APPENDIX A

Agreed Upon Procedures

Overview

For Private Child Placing Agencies (PCPA) and Private Noncustodial Agencies (PNA), an agreed upon procedures engagement is required to be performed by a Certified Public Accountant (CPA). The CPA will attest to the validity and accuracy of the private agency's cost report. The agreed upon procedures will be required to be conducted beginning with the cost report period of July 1, 2003 through June 30, 2004 and for each annual cost report thereafter. The cost report will incorporate IV-E costs and where applicable, ODADAS, ODMH, and "Other" agency costs not reimbursable under any of the preceding programs.

While completing the cost report, the following shall apply for private agencies:

1) Agencies may use their discretion to report case management expenditures to various programs so long as the person performing the case management services is certified or licensed in accordance with IV-E, ODADAS, and/or ODMH requirements.

2) **ODJFS will grant approval for an eighteen month audit if an agency that is currently on a calendar year (January 1, through December 31) elects to change to a state fiscal year (July 1, through June 30) and elects to have an eighteen month financial statement audit. [Note: The single Cost Report should still be prepared for the fiscal year July 1 through June 30].**

While conducting the agreed upon procedures engagement the following shall apply for the CPA:

1) CPAs may use their discretion to create their own working papers (except for Summary of Proposed Cost and Statistical Adjustments).

2) CPAs, at their discretion, may rely on work papers completed by the firm from another engagement, (e.g., A-133 audit, financial statement audit, etc.) or other CPA's working papers that were completed during other engagements. If relying on other audit work, the CPA must document how the work relied upon meets the requirements contained in the Agreed Upon Procedures being performed, and the working papers must:

   A) Cover the same audit period;
   B) Be pertinent to specific areas of the "Agreed Upon Procedures" such as pulling a proportionate sample of expenditures and examining appropriate attributes, and;
   C) Provide assurance of the accuracy and validity of the CPA's work.

3) Where applicable, to ensure compliance with Mental Health and ODADAS, CPAs shall refer to each program's respective compliance and audit guidelines.

4) In accordance with rule 5101:2-47-26.2 of the Ohio Administrative Code, CPAs, at their discretion, may request a waiver of certain procedures that are not applicable to the specific PCPA or PNA cost report being tested.

Ohio Department of Job and Family Services

Agreed Upon Procedures

Agency Name:_____ Audit Period: _____

GENERAL PLANNING AND ADMINISTRATIVE

	Program Step	Date/ Initials	Work Paper Reference
1.	Before contacting the agency, examine any pertinent information relevant to the engagement from the prior years' audit information, if available. Document all relevant information in the work papers.		
2.	Inspect the agency's files including the Permanent file, if any, from prior engagements. Document any information that may effect the current engagement.		
3.	From prior years' engagement work papers, identify any prior period management comments and/or findings and/or any issues from the summary of non-compliance, and summary S-1. Document how they impact the current period in the working papers. Verify all applicable adjustments were made within the agency's documentation.		
4.	Financial statements – audited or unaudited. Identify and document notes or comments that could effect the present AUP engagement.		
5.	Determine the status of any dispute resolutions, rate considerations, management comments, and audit findings.		
6.	Identify all non-licensing Corrective Action Plans (CAP). Verify the CAP has been implemented. If the CAP has not been implemented, obtain and document the explanation from management in the Agreed Upon Procedures report.		
7.	Inspect the related party listing for the existence of any related parties. From discussions and through your inspection of the documents with the client update the related party list as appropriate.		
8.	Inspect accreditation and licensure documents from state agencies (i.e., ODMH, ODADAS, COA, JCAHO, and CARF). Obtain a copy of the provider's license(s) in effect during the engagement period.		
9.	Inspect contracts with amendments, if any, and lease agreements, (e.g., buildings, vehicles and equipment, placement contracts excluding foster parents, and etc.). Document in the working papers any information which will effect the current engagement.		
10.	If reliance is to be placed on work completed by the CPA during another engagement with the same entity, (e.g., A-133 audit, financial statement audit, etc.), prior to reducing any work associated with the current AUP, the CPA must assure the previous work is sufficient to satisfy the requirements of the AUP. The AUP working papers must contain documentation of the CPA's explanation as to how the work satisfies the requirements of the AUP.		

Reviewed By: _____Date: _____

Agreed Upon Procedures

Agency Name:_____ Audit Period: _____

	General Planning & Administrative (Continued)	Date/ Initials	Work Paper Reference
11.	Obtain a chart of accounts including each revenue and expense account. Prepare a schedule listing each account with its description and the location (program, service, category and type) on the cost report.		
12.	Obtain a copy of the minutes of the agency's board and any major committee minutes for the engagement period. Read all minutes.		
13.	Inspect all minutes for entries affecting agency operations for the period under review. Be alert for indications of matters having relevance to the areas listed below, which shall be cross referenced to the appropriate engagement program steps. These include, but are not limited to, the following: • approval of office facilities • capital improvements • purchase service contracts • additions and deletions of property, plant and equipment • transfer of monies • related party transactions • litigation, claims, and assessments • subsequent events • additions to revenue (donations, USDA, grants) • establishing of new funds and accounts • budget amendments • motor vehicle insurance, accident insurance, and liability insurance • workers' compensation • new grant agreements • compensation • contract/lease agreements • health coverage - self/insured • other information deemed significant by the auditor Document in the working papers all information regarding expenditure and compliance requirements that will effect the current engagement period.		

