

# Scott Fitzpatrick

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Missouri State Auditor

Department of Conservation

Report No. 2026-027

March 2026

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



## Findings in the audit of the Department of Conservation

<p>Open Meeting Transparency Can Be Improved</p>	<p>Although the meetings are considered open, the Missouri Department of Conservation (MDC) does not clearly identify Commission "workshops" as open to the public, and does not maintain detailed minutes of these meetings. Commission workshops are separate from the Commission's regular open meetings, are more informational in nature, and generally include more detailed deliberations of the Commission. During the fiscal year ended June 30, 2024, the Commission met 6 times for workshops, closed meetings, and open meetings.</p>
<p>Salary Policy Applied Inconsistently</p>	<p>The MDC has not consistently applied the salary policy in the event a promotion creates a salary inequity. The MDC did not adjust the salary of an individual increasing more than 2 paygrades or adjust the salaries of all existing employees in the same job title when an employee's promotional increase to that job title caused an inequity in pay as required by policy. As a result, salary structures are at risk of becoming inequitable.</p>
<p>Agriculture Crop Policy Controls and Procedures Need Improvement</p>	<p>The MDC does not have adequate controls and procedures to ensure the Agriculture Crop Policy and Procedures Manual is followed, and procedures do not provide for adequate supervisory review or verification of all required documentation. A review of a random sample of 40 agriculture crop permittee contract files found 6 (15%) did not contain all the required documentation.</p>
<p>Timber Sale Controls and Procedures Need Improvement</p>	<p>MDC personnel did not perform all steps of the timber sale checklist as required by the Sale of Forest Products Manual, resulting in missing or inconsistent documentation. A review of 14 randomly selected timber sales (approximately 10% of all 139 timber sales during year ended June 30, 2024), found 13 (93%) were missing required documentation. MDC policy does not require supervisory review of timber sale controls. As a result, the incomplete checklists were not identified and corrected.</p>
<p>Conservation Employees' Benefit Plan Follow Up</p>	<p>The Department of Conservation Employees' Benefit Plan (CEBP) Board of Trustees has not implemented some prior audit findings related to the administration of the CEBP. The CEBP does not allocate the proportionate share of personnel costs of MDC employees who administer the CEBP to the CEBP Trust Fund. As a result, these costs were paid from the Conservation Commission Fund rather than the CEBP Trust Fund, and therefore, were not covered by plan premiums. The CEBP has not evaluated its Other Postemployment Benefits (OPEB) liability amounts or considered prefunding the OPEB liability. In addition, the CEBP has not obtained experience studies and audits of actuarial valuations. The CEBP has not obtained an experience study comparing actual experience with actuarial assumptions used in the determination of the plan's OPEB liability or obtained an independent actuarial audit.</p>

In the areas audited, the overall performance of this entity was **Good**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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**SCOTT FITZPATRICK**  
MISSOURI STATE AUDITOR

Honorable Mike Kehoe Governor  
and  
Conservation Commission  
and  
Jason Summers, Director  
Department of Conservation  
Jefferson City, Missouri

We have audited certain operations of the Department of Conservation in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the fiscal year ended June 30, 2024. The objectives of our audit were to:

1. Evaluate the department's internal controls over significant management and financial functions.
2. Evaluate the department's compliance with legal provisions related to the Sunshine Law (Chapter 610, RSMo).
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.
4. Evaluate the department's use of the internal auditor position.
5. Follow up on certain prior recommendations concerning the Employee Benefit Plan.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions related to the Sunshine Law, (3) the need for improvement in management practices and procedures, (4) no significant deficiencies with the department's use of the internal auditor position, and (5) the need for improvement related to the Employee Benefit Plan.

The accompanying Management Advisory Report presents our findings arising from our audit of the Missouri Department of Conservation.

A handwritten signature in black ink that reads "Scott Fitzpatrick". The signature is written in a cursive style with a large, stylized "S" and "F".

Scott Fitzpatrick  
State Auditor

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# Department of Conservation

## Introduction

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### Background

The Missouri Department of Conservation (MDC) is constitutionally created pursuant to Article IV, Section 40(a). The general functions of the MDC are to control, manage, restore, conserve, and regulate all bird, fish, game, forestry, and wildlife resources of the state.

The MDC is headed by a four-member bipartisan commission, appointed by the Governor, with the advice and consent of the Senate. The Conservation Commissioners serve without compensation for staggered 6-year terms.

### Commission Members at June 30, 2024

Commissioner	Term Expires
Steven D. Harrison	July 1, 2025
Margaret F. Eckelkamp	July 1, 2027
Mark L. McHenry	July 1, 2025
Raymond T. Wagner, Jr.	July 1, 2029

The Commission appoints a director who serves as the administrative officer of the Department of Conservation (Article IV, Section 42, of the Constitution). The director appoints other employees and is assisted by 3 deputy directors with programs carried out by the branches of communications, community and private lands, business services, education, human resources, information technology, infrastructure management, protection, regional resource management, relevancy, science, and statewide resource management.

Sara Parker Pauley was appointed Director effective November 1, 2016, and served until August 31, 2024. Jason Sumners was appointed Director and continues to serve in that capacity. As of June 30, 2024, the MDC had 1,365 full-time salaried employees and 402 part-time hourly employees.

