



Dave Yost • Auditor of State

WEST CENTRAL OHIO NETWORK COUNCIL OF GOVERNMENT

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INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES

Halina Schroeder, Audit Chief
Ohio Department of Developmental Disabilities
Division of Fiscal Administration, Audit Office
30 E. Broad Street, 13th Floor
Columbus OH 43215

Dear Ms. Schroeder:

As permitted by Ohio Revised Code Section 5123.05 and as required by the *Application for a § 1915(c) HCBS Waiver*, Appendix I-2(c), the Auditor of State's Office performed the procedures enumerated below, to which the Ohio Department of Developmental Disabilities (DODD) agreed. The purpose is to assist you in evaluating whether the West Central Ohio Network Council of Government (the COG or Westcon COG) prepared its *Income and Expenditure Report* and *County Summary Workbooks*¹ for the year ended December 31, 2011 in accordance with DODD's Guide to Preparing Income and Expenditure Reports for COGs and County Boards of Developmental Disabilities (Cost Report Guides) and to assist you in evaluating whether reported receipts and disbursements complied with 2 CFR 225 (OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments*), and other compliance requirements described in the procedures below. The Council of Government's management is responsible for preparing these reports. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of DODD. 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.

Revenue Testing

1. DODD requested us to compare the COG's receipts with those reported on *Schedule C, Income Report* of the *County Summary Workbooks* and report variances exceeding two percent of total receipts on *Schedule C, Income Report* or greater than \$1,000.

We compared amounts paid to the COG per the 2011 Annual Subsidy Amount and Reconciliation Final reports (DODD confirmations) to *Schedule C, Income Report* of the *County Summary Workbooks*.

We found no differences exceeding two percent or greater than \$1,000.

Trial Balance Analysis and Non-Payroll Expenditures Testing

1. We compared the COG's total assets to total liabilities plus equity on the Trial Balance reports.

We found no differences or computational errors.

2. DODD asked us to compare the COG's disbursements on the Trial Balance and General Ledger reports to *Schedule A, Summary of Service Costs-By Program* and Worksheets 2 through 5 of the COG cost report and Schedule A and Worksheets 2 through 10 of the *County Summary Workbooks*,

¹ Westcon COG recorded receipts and disbursements on behalf of the county developmental disabilities boards (County Boards). Westcon COG prepared County Summary Workbooks to distribute these receipts and disbursements to each of the following County Boards: Auglaize, Darke, Hardin, Logan, Mercer, Miami, Preble, Shelby, and Union.

and report variances exceeding \$100 for total service contracts, other expenses and COG expenses on any Worksheet.

We compared all service contracts, other expenses and COG expenses on *Schedule A, Summary of Service Costs-By Program* and Worksheets 2 through 5 of the COG cost report and Schedule A and Worksheets 2 through 10 of the *County Summary Workbooks* to disbursements on the COG's Trial Balance and General Ledger reports.

We found no differences exceeding \$100 on any Worksheet. We found between the COG and County Boards that were not recorded on the COG cost report or *County Summary Workbooks*.

3. DODD asked us to determine whether the COG's disbursements on the General Ledger reports were properly classified within two percent of total service contracts, other expenses and COG expenses for Worksheets 2 through 5 of the COG cost report and Schedule A and Worksheets 2 through 10 of the *County Summary Workbooks* and if these Worksheets included disbursements over \$100 which are non-federal reimbursable under 2 CFR Appendix B.

We scanned the COG's General Ledger report for service contracts, other expenses and COG expense rows on Worksheets 2 through 5 of the COG cost report and Schedule A and Worksheets 2 through 10 of the *County Summary Workbooks* and reviewed documentation to identify disbursements not classified according to the Cost Report Guides or costs which are non-federal reimbursable under 2 CFR 225 Appendix B.

We found differences as reported in Appendix A for misclassified costs and non-federal reimbursable costs.

4. We haphazardly selected a sample of 60 non-payroll disbursements from the General Ledger report that were classified as total service contracts, other expenses or COG expenses on Worksheets 2 through 5 of the COG cost report and Schedule A and Worksheets 2 through 10 of the *County Summary Workbooks*.

We determined if supporting documentation was maintained as required by 2 CFR 225 (OMB Circular A-87, Appendix A, (C)(1)(j)) and the disbursement was properly classified according to the Cost Report Guides.

We found differences as reported in Appendix A.

5. We scanned the COG's General Ledger reports for items purchased during 2011 that met the COG's capitalization criteria and traced them to inclusion on the COG's fixed asset listing.

