



OHIO AUDITOR OF STATE
KEITH FABER



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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 Area Agency on Aging, Region 9, Inc., a PASSPORT Administrative Agency (hereafter referred to as the PAA) for the period July 1, 2015 through June 30, 2016. 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 specified, the PAA provided all reports used in the procedures and this report only describes exceptions exceeding \$500.

Revenue

1. We compared the revenue on *Final Page A* to the Summary of Receipts from ODA report. We found no variances.
2. We agreed the Client Liability Collected and Client Liability Due reports to the Cost Report. We found no variances greater than \$500.

Square Footage

1. We did not compare the square footage summary to the allocation on the Cost Report 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 Cost Report Worksheet and Detailed General Ledger - Standard reports to *Worksheet 1, Total Allowable Expenses by Line Item* for each waiver. We found no variances.

We also compared the PASSPORT Information Management System (PIMS) to *Worksheet 2*. We found variances below one half percent of total PIMS costs and determined the Cost Report did not contain an explanation for the variances.

2. We scanned the Detailed General Ledger – Standard reports and selected 60 disbursements from all cost pools. We compared supporting documentation and classification of the disbursement to the Three Party Agreement, Cost Report Instructions and 2 CFR part 200. We found no variances.

Trial Balance and Non-Payroll Expenses (Continued)

3. We compared the allocation methodology applied on *Worksheet 1* to the approved methodologies in the Cost Report Instructions. We found no difference. Using the payroll sample of 20 employees, we also compared the allocation applied to each cost center to the monthly Time Study Summary. We found no variances.

Payroll

1. We compared total salaries and benefits on *Worksheet 1* for each waiver to the Cost Report Worksheet and Detailed General Ledger - Standard reports. We found no variances.
2. We selected 20 employees and compared the organization chart, Employee Listing, Payroll Distribution and Monthly Time Study reports to salaries and benefits reported for each employee on the Cost Report. We then compared the reported salaries and benefits to the Cost Report Instructions and 2 CFR part 200. We found no variances.

Property

1. We traced the capital costs reported on *Worksheet 1* to the Cost Report Worksheet and Detailed General Ledger – Standard reports. We found no variances.
2. We compared the final 2016 Depreciation Schedule to its prior year Depreciation Schedule for changes in the depreciation amounts for assets purchased prior to the period 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 determined the PAA's capitalization threshold and selected the lesser of 10 or 10 percent of the fixed assets which met the capitalization threshold and were being depreciated in the first year in 2016. We recalculated the first year's depreciation for the three assets selected, based on the Cost Report Instructions and the 2013 American Hospital Association Asset Guide. We compared the recalculated depreciation to the reported depreciation. We found no variances.
4. We selected the lesser of 10 percent or 10 disposed assets from the PAA's disposal report and inspected the PAA's Depreciation Schedule. We found two assets were removed from the Depreciation Schedule in accordance with CMS Publication 15-1, Chapter 1, section 104.10(E). We found no gain or loss reported on *Worksheet 1*.
5. We scanned the Detailed General Ledger – Standard report for items purchased during the reporting period that met the capitalization criteria and the procurement requirements and traced them to the Depreciation Schedule. We found no variances.

Contract Monitoring

1. We obtained the PAA's written procedures and supporting documentation showing it performed provider oversight processes in accordance with Section II (A)(3)(b)(i)-(ii) in its Three Party Agreement. We selected five providers for pre-certification reviews five providers for structural compliance reviews, and all three of the event based reviews and obtained supporting documentation to ensure compliance. We found no exceptions.

Area Agency on Aging, Region 9, 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 to you. This report is intended solely for the information and use of the Provider and the Ohio Department of Medicaid, 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 "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State
Columbus, Ohio

February 5, 2019

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AREA AGENCY ON AGING REGION 9

GUERNSEY 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
FEBRUARY 21, 2019**