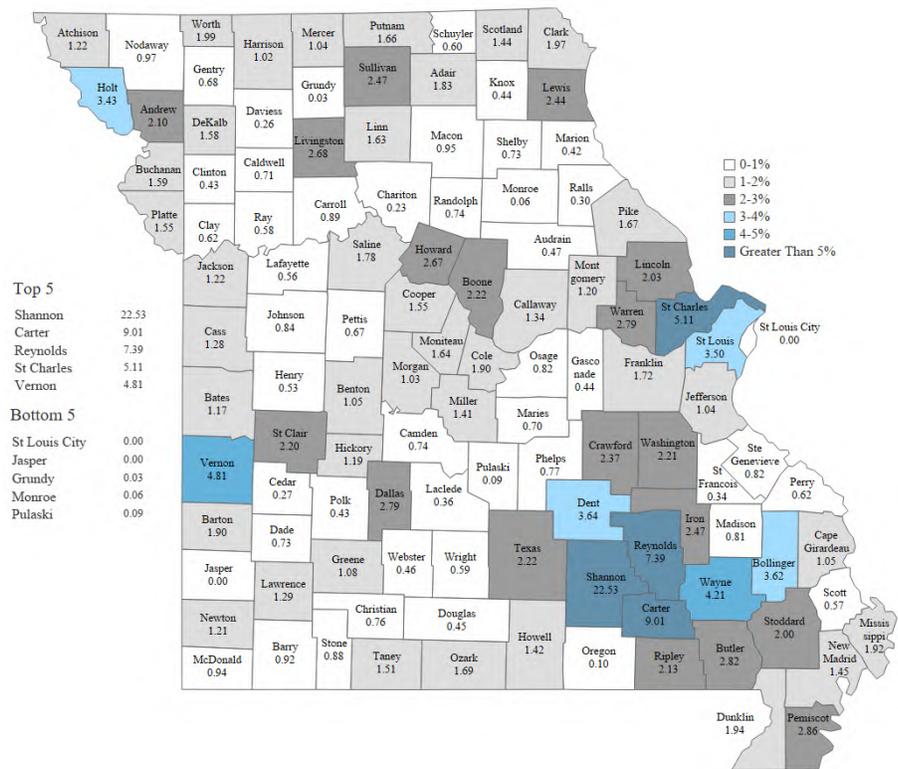
The MDC developed an expanded conservation program to provide more public land for its citizens called the Design for Conservation in 1970, which was updated in 1975. This program consisted of increased land acquisitions and a plan to offer counties payment to help compensate for a loss in tax base. Funding for the increased conservation efforts proposed was achieved when a sales tax amendment passed in 1976 and funds became available in 1977.

As of June 30, 2024, the department owned 825,179.04 acres and leased or managed another 205,099.92 acres of land in the state. These are areas for which the MDC has agreements to only manage land, such as city ponds. The MDC owns land in all Missouri counties (see map below).



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Figure 1: Conservation land ownership, as a percent of total acres, by county





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Follow up on  
cybersecurity  
recommendations

As a result of a report of suspicious cybersecurity activity on one of the MDC's data servers on February 28, 2025, we inquired about the status of prior findings contained in State Auditor's Office (SAO) Report No. 2022-090, *Department of Conservation Data Security*, issued in October 2022. Following are the findings from that report and the current statuses:

- Management Advisory Report (MAR) finding number 1 noted the MDC did not always timely remove accounts of terminated users and did not ensure a network security system control requiring user accounts' passwords to be changed periodically was consistently enforced. In addition, The MDC did not proactively monitor for user accounts that have not been accessed or used for a specified period of time and did not have a policy requiring such review. The MDC also did not perform periodic reviews of existing users' access to resources to ensure access remained appropriate and aligned with job responsibilities, nor was there a policy requiring such reviews.

We determined the MDC has fully implemented the SAO recommendations to address these concerns.

- MAR finding number 2 found the MDC and the OA - Information Technology Services Division (ITSD) did not have a service level agreement in place for IT services provided by the ITSD to the MDC.

We determined the MDC is currently implementing the SAO recommendation to address this concern.

- MAR finding number 3 found the MDC had not formally completed and documented a comprehensive risk assessment program, and had not fully established a security plan on which department-wide security policies, standards, and procedures could be formulated, implemented, or monitored. In addition, the MDC had not documented policies and procedures for certain security controls of department systems.

We determined the MDC has partially implemented the SAO recommendations to address these concerns.

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**Scope and  
Methodology**

The scope of our audit included, but was not limited to, the year ended June 30, 2024. We obtained an understanding of internal control that is significant to the audit objectives and planned and performed procedures to assess internal control to the extent necessary to address our audit objectives.

Land Strategy Plan

To evaluate the MDC's process of acquiring and managing land, we reviewed MDC's Land Strategy Plan and ensured it complied with the Missouri Constitution and interviewed various MDC personnel to obtain an understanding of MDC's process. We reviewed all land purchases and



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disposals occurring from July 1, 2023, through June 30, 2024, (10 purchases, 2 disposals) and all trade acquisitions and trade disposals (3 trade acquisitions, 2 trade disposals) occurring from July 1, 2022, through June 30, 2023, to determine reasonableness of purchase/sale price and adherence to MDC policy. We constructed a 5-year trend analysis on land purchases and performed a test on all transactions from July 1, 2023, through June 30, 2024. We reviewed the MDC's policy/procedure for management of land in the MDC's possession and noted there is a 10-year area management plan for all conservation areas.

**Feral Hog Elimination Program**

To assess effectiveness of the MDC's Feral Hog Elimination Program, we reviewed written policies and procedures and interviewed various MDC personnel to obtain an understanding of the Feral Hog Elimination Program process. Additionally, we performed an analytical analysis of expenditures for July 1, 2020, through June 30, 2024, and investigated significant fluctuations.

**Contract bidding**

To assess effectiveness of the MDC's contract bidding for agriculture and timber sales, we reviewed written policies and procedures and interviewed various MDC personnel to obtain an understanding of the MDC contract bidding process. We performed sample testing to ensure proper bidding procedures were adhered to and policies were followed. Additionally, we reviewed samples to understand how fair market value was determined and received. The results of our sample testing cannot be projected to the entire populations from which the test items were selected. See MAR finding number 3 for additional details pertaining to agriculture contracts and MAR finding number 4 for additional details pertaining to timber contracts.

**Employee salary controls**

To gain an understanding of the internal controls in place concerning MDC employee salaries and pay increases, we reviewed the MDC's salary policy. We tested for compliance with the salary policy by reviewing the top 5 paygrades (S11 to S19) and followed up on any perceived inequities. We obtained year ended June 30, 2024, payroll data from the statewide accounting system and verified the pay correlated with the employees' pay grades. We investigated 3 exceptions to the salary policy that we discovered during our review. See MAR finding number 2 for additional details.

