



Tab 23

Overview of Recent Audit Reports

Coordinating Board for Higher Education
June 17, 2020

BACKGROUND

DHEWD undergoes routine annual audits by the following entities:

- 1) State Auditor's Office (SAO) – The SAO determines which funds have the most significant amount of activity and tests transactions from those funds during its annual Statewide Financial Statements Audit (SEFA). Within DHEWD, the loan program, the state financial aid funds, and federal funds administered by the Office of Workforce Development typically have activity at a level that the SAO considers significant. The SAO conducts the SEFA of these funds and includes the findings in its comprehensive annual financial report (CAFR).
- 2) United States Department of Education (USDE) – The USDE performs on-site reviews of the Missouri Student Loan Program (MSLP) information security controls, as well as requires the department to submit self-assessments of information security controls each year.
- 3) RubinBrown – Through a contract awarded by the Office of Administration, RubinBrown audits the MSLP's annual comparative financial statements. An independent audit is required by the USDE of all guaranty agencies; the department must submit a copy of its audited financial statements to the USDE each year.

CURRENT STATUS

USDE conducted its Program Review of DHEWD's Student Loan Program loan servicer, Ascendium Education, on-site at Ascendium, July 16-19, 2019. During the exit conference there were no findings identified. DHEWD received the final audit report with no findings. A copy of the report is attached.

Missouri was selected, along with 12 other guaranty agencies, to complete a 2020 Self-Assessment of our security controls. DHEWD staff originally had between February and May of 2020 to complete the self-assessment. Due to the COVID-19 crisis, the completion deadline was extended until July 31, 2020. DHEWD last completed the Self-Assessment in 2017 and it had 580+ questions covering all NIST 800-53 control families.

DHEWD staff continue to work with the USDE on resolving findings in the USDE Information Security Audit. There are three findings remaining, CP-4 is due by July 7, 2020 and RA-5 and SI-2 are due by September 7, 2020. CP-4 is related to the ITSD disaster recovery testing exercise that is required. Due to the ongoing COVID-19 situation, ITSD postponed the exercise until August. RA-5 and SI-2 are both related to vulnerability testing. DHEWD and ITSD implemented a new software called Nessus and are now conducting and resolving vulnerability tests. However, the issue remains the transfer of the scans and proof of resolutions to the USDE.

USDE conducted its Program of Review of DHEWD from September 17, 2019 through September 19, 2019 for the period of October 1, 2017 through September 30, 2018. The report identified one finding. A copy of the report is attached. The finding identifies an issue with the DHEWD contract with Ascendium. USDE believes that DHEWD's contract with Ascendium asks Ascendium to do both default aversion and post default collections, in violation of 34 CFR 682.404(j)(4). Due to the coronavirus disrupting work temporarily, DHEWD asked for a 60-day extension to reply to the finding. The response is now due June 1, 2020.

The State Auditor sent a letter to each state agency asking for specific information related to each department's response to the COVID-19 crisis and plans the department has for using funds available from the federal government. The Governor's Office responded on behalf of all state agencies. The SAO responded and then the Governor's Office sent a second response. All correspondence is attached.

NEXT STEPS

DHEWD will continue to work on the USDE Self-Assessment. DHEWD staff believe it will complete the self-assessment by the new July 31, 2020 deadline.

DHEWD will continue to provide the USDE corrective action plans as scheduled required in the DHEWD response to the USDE Information Security Audit. As a result of the postponement of the ITSD disaster recovery testing, DHEWD will ask for an extension of the proposed July 7, 2020 to a date after the ITSD disaster recovery testing.

DHEWD will continue to work with USDE to find an acceptable corrective action to the single finding in the USDE Program Review of DHEWD.

DHEWD will continue to work with the Governor's Office and the SAO to respond appropriately to the SAO request, if necessary.

RECOMMENDATION

This is an information item only.

ATTACHMENTS

- A. USDE Program Review at Ascendium
- B. USDE Program Review of DHEWD
- C. SAO Correspondence



March 9, 2020

Jacqueline Fairbairn
Vice President – Guaranty Services and Support
Ascendium Education Solutions, Inc.
2501 International Lane
Madison, WI 53704

UPS tracking # 1ZA879640294627443

RE: Final Program Review Determination
OPE ID: 75007500
PRCN: 20194065001

Dear Ms. Fairbairn:

The U.S. Department of Education (Department), Financial Institution Oversight Service – Southern Division conducted a review of Missouri Department of Higher Education & Workforce Development’s (MDHEWD) participation in the programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §1071(HEA) at their servicer, Ascendium Education Solutions, Inc. (Ascendium). The review was conducted from July 16, 2019 through July 19, 2019.

