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***SOUTHEAST MISSOURI  
STATE UNIVERSITY***  
*SINGLE AUDIT REPORT*  
*JUNE 30, 2024*

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**Independent Auditors' Report  
On Internal Control Over Financial  
Reporting And On Compliance And Other  
Matters Based On An Audit Of Financial  
Statements Performed In Accordance  
With *Government Auditing Standards***

Board of Governors  
Southeast Missouri State University  
Cape Girardeau, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of Southeast Missouri State University (the University), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Southeast Missouri State University's basic financial statements, and have issued our report thereon dated November 18, 2024.

**Report On Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness. We did identify a deficiency in internal control, described in the accompanying schedule of findings as item 2024-001 that we consider to be a significant deficiency.

### **Report on Compliance And Other Matters**

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **University's Response To Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the University's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose Of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RubinBrown LLP*

November 18, 2024

**Independent Auditors' Report On  
Compliance For Each Major Federal  
Program; Report On Internal Control Over  
Compliance; And Report On The Schedule  
Of Expenditures Of Federal Awards  
Required By Uniform Guidance**

Board of Governors  
Southeast Missouri State University  
Cape Girardeau, Missouri

**Report On Compliance For Each Major Federal Program**

***Opinion On Each Major Federal Program***

We have audited Southeast Missouri State University's (the University) 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 University's major federal programs for the year ended June 30, 2024. The University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis For Opinion On Each Major Federal Program***

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 Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

### ***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 requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the University's federal programs.

### ***Auditors' 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 University's compliance based on our audit. Reasonable assurance is a high level 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 a 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 University'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 judgement 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 including examining, on a test basis, evidence regarding the University'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 University'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 over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University'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 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 items 2024-002 and 2024-003. 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 University's responses to the noncompliance findings identified in our audit described on the accompanying schedule of findings and questioned costs. The University's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **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 weakness or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a 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 item 2024-002 to be a material weakness and item 2024-003 to be a significant deficiency.

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 University'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 University's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.



**Report On Schedule Of Expenditures Of Federal Awards Required By  
Uniform Guidance**

We have audited the financial statements of the business-type activities and discretely presented component unit of the University as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We have issued our report thereon dated November 18, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*RubinBrown LLP*

December 10, 2024

(except for the last paragraph 16 which is as of November 18, 2024)

**SOUTHEAST MISSOURI STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended June 30, 2024**

Federal Grantor/Pass-Through Grantor	Program Or Cluster Title	Grant Number	Federal Assistance Listing Number	Federal Expenditures	Expenditures To Sub-Recipients
<b>United States Department of Agriculture</b>					
Passed through Arkansas State University	Rural Business Development - 23 USDA Beef Project	155563610	10.351	\$ 5,070	\$ —
Passed through Missouri Department of Health and Senior Services	Child and Adult Care Food Program: USYC Food Program	ERS4611-2646	10.558	<u>78,000</u>	<u>—</u>
Total United States Department of Agriculture				<u>83,070</u>	<u>—</u>
<b>United States Department of Defense</b>					
Passed through University of Missouri - Columbia	Zero Trust Tactical Edge	HB98230-23-10238/ C00084364-1	12.905	<u>4,589</u>	<u>—</u>
<b>Department of Interior</b>					
Direct	Natural Resource Damage Assessment and Restoration - FWS Lead Project	N/A	15.658	<u>10,856</u>	<u>—</u>
<b>United States Department of Justice</b>					
Direct	Bulletproof Vest SE DPS 23	N/A	16.607	1,938	—
Direct	LEA DOJ Grant 23	N/A	16.710	607	—
Direct	DOJ Body Cam 22	N/A	16.835	<u>46,665</u>	<u>—</u>
Total United States Department of Justice				<u>49,210</u>	<u>—</u>
<b>Federal Transit Administration</b>					
Passed through Cape Girardeau County Transit Authority	Federal Transit Cluster: Shuttle Service 2014	MO-2020-018-00	20.507	4,519	—
Passed through Cape Girardeau County Transit Authority	COVID-19 - Shuttle Service	MO-2019-018	20.507	<u>98,264</u>	<u>—</u>
Total 20.507 and Federal Transit Administration and Federal Transit Cluster				<u>102,783</u>	<u>—</u>
<b>National Science Foundation</b>					
Direct	Research and Development Cluster: Engineering - TesLumen 2021	2040086	47.041	10,224	—
Direct	2024 Photo Magnetic Energy Transfer	2301688	47.041	<u>40,098</u>	<u>—</u>
				50,322	—
Direct	iDigBees Network	2216949	47.074	<u>515</u>	<u>—</u>
Total National Science Foundation and Research and Development Cluster				<u>50,837</u>	<u>—</u>