**Permit prices**

We evaluated the MDC's process and strategy of increasing hunting and fishing permit prices. We reviewed price increases in relation to permits purchased over a 5-year period. The MDC's strategy of permit price increases is tied to the Consumer Price Index (CPI) to keep pace with rising costs, and is reviewed on an annual basis. We reviewed the MDC's comparison of Missouri permit prices to surrounding states and created our own comparison. We noted Missouri permit prices were consistently lower than the average of surrounding states.



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Internal Auditor

We assessed the MDC Internal Auditor position by interviewing the present Internal Auditor and reviewing the MDC Audit Charter to gain an understanding. We reviewed all 38 audit reports completed by the MDC Internal Auditor for the fiscal years ended June 30, 2018, through 2024, and the audit plans associated with each. We judgmentally selected 7 audits to test and determined they were properly authorized and the recommendations were addressed by the MDC. The results of our sample testing cannot be projected to the entire population from which the test items were selected. Additionally, we analyzed the structural independence of the Internal Auditor position by reviewing email correspondences and interviewing the MDC Internal Auditor.

Sunshine Law

We assessed the openness and adherence to the Sunshine Law of the Conservation Commission meetings. The Commission met regularly throughout the state, generally 6 to 7 times per year. Meeting minutes were kept of each meeting. We reviewed the open and closed meeting minutes for meetings held from July 2021 through September 2024. We discovered an apparent lack of transparency concerning workshops held immediately prior to the closed meetings. See MAR finding number 1 for additional details.

Benefit plan report  
follow up

We followed up on 3 audit findings in SAO Report No. 2020-122, *Department of Conservation Employees' Benefit Plan*, issued in December 2020. Following are the findings we reviewed and the current statuses (see MAR finding number 5 of this report for additional details):

- MAR finding number 1 found the Department of Conservation Employees' Benefit Plan (CEBP) did not allocate to the CEBP Trust Fund the proportionate share of personnel costs of MDC employees who administered the CEBP. Salaries and benefits provided to MDC employees who administered the CEBP were paid from the Conservation Commission Fund. Because these personnel costs were not identified and allocated to the CEBP, these costs, which represented at least 11 percent of total administrative costs and 1 percent of total costs during the year ended December 31, 2019, were not covered by the CEBP.

We determined the Board of Trustees of the CEBP has not implemented the SAO recommendation to address this concern.

- MAR finding number 2 found the CEBP had not evaluated its Other Postemployment Benefits (OPEB) liability amounts or considered prefunding the OPEB liability. In addition, the CEBP had not obtained experience studies and audits of actuarial valuations.

We determined the Board of Trustees has not implemented the SAO recommendation to address this concern.



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- MAR finding number 4 found the Board of Trustees did not consist of members representing varied and balanced interests. As of August 2020, all Board members were active MDC employees.

We determined the Board of Trustees has implemented the SAO recommendation to address this concern.

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# Department of Conservation

## Management Advisory Report

### State Auditor's Findings

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#### **1. Open Meeting Transparency Can Be Improved**

Improvements are needed to increase the transparency of the Conservation Commission's open meetings. Although the meetings are considered open, the Missouri Department of Conservation (MDC) does not clearly identify Commission "workshops" as open to the public, and does not maintain detailed minutes of these meetings. Commission workshops are separate from the Commission's regular open meetings, are more informational in nature, and generally include more detailed deliberations of the Commission. During the fiscal year ended June 30, 2024, the Commission met 6 times for workshops, closed meetings, and open meetings.

The public meeting notices do not clearly designate workshops as open to the public. For example, the public notice posting for the February 2024 meetings stated, "Thursday, February 15, 2024 12:30 p.m. WORKSHOP and CLOSED EXECUTIVE SESSION," and then further stated, "Friday, February 16, 2024 8:30 a.m. REGULAR OPEN MEETING."

While the notices include the required time, date, location, and agenda, it is not clear in the advertising that the workshops are open to the public. Additionally, the Commission is not consistent in the way the workshops and open meetings are documented. While the open meetings are video recorded, workshops are not recorded, and meeting minutes covering the workshops are far less detailed than those for the open and closed meetings.

Section 610.011.1, RSMo, states "[i]t is the public policy of this state that meetings, records, votes, actions, and deliberations of public governmental bodies be open to the public unless otherwise provided by law. Sections 610.010 to 610.200 shall be liberally construed and their exceptions strictly construed to promote this public policy." In addition, according to the Government Finance Officers Association (GFOA), "The underlying reason for transparency is to help create trust among citizens, government administrators, and elected officials"<sup>1</sup> and when ". . . citizens believe that decisions are fact based and take all concerns into consideration, they are more likely to support those decisions. . . "<sup>2</sup> Making the advertisement and minutes for workshops and open minutes more uniform would help increase public support for Commission decisions.

The MDC's General Counsel indicated the Commission's notice and documentation of workshops is in compliance with state law, and "As required by section 610.020.7, the date, time, place, members present, members absent, and a record of any votes are recorded. Votes are not taken

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<sup>1</sup> Government Finance Officers Association, *Transparency: A Means to Improving Citizen Trust in Government*, January 2018, <<https://www.gfoa.org/materials/transparency-a-means-to-improving-citizen-trust>>, accessed September 22, 2025.

<sup>2</sup> Government Finance Officers Association, *Code of Ethics*, <<https://www.gfoa.org/code-of-ethics>>, accessed September 22, 2025.



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during Commission workshops. The workshops are used to provide more in-depth education to the Commission and interaction between the Commission and its department staff."

Conclusion

While the Commission appears to be in compliance with state transparency laws, improvements in meeting disclosures and increased access to workshop discussions would improve transparency to the public.

Recommendation

The Conservation Commission ensure public meeting notices clearly indicate workshops are open to the public, and increase access to workshop discussion, including ensuring minutes of workshops are more detailed.

Auditee's Response

*The Conservation Commission partially agreed with this recommendation. The Commission stated it is committed to transparency and will consider our recommendation. The Commission's full written response is included at Appendix A.*

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## 2. Salary Policy Applied Inconsistently

The MDC has not consistently applied the salary policy in the event a promotion creates a salary inequity. The MDC did not adjust the salary of an individual increasing more than 2 paygrades or adjust the salaries of all existing employees in the same job title when an employee's promotional increase to that job title caused an inequity in pay, as required by policy. As a result, salary structures are at risk of becoming inequitable.

