



Dave Yost • Auditor of State



**HARRISON COUNTY BOARD OF DEVELOPMENTAL DISABILITIES**

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## Independent Accountants' 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, 8<sup>th</sup> 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 Harrison 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 and found no unreported rented or idle floor space.

We 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 in both years. However, the County Board stated that the final 2010 square footage reflects the same square footage usage by program in 2011 and 2012 with the exception of changes in usage for Administration, Early Intervention, Nursing Services (Child), Pre-School, and Service and Support Administration.

We reported adjustments in Appendix A (2011) and Appendix B (2012) to carry forward 2010 adjustments identified in other program areas and we performed the procedures below in those areas where the square footage has changed since 2010.

**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 and compared the square footage to the County Board's square footage summary.

We found no variances for rooms that were measured exceeding 10 percent.

3. DODD requested that we 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 Preschool building to the County Board's summary for each year.

We found no variances.

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 variances exceeding 10 percent as reported in Appendix A (2011) and Appendix B (2012).

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 as a result of applying this procedure.

**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 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 2011 typical hours of service reported on *Schedule B-1* and, if the hours are the same, to do no additional procedures.

**STATISTICS – ATTENDANCE (Continued)**

We compared the final 2010 typical hours of service to the 2011 typical hours of service reported on *Schedule B-1*. We found the reported typical hours of service changed in 2011 and we compared the County Board's supporting documentation for typical hours of service to the typical hours of service reported on *Schedule B-1*.

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

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 Day Services Attendance Summary By Consumer, Location, Acuity and Month for the number of individuals served, days of attendance, and with similar information reported for Day Habilitation/Adult Day Services/Vocational Habilitation and Enclave 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 differences exceeding two percent for Facility Based Services as reported in Appendix A (2011). We found no differences for Facility Based Services in 2012.

We found that the enclave services reported were provided by Harrison Industries, Inc. (see also Paid Claims Testing). While County Board staff did provide some services for this external entity's program, the County Board did not track enclave statistics nor did it report any enclave costs on the Cost Reports. Therefore, we removed the enclave statistics reported on *Schedule B-1, Allocation Statistics, Section B, Attendance Statistics*. We also reviewed 2011 and 2012 February enclave service documentation and calculated the percentage of County Board staff time used in supporting the enclave program which were unallowable costs under 2 CFR Part 225, Appendix A Section (C)(3)(a) due to the lack of County Board program statistics.

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

4. DODD requested that we 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, and Enclave on *Schedule B-1, Section B, Attendance Statistics*.

The number of reported facility based service individuals served did not change by more than 10 percent. The number of reported enclave individuals served changed more than 10 percent from the prior year's *Schedule B-1* to 2011.

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 procedure since the County Board did not have an enclave program.

## 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 acuity report to the Acuity Assessment Instrument for each individual.

We traced the number of attendance days for five individuals from the months of February, April, through December 2012 from the County Board's monthly attendance reports to *Schedule B-1*. We also compared each acuity level on the 2012 Day Services Attendance Summary by Consumer, Location, Acuity and Month reports to the DODD Acuity Ratio Report for the same five individuals. We selected an additional three individuals, to ensure that at least two individuals from each acuity level was tested, and performed the same acuity level comparison.

We reported variances in Appendix B (2012) to remove one day from acuity level A and one day from acuity level B.

Based on differences in attendance days noted above for the months of July, April, and December 2012, we also compared the paid claims in the Medicaid Billing System (MBS) data to the County Board's attendance reports to ensure the County Board was reimbursed for the proper number of attendance days. We found no overpayments.

7. DODD asked us to select 30 community employment 15 minute 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, procedure 1). DODD asked us to report variances to *Schedule B-1, Section B, Attendance Statistics* if more than three of the units tested were not calculated in accordance with the Cost Report Guides or if any unit did not meet the documentation requirements.

We did not perform this procedure because the County Board did not provide community employment services.