We found no unrecorded purchases meeting the capitalization criteria.

Property, Depreciation, and Asset Verification Testing

1. DODD asked us to compare the COG's procedures regarding capitalization of fixed assets with the Cost Report Guides for preparing *Worksheet 1, Capital Costs* and 2 CFR 225 (OMB Circular A-87, Appendix B, 15(a)(2)).

We found no inconsistencies between the COG's capitalization procedures and the guidelines listed above.

2. DODD asked us to compare the COG's depreciation schedule to *Worksheet 1, Capital Costs* of the COG cost report and report any variances exceeding \$100.

We compared all depreciation entries on *Worksheet 1, Capital Costs* of the COG Cost Report to the COG's Depreciation Schedule.

We found no differences exceeding \$100.

3. We scanned the COG's Depreciation Schedule for 2011 for depreciation taken on the same asset more than once, assets that have been fully depreciated, or depreciation taken on assets during the period of acquisition which were not in compliance with the Cost Report Guides.

We found no differences.

4. We compared the COG's final 2010 Depreciation Schedule to the COG's 2011 Depreciation Schedules for changes in the depreciation amounts for assets purchased prior to the period under review which were not in compliance with the Cost Report Guides.

We found no differences.

5. DODD asked us to haphazardly select five of the COG's fixed assets from their fixed asset schedule which meet the COG's capitalization policy and are correctly being depreciated in their first year in 2011.

No purchases meeting the capitalization criteria guidelines outlined in Procedure #1 above were identified per review of the COG's Depreciation Schedule and the Westcon COG's General Ledger report and the County Board General Ledger reports.

6. DODD asked us to haphazardly select the lesser of five percent or 5 disposed assets in 2011 from the COG's list of disposed assets and determined if the asset was removed from the COG's fixed asset ledger. DODD also asked us to recalculate depreciation and any gain or loss applicable to 2011 for the disposed items based on its undepreciated basis and any proceeds received from the [disposal or sale] of the asset to determine compliance with the Cost Report Guide and CMS Publication 15-1, Chapter 1.

We did not perform this procedure because the County Board stated that no capital assets were disposed of in 2011. We also reviewed the Westcon COG and County Board General Ledger reports and found no proceeds from the sale or disposal of assets.

Payroll Testing

1. DODD asked us to determine if employee salaries on the COG's Payroll Register and Trial Balance reports were within two percent of payroll costs reported on the COG cost report and the *County Summary Workbooks*.

We compared the total payroll costs per the COG's Trial Balance reports with payroll costs reported on the COG cost report and the *County Summary Workbooks*.

We found no differences exceeding two percent.

2. We selected a haphazard sample of five employees and compared the COG's Payroll reports to the worksheet on the COG's cost report or the *County Summary Workbooks* in which each employee's salary and benefit costs were allocated to ensure the allocation is consistent with the Cost Report Guides. DODD asked us to report differences greater than two percent of the total wage and benefit of any worksheet affected.

We found no differences exceeding two percent.

3. We scanned the COG's Payroll Reports for 2011 and compared classification of employees to entries on the COG cost report and *County Summary Workbooks* to determine if salary and benefit costs were reported in accordance with the Cost Report Guides.

We found differences as reported in Appendix A (2011).

Medicaid Administrative Claiming Testing

1. DODD asked us to contact its Random Moment Time Study (RMTS) Coordinator to report differences between the MAC salary and benefits versus the COG's payroll records exceeding one percent.

We compared salaries and benefits entered on the Individual MAC Costs by Code and MAC RMTS Summary reports to the COG's quarterly payroll records.

We found no differences exceeding one percent.

2. We compared the original Individual MAC Costs by Code and MAC RMTS Summary reports to Lines 1-2 of *Worksheet 4, Medicaid Administrative Claiming* of the COG cost report.

We found no differences.

3. We compared Ancillary Costs on the Roll up Report for Ohio Department of Job and Family Services to Lines 6-10 of the *MAC Reconciliation Worksheet*.

We found differences as reported in Appendix A.

4. We selected 12 RMTS observed moments completed by employees of the COG from the DODD RMTS Participant Moments Question and Answer report for the third quarter of 2011 in which they documented their time spent on administering Medicaid-funded programs. We determined if supporting documentation of the COG employees' activity for each observed moment was maintained and the observed moment was properly classified in accordance with DODD's Guide to Medicaid Administrative Claiming (MAC) using the Random Moment Time Studies (RMTS) Methodology for 2010.

