



Dave Yost • Auditor of State



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Independent Accountants' Report on Applying Agreed-Up Procedures

Ohio Department of Developmental Disabilities
30 East Broad Street
Columbus, Ohio 43215

We have performed the procedures enumerated below, which were agreed to by the Ohio Department of Developmental Disabilities (DODD), on the Income and Expenditure Report (Cost Report) and County Summary Forms¹ of the Mid East Ohio Regional Council (COG) for the year ended December 31, 2016. The COG's management is responsible for preparing these reports. 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.

Trial Balance and Non-Payroll Expenditures

1. We compared the non-payroll disbursements on the Cost Report Work Papers report and General Ledger to the *COG Reconciliation* form and the *COG Master* and *County Expenditures* forms. We found variances as reported in Appendix A.
2. We compared the total non-payroll disbursements on the Trial Balance to the total disbursements on the *Summary of Expenditures* form and found the COG was in compliance with DODD's Guide to Preparing Cost Report for use by Councils of Government (Cost Report Guide). We found the Cost Report did not reconcile within acceptable limits due to duplicated payroll expenses on the *COG Reconciliation* form. We reported these variances in Appendix A and, after these adjustments, the Cost Report reconciled within acceptable limits.
3. We scanned the General Ledger and selected 60 non-payroll disbursements. We inspected the COG's supporting documentation and compared the cost classification to the Cost Report Guide and 2 CFR 200. We found variances as reported in Appendix A.
4. We scanned the General Ledger for compliance with 2 CFR 200.405 and the Cost Report Guide. We found no program costs that lacked corresponding statistics².
5. We inspected the General Ledger for items purchased during 2016 that met the COG's capitalization criteria and traced any items identified to the COG's Tax Asset Detail report. We found no unrecorded capital purchases.

¹ The COG prepared County Board Summary Forms to distribute its recorded receipts and disbursements to the Belmont, Carroll, Coshocton, Fairfield, Guernsey, Harrison, Hocking, Holmes, Jefferson, Knox, Licking, Monroe, Morgan, Muskingum, Noble, Perry, Tuscarawas and Washington County Boards of Developmental Disabilities.

² The Auditor of State's Office performed agreed upon procedures on the 2016 Cost Report for two of the COG's member boards: Coshocton and Tuscarawas. We performed no verification of statistics from other member boards.

Payroll Testing

1. We compared the payroll disbursements on the Trial Balance and Payroll Journal - Employee Summary Rate & Hours reports to the *COG Master* and *County Expenditures* forms. We found no variances exceeding two percent.
2. We scanned the Payroll Journal - Employee Summary Rate & Hours report and Payroll Allocation worksheet, and organizational chart and compared the classification of employees to entries on the *COG Master* and *County Expenditures* forms. We found employee allocations were consistent with the Cost Report Guide.

Property, Depreciation and Asset Verification Testing

1. We compared the COG's Tax Asset Detail report to the *COG Master Capital Costs*. We found no variances.
2. We compared the 2015 Tax Asset Detail report and prior year depreciation adjustments to the 2016 Tax Asset Detail report 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. We found no variances.
3. We did not perform the procedure to test capital assets as the COG did not have any capital assets that were being depreciated in their first year in 2016.
4. We did not perform the procedure to test disposed assets as the COG stated that no capital assets were disposed in 2016.

Medicaid Administrative Claiming (MAC) Testing

1. We compared MAC salaries and benefits on the Individual Cost by Code report to the COG's Payroll Journal - Employees Summary Rate & Hours report and Payroll Allocation worksheet and found the COG's salary and benefit costs exceeded MAC salary and benefits costs.
2. We compared the Individual Cost by Code report to the *COG Medicaid Administrative Claiming* form. We found no variances.
3. We selected 20 non-validated RMTS observed moments for the second quarter of 2016 from the RMTS Participant Moments Question and Answer report. We inspected the COG's documentation and compared the contents and classification to the DODD's Guide to Medicaid Administrative Claiming (MAC) using the Random Moment Time Studies (RMTS) Methodology for 2014. We found no variances.

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 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.

Mid East Ohio Regional Council
Independent Accountants' Report on
Applying Agreed-Upon Procedures

This report is intended solely for the use of the COG and the DODD, and is not intended to be, and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

October 11, 2018

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Appendix A
Mid East Ohio Regional Council
2016 Income and Expenditure Report and County Summary Form Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Mid East Ohio Regional Council				
Worksheet 2				
4. Other Expenses (A) Cost	\$ 230,242	\$ (3,050)	\$ 227,192	To match general ledger
Worksheet 4				
4. Other Expenses (B) Non-Federal Reimbursable	\$ -	\$ 30,494	\$ 30,494	To match general ledger
Reconciliation to Fund Balance				
BWC and HRA Accruals	\$ 28,329	\$ (28,329)	\$ -	To remove duplicate payroll expenses
Behavior Support and Commercial Adjustments	\$ 3,474	\$ (3,474)	\$ -	To remove duplicate payroll expenses
Holmes County				
Worksheet 5 (Direct Services)				
15. COG Expense (L) Community Residential	\$ 65,045	\$ (3,109)		To reclassify transportation expenses
		\$ (3,266)	\$ 58,670	To reclassify facility based services expenses
Worksheet 8 (Transportation)				
25. COG Expense (E) Facility Based Services	\$ 4,280	\$ 3,109	\$ 7,389	To reclassify transportation expenses
Worksheet 10 (Direct Services)				
27. COG Expense (E) Facility Based Services	\$ 825	\$ 3,266	\$ 4,091	To reclassify facility based services expenses
Licking County				
Schedule A				
1. Room and Board/Cost to Live (L) Community Residential	\$ 118,675	\$ 56,297	\$ 174,972	To reclassify room and board expenses
Worksheet 5 (Direct Services)				
15. COG Expense (L) Community Residential	\$ 202,906	\$ (2,500)		To reclassify sponsorship expenses
		\$ (56,297)	\$ 144,109	To reclassify room and board expenses
15. COG Expense (O) Non-Federal Reimbursable	\$ 43,090	\$ 2,500	\$ 45,590	To reclassify sponsorship expenses
Morgan County				
Worksheet 2 (Indirect Costs)				
10b. Direct COG Expenses - Reconcilable (O) Non-Federal Reimbursable	\$ 17,382	\$ 6,602	\$ 23,984	To match general ledger
Worksheet 5 (Direct Services)				
15. COG Expense (L) Community Residential	\$ 31,701	\$ (488)	\$ 31,213	To match general ledger
Muskingum County				
Schedule A				
1. Room and Board/Cost to Live (L) Community Residential	\$ 24,653	\$ 1,613	\$ 26,266	To reclassify room and board expenses
Worksheet 5 (Direct Services)				
15. COG Expense (L) Community Residential	\$ 37,838	\$ (1,613)	\$ 36,225	To reclassify room and board expenses
Perry County				
Worksheet 5 (Direct Services)				
15. COG Expense (L) Community Residential	\$ 123,320	\$ (1,170)	\$ 122,150	To reclassify transportation expenses
Worksheet 8 (Transportation)				
25. COG Expense (G) Community Employment	\$ -	\$ 1,170	\$ 1,170	To reclassify transportation expenses

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MID EAST OHIO REGIONAL COUNCIL (MEORC)

KNOX 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 8, 2018**