



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



Medicaid Contract Audit  
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## Independent Accountants' Report on Applying Agreed-Up Procedures

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

We have performed the procedures enumerated below, which were agreed to by the Ohio Department of Medicaid (ODM) and the Ohio Department of Aging (ODA), on the Aging Administered Waiver Annual Cost Report (Cost Report) for the Direction Home Akron Canton Area Agency on Aging dba Direction Home Akron Canton Area Agency on Aging & Disabilities (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* to the Trial Balance and Detailed General Ledger - Standard reports. We found no variances.
2. We compared the Liability Billed and Collected report to the Detailed General Ledger – Standard reports and *Final Page A* and *C*. We found no variances.

### **Square Footage**

1. We compared the square footage floor plan and summary to the square footage used for cost allocation on the Cost Report. We found no variances.

### **Trial Balance and Non-Payroll Expenses**

1. We compared the disbursements on the Detailed General Ledger – Standard and Worksheet 1 Detail reports to *Worksheet 1, Total Allowable Expenses by Line Item* for each waiver. We found no variances.

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

2. We scanned the Detailed General Ledger – Standard 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 variances and scanned the corresponding voucher and found additional similar variances. See **Appendix A** for the identified misclassifications.

### **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 reported on *Worksheet 1* to the Detail General Ledger -Standard reports and Worksheet 1 Detail report. We found no variances.
2. We compared the final FY 2017 Depreciation Expense Report to the FY 16 Depreciation Expense Report for changes in the depreciation amounts for assets purchased prior to the cost report period, depreciation taken on the same asset more than once, assets that have been fully depreciated in prior years, or depreciation which was not in compliance with the Cost Report Instructions. We found no variances.
3. We selected 10 percent of the fixed assets which met the PAA's capitalization threshold and were being depreciated in the first year in FY 2017. We recalculated the first year's depreciation for the one asset selected using 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 did not perform the disposed assets procedure as no assets were listed on the SFY 2017 Disposed Fixed Asset report.
5. We scanned the Detail General Ledger - Standard report for items purchased during FY 2017 that met the capitalization threshold and the procurement requirements and traced them to the Depreciation Expense report. We found no variances.

### **Payroll**

1. We compared total salaries and benefits on *Worksheet 1* for each waiver to the Detail General Ledger - Standard and Worksheet 1 Detail reports. We found no variances.
2. We selected 20 employees and compared the hours for each cost center on the Summary for Monthly Time Log report to the organizational chart and Monthly Salary Allocation Stat Table and then compared the monthly table to the Detail General Ledger – Standard. We compared the general ledger to Worksheet 1 Detail report and the detail report to *Worksheet 1*. 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. We found no variances.

### **Contract Monitoring**

1. The PAA's written procedures in place during the Cost Report period were limited to structural compliance reviews. We selected five providers for each type of provider oversight, including five pre-certification reviews, five structural compliance reviews, all three expansion reviews, and the one event based provider review. We determined 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 requirement for structural compliance reviews. We found no exceptions.

Direction Home Akron Canton Area Agency on Aging  
dba Direction Home Akron Canton Area Agency on Aging & Disabilities  
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 6, 2019

Direction Home Akron Canton Area Agency on Aging dba  
 Direction Home Akron Canton Area Agency on Aging & Disabilities  
 Independent Accountants' Report on  
 Applying Agreed-Upon Procedures

SUMMARY OF COST AND EXPENSE ADJUSTMENTS (Corrections)