## ACUITY TESTING

1. DODD requested that we report variances if 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 Day Services Attendance Summary by Consumer, Location, Acuity and Month and Acuity by Attendance reports for the days of attendance for Day Habilitation/Adult Day Services/ Vocational Habilitation and Enclave with the Days of Attendance supplemental acuity worksheet for 2008, 2009, 2010, and 2011.

For 2008, we found 63 facility based service attendance days should be removed from acuity level A and 50 days added to acuity level B.

For 2009, we found 86 facility based service attendance days should be removed from acuity level B and added to acuity level A.

For 2010, we found 181 facility based service attendance days should be added to acuity level A and 167 days removed from acuity level B. We also found 226 enclave attendance days should be added to acuity level A.

### **ACUITY TESTING (Continued)**

For 2011, we removed 1,436 enclave attendance days from acuity level A since the County Board did not have an enclave program (see Statistics-Attendance section, procedure 3).

2. We compared two individuals from each acuity level on the County Board's 2008, 2009, 2010 and 2011 Day Services Attendance Summary by Consumer, Location, Acuity and Month and Acuity by Attendance reports to the Acuity Assessment Instrument for each individual.

We found no acuity variances; however, for seven of the individuals selected, the acuity assessment instrument or equivalent document could not be located by the County Board.

We reported differences from procedure 1 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 Units Delivered Transportation By Service, Month, and Age Group reports with those statistics as reported in *Schedule B-3*. We also footed the County Board's Transportation Reports for accuracy.

We found no differences exceeding two percent.

2. DODD requested that we 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 four adults and one child for January, February, May, June, August, November and December in 2011 and 2012 from the County Board's daily reporting documentation to *Schedule B-3*.

We found no differences exceeding 10 percent.

3. DODD asked us to 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*.

The County Board did not report the cost of bus tokens, cabs on *Schedule B-3* in 2011. We compared the cost of bus tokens/cabs from the County Board's 2011 and 2012 State Expense Detailed Reports to the amounts reported in *Schedule B-3*.

We found no differences.

**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 Targeted Case Management (TCM), Other SSA Allowable, and SSA Unallowable units from the County Board's DD Case Notes Listing for TCM Billing - Subtotals by Consumer reports with those statistics reported in *Schedule B-4*. We also footed the County Board's SSA reports for accuracy.

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

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

We selected all 11 Other SSA Allowable units reported for 2011 and a sample of 58 Other SSA Allowable units 2012 from the Case Notes Listing TCM Billing - Subtotaled by Consumer reports and determined if the case note documentation described activities listed in Ohio Admin. Code § 5101:3-48-01(D) and also included the elements required by Ohio Admin. Code § 5101:3-48-01(F).

The units found to be in error did not exceed 10 percent of units tested for 2011 or 2012.

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

We selected all 28 SSA Unallowable units reported in 2011 and a sample of 60 SSA Unallowable units for 2012 from the Case Notes Listing TCM Billing - Subtotaled by Consumer report and determined if the case note documentation described activities listed in Ohio Admin. Code § 5101:3-48-01(D) and also included the elements required by Ohio Admin. Code § 5101:3-48-01(F).

We found no differences.

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

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 SSA Unallowable units decreased by more than five percent from 2010. The final 2012 TCM and Other SSA Allowable units increased by more than five percent and the final SSA Unallowable units decreased by more than five percent from 2011. We obtained the County Board's explanation that there were transitions regarding SSA department and staff during this time period and there is now more emphasis on accurately documenting and recording SSA 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 requested us to determine if they were properly classified and report any variances with an error rate exceeding 10 percent and indicating a systemic issue.

**STATISTICS – SERVICE AND SUPPORT ADMINISTRATION (Continued)**

We did not perform this test for 2011 as the County Board did not track general time units. We haphazardly selected a sample of 60 general time units for 2012 from the Case Notes Listing for TCM Billing Subtotaled by Consumer report 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.

We found no units in error.

**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 Budget Report for the People with Developmental Disabilities (B50), Title XX - Child (B60), Title V-Innovative (B66), the Early Childhood Special Education (B75), the Special Education Part B (T55), and the Capital Improvement-PDA (T60) funds to the county auditor's report totals on the *Reconciliation to County Auditor Worksheets*.