We found no differences.

We did not receive a response from officials to the exceptions noted above.

This report is intended solely for the use of the managements of the DODD, the Office of Medical Assistance, the Centers for Medicare and Medicaid Services and the Westcon COG; however, this report is a matter of public record under Section 149.43, Revised Code and its distribution is not limited.

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Independent Accountant's Report on
Applying Agreed-Upon Procedures
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Sincerely,

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

April 19, 2013

cc: Renee Place, Executive Director, Westcon COG
Carolyn Minichello, Fiscal Consultant, Westcon COG
Diane Knupp, Board President, Westcon COG
Superintendents of all Member County Boards of Developmental Disabilities
Business Managers of all Member County Boards of Developmental Disabilities

Appendix A
West Central Ohio Network Council of Government
2011 Income and Expenditure Report and County Summary Workbook Adjustments

Cost Report Location	Reported Amount	Correction	Corrected Amount	Explanation of Correction
West Central Ohio Network Council of Government Income and Expenditure Report				
Schedule C				
I. County DD Board Fees	\$ 1,895,303	\$ (857,124)	\$ 1,038,179	To reclassify MAC Revenue
II. Federal Programs (A) Medicaid Administration Claiming	\$ -	\$ 857,124	\$ 857,124	To reclassify MAC Revenue
Worksheet 2				
1. Salaries	\$ 44,412	\$ (10,740)	\$ 33,672	To reclassify PAWS salary
4. Other Expenses	\$ 51,346	\$ (838)	\$ 50,508	To remove a non-cash transaction
Medicaid Administration Reconciliation				
6. Other Costs Column A	\$ -	\$ 15,814	\$ 15,814	To record Ancillary costs
Auglaize County Summary Workbook				
Worksheet 5				
15. COG Expense (A) Early Intervention	\$ 1,364	\$ 96	\$ 1,460	To reclassify PAWS salary
15. COG Expense (B) Pre-School	\$ 4,091	\$ 97	\$ 4,188	To reclassify PAWS salary
15. COG Expense (C) School Age	\$ 1,364	\$ 97	\$ 1,461	To reclassify PAWS salary
Worksheet 10				
27. COG Expense (E) Facility Based Services	\$ -	\$ 97	\$ 97	To reclassify PAWS salary
27. COG Expense (F) Enclave	\$ -	\$ 290	\$ 290	To reclassify PAWS salary
27. COG Expense (G) Community Employment	\$ -	\$ 290	\$ 290	To reclassify PAWS salary
Darke County Summary Workbook				
Worksheet 5				
15. COG Expense (B) Pre-School	\$ 1,925	\$ 48	\$ 1,973	To reclassify PAWS salary
15. COG Expense (C) School Age	\$ 642	\$ 242	\$ 884	To reclassify PAWS salary
Worksheet 10				
27. COG Expense (E) Facility Based Services	\$ -	\$ 97	\$ 97	To reclassify PAWS salary
27. COG Expense (F) Enclave	\$ -	\$ 290	\$ 290	To reclassify PAWS salary
27. COG Expense (G) Community Employment	\$ -	\$ 290	\$ 290	To reclassify PAWS salary
Hardin County Summary Workbook				
Worksheet 5				
15. COG Expense (A) Early Intervention	\$ 1,341	\$ 27	\$ 1,368	To reclassify PAWS salary
15. COG Expense (B) Pre-School	\$ 4,023	\$ 54	\$ 4,077	To reclassify PAWS salary
15. COG Expense (C) School Age	\$ 1,341	\$ 80	\$ 1,421	To reclassify PAWS salary
Worksheet 10				
27. COG Expense (E) Facility Based Services	\$ -	\$ 81	\$ 81	To reclassify PAWS salary
27. COG Expense (F) Enclave	\$ -	\$ 107	\$ 107	To reclassify PAWS salary
27. COG Expense (G) Community Employment	\$ -	\$ 188	\$ 188	To reclassify PAWS salary
Logan County Summary Workbook				
Worksheet 5				
15. COG Expense (B) Pre-School	\$ -	\$ 85	\$ 85	To reclassify PAWS salary
15. COG Expense (C) School Age	\$ -	\$ 172	\$ 172	To reclassify PAWS salary
Worksheet 10				
27. COG Expense (E) Facility Based Services	\$ -	\$ 86	\$ 86	To reclassify PAWS salary
27. COG Expense (F) Enclave	\$ -	\$ 258	\$ 258	To reclassify PAWS salary
27. COG Expense (G) Community Employment	\$ -	\$ 258	\$ 258	To reclassify PAWS salary
Mercer County Summary Workbook				
Worksheet 5				
15. COG Expense (A) Early Intervention	\$ 10,969	\$ 17	\$ 10,986	To reclassify PAWS salary
15. COG Expense (B) Pre-School	\$ 32,904	\$ 43	\$ 32,947	To reclassify PAWS salary
15. COG Expense (C) School Age	\$ 10,969	\$ 198	\$ 11,167	To reclassify PAWS salary
Worksheet 10				
27. COG Expense (F) Enclave	\$ -	\$ 344	\$ 344	To reclassify PAWS salary
27. COG Expense (G) Community Employment	\$ -	\$ 258	\$ 258	To reclassify PAWS salary
Miami County Summary Workbook				
Worksheet 5				
15. COG Expense (B) Pre-School	\$ 516	\$ 151	\$ 667	To reclassify PAWS salary
15. COG Expense (C) School Age	\$ -	\$ 752	\$ 752	To reclassify PAWS salary
Worksheet 10				
27. COG Expense (E) Facility Based Services	\$ -	\$ 601	\$ 601	To reclassify PAWS salary
27. COG Expense (F) Enclave	\$ -	\$ 601	\$ 601	To reclassify PAWS salary
27. COG Expense (G) Community Employment	\$ -	\$ 902	\$ 902	To reclassify PAWS salary
Preble County Summary Workbook				
Worksheet 2				
10. COG Expenses (Line 5) Column O Non Federal Reimbursable	\$ 360	\$ 12,277	\$ 12,637	To record admin fees
Worksheet 5				
15. COG Expense (B) Pre-School	\$ 10,211	\$ 48	\$ 10,259	To reclassify PAWS salary
15. COG Expense (C) School Age	\$ 3,404	\$ 242	\$ 3,646	To reclassify PAWS salary
Worksheet 6				
16. COG Expenses (Line 5) Column O Non Federal Reimbursable	\$ -	\$ 6,136	\$ 6,136	To record MAC Fees for Preble
Worksheet 10				
27. COG Expense (E) Facility Based Services	\$ -	\$ 48	\$ 48	To reclassify PAWS salary
27. COG Expense (F) Enclave	\$ -	\$ 338	\$ 338	To reclassify PAWS salary
27. COG Expense (G) Community Employment	\$ -	\$ 290	\$ 290	To reclassify PAWS salary

