



Dave Yost • Auditor of State

ADAMS COUNTY BOARD OF DEVELOPEMENTAL DISABILITIES

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Independent Auditor's Report on Applying Agreed-Upon Procedures

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

Dear Ms. Schroeder:

As permitted by Ohio Rev. Code § 5123.05 and as required by the *Application for a § 1915(c) Home and Community Based Services 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 Adams County Board of Developmental Disabilities (County Board) prepared its *Income and Expenditure Report* for the years ended December 31, 2011 and 2012 (Cost Reports) in accordance with DODD's Guide to Preparing Income and Expenditure Reports for 2011 and 2012 (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. DODD requested that we tour the facilities to identify how space was used by County Board programs and to identify new, closed or empty buildings along with rented or idle space. DODD also asked us to perform the additional procedures listed below only on those areas that changed by more than 10 percent from the final 2010 square footage totals.

We toured the facilities to identify how space was used by County Board programs and to identify new, closed or empty buildings along with rented or idle floor space. We found no unreported rented or idle floor space.

We also compared 2011 and 2012 square footage totals to final 2010 square footage totals and found that the square footage reported changed by more than 10 percent and we performed the procedures below.

Statistics – Square Footage (Continued)

2. DODD requested that we report variances if the County Board's square footage for three rooms varied by more than 10 percent of the square footage reported in the summary which rolls up to *Schedule B-1, Section A, Square Footage*.

We measured three rooms in the Oliver School building and compared the square footage to the County Board's square footage summary. We identified one room with a square footage variance exceeding 10 percent. As a result, we measured two additional rooms in the building and found one of these rooms had square footage variance exceeding 10 percent.

We measured six additional rooms (nine rooms in total) and noted a total of four room variances exceeding 10 percent. We reported these variances in Appendix A (2011) and Appendix B (2012).

3. DODD asked us to report variances if the County Board's square footage for one floor plan varied by more than 10 percent of the square footage reported in the summary which rolls up to *Schedule B-1, Section A, Square Footage*.

We compared square footage for each room on the floor plan of the Venture Production building to the County Board's summary for each year. We found no variances exceeding 10 percent when comparing the total square footage of the Venture Production building's floor plan to the County Board's summary for each year.

4. DODD requested that we report variances if the County Board's square footage summary varied by more than 10 percent when comparing the County Board's summary to the Cost Report for any cell within *Schedule B-1, Section A, Square Footage*.

We compared the County Board's square footage summary to the square footage reported in each cell in *Schedule B-1, Section A, Square Footage*.

We found no variances exceeding 10 percent; however, at the request of the County Board we revised the 2011 non-federal reimbursable square footage to the square footage reported on the summary even though the variance was less than 10 percent. We reported this difference in Appendix A (2011).

5. DODD requested that we obtain the County Board's methodology for allocating square footage between programs and review the methodology to ensure that square footage for areas shared by more than one type of service is allocated by program based on reported usage of the area in accordance with the Cost Report Guides.

We obtained the County Board's methodology and compared it to the Cost Report Guides.

We found no inconsistencies; however, we identified differences for both 2011 and 2012 during our payroll testing and we revised the square footage summary to reflect the reclassification of employees to different program areas. We reported differences in Appendix A (2011) and Appendix (B) 2012.

Statistics – Attendance

1. We reviewed the Cost Reports to determine 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 result in unassigned program or general expenses-all program costs.

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

2. DODD asked us to compare the County Board's final 2010 typical hours of service reported on *Schedule B-1, Section B, Attendance Statistics* to the typical hours of service reported on *Schedule B-1* for 2011 and, if the hours are the same, to do no additional procedures.

We compared the final 2010 typical hours of service to the typical hours of service reported on *Schedule B-1* for 2011.

We found no differences.

3. DODD requested that we report variances if the County Board's attendance statistics were not within two percent of the attendance statistics reported.

We compared the County Board's Attendance by Acuity reports for the number of individuals served and days of attendance with similar information reported for Day Habilitation/Adult Day Services/Vocational Habilitation on *Schedule B-1, Section B, Attendance Statistics* and determined if the statistics were reported in accordance with the Cost Report Guides. We also footed the County Board's reports on attendance statistics for accuracy.

We found no differences exceeding two percent.

4. DODD asked us to report variances if the County Board's number of individuals served varied by more than 10 percent when comparing to the prior period's final attendance statistics on *Schedule B-1, Section B, Attendance Statistics* for 2011.

We compared the County Board's final 2010 number of individuals served to the final 2011 individuals served for Day Habilitation/Adult Day Services/Vocational Habilitation on *Schedule B-1, Section B, Attendance Statistics*.

The number of reported individuals served did not change by more than 10 percent.