Final determinations have been made concerning all documentation provided and reviewed during the program review. The purpose of this letter and attached report is to close the review.

Protection of Personally Identifiable Information (PII):

PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information.

Record Retention

Program records relating to the period covered by the program review must be retained until the later of resolution of the loans, claims, or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 CFR §682.414.

We would like to express our appreciation for the courtesy and cooperation extended during the review. Please refer to the above program review control number (PRCN) in all correspondence relating to this report. If you have any questions concerning this report, please contact Teresa Napier at 214-661-9682 or Teresa.Napier@ed.gov.

Federal Student Aid
AN OFFICE OF THE U.S. DEPARTMENT OF EDUCATION

Financial Institution Oversight Service – Southern Division
Harwood Center-1999 Bryan St, Suite 1610, Dallas, TX, 75201-6817

Jacqueline Fairbairn
Vice President – Guaranty Services and Support
Page 2 of 2

Sincerely,



Cynthia Grooms
Director, Southern Division

Enclosures
Final Program Review Determination

cc: Matt Harlowe, Internal Audit Manager

Zora Mulligan, Commissioner
Missouri Department of Higher Education & Workforce Development

Marla Robertson, Assistant Commissioner
Missouri Department of Higher Education & Workforce Development

Prepared for
Ascendium Education Solutions, Inc.
OPE ID: 75007500
PRCN: 20194065001

Prepared by
U.S. Department of Education
Federal Student Aid
Financial Institution Oversight Service (FIOS) – Southern Division

FINAL PROGRAM REVIEW DETERMINATION

March 9, 2020

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Ascendium Education Solutions, Inc.
OPE ID: 75007500
PRCN: 20194065001

A. Institutional Information

OPE ID Number: 75007500

Program Review Control Number (PRCN): 20194065001

Name and Address:

Ascendium Education Solutions, Inc.
2501 International Lane
Madison, WI 53704

Dates of Review: July 16, 2019 through July 19, 2019

Review Period: October 1, 2017 through September 30, 2018

Institutional Information:

Total Federal Family Education Loan (FFEL) Program Default portfolio as of September 30, 2018: 15,449 borrower accounts totaling \$307,889,891.99 (for Missouri Department of Higher Education & Workforce Development) (MDHEWD)

Systems Used: Great Lakes Guaranty System/ GOALS

Background Information:

Ascendium Education Solutions, Inc. (Ascendium) (formerly Great Lakes Higher Education Guaranty Corporation [GLHEGC]) is a Wisconsin nonstock, nonprofit corporation formed under Chapter 181 of the laws of the State of Wisconsin intended to qualify as a tax-exempt organization within the meaning of Internal Revenue Code (IRC) Section 501(c)(3).

Ascendium conducts activity related to the guarantee of student loans made to postsecondary education students and to their parents in accordance with the FFEL Program established by Title IV, Part B of the U.S. Higher Education Act of 1965, as amended (the Act), and the administration of certain net assets of the Program. Effective November 1, 2014 MDHEWD contracted with Ascendium Education Solutions, Inc. (formerly, Great Lakes Higher Education Guaranty Corporation) to provide guaranty services, including student loan software, data processing and operational support for outstanding FFEL Program loans guaranteed by MDHEWD.

Ascendium Education Solutions entered into a guarantor services agreement with Great Lakes Educational Loan Services, Inc. to provide specified guarantor services which include hosting the GOALS Guaranty System and administrative services. Ascendium Education Solutions held contracts with Performant and Navient to serve as the Master Servicer of Private Collection Agencies during the span of MDHEWD's contract.

B. Scope of Review

The U.S. Department of Education (Department) conducted an on-site review program review of MDHEWD's portfolio serviced at Ascendium from July 16, 2019 through July 19, 2019. The focus of the review was to determine Ascendium's compliance with the statutes and federal regulations as they pertain to the agency's participation in the FFEL Program. The period reviewed was from October 1, 2017 through September 30, 2018.

