



Dave Yost • Auditor of State

MUSKINGUM COUNTY BOARD OF DEVELOPMENTAL 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, 8th 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 Muskingum 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.

The Auditor of State, under the same authority noted above, also performed the Acuity Testing procedures below for the 2008, 2009, 2010 and 2011 cost reports.

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.

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*.

STATISTICS – SQUARE FOOTAGE (Continued)

We measured three rooms and compared the square footage to the County Board's square footage summary.

We found no variances 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 the square footage for each room on the floor plan of the Zane Street Workshop building to the County Board's summary for each year.

We found no variances exceeding 10 percent.

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 obtained square footage summaries from the County Board. Upon review, we determined that the summaries were not complete or accurate. The summaries did not show the correct usage of space and did not identify how total square footage rolled up to the Cost Reports. We developed revised square footage summaries using prior year's floor plans and confirmed usage of areas with the County Board. We then compared the revised square footage summaries to the Cost Reports.

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

Recommendation:

Per the Cost Report Guides, County Boards should "maintain all records needed to verify statistical information reported and to document compliance with CMS publication 15-1, 42 CFR 92, and other state and/or federal regulatory requirements." The County Board should develop and maintain a complete and accurate square footage summary that shows how the County Board allocated all square footage used by or for the benefit of its programs.

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 – 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 Trips by Age Group reports with those statistics as reported in *Schedule B-3*. We also footed the County Board's Transportation Trips by Age Group reports for accuracy.

In 2011, we found differences exceeding two percent as reported in Appendix A. In 2012, we found no differences exceeding two percent; however, the County Board requested we make adjustments under the threshold. We reported these differences in Appendix B.

2. DODD requested that we report variances of more than 10 percent of the total trips taken for four adults and one child 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 for a two week period in September 2011 and December for 2012 and one child for a two week period in April 2011 and April 2012 from the County Board's daily reporting documentation to *Schedule B-3*.

We found no differences exceeding 10 percent.

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*.

The County Board did not report cost on *Schedule B-3* for 2011 or 2012. We reviewed the County Board's detailed expenditure reports for any of these costs not identified. We found no unreported costs in 2011; however, we found unreported costs of parent reimbursements as reported in 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 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 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.

STATISTICS – ATTENDANCE (Continued)

We compared the County Board's Day Services Attendance Summary By Consumer, Location, Acuity and Month, Hour and Names Report, Attendance for Enclave, Job Activity Detail Report By Employee and Date-Regular and Overtime Wages Only reports for the number of individuals served, days of attendance, and 15 minute units with similar information reported for Day Habilitation/Adult Day Services/Vocational Habilitation, Enclave and Community Employment 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 reported variances 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 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 individuals served for Day Habilitation/Adult Day Services/Vocational Habilitation, and Enclave for 2011 on *Schedule B-1, Section B, Attendance Statistics*.

The number of reported individuals served did not change by more than 10 percent for Adult Day Services. The number of individuals served for Enclave changed by more than 10 percent and as a result we performed procedure 5.

5. DODD requested that we report variances if the individuals served on *Schedule B-1, Section B, Attendance Statistics* were not within three of the individuals documented on the attendance sheets. We haphazardly selected 15 individual names from the County Board's attendance sheets for 2011, and compared the individuals by name to the compiled listing of individuals served by Enclave program documentation which rolls up to *Schedule B-1*.

We found no differences exceeding three individuals.

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 Day Services Attendance Summary and Attendance for Enclave reports to the Acuity Assessment Instrument for each individual.

We traced the number of attendance days for five adult day service and two enclave individuals from January, April, and June to October 2012 from the County Board's Day Services Attendance Summary and Attendance for Enclave report to *Schedule B-1*.

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

We compared each acuity level on the 2012 Day Services Attendance Summary and Attendance for Enclave reports to the Acuity Assessment Instrument for the same five individuals. We also selected an additional three individuals, to ensure that at least two individuals from each acuity level is tested, and performed the same acuity level comparison.

We reported acuity variances in Appendix B (2012).

STATISTICS – ATTENDANCE (Continued)

Based on differences in acuity and attendance days noted above, we also compared the paid claims in the Medicaid Billing System (MBS) data to the County Board's Daily Activity Sheets and Acuity Assessment Instrument to ensure the County Board was reimbursed for the proper number of attendance days and at the correct acuity level. We found no overpayment.

7. DODD requested that we 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 service documentation requirements of Ohio Admin. Code § 5123:2-9-05 (see Paid Claims Testing, procedure 1).

We haphazardly selected 15 units from 2011 and 15 units from 2012 from the County Board's Hour and Names Reports and determined if the units were calculated in accordance with the Cost Report Guides and met the service documentation requirements.

We found differences as reported in Appendix A (2011) and Appendix B (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 Muskingum Attendance By Acuity, Attendance for Enclave, and Day Services Attendance Summary for the days of attendance for Day Habilitation/Adult Day Services/ Vocational Habilitation and Enclave with the Days of Attendance by Acuity supplemental worksheet for 2008, 2009, 2010, and 2011.

For 2008, we found the following acuity variances:

- 116 Adult Day Services attendance days should be added to acuity level A;
- 5 Enclave attendance days should be removed from acuity level A-1;
- 520 Enclave attendance days should be added to acuity level A; and
- 1 Enclave attendance day should be added to acuity level B.

For 2009, we found the following acuity variances:

- 20 Adult Day Services attendance days should be added to acuity level A-1;
- 1,195 Adult Day Services attendance days should be removed from acuity level A;
- 286 Adult Day Services attendance days should be added to acuity level B;
- 40 Adult Day Services attendance days should be added to acuity level C;
- 10 Enclave attendance days should be added to acuity level A-1; and
- 593 Enclave attendance days should be removed from acuity level A.

For 2010, we found no variances.

For 2011, we found 2,564 Enclave attendance days should be added to acuity level A and 20 Enclave attendance days should be added to acuity level B.

2. We also compared two individuals from each acuity level on the County Board's Muskingum Attendance By Acuity, Attendance for Enclave, and Day Services Attendance Summary to the Acuity Assessment Instrument for each individual for each respective year.

ACUITY TESTING (Continued)

For 2008, we found 13 Adult Day Services attendance days should be moved from acuity level A-1 to A and 8 Adult Day Services attendance days should be moved from acuity level A-1 to C.

