



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 Expense Report (Cost Report) and County Board Summary Forms¹ of the Southwestern Ohio Council of Governments (COG) for the year ended December 31, 2016 (Cost Report). 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 COG's non-payroll disbursements on the Custom Summary and General Ledger report to the *Reconciliation* form and the *COG Master* and *County Expenditures* forms. We found variances as reported in Appendix A.
2. We compared total COG non-payroll disbursements on the General Ledger report 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 reconciled within acceptable limits.
3. We scanned the COG's General Ledger report and selected 60 non-payroll disbursements. We inspected supporting documentation maintained by the COG and compared the classification of the costs to the Cost Report Guide and 2 CFR 200. We found variances as reported in Appendix A.
4. We scanned the General Ledger report and found no program costs that lacked corresponding statistics.
5. We inspected the General Ledger report for items purchased during 2016 that met the COG's capitalization criteria and traced any items identified to the COG's Depreciation Schedule. We found no unrecorded capital purchases.

Payroll Testing

1. We compared the COG's payroll disbursements on the Payroll Allocation worksheet and General Ledger report to the *COG Master* and *County Expenditures* forms. We found no variances exceeding two percent.

¹ The COG prepared County Board Summary Forms to distribute its recorded receipts and disbursements to the Butler, Clermont, Greene, Hamilton, Montgomery and Warren County Boards of Developmental Disabilities.

Payroll Testing (Continued)

2. We scanned the Payroll Allocation worksheet, Time Study and County Tracking reports and compared the classification of employees to entries on the *COG Master* and *County Expenditures* forms. We found employee allocations which were not consistent with the Cost Report Guide as reported in Appendix A.

Property, Depreciation and Asset Verification Testing

1. We compared the COG's Depreciation Schedule to the *COG Master Capital Costs*. We found no variances.
2. We compared the COG's 2015 Depreciation Schedule and prior year depreciation adjustments to the 2016 Depreciation Schedule 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. Using the COG's capitalization threshold, we selected the lesser of 10 or 10 percent of the fixed assets which were being depreciated in the first time in 2016. We computed the first year's depreciation for the one asset selected, based on its cost, acquisition date and useful life. We compared reported depreciation to the Cost Report Guide and the estimated useful life prescribed in the 2013 American Hospital Association Asset Guide. We found no variances.
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 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 10 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 COG's 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.

Southwestern Ohio Council of Governments
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 "D" and "Y".

Dave Yost
Auditor of State

October 8, 2018

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Appendix A
Southwestern Ohio Council of Governments
2016 Income and Expense Report and County Board Summary Form Adjustments