**SOUTHEAST MISSOURI STATE UNIVERSITY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**For The Year Ended June 30, 2024**

Federal Grantor/Pass-Through Grantor	Program Or Cluster Title	Grant Number	Federal Assistance Listing Number	Federal Expenditures	Expenditures To Sub-Recipients
<b>Small Business Administration</b>					
Passed through University of Missouri - Columbia	Small Business Development Centers: SBDC 2023	C00080472-1	59.037	\$ 23,048	\$ —
	SBDC 2024	C00085065-12	59.037	23,407	—
Total Small Business Administration				<u>46,455</u>	<u>—</u>
<b>United States Department of Education</b>					
Direct	Student Financial Aid Cluster:				
	Federal Supplemental Educational Opportunity Grant Program	P007A222382	84.007	330,411	—
	Federal Work Study Program	P033A202382	84.033	115,910	—
	Federal Perkins Loan Program	N/A	84.038	1,724,572	—
	Federal Pell Grant Program FY24	P063P221752	84.063	14,029,412	—
	Federal Direct Loan Program FY23	P268K231752	84.268	187,751	—
	Federal Direct Loan Program FY23	P268K231752	84.268	29,297,109	—
	Total 84.268			<u>29,484,860</u>	<u>—</u>
	Transition to Teaching (TEACH) FY24	P379T241752	84.379	15,088	—
	Total Student Financial Aid Cluster			<u>45,700,253</u>	<u>—</u>
Direct	Fund for the Improvement of Postsecondary Education - Technology Equipment	N/A	84.116	186,945	—
Direct	Higher Education Intuitional Aid - Title III	N/A	84.031A	458,846	—
Direct	Trio Cluster:				
	Student Support Services 2021 - 2026	P042A200914	84.042	354,748	—
	Student Support Services Supplement 2021 - 2026	P042A200914	84.042	66,000	—
	Total 84.042			<u>420,748</u>	<u>—</u>
	McNair Post-Baccalaureate Achievement	P217A220360	84.217	231,606	—
	McNair Post-Baccalaureate Achievement - Participation Costs	P217A170269-20	84.217	91,113	—
	Total 84.217			<u>322,719</u>	<u>—</u>
	Total Trio Cluster			<u>743,467</u>	<u>—</u>
Direct	COVID-19 - Child Care Access Means Parents In Schools - CCAMPIS Redhawk FLT 20	N/A	84.335A	38,149	—