For 2009, we found the following acuity variances:

- 14 Adult Day Services attendance days should be moved from acuity level A-1 to A;
- 6 Adult Day Services attendance days should be moved from acuity level A-1 to C;
- 10 Enclave attendance days should be moved from acuity level A-1 to A.

For 2010, we found 8 Adult Day attendance days should be moved from acuity level A to B.

For 2011, we found 152 Adult Day attendance days should be moved from acuity level B to A.

We developed revised Days of Attendance by Acuity supplemental worksheet for 2009, 2010, and 2011, including revisions in procedures 1 and 2, and submitted to DODD.

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, Home Choice, and SSA Unallowable) from the County Board's Receivable Billing Reimbursable Summaries with those statistics reported in *Schedule B-4*. We also footed the County Board's SSA reports for accuracy.

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

2. DODD requested that we report variances if the Other SSA Allowable units tested had an error rate exceeding 10 percent.

We haphazardly selected a sample of 60 Other SSA Allowable units for 2011 and 61 units for 2012 from the Receivable Billing Reimbursable Summary 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).

The units found to be in error exceeded 10 percent in both samples. As a result, we expanded our samples and chose 60 additional units for both 2011 and 2012. We found additional errors over 10 percent is; however, our review of the supporting documentation did not indicate a systemic issue and we reported our sample errors in Appendix A (2011) and Appendix B (2012).

3. DODD requested that we report variances if the SSA Unallowable units tested had an error rate exceeding 10 percent.

We haphazardly selected a sample of 60 Unallowable SSA service units for both 2011 and 2012 from the Receivable Billing Reimbursable Summary 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 no units in error.

STATISTICS – SERVICE AND SUPPORT ADMINISTRATION (Continued)

4. DODD requested that we 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 asked us to 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 SSA units did not decrease by five percent or more from the 2010 *Schedule B-4*. The final 2012 TCM and Home Choice units increased by five percent or more, and the final 2012 Other SSA Allowable and Unallowable SSA units decreased by five percent or more, from the 2011 *Schedule B-4*. We obtained the following County Board's explanations for the variances:

- The 15 percent increase in TCM Units was due to an increase in SSAs;
 - The 23 percent decrease in Other SSA Allowable Units was driven by the number of non-Medicaid people supported so it can vary from year to year;
 - The 28 percent increase in Home Choice Units again varies based on the number of people supported on that waiver and their needs for the year. There was one Home Choice individual in 2011 and two individuals in 2012; and
 - The 52 percent decrease in SSA Unallowable Units was due to the discontinuation of the Mid East Ohio Regional Council (MEORC) QA staff documentation since the requirement for the QA reviews decreased in 2012 and was removed in 2013. Also, the number of referrals for intake and number of people supported in institutions impacts the amount of documented case notes.
5. DODD asked us to 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 that we determine if they were properly classified and report any variances with an error rate exceeding 10 percent and indicating a systemic issue.

We did not perform this procedure for 2011 or 2012 because general time units did not account for over 10 percent of total SSA units on the final *Schedule B-4* plus general time units recorded.

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 Summary Revenue Report for the Starlight Programs (018), S. S. Permanent Improvement (019), MEORC (074), Special Ed (083), Early Childhood (086), Family Support (092), Special Ed (096), Early Child (097) and Starlight Restricted (160) funds to the county auditor's report totals reported on the *Reconciliation to County Auditor Worksheets*.

In 2011, we found differences as reported in Appendix A. In 2012, 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.

For 2011, total County Board receipts were not within 1/4 percent of the county auditor's yearly totals reported for these funds. Receipts in the county auditor's reports exceeded the County Board receipts by \$129,000. We found that an advance of \$129,000 was not reported. We reported this difference in Appendix A and the final 2011 *Reconciliation to County Auditor Worksheet* is within 1/4 percent of the county auditor's yearly receipt totals for these funds.

For 2012, total County Board receipts were within 1/4 percent of the county auditor's yearly 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 State Account Code Detailed Report and other supporting documentation such as county tax settlement sheets.

We did not perform this procedure as 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 (MEORC) prepared County Board Summary Workbooks.

We found no differences.

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).

- Miscellaneous refunds, reimbursements and other income in the amount of \$21,835 in 2011 and \$7,665 in 2012;
- IDEA Early Childhood Special Education revenues in the amount of \$18,961 in 2011 and \$1,338 in 2012;
- Title VI-B revenues in the amount of \$68,050 in 2011 and \$36,836 in 2012;
- School Lunch Program revenues in the amount of \$26,137 in 2011 and \$34,318 in 2012;
- Title XX revenues in the amount of \$57,580 in 2011 and \$63,546 in 2012; and
- Help Me Grow revenues in the amount of \$13,200 in 2011 and \$5,700 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:

PAID CLAIMS TESTING (Continued)

- 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 services, 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 instances of non-compliance with these documentation requirements for 2011 and 2012 in the following service codes: Supported Employment-Community - 15 minute unit (FCO); Adult Day Support and Vocational Habilitation - 15 minute unit (AXF); and Targeted Case Management - 15 minute unit (TCM). There were no non-medical transportation services provided by a commercial vehicle/bus or taxi/livery in our sample.

We also noted TCM service units in 2011 and 2012 in which the individual met criteria for coverage exclusion. Per Ohio Admin. Code Section 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."

Recoverable Finding – 2011

Finding \$332.29

Service Code	Units	Review Results	Finding
FCO	1	Units billed exceeded actual service delivery (did not meet 15 minute minimum)	\$3.73
TCM	7	Units billed after date of death	\$50.51
TCM	28	Services provided to a nursing home/ICF resident	\$278.05
		Total Finding	\$332.29

PAID CLAIMS TESTING (Continued)

Recoverable Finding – 2012		Finding \$692.36	
Service Code	Units	Review Results	Finding
AXF	96	Billed 15 minute unit rate instead of daily rate and units billed exceeded actual duration	\$59.82
TCM	64	Services provided to a nursing home/ICF resident	\$632.54
		Total Finding	\$692.36

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

- 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 and Supported Employment - Community Employment units.

- 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, Summary of Service Costs – By Program*, 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.

