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Independent Accountants' Report on Applying Agreed-Upon Procedures

Ohio Department of Developmental Disabilities
30 East Broad Street, 8th Floor
Columbus, Ohio 43215

We have performed the procedures enumerated below, with which the Ohio Department of Developmental Disabilities (DODD) agreed, solely to assist DODD in evaluating whether the Clinton County Board of Developmental Disabilities (County Board) prepared its *Income and Expenditure Report* for the years ended December 31, 2013 and 2014 (Cost Reports) in accordance with DODD's Guide to Preparing Income and Expenditure Reports for 2013 and 2014 (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 County Board's management is responsible for preparing these reports. This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards. 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.

Statistics – Square Footage

1. We compared program costs and statistics to square footage reported in the Cost Reports to identify potential square footage errors. We inquired with the County Board to obtain explanation of any potential errors.

We found no differences.

We also compared the 2013 and 2014 square footage totals to the final 2012 totals and found variances above 10 percent. We performed the remaining square footage procedures on those areas that changed by more than 10 percent.

2. We compared the square footage for each room on the floor plan of the Building D - Community Store to the County Board's summary for each year which rolls up to *Schedule B-1, Section A, Square Footage* to ensure that square footage was allocated in accordance with the Cost Report Guides and identified any variances greater than 10 percent.

We found no variances.

3. We compared the County Board's square footage summary for each year to the square footage reported in each cell in *Schedule B-1, Section A, Square Footage* and identified variances greater than 10 percent for any cell in *Schedule B-1*.

We found no variances.

4. We reviewed differences from our payroll testing procedures to determine if they resulted in square footage variances greater than 10 percent for any cell in *Schedule B-1*.

We found no variances.

Statistics – Attendance

1. We reviewed the Cost Reports and determined if individuals served or units of service were omitted on *Schedule B-1, Section B, Attendance Statistics*, worksheet 4, or worksheets 7A to 7H which resulted in program or general expenses-all program costs not being allocated to the County Board's programs.

We found no unassigned program or general expenses-all program costs.

2. We compared the County Board's Day Services Attendance Summary By Consumer, Location, Acuity and Month reports for the number of individuals served, days of attendance, and 15 minute units with similar information reported for Day Habilitation/Adult Day Services/Vocational Habilitation, Enclave and Community Employment on *Schedule B-1, Section B, Attendance Statistics* and determined if the statistics were reported in accordance with the Cost Report Guides. We identified any variances greater than two percent of reported attendance statistics at each acuity level. We also footed the County Board's attendance reports for accuracy.

We found no variances.

3. We traced the number of total attendance days for four Adult Day Service individuals and one Enclave individual for two months in 2013 and 2014 between the County Board's monthly attendance documentation and Attendance Acuity reports and the number of days reported on *Schedule B-1, Section B, Attendance Statistics*. We then compared the acuity level on the County Board's reports to the Acuity Assessment Instrument for each individual. We also selected an additional eight individuals in 2013 and seven individuals in 2014 to ensure at least two individuals from each acuity level were tested, and performed the same acuity level comparison.

We found no differences.

4. We selected 27 Supported Employment-Community Employment units from the Services Provided Detail reports and determined if the units were calculated in accordance with the Cost Report Guides and met the service documentation requirements of Ohio Admin. Code § 5123:2-9 to identify variances greater than 10 percent to *Schedule B-1, Section B, Attendance Statistics*.

We found no variances or instances of non-compliance.

Statistics – Transportation

1. We compared the number of one-way trips from the County Board's Receivable Billing Reimbursable Detail and Billing History reports with those statistics as reported in *Schedule B-3, Quarterly Summary of Transportation Services* and identified any variances greater than two percent of total children or adult program trips reported on rows 4 and 8. We also footed the County Board's transportation reports for accuracy.

We found no variances.

2. We traced the number of trips for five adults for February 2013 and July 2014 from the County Board's daily reporting documentation to *Schedule B-3, Quarterly Summary of Transportation Services* and identified any variances greater than 10 percent of the total trips tested each year.