5. DODD requested that we report variances if the individuals served on the 2011 *Schedule B-1, Section B, Attendance Statistics* were not within three of the individuals documented on the attendance sheets if the error rate in procedure 4 was greater than 10 percent.

We did not perform this test since the variance in procedure 4 was less than 10 percent.

Statistics – Attendance (Continued)

6. DODD requested that we report variances in the total attendance days for five individuals for two months in 2012 between the County Board's monthly attendance documentation and the number of days reported on *Schedule B-1, Section B, Attendance Statistics*. DODD also asked us to compare the acuity level on the County Board's 2012 Attendance by Acuity reports to the Acuity Assessment Instrument for each individual.

We traced the number of attendance days for five adult day service individuals from January through May, July, and September through December 2012 from the County Board's monthly attendance reports to *Schedule B-1*.

We found no differences.

We compared each acuity level on the 2012 attendance by acuity reports to the Acuity Assessment Instrument for the same five individuals. We also selected an additional four individuals, to ensure that at least two individuals from each acuity level is tested, and performed the same acuity level comparison.

We found no acuity variances.

7. DODD requested that we select 30 units from 2011 and 2012 and determine if the units were calculated in accordance with the Cost Report Guides and met the service documentation requirements of Ohio Admin. Code § 5123:2-9-05 (as described in Paid Claims Testing section, procedure 1). DODD asked us to report variances to *Schedule B-1, Section B, Attendance Statistics* if more than three of the 15 minute community employment units tested were not calculated in accordance with the Cost Report Guides or if any units did not meet the requirements.

We did not perform this procedure because the County Board did not report Community Employment services in either 2011 or 2012.

Acuity Testing

1. DODD requested that we report variances if days of attendance on the Days of Attendance by Acuity supplemental worksheet for 2008, 2009, 2010, and 2011 did not agree to the County Board's supporting documentation.

We compared the County Board's attendance by acuity reports for the days of attendance for Day Habilitation/Adult Day Services/ Vocational Habilitation with the Days of Attendance by Acuity supplemental Cost Report worksheet for 2008 and 2009, 2010, 2011.

For 2008, we found the following acuity variances:

- 80 Adult Day Services attendance days should be added to acuity level A-1;
- 8 Adult Day Services attendance days should be removed from acuity level A; and
- 122 Adult Day Services attendance days should be added to acuity level C.

For 2009, we found no variances.

Acuity Testing (Continued)

For 2010, we found 89 Adult Day Services attendance days should be removed from acuity level A-1 and 87 Adult Day Services attendance days should be added to acuity level A.

For 2011, we found no variances.

2. We also compared two individuals from each acuity level on the County Board's 2008 through 2011 Attendance by Acuity reports to the Acuity Assessment Instrument for each individual for each respective year.

For 2008, we found the following acuity variances:

- 225 Adult Day Services attendance days should be reclassified from acuity level A-1 to A;
- 374 Adult Day Services attendance days should be reclassified from acuity level A to A-1;
- 212 Adult Day Services attendance days for two individuals classified to acuity level C could not be supported with Acuity Assessment Instruments.

For 2009, we found 93 Adult Day Services attendance days should be reclassified from acuity level A-1 to A and 197 Adult Day Services attendance days should be reclassified from acuity level B to A.

For 2010, we found 211 Adult Day Services attendance days should be reclassified from acuity level A-1 to A.

For 2011, we found 214 Adult Day Services attendance days should be reclassified from acuity level B to A.

We reported the differences from procedures 1 and 2 on a revised Days of Attendance by Acuity supplemental worksheet for 2009, 2010, and 2011 and submitted it to DODD.

Statistics – Transportation

1. DODD requested that we report variances if the County Board's transportation units were not within two percent of total units reported on each line of *Schedule B-3, Quarterly Summary of Transportation Services*.

We compared the number of one-way trips from the County Board's Transportation By Age Group Summary with Names report with those statistics as reported in *Schedule B-3*. We also footed the County Board's transportation reports for accuracy.

We found differences as reported in Appendix A (2011). We found no differences in 2012.

2. DODD asked us to report variances of more than 10 percent of the total trips taken for five individuals for both 2011 and 2012, between the County Board's internal documentation versus the amount reported on *Schedule B-3, Quarterly Summary of Transportation Services*.

We traced the number of trips for five adults for March 2011 and October 2012 from the County Board's daily reporting documentation to *Schedule B-3*.

Statistics – Transportation (Continued)

We found no differences.

3. DODD requested that we report variances if the County Board's cost of bus tokens/cabs was not within two percent of the total amount reported on *Schedule B-3, Quarterly Summary of Transportation Services*.

We compared the cost of bus tokens/cabs from the County Board's State Expenses Without Payroll or Benefits (Detailed) Reports to the amount reported in *Schedule B-3*.