The review included the following areas:

- Borrower Collections
- Servicemember Civil Relief Act (SCRA)
- Guaranty Agency Procedure Controls
- Claims Paid
- GAFR MR-32

Samples were selected randomly from a statistical sample of the populations listed above, excluding Guaranty Agency Procedure Controls.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in this report concerning Ascendium's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those practices and procedures. Furthermore, it does not relieve Ascendium of its obligation to comply with all of the statutory and regulatory provisions governing the FFEL Programs.

C. Findings and Final Determination

The Department has reviewed all documentation and has made a final program review determination. Based on the review of the documentation and information gathered during interviews, there were no findings or observations.

D. Review Status

This program review is closed.

Prepared for
Missouri Department of Higher Education & Workforce Development
OPE ID: 99972400
PRCN: 20194065004

Prepared by
U.S. Department of Education
Federal Student Aid
Financial Institution Oversight Service (FIOS) – Southern Division

Program Review Report

March 30, 2020

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Missouri Department of Higher Education & Workforce Development
OPE ID: 99972400
PRCN: 20194065004

A. Institutional Information

OPE ID Number: 99972400

Program Review Control Number (PRCN): 20194065004

Name and Address:

Missouri Department of Higher Education & Workforce Development
205 Jefferson Street
11th Floor
Jefferson, MO 65101

Dates of Review: September 17, 2019 through September 19, 2019

Review Period: October 1, 2017 through September 30, 2018

Institutional Information:

Type of agency: State Agency

Designated guarantor for states: Missouri

Total Federal Family Education Loan (FFEL) Program portfolio as of September 30, 2018:
\$307,889,891

Previous FIOS review: March 4, 2014 through March 7, 2014

Functions contracted out: MDHEWD contracts with Ascendium Education Solutions, Inc. (formerly, Great Lakes Higher Education Guaranty Corporation) to provide guaranty services, including student loan software, data processing, default aversion assistance, management of MDHEWD's post-claim recovery and operational support for outstanding FEEL Program loans guaranteed by MDHEWD.

Third party servicers: Ascendium Education Solutions, Inc.

Systems used: Ascendium Education Solutions Inc. (formerly Great Lakes Higher Education Guaranty Corporation) GOALS

Background Information:

Missouri Department of Higher Education & Workplace Development (MDHEWD) has served as a guaranty agency within the Federal Family Education Loan (FFEL) Program since 1979.. MDHEWD services and maintains its existing portfolio of loans guaranteed prior to July 1, 2010. As part of its responsibility as a FFEL Program student loan guarantor, MDHEWD supports numerous programs to assist Missouri students with access to postsecondary education.

MDHEWD reports to the Coordinating Board for Higher Education (CBHE), which was authorized by an amendment to the Missouri Constitution in 1972 and established by statute in the Omnibus State Reorganization Act of 1974. The nine board members are appointed by the governor and confirmed by the Senate. MDHEWD and the CBHE are included in Chapter 173 of the Missouri Revised Statutes.

B. Scope of Review

The U.S. Department of Education (Department) conducted a program review of MDHEWD from September 17, 2019 through September 19, 2019. The period reviewed was from October 1, 2017 through September 30, 2018.

The focus of the review was to determine MDHEWD's compliance with the statutes and federal regulations as they pertain to the agency's administration of the FFEL Program. The review included the following areas:

- Borrower Collections
- Servicemembers Civil Relief Act (SCRA)
- Guaranty Agency Procedure Controls
- Claims Paid
- GAFR MR-32

Samples were selected randomly from a statistical sample of the populations listed above excluding, Guaranty Agency Procedure Controls.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in this report concerning MDHEWD's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those practices and procedures. Furthermore, it does not relieve MDHEWD of its obligation to comply with all the statutory and regulatory provisions governing the FFEL Programs.

This report reflects initial findings. These findings are not final. The Department will issue its final findings in a subsequent final program review determination letter. At that time, all liabilities and interest for each finding will be assessed, as appropriate.

C. Findings

During the review, areas of noncompliance were noted. Findings of noncompliance are referenced to the applicable statutes and regulations and specify the actions to be taken by MDHEWD to comply with applicable statutes and regulations.

Finding 1: Conflict of Interest Violation

Noncompliance:

MDHEWD contracts with Ascendium Education Solutions, Inc. (Ascendium) for servicing of the guaranty activities on behalf of MDHEWD. Under this contract, Ascendium is responsible for default aversion activities and post default collections. In accordance with 34 CFR 682.404(j)(4), if a guaranty agency contracts with an outside entity to perform any default aversion activities, that outside entity may not hold or service the loan; or perform collection activities on the loan in the event of default within 3 years of the claim payment date.