We found no variances exceeding 10 percent.

3. We compared the cost of bus tokens/cabs from the County Board's State Expenses Detail Reports to the amount reported in *Schedule B-3, Quarterly Summary of Transportation Services* and identified any variances greater than two percent of each row's total costs.

We found no differences.

Statistics – Service and Support Administration (SSA)

1. We compared the number of Targeted Case Management (TCM), Other SSA Allowable, and SSA Unallowable units from the County Board's Receivable Billing Reimbursable Detail reports with those statistics reported in *Schedule B-4, Quarterly Summary of Units of Service-Service and Support Administration* and identified any variances greater than two percent of total units reported on each row. We also footed the County Board's SSA reports for accuracy.

We reported no variances in 2013. We reported no variances exceeding two percent in 2014.

2. We haphazardly selected two samples of 60 Other SSA Allowable units for both 2013 and 2014 from the Receivable Billing Reimbursable Detail reports and determined if the case note documentation described activities listed in Ohio Admin. Code § 5101:3-48-01(D) and included the elements required by Ohio Admin. Code § 5101:3-48-01(F) to identify any variances greater than 10 percent of total units tested in each year.

We found no variances.

3. We haphazardly selected samples of 30 SSA Unallowable units for both 2013 and 2014 from the Receivable Billing Reimbursable Detail reports and determined if the case note documentation described activities listed in Ohio Admin. Code § 5101:3-48-01(D) and included the elements required by Ohio Admin. Code § 5101:3-48-01(F) to identify any variances greater than 10 percent of total units tested in each year.

We found no variances.

4. We determined if the County Board maintained case note documentation for non-individual specific activities (general time units) as described in Worksheet 9, Service and Support Administration Costs of the Cost Report Guides.

The County Board did record general time units and they accounted for over 10 percent of total SSA units on the final *Schedule B-4* plus any general time units recorded.

We haphazardly selected two samples of 60 general time units for both 2013 and 2014 from the Non-Billable SSA Detail reports and determined if the case note documentation described activities listed in Ohio Admin. Code § 5101:3-48-01(D) or in Worksheet 9, Service and Support Administration Costs, Section 1(b) of the Cost Report Guides to identify any variances greater than 10 percent of total units tested in each year.

We found no variances.

Revenue Cost Reporting and Reconciliation to the County Auditor Report

1. We compared the receipt totals from the county auditor's 2013 and 2014 Revenues reports (5100), Severance Benefit (5101), Insurance (5102), Susan A. Lacy Trust (5103), Kim Hawk Trust (5104), and Capital (5105) funds to the county auditor's report total reported on the *Reconciliation to County auditor Worksheet*.

We then compared the total County Board receipts reported in the *Reconciliation to County auditor Worksheets* to the county auditor's receipt totals to determine if the Cost Reports reconciled within acceptable limits.

We found no differences and the Cost Reports reconciled within acceptable limits.

Revenue Cost Reporting and Reconciliation to the County Auditor Report (Continued)

2. We compared revenue entries on *Schedule C, Income Report* to the final Southern Ohio Council of Governments (COG) County Board Summary Workbooks for 2013 and 2014.

We found no differences.

3. We reviewed the County Board's State Account Code Detailed reports and *Schedule C, Income Report* to determine whether revenues are maintained separately to offset corresponding expense via the use of specific expenditure costs centers and identified any potential revenue offsets/applicable credits.

We identified the following sources of potential revenue credits for which the County Board did not offset costs or areas where costs may need separated between federal programs on the Cost Reports in accordance with 2 CFR 225, Appendix A (C)(3)(c) and (4)(a):

- Miscellaneous refunds, reimbursements and other income in the amount of \$21,801 in 2013 and or \$119,334 in 2014;
- Title XX revenues in the amount of \$33,552 in 2013 and \$27,235 in 2014; and
- Help Me Grow revenues in the amount of \$140,119 in 2013 and \$174,863 in 2014;

Paid Claims Testing

1. We selected 100 paid claims among all service codes from 2013 and 2014 from the Medicaid Billing System (MBS) data and compared these services to the County Board's service documentation and determined if the documentation matched requirements of each respective service code per Ohio Admin. Code §5123:2-9. We applied the service documentation rules in effect at the time of service delivery.

