



Tab 18

Overview of Recent Audit Reports

Coordinating Board for Higher Education
September 13, 2023

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. CliftonLarsonAllen, LLP (CLA) – Through a contract awarded by the Office of Administration, CLA audits the Missouri Student Loan Program's annual comparative financial statements. An independent audit is required by the United States Department of Education (USDE) of all guaranty agencies; the department must submit a copy of its audited financial statements to the USDE each year.

CURRENT STATUS

State Auditor

The SAO issued DHEWD its notice of no findings in the 2022 SEFA and CAFR. A copy of the letter is attached.

CLA

CLA began work on the FY 2022 financial statements audit. CLA is taking on additional work for this audit. Historically, department staff prepared the loan program financial statements and provided them to CLA to audit. Currently there are no department staff to prepare the financial statements for FY22. CLA is both preparing the financial statements and auditing them. As a result, CLA needs additional time and money to complete this audit. The contract with CLA authorizes them to complete the additional work of preparing the financial statements for an additional fee.

NEXT STEPS

The SAO will begin the FY 2023 SEFA this month. The department will comply with all document requests and assist the SAO as required.

Department staff will continue to work with CLA to provide required documents for the FY 2022 loan program financial statements audit.

RECOMMENDATION

Information item only.

ATTACHMENTS

- Attachment A: SAO Letter for FY 2022 Audits