



Dave Yost • Auditor of State



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Independent Accountant's 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 Agency on Aging 11, Inc., a Passport Administrative Agency (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.

Revenue

1. We compared the revenue reported in the *Ohio Department of Aging (ODA) Administered Waiver Programs Monthly Financial Report, Final Page A* to the PAA's General Ledger Detail and Trial Balance reports and Program Year 2013 – Passport Monthly Financial Report to identify any variance greater than \$500.

We found no variances.

2. We compared the PAA's Monthly Statement of Client Liability report to the PAA's General Ledger Trial Balance reports and determined if the client liability amounts billed and collected were properly posted to identify any variances greater than \$500.

We found no variances.

Square Footage

1. We obtained the PAA's square footage summary and floor plans and compared to the square footage used for the cost allocation in the Cost Report.

We found no variances.

Trial Balance and Non-Payroll Expenses

1. We compared the disbursements on the PAA's General Ledger Trial Balance and Detail and Summary reports to *Worksheet 1, Total Allowable Expenses by Line Item* for each waiver to identify variances greater than \$500 of each individual cost categories. In addition, we compared the PAA's ODA Direct Services Expense Report to *Worksheet 2, Waiver Services Expenses Detail* to identify variances greater than \$500.

We found no variances.

Trial Balance and Non-Payroll Expenses (Continued)

2. We scanned the PAA's General Ledger Detail report and selected 60 disbursements from all cost pools. We determined if supporting documentation was maintained, the costs were allowable, properly allocated to correct cost center in accordance with the Three Party Agreement and the Cost Report Instructions and properly classified according to 45 CFR part 75 to identify any variances greater than \$500.

We found no variances exceeding \$500.

3. We reviewed the allocation methodology applied on *Worksheet 1* to determine if it is consistent with the approved methodologies in the Cost Report Instructions. We also verified that the PAA applied the correct allocation to each cost center consistent with its square footage and Direct Services Expense Report, and Cost Allocation Plan. We identified variances greater than \$500 by cost center.

We found no variances.

Payroll

1. We compared total salaries and benefits on *Worksheet 1* for each waiver to the PAA's General Ledger Trial Balance and Detail reports to identify variances greater than two percent of each waiver's individual cost categories.

We found no variances.

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 rolled up to the individual cost centers on the monthly time study logs used for allocating costs. We identified any variances greater than \$500.

We found no variances exceeding \$500 for 19 of the 20 employees tested. We noted that one employee did not complete a Time Log for the selected month. The PAA responded that the employee was dedicated to one program area and a time log was not needed. We found the employees' job title was consistent with the individual cost center charged.

Property

1. We compared the PAA's capital costs reported on *Worksheet 1* to the General Ledger Trial Balance and Detail reports. We identified any variances greater than \$500 by cost center.

We found no variances.

2. We compared the PAA's 2014 Depreciation Schedule to its prior year Depreciation 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 to identify any cell variances greater than \$500 by cost center.

We found no variances.

Property (Continued)

3. We determined the PAA's capitalization threshold and selected the lesser of 10 or 10 percent of the PAA's fixed assets which met the capitalization threshold and was being depreciated in the first year in FY 2014 and determine if the useful life agreed to the estimated useful lives prescribed in the 2013 American Hospital Association (AHA) Asset Guide. We also recomputed the first year's depreciation for the one asset tested, based on the cost, acquisition date and useful life to determine compliance with the Cost Report Instructions and AHA Asset Guide and identified any variances greater than \$500 by cost center.

We found no variances.

4. ODM asked us to select the lesser of 10 percent or 10 disposed assets from FY 2014 from the PAA's deletion report and determine if the asset was removed from the PAA's Depreciation Schedule. ODM also asked us to recalculate depreciation and any gain or loss for the disposed items tested, based on the undepreciated basis and any proceeds received from the disposal or sale of the asset to determine compliance with the Cost Report Instructions and CMS Publication 15-1, Chapter 1 to identify any variances greater than \$500 by cost center.

We did not perform this procedure as the PAA stated that no capital assets were disposed during FY 14.

5. We scanned the General Ledger Trial Balance and Detail reports for items purchased during the fiscal year that met the PAA's capitalization criteria and the procurement requirements; and traced them to inclusion on the PAA's Depreciation Schedule to identify any variances greater than \$500 by cost center. This includes a scan of the repair and maintenance accounts to determine if these disbursements are properly reported in regards to capitalization and/or expenditure classification.

We found no variances.

Contract Monitoring

1. We determined if the PAA had written procedures and supporting documentation during the Cost Report period showing it performed provider oversight processes, which included pre-certification provider reviews, annual provider reviews and site visits in accordance with Section II (A)(3)(b)(i)-(ii) in its Three party agreement with ODM and ODA.

We selected five providers to compare each applicable monitoring activity to supporting documentation.

We found no differences.

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 PAA's 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.

Area Agency on Aging 11, Inc.
Independent Accountants' Report on
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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 initial "D" and a long, sweeping tail on the "y".

Dave Yost
Auditor of State

June 15, 2017



Dave Yost • Auditor of State

AREA AGENCY- PAA 11

TRUMBULL 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
AUGUST 8, 2017