The MDC Salary Administration Policy states, "If progressing two or more pay grades and the new salary is above the minimum of the new pay range, an employee's new salary cannot exceed the 25th percentile of the new pay range. If an employee's promotional increase causes an inequity, the Branch Chief and Human Resources Branch Chief will determine whether to recommend adjustment to the promotional increase or to adjust the salaries of existing employees in the same job title."

We tested 21 of the 166 employees (16 selected randomly and 5 selected judgmentally) in the top 5 paygrades (S11 to S19) of the MDC employee salary scale during year ended June 30, 2024. We discovered an instance of a misapplication of the salary policy. When an employee was promoted to Community & Private Land Conservation Supervisor on March 1, 2024, the employee was awarded a salary of \$80,676, which resulted in a promotional inequity per MDC policy. The MDC Branch Chief and Human Resources Branch Chief reviewed the 6 additional employees in that job title, as required by policy, and also included 8 employees in an unrelated job title of Regional Resource Manager Supervisor. This review resulted in raising the salary of 3 employees with the Community & Private Land Conservation Supervisor title to \$80,676, and raising the salary of another employee with the same job title to \$82,044. However, 2 other employees with the same job title who had salaries lower than these adjusted amounts were not given the raise.



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Additionally, the MDC increased the salary for 6 of 8 employees in the unrelated job title of Regional Resource Management Supervisor, which is not in accordance with policy because the salary policy does not discuss salary adjustments for unrelated job titles.

MDC officials indicated the policy is not intended to be an all-inclusive adjustment of everyone in the same title, but rather it is only to be applied to those causing pay equity concerns. However, this approach appears to be inconsistent with the purpose of the policy. By not adjusting all employees in the same job title when an employee's promotional pay increase causes an inequity, the MDC is creating additional inequity in the job titles.

**Recommendation**

The Conservation Commission evaluate the salary policy, and determine if unintended inequities have resulted from past implementation of the policy.

**Auditee's Response**

*The Conservation Commission disagreed with this recommendation. The Commission believes it is enforcing the policy as required. The Commission's full written response is included at Appendix A.*

**Auditor's Comment**

The Commission's interpretation of its policy is inconsistent with the wording of the policy. The policy states the agency will determine whether or not to recommend an adjustment to the reclassification increase or to adjust the salaries of existing employees in the same job title. It does not state unrelated job titles should be considered, and does not include years of service or performance when considering whether a salary adjustment is necessary. The Commission's response does not address the instance of employees with unrelated job titles receiving salary adjustments noted in this report.

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**3. Agriculture Crop Policy Controls and Procedures Need Improvement**

The MDC does not have adequate controls and procedures to ensure the Agriculture Crop Policy and Procedures Manual is followed, and procedures do not provide for adequate supervisory review or verification of all required documentation. During the 2 years ended December 31, 2024, the MDC had a total of 505 agriculture crop permittee contracts. During our review of a random sample of 40 agriculture crop permittee contract files, 6 (15%) did not contain all the required documentation. One file was missing proof of newspaper advertisement and 5 files had no records documenting how the estimated fair market value was determined, as required by policy.

The Policy and Procedures Manual for Agriculture Land Use requires the MDC to develop and maintain a file for each agriculture crop contract permittee for each area and for each crop year. The policy requires retention of various documents including bid packets and contracts. All records that document the permittee selection process must be retained for a set period of time. In addition, when permittee farmers are solicited and negotiate a contract, contracts must be based on the estimated fair market values after



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consulting local markets. Documentation showing this process is required to be included in the permittee files.

MDC personnel indicated it can be challenging to entice area farmers to enter into contracts on certain conservation areas due to the number of separate fields, and the ability and cost to relocate needed farm equipment to the fields. They further believe (1) the Area Managers considered the fair market values in the specified community and consulted with other Area Managers having similar contracts, and (2) the negotiated prices were driven to entice and make it economically beneficial for a farmer to perform the contract services, which allows the MDC to accomplish its goal for habitat management. However, without retaining such documentation, it is unclear if MDC employees followed the requirements set out in MDC policy. Documented supervisory reviews verifying document retention would help ensure compliance with MDC policy and demonstrate support for decisions made.

## Recommendation

The Conservation Commission ensure supervisory reviews are conducted to verify all necessary documents are retained in accordance with the Agriculture Crop Policy and Procedures Manual.

## Auditee's Response

*The Conservation Commission agreed with this recommendation. The Commission's full written response is included at Appendix A.*

## 4. Timber Sale Controls and Procedures Need Improvement

MDC personnel did not perform all steps of the timber sale checklist as required by the Sale of Forest Products Manual, resulting in missing or inconsistent documentation. MDC policy does not require supervisory review of timber sale controls. As a result, the incomplete checklists were not identified and corrected. The timber sale checklist contains 16 items, and is in place to ensure adequate documentation is obtained and maintained, to support decisions made, and to ensure the MDC is receiving fair value for the timber it sells. During fiscal year ended June 30, 2024, MDC timber sales totaled approximately \$2.5 million.

During our review of 14 randomly selected timber sales (approximately 10% of all 139 timber sales during year ended June 30, 2024), we found 13 (93%) were missing required documentation. We found 10 files were missing the bid summary, 3 were missing newspaper advertisements, 2 were missing letters to successful bidders, 1 was missing the letters to the unsuccessful bidders, and 2 were missing the Timber Price Trend report. Additionally, the MDC's document storage system was incorrectly marked as all required documents completed for 11 of the 14 (79%) test items. MDC Forestry personnel stated bid summaries were not completed due to staff who were not familiar with the timber sale process or staff believing they did not need to be completed because of the price of the sale; however, personnel could not provide a reason for the other missing documentation. While MDC policy does not require supervisory review to ensure timber sale files are complete,



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MDC policy does not contain any mention of the price of the sale as a consideration for when the checklist should be completed.

## Recommendation

The Conservation Commission ensure supervisory reviews are conducted to verify the timber sale checklists are completed and all necessary documents are retained in accordance with the Sale of Forest Products Manual.

