



Dave Yost • Auditor of State





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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Ohio Rehabilitation Services Commission  
400 E. Campus View Blvd.  
Columbus, OH 43235

Ohio Statewide Independent Living Council  
670 Morrison Road, Suite 200  
Gahanna, OH 43230

We have performed the procedures enumerated below, to which the Ohio Rehabilitation Services Commission (RSC or the Commission) and the Ohio Statewide Independent Living Council (SILC or the Council) have agreed, solely to assist the Commission's monitoring of the funding passed through to SILC by the Commission and evaluating compliance with OMB Circular A-122 for the Independent Living State Grants program, CFDA #84.169, for the period October 1, 2009 through September 30, 2010. We followed the American Institute of Certified Public Accountants' attestation standards for agreed-upon procedures engagements and compliance attestation. The sufficiency of the procedures is solely the responsibility of RSC and SILC. 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.

### Receipts

1. We obtained a listing of all funding (non-match GRF, match-GRF, and Part B) passed-through to SILC from RSC for the period and traced each receipt to SILC's bank statements. We also compared the total amount SILC received from RSC for federal fiscal year 2010 to the authorized amount per the state's appropriations for non-match GRF, the grant agreements between SILC and RSC for Part B, and other documentation for match-GRF. No exceptions were noted.
2. We obtained the Council's monthly meeting minutes for the period, scanned the minutes to identify all instances where the Council approved the bank reconciliation, and documented the date of the approval. We then obtained the related bank reconciliations and attempted to document the date each reconciliation was prepared; however, the reconciliations were not dated and included as part of each month's financial statement package. The reconciliations identified and corresponding dates are listed below.

<i>Date of SILC Board Meeting and Approval</i>	<i>Month End of Reconciliations</i>
11/12/2009	October 31, 2009
1/28/2010	November 30, 2009 and December 31, 2009
4/1/2010	January 31, 2010 and February 28, 2010
5/27/2010	March 31, 2010 and April 30, 2010
8/12/2010	May 31, 2010 and June 30, 2010

3. We compared the individual amounts SILC received from RSC for the period to the amounts recorded in SILC's request letters. No exceptions were noted.

## Expenditures

1. We obtained a listing of disbursements for all funding (non-match GRF, match-GRF, and Part B) passed-through to SILC from RSC for the period. We haphazardly selected 40 individual disbursements made to various vendors and/or the Centers for Independent Living (CILs) and determined if SILC documented on the invoice their approval of these expenditures. No exceptions were noted.
2. We compared the invoice amount for the 40 expenditures identified in step 1 above to the amount recorded in SILC's general ledger and to the corresponding debit in SILC's bank statement. We noted the invoice amounts for each individual disbursement agreed to the amounts recorded in SILC's general ledger and bank statements.
3. We obtained SILC's written policy for selecting vendors/contractors for goods and services; however, we noted the procedures were not put in place until October 2010. These policies and procedures were not in place during our review period. Therefore, for the disbursements identified in step 1 above, we did not determine if SILC followed their process/procedures for selecting vendors.

## Federal Compliance

1. We obtained a copy of the State Plan for Independent Living State Grants program prepared by SILC for federal fiscal year 2010 which documents the policies and procedures for all financial matters, including the receipt of funds, request for funds, disbursement of funds, accounting of funds, etc., and determined the State Plan was approved by SILC and RSC.
2. We obtained a copy of the two interagency (subrecipient) agreements between RSC and SILC for the Independent Living State Grants program for federal fiscal year 2010 and determined each interagency agreement was approved by SILC and RSC.
3. Match-GRF and Part B Disbursements
  - A. We haphazardly selected 40 individual match-GRF and Part B disbursements made by SILC from the Independent Living State Grants program, CFDA #84.169, for federal fiscal year 2010. We determined all but one of the selected payments was made in accordance with the following OMB Circular A-122 requirements.
    - 1) Be reasonable for the performance of the award and be allocable thereto under these principles.
    - 2) Conform to any limitations or exclusions set forth in these principles or in the award as to types or amount of cost items.
    - 3) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the organization.
    - 4) Be accorded consistent treatment.
    - 5) Be determined in accordance with generally accepted accounting principles (GAAP).
    - 6) Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period.
    - 7) Be adequately documented.
    - 8) Determine that monies were spent in the allowable time period required by the grant.

