

5101:2-47-26.2

Cost Report "Agreed Upon Procedures" engagement.

- (A) Each public children services agency (PCSA), Title IV-E agency, private child placing agency (PCPA), or private noncustodial agency (PNA) that completes a cost report pursuant to rule 5101:2-47-26.1 of the Administrative Code and the JFS 02911I "Single Cost Report Instructions" (rev. ~~7/2005~~ 7/2006) must have an annual "Agreed Upon Procedures" engagement conducted for its cost report.
- (B) Each PCSA or Title IV-E agency that files a cost report will have an annual "Agreed Upon Procedures" engagement conducted by the Ohio department of job and family services (ODJFS). For timely performance of the "Agreed Upon Procedures" engagement the PCSA or Title IV-E agency must complete its cost report by September thirtieth of each year.
- (C) Each PCPA or PNA will engage a certified public accountant (CPA) to conduct the annual "Agreed Upon Procedures" engagement in accordance with the ODJFS "Agreed Upon Procedures" specified in appendix A ~~of~~ to this rule. The CPA will adhere to confidentiality requirements set forth in rule 5101:1-1-03 of the Administrative Code. Whenever names, addresses, or other identifying information relating to children in care is used by any individual CPA or CPA firm, they shall prevent the publication or disclosure of names, lists, or other information concerning those children. The CPA will make their working papers and suitable facilities available onsite or submit copies of the "Agreed Upon Procedures" working papers to the bureau of audits (BOA) of ODJFS for review upon request.
- (1) The annual "Agreed Upon Procedures" performed ~~must~~ shall:
- (a) Be conducted by auditors who during the period of the auditor's professional engagement and during the period covered by the cost report, do not have nor are committed to acquire any direct or indirect financial interest in the ownership, financing or operation of the PCPA or PNA and were not involved in the preparation of the cost report; and
 - (b) Work papers shall be prepared in accordance with generally accepted government auditing standards (GAGAS) as in effect on the effective date of this rule. These standards can be obtained at www.gao.gov/govaud/ybk01.htm; and
 - (c) The "Agreed Upon Procedures" report must be performed in accordance with the attestation standards as prescribed by the "American Institute of Certified Public Accountants" (AICPA) as in effect on the effective date of this rule. These standards can be obtained at www.aicpa.org/index.htm.

- (2) Due to extenuating circumstances, the CPA may request a waiver of any

requirements imposed by the "Agreed Upon Procedures" specified in appendix A ~~of~~ to this rule.

- (a) The waiver request will be filed with the office of research, assessment and accountability (ORAA) of ODJFS.
 - (b) The waiver request must include information explaining the facts and circumstances giving rise to the need for a waiver and any other information which the CPA would like to have considered.
 - (c) Based upon the evidence presented by the CPA, it is the sole discretion of ODJFS to grant or deny the waiver.
 - (d) ODJFS' decision to grant or deny a waiver, in whole or in part, is on an individual basis and will not be construed as a generic decision covering all agency "Agreed Upon Procedures" engagements.
 - (e) ODJFS' decision to grant or deny a waiver will be final and will not be construed as creating any rights to a hearing under Chapter 119. of the Revised Code.
- (3) By December thirty-first of each year, the PCPA or PNA will file with ODJFS a copy of the following:
- (a) A report on "Agreed Upon Procedures" performed in accordance with AICPA attestation standards;
 - (b) A written summary of proposed cost and statistical adjustments (schedule S-1) to the cost report with an agency representative's signature;
 - (c) A copy of the most recent audited financial statements;
 - (d) A written summary of non-compliance with applicable rules and regulations;
 - (e) A copy of the corresponding CPA's management letter;
 - (f) A signed original, a copy, and an electronic copy, (e.g., e-mail, CD, etc.) of the provider's cost report;
 - (g) A copy of the related party listing and related party transactions for the cost report period;
 - (h) A copy of the provider's representation letter to the CPA firm conducting

the "Agreed Upon Procedures" engagement;

(i) A copy of any approved waivers requested by the CPA , if applicable and

(j) A copy of the ODJFS, Ohio department of alcohol and drug addiction services (ODADAS), Ohio department of mental health (ODMH) or other state issued and approved provider license in effect during the cost report period.

(4) ORAA BOA will:

(a) Conduct quality assurance reviews of the "Agreed Upon Procedures" to assure compliance with this rule and its appendix;

(b) Select, at the sole discretion of the BOA, the "Agreed Upon Procedures" engagements for review;

(c) Reject the "Agreed Upon Procedures" engagements that fail the review process;

(d) Reject the "Agreed Upon Procedures" engagements where CPAs failed to make appropriate provisions for the working paper review;

(e) Notify the agencies of any non-compliance found during the quality assurance reviews; and

(f) Make a determination whether to perform additional audit work in the agency on the basis of its quality assurance review of the "Agreed Upon Procedures" engagement. The BOA is not limited in its determination to perform additional audit work in an agency from information arising out of such quality assurance reviews.

(D) ODJFS will consider the results of the annual "Agreed Upon Procedures" performed and supplemental schedules when determining the Title IV-E reimbursement ceiling amount.

~~(E) The annual "Agreed Upon Procedures" engagement required by this rule begins with the cost report ending June 30, 2004.~~

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CERTIFIED ELECTRONICALLY

Certification

07/24/2006

Date

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