## Auditee's Response

*The Conservation Commission agreed with this recommendation. The Commission's full written response is included at Appendix A.*

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## 5. Conservation Employees' Benefit Plan Follow Up

The Department of Conservation Employees' Benefit Plan (CEBP) Board of Trustees has not implemented some prior audit findings<sup>3</sup> related to the administration of the CEBP. This audit followed up on 3 of the prior audit findings.

Effective January 1, 2000, the Conservation Commission established the CEBP, which provides medical, life, and accidental death and dismemberment insurance to salaried employees and retirees of the MDC, and a limited high deductible medical plan to eligible hourly employees. The following concerns were noted during our prior audit and have not been addressed by the CEPB Board of Trustees.

### 5.1 Personnel costs

The CEBP does not allocate the proportionate share of personnel costs of MDC employees who administer the CEBP to the CEBP Trust Fund. As a result, these costs were paid from the Conservation Commission Fund rather than the CEBP Trust Fund, and therefore, were not covered by plan premiums. This is not consistent with guidance from the GFOA, which recommends governments ". . . closely monitor health-care costs and choose approaches that make use of the jurisdiction's purchasing power, share costs appropriately, encourage good consumer behavior, promote health, and support governmental jurisdictions' ability to hire and retain a highly qualified and motivated workforce."<sup>4</sup>

The CEBP is administered by 7 MDC employees. Except for personnel costs, all administrative costs of the CEBP are paid from the CEBP Trust Fund. Administrative costs paid from the CEBP Trust Fund during the year ended December 31, 2023, totaled about \$1.2 million. The CEBP sets premiums annually based on claims experience, administrative costs, and other cost factors.

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<sup>3</sup> See Report No. 2020-122, *Department of Conservation Employees' Benefit Plan*, issued in December 2020 at <<https://auditor.mo.gov/AuditReport/CitzSummary?id=864>>.

<sup>4</sup> Government Finance Officers Association, *Strategies for Managing Health-Care Costs*, February 28, 2014, <<https://www.gfoa.org/materials/strategies-for-managing-health-care-costs>>, accessed November 19, 2025.



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Five Human Resources Division employees and 2 Budget Team (part of Administration Branch) employees perform administrative duties for the CEBP. Four employees spend 50% or more of their time on plan-related work, including 1 employee who spends 100% of his time on plan-related work.<sup>5</sup> Upon our request, the CEBP estimated the proportionate share of the 12 MDC employees' salaries (excluding benefits) for services provided to the CEBP totaled approximately \$256,000 during the year ended December 31, 2023. Because these personnel costs were not identified and allocated to the CEBP, these costs, which represent approximately 21 percent of total administrative costs and 1 percent of total costs, were not covered by CEBP enrollees. The CEBP Board of Trustees indicated the administrative burden of tracking specific time related to insurance administration versus overall MDC benefits for compensation and benefits personnel is unnecessary to ensure all costs of the plans are covered by premiums.

The Trust Agreement establishing the CEBP grants power to the Board of Trustees to pay all expenses of the CEBP, including "such amounts as may be agreed to by the MDC in payment to the MDC for administrative services rendered the Benefits Plan and Trust Fund." Additionally, the GFOA<sup>6</sup> recommends, "governments should calculate the full cost of the different services that they provide." A complete accounting of CEBP administrative costs, including MDC salaries and benefits related to the CEBP, is necessary for the CEBP to accurately allocate all costs to the plan and ensure all costs are covered by premiums.

## 5.2 Other postemployment benefits liability

The CEBP has not evaluated its Other Postemployment Benefits (OPEB) liability amounts or considered prefunding the OPEB liability. In addition, the CEBP has not obtained experience studies and audits of actuarial valuations.

The CEBP's OPEB liability is the projected future retirement healthcare benefit payments for current and retired employees that is attributed to those employees' past periods of service. To comply with financial statement reporting requirements, the CEBP obtains annual actuarial projections of its OPEB liability. As of June 30, 2023, the CEBP's OPEB liability totaled approximately \$128 million. At December 31, 2023, the CEBP's Trust Fund balance (available for payment of claims for active and retired employees) totaled approximately \$4.3 million (approximately 3.4% funded).

### Liability and funding

The CEBP has not evaluated or considered prefunding its OPEB liability.

<sup>5</sup> These 4 employees dedicate the equivalent of 3 full-time employees to CEBP duties.

<sup>6</sup> Government Finance Officers Association, *Measuring the Full Cost of Government Service*, October 2021 <<https://www.gfoa.org/materials/measuring-the-full-cost-of-government-service>>, accessed November 19, 2025.



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The CEBP pays medical claims from the CEBP Trust Fund for both active and retired members when the medical expenses are incurred (pay-as-you-go). Consequently, the CEBP has not funded any of the OPEB liability or developed a funding plan. While the CEBP reviews the sufficiency of the Trust Fund balance monthly and strives to maintain a fund balance reserve equal to at least 2.5 months of current claims expenses, the review does not include a consideration of the OPEB liability and the CEBP has not established an appropriate reserve for the OPEB liability.

The GFOA<sup>7</sup> recommends governments prefund their obligations for OPEB "once they have determined that the employer has incurred a substantial long-term liability. In most cases, employers can make long-term investments to cover these obligations through a separate trust fund that should, over time, result in a lower total cost for providing postemployment benefits." Additionally, the GFOA<sup>8</sup> states "[f]inancing other postemployment benefits as they are earned (prefunding) rather than as they come due (pay-as-you-go funding) offers significant advantages in terms of equity and sustainability and should be formalized through a specific funding policy for postemployment benefits."

The board stated it has not considered this because there is no accounting standard that requires this. However, prefunding such liabilities improves long-term financial stability by using investment returns to help pay for future obligations, helps reduce budget pressures in future years during downturns, and can help reduce financial statement liabilities.

