



OHIO AUDITOR OF STATE
KEITH FABER



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Medicaid Contract Audit
88 East Broad Street
Columbus, Ohio 43215
(614) 466-3340
ContactMCA@ohioauditor.gov

Independent Accountants' Report on Applying Agreed-Up Procedures

Ohio Department of Medicaid
50 West Town Street, Suite 400
Columbus, Ohio 43215

We have performed the procedures enumerated below, which were agreed to by the Ohio Department of Medicaid (ODM) and the Ohio Department of Aging (ODA), on the Aging Administered Waiver Annual Cost Report (Cost Report) for the Area Agency on Aging District 7, Inc. (hereafter referred to as the PAA), for the period July 1, 2016 through June 30, 2017. The PAA's management is responsible for preparing this fiscal year 2017 (FY 17) report. The sufficiency of these procedures is solely the responsibility of ODM and ODA. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Unless otherwise specified, the PAA provided all reports used in the procedures and this report only describes exceptions exceeding \$500.

Revenue

1. We compared the revenue on *Final Page A* of the Cost Report to the Normal Trial Balance. We found no variances.
2. We compared the Monthly Statement of Consumer Liability reports to *Final Page A and C*. We found no variances.

Square Footage

1. We compared the square footage summary to the Distribution Code List report used for cost allocation on the Cost Report. We found the West Union Office square footage allocated to PASSPORT was overstated by 5%.

Trial Balance and Non-Payroll Expenses

1. We compared the disbursements on the Normal Trial Balance, Cost Report Worksheets, and General Ledger Detail reports to *Worksheet 1, Total Allowable Expenses by Line Item*. We found no variances.

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

2. We scanned the General Ledger Detail reports and selected 60 disbursements from all cost pools. We compared supporting documentation and classification of the disbursement to the Three Party Agreement, Cost Report Instructions and 2 CFR part 200. We found no variances.

Trial Balance and Non-Payroll Expenses (Continued)

3. We compared the allocation methodology applied on *Worksheet 1* for each waiver to the approved methodologies in the Cost Report Instructions. We found no differences.

Property

1. We compared the capital costs on *Worksheet 1* to the Normal Trial Balance, Cost Report Worksheets and General Ledger Detail reports. We found no variances.
2. We compared the final FY 2017 Depreciation Schedule to its fiscal year 2016 Depreciation Schedule for changes in the depreciation amounts for assets purchased prior to the Cost Report period, depreciation taken on the same asset more than once, assets that have been fully depreciated in prior years or depreciation which was not in compliance with the Cost Report Instructions. We found no variances.
3. We determined the PAA's capitalization threshold and selected 10 percent of the PAA's fixed assets which met the capitalization threshold and were being depreciated in the first year in 2017. We recalculated the first year's depreciation for the three assets selected, based on the Cost Report Instructions and useful lives prescribed in the 2013 American Hospital Association Asset Guide. We compared the recalculated depreciation to the reported depreciation. We found no variances.
4. We selected the one disposed asset from the 2017 Asset Disposals report and confirmed the asset was removed from the Depreciation Schedule. We found no gain or loss reported on *Worksheet 1*.
5. We scanned the General Ledger Detail reports for items purchased during FY 17 that met the PAA's capitalization threshold and the procurement requirements and traced them to the Depreciation Schedule. We found no variances.

Payroll

1. We compared total salaries and benefits on *Worksheet 1* for each waiver to the Normal Trial Balance, Cost Report Worksheets, and General Ledger Detail reports. We found no variances.
2. We selected 20 employees and compared the Monthly Timestudy Allocation report to the organization chart, ABRA Time Calculation report, General Ledger Transactions report and the Cost Report. We found no differences.

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

Contract Monitoring

1. We obtained the written procedures for all provider oversight processes during the Cost Report Period. We selected five providers for each type of provider oversight, including five pre-certification reviews and five structural compliance reviews to determine if the PAA maintained supporting documentation showing it performed oversight processes in accordance with Section (A)(3) in its three party agreement with ODM and ODA and its written procedure requirements. We found no exceptions.

Area Agency on Aging District 7, Inc.
Independent Accountants' Report on
Applying Agreed-Upon Procedures

This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Aging Administered Waiver Annual Cost Report. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

This report is intended solely for the information and use of the Provider, the ODM and ODA, and is not intended to be, and should not be used by anyone other than the specified parties.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State
Columbus, Ohio

November 5, 2019

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OHIO AUDITOR OF STATE KEITH FABER



AREA AGENCY ON AGING DISTRICT 7, INC

GALLIA COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 26, 2019**