* Original Cost Report balances have been adjusted to reflect allocations as a result of the above adjustments to Worksheet 2 of the COG Cost Report. Other county summary workbooks have been affected by this same allocation; however, those adjustments are not shown here due to this being a function of how costs flow down from Schedule B of the COG Cost Report.

Appendix A
 West Central Ohio Network Council of Government
 2011 Income and Expenditure Report and County Summary Workbook Adjustments

Cost Report Location	Reported Amount	Correction	Corrected Amount	Explanation of Correction
West Central Ohio Network Council of Government Income and Expenditure Report				
Shelby County Summary Workbook				
Worksheet 5				
15. COG Expense (B) Pre-School	\$ 2,063	\$ 97	\$ 2,160	To reclassify PAWS salary
15. COG Expense (C) School Age	\$ 688	\$ 193	\$ 881	To reclassify PAWS salary
Worksheet 10				
27. COG Expense (F) Enclave	\$ -	\$ 290	\$ 290	To reclassify PAWS salary
27. COG Expense (G) Community Employment	\$ -	\$ 387	\$ 387	To reclassify PAWS salary
Union County Summary Workbook				
Worksheet 5				
15. COG Expense (A) Early Intervention	\$ -	\$ 81	\$ 81	To reclassify PAWS salary
15. COG Expense (B) Pre-School	\$ -	\$ 81	\$ 81	To reclassify PAWS salary
15. COG Expense (C) School Age	\$ -	\$ 322	\$ 322	To reclassify PAWS salary
Worksheet 10				
27. COG Expense (E) Facility Based Services	\$ -	\$ 161	\$ 161	To reclassify PAWS salary
27. COG Expense (F) Enclave	\$ -	\$ 483	\$ 483	To reclassify PAWS salary
27. COG Expense (G) Community Employment	\$ -	\$ 483	\$ 483	To reclassify PAWS salary

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WEST CENTRAL OHIO NETWORK COUNCIL OF GOVERNMENT

SHELBY 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
MAY 9, 2013