The County Board did not report costs on *Schedule A, Summary of Service Costs – By Program*, for Lines (20) to Line (25). We reviewed the MBS Summary by Service Code reports 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

- 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 Summary Expense Report for the Starlight Programs (018), S. S. Permanent Improvement (019), MEORC (074), Special Ed (083), Early Childhood (086), Family Support (092), Special Ed (096), Early Child (097) and Starlight Restricted (160) funds.

We found no differences.

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

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.

In 2011, total County Board disbursements were within 1/4 percent of the county auditor's yearly disbursement totals reported for these funds. In 2012, total County Board disbursements were not within 1/4 percent of the county auditor's yearly disbursement totals for these funds. Disbursements in the county auditor's reports were less than the County Board disbursements by \$89,021. We found difference as reported in Appendix B (2012) to reconcile *Schedule A* MEORC expenses and the final 2012 Reconciliation to County Auditor Worksheet is within 1/4 percent of the county auditor's yearly disbursement for these funds.

3. We also compared the account description and amount for each reconciling item on the *County Auditor Reconciliation Worksheets* to the County Board's State Expenses Without Payroll or Benefits (Detailed) Reports and other supporting documentation such as county tax settlement sheets.

We did not perform this procedure as 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.

For 2011, we found no differences exceeding \$100 on any worksheet. For 2012, we found difference as reported in Appendix B.

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

We found no differences.

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 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.

We found differences as reported 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 criteria and traced 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 threshold and traced them to inclusion on the County Board's fixed asset listing.

We reported differences for purchases that were not properly capitalized as reported in Appendix A (2011) and Appendix B (2012). We reported differences for 2011 purchases to record the first year's depreciation in Appendix B (2012).

8. DODD asked us to select 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, the costs were allowable and properly classified according to the Cost Report Guides and 2 CFR 225.

We haphazardly selected 20 disbursements from 2011 and 2012 from the County Board's State Expenses Without Payroll or Benefits (Detailed) Report 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 reported misclassified costs in Appendix A (2011) and 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 schedules.

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

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) and Appendix B (2012).

4. We haphazardly selected two of the County Board's fixed assets which met the County Board's capitalization policy and were purchased 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 differences as reported in Appendix A (2011) and Appendix B (2012).

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 determine 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 two disposed assets from the County Board's 2011 list of disposed assets and determined if the asset was removed from the County Board's fixed asset ledger. We recalculated depreciation and any gain or loss applicable to 2011 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 A (2011).

For 2012, we did not perform this procedure because the County Board stated that no capital assets were disposed. We scanned the County Board's State Expenses Without Payroll or Benefits (Detailed) Reports and found no 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 Summary Expense Reports for the Starlight Programs (018), MEORC fund (074), Family Support FY10 (092), Starlight Restricted (160), and the S. S. Permanent Improvement (019) Funds.

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 Payroll by Job Description by Date Span and Payroll Allocation (before MAC reclass) reports.

For 2011, we found differences exceeding \$100 as reported in Appendix A. For 2012, we found no differences exceeding \$100 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.

We selected 33 employees and compared the County Board's organizational charts, payroll journals, and job description 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).

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 did not perform this procedure as the errors in procedure 3 did not exceed 10 percent.

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 Payroll by Job Description by Date Span and Payroll Allocation (before MAC reclass) reports.

We found no variance exceeding one percent.

2. We compared the MAC Cost by Individual reports to Worksheet 6 for both years.

We found no differences.

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

MEDICAID ADMINISTRATIVE CLAIMING (Continued)

4. We selected 11 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 11 RMTS observed moments from the second quarter of 2012 in which they documented their time spent on administering Medicaid-funded programs. We determined 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 MAC using the RMTS Methodology for 2010 and 2012.

In 2011, we found two errors. The accompanying supporting documentation for one RMTS observed moment for Activity Code 7-Referral, Coordination and Monitoring of Medicaid Services was unclear or vague to support the response to the sampled moment and did not reflect the date and time of the sampled moment as required by the RMTS guide section on Examples of Unacceptable documentation. One RMTS observed moment for Activity Code 12-Program Planning, Development, and Interagency Coordination of Non-Medicaid Services lacked supporting documentation.

We reported these instances of non-compliance to DODD. In response, DODD communicated to us that it is working with the ODM to calculate findings for recovery, if needed.

Recommendation:

We recommend the County Board maintain documentation for RMTS observed moments in accordance with DODD's Guide to MAC using the RMTS Methodology in the section Response and Documentation of Random Moment which says in pertinent part, "Appropriate documentation should provide the detail needed to support the activity selected for the sample moment and clearly identify the date and time corresponding to the sampled moment."

The County Board submitted an official response to the results of these agreed-upon procedures which is presented in Appendix C. Our conclusion is presented in Appendix D.

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, ODM, 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

June 2, 2015

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Appendix A
Muskingum 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				
1. Building Services (B) Adult	244	72	316	Adjust for unreported square footage
5. Speech/Audiology (B) Adult	222	(222)	-	Reclassify Facility-Based square footage
7. Occupational Therapy (B) Adult	229	(229)	-	Reclassify Facility-Based square footage
13. School Age (C) Child	7,711	(833)	6,878	To reclassify program supervision square footage
14. Facility Based Services (B) Adult	20,666	222	20,888	Reclassify Facility-Based square footage
		229	21,117	Reclassify Facility-Based square footage
		(2,092)	19,025	To reclassify program supervision square footage
17. Medicaid Administration (A) MAC	-	1	1	Reclassify MAC square footage
22. Program Supervision (B) Adult	-	2,092	2,092	To reclassify program supervision square footage
22. Program Supervision (C) Child	-	833	833	To reclassify program supervision square footage
23. Administration (D) General	4,620	(1)	4,619	Reclassify MAC square footage
25. Non-Reimbursable (C) Child	-	1,848	1,848	Adjust for unreported square footage
Schedule B-1, Section B				
1. Total Individuals Served By Program (B) Supported Emp. - Enclave	57	(8)	49	To correct individuals served
2. Days Of Attendance (A) Facility Based Services	23,269	180	23,449	Reclassify Enclave days to Facility Based days
2. Days Of Attendance (B) Supported Emp. - Enclave	2,208	556	2,764	To correct days of attendance
		(180)	2,584	Reclassify Enclave days to Facility Based days
3. Typical Hours Of Service (A) Facility Based Services	-	7.5	7.5	To correct typical hours of service
3. Typical Hours Of Service (B) Supported Emp. - Enclave	-	5	5	To correct typical hours of service
4. 15 Minute Units (C) Supported Emp. - Community Employment	236	680	916	To correct 15 Minute units
		(5)	911	To correct 15 Minute units
Schedule B-3				
1. Early Intervention (G) One Way Trips- Fourth Quarter	8	473	481	To report correct number of one-way trips
2. Pre-School (G) One Way Trips- Fourth Quarter	1,336	1,240	2,576	To report correct number of one-way trips
3. School Age (G) One Way Trips- Fourth Quarter	2,829	(1,295)	1,534	To report correct number of one-way trips
Schedule B-4				
1. TCM Units (E) COG Activity	360	(39)	321	To correctly report SSA units
2. Other SSA Allowable Units (C) 3rd Quarter	1,198	(16)	1,182	Reclassify units from Other Allowable to Unallowable
2. Other SSA Allowable Units (D) 4th Quarter	1,691	(1,635)	56	Adjust to agree to the Receivable Billing Reimbursable Summary report
		(51)	5	Reclassify units from Other Allowable to Unallowable
		(5)	-	Reclassify units from Other Allowable to Unallowable
3. Home Choice Units (E) COG Activity	-	17	17	To correctly report SSA units
5. SSA Unallowable Units (D) 4th Quarter	270	51	321	Reclassify units from Other Allowable to Unallowable
		21	342	Reclassify units from Other Allowable to Unallowable
5. SSA Unallowable Units (E) COG Activity	-	20	20	To correctly report SSA units

