures starting with the SFY 2022 reporting. The updated procedures were designed to align with those of other state departments with the overall goal to improve efficiencies within the Accounts Payable Unit. This change, in turn, allowed for enhanced processes in other areas of the unit.

Upon feedback from the SAO, the DSS did further refine the procedures for the SFY 2022 reporting. With the refined procedures, the DSS did submit revised ACFR AP reports to the Division of Accounting.

Corrective action planned is as follows: Effective January 9, 2023, the DSS Accounts Payable staff started including the service dates and/or received dates on the Line Description field of the payment in preparation of the completion of the SFY 2023 ACFR. Effective February 2023, the DSS has updated the written ACFR AP procedures to document the changes made.



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State Agency: Department of Natural Resources

Audit Finding Number: FS2022-005 Department of Natural Resources Financial Reporting Controls

Name of the contact person responsible for corrective action: Darcy A. Bybee

Anticipated completion date for corrective action: Immediately

Corrective action planned is as follows:

Department management agrees with the recommendation. In the future, we will ensure duplicate entries are not included in the information compiled from the State Revolving Fund System Reports and that the totals reconcile to the State's Accounting System prior to submission of the loans receivable ACFR survey to the Office of Administration.



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State Agency: Secretary of State

Audit Finding Number: FS2022-006 Office of Secretary of State Financial Reporting Controls

Name of the contact person responsible for corrective action:

Anticipated completion date for corrective action:

Corrective action planned is as follows:

The agency does not agree with the audit findings and corrective action is not required. Explanation and specific reasons are as follows:

The Secretary of State's Office (SOS) reported to the Office of Administration, Division of Accounting (DOA) an accurate amount of fines and penalties owed and will not misrepresent what is owed to aggrieved Missourians. The State Auditor's Office notes the estimation of un-collectibles is for financial reporting purposes only. As the ACFR is a product of the DOA, the SOS does not control how the financial report is presented. SOS disagrees with the selective reading of the Governmental Accounting Standards Board (GASB) Statement No.33. Each year the SOS is required to report the amount of civil penalties listed as receivables to DOA for inclusion in the Annual Comprehensive Financial Report (ACFR). These amounts are owed by violators of securities laws enforced by the SOS Securities Division. All receivables related to said violators are valid penalties until paid for by the bad actors who committed the violations.



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State Agency: Department of Labor & Industrial Relations (DLIR)

Audit Finding Number: FS2022-007 Department of Labor and Industrial Relations Financial Reporting Controls

Name of the contact person responsible for corrective action: Julie Coon

Anticipated completion date for corrective action: December 1, 2023

Corrective action planned is as follows:

The DLIR agrees with the finding and has corrected the net position misstatements. The misstatement is related to increase volume of COVID-19 pandemic unemployment programs, when the department was processing an unprecedented amount of benefits and time did not allow for adequate review and corrections. DLIR is working with OA ITSD and generating financial data queries to compare UInteract monthly and yearly reports which allows DLIR to review and correct discrepancies sooner which will prevent future delays and allow for timely reporting.



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State Agency: Office of Administration Division of Accounting

Audit Finding Number: FS2022-008 Office of Administration Financial Reporting  
Controls – Fund Balance Classifications

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

Anticipated completion date for corrective action:

Corrective action planned is as follows:

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

While the Division of Accounting agrees there was an error in the draft document, the Division of Accounting was not provided the opportunity to complete the managerial review and internal control procedures already in place before the finding was decided based on a draft document.

(If you agree with the audit findings, please delete this section)



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State Agency: Office of Administration

Audit Finding Number: FS2022-009 – Office of Administration SAMII Transaction Approvals

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

Anticipated completion date for corrective action: February 2023

Corrective action planned is as follows:

Periodic reviews will be performed and OA will continue to provide oversight of user accounts. We are currently implementing MOVERS to replace the existing ERP system, which will reduce if not eliminate conflicts with security access.



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

Audit Finding Number: 2022-001 – Medicaid National Correct Coding Initiative (NCCI)

Name of the contact person responsible for corrective action: Becky McCarthy

Completion date for corrective action: July 1, 2022

Recommendation: The DSS through the MHD continue to strengthen controls over the NCCI requirements to ensure NCCI edits are fully implemented and reprocess claims paid when edits are not implemented timely, as required.

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

Corrective action planned is as follows: MO HealthNet has fully implemented the NCCI edits in the Medicaid Management Information System (MMIS) as of July 1, 2022. This was the date stated as the anticipated completion date in the corrective action plan from the SFY 2021 audit finding.