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

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 reports and other supporting documentation.

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 Mid-East Ohio Regional Council (COG) prepared County Board Summary Workbooks.

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

5. 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 on the Cost Reports in accordance with 2 CFR 225, Appendix A (C )(3)(c) and (4)(a):

## REVENUE COST REPORTING AND RECONCILIATION TO THE COUNTY AUDITOR REPORT (Continued)

- Miscellaneous refunds, reimbursements and other income in the amount of \$99,530 in 2011 and \$65,953 in 2012;
- IDEA Early Childhood Special Education revenues in the amount of \$24,349 in 2011 and \$11,934 in 2012; and
- Title XX revenues in the amount of \$11,859 in 2011 and \$13,231 in 2012.

## PAID CLAIMS TESTING

1. We selected 100 paid services among all service codes from 2011 and 2012 from the 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). In addition, 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 instances of non-compliance with these documentation requirements for 2011 and 2012 in Non-Medical Transportation - Per Trip (ATB/FTB). We found no instances of contracted services for non-medical transportation services provided by a commercial vehicle/bus or taxi/livery in our sample.

We also found the County Board, as the provider of record, billed for Supported Employment - Enclave - 15 min. (ANF/FNF) and Supported Employment - Enclave - Daily (FND) but the services were rendered by Harrison Industries, Inc. and this organization was not an eligible medicaid provider. Therefore, these services were not reimbursable under Ohio Admin. Code § 5160:1-02(A)(7) which states, "A medical service is reimbursable if...the service is rendered by an eligible provider...". The County Board stated that the Enclave services were billed in error.

**PAID CLAIMS TESTING (Continued)**

**Recoverable Finding- 2011**

**Finding \$9,091.31**

Service	Units	Review Results	Finding
ATB	1	Units billed in excess of service delivery	\$12.02
ANF	430	Units billed for ineligible provider	\$379.52
FND	14	Units billed for ineligible provider	\$297.92
FNF	9,509	Units billed for ineligible provider	\$8,401.85
		<b>Total</b>	<b>\$9,091.31</b>

**Recoverable Finding - 2012**

**Finding \$5,627.73**

Service	Units	Review Results	Finding
ATB	4	Units billed in excess of service delivery	\$47.63
FTB	4	Units billed in excess of service delivery	\$47.64
ANF	227	Units billed for ineligible provider	\$294.16
FND	1	Units billed for ineligible provider	\$21.10
FNF	5,928	Units billed for ineligible provider	\$5,217.20
		<b>Total</b>	<b>\$5,627.73</b>

Recoverable findings are subject to interest collection pursuant to Ohio Rev. Code § 5164.60.

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 did not perform this procedure as the County Board was not reimbursed for any of the services on *Schedule A, Summary of Service Costs-By Program*, for Lines (20) to (25).

## 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 disbursements report for the People with Developmental Disabilities (B50), Title XX - Child (B60), Title V-Innovative (B66), the Early Childhood Special Education (B75), the Special Education Part B (T55), and the Capital Improvement-PDA (T60) funds.

We found differences as reported in Appendix A (2011). We found the 2012 county auditor's disbursements exceeded County Board disbursements by \$26,584; however, the county auditor provided supporting documentation showing that the difference was due to its report not reflecting an adjustment related to an error in recording an expense. With this adjustment, there was no difference in 2012.

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 expenditure reports and other supporting documentation.

We did not perform this procedure since the Cost Reports reconciled within 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 detailed expenditure report.

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* and worksheets 2 through 10 to the COG 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.

## **NON-PAYROLL EXPENDITURES AND RECONCILIATION TO THE COUNTY AUDITOR REPORT (Continued)**

We scanned the County Board's State Expenses 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 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.

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

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 and trace them to the County Board's fixed asset listing.

We scanned the County Board's State Expenses 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 Capital Asset Listing.

We found no unrecorded purchases meeting the capitalization criteria.