Appendix A (Page 2)
Muskingum 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 C				
I. County				
(A) Tax Levy	\$ 7,352,037	\$ (1,121)	\$ 7,350,916	To adjust overstatement due to posting error
Worksheet 1				
3. Buildings/Improve. (D) Unasgn Children	\$ 64,739	\$ (17,596)		To remove fully depreciated asset
		\$ (25,530)		To remove fully depreciated asset
		\$ (3,225)	\$ 18,388	To remove fully depreciated asset
3. Buildings/Improve. (E) Facility Based Services	\$ 48,562	\$ (20,412)		To remove fully depreciated asset
		\$ (383)	\$ 27,767	To remove fully depreciated asset
3. Buildings/Improve. (U) Transportation	\$ 9,163	\$ 10,710		To correct depreciation
		\$ (2,587)		To remove fully depreciated asset
		\$ (8,123)	9,163	To reclassify asset to match prior audit
3. Buildings/Improve. (X) Gen Expense All Prgm.	\$ 26,339	\$ 8,123		To reclassify asset to match prior audit
		\$ 680		To reclassify asset to match prior audit
		\$ 542	\$ 35,684	To correct depreciation for new purchase
4. Fixtures (X) Gen Expense All Prgm.	\$ -	\$ 542	\$ 542	To record depreciation for 2010 purchase
5. Movable Equipment (D) Unasgn Children Programs	\$ 8,977	\$ (2,066)	\$ 6,911	To remove fully depreciated asset
5. Movable Equipment (U) Transportation	\$ 100,350	\$ (13,406)		To remove fully depreciated asset
		\$ (680)		To reclassify asset to match prior audit
		\$ (694)		To remove depreciation for a previously expensed item
		\$ (1,800)	\$ 83,770	Report a gain on trade ins
5. Movable Equipment (V) Admin	\$ 9,703	\$ (1,274)		To remove fully depreciated asset
		\$ (7,061)	1,368	To remove fully depreciated asset
6. Capital Leases (D) Unasgn Children Programs	\$ 3,514	\$ (3,514)	-	To remove operating lease for phone system
6. Capital Leases (E) Facility Based Services	\$ 5,216	\$ (5,216)	-	To remove operating lease for phone system
6. Capital Leases (X) Gen Expense All Prgm.	\$ 3,515	\$ (3,515)	-	To remove operating lease for phone system
Worksheet 2				
2. Employee Benefits (X) Gen Expense All Prgm.	\$ 102,867	\$ 8,951	\$ 111,818	To reclassify COBRA benefits
3. Service Contracts (X) Gen Expense All Prgm.	\$ 182,069	\$ (90,394)		To reclassify fees paid to COG
		\$ (50,000)	\$ 41,675	To reclassify Family Assistance Program expenses
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 1,286		To reclassify non-Federal reimbursable expenses
		\$ 72		To reclassify non-Federal reimbursable expenses
		\$ 28	\$ 1,386	To reclassify non-Federal reimbursable expenses
4. Other Expenses (X) Gen Expense All Prgm.	\$ 111,324	\$ (1,286)		To reclassify non-Federal reimbursable expenses
		\$ (8,951)		To reclassify COBRA benefits
		\$ (72)		To reclassify non-Federal reimbursable expenses
		\$ (20,617)	\$ 80,398	To reclassify phone lease
10. Unallowable Fees (O) Non-Federal	\$ 208,614	\$ (1,121)	\$ 207,493	To adjust overstatement due to posting
Worksheet 2A				
1. Salaries (H) Unasgn Adult Program	\$ -	\$ 72,907	\$ 72,907	To reclassify Workshop Director salary
2. Employee Benefits (H) Unasgn Adult Program	\$ -	\$ 28,422	\$ 28,422	To reclassify Workshop Director benefits