Required Action:

MDHEWD must terminate contracting arrangements that create a conflict of interest and provide the Department with MDHEWD's plan for eliminating this conflict of interest and its plan for future default aversion and collections activities.

D. Review Status

This program review is considered open and a response is due 30 days from the date of this program review report.



NICOLE GALLOWAY, CPA
Missouri State Auditor

April 7, 2020

Commissioner Zora Mulligan
Missouri Department of Higher Education
3515 Amazonas Drive
Jefferson City, MO 65109

Dear Commissioner Mulligan:

No later than April 26, 2020, the state should begin receiving funds from the federal government under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). As this unprecedented amount of funds comes into Missouri, it is essential that they be expended effectively and transparently, and in accordance with state and federal laws.

Under the CARES act, federal funds will be available to the state for expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19). Each of these funds will need to be identified, tracked, and accounted for to ensure compliance with the requirements of state and federal law.

Because these funds will be available within the next few weeks, it is essential now that each state department ensures that a thorough process exists to account for these funds and expenditures.

Missourians expect this relief money to be spent appropriately and efficiently. We must do everything we can to maintain taxpayer confidence in this program. Consequently, the purpose of this letter is for your department to inform the State Auditor's Office of how your department will identify the costs associated with the COVID-19 public health emergency and how you will ensure all funds received will be accounted for and distributed timely and efficiently.

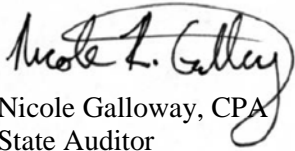
Specifically, my office is requesting the following information:

1. The date your department received direction, advisory guidance, or consultation from another Missouri department, agency or executive office to start preparing for a response to COVID-19;
2. When your department began preparing for a response to COVID-19;
3. The steps your department has taken and will continue to take to prepare for their response to COVID-19;
4. Any listing or tracking that your department has related to the expenditures that your department has incurred due to the public health emergency with respect to COVID-19;

5. Any listing or tracking that your department has related to the expenditures that your department will or is anticipated to incur due to the public health emergency with respect to COVID-19;
6. Your department's process for identifying, tracking, and accounting for these expenditures; and
7. Your department's process for ensuring that these expenditures are paid through an appropriate funding mechanism.

Please provide your response to my office no later than April 22, 2020.

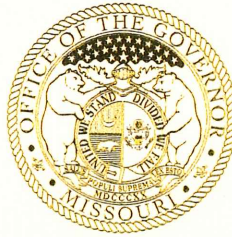
Sincerely,



Nicole Galloway, CPA
State Auditor

cc: Office of Administration, Commissioner Sarah Steelman

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



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

Michael L. Parson

GOVERNOR
STATE OF MISSOURI

April 22, 2020

Nicole Galloway
Missouri State Auditor
State Capitol Building
201 W. Capitol Avenue, Room 121
Jefferson City, MO 65101

Dear Auditor Galloway:

We are in receipt of your April 7 letters sent to every state agency and SEMA regarding the Coronavirus Disease 2019 (“COVID-19”) and the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). Because the letters do not contain substantive differences, I will be responding to your letters on behalf of all recipients. You can rest assured that Missouri state agencies share your belief that efficiency, transparency, and compliance with the law are essential during these unprecedented times. Information on the State’s response to COVID-19 and ongoing initiatives to combat the virus, while continuing to provide essential services to Missourians, can be found at health.mo.gov. Governor Parson has additionally held daily briefings that can be viewed at facebook.com/pg/GovMikeParson/videos and issued a series of executive orders that can be found at sos.mo.gov/library/reference/orders. Finally, the text of House Bill 2014, the supplemental appropriation bill approved by Governor Parson on April 10, 2020, can be found at house.mo.gov.

The Constitution of the State of Missouri provides the State Auditor but three powers related to state agencies. The Auditor shall: (1) “establish appropriate systems of accounting for all public officials of the state;” (2) “post-audit the accounts of all state agencies;” and, (3) “make all other audit and investigations required by law,” provided the law does not “impose [on the Auditor any duty] not related to the supervising and auditing of the receipt and expenditure of public funds.” Constitution of Missouri, Art. IV, §13. Your Office’s letters of April 7 do not disclose which of these three powers purportedly authorize their submission.

