

**SAO Fiscal Year 2026
Program Book**

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Department Overview

The Office of the State Auditor is established pursuant to Article IV, Section 13, of the Missouri Constitution. The State Auditor is responsible for auditing all state agencies, boards, commissions, judicial circuits, public and charter schools, counties that do not have a county auditor, and political subdivisions when requested by petition or the governor.

Additionally, HB 2111, passed into law in 2024, allows the State Auditor to audit any political subdivision, when an investigation of a whistleblower complaint has determined improper governmental activity has occurred, or when an issue is referred to the office by law enforcement.

All audits are conducted in an impartial, nonpartisan manner, in accordance with authority provided in state statute and pursuant to *Government Auditing Standards*, issued by the U.S. Government Accountability Office (GAO). State auditors adhere to the rigorous standards of the auditing profession and exercise the highest levels of integrity and ethics. Audit findings and recommendations are based upon reliable evidence, free from preconceived notions and the influence of personal opinions.

The Office of the State Auditor is also required to review and register all general obligation bonds issued by the State of Missouri and most political subdivisions to ensure the bonds comply with both state law and the conditions of the contracts under which they were issued.

The Office of the State Auditor prepares fiscal notes and fiscal note summaries on all initiative petitions filed with the Secretary of State. If the General Assembly adopts a joint resolution without a fiscal note summary, the State Auditor's office prepares the fiscal note summary.

In addition, the Office of the State Auditor annually reviews and certifies property tax rates for all Missouri taxing authorities to ensure compliance with state law.

State Auditor's Reports and Legislative Oversight Evaluations

| Program or Division Name | Type of Report | Date Issued | Website Link |
|---------------------------------|-----------------------|--------------------|---------------------|
| N/A | N/A | N/A | N/A |

Missouri Sunset Act Report

| Program | Statutes Establishing | Sunset Date | Review Status |
|---------|-----------------------|-------------|---------------|
| N/A | N/A | N/A | N/A |

PROGRAM DESCRIPTION

Department: Office of the State Auditor

AB Section(s): HB 12.165

Program Name _____

Program is found in the following core budget(s):

1a. What strategic priority does this program address?

The duties of the State Auditor as found in the Missouri Constitution, Article IV, Section 13 and Chapter 29 RSMo.

1b. What does this program do?

The Office of the State Auditor is required to perform various duties, including:

- **State Agency Audits:** Conducts audits of all state agencies, boards and commissions, public schools, all judicial circuits, & all state agencies receiving federal funds
- **County Audits:** Conducts audits of all Missouri counties that do not have a county auditor
- **Petition and Special Audits:** Conducts audits of political subdivisions when requested by petition or the Governor
- **HB 2111 (2024):** Conducts audits of government entities when an investigation of a whistleblower complaint reveals improper governmental activity has occurred, or upon the request of law enforcement
- **Whistleblower hotline:** Conducts investigations of alleged improper governmental activity including tips received via the hotline
- **Certify Tax Rates:** Review and certify property tax rates for all Missouri taxing authorities
- **Bond Registration:** Reviews and registers all general obligation bonds issued by the State of Missouri and most political subdivisions
- **Fiscal Notes:** Prepares fiscal notes and fiscal note summaries for all initiative petitions and joint resolutions filed with the Secretary of State

2a. Provide an activity measure(s) for the program.

| | FY 22 | FY 23 | FY 24 |
|---|--|------------------|------------------|
| Tax Rates Certified | 4,854 | 4,854 | 4,846 |
| Number of Taxing Authorities | 2,806 | 2,809 | 2,804 |
| | Initiative Petition Cycle (2 years) | | |
| | 2019-2020 | 2021-2022 | 2023-2024 |
| Number of Initiative Petition Fiscal Notes Completed | 91 | 49 | 153 |

PROGRAM DESCRIPTION

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AB Section(s): HB 12.165

Program Name

Program is found in the following core budget(s):

2b. Provide a measure(s) of the program's quality.

| Peer Review Date | Period Reviewed | Rating |
|------------------|-----------------|--------|
| 10/27/2017 | 9/1/16-8/31/17 | Pass |
| 11/19/2020 | 9/1/19-8/31/20 | Pass |
| 11/17/2023 | 9/1/22-8/31/23 | Pass |

Because the peer review is conducted every 3 years, the last 3 peer review results are presented.

