



Dave Yost • Auditor of State



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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 Western Reserve Area Agency on Aging (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 described 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 in the *Ohio Department of Aging (ODA) Administered Waiver Programs Monthly Financial Report, Final Page A* to the PAA's Expanded General Ledger, Cash Receipts and Monthly Financial Reports. We found no variances.
2. We compared the PAA's Client Liability Analysis report to the PAA's Expanded General Ledger and *Final Page A* and determined if the costs were properly posted. We found no variances.

Square Footage

1. We obtained the PAA's Quarterly Square Footage Allocation reports and compared with 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 Expanded General Ledger and Data Entry and Allocation reports to *Worksheet 1, Total Allowable Expenses by Line Item* for each waiver. We reported a variance in Appendix A (see Finding Number 1).

In addition, we compared the PAA's PASSPORT Information Management System (PIMS) report to total on *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 Expanded 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 the correct cost center in accordance with the Three Party Agreement, Cost Report Instructions and 2 CFR part 225. We found no variances exceeding \$500.
3. We found the PAA used an allocation methodology consistent with the Cost Report Instructions and verified that the PAA applied the correct allocation to each cost center consistent with its Quarterly Square Footage Allocation and monthly time study allocation reports. We found no variances.

Payroll

1. We compared total salaries and benefits on *Worksheet 1* for each waiver to the PAA's Expanded General Ledger and Data Entry and Allocations reports to identify variances greater than two percent of each waiver's individual cost categories. We reported variances in Appendix A (see Finding Number 2).
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 study reports. We found no variances.

Property

1. We compared the PAA's capital costs reported on *Worksheet 1* to the Expanded General Ledger report and Data Entry and Allocation reports. We found no variances.
2. We compared the PAA's FY 2014 Depreciation Schedule to its prior FY 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. We found no variances.
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 capital assets were disposed of in FY 2014.
5. We scanned the Expanded General ledger report for items purchased during the fiscal year that met the PAA's capitalization criteria and the procurement requirements and traced them to the PAA's Depreciation 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 did not have written procedures for all provider monitoring controls during the Cost Report period. We selected five providers for pre-certification, annual structural compliance and desk reviews, all four event based reviews, and all three expansion reviews 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)(b) in its Three party agreement with ODM and ODA. We found no exceptions.

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.

Western Reserve Area Agency on Aging
Independent Accountants' Report on
Applying Agreed-Upon Procedures

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 20, 2017

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SUMMARY OF COST AND EXPENSE ADJUSTMENTS (Corrections)

PROGRAM MyCare Ohio

COST REPORT									
Finding Number	Worksheet	Line	Account	Cost Center	Type of Finding	Specific Compliance Citation	Reported Costs	Audit Adjustments	Audited Cost
2	1	1	Salaries	General Administrative	Amount did not agree to general ledger; unsupported costs not a reclassification	Cost Report Instructions, General Information	\$68,491.00	(\$559.00)	\$67,932.00
2	1	1	Salaries	Evaluation and Assessment	Amount did not agree to general ledger; unsupported costs not a reclassification	Cost Report Instructions, General Information	\$18,637.00	(\$1,887.00)	\$16,750.00
2	1	3	Employee Benefits	Evaluation and Assessment	Amount did not agree to general ledger; unsupported costs not a reclassification	Cost Report Instructions, General Information	\$4,876.00	(\$759.00)	\$4,117.00
1	1	4	Service Contracts	Evaluation and Assessment	Amount did not agree to general ledger; unsupported costs not a reclassification	Cost Report Instructions, General Information	\$984.00	(\$984.00)	\$0.00

Total Effect on Cost Report

(\$4,189.00)

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WESTERN RESERVE AREA AGENCY ON AGING

CUYAHOGA 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 9, 2017**