“The Missouri Constitution specifically limits the Auditor’s authority to that set out in the Constitution. The Constitution does not give the Auditor the authority to conduct a preaudit of other state officials’ spending....” *Schweich v. Nixon*, 408 S.W.3d 769, 772 (Mo. banc 2013). “[A] postaudit of the accounts of the [state agency] requires no more of the Auditor than that he verify the financial picture of the [state agency] by examination after the fact, as contrasted with the preaudit duties of the comptroller....” *Dir. of Rev. v. State Auditor*, 511

S.W.2d 779, 783 (Mo. 1974) (*see* section 37.010.3, RSMo, providing that the Commissioner of the Office of Administration be the successor to the comptroller).

While the self-identified purpose of your Office's April 7 letters is for state agencies "to inform the State Auditor's Office of how your department will identify the costs associated with the COVID-19 public health emergency and how you will ensure all funds received will be accounted for and distributed timely and efficiently," requests 1-3 in your letters – including a broad request to identify "[t]he steps your department has taken and will continue to take to prepare for their response to COVID-19" – do not relate to or advance that purpose. Your Office's preemptive investigation into the ongoing response of state agencies to the COVID-19 public health emergency is not required by law and is, therefore, beyond the constitutional authority of your Office. During this public health emergency, state government must focus its limited resources on fulfilling our responsibilities to the citizens of Missouri. We hope you appreciate that we are unable to divert substantial resources during this time of state emergency to respond to your Office's extra-constitutional investigation.

The Division of Accounting within the Office of Administration has established 15 different funds to track the receipt and expenditure of federal funding pursuant to provisions of the CARES Act. A list of the funds and memoranda that have been distributed to state agencies to assist with tracking and oversight of federal stimulus dollars are enclosed with this letter. The first of these memoranda was sent March 18 and both memoranda were distributed through the Division of Accounting's listserve, which I believe members of your Office receive. As additional guidance is received from the federal government, additional memoranda will be distributed. Given your access to the SAM II Financial system, your Office is likely quite aware of the creation of these funds. This system gives your Office the opportunity to review state expenditures, from these funds or any other fund, at any time.

Missouri's state agencies share your professed commitment to appropriate and efficient expenditure of relief money and plan to continue acting in a manner that maintains taxpayer confidence through effective and transparent compliance with state and federal laws. It is my sincere hope that your Office's letters were sent solely in furtherance of these worthy nonpartisan objectives. That hope is tempered by the letters' transparent attempt to exceed the constitutional role of your Office. A pandemic is hardly the time to play politics and precious state resources will not be squandered in an attempt to more broadly respond to your ill-timed and ill-conceived letters.

Sincerely,

Christopher K. Limbaugh
General Counsel

FUND	FUND_CAT	FUND_NM
0179	G2	CORONAVIRUS EMERGENCY SUPP
0181	G2	ENHANCED FMAP FUND
2300	G2	DESE FEDERAL STIMULUS
2305	G2	DESE FEDERAL EMERGENCY RELIEF
2310	G2	DHEWD FEDERAL STIMULUS
2315	G2	DHEWD FEDERAL EMERGENCY RELIEF
2320	G2	MODOT FEDERAL STIMULUS
2325	G2	OA FEDERAL STIMULUS
2330	G2	DPS FEDERAL STIMULUS
2335	G2	SEMA FEDERAL STIMULUS
2340	G2	DOC FEDERAL STIMULUS
2345	G2	DMH FEDERAL STIMULUS
2350	G2	DHSS FEDERAL STIMULUS
2355	G2	DSS FEDERAL STIMULUS
2360	G2	DED FEDERAL STIMULUS

Michael L. Parson
Governor



Sarah H. Steelman
Commissioner

State of Missouri
OFFICE OF ADMINISTRATION
Division of Accounting
570 Truman Building, 301 West High Street
Post Office Box 809
Jefferson City, Missouri 65102
(573) 751-2971
INTERNET: <http://www.oa.mo.gov/acct>
E-MAIL: acctmail@oa.mo.gov

Stacy Neal
Director

MEMORANDUM

TO: Agency Personnel
FROM: Division of Accounting
DATE: March 18, 2020
RE: COVID-19 Support and Flexibility

OA /Division of Accounting is making the following changes to better assist agencies.