Appendix A (Page 3)
Muskingum County Board of Developmental Disabilities
2011 Income and Expenditure Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Worksheet 3				
3. Service Contracts (X) Gen Expense All Prgm.	\$ 21,303	\$ (6,072)	\$ 15,231	To reclassify facility based expenses
4. Other Expenses (B) Pre-School	\$ -	\$ 1,996		To reclassify building services expenses
		\$ 47	\$ 2,043	To reclassify building services expenses
4. Other Expenses (D) Unasgn Children Program	\$ -	\$ 3,506		To reclassify building services expenses
		\$ 248	\$ 3,754	To reclassify building services expenses
4. Other Expenses (X) Gen Expense All Prgm.	\$ 163,575	\$ 20,617	\$ 184,192	To reclassify phone lease
Worksheet 4				
3. Service Contracts (D) Unasgn Children Program	\$ 8,051	\$ (8,051)	-	To reclassify facility based expenses
Worksheet 5				
1. Salaries (C) School Age	\$ 359,414	\$ (270)	\$ 359,144	To correct school age salary
1. Salaries (L) Community Residential	\$ 50,899	\$ (23,347)	\$ 27,552	To reclassify Community Services Manager salary
2. Employee Benefits (L) Community Residential	\$ 28,944	\$ (9,101)	\$ 19,843	To correct Community Services Manager benefits
3. Service Contracts (M) Family Support Services	\$ -	\$ 50,000	\$ 50,000	To reclassify Family Assistance Program expenses
4. Other Expenses (B) Pre-School	\$ 4,548	\$ (1,996)		To reclassify building services expenses
		\$ (47)	\$ 2,505	To reclassify building services expenses
4. Other Expenses (D) Unasgn Children Program	\$ 14,513	\$ (3,506)		To reclassify building services expenses
		\$ (248)	\$ 10,759	To reclassify building services expenses
4. Other Expenses (L) Community Residential	\$ -	\$ 1,041		To reclassify residential transportation
		\$ 1,154		To reclassify residential transportation
		\$ 1,439	\$ 3,634	To reclassify residential transportation
Worksheet 8				
3. Service Contracts (E) Facility Based Services	\$ 1,041	\$ (1,041)	-	To reclassify residential transportation
3. Service Contracts (X) Gen Expense All Prgm.	\$ 43,886	\$ (1,154)	\$ 42,732	To reclassify residential transportation
4. Other Expenses (X) Gen Expense All Prgm.	\$ 272,491	\$ (125,326)	\$ 147,165	To reclassify purchases > \$5,000
Worksheet 9				
4. Other Expenses (N) Service & Support Admin. Costs	\$ 27,259	\$ (468)		To reclassify fees paid to COG
		\$ (28)	\$ 26,763	To reclassify non-Federal reimbursable expenses
Worksheet 10				
1. Salaries (E) Facility Based Services	\$ 926,966	\$ (72,907)	\$ 854,059	To reclassify Workshop Director salary
1. Salaries (G) Community Employment	\$ 59,817	\$ 23,347	\$ 83,164	To reclassify Community Services Manager salary
2. Employee Benefits (E) Facility Based Services	\$ 375,580	\$ (14,217)		To correct facility based benefits
		\$ (28,422)	\$ 332,941	To reclassify Workshop Director benefits
2. Employee Benefits (G) Community Employment	\$ 23,319	\$ 9,101	\$ 32,420	To reclassify Community Services Manager benefits
3. Service Contracts (E) Facility Based Services	\$ 6,044	\$ 6,072		To reclassify facility based expenses
		\$ 8,051		To reclassify facility based expenses
		\$ (1,439)	\$ 18,728	To reclassify residential transportation

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Muskingum 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>
Reconciliation to County Auditor Worksheet				
Expense:				
Plus: Purchases Greater Than \$5,000	\$ 31,661	\$ 125,326	\$ 156,987	To reconcile purchases > \$5,000
Plus: Fees Paid To COG, Or Payments And Transfers made To COG	\$ 183,456	\$ 90,394		To reconcile fees paid to COG
		\$ 468	\$ 274,318	To reconcile fees paid to COG
Plus: Match Paid To ODMRDD For IO & LVI Waivers	\$ 113,654	\$ 6,884	\$ 120,538	To reconcile waiver match
Plus: Match Paid To ODMRDD For TCM	\$ 125,030	\$ 19,179	\$ 144,209	To reconcile TCM match
Less: Capital Costs	\$ (313,751)	\$ (10,710)		To reconcile off depreciation expenses
		\$ 17,596		To reconcile off depreciation expenses
		\$ 25,530		To reconcile off depreciation expenses
		\$ 3,225		To reconcile off depreciation expenses
		\$ 2,066		To reconcile off depreciation expenses
		\$ 3,514		To reconcile off depreciation expenses
		\$ 20,412		To reconcile off depreciation expenses
		\$ 383		To reconcile off depreciation expenses
		\$ 13,406		To reconcile off depreciation expenses
		\$ 694		To reconcile off depreciation expenses
		\$ 1,274		To reconcile off depreciation expenses
		\$ 7,061		To reconcile off depreciation expenses
		\$ 3,515		To reconcile off depreciation expenses
		\$ 5,216		To reconcile off depreciation expenses
		\$ 2,587		To reconcile off depreciation expenses
		\$ (542)		To reconcile off depreciation expenses
		\$ (542)		To reconcile off depreciation expenses
		\$ 1800	\$ (217,266)	To reconcile off depreciation expenses
			-	
Revenue:				
Plus: Advances - In	\$ -	\$ 129,000	\$ 129,000	To record advances in
Total from 12/31 County Auditor's Report	\$ 10,442,288	\$ 129,000	\$ 10,571,288	To match County Auditor's Report
			-	
Medicaid Administration Worksheet				
6- Ancillary Costs (A) Reimbursement Requested	\$ -	\$ 10,637	\$ 10,637	To record ancillary costs
10. Through Calendar Year				

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

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Schedule B-1, Section A				
1. Building Services (B) Adult	72	244	316	Adjust for unreported Starlight annex square footage
14. Facility Based Services (B) Adult	15,292	4,735	20,027	Adjust for unreported Starlight annex square footage
16. Supported Emp. -Comm Emp. (B) Adult	-	270	270	Adjust for unreported Starlight annex square footage
17. Medicaid Administration (A) MAC		1	1	Adjust for MAC square footage
22. Program Supervision (B) Adult	-	1,023		Adjust for unreported Starlight annex square footage
		428	1,451	Adjust for unreported Starlight annex square footage
23. Administration (D) General	3,638	(1)	3,637	Adjust for MAC square footage
25. Non-Reimbursable (C) Child	-	1,848	1,848	Reclassify common space rented to MVESC
Schedule B-1, Section B				
4. 15 Minute Units (C) Supported Emp. - Community Employment	173	446		To correct 15 Minute units
		(2)	617	To correct 15 Minute units
6. Total Unduplicated Individuals Served Acuity (B)	57	(3)	54	To correct individuals served
10. Total Days of Attendance by Acuity (A) Facility Based Services	15,472	209		Reclassify Enclave days - Acuity A to Facility Based days - Acuity A
		2	15,683	To correct reported attendance days
10. Total Days of Attendance by Acuity (B) Supported EMP - Enclave	2,208	350		To correct reported attendance days
		(3)		To correct reported attendance days
		(209)	2,346	Reclassify Enclave days - Acuity A to Facility Based days - Acuity A
12. Total Days of Attendance by Acuity (A) Facility Based Services	3,838	(185)		Reclassify FB days of attendance from Acuity B to Acuity C
		2	3,655	To correct reported attendance days
13. Total Days of Attendance by Acuity (A) Facility Based Services	2,872	185	3,057	Reclassify FB days of attendance from Acuity B to Acuity C
			-	
Schedule B-3				
3. School Age (G) One Way Trips- Fourth Quarter	3,361	(744)	2,617	To report correct number of one-way trips
5. Facility Based Services (G) One Way Trips- Fourth Quarter	8,842	744	9,586	To report correct number of one-way trips
5. Facility Based Services (H) Cost of Bus Tokens, \$ Cabs - Fourth Quarter	-	108		To report parent reimbursement
	\$	80		To report parent reimbursement
	\$	52	240	To report parent reimbursement
			-	
Schedule B-4				
1. TCM Units (D) 4th Quarter	10,840	(859)		Adjust to agree to the Receivable Billing Reimbursable Summary report
		(282)	9,699	To correctly report SSA units
1. TCM Units (E) COG Activity	-	282	282	To correctly report SSA units
2. Other SSA Allowable Units (D) 4th Quarter	625	(55)		Reclassify units from Other Allowable to Unallowable
		(20)		Reclassify units from Other Allowable to Unallowable
		(4)	546	Remove General Time Units from Other Allowable
3. Home Choice Units (D) 4th Quarter	52	224	276	Adjust to agree to the Receivable Billing Reimbursable Summary report