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

Audit Finding Number: 2022-002 – Medicaid and CHIP MAGI-Based Participant Eligibility

Name of the contact person responsible for corrective action: Heather Atkins

Anticipated completion date for corrective action: N/A

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

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

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

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

During the PHE, the DSS did not conduct reviews of cases that did not report current changes. In accordance with CMS guidance, effective April 1, 2023, Missouri is unwinding from the PHE by completing annual reviews for all MO





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HealthNet cases over twelve months. At the time of the review of each case, the DSS will appropriately end MO HealthNet eligibility for all individuals determined to no longer be eligible.



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

Audit Finding Number: 2022-003 – Medicaid and CHIP Eligibility Determination Timeliness

Name of the contact person responsible for corrective action: Heather Atkins

Anticipated completion date for corrective action: Completed

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

DSS Response: The DSS agrees with this finding. During SFY 2022, DSS experienced significant delays in completing determinations of eligibility at application, resulting in sizable backlogs and applications pending beyond the timeframes permitted in regulation. Due to this, Missouri collaborated with CMS to mitigate the backlog. As of September 30, 2022, DSS has completed processing of all overdue applications. The mitigation plan is located at <https://www.medicaid.gov/medicaid/eligibility/downloads/missouri-mitigation-plan.pdf>.

Since DSS completed the processing of all overdue applications as of September 30, 2022, the DSS is completing applications within the established timeframes outlined in 42 CFR 435.912(c)(3) and 42 CFR 457.340(d) and continues to ensure participant eligibility is determined within the required timeframes.

To remain in compliance with established processing timeframes, DSS is leveraging new and available technologies. These technologies are intended to assist the department and participants with necessary actions such as submitting applications, verifying income and resources, and providing required information.

Corrective action planned is as follows: As noted above, as of September 30, 2022, DSS has completed processing of all overdue applications; therefore, no further corrective action is need.



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

Audit Finding Number: 2022 -004 – DSS Cost Allocation

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

Anticipated completion date for corrective action: N/A

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

DSS Response: The DSS partially agrees with this finding.

Effective October 1, 2017, the DSS transitioned from utilizing an indirect cost rate methodology to manually allocate costs within spreadsheets to implementing a Public Assistance Cost Allocation Plan (PACAP) to directly allocate costs through cost pools/centers within an automated proprietary cost allocation system. Implementation of a thoroughly documented PACAP coupled with the automated calculations within the AlloCAP system demonstrated DSS' efforts to strengthen internal controls and processes of cost allocation and claims for federal financial participation.

Statewide single audits subsequent to the implementation did not identify any deviations to indicate the DSS did not effectively design, implement, or put controls in place to prevent detection of non-compliance.

The DSS has continued to adhere to written procedures and maintain strong internal controls and further implemented SAO recommendations to provide evidence of the management review process through documented (signed) reviews.

The DSS agrees a calculation error was made; however, it is the result of an isolated error that occurred during design and development of the new cost allocation system. It is for this reason the DSS partially agrees with the finding as the error is an isolated exception and not indicative of the strength of current internal controls.



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Corrective action planned is as follows: The DSS previously implemented the SAO's recommendations to further strengthen internal controls and will continue to adhere to these processes. As the DSS has already implemented the change to the statistical methodology used for the CD RMTS and revised the impacted federal financial reports, no further corrective action is required.



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State Agency: Department of Social Services (DSS) – Family Support Division (FSD)

Audit Finding Number: 2022-005 – Pandemic Electronic Benefit Transfer Food Benefits

Name of the contact person responsible for corrective action: Elizabeth Roberts-Smith

Anticipated completion date for corrective action: Completed

Recommendation: The DSS through the FSD strengthen internal controls to ensure P-EBT program benefit issuances are in accordance with the state plan, and review and correct the overpayments for the children identified in this finding.

DSS Response: The DSS agrees with this finding. The DSS agrees that the two children identified in the report were incorrectly issued benefits.

Recognizing the complexity for families seeking to appropriately access the benefit, the process by which school children are determined eligible and issued P-EBT benefits was modified in the state plan submitted by the State of Missouri to the Food and Nutrition Service (FNS) for the 2021-2022 school year. The P-EBT state plan for the 2021-2022 school year was approved by FNS on June 6, 2022.

Eligibility for P-EBT is now determined at the individual child level based on COVID-related absences and qualification for federal free and reduced lunch benefits. For the 2021-2022 school year, local education authorities (LEA's) submit lists of students determined eligible to the Missouri Department of Elementary and Secondary Education (DESE). DESE then submits the approved eligibility file to DSS with the name of each eligible child and the amount of benefit to be issued on a P-EBT card. DSS then issues the benefit.