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 and determine if supporting documentation was maintained as required by 2 CFR 225 (OMB Circular A-87, Appendix A, (C)(1)(j)) and the disbursement was properly classified according to the Cost Report Guides.

We haphazardly selected 20 disbursements from 2011 and 2012 from the County Board's State Expenses Detailed Reports that were classified as service contract and other expenses on worksheets 2 through 10. We determined if supporting documentation was maintained as required by 2 CFR 225 (OMB Circular A-87, Appendix A, (C)(1)(j)) and the disbursement was properly classified according to the Cost Report Guides.

We reported differences in Appendix A (2011) for misclassified and non-federal reimbursable costs. We reported differences for non-federal reimbursable costs 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 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 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 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 were being depreciated in their first year in either 2011 or 2012 and determined 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 did not perform this procedure because the County Board stated that no capital assets were disposed of in 2011 or 2012. We scanned the County Board's State Account Code Detailed Reports and did not find any proceeds from the sale or exchange of fixed assets.

### **PAYROLL TESTING**

1. DODD asked us to determine whether total County Board salaries and benefits in the 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 Cost Reports and compared the yearly totals to the county auditor's Budget and Transaction History Reports and for the People with Developmental Disabilities (B50) fund.

The variance was less than two percent.

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 Payroll Totals By Job Description By Date Span reports.

We found no differences on any worksheet.

3. DODD requested that we select a sample of 25 percent of the average number of employees for the two-year period 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.

### **PAYROLL TESTING (Continued)**

We selected seven employees and compared the County Board's Payroll Totals By Job Description By Date Span reports 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, because misclassification errors exceeded 10 percent, we performed procedure 4 below. We found no differences in 2012.

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 Payroll Totals By Job Description By Date Span reports for 2011 and compared 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 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 did not perform this procedure as the County Board did not participate in MAC for 2011 and 2012.

2. DODD asked us to compare the MAC Cost by Individual report(s) to Worksheet 6 for both years.

We did not perform this procedure as the County Board did not participate in MAC for 2011 and 2012.

3. DODD asked us to compare the Ancillary Costs on the Roll Up Report for the Ohio Department of Medicaid (ODM) report to Lines 6-10 of the *MAC Reconciliation Worksheet*.

We did not perform this procedure as the County Board did not participate in MAC for 2011 and 2012.

4. DODD asked us to select at least 10 RMTS observed moments completed by employees of the County Board from the DODD RMTS Participant Moments Question and Answer report for the third quarter of 2011 and from 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 did not perform this procedure as the County Board did not participate in MAC in 2011 and 2012.

Harrison County Board of Developmental Disabilities  
Independent Accountants' Report on  
Applying Agreed-Upon Procedures

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.

