



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 Western Reserve Area Agency on Aging (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 Normal Trial Balance and Expanded General Ledger. We found no variances.
2. We agreed the Normal Trial Balance and Expanded General Ledger to the Client Analysis report and the analysis report to *Final Page A* and *C*. We found no variances.

Square Footage

1. We compared the Employee Listing report to the Square Footage Allocation report, the allocation report to the Office Rent Allocation Calculation report, and the rent allocation to the cost allocation on the Expanded General Ledger used for the Cost Report. We found no variances.

Trial Balance and Non-Payroll Expenses

1. We compared the disbursements on the Data Entry & Allocations Worksheet, Normal Trial Balance and Expanded General Ledger to *Worksheet 1, Total Allowable Expenses by Line Item*. We found variances less than \$500.

We also compared total PASSPORT Information Management System (PIMS) costs to total *Worksheet 2, Waiver Services Expenses Detail*. We found no variances exceeding one half percent of total PIMS costs.

2. We scanned the Expanded General Ledger 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 identified errors as reported in the Appendix. For the identified errors, we scanned the corresponding voucher and found additional similar errors or misclassifications.

Trial Balance and Non-Payroll Expenses (Continued)

3. We compared the allocation methodology applied on *Worksheet 1* to the Cost Report Instructions. We found no differences.

Property

1. We compared the capital costs on *Worksheet 1* to the Normal Trial Balance and Expanded General Ledger. We found no variances.
2. We compared the final FY 17 Depreciation Schedule to the FY 16 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 did not perform procedures to recalculate the first year's depreciation as there were no capital assets purchased during FY 17.
4. We did not perform procedures to confirm disposed capital assets as there were no disposed assets during FY 2017.
5. We scanned the Normal Trial Balance and Expanded General Ledger for items purchased during FY 17 that met the capitalization criteria and the procurement requirements and found no unrecorded capital assets.

Payroll

1. We compared total salaries and benefits on *Worksheet 1* for each waiver to the Data Entry & Allocations Worksheet, Normal Trial Balance and Expanded General Ledger. We found no variances.
2. We selected 20 employees and compared the time-study data for each cost center on the Monthly Time-study and Time Allocation reports to the organization chart, Payroll Register and Monthly Wage Allocation report and then compared the wage report to the Allocation Master Listing Worksheet. We then compared the listing worksheet to the Expanded General Ledger and the ledger to the Normal Trial Balance and the Data Entry & Allocation Worksheet and finally to *Worksheet 1*. We found no variances.

We also compared the reported salaries and benefits to the Cost Report 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 PAA's written procedures for all provider oversight processes during the cost report period. We selected providers for each type of provider oversight, including five pre-certification reviews, five structural reviews and five reviews of sanctioned providers to determine if the PAA maintained supporting documentation showing it performed oversight processes in accordance with Section II (A)(3)(b)(i)-(ii) in the Three Party Agreement and its written procedure requirements. We found no exceptions.

Western Reserve Area Agency on Agency
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 PAA, 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

January 7, 2020

SUMMARY OF COST AND EXPENSE ADJUSTMENTS (Corrections)