Appendix B (Page 2)
Muskingum 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-4 (Continued)				
5. SSA Unallowable Units (B) 2nd Quarter	610	(506)	-	Adjust to agree to the Receivable Billing Reimbursable Summary report
5. SSA Unallowable Units (B) 2nd Quarter		55	159	Reclassify units from Other Allowable to Unallowable
5. SSA Unallowable Units (C) 3rd Quarter	181	(181)	-	Adjust to agree to the Receivable Billing Reimbursable Summary report
5. SSA Unallowable Units (D) 4th Quarter	39	(39)		Adjust to agree to the Receivable Billing Reimbursable Summary report
		20		Reclassify units from Other Allowable to Unallowable
		(1)	19	To correctly report SSA units
5. SSA Unallowable Units (E) COG Activity	-	1	1	To correctly report SSA units
Worksheet 1				
2. Land Improvements (X) Gen Expense All Prgm.	\$ 5,985	\$ 11,362		Adjust depreciation for playground
		\$ (1,170)		Adjust depreciation for fully depreciated asset
		\$ (1,515)		Adjust depreciation for fully depreciated asset
		\$ (1,078)	\$ 13,584	Adjust depreciation for fully depreciated asset
3. Buildings/Improve (D) Unasgn Children	\$ 69,341	\$ (1,919)		Adjust depreciation to supporting
		\$ (2,919)		Adjust depreciation for fully depreciated asset
		\$ (17,596)		Adjust depreciation for fully depreciated asset
		\$ (25,530)		Adjust depreciation for fully depreciated asset
		\$ (3,225)	\$ 18,152	Adjust depreciation for fully depreciated asset
3. Buildings/Improve (E) Facility Based Services	\$ 48,562	\$ (20,412)		Adjust depreciation for fully depreciated asset
		\$ (3,110)		Adjust depreciation for fully depreciated asset
		\$ (356)		Adjust depreciation for fully depreciated asset
		\$ (9,381)		Adjust depreciation for fully depreciated asset
		\$ (383)	\$ 14,920	Adjust depreciation for fully depreciated asset
3. Buildings/Improve (X) Gen Expense All Prgm.	\$ 60,400	\$ (18,911)		Reclassify assets to match prior audit
		\$ (2,488)		Remove depreciation for a previously expensed item
		\$ (99)		Remove depreciation for a previously expensed item
		\$ (680)		Remove depreciation for a previously expensed item
		\$ (694)		Remove depreciation for a previously expensed item
		\$ (917)		Correct depreciation for asset with revised historical cost
		\$ 542	\$ 37,153	Adjust depreciation for new purchase
4. Fixtures (D) Unasgn Children Programs	\$ 2,470	\$ (439)	\$ 2,031	Adjust depreciation for fully depreciated asset
4. Fixtures (U) Transportation	\$ -	\$ 18,911	\$ 18,911	Reclassify assets to match prior audit
4. Fixtures (X) Gen Expense All Prgm.	\$ -	\$ 542	\$ 542	Record depreciation for 2010 purchase
5. Movable Equipment (D) Unasgn Children Programs	\$ 8,977	\$ (6,057)	\$ 2,920	Adjust depreciation for fully depreciated asset