According to state law, Section 29.005(2), RSMo, all audits conducted by the State Auditor shall conform to auditing standards established by the Comptroller General of the United States as presented in the publication Government Auditing Standards, known as the "Yellow Book". Section 3.82 of the Yellow Book states, "Each audit organization performing audits in accordance with GAGAS must have an external peer review performed by reviewers independent of the audit organization being reviewed at least once every 3 years." Section 3.96 states, "The audit organization should obtain an external peer review at least once every 3 years that is sufficient in scope to provide a reasonable basis for determining whether, for the period under review, the reviewed audit organization's system of quality control was suitably designed and whether the audit organization is complying with its quality control system in order to provide the audit organization with reasonable assurance of conforming with applicable professional standards."

2c. Provide a measure(s) of the program's impact.

| Audit Ratings Given | FY 22 | FY 23 | FY 24 |
|---------------------|-----------|-----------|-----------|
| Excellent | 1 | 3 | 3 |
| Good | 20 | 11 | 8 |
| Fair | 10 | 9 | 8 |
| Poor | 6 | 5 | 7 |
| | 37 | 28 | 26 |
| No Rating * | 6 | 5 | 10 |

| | 3 year total by Auditee Category | | | | |
|-----------|----------------------------------|-----------|-----------|----------|----------|
| | State | County | Local | Courts | Schools |
| Excellent | 6 | 1 | 0 | 0 | 0 |
| Good | 7 | 20 | 11 | 0 | 1 |
| Fair | 3 | 14 | 8 | 1 | 1 |
| Poor | 0 | 5 | 12 | 1 | 0 |
| | 16 | 40 | 31 | 2 | 2 |

* No Rating Audits includes SWFS/ACFR report, SWSA report, Hancock report, TDD reports

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Program Name _____

Program is found in the following core budget(s): _____

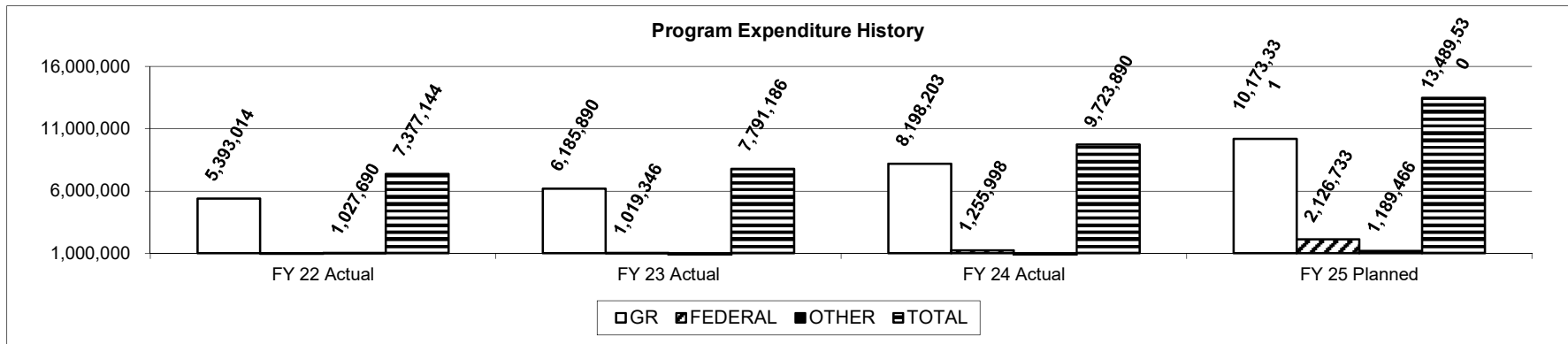
2d. Provide a measure(s) of the program's efficiency.

Number of days from Fieldwork completion to audit report release
 Audit Report Timing Standard = 120 Days

| | FY 22 | FY 23 | FY 24 |
|---------------------------|-------|-------|-------|
| Average # days | 134 | 139 | 175 |
| Number within 120 days | 24 | 16 | 10 |
| Number exceeding 120 days | 19 | 17 | 26 |

Includes SWFS and SWSA audits.
 Does not include the ICFR

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



4. What are the sources of the "Other " funds?

Conservation Commission (0609); Parks Sales Tax (0613); Soil & Water Sales Tax (0614); Petition Audit Revolving Trust (0648).

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5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Missouri Constitution, Article IV, Section 13 and Chapter 29 RSMo.

6. Are there federal matching requirements? If yes, please explain.

No

7. Is this a federally mandated program? If yes, please explain.

Yes. The State Auditor's Office performs the federally required Single Audit of the State of Missouri's financial statements and expenditures of federal awards. The United States Congress passed the Single Audit Act Amendments of 1996 to establish uniform requirements for audits of federal awards which the SAO follows in performing the annual Single Audit for the State.