We found no differences exceeding two percent in 2011 or 2012.

Statistics – Service and Support Administration (SSA)

1. DODD requested that we report variances if the County Board's SSA units were not within two percent of total units reported on each line of *Schedule B-4, Quarterly Summary of Units of Service – Service and Support Administration*.

We compared the number of SSA units (Targeted Case Management (TCM), Other SSA Allowable, and SSA Unallowable) from the County Board's TCM Allowable/Unallowable Detail reports detailed reports with those statistics reported in *Schedule B-4*. We also footed the County Board's SSA reports for accuracy.

We found no differences.

2. DODD asked us to report variances if the Other SSA Allowable units tested had an error rate exceeding 10 percent.

We haphazardly selected two samples of 60 Other SSA Allowable units for both 2011 and 2012 from the County Board's TCM Allowable/Unallowable Detail reports and determined if the case note documentation described activities listed in Ohio Admin. Code § 5101:3-48-01(D), and also included the documentation elements required by Ohio Admin. Code § 5101:3-48-01(F).

We found the units in error for 2011 exceeded 10 percent of our Other SSA Allowable services sample. Therefore, we tested another sample of 60 Other SSA Allowable units and the errors found did not exceed 10 percent. We found the units in error for 2012 did exceed 10 percent, but did not indicate a systemic issue. We reported our sample errors in Appendix A (2011) and Appendix B (2012).

3. DODD asked us to report variances if the SSA Unallowable units tested had an error rate exceeding 10 percent.

We selected all 21 Unallowable SSA service units reported for 2012 from the County Board's TCM Allowable/Unallowable Detail reports and determined if the case note documentation described activities listed in Ohio Admin. Code § 5101:3-48-01(D), and also included the documentation elements required by Ohio Admin. Code § 5101:3-48-01(F).

We found the units in error for 2012 exceeded 10 percent and we reported these differences in Appendix B (2012). We did not perform this test for 2011 because the County Board did not report Unallowable SSA service units. However, we found in procedure 2 that unallowable SSA activities were performed and not reported.

Statistics – Service and Support Administration (SSA) (Continued)

4. DODD asked us to report decreases exceeding five percent in total SSA units by line on *Schedule B-4* when compared to the prior year's final Cost Report for 2011. DODD also requested that we report changes exceeding five percent in total SSA units by line on *Schedule B-4* when compared to the prior year's final Cost Report for 2012.

We compared the final 2010 SSA units to the final 2011 SSA units and the final 2011 SSA units to the final 2012 SSA units.

The final 2011 TCM and SSA Unallowable units decreased by more than five percent from the 2010 *Schedule B-4*. We obtained the County Board's explanation that the TCM units decreased due to varying needs of the individuals that were served and the Unallowable SSA units decreased as a result of the SSA department becoming more aware of the proper coding of units.

The final 2012 Other SSA Allowable units increased and the final SSA Unallowable units decreased by more than five percent from the 2011 *Schedule B-4*. We obtained the County Board's explanation that the Other SSA Allowable units increased due to the hiring of an additional SSA staff while the Unallowable SSA units decreased as a result of the SSA department becoming more aware of the proper coding of units.

5. DODD requested that we determine 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. If 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, DODD asked us to determine if they were properly classified and report any variances with an error rate exceeding 10 percent and indicating a systemic issue.

We haphazardly selected a sample of 60 general time units for both 2011 and 2012 from the TCM Allowable/Unallowable 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.

The units found to be in error did not exceed 10 percent of our sample for 2011 and 2012.

Revenue Cost Reporting and Reconciliation to the County Auditor Report

1. DODD asked us to compare the receipt totals from the county auditor's detailed receipt reports for the County Board to the county auditor's report totals reported on the *Reconciliation to County Auditor Worksheets*.

We compared the receipt totals from the 12/31/2011 and 12/31/2012 county auditor's Revenue Reports for the Developmental Disabilities (155) and EF/MAP Developmental Disabilities (156) funds to the county auditor's report totals reported on the *Reconciliation to County Auditor Worksheets*.

We found no differences.

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

2. DODD asked us to determine whether total County Board receipts reported in the *Reconciliation to County Auditor Worksheets* reconciled within 1/4 percent of the county auditor's yearly report of total receipts for these funds, and if the Cost Reports do not reconcile within limits, to perform procedure 3.

Total County Board receipts were within 1/4 percent of the county auditor's yearly receipt totals reported for these funds.

3. DODD asked us to compare the account description and amount for each revenue reconciling item on the *Reconciliation to County Auditor Worksheet* to the County Board's Detailed Revenue Report and other supporting documentation such as county tax settlement sheets.

We did not perform this procedure since the Cost Reports reconciled within limits.