3. Match-GRF and Part B Disbursements (continued)

There was one exception related to a disbursement which was not adequately documented. This disbursement was supported by an e-mail between SILC employees instead of an invoice from the vendor/payee stating the amount to be paid to the vendor. This disbursement was for travel expenses to the Advancing in New Independent Living Directions conference in which the payee presented material on her experiences as a home health aide:

<i>Check Number</i>	<i>Date</i>	<i>Vendor Name / Payee</i>	<i>Amount</i>
14987	11/4/2009	Jess Langer	\$ 300

- B. For the items selected in step 3A above, we determined if the expenditures were a permissible use of project funds as described in the grant award agreements between the RSC and SILC for CFDA Number 84.169. We noted all but one of the selected disbursements was for a permissible use of project funds as described in the grant award agreements between SILC and RSC for CFDA Number 84.169. The following instance was not a permissible use of funds:

<i>Check Number</i>	<i>Date</i>	<i>Vendor Name / Payee</i>	<i>Amount</i>
14942	10/2/2009	Kevin Ross	\$ 108

SILC issued two checks to Kevin Ross reimbursing him for work completed as a Personal Attendant and Driver for a SILC Council member and related expenses. Both payments were supported by one invoice totaling \$588 (\$525 for hours worked and \$63 for meals). The check selected for testing totaled \$108, while a subsequent check was also issued totaling \$480. According to SILC's Expense Reimbursement Policy, a Personal Assistant and Driver may be reimbursed up to \$12 per hour for a maximum of 16 hours per day (midnight to midnight). Mr. Ross worked a total of 42.5 hours and was reimbursed at a rate of \$12 for the first 40 hours and at a rate of \$18 for the remaining 2.5 hours, totaling \$525. This method does not agree with SILC's policy and Mr. Ross should have only been reimbursed \$510, for an over payment of \$15.

- C. We scanned the QuickBooks financial statements to identify all monies disbursed to the individual Centers for Independent Living (CILs). We determined SILC did not disburse any funds to the CILs during the review period. Therefore, we did not determine if SILC received a signed agreement from each CIL or verify if the total amount paid to each CIL did not exceed the amount per the signed agreement.

4. Part B Disbursements

For the items selected in step 3A above for "Match GRF and Part B Disbursements", we determined if the expenditures were made within the grant's period of availability (funding availability is one year, plus a second year for carryover). No exceptions were noted.

5. Non-match GRF Disbursements

We haphazardly selected 40 disbursements paid with non-match GRF funding (appropriation line item 415-402, Independent Living Council) that SILC received from RSC from the period under review and determined if the disbursements were made for the following purposes, as defined in House Bill 1:

This line item provides state funds to operate the Ohio Statewide Independent Living Council and state Centers for Independent Living. The purpose of the program is to provide services to maximize independence and productivity and to support full inclusion and integration of individuals with disabilities into the mainstream of society.

We noted all the selected disbursements were for a permissible use of project funds without exception.

We also determined all of the amounts noted on the invoices agreed with the checks issued by SILC to the vendor and documented the name of the vendor and the purpose of the disbursement without exception.

We were not engaged to and did not examine a report containing a total of each Match-GRF, Part B, or Non-match GRF disbursement made by SILC during the period under review, the objective of which would have been to opine on compliance. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that we would have reported to you.

This report is intended solely for the information and use of the Ohio Rehabilitation Services Commission and the Ohio Statewide Independent Living Council and is not intended to be and should not be used by anyone else.



**DAVE YOST**  
Auditor of State

July 26, 2011



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OHIO STATEWIDE INDEPENDENT LIVING COUNCIL

FRANKLIN 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 9, 2011