Appendix B (Page 3)
Muskingum 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 1 (Continued)				
5. Movable Equipment (U) Transportation	\$ 64,955	\$ 24,443	-	Adjust depreciation to supporting documentation
		\$ (6,038)		Adjust depreciation for fully depreciated asset
		\$ (7,368)		Adjust depreciation for fully depreciated asset
		\$ (7,425)		Adjust depreciation for fully depreciated asset
		\$ 203		Adjust depreciation for new purchase
5. Movable Equipment (V) Admin	\$ 9,703	\$ (2,177)	\$ 66,593	Reclassify depreciation for Ford F250
		\$ (1,274)		Adjust depreciation for fully depreciated asset
		\$ (7,061)	\$ 1,368	Adjust depreciation for fully depreciated asset
5. Movable Equipment (X) Gen Expense All Prgm.	\$ 3,016	\$ 2,177		Reclassify depreciation for Ford F250
		\$ 1,089	\$ 6,282	Adjust depreciation based upon a revised useful life
6. Capital Leases (X) Gen Expense All Prgm.	\$ 20,845	\$ (20,845)	-	Reclassify operating lease payments for phone system
Worksheet 2				
3. Service Contracts (X) Gen Expense All Prgm.	\$ 44,100	\$ (4,680)		To reclassify fees paid to COG
		\$ (620)	\$ 38,800	To reclassify fees paid to COG
4. Other Expenses (O) Non-Federal Reimbursable	\$ -	\$ 3,331	\$ 3,331	To reclassify non-Federal reimbursable expenses
4. Other Expenses (X) Gen Expense All Prgm.	\$ 168,566	\$ (648)		To correct indirect cost expense
		\$ (3,331)		To reclassify non-Federal reimbursable expenses
		\$ (50,000)	\$ 114,587	To reclassify Family Assistance Program expenses
Worksheet 2A				
1. Salaries (H) Unasgn Adult Program	\$ -	\$ 74,381	\$ 74,381	To reclassify Workshop Director salary
2. Employee Benefits (H) Unasgn Adult Program	\$ -	\$ 26,091	\$ 26,091	To reclassify Workshop Director salary
Worksheet 3				
3. Service Contracts (X) Gen Expense All Prgm.	\$ 22,938	\$ (7,186)	\$ 15,752	To reclassify facility based expenses
4. Other Expenses (A) Early Intervention	\$ -	\$ 458	\$ 458	To reclassify building services expenses
4. Other Expenses (D) Unasgn Children Program	\$ 3,970	\$ 138	\$ 4,108	To reclassify building services expenses
4. Other Expenses (X) Gen Expense All Prgm.	\$ 191,511	\$ (8,715)		To reclassify purchases > \$5,000
		\$ 20,845	\$ 203,641	Adjust expense for operating lease for the phone system
Worksheet 4				
3. Service Contracts (D) Unasgn Children Program	\$ 8,398	\$ (8,398)	-	To reclassify facility based expenses
Worksheet 5				
4. Other Expenses (A) Early Intervention	\$ 6,439	\$ (458)	\$ 5,981	To reclassify building services expenses
4. Other Expenses (D) Unasgn Children Program	\$ 10,162	\$ (138)	\$ 10,024	To reclassify building services expenses
4. Other Expenses (L) Community Residential	\$ -	\$ 9,891		To reclassify residential transportation
		\$ 4,633		To reclassify residential transportation
		\$ 3,968	\$ 18,492	To reclassify residential transportation
4. Other Expenses (M) Family Support Services	\$ -	\$ 50,000	\$ 50,000	To reclassify Family Assistance Program expense

Appendix B (Page 4)
Muskingum County Board of Developmental Disabilities
2012 Income and Expenditure Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Worksheet 7-D				
3. Service Contracts (E) Facility Based Services	\$ 5,202	\$ 1,335	\$ 6,537	To reclassify psychology expenses
4. Other Expenses (E) Facility Based Services	\$ -	\$ 686		To reclassify psychology expenses
		\$ 645	\$ 1,331	To reclassify psychology expenses
Worksheet 7-E				
4. Other Expenses (D) Unasgn Children Program	\$ 3,152	\$ (116)	\$ 3,036	To reclassify physical therapy expenses
Worksheet 7-F				
4. Other Expenses (D) Unasgn Children Program	\$ 2,887	\$ 116	\$ 3,003	To reclassify physical therapy expenses
Worksheet 8				
3. Service Contracts (E) Facility Based Services	\$ -	\$ 52	\$ 52	To reclassify parent reimbursement
3. Service Contracts (X) Gen Expense All Prgm.	\$ 85,712	\$ (9,891)		To reclassify residential transportation
		\$ (52)	\$ 75,769	To reclassify parent reimbursement
4. Other Expenses (E) Facility Based Services	\$ -	\$ 108		To reclassify parent reimbursement
		\$ 80	\$ 188	To reclassify parent reimbursement
4. Other Expenses (X) Gen Expense All Prgm.	\$ 168,705	\$ (5,000)		To reclassify purchases > \$5,000
		\$ (108)		To reclassify parent reimbursement
		\$ (4,633)	\$ 158,964	To reclassify residential transportation
Worksheet 9				
1. Salaries (N) Service & Support Admin. Costs	\$ 584,998	\$ (11,176)	\$ 573,822	To reclassify Community Services manager salary
2. Employee Benefits (N) Service & Support Admin. Costs	\$ 234,782	\$ (3,290)	\$ 231,492	To reclassify Community Services manager benefits
4. Other Expenses (N) Service & Support Admin. Costs	\$ 8,494	\$ (306)		To reclassify fees paid to COG
		\$ (2,484)	\$ 5,704	To reclassify fees paid to COG
Worksheet 10				
1. Salaries (E) Facility Based Services	\$ 936,729	\$ (74,381)	\$ 862,348	To reclassify Workshop Director salary
1. Salaries (G) Community Employment	\$ 64,191	\$ 11,176	\$ 75,367	To reclassify Community Services manager salary
2. Employee Benefits (E) Facility Based Services	\$ 328,584	\$ (26,091)	\$ 302,493	To reclassify Workshop Director benefits
2. Employee Benefits (G) Community Employment	\$ 22,517	\$ 3,290	\$ 25,807	To reclassify Community Services manager benefits
3. Service Contracts (E) Facility Based Services	\$ 43,694	\$ 7,186		To reclassify facility based expenses
		\$ 8,398		To reclassify facility based expenses
		\$ (1,335)		To reclassify psychology expenses
		\$ (3,968)	\$ 53,975	To reclassify residential transportation
4. Other Expenses (E) Facility Based Services	\$ 52,796	\$ (686)		To reclassify psychology expenses
		\$ (80)		To reclassify parent reimbursement
		\$ (645)	\$ 51,385	To reclassify psychology expenses

