

5101:2-47-26.2

Public children services agencies, Title IV-E agencies, private child placing agencies (PCPA), private noncustodial agencies (PNA): audit of cost reports .

(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 5101:2-47-26.1 of the Administrative Code must have an annual audit of its cost report.

(B) Each PCSA or Title IV-E agency that files a cost report will have an annual audit of its cost report conducted by the Ohio department of job and family services (ODJFS). For audit purposes the PCSA or Title IV-E agency must complete its cost report by September 30th of each year.

(C) Each PCPA or PNA will engage a certified public accountant (CPA) to conduct an annual audit of its cost report in accordance with the ODJFS "Agreed Upon Procedures" specified in appendix (A) of this rule. The CPA will adhere to confidentiality requirements set forth in rule 5101:1-1-03 of the Administrative Code and will make their working papers and suitable facilities available onsite or submit copies of the audit working papers to the bureau of audits (BOA) of ODJFS for review upon request.

(1) The annual audit must:

(a) Comply with applicable rules prescribed pursuant to Chapter 5101:2-47 of the Administrative Code.

(b) Be conducted in accordance with generally accepted government auditing standards (GAGAS). These standards can be obtained at www.gao.gov/govaud/ybk01.htm; and

(c) 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.

(2) By December 31st 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 the attestation standards as prescribed by the American Institute of Certified Public Accountants (AICPA). These standards can be obtained at www.aicpa.org/index.htm.

(b) A written schedule of proposed adjustments to the cost report;

(c) A written summary of non-compliance with applicable rules and

regulations:

- (d) An original and a copy of the provider's cost report; and
- (e) A copy of the corresponding CPA's management letter.
- (3) Due to extenuating circumstances, the CPA may request a waiver of any requirements imposed by the "Agreed Upon Procedures" specified in appendix (A) of this rule.
 - (a) The waiver request will be filed with the office of research, assessment and accountability (ORRA) 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 audits.
 - (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.
- (4) ORRA 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 audited 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 BAO 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 audit and supplemental schedules when determining the Title IV-E reimbursement ceiling amount.

(E) The annual audit required by this rule begins with the cost report ending June 30, 2004.

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CERTIFIED ELECTRONICALLY

Certification

11/13/2003

Date

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