4. DODD requested that we compare revenue entries on *Schedule C, Income Report* to the council of governments prepared County Board Summary Workbooks for 2011 and 2012.

We compared revenue entries on *Schedule C, Income Report* to the Southern Ohio Council of Governments (SOCOG) prepared County Board Summary Workbooks.

We found no differences.

5. We reviewed the County Board's State Account Code Detailed Reports for 01/01/2011 to 12/31/2011 and for 01/01/2012 to 12/31/2012 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 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 \$2,999 in 2011 and \$4,896 in 2012;
- Lunchroom Receipts in the amount of \$23,535 in 2011 and \$23,172 in 2012;
- Title XX revenues in the amount of \$19,367 in 2011 and \$20,112 in 2012; and
- Help Me Grow revenues in the amount of \$2,750 in 2011 and \$3,000 in 2012.

Paid Claims Testing

1. We selected 100 paid services among all service codes from 2011 and 2012 from the Medicaid Billing System (MBS) data and determined if the services met the following service documentation requirements of Ohio Admin. Code §§ 5123:2-9-05, 5123-2-9-18(H)(1)-(2), and 5101:3-48-01(F) as applicable to the specific service provided:
 - Date of service;
 - Place of service;
 - Name of the recipient;
 - Name of the provider;
 - Signature of the person delivering the service or initials of the person delivering the service if the signature and corresponding initials are on file with the provider;
 - Type of service;
 - Number of units of the delivered service or continuous amount of uninterrupted time during which the service was provided;
 - Group size in which the services were delivered; and
 - Arrival and departure times of the provider of service's site visit to the recipient's location or of the recipient's visit to the provider of service's location.

For non-medical transportation service codes, we reviewed similar service documentation requirements to ensure compliance with Ohio Admin. Code § 5123:2-9-18(H)(1)-(2) excluding H(1)(d),(f),(j) and H(2)(d),(f). We applied the service documentation rules in effect at the time of service delivery.

For selected services codes that have contracted services, DODD asked us to compare 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 asked that we obtain documentation and identify all overpayments related to reimbursements exceeding the usual and customary rate.

We found no instances of non-compliance with these documentation requirements for 2011; however, we found instances of non-compliance in 2012 with Non-Medical Transportation - Per Trip (FTB) service and Targeted Case Management (TCM) service. There were no services in our sample that involved contracted services.

We also noted TCM service units in 2012 in which the individual met criteria for coverage exclusion. Per Ohio Admin. Code § 5101-3-48-01(2)(a) "Activities performed on behalf of an eligible individual residing in an institution are not billable for Medicaid TCM reimbursement except for the last one hundred eighty consecutive days of residence when the activities are related to moving the eligible individual from an institution to a non-institutional community setting". Ohio Admin. Code § 5160:1-2-01.2 (J)(4) also states in pertinent part, "Coverage for an individual shall terminate on the date of the individual's death."

Paid Claims Testing (Continued)

Recoverable Finding - 2012 Finding \$149.70

Service Code	Units	Review Results	Finding
FTB	1	Units billed in excess of actual service delivery	\$11.91
TCM	14	Units billed while individual was in nursing home and when individual was deceased	\$137.79
		Total	\$149.70

2. DODD requested that we report variances if units reimbursed by Medicaid were more than the units reported in the Cost Reports.

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.

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 2011 or 2012.

3. DODD requested that we report whether any reimbursements exceeded disbursements on *Schedule A, Summary of Service Costs- By Program* by two percent.

We compared the amounts reported on *Schedule A*, Lines (20), Environmental Accessibility Adaptations to Line (25), Other Waiver Services to the amount reimbursed for these services in 2011 and 2012 on the MBS Summary by Service Code report.

We found no differences as the County Board did not report costs on *Schedule A* for Lines (20) to Line (25). We reviewed the MBS Summary by Service Code report and found the County Board was not reimbursed for these services in 2011 and 2012.

Non-Payroll Expenditures and Reconciliation to the County Auditor Report

1. DODD asked us to compare the disbursement totals from the county auditor's report listed on the *Reconciliation to County Auditor Worksheets* to the county auditor's disbursements report for County Board's funds.

We compared the disbursement totals from the 12/31/2011 and 12/31/2012 county auditor's report listed on the *Reconciliation to County Auditor Worksheets* to the county auditor's Expense Account Report for the Developmental Disabilities (155) and EF/MAP Developmental Disabilities (156) funds.

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

We found no differences.

2. DODD asked us to determine whether total County Board disbursements reported in the *Reconciliation to County Auditor Worksheets* reconciled within 1/4 percent of the county auditor's yearly report of total disbursements for these funds and, if Cost Reports did not reconcile within acceptable limits, to perform procedure 3.

Total County Board disbursements were within 1/4 percent of the county auditor's yearly disbursement totals reported for these funds.

