



OHIO AUDITOR OF STATE
KEITH FABER



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Independent Accountants' Report on Applying Agreed-Up 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) and the Ohio Department of Aging (ODA), on the Aging Administered Waiver Annual Cost Report (Cost Report) for the Ohio District 5 Area Agency on Aging, Inc. (hereafter referred to as the PAA), for the period July 1, 2016 through June 30, 2017. The PAA's management is responsible for preparing this fiscal year 2017 (FY 17) report. The sufficiency of these procedures is solely the responsibility of ODM and ODA. 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 specified, the PAA provided all reports used in the procedures and this report only describes exceptions exceeding \$500 resulting in decreased costs or reclassifications to any individual cost category.

Revenue

1. We compared the revenue on *Final Page A* to the Income Statements by Waiver reports. We found no variances.
2. We agreed the Client Liability report to the Income Statement and the Income Statement to *Final Page A and C*. We found no variances.

Square Footage

1. We compared the Square Footage Summary, Budgeted Time Allocation report to the square footage used for cost allocation on the Cost Report. We found no square footage variances.

Trial Balance and Non-Payroll Expenses

1. We compared the disbursements on the Trial Balances by Waiver and the Account Transactions Selected by Program reports to *Worksheet 1, Total Allowable Expenses by Line Item*. We found no variances.

We also compared total PASSPORT Information Management System (PIMS) costs to total *Worksheet 2, All Waivers Combined* costs. We found no variances.

2. We scanned the Account Transactions Selected by Program reports and selected 60 disbursements from all cost pools. We compared supporting documentation and classification of the disbursement to the Three Party Agreement, Cost Report Instructions and 2 CFR part 200. We reported variances in the **Appendix**. For the errors identified, we also scanned the corresponding voucher and found no additional similar errors or misclassifications.
3. We compared the allocation methodology applied on *Worksheet 1* for each waiver to the approved methodologies in the Cost Report Instructions. We found no differences.

Property

1. We compared the capital costs on *Worksheet 1* to the Trial Balances by Waiver, Account Transactions Selected by Program, and the Depreciation Analysis reports. We found no variances.
2. We compared the final FY 17 Depreciation Analysis report to the fiscal year 2016 Depreciation Analysis report for changes in the depreciation amounts for assets purchased prior to the cost report period, 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 did not perform the capital asset procedure as no capital assets were being depreciated in the first year in FY 17.
4. We did not perform the disposed assets procedure as no assets were disposed in FY 17.
5. We scanned the Account Transactions Selected by Program reports for items purchased during the FY 17 that met the capitalization threshold and the procurement requirements and traced them to the Depreciation Analysis report. We found no variances.

Payroll

1. We compared total salaries and benefits on *Worksheet 1* for each waiver to the Trial Balances by Waiver and Account Transactions Selected by Program reports. We found no variances.
2. We selected 20 employees and compared the organizational chart and June 2017 Payroll Allocation report to the June 2017 Salaries Allocation Worksheet, Account Transactions Selected by Program and Trial Balances by Waiver reports, *Medicaid Home and Community Based Waivers Activity report* and *Worksheet 1*. We found no variances.

We then compared the reported salaries and benefits to the Cost Report Instructions and 2 CFR part 200 to confirm costs were properly allocated, classified and allowable. We found no variances.

Contract Monitoring

1. We obtained the PAA's written procedures for all provider oversight processes during the Cost Report period. We selected five providers for each type of provider oversight, including five pre-certification reviews, five structural compliance reviews and the one event based 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 and its written procedure requirements.

We found no documentation showing that the PAA sent a letter informing one provider of the date of the pre-certification review and that the PAA sent letters to two providers regarding the status of their certification decision.

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.

Ohio District 5 Area of Aging, Inc.
Independent Accountants' Report on
Applying Agreed-Upon Procedures

This report is intended solely for the information and use of the Provider, the ODM and ODA, 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 "Keith Faber". The signature is written in a cursive style with a large, stylized 'K' and 'F'.

Keith Faber
Auditor of State
Columbus, Ohio

October 21, 2019

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SUMMARY OF COST AND EXPENSE ADJUSTMENTS (Corrections)

PROGRAM PASSPORT

Finding Number	COST REPORT				Type of Finding	Specific Compliance Citation	Reported Costs	Audit Adjustments	Audited Cost
	Worksheet	Line	Account	Cost Center					
1	1	3	Service Contracts	Case Management	Misclassification	Cost Report Instructions	\$102,361.35	(\$2,520.00)	\$99,841.35
2	1	5	Equipment <5000	General Administration	Misclassification	Cost Report Instructions	\$29,505.17	(\$2,160.72)	\$27,344.45
3	1	5	Equipment <5000	Case Management	Misclassification	Cost Report Instructions	\$109,100.19	\$787.05	\$109,887.24
3	1	5	Equipment <5000	Assessment	Misclassification	Cost Report Instructions	\$22,558.45	\$2,240.81	\$24,799.26
4	1	5	Equipment <5000	Assessment	Misclassification	Cost Report Instructions	\$24,799.26	\$1,328.58	\$26,127.84
5	1	7	Supplies	Case Management	Misclassification	Cost Report Instructions	\$53,570.47	(\$787.05)	\$52,783.42
5	1	7	Supplies	Assessment	Misclassification	Cost Report Instructions	\$18,406.13	(\$2,240.81)	\$16,165.32
4	1	7	Supplies	Assessment	Misclassification	Cost Report Instructions	\$16,165.32	(\$1,328.58)	\$14,836.74
2	1	11	Other Expense	General Administration	Misclassification	Cost Report Instructions	\$0.00	\$2,160.72	\$2,160.72

SUMMARY OF COST AND EXPENSE ADJUSTMENTS (Corrections)

PROGRAM Assisted Living

Finding Number	COST REPORT				Type of Finding	Specific Compliance Citation	Reported Costs	Audit Adjustments	Audited Cost
	Worksheet	Line	Account	Cost Center					
1	1	3	Service Contracts	Case Management	Misclassification	Cost Report Instructions	\$11,900.16	\$2,520.00	\$14,420.16

Total Effect on Cost Report

\$0.00

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OHIO AUDITOR OF STATE KEITH FABER



OHIO DISTRICT AAA, INC.

RICHARD 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
DECEMBER 12, 2019**