Appendix B (Page 5)
Muskingum County Board of Developmental Disabilities
2012 Income and Expenditure Report Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Reconciliation to County Auditor Worksheet				
Expense:				
Plus: Purchases Greater Than \$5,000	\$ 263,034	\$ 5,000		To reconcile purchases > \$5,000
		\$ 8,715	\$ 276,749	To reconcile purchases > \$5,000
Plus: Fees Paid To COG, Or Payments And Transfers made To COG	\$ 367,278	\$ 4,680		To reconcile fees paid to COG
		\$ 306		To reconcile fees paid to COG
		\$ 620		To reconcile fees paid to COG
		\$ 2,484	\$ 375,368	To reconcile fees paid to COG
Less: Capital Costs	\$ (296,428)	\$ (20,845)		To reconcile off depreciation expenses
		\$ (24,443)		To reconcile off depreciation expenses
		\$ 1,919		To reconcile off depreciation expenses
		\$ (11,362)		To reconcile off depreciation expenses
		\$ 1,170		To reconcile off depreciation expenses
		\$ 1,515		To reconcile off depreciation expenses
		\$ 1,078		To reconcile off depreciation expenses
		\$ 2,919		To reconcile off depreciation expenses
		\$ 17,596		To reconcile off depreciation expenses
		\$ 25,530		To reconcile off depreciation expenses
		\$ 3,225		To reconcile off depreciation expenses
		\$ 20,412		To reconcile off depreciation expenses
		\$ 3,110		To reconcile off depreciation expenses
		\$ 356		To reconcile off depreciation expenses
		\$ 9,381		To reconcile off depreciation expenses
		\$ 383		To reconcile off depreciation expenses
		\$ 2,488		To reconcile off depreciation expenses
		\$ 99		To reconcile off depreciation expenses
		\$ 680		To reconcile off depreciation expenses
		\$ 694		To reconcile off depreciation expenses
		\$ 917		To reconcile off depreciation expenses
		\$ 439		To reconcile off depreciation expenses
		\$ (542)		To reconcile off depreciation expenses
		\$ 6,057		To reconcile off depreciation expenses
		\$ 6,038		To reconcile off depreciation expenses
		\$ 7,368		To reconcile off depreciation expenses
		\$ 7,425		To reconcile off depreciation expenses
		\$ 1,274		To reconcile off depreciation expenses
		\$ 7,061		To reconcile off depreciation expenses
		\$ (542)		To reconcile off depreciation expenses
		\$ (203)		To reconcile off depreciation expenses
		\$ 20,845		To reconcile off depreciation expenses
		\$ (1,089)	\$ (205,475)	To reconcile off depreciation expenses
Less: COG Expenses Posted on Schedule A	\$ -	\$ (87,877)	\$ (87,877)	To match COG report
Medicaid Administration Worksheet				
6- Ancillary Costs (A) Reimbursement Requested	\$	\$ 13,582	\$ 13,582	To record ancillary costs
10. Through Calendar Year				

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Muskingum County Board of Developmental Disabilities
Independent Auditor's Report on
Applying Agreed-Upon Procedures

Appendix C

The letter that follows is the County Board's official response to the agreed-upon procedures.



John E. Hill
Superintendent

July 20, 2015

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Transportation and
Maintenance

Devona R. Fountain
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Jeffrey M. Hamilton, CPA
Senior Audit Manager
Ohio Auditor's Office
Medicaid Contract Audit
88 East Broad Street, Ninth Floor
Columbus, OH 43215

Dear Mr. Hamilton,

The final report for Muskingum County Board of DD has been reviewed for the Muskingum County 2011 & 2012 cost reports by both me and our business manager. It is our position to try to make each audit a learning experience and to take what we learn and make adjustments for the future. Due to the timing of audits with real time activities, this sometimes is more difficult than others, but we do make every effort to adjust what we are doing at the current time and hope that these changes stay consistent with what happens in future audits.

During the cost report audits our major adjustments came in the areas of enclaves, TCM units, depreciation and square footage. In the area of enclaves, we've had multiple discussions on how this should be billed and accounted for, and until this audit the method in which we do both has never been an issue. With the adjustments made with this audit, though we might not completely agree, we have and are making adjustments to procedures to make sure that we account for these services according to the audit findings.

In the area of TCM units we have also made some procedural adjustments with our contract billing agent in order to prevent some of the questionable units being billed incorrectly. We understand that after the date of death and time in a nursing home is not TCM billable. We also know there is work that has to be completed well after someone passes, as well as, while someone is in a nursing home. We have implemented better communication to make sure our billing agent is aware of these dates and also a review of units that could fall into these timeframes when pulling reports for billing and future cost reports.

With both depreciation and square footage, the county board has a much different view of what information was provided for the auditors and what it did and did not provide. The square footage document we keep provides all necessary information and we have been told by many others it's one of the best one's they've seen. Does it do all the work for you, no, but it's the county board's opinion that that is part of the audit process. That being said, we will take the adjustments made and work those into future reports and work to improve our document to be even better than it already is.

It is our stance that both sides can learn from an audit process, and I would like to make a couple suggestions to you as well. During this audit, unlike any other, we had major issues with multiple requests for the same information. Information that had already been provided to the requesting auditor, in many cases, multiple times. We also had several instances of documentation being requested and then

upon receiving the documentation the auditor realized that's not what she needed. As I'm sure you are aware, an audit is an extremely time consuming process for everyone involved. And while trying to continue to do daily tasks, planning for the future of the county board, etc., it involves multiple people to get all information requested in a timely manner that is doable for both us and the auditor's. So, when the time is taken to provide the documentation that is requested and it either gets lost, overlooked or is decided that it's not actually what is needed to figure out the issue, it leaves multiple people frustrated that the time was wasted in doing something. I would suggest better communication with auditors to make sure there is an understanding of what they really need to get their questions answered. I would also highly recommend that if there is a report they know addresses the information they are seeking, they ask for it the first time. In our case, it was only recommended or asked for after several attempts to provide documentation that was not fulfilling the request.

I thank you and the AOS department for your time in this audit process, as I know it's an extremely time consuming task. We will take the final report and continue to learn from and make adjustments on our end to streamline processes in the future. And it is my hope that you take our suggestions as a tool to learn and improve your process as well and not as a criticism.

Sincerely,

John E. Hill

John E. Hill
Superintendent

Appendix D

Auditor of State's Conclusion:

We agree that numerous requests were needed as documentation provided by the County Board did not always support all of the costs or statistics in the Cost Reports and did not comply with the *Allocation of Cost* section of the Cost Report Guides which requires, "When more than one, but not all programs share costs, supplemental worksheets must be prepared to allocate the costs to the specific programs involved, prior to completing the worksheets". In addition, the Cost Reports did not comply with the *Documentation Requirements* section of the Cost Report Guides which states, "In addition to maintaining all documentation to verify revenues and expenses, keep records that clearly trace or allocate all costs from accounting records to this report. To avoid submitting extensive supplemental worksheets, organize accounts in a format that facilitates completion of the Income and Expense Report. Maintain all records needed to verify statistical information reported and to document compliance with CMS publication 15-1, 42 CFR 92, and other state and/or federal regulatory requirements."

We appreciate the County Board's feedback as it will assist us in our effort to continually improve our processes. We welcome any suggestions for improving communications with the County Board regarding future requests for information.



Dave Yost • Auditor of State

MUSKINGUM COUNTY BOARD OF DEVELOPMENTAL DISABILITIES

MUSKINGUM 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
AUGUST 6, 2015**