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

August 24, 2015

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

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
<b>Schedule A</b>				
19. Room and Board/Cost to Live (L) Community Residential	\$ 773	\$ (773)	\$ -	To reclassify COG expenses
20. Environmental Accessibility Adaptations And/Or Modifications And Supplies (L) Community Residential	\$ 180,000	\$ (180,000)	\$ -	To reclassify COG expenses
23. Homemaker/Personal Care (L) Community Residential	\$ 2,610	\$ (2,610)	\$ -	To reclassify COG expenses
<b>Schedule B-1, Section A</b>				
4. Nursing Services (B) Adult	-	90	90	To match 2010 square footage
4. Nursing Services (C) Child	-	102	102	To correct square footage
11. Early Intervention (C) Child	-	81	81	To correct square footage
12. Pre-School (C) Child	6,216	(250)	5,966	To correct square footage
14. Facility Based Services (B) Adult	7,823	130	7,953	To match 2010 square footage
21. Service And Support Admin (D) General	-	85	85	To correct square footage
23. Administration (D) General	455	140	595	To correct square footage
<b>Schedule B-1, Section B</b>				
1. Total Individuals Served By Program (A) Facility Based Services	32	6	38	To correct individuals served
1. Total Individuals Served By Program (B) Supported Emp. - Enclave	10	(10)	-	To remove unsupported Enclave statistics
2. Days Of Attendance (B) Supported Emp. -Enclave	1,436	(1,436)	-	To remove unsupported Enclave statistics
3. Typical Hours Of Service (A) Facility Based Services	6.00	0.25	6.25	To correct typical hours of service
3. Typical Hours Of Service (B) Supported Emp. - Enclave	6.00	(6.00)	-	To remove unsupported Enclave statistics
<b>Worksheet 1</b>				
3. Buildings/Improve. (B) Pre-School	\$ -	\$ 17,425	\$ 17,425	To add building project finished in 2010
5. Movable Equipment (U) Transportation	\$ 20,255	\$ (1,153)	\$ 19,102	To reclassify depreciation for a snow plow
5. Movable Equipment (X) Gen Expense All Prgm.	\$ -	\$ 1,153	\$ 1,153	To reclassify depreciation for a snow plow
8. COG Expenses (L) Community Residential	\$ -	\$ 1,012	\$ 1,012	To match COG report
8. COG Expenses (O) Non-Federal Reimbursable	\$ 22	\$ (16)	\$ 6	To match COG report
<b>Worksheet 2</b>				
2. Employee Benefits (X) Gen Expense All Prgm.	\$ 25,477	\$ 9,579	\$ 35,056	To reclassify Workers Compensation
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 9	\$ 9	To reclassify to NFR due to lack of documentation
4. Other Expenses (X) Gen Expense All Prgm.	\$ 137,538	\$ (9)	\$ 1,189	To reclassify billing services fees are NFR
		\$ (9,579)	\$ 1,189	To reclassify Workers Compensation
		\$ (2,272)	\$ 1,189	To reclassify Family Resources Support Services
		\$ (1,180)	\$ 1,189	To reclassify billing services fees are NFR
		\$ (5,504)	\$ 1,189	To reallocate BHN Alliance expense
		\$ (1,980)	\$ 117,014	To reallocate BHN Alliance expense
5. COG Expenses (L) Community Residential	\$ -	\$ 39,862	\$ 39,862	To match COG report
5. COG Expense (O) Non-Federal Reimbursable	\$ 8,185	\$ 1,957	\$ 10,142	To match COG report
<b>Worksheet 3</b>				
1. Salaries (B) Pre-School	\$ -	\$ 21,018	\$ 21,018	To reclassify Custodian salary
1. Salaries (X) Gen Expense All Prgm.	\$ 21,647	\$ (21,018)	\$ 629	To reclassify Custodian salary
2. Employee Benefits (B) Pre-School	\$ -	\$ 10,159	\$ 10,159	To reclassify Custodian benefits
2. Employee Benefits (X) Gen Expense All Prgm.	\$ 10,159	\$ (10,159)	\$ -	To reclassify Custodian benefits
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 418	\$ 418	To reclassify bottled water as NFR
4. Other Expenses (X) Gen Expense All Prgm.	\$ 45,876	\$ (418)	\$ 45,458	To reclassify bottled water as NFR
5. COG Expenses (L) Community Residential	\$ -	\$ 879	\$ 879	To match COG report
5. COG Expenses (O) Non-Federal Reimbursable	\$ 6	\$ (1)	\$ 5	To match COG report

**Appendix A (Page 2)**  
**Harrison 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>
<b>Worksheet 5</b>				
4. Other Expenses (M) Family Support Services	\$ -	\$ 2,272	\$ 2,272	To reclassify Family Resource Support Services
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 1,980	\$ 1,980	To reclassify BHN Alliance Billing
5. COG Expenses (L) Community Residential	\$ -	\$ 180,000	\$ 180,000	To match COG report
<b>Worksheet 9</b>				
4. Other Expenses (N) Service & Support Admin. Costs	\$ 21,272	\$ 712		To reclassify Computers for SSA
		\$ 5,504	\$ 27,488	To reclassify BHN Alliance Billing
<b>Worksheet 10</b>				
1. Salaries (E) Facility Based Services	\$ 131,479	\$ (692)		To reclassify NFR Enclave salary without stats
		\$ (1,662)		To reclassify NFR Enclave salary without stats
		\$ (2,715)		To reclassify NFR Enclave salary without stats
		\$ (163)	\$ 126,247	To reclassify NFR Enclave salary without stats
4. Other Expenses (E) Facility Based Services	\$ 3,613	\$ (712)	\$ 2,901	To reclassify Computers for SSA
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 692		To reclassify NFR Enclave salary without stats
		\$ 1,662		To reclassify NFR Enclave salary without stats
		\$ 2,715		To reclassify NFR Enclave salary without stats
		\$ 163	\$ 5,232	To reclassify NFR Enclave salary without stats
<b>Reconciliation to County Auditor Worksheet</b>				
<b>Expense:</b>				
Less: COG Expenses Posted on Schedule A	\$ (183,383)	\$ 183,383	\$ -	To reconcile Schedule A expenses
Total from 12/31 County Auditor's Report	\$ 1,188,087	\$ 2	\$ 1,188,089	To match to county auditor report