Corrective Action is as follows: DSS has reviewed the overpayments and referred the children identified in this finding to the Missouri Program Integrity Unit (PIU) for claims processing, if the funds can be recovered. This is outlined in the FNS approved Missouri P-EBT state plan.



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

Audit Finding Number: 2022 -006 – DSS Federal Funding Accountability and Transparency Act (FFATA) Reporting

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

Anticipated completion date for corrective action: N/A

Recommendation: The DSS through the DFAS strengthen internal controls related to FFATA reporting by having supervisors maintain documentation of reviews performed of the information reported to the FSRS. In addition, the DFAS should timely complete FFATA reporting in accordance with the applicable requirements.

DSS Response: The DSS partially agrees with this finding. The DSS does not agree that documentation of supervisory reviews directly correlates to strong internal controls. The DSS adheres to formalized procedures for FFATA reporting which includes managerial oversight and contends documented reviews may be preferred but are not required by regulation. The DSS experienced a transition of staff during the timeframe in question and the FSRS system does not permit users to access and compliance data or reports uploaded in the system by an alternate user.

The FFATA does not impose a deadline on federal awarding agencies to report federal award information in FSRS. Additionally, the FFATA does not impose a deadline on direct recipients to report the subaward of secondary federal awards issued beyond the month following the original obligation date. Therefore, the timeliness of DSS' FFATA reports is also dependent on the date the federal awarding agency makes the federal award information available in FSRS.

These circumstances allowed for exceptions identified. The DSS has or will upload reports for all exception items to ensure the information is available in USA Spending.

Corrective action planned is as follows: The DSS will continue to adhere to written procedures and maintain strong internal controls to maintain FFATA reporting compliance based on available guidance.



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

Audit Finding Number: 2022-007 Medicaid Facility Survey Timeliness

Name of the contact person responsible for corrective action:

Shelly Williamson, Administrator, Section for Long Term Care Regulation,  
Division of Regulation and Licensure

Anticipated completion date for corrective action: December 31, 2023

Corrective action planned is as follows:

As The Missouri Department of Health and Senior Services (DHSS) returned to surveying activity following the survey suspension imposed during the Public Health Emergency, it found the gap between surveys has resulted in an increase in both the number of and the severity of violations in long term care facilities. These increases have caused greater time being devoted to investigating these violations and the attendant write up activity, including the Statement of Deficiency. In addition, the number of serious complaints has risen significantly since the pandemic. For example, the number of complaints prioritized as immediate jeopardy (requiring initiation within 24 hours of receipt) has increased by 194% since 2019. Because of the seriousness of these complaints, often surveyors have to be reassigned to investigate these complaints, which results in a delay in conducting revisits or sending statements of deficiencies timely.

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 a Registered Nurse and due to the nature of many complaints, a Registered Nurse must also complete these investigations. There has been no meaningful increase in the federal budget since 2015, which further impacts the ability to hire and retain Registered Nurses. In addition, there is an ongoing 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. The shortage also limits the number of available candidates, and



State of Missouri - Single Audit  
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candidates routinely will not apply for positions or even show up for interviews because of the salary gap.

In order to attempt to meet these time frames, DHSS has and will continue to request additional funding from both federal and state sources to increase salaries across the board for Registered Nurses and other survey staff.

As a short-term, time-limited solution possible through one-time additional funding from the Centers for Medicare and Medicaid Services, DHSS has contracted with third-party entities to complete recertification surveys so that DHSS staff can continue to focus on completing work timely.





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

Audit Finding Number: 2022-008 ELC Program Subrecipient Monitoring

Name of the contact person responsible for corrective action: Jennifer Harrison,  
Senior Program Specialist

Anticipated completion date for corrective action: March 2024

Corrective action planned is as follows: DHSS through DCPH will continue to perform monitoring reviews in accordance with the ELC program monitoring plan.



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

Audit Finding Number: 2022-009 DESE FFATA Reporting

Name of the contact person responsible for corrective action: Shelley Woods,  
Chief Operations Officer

Anticipated completion date for corrective action: June 30, 2024

Corrective action planned is as follows:

All previous reports have been corrected and are ready to submit. However, DESE is unable to submit due to a previous open report that the Federal Government has to close and then delete to prevent duplicate reporting. DESE has tried to submit the report multiple times without success. DESE has reached out to FSRs for assistance in resolving this issue, and continues to communicate with the FSRs team. DESE is unable to resolve the reporting issue until the Federal Government takes action on our help tickets.

DESE has reviewed, strengthened, and is enforcing policies and procedures regarding accurate and timely report submission.