If there is no documentation to support paid claims or the units paid are not supported by service documentation per the Ohio Admin. Code, DODD asked us to calculate a recoverable finding and made corresponding unit adjustments to *Schedule B-1, B-3 or B-4*. Recoverable findings are subject to interest collection pursuant to Ohio Rev. Code §5164.60.

We found no instances of non-compliance.

2. For selected contracted transportation services, we compared the County Board's usual and customary rate with the reimbursed rate to ensure that the County Board was reimbursed the lesser of the two as per Ohio Admin. Code §5123:2-9-06. For any errors found, DODD requested that we obtain documentation and identify all overpayments related to reimbursements exceeding the usual and customary rate. Additionally, we determined if the provision of service met the following provider and staff qualification requirements as applicable under Ohio Admin. Code §5123:2-9-18:

- The driver holds a valid driver's license; has a BMV driving record showing less than six points and has passed a controlled substance test;
- Proof of liability insurance and verification of policies and procedures on driver requirements;
- Performance of daily vehicle inspection by the driver and annual inspection as applicable to per-mile and per-trip transportation;
- Provided transportation in a modified vehicle (any size) or non-modified vehicle with a capacity of nine or more passengers; and drivers had physical examinations ensuring that they are qualified to provide non-medical transportation, as applicable to per-trip transportation;
- Provided transportation in a non-modified vehicle with the capacity of eight or less passengers, as applicable to per-mile transportation; and
- The transport vehicle met the definition of a commercial vehicle.

Paid Claims Testing (Continued)

Additionally, for any other selected services codes that have contracted services, we compared the County Board's contract rate with the reimbursed rate to ensure that the County Board was reimbursed no more than the contracted rate. For any errors found, DODD asked that we obtain documentation and identify all overpayments related to reimbursements exceeding the contract rate.

From the sample selected, we found contracted transportation services that were billed as per-trip transportation (ATB/FTB). We found no other contract services in the sample.

We found no instances of noncompliance with the contracted transportation services.

3. We compared the number of reimbursed TCM units and Community Employment units from the MBS Summary by Service Code report to the final units on *Schedule B-4, Quarterly Summary of Units of Service – Service and Support Administration*, Line (1)(F), *TCM Units* and to *Schedule B-1, Section B, Attendance Statistics, Line (4)(C), Supported Employment – Community Employment*, 15 minute units, respectively to determine whether Medicaid reimbursed units were greater than final TCM and Supported Employment-Community Employment units.

We found no instance where the Medicaid reimbursed units were greater than final TCM units. The County Board was not reimbursed for Supported Employment - Community Employment units during 2013 or 2014.

4. We compared the amounts reported on *Schedule A, Summary of Service Costs – By Program*, Lines (20), Environmental Accessibility Adaptations to Line (25), Other Waiver Services to the amount reimbursed for these services in 2013 and 2014 on the MBS Summary by Service Code report to determine whether any reimbursements exceeded disbursements on *Schedule A* by two percent.

We found no differences.

Non-Payroll Expenditures and Reconciliation to the County Auditor Report

1. We compared the disbursement totals from the county auditor's report listed on the *Reconciliation to County Auditor Worksheets* to the county auditor's Expenditures reports (5100), Severance Benefit (5101), Insurance (5102), Susan A. Lacy Trust (5103), Kim Hawk Trust (5104), and Capital (5105) funds.

We then compared the total County Board disbursements reported in the *Reconciliation to County Auditor Worksheets* to the county auditor's disbursement totals to determine if the Cost Reports reconciled within acceptable limits.

We found no differences and the Cost Reports reconciled within acceptable limits.

2. We compared the County Board's State Expenses Detailed reports to all service contract and other expenses entries on worksheets 2 through 10 to identify variances resulting in reclassification to another program or worksheet exceeding \$250.