**Appendix B**  
**Harrison 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>
<b>Schedule A</b>				
19. Room and Board/Cost to Live (L) Community Residential	\$ 341,729	\$ (341,729)	\$ -	To match COG report
<b>Schedule B-1, Section A</b>				
4. Nursing Services (B) Adult	-	90	90	To match 2010 square footage
4. Nursing Services (C) Child	-	102	102	To correct square footage
11. Early Intervention (C) Child	-	81	81	To correct square footage
12. Pre-School (C) Child	6,216	(250)	5,966	To correct square footage
14. Facility Based Services (B) Adult	7,823	130	7,953	To match 2010 square footage
21. Service And Support Admin (D) General	-	85	85	To correct square footage
23. Administration (D) General	455	140	595	To correct square footage
<b>Schedule B-1, Section B</b>				
6. A (B) Supported Emp. - Enclave	16	(16)	-	To remove unsupported Enclave statistics
10. A (A) Facility Based Services	3,802	(1)	3,801	To correct days of attendance
10. A (B) Supported Emp. - Enclave	986	(986)	-	To remove unsupported Enclave statistics
12. B (A) Facility Based Services	2,051	(1)	2,050	To correct days of attendance
<b>Schedule B-4</b>				
2. Other SSA Allowable Units (D) 4th Quarter	7	(3)	4	To correctly report SSA units
<b>Schedule C</b>				
<b>V. Other Revenues</b>				
(H) Refunds- COG Revenue	\$ -	\$ 107	\$ 107	To correct COG revenue
<b>Worksheet 1</b>				
8. COG Expenses (L) Community Residential	\$ -	\$ 1,809	\$ 1,809	To match COG report
8. COG Expenses (N) Service & Support Admin	\$ -	\$ -	\$ -	To match COG report
8. COG Expenses (O) Non-Federal Reimbursable	\$ 12	\$ (3)	\$ 9	To match COG report
<b>Worksheet 2</b>				
2. Employee Benefits (X) Gen Expense All Prgm.	\$ 11,455	\$ 7,721	\$ 19,176	To reclassify Workers Compensation
3. Service Contracts (X) Gen Expense All Prgm.	\$ 26,757	\$ (1,878)	\$ 24,879	To reclassify BHN Expenses
		\$ (1,772)	\$ 23,107	To reclassify BHN Expenses
		\$ (2,015)	\$ 21,092	To reclassify BHN Expenses
		\$ (1,658)	\$ 19,434	To reclassify BHN Expenses
		\$ (1,997)	\$ 17,437	To reclassify BHN Expenses
		\$ (1,787)	\$ 15,650	To reclassify BHN Expenses
		\$ (2,037)	\$ 13,613	To reclassify BHN Expenses
		\$ (1,756)	\$ 11,857	To reclassify BHN Expenses
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 563	\$ 563	To reclassify Board meeting food as NFR
4. Other Expenses (X) Gen Expense All Prgm.	\$ 125,624	\$ (7,721)	\$ 117,903	To reclassify Workers Compensation
		\$ (563)	\$ 117,340	To reclassify Board meeting food as NFR
5. COG Expenses (L) Community Residential	\$ -	\$ 55,653	\$ 55,653	To match COG report
5. COG Expense (O) Non-Federal Reimbursable	\$ 9,248	\$ 25	\$ 9,273	To match COG report
10. Unallowable Fees (O) Non-Federal Reimbursable	\$ 10,644	\$ 26,466	\$ 37,110	To reclassify County Auditor/Treasurer
<b>Worksheet 3</b>				
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 546	\$ 546	To reclassify bottled water as NFR
4. Other Expenses (X) Gen Expense All Prgm.	\$ 47,579	\$ (546)	\$ 47,033	To reclassify bottled water as NFR
5. COG Expenses (L) Community Residential	\$ -	\$ 1,454	\$ 1,454	To match COG report
5. COG Expenses (O) Non-Federal Reimbursable	\$ -	\$ 8	\$ 8	To match COG report
5. COG Expenses (X) Gen Expense All Prgm.	\$ 7	\$ (7)	\$ -	To match COG report
<b>Worksheet 5</b>				
3. Service Contracts (O) Non-Federal Reimbursable	\$ -	\$ 1,997	\$ 1,997	To reclassify BHN Expenses
		\$ 1,787	\$ 3,784	To reclassify BHN Expenses
		\$ 2,037	\$ 5,821	To reclassify BHN Expenses
		\$ 1,756	\$ 7,577	To reclassify BHN Expenses
4. Other Expenses (C) School Age	\$ 6,906	\$ (1,242)	\$ 5,664	To reclassify billing charges
4. Other Expenses (L) Community Residential	\$ -	\$ 1,242	\$ 1,242	To reclassify billing charges
		\$ 7,095	\$ 8,337	To reclassify Paramount Support Services expense
5. COG Expenses (L) Community Residential	\$ -	\$ 341,729	\$ 341,729	To match COG report
5. COG Expenses (O) Non-Federal Reimbursable	\$ 1,094	\$ 679	\$ 1,773	To match COG report