# SOUTHEAST MISSOURI STATE UNIVERSITY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS *(Continued)* For The Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor	Program Or Cluster Title	Grant Number	Federal Assistance Listing Number	Federal Expenditures	Expenditures To Sub-Recipients
	Education Stabilization Fund:				
Passed through Missouri Department of Elementary and Secondary Education	COVID-19 - Higher Education Emergency Relief Fund - MTPPA Educ Prep Programs 23	23-056	84.425D	\$ 96,642	\$ —
Passed through Missouri Department of Elementary and Secondary Education	COVID-19 - Higher Education Emergency Relief Fund - CC Relief Funds	P630-206	84.425D	88,238	—
Direct	COVID-19 - Higher Education Emergency Relief Fund - Institution	N/A	84.425F	27,272	—
Direct	COVID-19 - Higher Education Emergency Relief Fund - Institution	N/A	84.425F	5,387,703	—
				<u>5,599,855</u>	<u>—</u>
	Total United States Department of Education			<u>52,727,515</u>	<u>—</u>
<b>United States Department of Health and Human Services</b>	Environmental Public Health and Emergency Response -				
Direct	Asthma Home Visitation Program 24	DH240053311-00	93.070	14,609	—
	Addressing Asthma 2023	DH210048880-02	93.070	12,441	—
	Total 93.070			<u>27,050</u>	<u>—</u>
Passed through Missouri Department of Health and Senior Services	The National Cardiovascular Health Program - Community Health Worker Year 6	AOC19380216	93.426	19,980	—
	CCDF Cluster:				
Passed through Missouri Department of Elementary and Secondary Education	23 CPSEMO Infant Toddler Collab Network	CS230235002	93.575	2,714	—
	24 DESE Child Care Ret Round 3	P817-799	93.575	81,950	—
	24 DESE MO Teacher Recruitment Scholarships	24-029	93.575	27,499	—
	23 DESE Child Care Staff Retention	P686-259	93.575	413	—
	Total 93.575			<u>112,576</u>	<u>—</u>
Passed through Missouri Department of Mental Health	CCDF Cluster:				
	23 CPSEMO Home Based Child Care Collab Network	CS230235002	93.596	6,403	—
	Total CCDF Cluster			<u>118,979</u>	<u>—</u>
Passed through Missouri Department of Mental Health	Block Grants for Prevention and Treatment of Substance Abuse:				
	PRC Overdose to Action FY24	SDA420P1209	93.959	2,475	—
	Coalition Support	SDA420P1209	93.959	5,000	—
	PRC Tobacco 24	SDA420P1209	93.959	7,030	—
	PRC MHFA 24	SDA420P1209	93.959	6,176	—
	PRC C2000 24	SDA420P1209	93.959	192,385	—
	PRC Supplemental Funding FY24	SDA420P1209	93.959	100,131	—
	Coalition Mini Grants FY24	SDA420P1209	93.959	9,940	—
	Total 93.959			<u>323,137</u>	<u>—</u>
	Total United States Department of Health and Human Services			<u>489,146</u>	<u>—</u>
<b>Total Expenditures of Federal Awards</b>				<u>\$ 53,564,461</u>	<u>\$ —</u>

# SOUTHEAST MISSOURI STATE UNIVERSITY

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## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2024

### 1. Basis Of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal awards programs of Southeast Missouri State University (the University) for the year ended June 30, 2024. The information in this Schedule is presented in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

### 2. Basis Of Accounting And Relationship To The Financial Statements

Federal financial assistance revenues from the Federal Work Study, the Federal Pell Grant Program and the Federal Supplemental Educational Opportunity Grant programs are reported in the University's financial statements as federal grant revenues. The activity of the Federal Direct Loan Program is not included in the University's financial statements, as the benefits of this program are awarded directly to students and not to the University.

Amounts reported in the accompanying Schedule are presented using the accrual basis of accounting, which is described in Note 2 to the University's financial statements. Related federal financial reports are prepared on the cash basis of accounting.

### 3. Loan Programs

The Federal Perkins Loan Program is administered directly by the University, and balances and transactions relating to the program are included in the University's basic financial statements. The balance of Perkins Loans outstanding at June 30, 2024 is \$1,239,313. The University is responsible only for the performance of certain administrative duties with respect to the Federal Direct Loan Program.

**4. Indirect Costs**

The Department of Health and Human Services has approved a maximum provisional indirect cost rate of 51%. The University recovers indirect costs at the maximum rate of 51% of salaries and wages including fringe benefits under federal programs that allow full indirect cost reimbursement and recovers indirect costs at varying rates below 51% on other federal programs that do not follow full indirect cost recovery. Total indirect costs recovered under all federal programs were \$126,003 for the year ended June 30, 2024.

**SOUTHEAST MISSOURI STATE UNIVERSITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended June 30, 2024**

**Section I - Summary Of Auditors' Results**

***Financial Statements***

Type of report the auditor issued on whether the financial statements audited were presented in accordance with generally accepted accounting principles:

Unmodified Opinion

Internal control over financial reporting:

- Material weakness(es) identified?        yes   X   no
- Significant deficiency(s) identified?   X   yes        none reported

Noncompliance material to financial statements noted?

       yes   X   no

***Federal Awards***

Internal control over major programs:

- Material weakness(es) identified?   X   yes        no
- Significant deficiency(s) identified?   X   yes        none reported

Type of auditors' report issued on compliance for major programs:

Unmodified Opinion

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

  X   yes        no

**Identification Of Major Programs:**

Student Financial Aid Cluster:

AL #84.007 - U.S. Department of Education - Federal Supplemental Educational Opportunity Grant Program