	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Southwestern Ohio Council of Governments				
Indirect Cost COG				
Other Expenses	\$ 50,607	\$ 345		To match general ledger
		\$ (44)		To reclassify non-member county board expense
		\$ (250)	\$ 50,658	To reclassify unallowable donation expense
Medicaid Administrative Claiming COG				
Non-Federal Reimbursable, Other Expenses	\$ 3,306	\$ 250	\$ 3,556	To reclassify unallowable donation expense
Other Services Not Performed COG				
Other Expenses	\$ 20,187	\$ 44	\$ 20,231	To reclassify non-member county board expense
Butler County				
Direct Expenses Non Allocable				
Non-Federal Reimbursable, Indirect Costs, WS2-Non federal-Direct Assign-LOC Staff Costs	\$ 46,370	\$ (3,863)		To reclassify Eligibility Evaluators' payroll
Community Residential, Indirect Costs, WS2-Indirect Costs - Direct Assign	\$ -	\$ (35,801)	\$ 6,706	To reclassify Eligibility Evaluators' payroll
Family Support Services, Indirect Costs, WS2-Indirect Costs - Direct Assign	\$ -	\$ 3,863	\$ 3,863	To reclassify Eligibility Evaluators' payroll
	\$ -	\$ 35,801	\$ 35,801	To reclassify Eligibility Evaluators' payroll
Indirect Costs				
Total Transfer Expenses, Non-Federal Reimbursable	\$ 62,872	\$ 411	\$ 63,283	To match general ledger
Other Program				
Direct Services COG Expenses				
Community Residential	\$ 40,957	\$ (141)	\$ 40,816	To match general ledger
Clermont County				
Other Program				
Direct Services COG Expenses				
Community Residential	\$ 19,027	\$ (113)	\$ 18,914	To match general ledger
Greene County				
Direct Expenses Non Allocable				
Community Residential, Indirect Costs, WS2 Direct Allocate CR	\$ -	\$ 52		To reclassify Eligibility Evaluator payroll
Family Support Services, Indirect Costs. WS2 Direct Allocate FSS	\$ -	\$ 274	\$ 326	To reclassify Director of Financial Services payroll
Non-Federal Reimbursable, Indirect Costs, WS2 Direct Allocate Non Federal (Financial services Expense/LOC)	\$ 1,140	\$ 33	\$ 174	To reclassify Eligibility Evaluators' payroll
		\$ (52)	\$ 207	To reclassify Director of Financial Services payroll
		\$ (33)		To reclassify Eligibility Evaluators' payroll
		\$ (274)		To reclassify Director of Financial Services payroll
		\$ (174)	\$ 607	To reclassify Director of Financial Services payroll
Hamilton County				
Direct Expenses Non Allocable				
Community Employment, Indirect Costs, WS2-Direct Allocation Community Employment	\$ -	\$ 424	\$ 424	To reclassify Director of Financial Services payroll
Community Residential, Indirect Costs, WS2 Direct Allocate CR	\$ -	\$ 430	\$ 430	To reclassify Director of Financial Services payroll
Family Support Services, Indirect Costs. WS2 Direct Allocation FSS	\$ -	\$ 2,178	\$ 2,178	To reclassify Director of Financial Services payroll
Non-Federal Reimbursable, Indirect Costs, WS2 Direct Allocation Non Federal-Financial Services costs	\$ 5,390	\$ (424)		To reclassify Director of Financial Services payroll
		\$ (430)		To reclassify Director of Financial Services payroll
		\$ (2,178)	\$ 2,358	To reclassify Director of Financial Services payroll
Warren County				
Indirect Costs				
Total Transfer Expenses, Non-Federal Reimbursable	\$ 21,531	\$ (2,144)	\$ 19,387	To reclassify all staff banquet expense
Building Services				
Total Transfer Expenses, Facility Based Services	\$ -	\$ 108	\$ 108	To reclassify all staff banquet expense
Total Transfer Expenses, Non-Federal Reimbursable	\$ -	\$ 33	\$ 33	To reclassify all staff banquet expense

Appendix A (Page 2)
 Southwestern Ohio Council of Governments
 2016 Income and Expenditure Report and County Summary Workbook Adjustments

Warren County (Continued)	Reported Amount	Correction	Corrected Amount	Explanation of Correction
Children's Program				
Speech/Audiology COG Expenses				
Early Intervention	\$ -	\$ 62	\$ 62	To reclassify all staff banquet expense
Occupational Therapy COG Expenses				
Early Intervention	\$ -	\$ 15	\$ 15	To reclassify all staff banquet expense
Physical Therapy COG Expenses				
Early Intervention	\$ -	\$ 42	\$ 42	To reclassify all staff banquet expense
Direct Services COG Expenses				
Early Intervention	\$ -	\$ 124	\$ 124	To reclassify all staff banquet expense
Adult Program				
Nursing Services COG Expenses				
Facility Based Services	\$ -	\$ 84	\$ 84	To reclassify all staff banquet expense
Adult Program COG Expenses				
Facility Based Services	\$ 24,722	\$ 563	\$ 25,285	To reclassify all staff banquet expense
Enclave	\$ -	\$ 19	\$ 19	To reclassify all staff banquet expense
Community Employment	\$ -	\$ 283	\$ 283	To reclassify all staff banquet expense
Other Program				
Direct Services COG Expenses				
Community Residential	\$ -	\$ 11	\$ 11	To reclassify all staff banquet expense
Family Support Services	\$ -	\$ 14	\$ 14	To reclassify all staff banquet expense
Non-Federal Reimbursable	\$ -	\$ 12	\$ 12	To reclassify all staff banquet expense
Other Program				
Direct Services Service Contracts				
Community Residential	\$ 22,402	\$ (503)	\$ 21,899	To match general ledger
Service & Support Admin COG Expenses				
Service & Support Admin	\$ -	\$ 461	\$ 461	To reclassify all staff banquet expense
Medicaid Admin COG Expenses				
Medicaid Administration	\$ -	\$ 312	\$ 312	To reclassify all staff banquet expense



Dave Yost • Auditor of State

SOUTHWESTERN OHIO COUNCIL OF GOVERNMENTS (SWOCOG)

WARREN 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**