3. DODD asked us to compare the account description and amount for each reconciling item on the *County Auditor Reconciliation Worksheets* to the County Board's detailed disbursements reports and other supporting documentation such as county tax settlement sheets.

We did not perform this procedure since the Cost Reports reconciled within acceptable limits.

4. DODD asked us to compare the County Board's detailed disbursements to the amounts reported on worksheets 2 through 10, and report variances exceeding \$100 for service contracts and other expenses on any worksheet.

We compared all service contract and other expenses entries on worksheets 2 through 10 to the County Board's State Expenses Without Payroll or Benefits (Detailed) Reports.

We found no differences exceeding \$100 on any worksheet.

5. DODD asked us to compare disbursement entries on *Schedule A, Summary of Service Costs – By Program* and worksheets 2 through 10 to the COG prepared County Board Summary Workbooks.

We compared disbursement entries on *Schedule A, Summary of Service Costs – By Program* and worksheets 2 through 10 to the SOCOG prepared County Board Summary Workbooks.

We found differences as reported in Appendix A (2011) and Appendix B (2012).

6. DODD asked us to determine whether the County Board's detailed disbursements were properly classified within two percent of total service contracts and other expenses for all worksheets and if any worksheet included disbursements over \$100 which are non-federal reimbursable under 2 CFR 225 Appendix B.

We scanned the County Board's State Expenses Without Payroll or Benefits (Detailed) Reports for service contracts and other expenses in the following columns and worksheets: column (X) General Expense-All Programs on worksheets 2 through 8; column (N) Service and Support Administration Costs on worksheet 9; and columns (E) Facility Based Services, (F) Enclave, (G) Community Employment and (H) Unassigned Adult Program on worksheet 10 and reviewed documentation to identify disbursements not classified as prescribed by the Cost Report Guides or costs which are non-federal reimbursable under 2 CFR 225 Appendix B.

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

We found differences for misclassified costs in 2011 as reported in Appendix A (2011) and misclassified and non-federal reimbursable costs as reported in Appendix B (2012).

7. DODD asked us to scan the County Board's detailed expense reports for items purchased during 2011 and 2012 that met the County Board's capitalization threshold of \$5,000 and trace them to inclusion on the County Board's fixed asset listing.

We scanned the County Board's State Expenses Without Payroll or Benefits (Detailed) Reports for items purchased during 2011 and 2012 that met the County Board's capitalization criteria and traced them to inclusion on the County Board's Fixed Asset Ledgers.

We found no unrecorded purchases meeting the capitalization criteria. However, we found differences on the 2012 Reconciliation Worksheet as reported in Appendix B (2012).

8. DODD asked us to select 20 disbursements from 2011 and 2012 from the County Board's detailed expense reports that were classified as service contract and other expenses on worksheets 2 through 10 to determine if supporting documentation for the disbursement was maintained, the costs were allowable and properly classified according to the Cost Report Guides and 2 CFR 225 and report any differences.

We haphazardly selected 20 disbursements from 2011 and 2012 from the County Board's State Expenses Without Payroll or Benefits (Detailed) Reports that were classified as service contract and other expenses 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.

We found no differences in 2011. We found differences in 2012 for misclassified and non-federal reimbursable costs as reported in Appendix B (2012).

Property, Depreciation, and Asset Verification Testing

1. We compared the County Board'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 as a result of applying this procedure.

2. DODD asked us to compare the depreciation costs reported in the County Board's depreciation schedules to the amounts reported on *Worksheet 1, Capital Costs*, and to report variances exceeding \$100.

We compared all depreciation entries reported on *Worksheet 1, Capital Costs* to the County Board's Capital Asset Listing/Depreciation Schedule.

We found no differences exceeding \$100.

Property, Depreciation, and Asset Verification Testing (Continued)

3. We compared the County Board's final 2010 Depreciation Schedule to the County Board's 2011 and 2012 Capital Asset Listing/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.

We found differences in depreciation as reported in Appendix A (2011). We found no differences in 2012.

4. We haphazardly selected two of the County Board's fixed assets which meet the County Board's capitalization policy and are being depreciated in their first year in either 2011 or 2012 to determine if the useful lives agreed to the estimated useful lives prescribed in the 2008 American Hospital Association (AHA) Asset Guide. We also recomputed 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.

We found no differences.

5. DODD asked us to haphazardly select the lesser of five percent or 20 disposed assets from 2011 and 2012 from the County Board's list of disposed assets and determined if the asset was removed from the County Board's fixed asset ledger. DODD also asked us to recalculate depreciation and any gain or loss applicable to 2011 (and 2012, if applicable) 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 haphazardly selected one disposed asset from the County Board's 2012 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 applicable to 2012 for the disposed items based on its undepreciated basis and any proceeds received from the disposal of the asset to determine compliance with the Cost Report Guides and CMS Publication 15-1, Chapter 1.

