



Dave Yost • Auditor of State





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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 Council on Aging of Southwestern Ohio (hereafter referred to as the PAA) for the period July 1, 2013 through June 30, 2014 (fiscal year (FY) 2014). 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 identified in the procedure, this report only describes exceptions exceeding \$500.

### Revenue

1. We compared the revenue reported in the *Ohio Department of Aging (ODA) Administered Waiver Programs Monthly Financial Report, Final Page A* to the PAA's General Ledger, Income Statement ODA Waivers PY14 and SFY 2013 Cost Report. We found no variances.
2. We compared the PAA's SFY14 AR Liability report to the PAA's Income Statement ODA Waivers PY14 and General Ledger Reports and *Final Page A* and determined if the costs were properly posted. We found no variances.

### Square Footage

1. We obtained the PAA's General Distribution for Rent based on Square Footage report and floor plans and compared it with the square footage used for the cost allocation in the Cost Report. We found no variances.

### Trial Balance and Non-Payroll Expenses

1. We compared the disbursements on the PAA's General Ledger Reports and Reconciliation between *Worksheet 1* and the Income Statement report to *Worksheet 1, Total Allowable Expenses by Line Item* for each waiver. We found no variances.

In addition, we compared the PAA's PASSPORT Information Management System (PIMS) report to total *Worksheet 2, Waiver Services Expenses Detail* costs and determined if the variance was greater than one half percent of the total PIMS costs. We found variances below the threshold and determined the PAA's Cost Report did not contain an explanation for the variance.

2. We scanned the PAA's General Ledger Reports and selected 60 disbursements from all cost pools and determined if supporting documentation was maintained, the costs were allowable, properly allocated and classified to the correct cost center in accordance with the Three Party Agreement, Cost Report Instructions and 2 CFR part 225. We found no variances exceeding \$500.

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

3. We found the PAA used an allocation methodology consistent with the Cost Report Instructions and we verified that the PAA applied the correct allocation to each cost center consistent with its General Distribution for Rent based on Square Footage, General Administration Staff Allocations by Funding Source and Rent Allocation by Department reports. We found no variances.

### **Payroll**

1. We compared total salaries and benefits on *Worksheet 1* for each waiver to the PAA's General Ledger Reports and Reconciliation between *Worksheet 1* and the Income Statement report to identify variances greater than two percent of each waiver's individual cost categories. We found no variances.
2. We selected 20 employees and obtained the labor cost allocation for one month for each employee. We verified that each employee's time sheet rolled up to the individual cost centers on the monthly time study. We found no variances.

### **Property**

1. We compared the PAA's capital costs reported on *Worksheet 1* to the General Ledger Report. We found no variances exceeding \$500.
2. We compared the PAA's FY 2014 Depreciation Schedule to its FY 2013 Depreciation Schedule 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 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 PAA's fixed assets which met the capitalization threshold and were being depreciated in the first year in FY 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 the cost, acquisition date and useful life to determine compliance with the Cost Report Instructions and AHA Asset Guide. We found no variances exceeding \$500.
4. We did not perform the procedure to test disposed assets as the Provider indicated no assets were disposed in FY 2014.
5. We scanned the General Ledger Reports for items purchased during FY 2014 that met the PAA's capitalization criteria and the procurement requirements and traced them to the PAA's Depreciation Schedule. This included a scan of the repair and maintenance accounts to determine if these disbursements are properly reported in regards to capitalization and expenditure classification. We found no variances.

### **Contract Monitoring**

1. We determined the PAA had written procedures and supporting documentation for all provider monitoring controls during the Cost Report period. We selected five providers for pre-certification, desk and structural compliance reviews, the one event based review and the one unannounced structural compliance review to determine if the PAA maintained supporting documentation showing it performed provider oversight processes in accordance with Section II (A)(3) in its Three Party Agreement with ODM and ODA. We found no exceptions.

Council on Aging of Southwestern Ohio  
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. This report is intended solely for the information and use of the PAA and ODM, 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 "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

October 17, 2017

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**COUNCIL ON AGING OF SOUTHWESTERN OHIO**

**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 9, 2017**