We found no variances.

3. We compared disbursement entries on *Schedule A, Summary of Service Costs – By Program* and worksheets 1 through 10 to the final COG County Board Summary Workbooks.

We found no differences in 2013. We reported differences in Appendix B (2014); however, the County Board provided documentation to show costs were misclassified on the 2014 County Board Summary Workbook and we reported these adjustments in Appendix B (2014).

Non-Payroll Expenditures and Reconciliation to the County Auditor Report (Continued)

4. We scanned the County Board's 2013 and 2014 State Expenses Detailed reports and judgmentally selected 20 disbursements from the service contracts and other expenses reported on worksheets 2 through 10. We determined if supporting documentation was maintained, the costs were allowable and properly classified according to the Cost Report Guides and 2 CFR 225, and identified any variances greater than two percent of total service contracts and other expenses on any worksheet or costs which are non-federal reimbursable under 2 CFR 225 Appendix B and greater than \$250.

We reported non-federal reimbursable costs in Appendix A (2013). We reported misclassified costs in Appendix B (2014).

We also scanned for contracted services or COG expenses on *Worksheet 8, Transportation Services; Worksheet 9, Service and Support Administration Costs; and Worksheet 10, Adult Program* without corresponding statistics that are non-federal reimbursable because they do not demonstrate that the County Board's programs received a measurable benefit as required under Appendix A, section (C)(3)(a) and the Cost Report Guides.

We found no program costs that lacked corresponding statistics.

5. We scanned the County Board's State Expenses Detailed reports for items purchased during 2013 and 2014 that met the County Board's capitalization criteria and traced them to inclusion on the County Board's Assets Not Totally Depreciated (By Date Span) report.

We found no unrecorded purchases meeting the capitalization criteria.

6. We determined that the county board did not have supporting documentation for 2013 and 2014 showing that it reconciled its income and expenditures with the county auditor.

Recommendation:

Reconciliation of income and expenditures on a monthly basis is considered to be a best practice. Additionally, monthly reconciliations of income and expenditures will be required by the county board in accordance with Ohio Admin. Code § 5123:2-1-02 (L)(1) (effective 01-01-15).

Property, Depreciation, and Asset Verification Testing

1. We compared the depreciation costs reported in the County Board's Assets Not Totally Depreciated Report to the amounts reported on *Worksheet 1, Capital Costs* and identified any cell variances greater than \$250.

We found no differences.

2. We compared the County Board's final 2012 Assets Not Totally Depreciated Report and prior year depreciation adjustments to the County Board's 2013 and 2014 Assets Not Totally Depreciated Report 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 taken on assets during the period of acquisition which were not in compliance with the Cost Report Guides to identify any cell variances greater than \$250.

We found no differences.

Property, Depreciation, and Asset Verification Testing (Continued)

3. We determined the County Board's capitalization threshold and haphazardly selected the lesser of 10 or 10 percent of the County Board's fixed assets which meet the capitalization threshold and were being depreciated in their first year in either 2013 or 2014 and determined if the useful lives 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 their cost, acquisition date and useful life to determine compliance with the Cost Report Guides and AHA Asset Guide and identified any variances.

We found no differences.

4. We haphazardly selected the lesser of 10 percent or 10 disposed assets from 2013 and 2014 from the County Board's list of disposed assets and determined if the asset was removed from the County Board's fixed asset ledger. We also recalculated depreciation and any gain or loss for the one disposed item tested, 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 reported differences in Appendix A (2013). We found no differences in 2014.

Payroll Testing

1. We compared total salaries and benefits from worksheets 2 through 10 of the Cost Reports and to yearly totals of the payroll disbursements on the county auditor's Expenditures report (5100), Severance Benefit (5101), and Insurance (5102) funds to identify variances greater than two percent of the county auditor's report totals for these funds.

The variance was less than two percent.

2. We compared the salaries and benefit costs on the County Board's State Expenses Detailed reports to the amounts reported on worksheets 2 through 10 to identify variances resulting in differences to another program or worksheet exceeding \$250.