1. The SAM II Financial and HR systems are routinely available from 6:15 am to 6:00 pm, seven days a week. Beginning March 19, 2020, both systems, Financial and HR, will be available from 12:00 am (midnight) to 5:00 am and then again from 6:15 am to 6:00 pm. However, nightly cycles will continue to only run Monday thru Friday.

No changes are being made to MissouriBUYS Integration jobs, those will continue to run as normal.

The Data Warehouse system is available from 7:00 am to 7:00 pm, seven days a week.

The SAM II Technical Helpdesk is routinely available from 7:30 am to 5:00 pm, Monday through Friday, excluding holidays.

Notifications for deviations in the routine schedule other than those noted above will be sent to the SAMII-FIN and SAMII-HR distribution lists. Users can subscribe to the discussion list from the SAM II website at:

<http://intranet.state.mo.us/oa/samii-distribution-lists/>

2. Centers for Disease Control and Prevention funding is being made available for activities associated with controlling the spread of COVID-19. The categories will include:
 - Domain 1: **Incident Management for Early Crisis Response** (Emergency Operations and Coordination, Responder Safety and Health, Identification of Vulnerable Populations),
 - Domain 2: **Jurisdictional Recovery**,
 - Domain 3: **Information Management** (Information Sharing, Emergency Public Information and Warning and Risk Communication)

Domain 4: **Countermeasures and Mitigation** (Nonpharmaceutical Interventions, Quarantine and Isolation Support, Distribution and Use of Medical Materiel)
 Domain 5: **Surge Management** (Surge Staffing, Public Health Coordination with Healthcare Systems, Infection Control)
 Domain 6: **Biosurveillance** (Public Health Surveillance and Real-time Reporting, Public Health Laboratory Testing, Equipment, Supplies, and Shipping, Data Management) and alteration or renovation of non-federal facilities that directly support these six domains.

If additional funding becomes available, Departments will want to track expenses associated with controlling the spread of COVID-19 including costs for employees to work remotely and if necessary, costs associated with decontamination.

Sub-object codes have been added to the Financial system in an effort to Track COVID-19 expenditures. The use of these codes is not mandatory, but we strongly encourage using these codes for tracking purposes. The new sub-object codes are as follows:

Sub Object Code	Name	Short Name
C1	INCIDENT MANAGEMENT	INCIDNT MGMT
C2	JURISDICTIONAL RECVRY	JURIS RECVRY
C3	INFORMATION MGMT	INFO MGMT
C4	COUNTERMEASURE-MITIG	CNTR-MITIG
C5	SURGE MANAGEMENT	SURGE MGMT
C6	BIOSURVEILLANCE	BIOSURVEILNC
C7	C19 -MISCELLANEOUS	C19-MISC

3. The Division of Accounting has requested OA Divisions to begin submitting payment documents electronically to promote social distancing. Agencies may also consider utilizing a similar process.
4. The Division of Accounting is requesting Agencies begin calling to verify if there are any checks or documents to be picked up prior to arriving. Beginning Thursday, March 19th pick up will be available from 7 am to 3 pm Monday through Friday.
5. The Division of Accounting has additional support capabilities for Agencies experiencing issues with processing transactions in either the Financial or HR systems. The following inboxes will be monitored to provide assistance.

- MissouriBUYS missouribuys@mo.gov
- SAM II Financial OASAMIIACCOUNTING@oa.mo.gov
- Vendors vendor@oa.mo.gov

- Reporting Unit OACAFR@oa.mo.gov

- Payroll Direct Deposit OADirectDeposit@oa.mo.gov
- Supplemental Payroll Checks oasamihr@oa.mo.gov
- Payroll Garnishments oagarnishments@oa.mo.gov

- Staff Services

oastaffservices@oa.mo.gov

If you have a situation that does not apply to the inboxes listed above, please send your email to acctmail@oa.mo.gov.

Michael L. Parson
Governor



Sarah H. Steelman
Commissioner

State of Missouri
OFFICE OF ADMINISTRATION
Division of Accounting
570 Truman Building, 301 West High Street
Post Office Box 809
Jefferson City, Missouri 65102
(573) 751-2971
INTERNET: <http://www.oa.mo.gov/acct>
E-MAIL: acctmail@oa.mo.gov

Stacy Neal
Director

TO: State Agencies
FROM: Office of Administration, Division of Accounting
DATE: April 16, 2020
RE: COVID-19 Supplemental Funding

On March 27, 2020, the Federal Government passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). This Act will give the State funding to offset costs directly related to the COVID-19 pandemic.