Finding Number	COST REPORT				Type of Finding	Specific Compliance Citation	Reported Costs	Adjustment	Adjusted Cost
	Worksheet	Line	Account	Cost Center					
1	1	3	Service Contracts	Assessment	Remove Non-Federal Reimbursable Costs	2 CFR 200.441, Fines, Penalties, Damages & Other Settlements	\$ 99,234.00	\$ (3,720.00)	
3	1	3	Service Contracts	Assessment	Reclassify Referral Service Costs	Cost Report Instructions		\$ 223.20	
4	1	3	Service Contracts	Assessment	Remove Non-Federal Reimbursable Costs	2 CFR 200.441, Fines, Penalties, Damages & Other Settlements		\$ (996.95)	
5	1	3	Service Contracts	Assessment	Remove Non-Federal Reimbursable Costs	2 CFR 200.421, Advertising & Public Relations		\$ (1,207.29)	\$ 93,532.96
1	1	3	Service Contracts	Case Management	Remove Non-Federal Reimbursable Costs	2 CFR 200.441, Fines, Penalties, Damages & Other Settlements	\$ 162,806.00	\$ (5,655.00)	
3	1	3	Service Contracts	Case Management	Reclassify Referral Service Costs	Cost Report Instructions		\$ 339.30	
4	1	3	Service Contracts	Case Management	Remove Non-Federal Reimbursable Costs	2 CFR 200.441, Fines, Penalties, Damages & Other Settlements		\$ (1,515.52)	
5	1	3	Service Contracts	Case Management	Remove Non-Federal Reimbursable Costs	2 CFR 200.421, Advertising & Public Relations		\$ (1,835.28)	\$ 154,139.50
1	1	3	Service Contracts	General Administration	Remove Non-Federal Reimbursable Costs	2 CFR 200.441, Fines, Penalties, Damages & Other Settlements	\$ 49,707.00	\$ (2,175.00)	
3	1	3	Service Contracts	General Administration	Reclassify Referral Service Costs	Cost Report Instructions		\$ 130.50	
4	1	3	Service Contracts	General Administration	Remove Non-Federal Reimbursable Costs	2 CFR 200.441, Fines, Penalties, Damages & Other Settlements		\$ (582.89)	
5	1	3	Service Contracts	General Administration	Remove Non-Federal Reimbursable Costs	2 CFR 200.421, Advertising & Public Relations		\$ (705.88)	\$ 46,373.73
1	1	3	Service Contracts	Screening	Remove Non-Federal Reimbursable Costs	2 CFR 200.441, Fines, Penalties, Damages & Other Settlements	\$ 124,154.00	\$ (3,450.00)	
3	1	3	Service Contracts	Screening	Reclassify Referral Service Costs	Cost Report Instructions		\$ 207.00	
4	1	3	Service Contracts	Screening	Remove Non-Federal Reimbursable Costs	2 CFR 200.441, Fines, Penalties, Damages & Other Settlements		\$ (924.59)	
5	1	3	Service Contracts	Screening	Remove Non-Federal Reimbursable Costs	2 CFR 200.421, Advertising & Public Relations		\$ (1,119.67)	
5	1	3	Service Contracts	Screening	Remove Non-Federal Reimbursable Costs	2 CFR 200.441, Fines, Penalties, Damages & Other Settlements		\$ (19.88)	
5	1	3	Service Contracts	Screening	Remove Non-Federal Reimbursable Costs	2 CFR 200.441, Fines, Penalties, Damages & Other Settlements		\$ (22.24)	\$ 118,824.62
2	1	5	Equipment < \$5,000	Assessment	Reclassify Referral Service Costs	Cost Report Instructions	\$ 38,683.00	\$ (223.20)	\$ 38,459.80
2	1	5	Equipment < \$5,000	Case Management	Reclassify Referral Service Costs	Cost Report Instructions	\$ 58,805.00	\$ (339.30)	\$ 58,465.70
2	1	5	Equipment < \$5,000	General Administration	Reclassify Referral Service Costs	Cost Report Instructions	\$ 22,617.00	\$ (130.50)	\$ 22,486.50
2	1	5	Equipment < \$5,000	Screening	Reclassify Referral Service Costs	Cost Report Instructions	\$ 36,389.00	\$ (207.00)	\$ 36,182.00

Total Effect on Cost Report

\$ (23,930.19)

SUMMARY OF COST AND EXPENSE ADJUSTMENTS (Corrections)

PROGRAM Assisted Living

COST REPORT									
Finding Number	Worksheet	Line	Account	Cost Center	Type of Finding	Specific Compliance Citation	Reported Costs	Adjustment	Adjusted Cost
4	1	3	Service Contracts	Assessment	Remove Non-Federal Reimbursable Costs	2 CFR 200.441, Fines, Penalties, Damages & Other Settlements	\$ 2,648.00	\$ (31.89)	
5	1	3	Service Contracts	Assessment	Remove Non-Federal Reimbursable Costs	2 CFR 200.441, Fines, Penalties, Damages & Other Settlements		(\$35.68)	\$ 2,580.43
4	1	3	Service Contracts	Case Management	Remove Non-Federal Reimbursable Costs	2 CFR 200.441, Fines, Penalties, Damages & Other Settlements	\$ 10,973.00	\$ (131.90)	
5	1	3	Service Contracts	Case Management	Remove Non-Federal Reimbursable Costs	2 CFR 200.441, Fines, Penalties, Damages & Other Settlements		(\$147.59)	\$ 10,693.51
4	1	3	Service Contracts	General Administration	Remove Non-Federal Reimbursable Costs	2 CFR 200.441, Fines, Penalties, Damages & Other Settlements	\$ 2,371.00	\$ (23.40)	
5	1	3	Service Contracts	General Administration	Remove Non-Federal Reimbursable Costs	2 CFR 200.441, Fines, Penalties, Damages & Other Settlements		\$ (26.18)	\$ 2,321.42
Total Effect on Cost Report								\$ (396.64)	

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OHIO AUDITOR OF STATE KEITH FABER



WESTERN RESERVE AREA AGENCY AGING

CUYAHOGA 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
JANUARY 28, 2020**