### 5.3 Experience studies and actuarial audits

The CEBP has not obtained an experience study comparing actual experience with actuarial assumptions used in the determination of the plan's OPEB liability or obtained an independent actuarial audit. Such an audit would help ensure the reliability of the amounts reported in actuarial reports, and the reasonableness of the actuarial methods and assumptions used by the CEBP's actuary. The CEBP has used the same actuarial firm for all previous OPEB liability valuations. The CEBP Board indicated there is no requirement to obtain experience studies and audits of actuarial valuation; therefore, the Board does not think one is necessary.

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<sup>7</sup> Government Finance Officers Association, *Establishing and Administering an OPEB Trust*, September 2016, <<https://www.gfoa.org/materials/establishing-and-administering-an-opeb-trust>>, accessed November 19, 2025.

<sup>8</sup> Government Finance Officers Association, *Ensuring Other Postemployment Benefits (OPEB) Sustainability*, January 2016, <<https://www.gfoa.org/materials/ensuring-other-postemployment-benefits-opeb-sustainability>>, accessed November 19, 2025.



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According to the GFOA,<sup>9</sup> "[e]xperience studies, performed no less frequently than every five years, can help to ensure the assumptions are in line with the plans demographic and economic experience, or can be used as a guide to make necessary changes. Likewise, a comprehensive audit of the plans actuarial valuations performed by an independent actuary at least once every five to eight years can be used to evaluate the appropriateness of the actuarial methods, assumptions, and their application." Without periodically obtaining experience studies, actuarial audits, or similar services, the CEBP has less assurance regarding the reliability of the CEBP's actuarial reports.

## Recommendations

We continue to recommend the Conservation Commission:

- 5.1 Work with the Board of Trustees to pay from the CEBP Trust Fund the proportionate share of personnel costs of MDC employees performing administrative services for the CEBP.
- 5.2 Work with the Board of Trustees to evaluate the OBEP liability and consider establishing policies and procedures to prefund the OPEB liability.
- 5.3 Work with the Board of Trustees to periodically obtain experience studies and audits of actuarial valuations of the OPEB liability and make changes to the actuarial assumptions if necessary.

## Auditee's Response

- 5.1 *The Conservation Commission disagreed with this recommendation. The Commission feels these cost are immaterial to the insurance plan. The Commission's full written response is included at Appendix A.*
- 5.2 *The Conservation Commission disagreed with this recommendation because there is no accounting standard that requires this action. The Commission's full written response is included at Appendix A.*
- 5.3 *The Conservation Commission disagreed with this recommendation. While the Commission acknowledged there is an established best practice to implement this recommendation, there is no requirement to do so. The Commission's full written response is included at Appendix A.*

## Auditor's Comment

- 5.1 The Conservation Commission states the administrative costs in question are immaterial to the plan, and also references Article VI,

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<sup>9</sup> Government Finance Officers Association, *The Role of the Actuarial Valuation Report in Plan Funding*, February 2013 <<https://www.gfoa.org/materials/the-role-of-the-actuarial-valuation-report-in-plan>>, accessed November 19, 2025.



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Section 6.6 of the CEBP Trust Agreement, which states the plan board member time is to be paid by the Conservation Commission. However, the cost of board member time is not significant to the costs discussed in the finding. Of the \$256,000 in administrative costs mentioned in the finding, approximately \$235,000 (92 percent) is for non-board member activity. The MDC response also states that such administrative costs are immaterial to plan assets as justification for not having the plan cover such expenses. However, as the finding states, the costs that are currently covered by the MDC represent approximately 21% of the total administrative expenses of the fund, which represents a material portion of the fund's administrative costs. If the costs pertaining to board members is excluded, the cost of non-board member expenses (\$235,000) still represents 20 percent of total administrative costs incurred by the MDC.



Appendix A  
Department of Conservation  
Conservation Commission Responses to Audit Findings



## MISSOURI DEPARTMENT OF CONSERVATION

*Headquarters*

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Telephone: 573-751-4115 ▲ [www.MissouriConservation.org](http://www.MissouriConservation.org)

JASON A. SUMNERS, Director

January 13, 2026

Honorable Scott Fitzpatrick  
Missouri State Auditor  
Jefferson City, Missouri

Dear Mr. Fitzpatrick:

This letter is to document formal responses to findings from your office's audit of the Department of Conservation.

1. State Auditor's Conclusion: While the Commission appears to be in compliance with state transparency laws, improvements in meeting disclosures and increased access to workshop discussions would improve transparency to the public. The Conservation Commission ensure public meeting notices clearly indicate workshops are open to the public, and increase access to workshop discussion, including ensuring minutes of workshops are more detailed.

*Department Response: The Conservation Commission values transparency and strives to meet or exceed the requirements set by state transparency laws. Providing opportunities for citizen engagement remains a priority of the Conservation Commission. The Commission acknowledges that the State Auditor has determined that the Commission is in compliance with state transparency laws. The Commission disagrees with any finding that improvements are needed in order to comply with state transparency laws. The Commission will evaluate the suggestions related to meeting minutes and public notices.*

2. State Auditor's Conclusion: The Conservation Commission evaluates the salary policy and determines if unintended inequities have resulted from past implementation of the policy.

*Department Response: The Conservation Commission disagrees with this recommendation. The Department's approach follows policy in evaluating pay equity with considering years of applicable experience related to the role, tenure-based adjustments, and past performance pay increases. Equity adjustments are only recommended when a new incumbent's salary exceeds that of existing incumbents who possess greater applicable experience,*

COMMISSION

EDWARD C. CLAUSEN  
Centertown

MARGARET F. ECKELKAMP  
Washington

FRANK H.B. KRUSE  
Smithville

RAYMOND T. WAGNER JR.  
Town and Country



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*higher performance increases, or a combination of both. When a new incumbent's salary exceeds that of existing incumbents due to having more applicable experience, stronger performance, or a combination thereof, this is not considered an equity concern, and in turn, a recommendation for adjustment would not be made.*

3. State Auditor's Conclusion: The Conservation Commission ensure supervisory reviews are conducted to verify all necessary documents are retained in accordance with the Agriculture Crop Policy and Procedures Manual.

*Department Response: The Conservation Commission agrees with this recommendation. The Agriculture Crop Manual has been updated to ensure supervisory reviews are conducted and procedures are followed and recorded in the electronic Agriculture Crop System.*

4. State Auditor's Conclusion: The Conservation Commission ensure supervisory reviews are conducted to verify the timber sale checklists are completed and all necessary documents are retained in accordance with Sale of Forest Products Manual.

