



Dave Yost • Auditor of State





# Dave Yost • Auditor of State

## Independent Accountants' Report on Applying Agreed-Upon Procedures

Ohio Department of Developmental Disabilities  
30 East Broad Street  
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 Southwestern Ohio Council of Governments (COG) prepared its *Income and Expenditure Report* (Cost Report) and *County Summary Workbooks*<sup>1</sup> for the year ended December 31, 2015 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 DODD 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 COG'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.

### **Trial Balance and Non-Payroll Expenditures**

1. We compared the COG's disbursements on the Summary Totals of Expenses report to *Schedule A, Summary of Service Costs-By Program* and worksheets 2 through 5 of the Cost Report and *Schedule A* and worksheets 2 through 10 of the *County Summary Workbooks* to identify variances greater than \$250 for total service contracts, other expenses and COG expenses on any worksheet.

We found no variances exceeding \$250.

2. We compared total COG non-payroll disbursements on the Trial Balance and Summary Totals of Expenses report to total service contracts, other expenses and COG expenses for worksheets 2 through 5 of the Cost Report, and *Schedule A* and worksheets 2 through 10 of the *County Summary Workbooks* to determine if non-payroll costs were reported within two percent.

We found no differences exceeding two percent.

3. We scanned the COG's General Ledger report and judgmentally selected 40 non-payroll disbursements from the service contracts, other expenses and COG expenses on worksheets 2 through 5 of the Cost Report, and *Schedule A* and worksheets 2 through 10 of the *County Summary Workbooks*.

---

<sup>1</sup> The COG recorded receipts and disbursements and prepared *County Summary Workbooks* to distribute these receipts and disbursements to each of the following county boards of developmental disabilities: Butler, Clermont, Greene, Hamilton and Warren.

### **Trial Balance and Non-Payroll Expenditures (Continued)**

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 over \$250. We also scanned for any program costs without corresponding statistics that are non-federal reimbursable because they do not demonstrate that the COG or one of the member County Board's programs received a measurable benefit as required under Appendix A, section (C)(3)(a) and the Cost Report Guides.

We reported misclassified non-federal reimbursable costs in Appendix A. We found no program costs that lacked corresponding statistics. We noted costs for bus passes and bus tokens for Hamilton County that should also be reported on *Schedule B-3, Quarterly Summary of Transportation Services* by the County Board in its 2015 Cost Report.

4. We scanned the COG's General Ledger report for items purchased during 2014 that met the COG's capitalization criteria.

We found no purchases meeting the capitalization criteria.

### **Payroll Testing**

1. We compared the COG's payroll disbursements on the Trial Balance report and Payroll and Health Insurance Control Sheets to salaries and benefits reported on the Cost Report and the *County Summary Workbooks* to determine if payroll costs were reported within two percent.

We found no differences exceeding two percent.

2. We scanned the COG's Payroll Detail-YTD report and compared classification of employees to entries on the Cost Report and *County Summary Workbooks* to determine if salary and benefit costs were reported in accordance with the Cost Report Guides.

We found no differences.

### **Property, Depreciation and Asset Verification Testing**

1. DODD asked us to compare all depreciation entries on *Worksheet 1, Capital Costs* to the COG's Depreciation Schedule to report any variances exceeding \$250.

We did not perform this procedure as the COG had no depreciation schedule, reported no depreciation costs on *Worksheet 1* and stated it had no fixed assets.

2. DODD asked us to compare the COG's final 2014 Depreciation Schedule and prior year depreciation adjustments to the COG's 2015 Depreciation Schedules 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 did not perform this procedure (see above).

3. DODD asked us to haphazardly select the lesser of 10 of the COG's fixed assets or 10 percent of items which met the COG's capitalization policy and were being depreciated in their first year in 2015 to determine if their useful lives agreed to the estimated useful lives prescribed in the 2013 AHA Asset Guides. DODD also asked us to re-compute the first year's depreciation for these assets, based on their cost, acquisition date and useful life to determine compliance with the Cost Report Guides and AHA Asset Guide to identify any variances.

We did not perform this procedure (see above).

**Property, Depreciation and Asset Verification Testing (Continued)**

4. DODD asked us to haphazardly select the lesser of 10 percent or 10 disposed assets in 2015 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 2015 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 and identify any variances.

We did not perform this procedure (see above).

**Medicaid Administrative Claiming (MAC) Testing**

1. We compared the MAC salary and benefits versus the COG's 2015 Payroll Detail report and determined if MAC salary and benefits were greater by more the one percent.

We found the COG's salaries and benefits exceeded the MAC salaries and benefits.

2. We compared the MAC RMTS report to lines 1 and 2 of *Worksheet 4, Medicaid Administrative Claiming*.

We found no differences.

3. We selected 10 RMTS observed moments and 10 percent of any RMTS moments above that amount that were completed by COG employees from the DODD RMTS Participant Moments Question and Answer report for the 3rd quarter of 2015. We selected all eight observed moments and determined if supporting documentation was maintained and 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 Cost Report. 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 COG, DODD, 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 29, 2016

**THIS PAGE INTENTIONALLY LEFT BLANK.**

**Appendix A**  
**Southwestern Ohio Council of Governments**  
**2015 Income and Expenditure Report and County Summary Workbook Adjustments**

	<b>Reported Amount</b>	<b>Correction</b>	<b>Corrected Amount</b>	<b>Explanation of Correction</b>
<b>Butler County</b>				
<b>Worksheet 2</b>				
10. Indirect Costs (O) Non-Federal Reimbursable	\$ 20,974	\$ 8,655	\$ 29,629	To add MAC and administrative fees
10. Indirect Costs (Z) Total	\$ 75,213	\$ 8,655	\$ 83,868	To add MAC and administrative fees
<b>Greene County</b>				
<b>Worksheet 5</b>				
15. Direct Services (L) Community Residential	\$ 74,529	\$ (5,000)	\$ 69,529	To reclassify costs not related to a County Board Program
15. Direct Services (O) Non-Federal Reimbursable	\$ -	\$ 5,000	\$ 5,000	To reclassify costs not related to a County Board Program
<b>Hamilton County</b>				
<b>Worksheet 2</b>				
10. Indirect Costs (O) Non-Federal Reimbursable	\$ 5,546	\$ 1,783,650	\$ 1,789,196	To add MAC and administrative fees
10. Indirect Costs (Z) Total	\$ 32,308	\$ 1,783,650	\$ 1,815,958	To add MAC and administrative fees
<b>Warren County</b>				
<b>Worksheet 2</b>				
10. Indirect Costs (Z) Total	\$ 38,225	\$ (26,597)	\$ 11,628	To correct Column Z formula error

**This page intentionally left blank.**





# Dave Yost • Auditor of State

**SOUTHWESTERN OHIO COUNCIL OF GOVERNMENTS COG  
HAMILTON 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 15, 2016**