We found no variances exceeding \$250 in 2013. We found no variances in 2014.

3. We calculated a sample size of the lesser of 40 employees or 25 percent of the average number of total employees over the two year period. For the sample of 10 selected, we compared the County Board's organizational chart, Payroll Totals By Job Description By Date Span reports and job descriptions to the worksheet in which each employee's salary and benefit costs were allocated to ensure the allocation is consistent with the Cost Report Guides. We identified any misclassification errors and, if the misclassification errors are greater than 10 percent of the sample tested, we would perform procedure 4.

We found no differences.

4. DODD asked us to scan the County Board's State Expenses Detailed reports for 2013 and 2014 and compared the classification of employees to entries on worksheets 2 through 10 to determine if salary and benefit costs were reported in accordance with the Cost Report Guides.

We did not perform this procedure as the errors in procedure 3 did not exceed 10 percent.

Medicaid Administrative Claiming (MAC)

1. We compared the salary and benefits entered on the MAC Cost by Individual reports to the County Board's State Expenses Detailed reports and determined if the MAC salary and benefits were greater.

We found County Board salary and benefits reported exceeded MAC salaries and benefits.

2. We compared the MAC Cost by Individual reports to *Worksheet 6, Medicaid Administration Worksheet* for both years.

We found no differences.

3. We selected 10 Random Moment Time Study (RMTS) observed moments and 10 percent of any RMTS moments above that amount that were completed by County Board employees from DODD's RMTS Participant Moments Question and Answer report for the 1st quarter of 2013 and 4th quarter of 2014. We selected 10 observed moments in 2013 and 11 observed moments in 2014 and determined if supporting documentation was maintained and the moments were properly classified in accordance with DODD's Guide to Medicaid Administrative Claiming (MAC) using the Random Moment Time Studies (RMTS) Methodology for 2012.

We found no differences.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the County Board's Cost Reports. Accordingly, we do not express such an opinion. 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 use of the County Board, DODD, and the Ohio Department of Medicaid and the Centers for Medicare and Medicaid Services, and is not intended to be, and should not be used by anyone other than these specified parties.



Dave Yost
Auditor of State

September 15, 2016

Appendix A
Clinton County Board of Developmental Disabilities
2013 Income and Expenditure Report Adjustments

	<u>Reported Amount</u>	<u>Correction</u>	<u>Corrected Amount</u>	<u>Explanation of Correction</u>
Worksheet 1				
5. Movable Equipment (N) Service & Support	\$ 1,334	\$ 722	\$ 2,056	To record loss for copier
Worksheet 2				
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 2,090	\$ 2,090	To reclassify community awareness expense
Worksheet 9				
4. Other Expenses (N) Service & Support Admin. Costs	\$ 28,687	\$ (2,090)	\$ 26,597	To reclassify community awareness expense
Reconciliation to County Auditor Worksheet Expense:				
Less: Capital Costs	\$ (69,533)	\$ (722)	\$ (70,255)	To record loss for copier

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Appendix B
Clinton County Board of Developmental Disabilities
2014 Income and Expenditure Report Adjustments

	<u>Reported Amount</u>		<u>Correction</u>		<u>Corrected Amount</u>	<u>Explanation of Correction</u>
Worksheet 2						
4. Other Expenses (X) Gen Expense All Prgm.	\$ 54,706	\$	1,375	\$	56,081	To reclassify liability insurance expense
5. COG Expenses (L) Community Residential	\$ 464	\$	(5)	\$	459	To match final COG workbook
5. COG Expense (N) Service & Support Admin	\$ 3,387	\$	(31)	\$	3,356	To match final COG workbook
5. COG Expense (O) Non-Federal Reimbursable	\$ 330	\$	(3)	\$	327	To match final COG workbook
Worksheet 3						
4. Other Expenses (X) Gen Expense All Prgm.	\$ 107,498	\$	(1,375)	\$	106,123	To reclassify liability insurance expense

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CLINTON COUNTY BOARD OF DEVELOPMENTAL DISABILITIES

CLINTON 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 10, 2016**