*Department Response: The Conservation Commission agrees with this recommendation and has strengthened the timber sales payments document review. In addition to this review, the department's forestry program, including the timber sale program, is subject to rigorous annual oversight through both internal audits and independent third-party reviews. As a participant in the Sustainable Forestry Initiative (SFI), the department has yearly external audits and are required to conduct internal audits as part of our certification. SFI is one of the world's leading forest certification systems, focused on ensuring that forests are managed responsibly, sustainably, and in ways that support long term ecological and community well-being.*

5. State Auditor's Conclusions:

- 5.1. Work with the Board of Trustees to pay from the CEBP Trust Fund the proportionate share of personnel costs of MDC employees performing administrative services for the CEBP.

*Department Response: The Conservation Commission disagrees with this recommendation. The Conservation Commission, in concurrence with the Board of Trustees, understands the importance of ensuring all costs to the plan are covered by premiums. However, for the five*



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Conservation Commission Responses to Audit Findings

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*Department of Conservation employees and two retirees that serve as board members, the Trust Agreement establishing the CEBP indicates in Article VI, Section 6.6 "Expenses." The Board shall serve without compensation for their services as such but shall be paid for any necessary expenses incurred in attending meetings of the Board or in the performance of other duties by the Board. Duties performed for the Plan by any member of the Board shall be considered duties in connection with the regular employment of the individual, and they shall suffer no loss in regular compensation by reason of the performance of such duties. A Retired Employee serving on the Board of Trustees shall be treated in the same manner as a volunteer of the Employer and may be reimbursed for services as defined in the Use of Department Vehicles and Other Equipment policy."*

*The administrative burden of tracking specific time related to insurance administration vs. overall Department of Conservation benefits for compensation and benefits personnel is unnecessary to ensure all costs of the plan are covered by premiums. The estimated proportionate share of administrative services provided to the CEBP during the year ended December 31, 2023, is immaterial to the Plan's assets and the overall premium contributions in 2023. Therefore, the Board respectfully declines to track personnel costs to reimburse MDC for employees performing administrative services for CEBP and will continue to consider these expenditures part of MDC's contribution.*

- 5.2. Work with the Board of Trustees to evaluate the OBEP liability and consider establishing policies and procedures to prefund the OPEB liability.
- 5.3. Work with the Board of Trustees to periodically obtain experience studies and audits of actuarial valuations of the OPEB liability and make changes to the actuarial assumptions if necessary.

*Department Response to 5.2 and 5.3: The Conservation Commission disagrees with this recommendation. The Board of Trustees has communicated the prefunding OPEB liability recommendation to the Conservation Commission. The Conservation Commission recognizes the recommendation by the Government Finance Officers Association (GFOA) to prefund OPEB liability, there is no accounting standard that requires this action.*



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*The Conservation Commission understands the "best practice" recommendation of experience studies and audits of actuarial valuations; however, there is no requirement to do so. The Board of Trustees does contract with an outside actuarial firm, Milliman, to review the OPEB liability. Milliman completed the most recent Financial Reporting Valuation in September 2025 titled **MISSOURI DEPARTMENT OF CONSERVATION OTHER POST-EMPLOYMENT BENEFITS PROGRAM - GASB 75 DISCLOSURE, Fiscal Year: July 1, 2024 to June 30, 2025.***

Sincerely,

JASON A. SUMNERS  
DIRECTOR

Appendix B

Department of Conservation  
 Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments

	Year Ended June 30,		
	2023	2024	2025
CONSERVATION COMMISSION FUND (0609)			
Receipts	\$ 264,965,465	283,510,772	282,848,295
Disbursements	230,392,132	275,959,329	282,034,377
Receipts Over (Under) Disbursements	34,573,333	7,551,443	813,918
Transfers In	0	0	0
Transfers Out <sup>1</sup>	(27,656,197)	(31,215,241)	(34,483,908)
Receipts Over (Under) Disbursements and Transfers	6,917,136	(23,663,798)	(33,669,990)
Cash and Investments, July 1	154,122,864	161,040,000	137,376,202
Cash and Investments, June 30	\$ 161,040,000	137,376,202	103,706,212

Note: State fund numbers are shown in parentheses after the fund names.

<sup>1</sup> Transfers Out generally include payments for employee fringe benefits, workers compensation, and the Legal Expense Fund.

Appendix C

Department of Conservation  
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,								
	2023			2024			2025		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
<b>CONSERVATION COMMISSION FUND (0609)</b>									
Department of Revenue - Personal Service	\$ 741,387	651,800	89,587	777,695	687,048	90,647	802,581	687,983	114,598
Department of Revenue - Expense and Equipment	41,474	27,332	14,142	41,474	26,669	14,805	41,474	27,174	14,300
State Auditor - Personal Service	52,566	50,726	1,840	55,140	55,138	2	56,904	56,903	1
State Auditor - Expense and Equipment	2,611	2,611	0	2,611	2,608	3	2,611	2,611	0
For stream access acquisition and development; lake site acquisition and development; financial assistance to other public agencies or in partnership with other public agencies; land acquisition for upland wildlife, state forests, wetlands, and natural areas and additions to existing areas	4,546,276	4,546,275	1	2,453,724	1,955,802	497,922	0	0	0
Reimbursing the Division of Employment Security benefit account for claims paid to former state employees for unemployment insurance coverage and for related professional services	100,000	21,428	78,572	100,000	58,256	41,744	100,000	26,192	73,808
Workers' Compensation Tax Payments	125,000	32,996	92,004	125,000	64,379	60,621	125,000	73,690	51,310
Workers' Compensation Benefits	1,200,000	898,849	301,151	1,200,000	1,044,392	155,608	1,200,000	1,040,517	159,483
For stream access acquisition and development; lake site acquisition and development; financial assistance to other public agencies or in partnership with other public agencies; land acquisition for upland wildlife, state forests, wetlands, and natural areas and additions to existing areas; for major improvements and repairs (including materials, supplies, and labor) to buildings, roads, hatcheries, and other departmental structures; and for soil conservation activities and erosion control on department land	7,351,630	7,351,629	1	16,940,963	15,058,920	1,882,043	34,671,644	32,630,981	2,040,663
For stream access development; lake site development; financial assistance to other public agencies or in partnership with other public agencies; major improvements and repairs (including materials, supplies, and labor) to buildings, roads, hatcheries, and other departmental structures; and for soil conservation activities, erosion control, and land improvement on department land	67,907,853	15,836,806	52,071,047	111,293,314	18,155,411	93,137,903	154,000,000	34,163,674	119,836,326
For vehicle checkpoints where motorists may be detained without individualized reasonable suspicion and related administrative expenses	1	0	1	1	0	1	1	0	1

