



Dave Yost • Auditor of State



Dave Yost • Auditor of State

Independent Accountants' Report on Applying Agreed-Upon Procedures

Ohio Department of Medicaid
50 West Town Street, Suite 400
Columbus, Ohio 43215

We have performed the procedures enumerated below, which were agreed to by the Ohio Department of Medicaid (ODM), on the Aging Administered Waiver Annual Cost Report (Cost Report) for the Area Office on Aging of Northwestern Ohio, Inc. (hereafter referred to as the PAA), for the period July 1, 2013 through June 30, 2014 (fiscal year (FY) 2014). The PAA's management is responsible for preparing this report. The sufficiency of these procedures is solely the responsibility of ODM. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Unless otherwise identified in the procedure, this report only describes exceptions exceeding \$500.

Revenue

1. We compared the revenue reported on the *Ohio Department of Aging (ODA) Administered Waiver Programs Monthly Financial Report, Final Page A* to the PAA's Standard General Ledger reports and SFY 2013 Cost Report. We found no variances exceeding \$500.
2. We compared the PAA's Client Liability reports to the PAA's Standard General Ledger report and *Final Page A* and determined if the costs were properly posted. We found no variances exceeding \$500.

Square Footage

1. We did not perform the procedure to test square footage as the PAA did not use square footage as an allocation methodology.

Trial Balance and Non-Payroll Expenses

1. We compared the disbursements on the PAA's Standard General Ledger reports and Passport Monthly Crosswalk reports to *Worksheet 1, Total Allowable Expenses by Line Item* for each waiver. We found no variances exceeding \$500.

In addition, we compared the PAA's PASSPORT Information Management System (PIMS) report by to total *Worksheet 2, Waiver Services Expenses Detail* costs and determined if the variance was greater than one half percent of the total PIMS costs. We found variances below the threshold and determined the PAA's Cost Report contained an explanation for the variance.

2. We scanned the PAA's Standard General Ledger reports and selected 60 disbursements from all cost pools and determined if supporting documentation was maintained, the costs were allowable, properly allocated and classified to correct cost center in accordance with the Three Party Agreement, Cost Report Instructions and 2 CFR part 225. We reported variances in Appendix A (see Finding Number 1).

Trial Balance and Non-Payroll Expenses (Continued)

3. We found the PAA did not use an allocation methodology consistent with the Cost Report Instructions or apply the correct allocation to each cost center consistent with its monthly time studies. We reported variances in Appendix A (see Finding Number 2).

Payroll

1. We compared total salaries and benefits on *Worksheet 1* for each waiver to the PAA's Standard General Ledger reports and other supporting documentation to identify variances greater than two percent of each waiver's individual cost categories. We found no variances exceeding two percent.
2. We selected 20 employees and obtained the detailed time sheets for one month for each employee. We verified that each employee's time sheet accurately rolled up to the individual cost centers on the monthly time studies. We found no variances.

Property

1. We compared the PAA's capital costs reported on *Worksheet 1* to the Standard General Ledger reports and other supporting documentation. We found no variances exceeding \$500.
2. We compared the PAA's FY 2014 Passport Property Schedule to its prior FY Passport Property Schedule for changes in the depreciation amounts for assets purchased prior to the periods under review, depreciation taken on the same asset more than once, assets that have been fully depreciated in prior years, or depreciation which was not in compliance with the Cost Report Instructions. We found no variances exceeding \$500.
3. We did not perform the procedure to test fixed assets as the PAA had no fixed assets being depreciated in the first year in FY 2014.
4. We did not perform the procedure to test disposed assets as the PAA stated that no fixed assets were disposed of in FY 2014.
5. We scanned the Standard General Ledger reports for items purchased during the FY that met the PAA's capitalization criteria and the procurement requirements and traced them to the PAA's Passport Property Schedule. This included a scan of the repair and maintenance accounts to determine if these disbursements are properly reported in regards to capitalization and expenditure classification. We found no variances.