If your agency has incurred costs directly related to the COVID-19 pandemic, please send the request to OA Accounting at ACCTMAIL@oa.mo.gov with the payment voucher document number, copy of the invoice, and brief description how the expense directly relates to COVID-19. Once the documentation is reviewed and approved, the Division of Accounting will process a Journal Voucher (JV) to change the funding from the original funding source to the CARES funding source.

If your agency incur additional costs directly related to the COVID-19 pandemic, please send the request to OA Accounting at ACCTMAIL@oa.mo.gov for processing. In order for your request to be considered, please include a copy of the invoice and brief description how the expense directly relates to COVID-19. Once the documentation is reviewed and approved, the Division of Accounting will process a Payment Voucher (PV) to utilize the CARES money.



NICOLE GALLOWAY, CPA
Missouri State Auditor

April 27, 2020

The Honorable Michael L. Parson
Office of the Governor
State Capitol Building
201 W. Capitol Avenue, Room 216
Jefferson City, MO 65101

Dear Governor Parson:

On April 7, I sent letters to each of your departments requesting routine information related to their accounting of the largest infusion ever of federal relief funds to Missouri. Not one department responded. Instead, I received a reply from your office.

Your response fails to provide Missourians clear answers about the administration's plans for distributing federal relief funds to our communities. Specifically, your letter ignores reasonable questions that taxpayers, small businesses, and local governments are grappling with during this unprecedented time.

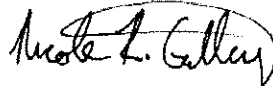
It has been reported that your administration's COVID-19 response plans began as early as January. I am asking these questions so Missourians can have an understanding of how your departments have already expended tax dollars and also how they have prepared to distribute and prioritize federal funds coming into the state. Transparency and oversight are necessary for the public to maintain confidence in their state government, especially considering the speed at which this relief money will be distributed.

Taxpayers expect that my office account for this unprecedented amount of funding. Inquiring into departments' plans and actions is essential to determine whether the state's accounting systems are functioning properly and whether any mismanagement or misappropriation has occurred.

As for the letter, your response demonstrates a misunderstanding of the law. It is my duty to establish the appropriate systems of accounting for all public officials. This office also has the authority to audit state offices, as this office and state auditors before me have done for years. Further, Section 29.130, RSMo, states my office "shall have free access to all offices of this state for the inspection of such books, accounts and papers" as concerns any of my duties. Cooperation from all departments with my office's requests is the best use of state resources now.

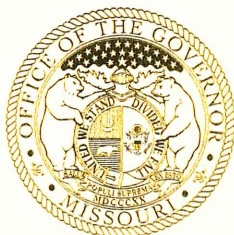
If the departments are unable or unwilling to respond to my questions first posed in my letters of April 7th, please inform my office by Monday, May 11, 2020 how each department and the Commissioner of OA will accommodate my office's right to access records related to the department's procedures, tracking, and accounting of expenditures related to the COVID-19 public health emergency.

Sincerely,

A handwritten signature in black ink that reads "Nicole L. Galloway". The signature is written in a cursive style with a large, looping initial "N".

Nicole Galloway, CPA
State Auditor

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



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Michael L. Parson

GOVERNOR
STATE OF MISSOURI

May 12, 2020

Nicole Galloway
Missouri State Auditor
State Capitol Building
201 W. Capitol Avenue, Room 121
Jefferson City, MO 65101

Dear Auditor Galloway:

Our April 22 letter provided you with answers and documentation responsive to your April 7 and 27 letters. We have further directed you to state resources to view and monitor the expenditure of CARES Act Funds related to the COVID-19 emergency. It is clear to us that you have used our guidance and have accessed those resources as evidenced by the SAO's website <https://app.auditor.mo.gov/FederalCovidRelief/Index.aspx>. We consider these matters to have been fully addressed at this time and see no need to further respond.

Also, we are still awaiting your response to our request for documents and information as to how each employee's billing rates were calculated for their hours worked on the Department of Public Safety audit that you conducted regarding the Director's position. Your office has billed us an additional \$10,000 dollars for this work and we would like to see a breakdown of the billing rates. This request has been made numerous times to the SAO over the past 4 months. Please provide us with a response as soon as possible.

Sincerely,

Christopher K. Limbaugh
General Counsel