**Appendix B (Page 2)**  
**Harrison 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>
<b>Worksheet 7-B</b>				
13. No. of Individual Served (E) Facility Based Services	-	1	1	To correct control error resulting from square footage on Schedule B-1
<b>Worksheet 9</b>				
3. Service Contracts (N) Service & Support Admin. Costs	\$ 46,386	\$ 1,878		To reclassify BHN Expenses
		\$ 1,772		To reclassify BHN Expenses
		\$ 2,015		To reclassify BHN Expenses
		\$ 1,658	\$ 53,709	To reclassify BHN Expenses
<b>Worksheet 10</b>				
1. Salaries (E) Facility Based Services	\$ 133,751	\$ (1,315)		To reclassify NFR Enclave salary without stats
		\$ (504)	\$ 131,932	To reclassify NFR Enclave salary without stats
4. Other Expenses (E) Facility Based Services	\$ 14,240	\$ (3,977)		To reclassify Fees Paid to COG
		\$ (7,095)	\$ 3,168	To reclassify Paramount Support Services expense
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 1,315		To reclassify NFR Enclave salary without stats
		\$ 504	\$ 1,819	To reclassify NFR Enclave salary without stats
<b>Reconciliation to County Auditor Worksheet</b>				
<b>Expense:</b>				
Plus: Real Estate Fees	\$ -	\$ (26,466)	\$ (26,466)	To reconcile County Auditor/ Treasurer Fees
Plus: Fees Paid To COG, Or Payments And Transfers made To COG	\$ -	\$ 3,977	\$ 3,977	To reconcile the Fees paid to COG
Less: COG Expenses Posted on Schedule A	\$ (341,729)	\$ 341,729	\$ -	To reconcile and for Schedule A adjustment
<b>Revenue:</b>				
Total from 12/31 County Auditor's Report	\$ 1,469,276	\$ 5	\$ 1,469,281	To match County Auditor Revenue total



# Dave Yost • Auditor of State

**HARRISON COUNTY BOARD OF DEVELOPMENTAL DISABILITIES**

**HARRISON 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  
SEPTEMBER 24, 2015**