AL #84.033 - U.S. Department of Education - Federal Work Study Program

AL #84.063 - U.S. Department of Education - Federal Pell Grant Program

AL #84.268 - U.S. Department of Education - Federal Direct Loan Program

AL #84.038 - U.S. Department of Education - Federal Perkins Loan Program

AL #84.379 - U.S. Department of Education - Teacher Assistance for College and Higher Education Grants

AL #84.031 – U.S Department of Education – Higher Education Institutional Aid – Title III

AL #84.425 - U.S. Department of Education – Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

       Yes   X   no

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**SOUTHEAST MISSOURI STATE UNIVERSITY**

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*)  
For The Year Ended June 30, 2024**

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**Section II - Financial Statement Finding**

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**Finding 2024-001 - Vendor Set-up**

**Significant Deficiency**

**Criteria Or Specific Requirement:** Controls should be designed and implemented to ensure that vendor set up and vendor information changes are reviewed and approved to prevent payments to fraudulent vendors.

**Condition:** During our financial statement audit fieldwork, it was noted that vendor information changes were not always reviewed and approved.

**Context:** The University identified that an improper vendor payment change resulted in a fraudulent wire transfer paid during fiscal year 2024.

**Effect:** A change could be made to vendor information without proper review and approval in accordance with University policy, which could lead to inaccurate or fraudulent vendor payments.

**Cause:** The University did not properly implement controls related to vendor set up and vendor information changes as outlined in the University's policy.

**Recommendation:** All vendor set up and vendor information changes should be subject to review and approval in accordance with University policy and the University should communicate the vendor change policy to all individuals with the ability to access/change vendor information.

**Views Of Responsible Officials And Planned Corrective Action (Unaudited):** The University has implemented new policies and procedures related to vendor information changes and has communicated the policy changes to all relevant parties at the University.

**Completion Date:** January 2024

**Responsible Official:** Dr. Gerald Shields, Interim Vice President for Finance and Administration



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**SOUTHEAST MISSOURI STATE UNIVERSITY**

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*)  
For The Year Ended June 30, 2024**

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**Section III - Federal Award Findings And Questioned Costs**

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**Finding 2024-002 - Material Weakness: Reporting - Compliance and Control Finding**

**ALN 84.425 - Higher Education Emergency Relief Fund – Institutional Portion**

***Federal Agency:*** U.S. Department of Education

***Federal Award Number:*** P425F204445

***Pass-Through Entity:*** None

***Criteria Or Specific Requirement:*** In accordance with the Department of Education’s Frequently Asked Questions for the Higher Education Emergency Relief Fund (HEERF) the University is required to post to its website a quarterly report accurately covering the aggregate amounts spent for the HEERF institutional portion for each quarterly reporting period within 10 days after the end of each calendar quarter.

***Condition:*** The University did not make its HEERF quarterly reports timely available for two quarters in the year ended June 30, 2024. Additionally, the content of the HEERF Institutional portion spending on two quarterly reports tested did not agree with the costs charged to the HEERF grant for those quarters.

***Cause:*** Controls over compliance put in place by management were not operating effectively as it relates to these compliance requirements. Additionally certain costs were not identified as applicable to the HEERF until subsequent to the reporting deadline date.

***Effect:*** The public and U.S. Department of Education was not made aware of the University’s use of the HEERF institutional portion funds on a timely or accurately for the quarters noted above.

***Questioned Costs:*** Not applicable.

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# SOUTHEAST MISSOURI STATE UNIVERSITY

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## SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)* For The Year Ended June 30, 2024

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### Section III – Federal Award Findings And Questioned Costs *(Continued)*

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**Context:** Based on the testing completed for reporting, the University inaccurately posted the HEERF quarterly report for the quarter ending March 31, 2024, as the report for the quarter ending December 31, 2023, resulting in the report for the quarter ending December 31, 2023, not being available for review on the University’s website. Additionally, the report for the quarter ending March 31, 2024, was not completed until May 6, 2024, which is 46 days after the end of the quarter which exceeds the deadline of 10 days for posting to the University’s website. The remaining two quarterly reports were posted within 10 days of the end of the quarter. Upon review of the quarterly reports for the quarters ending December 2023 and June 2024 we identified that the expenditures reported on the quarterly reports did not match the expenditures identified as reimbursable expenses using HEERF funds from the transaction detail for those quarters.