Contract Monitoring

1. We determined the PAA had written procedures for all provider monitoring controls during the Cost Report period. We selected five providers for pre-certification, on-site and desk review monitoring to determine if the PAA maintained supporting documentation showing it performed provider oversight processes during the Cost Report period in accordance with Section II (A)(3) in its Three party agreement with ODM and ODA. We found no exceptions.

Area Office on Aging of Northwestern Ohio, Inc.
Independent Accountants' Report on
Applying Agreed-Upon Procedures

This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Aging Administered Waiver Annual Cost Report. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported. This report is intended solely for the information and use of the PAA and ODM, and is not intended to be, and should not be used by anyone other than the specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

October 27, 2017

This page intentionally left blank.

SUMMARY OF COST AND EXPENSE ADJUSTMENTS (Corrections)

PROGRAM PASSPORT

COST REPORT									
Finding Number	Worksheet	Line	Account	Cost Center	Type of Finding	Specific Compliance Citation	Reported Costs	Audit Adjustments	Audited Cost
1	1	4	Service Contracts	General Administrative	Incorrect classification of expense	Cost Report Instructions, Cost Categories	\$17,723.00	\$1,114.91	\$18,837.91
2	1	5	Travel & Training	General Administrative	Incorrect allocation of travel expenses (corresponding variances were to other programs and would increase costs)	2 CFR 225, Appendix A (C)(3)(a), Allocable Cost	\$13,806.00	\$20.74	\$13,826.74
2	1	5	Travel & Training	Screening	Incorrect allocation of travel expenses (corresponding variances were to other programs and would increase costs)	2 CFR 225, Appendix A (C)(3)(a), Allocable Cost	\$5,514.00	(\$379.29)	\$5,134.71
2	1	5	Travel & Training	Evaluation and Assessment	Incorrect allocation of travel expenses (corresponding variances were to other programs and would increase costs)	2 CFR 225, Appendix A (C)(3)(a), Allocable Cost	\$25,489.00	\$731.05	\$26,220.05
2	1	5	Travel & Training	Administrative Case Management	Incorrect allocation of travel expenses (corresponding variances were to other programs and would increase costs)	2 CFR 225, Appendix A (C)(3)(a), Allocable Cost	\$73,932.00	(\$789.88)	\$73,142.12
1	1	8	Supplies	General Administrative	Incorrect classification of expense	Cost Report Instructions, Cost Categories	\$10,129.00	(\$1,114.91)	\$9,014.09
1	1	11	Capital Cost	General Administrative	Costs not accrued during FY 2014; unsupported cost not a reclassification	Cost Report Instructions, General Information	\$77,161.00	(\$394.91)	
2	1	11	Capital Cost	General Administrative	Incorrect allocation of rent expenses (corresponding variance was to Choices program and would increase costs)	2 CFR 225, Appendix A (C)(3)(a), Allocable Cost		(\$605.63)	\$76,160.46
1	1	11	Capital Cost	Administrative Case Management	Costs not accrued during FY 2014; unsupported cost not a reclassification	Cost Report Instructions, General Information	\$132,709.00	(\$1,357.87)	\$131,351.13

PROGRAM Assisted Living

COST REPORT									
Finding Number	Worksheet	Line	Account	Cost Center	Type of Finding	Specific Compliance Citation	Reported Costs	Audit Adjustments	Audited Cost
1	1	11	Capital Cost	Administrative Case Management	Costs not accrued during FY 2014; unsupported cost not a reclassification	Cost Report Instructions, General Information	\$5,576.00	(\$235.32)	\$5,340.68

Total Effect on Cost Report

(\$3,011.11)

This page intentionally left blank.



Dave Yost • Auditor of State

AREA OFFICE ON AGING OF NORTHWESTERN OHIO

LUCAS COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
NOVEMBER 14, 2017