PROGRAM PASSPORT

Finding Number	COST REPORT				Type of Finding	Specific Compliance Citation	Reported Costs	Audit	
	Worksheet	Line	Account	Cost Center				Adjustments	Audited Cost
2	1	2	Employee Benefits	Screening	Reclassify Recruitment Costs	Cost Report Instructions	\$ 153,585.30	\$ (350.00)	
2	1	2	Employee Benefits	Screening	Reclassify Recruitment Costs	Cost Report Instructions		\$ (512.00)	\$ 152,723.30
2	1	11	Other Expense	Screening	Reclassify Recruitment Costs	Cost Report Instructions	\$ 8,589.94	\$ 350.00	
2	1	11	Other Expense	Screening	Reclassify Recruitment Costs	Cost Report Instructions		\$ 512.00	
3	1	11	Other Expense	Screening	Remove Non-Federal Reimbursable Costs	2 CFR 200.437, Employee Health & Welfare Costs		\$ (150.00)	
5	1	11	Other Expense	Screening	Remove Non-Federal Reimbursable Costs	1 CFR 200.421, Advertising & Public Relations		\$ (337.34)	
6	1	11	Other Expense	Screening	Remove Non-Federal Reimbursable Costs	2 CFR 200.434, Contributions & Donations		\$ (67.45)	\$ 8,897.15
3	1	11	Other Expense	Assessment	Remove Non-Federal Reimbursable Costs	2 CFR 200.437, Employee Health & Welfare Costs	\$ 21,293.90	\$ (273.00)	
4	1	11	Other Expense	Assessment	Remove Non-Federal Reimbursable Costs	2 CFR 200.421, Contributions & Donations		\$ (1,898.00)	
5	1	11	Other Expense	Assessment	Remove Non-Federal Reimbursable Costs	2 CFR 200.421, Advertising & Public Relations		\$ (538.00)	
6	1	11	Other Expense	Assessment	Remove Non-Federal Reimbursable Costs	2 CFR 200.421, Advertising & Public Relations		\$ (107.57)	\$ 18,477.33
3	1	11	Other Expense	Case Management	Remove Non-Federal Reimbursable Costs	2 CFR 200.437, Employee Health & Welfare Costs	\$ 27,262.79	\$ (815.00)	
5	1	11	Other Expense	Case Management	Remove Non-Federal Reimbursable Costs	2 CFR 200.421, Advertising & Public Relations		\$ (660.88)	
6	1	11	Other Expense	Case Management	Remove Non-Federal Reimbursable Costs	2 CFR 200.434, Contributions & Donations		\$ (132.14)	\$ 25,654.77
5	1	11	Other Expense	Provider Relations	Remove Non-Federal Reimbursable Costs	2 CFR 200.421, Advertising & Public Relations	\$ 4,091.64	\$ (135.30)	
6	1	11	Other Expense	Provider Relations	Remove Non-Federal Reimbursable Costs	4 CFR 200.434, Contributions & Donations		\$ (27.05)	\$ 3,929.29
5	1	11	Other Expense	General Administration	Remove Non-Federal Reimbursable Costs	2 CFR 200.421, Advertising & Public Relations	\$ 8,008.75	\$ (28.37)	
6	1	11	Other Expense	General Administration	Remove Non-Federal Reimbursable Costs	6 CFR 200.434, Contributions & Donations		\$ (5.67)	\$ 7,974.71

Direction Home Akron Canton Area Agency on Aging dba  
 Direction Home Akron Canton Area Agency on Aging & Disabilities  
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**SUMMARY OF COST AND EXPENSE ADJUSTMENTS (Corrections)**

**PROGRAM** Assisted Living

Finding Number	COST REPORT			Type of Finding	Specific Compliance Citation	Reported Costs	Audit		
	Worksheet	Line	Account				Cost Center	Adjustments	Audited Cost
5	1	11	Other Expense	Assessment	Remove Non-Federal Reimbursable Costs	2 CFR 200.421, Advertising & Public Relations	\$ 912.72	\$ (19.09)	
6	1	11	Other Expense	Assessment	Remove Non-Federal Reimbursable Costs	4 CFR 200.434, Contributions & Donations		\$ (3.82)	\$ 889.81
5	1	11	Other Expense	Case Management	Remove Non-Federal Reimbursable Costs	2 CFR 200.421, Advertising & Public Relations	\$ 2,412.57	\$ (77.98)	
6	1	11	Other Expense	Case Management	Remove Non-Federal Reimbursable Costs	6 CFR 200.434, Contributions & Donations		\$ (15.59)	\$ 2,319.00
5	1	11	Other Expense	Provider Relations	Remove Non-Federal Reimbursable Costs	2 CFR 200.421, Advertising & Public Relations	61.67	\$ (2.87)	
6	1	11	Other Expense	Provider Relations	Remove Non-Federal Reimbursable Costs	4 CFR 200.434, Contributions & Donations		\$ (0.57)	\$ 58.23
5	1	11	Other Expense	General Administration	Remove Non-Federal Reimbursable Costs	2 CFR 200.421, Advertising & Public Relations	\$ 689.53	\$ (7.97)	
6	1	11	Other Expense	General Administration	Remove Non-Federal Reimbursable Costs	6 CFR 200.434, Contributions & Donations		\$ (1.59)	\$ 679.97

**Total Effect on Cost Report**

\$ (5,305.25)

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# OHIO AUDITOR OF STATE KEITH FABER



**DIRECTION HOME AKRON CANTON AAA**

**SUMMIT COUNTY**

## **CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
DECEMBER 10, 2019**