**Identification As A Repeat Finding:** Not applicable.

**Recommendation:** We recommend that management implement a review of the University’s website to ensure that HEERF quarterly reports are accurately uploaded. We recommend that management correct any HEERF quarterly reports that have been posted to the website for which updated expenditure data should be included now that all costs have been identified. We recommend that management develops controls to ensure that compliance requirements related to report timeliness and accuracy are met for other current and future programs.

**Views Of Responsible Officials And Planned Corrective Action:** Management has addressed this material weakness by determining the root cause and ensuring corrective measures are taken. Management will provide targeted training related to reporting for key staff to ensure they are adequately equipped to implement and maintain the procedures necessary. Management will also establish an internal monitoring system to regularly evaluate compliance with internal controls.

**Anticipated Completion Date:** December 2024

**Responsible Official:** Dr. Gerald Shields, Interim Vice President for Finance and Administration

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# SOUTHEAST MISSOURI STATE UNIVERSITY

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## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*) For The Year Ended June 30, 2024

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### Section III – Federal Award Findings And Questioned Costs (*Continued*)

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#### **Finding 2024-003 – Significant Deficiency: Special Tests and Provisions - Compliance and Control Finding**

##### **Student Financial Aid Cluster**

**Federal Agency:** U.S. Department of Education

**Federal Award Numbers:** P268K241752, P063P231752, P379T241752, P033A232382

**Pass-Through Entity:** None

**Criteria Or Specific Requirement:** The Federal Trade Commission (FTC) issued the FTC Safeguards Rule on December 9, 2021 and gave notice to entities that are required to follow the Gramm-Leach-Bliley Act (GLBA) that each entity would be required to be in compliance with the revised requirements no later than June 9, 2023. The FTC Safeguards Rule expanded the requirements for the Written Information Security Program (WISP) required to be established by the University. The requirements for the WISP noted at 16 CFR 314.4 require that the University designate a Qualified Individual responsible for overseeing and implementing the University's information security program, be based on a risk assessment that identifies reasonably foreseeable internal and external risks and establishes safeguards to address those risks, and requires that the following 8 safeguards be documented:

- Implement and periodically review access controls
- Conduct a periodic inventory of data, noting where it is collected, stored, or transmitted
- Encrypt customer information on the institution's system and when it's in transit.
- Assess apps developed by the institution
- Implement multi-factor authentication for anyone accessing customer information on the institution's system
- Dispose of customer information securely
- Anticipate and evaluate changes to the information system or network
- Maintain a log of authorized users' activity and keep an eye out for unauthorized access

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# SOUTHEAST MISSOURI STATE UNIVERSITY

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## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (*Continued*) For The Year Ended June 30, 2024

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### Section III – Federal Award Findings And Questioned Costs (*Continued*)

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In addition, the University is responsible for regularly testing and monitoring the effectiveness of the safeguards it has implemented and establishing how it will complete the monitoring and testing in the WISP. The University is also responsible for documenting in the WISP how it will oversee its information system service providers and shall also provide for the evaluation and adjustment of its information security program in light of the results of the required testing and monitoring; the results of the required risk assessments; any material changes to the University's operations or business arrangements; or any other circumstances that it knows or has reason to know may have a material impact on the University's information security program.

**Condition:** The University completed a maturity assessment in the year ended June 30, 2024. However, the University's maturity assessment did not include formal documentation of threats, likelihood and impact of risks required in an annual risk assessment as required by the FTC Safeguards Rule and 16 CFR 314.4 and the University did not formally document how the University's responses to the risks impacted the University's information security program.

**Cause:** Controls over compliance put in place by management were not operating effectively as it relates to these compliance requirements.

**Effect:** The failure to meet the requirements of the FTC Safeguards Rule including basing the WISP on an annual risk assessment could make the University vulnerable to cyber security and student data protection risks.

**Questioned Costs:** Not applicable.

**Context:** We inquired with the University personnel regarding the process of establishing the WISP and reviewed the WISP documentation and University policies. The University provided a maturity assessment document that was completed during the year ended June 30, 2024; however, the document did not include any formal documentation of the internal and external risks for the University and how the WISP was updated by a risk assessment completed.