Appendix C

Department of Conservation  
Comparative Statement of Appropriations and Expenditures

	2023			Year Ended June 30, 2024			2025		
	Appropriation		Lapsed	Appropriation		Lapsed	Appropriation		Lapsed
	Authority	Expenditures	Balances	Authority	Expenditures	Balances	Authority	Expenditures	Balances
Expense and Equipment - Other	6,080	0	6,080	0	0	0	0	0	0
Habitat Management Personal Service	18,031,008	17,893,833	137,175	19,312,058	19,308,309	3,749	26,694,393	26,680,916	13,477
Habitat Management Expense and Equipment	22,832,407	20,830,669	2,001,738	22,437,867	21,994,944	442,923	19,615,909	19,581,843	34,066
Fish and Wildlife Management Personal Service	23,637,281	23,047,600	589,681	24,735,802	24,735,768	34	31,340,136	31,325,888	14,248
Fish and Wildlife Management Expense and Equipment	12,510,355	11,514,873	995,482	11,603,689	11,213,376	390,313	12,200,770	12,129,805	70,965
Recreation Management Personal Service	12,132,505	11,828,118	304,387	12,401,555	12,396,497	5,058	12,080,731	12,053,333	27,398
Recreation Management Expense and Equipment	7,696,543	7,575,629	120,914	9,976,600	9,583,417	393,183	11,733,390	11,592,368	141,022
Education and Communication Personal Service	9,980,858	9,980,855	3	11,846,001	11,840,147	5,854	12,007,987	11,965,864	42,123
Education and Communication Expense and Equipment	10,533,597	10,482,304	51,293	11,795,197	11,357,810	437,387	9,722,500	9,604,032	118,468
Conservation Business Services Personal Service	56,828,548	56,316,691	511,857	65,881,973	64,663,457	1,218,516	53,451,380	47,857,565	5,593,815
Staff Development and Benefits Personal Service	19,733,693	19,464,302	269,391	27,157,289	27,141,903	15,386	25,942,619	25,362,060	580,559
Department of Revenue - Postage	1,343	1,343	0	1,343	1,343	0	1,343	1,343	0
For major improvements and repairs (including materials, supplies, and labor) to buildings, roads, hatcheries, signage, and other departmental structures; and for soil conservation activities, erosion control, and land improvement on department land	9,114,119	9,114,117	2	19,802,591	19,672,040	130,551	2,992,003	2,992,002	1
Personal Service - Other	3,247,960	2,468,526	779,434	0	0	0	0	0	0
For a new Shepherd of the Hills Hatchery visitor center	458,166	458,166	0	4,541,834	4,541,323	511	0	0	0
For stormwater and flooding repairs	0	0	0	600,000	178,696	421,304	400,000	143,367	256,633
For levee setback and road relocation at Columbia Bottom Conservation	12,000,000	0	12,000,000	12,000,000	222,192	11,777,808	11,777,808	2,031,768	9,746,040
Total Conservation Commission Fund	300,813,261	230,397,478	70,415,783	387,083,721	275,959,845	111,123,876	420,961,184	282,031,879	138,929,305
Total All Funds	\$ 300,813,261	230,397,478	70,415,783	387,083,721	275,959,845	111,123,876	420,961,184	282,031,879	138,929,305

Appendix D

Department of Conservation  
 Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2021	2022	2023	2024	2025
Salaries and wages	\$ 69,667,630	73,546,891	85,658,735	93,451,094	98,934,152
Benefits	9,687,032	13,014,087	14,321,636	19,550,967	19,922,817
Travel, in-state	794,621	1,307,090	1,816,320	1,873,223	1,878,446
Travel, out-of-state	77,230	243,017	392,650	428,411	427,565
Fuel and utilities	1,848,746	2,107,931	2,284,995	2,219,639	2,376,691
Supplies	18,092,350	20,727,378	23,772,733	23,880,657	23,414,420
Professional development	732,484	724,879	1,012,467	1,470,152	1,147,568
Communication services and supplies	2,542,453	2,529,715	2,768,406	2,668,991	2,431,582
Services:					
Professional	13,139,401	14,344,390	16,592,762	19,240,155	19,101,047
Housekeeping and janitorial	1,589,802	1,846,632	1,883,849	2,268,736	2,436,832
Maintenance and repair	5,515,403	7,301,723	9,475,725	9,836,785	11,219,535
Equipment:					
Computer	1,970,192	1,485,727	5,942,926	3,017,366	2,483,302
Motorized	10,268,484	6,434,484	8,285,125	16,645,912	7,396,199
Office	59,608	134,540	175,767	218,268	111,915
Other	2,983,178	3,918,541	2,438,431	2,566,367	2,290,756
Property and improvements	9,823,197	8,159,725	23,937,283	44,848,394	53,795,711
Building lease payments	800,028	882,854	963,407	1,211,815	1,279,956
Equipment rental and leases	1,989,769	1,742,673	2,283,283	2,971,142	2,601,816
Miscellaneous expenses	789,780	1,922,306	2,061,255	2,843,220	2,026,334
Refunds	1,069,851	1,220,875	1,433,406	1,347,273	1,364,028
Program distributions	17,625,151	16,456,784	22,896,317	23,401,278	25,391,207
Total Expenditures	\$ <u>171,066,390</u>	<u>180,052,242</u>	<u>230,397,478</u>	<u>275,959,845</u>	<u>282,031,879</u>