We found differences as reported in Appendix B (2012) and selected the only disposed asset for testing in 2011. We found an additional variance as reported in Appendix A (2011).

Payroll Testing

1. DODD asked us to determine whether total County Board salaries and benefits in the 2011 and 2012 Cost Reports were within two percent of the county auditor's report totals for the County Board's funds.

We totaled salaries and benefits from worksheets 2 through 10 from the 2011 and 2012 Cost Reports and compared the yearly totals to the county auditor's Expense Account Report for Developmental Disabilities (0155) fund.

The variance was less than two percent

Payroll Testing (Continued)

2. DODD asked us to compare the County Board's detailed payroll disbursements to the amounts reported on worksheets 2 through 10, and to report variances exceeding \$100 for salaries or employee benefit expenses.

We compared all salary and employee benefit entries on worksheets 2 through 10 to the County Board's State Expenses Payroll Only By SAC/Employee Summary and Fringe Benefit Reports.

We found no differences exceeding \$100 on any worksheet.

3. DODD requested that we select a sample based on 25 percent of the two-year average number of employees and compare the County Board's organizational chart, staffing/payroll journal and job descriptions, if needed, to the worksheet in which each employee's salary and benefit costs were allocated to ensure allocation is consistent with the Cost Report Guides. If misclassification errors exceed 10 percent, DODD asked us to perform procedure 4

We selected eight employees and compared the County Board's organizational chart, State Expenses Payroll Only By SAC/Employee Summary Reports and job descriptions to the worksheet in which each employee's salary and benefit costs were allocated to ensure allocation is consistent with the Cost Report Guides.

We reported differences in Appendix A (2011) and Appendix B (2012) and additionally, performed procedure 4 below as the misclassification exceeded 10 percent.

4. DODD asked us to scan the County Board's detailed payroll reports for 2011 and 2012 and compare 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 if the errors in procedure 3 above exceeded 10 percent.

We scanned the County Board's State Expenses Payroll Only By SAC/Employee Summary Reports for 2011 and 2012 and compared classification of employees to entries on worksheet 2 through 10 to determine if salary and benefit costs were reported in accordance with the Cost Report Guides.

We found no differences.

Medicaid Administrative Claiming (MAC)

1. DODD asked us to contact its Random Moment Time Study (RMTS) Coordinator to report differences if the MAC salary and benefits versus the County Board's payroll records exceeded one percent or more.

We compared the salary and benefits entered on the MAC Cost by Individual reports to the County Board's State Expenses Payroll Only By SAC/Employee Summary Reports.

We found no variance exceeding one percent. We did not perform this procedure or any other MAC procedure for 2011 as the County Board did not participate in the MAC program in 2011.

Medicaid Administrative Claiming (Continued)

2. We compared the MAC Cost by Individual report to Worksheet 6, columns (I) and (O) for 2012.

We found no differences for 2012.

3. We compared Ancillary Costs on the Roll Up Report for the Ohio Department of Medicaid report to Lines 6-10 of the *MAC Reconciliation Worksheet*.

We found differences as reported in Appendix B (2012).

4. DODD asked us to select 10 RMTS and 10 percent of the RMTS observed moments above that amount completed by employees of the County Board from the DODD RMTS Participant Moments Question and Answer report for the third quarter of 2011 and the second quarter of 2012 in which they documented their time spent on administering Medicaid-funded programs. DODD also asked us to determine if supporting documentation of the County Board 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 and 2012.

We selected one RMTS observed moment from the second quarter of 2012 to determine if supporting documentation of the County Board employees' activity for the 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 2012.

We found no differences in 2012.

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

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 managements of the County Board, 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

March 13, 2015

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Appendix A
Adams County Board of Developmental Disabilities
2011 Income and Expenditure Report Adjustments