**Identification As A Repeat Finding:** Not applicable.

**Recommendation:** We recommend that management document threats, likelihood of threats and impact for each risk identified and update its WISP and related policies and procedures documents each year based on the risk assessment completed.

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**SOUTHEAST MISSOURI STATE UNIVERSITY**

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)***  
**For The Year Ended June 30, 2024**

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**Section III – Federal Award Findings And Questioned Costs *(Continued)***

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***Views Of Responsible Officials And Planned Corrective Action:*** Southeast Missouri State University acknowledges the requirements of Title 16 CFR 314.4. Procedures are in place to identify and mitigate known security threats. The University’s Risk Assessment accomplished in 2024 was based on the NIST Cyber Security Framework, and was conducted as expected. Threats were documented in the annual Risk Assessment, Annual Security Report, weekly internal/external security scans and any known security incidents. Southeast is reviewing its risk assessment process and documentation to align with meeting GBLA compliance more closely.

***Anticipated Completion Date:*** June 2025

***Responsible Official:*** Assistant Vice President – Information Technology



## CORRECTIVE ACTION PLAN

### **Finding 2024-001**

**Personnel Responsible For Corrective Action:** Dr. Gerald Shields, Interim Vice President for Finance and Administration

**Completion Date:** January 2024

**Correction Action Plan:** The University has implemented new policies and procedures related to vendor information changes and has communicated the policy changes to all relevant parties at the University.

### **Finding 2024-002**

**Personnel Responsible For Corrective Action:** Dr. Gerald Shields, Interim Vice President for Finance and Administration

**Anticipated Completion Date:** December 2024

**Correction Action Plan:** Management has addressed this material weakness by determining the root cause and ensuring corrective measures are taken. Management will provide targeted training related to reporting for key staff to ensure they are adequately equipped to implement and maintain the procedures necessary. Management will also establish an internal monitoring system to regularly evaluate compliance with internal controls.

### **Finding 2024-003**

**Personnel Responsible For Corrective Action:** Floyd Davenport, Assistant Vice President – Information Technology

**Anticipated Completion Date:** June 2025

**Correction Action Plan:** Southeast Missouri State University acknowledges the requirements of Title 16 CFR 314.4. Procedures are in place to identify and mitigate known security threats. The University's Risk Assessment accomplished in 2024 was based on the NIST Cyber Security Framework, and was conducted as expected. Threats were documented in the annual Risk Assessment, Annual Security Report, weekly internal/external security scans and any known security incidents. Southeast is reviewing its risk assessment process and documentation to align with meeting GBLA compliance more closely.

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**SOUTHEAST MISSOURI STATE UNIVERSITY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**For The Year Ended June 30, 2024**

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**Finding No.**            **2023-001**

**Program/Type:**    **Material Weakness – Financial Statements**

**Condition:**            During 2023, the University identified the following errors in the manner in which it had been recording textbook inventory and library books:

- The University had been amortizing the cost of textbook inventory over a three-year period. The University should have been recording textbook inventory at cost provided that it was still deemed to be sellable.
  
- The University had been recording library books (a capital asset) as a single asset within its accounting record instead of tracking the cost of individual books. When the University performed a complete inventory of all books during 2023, the University determined that the cost of library books had been overstated.

**Status:**                Corrective action was taken.

**Finding No.**            **2023-002**

**Program/Type:**    **Material Weakness - Title III (84.031)**

**Condition:**            Based on the testing completed for cash management and reporting, the University did not provide documentation of a review of cash drawdowns and financial reimbursement reports to verify that the correct amount of funds are requested.

**Status:**                Corrective action was taken.

**SOUTHEAST MISSOURI STATE UNIVERSITY**

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (*Continued*)  
For The Year Ended June 30, 2024**

**Finding No.**            **2023-003**

**Program/Type:**    **Material Weakness - HEERF (84.425)**

**Condition:**            Based on the testing completed for cash management, the University did not provide documentation of a review of cash drawdowns to verify that the correct amount of funds are requested.

**Status:**                Corrective action was taken.

**Finding No.**            **2023-004**

**Program/Type:**    **Material Weakness - Title III (84.031)**

**Condition:**            Based on the testing completed for allowable costs and activities, the University did not provide documentation of a review of time and effort certifications for employees who charge time to the grant.

**Status:**                Corrective action was taken.