	<u>Reported Amount</u>	<u>Correction</u>	<u>Corrected Amount</u>	<u>Explanation of Correction</u>
Schedule B-1, Section A				
14. Facility Based Services (B) Adult	7,417	523	7,940	To reclassify program supervision square footage
20. Family Support Services (D) General	53	3	56	To add measured square footage
22. Program Supervision (B) Adult	523	(523)	-	To reclassify program supervision square footage
23. Administration (D) General	1,428	57		To add measured square footage
		23		To add measured square footage
		23		To add measured square footage
		16	1,547	To add measured square footage
25. Non-Reimbursable (D) General	7,695	(126)	7,569	To match square footage summary
Schedule B-3				
5. Facility Based Services (G) One Way Trips- Fourth Quarter	6,071	646	6,717	To report correct number of one-way trips
Schedule B-4				
2. Other SSA Allowable Units (D) 4th Quarter	348	(19)		To reclassify SSA Unallowable units
		(10)		To reclassify SSA Unallowable units
		(4)	315	To remove general time units
5. SSA Unallowable Units (D) 4th Quarter	-	19		To reclassify SSA Unallowable units
		10	29	To reclassify SSA Unallowable units
Worksheet 1				
4. Fixtures (E) Facility Based Services	\$ 2,344	\$ 1,332	\$ 3,676	To record depreciation for air conditioning unit
5. Movable Equipment (U) Transportation	\$ 18,675	\$ 4,957	\$ 23,632	To record loss on disposed asset
8. COG Expenses (L) Community Residential	\$ 45	\$ (45)	\$ -	To match COG report
8. COG Expenses (N) Service & Support Admin	\$ 3	\$ (3)	\$ -	To match COG report
Worksheet 2				
4. Other Expenses (X) Gen Expense All Prgm.	\$ 27,546	\$ (65)	\$ 27,481	To reclassify Special Olympic expenses
5. COG Expenses (L) Community Residential	\$ 2,140	\$ (2,140)	\$ -	To match COG report
5. COG Expense (N) Service & Support Admin	\$ 122	\$ (122)	\$ -	To match COG report
Worksheet 2A				
1. Salaries (E) Facility Based Services	\$ 87,336	\$ (27,237)		To reclassify Workshop Secretary salary
		\$ (60,099)	\$ -	To reclassify Workshop Director salary
2. Employee Benefits (E) Facility Based Services	\$ 51,054	\$ (20,046)		To reclassify Workshop Secretary benefits
		\$ (31,008)	\$ -	To reclassify Workshop Director benefits
4. Other Expenses (E) Facility Based Services	\$ 15,175	\$ (15,175)	\$ -	To reclassify Adult Program expenses
5. COG Expenses (L) Community Residential	\$ 130	\$ (130)	\$ -	To match COG report
5. COG Expenses (N) Service & Support Admin	\$ 7	\$ (7)	\$ -	To match COG report
Worksheet 3				
5. COG Expenses (L) Community Residential	\$ 12	\$ (12)	\$ -	To match COG report
5. COG Expenses (N) Service & Support Admin	\$ 1	\$ (1)	\$ -	To match COG report
Worksheet 5				
4. Other Expenses (L) Community Residential	\$ 181	\$ 65	\$ 246	To reclassify Special Olympic expenses
5. COG Expenses (O) Non-Federal Reimbursable	\$ -	\$ 342	\$ 342	To match COG report
Worksheet 9				
5. COG Expenses (N) Service & Support Admin. Costs	\$ 692	\$ 250	\$ 942	To match COG report

Appendix A (Page 2)
Adams County Board of Developmental Disabilities
2011 Income and Expenditure Report Adjustments

	<u>Reported Amount</u>	<u>Correction</u>	<u>Corrected Amount</u>	<u>Explanation of Correction</u>
Worksheet 10				
1. Salaries (E) Facility Based Services	\$ 247,043	\$ 27,237		To reclassify Workshop Secretary salary
		\$ 60,098	\$ 334,378	To reclassify Workshop Director salary
2. Employee Benefits (E) Facility Based Services	\$ 166,236	\$ 20,046		To reclassify Workshop Secretary benefits
		\$ 31,008	\$ 217,290	To reclassify Workshop Director benefits
4. Other Expenses (E) Facility Based Services	\$ 21,676	\$ 15,175	\$ 36,851	To reclassify Adult Program expenses
Reconciliation to County Auditor Worksheet				
Expense:				
Less: Capital Costs	\$ (98,116)	\$ (1,332)		To reconcile depreciation for air conditioning unit
		\$ (4,957)	\$ (104,405)	To reconcile loss on disposed asset

Appendix B
Adams County Board of Developmental Disabilities
2012 Income and Expenditure Report Adjustments

	<u>Reported Amount</u>	<u>Correction</u>	<u>Corrected Amount</u>	<u>Explanation of Correction</u>
Schedule B-1, Section A				
14. Facility Based Services (B) Adult	7,417	523	7,940	To reclassify program supervision square footage
17. Medicaid Administration (A) MAC	10	2	12	To add measured square footage
20. Family Support Services (D) General	53	3	56	To add measured square footage
22. Program Supervision (B) Adult	523	(523)	-	To reclassify program supervision square footage
23. Administration (D) General	1,418	57		To add measured square footage
		21		To add measured square footage
		23		To add measured square footage
		16	1,535	To add measured square footage
Schedule B-4				
2. Other SSA Allowable Units (D) 4th Quarter	272	(5)		To reclassify units as SSA Unallowable.
		(2)	265	To reclassify SSA Unallowable units
5. SSA Unallowable Units (D) 4th Quarter	20	2		To reclassify SSA Unallowable units
		(6)		To remove general time units
		5	21	To reclassify units as SSA Unallowable.
Worksheet 1				
5. Movable Equipment (U) Transportation	\$ 25,936	\$ 5,286	\$ 31,222	To record depreciation for loss on the sale of a bus
8. COG Expenses (L) Community Residential	\$ -	\$ 135	\$ 135	To match COG report
8. COG Expenses (N) Service & Support Admin	\$ -	\$ 3	\$ 3	To match COG report
8. COG Expenses (O) Non-Federal Reimbursable	\$ -	\$ 2	\$ 2	To match COG report
Worksheet 2				
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 101	\$ 101	To reclassify expenses for staff
4. Other Expenses (X) Gen Expense All Prgm.	\$ 25,859	\$ (101)	\$ 25,758	To reclassify expenses for staff
5. COG Expenses (L) Community Residential	\$ -	\$ 4,666	\$ 4,666	To match COG report
5. COG Expense (N) Service & Support Admin	\$ -	\$ 106	\$ 106	To match COG report
5. COG Expense (O) Non-Federal Reimbursable	\$ -	\$ 59	\$ 59	To match COG report
Worksheet 2A				
1. Salaries (E) Facility Based Services	\$ 91,836	\$ (29,040)		To reclassify Workshop Secretary salary
		\$ (62,796)	\$ -	To reclassify Workshop Director salary
2. Employee Benefits (E) Facility Based Services	\$ 56,498	\$ (22,353)		To reclassify Workshop Secretary benefits
		\$ (34,145)	\$ -	To reclassify Workshop Director benefits
4. Other Expenses (E) Facility Based Services	\$ 12,269	\$ (12,269)	\$ -	To reclassify Adult Program expenses
Worksheet 5				
4. Other Expenses (L) Community Residential	\$ 192	\$ 286		To reclassify Special Olympics expenses
		\$ 138	\$ 616	To reclassify Special Olympics expenses
5. COG Expenses (O) Non-Federal Reimbursable	\$ -	\$ 711	\$ 711	To match COG report
Worksheet 7-B				
4. Other Expenses (E) Facility Based Services	\$ 165	\$ 495	\$ 660	To reclassify Nursing expenses
Worksheet 7-D				
4. Other Expenses (E) Facility Based Services	\$ -	\$ 350	\$ 350	To reclassify Psychology expenses

Appendix B (Page 2)
Adams County Board of Developmental Disabilities
2012 Income and Expenditure Report Adjustments

	<u>Reported Amount</u>	<u>Correction</u>	<u>Corrected Amount</u>	<u>Explanation of Correction</u>
Worksheet 8				
4. Other Expenses (E) Facility Based Services	\$ 96,809	\$ (135)		To reclassify expenses for breakfast items for staff
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ (1,000) \$ 135	\$ 95,674 \$ 135	To reclassify job training expenses To reclassify expenses for breakfast
Worksheet 9				
5. COG Expenses (N) Service & Support Admin. Costs	\$ -	\$ 1,281	\$ 1,281	To match COG report
Worksheet 10				
1. Salaries (E) Facility Based Services	\$ 261,269	\$ 29,040 \$ 62,796	\$ 353,105	To reclassify Workshop Secretary salary To reclassify Workshop Director salary
2. Employee Benefits (E) Facility Based Services	\$ 182,795	\$ 22,353 \$ 34,145	\$ 239,293	To reclassify Workshop Secretary benefits To reclassify Workshop Director benefits
4. Other Expenses (E) Facility Based Services	\$ 35,517	\$ 1,000 \$ (350) \$ (286) \$ (138) \$ 12,269 \$ (495)	\$ 47,517	To reclassify job training expenses To reclassify Psychology expenses To reclassify Special Olympics expenses To reclassify Special Olympics expenses To reclassify Adult Program Expenses To reclassify Nursing expenses
Reconciliation to County Auditor Worksheet				
Expense:				
Plus: Purchases Greater Than \$5,000	\$ 88,082	\$ 421	\$ 88,503	To reconcile Purchases Greater than \$5,000
Plus: Wind Damage to fence reimbursed by CORSA	\$ 17,101	\$ (421)	\$ 16,680	To reconcile CORSA reimbursement
Less: Capital Costs	\$ (110,301)	\$ (5,286)	\$ (115,587)	To reconcile Capital Costs from Worksheet 1
Medicaid Administration Worksheet				
6- Ancillary Costs (A) Reimbursement Requested	\$ -	\$ 3,092	\$ 3,092	To record ancillary costs
10. Through Calendar Year				



Dave Yost • Auditor of State

ADAMS COUNTY BOARD OF DEVELOPMENTAL DISABILITIES

ADAMS 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
APRIL 14, 2015**