Reviewed by: _____ Date: _____

Ohio Department of Job and Family Services

Agreed Upon Procedures

Agency Name:_____ Audit Period: _____

	General Administrative and Planning (Continued)	Date/ Initials	Work Paper Reference
14.	Obtain a list of board members and an agency table of organization (with credentials, if available) in effect during the engagement period. Obtain a list of all employees related to board members, executive director, and chief officers, and a list of related board members as well as a list of their business transactions with the agency for the year. Document these within the work papers.		
15.	Where applicable, verify adherence to accrual policies and procedures and inspect for consistency between periods. Document discrepancies and place within the AUP report.		

Reviewed by: _____ Date: _____

Ohio Department of Job and Family Services

Agreed Upon Procedures

Agency Name:_____ Audit Period: _____

COST REPORT RECONCILIATION

	Program Step	Date/ Intials	Work Paper Reference
1.	Obtain and document through a narrative the process used in completing the cost report.		
2.	Tie the expenses from the trial balance for the fiscal year to the cost report and general ledger on a 100% basis. Document and explain all variances. Perform additional testing for variances or explain why no additional testing is needed. Identify variances and obtain an explanation from management. Document any explanations provided by management in the report. Place any proposed adjustments on the Schedule S-1.		

Reviewed by: _____ Date: _____

Ohio Department of Job and Family Services

Agreed Upon Procedures

Agency Name:_____ Audit Period: _____

CASH DISBURSEMENTS

	Program Step	Date/ Initials	Work Paper Reference
1.	Obtain and document through a narrative the cash disbursement cycle (Cash disbursements excludes payroll and fringe benefits).		
2.	Obtain a schedule identifying the total cash disbursements, and re-compute total amount associated with the breakdown by program and service. Obtain written explanations from management for variances (disregarding variances due to rounding). Document any explanation provided by management and include in the report.		
3.	Obtain from management a description of all methods of allocation.		
3a.	Document the methods of allocating expenses from the general ledger to the single cost report.		
3b.	Document the allocation of expenses as reported on the cost report by program and service. Verify the allocation methodology is allowable under OMB Circulars A-87 and/or A-122. Obtain written explanations from management for variances (disregarding variances due to rounding). Document any explanation provided by management and include in the report. (*Please note the allocation methodology must be verified on the Administrative Overhead Worksheet*).		
4.	Inspect the cost report reconciliation. Identify general ledger accounts associated with Title IV-E, ODADAS, and ODMH, including the administrative overhead worksheet (excluding Title IV-E Non-reimbursable-Other, ODADAS and/or ODMH Unallowable expenditures). Scan those accounts for related party transactions. Document the transactions identified. Verify those transactions are in compliance with OAC 5101:2-47-26.1, OMB Circulars A-87 and/orA-122, and the cost report instructions. Place any instances of non-compliance on the Schedule S-1.		
5.	For the expenses reported on the single cost report select 20% or 60 transactions whichever is less for the Title IV-E, ODADAS, and ODMH programs, which includes the administrative worksheet. Ensure the sample selected for each program is in proportion to the reported expenses associated with the Title IV-E, ODADAS, and ODMH programs. Complete steps 8a and 8b for the sample selected.		

Reviewed by: _____ Date: _____

Ohio Department of Job and Family Services

Agreed Upon Procedures

Agency Name: _____ Audit Period: _____

	Cash Disbursements (Continued)	Date/ Initials	Work Paper Reference
6.	In addition to the sample selected in step 5, select 20% or 20 transactions, whichever is less, of the checks written to cash, petty cash, the agency designee for the petty cash fund, and/or the agency. In addition, select all checks written to the agency, agency director, cash, and/or petty cash for any amount greater than $1,000. [Note: This does not include payroll checks, but does include travel and reimbursement checks]. For checks replenishing petty cash accounts, all expenditures supporting the replenishment must be examined in steps 8a. and 8b.		
7.	Excluding depreciation, select 50% of total dollar amount of non-cash expenditures, (e.g., accrued expenses) reported on the single cost report in the allowable/reimbursable sections of the Title IV-E,ODADAS, and/or ODMH programs which includes the administrative overhead worksheet (excluding Non-reimbursable-Other, ODADAS and/or ODMH Unallowable expenditures).Complete Steps 8a.and 8b.		

Reviewed by: _____ Date: _____

Agency Name: _____ Audit Period: _____

	Cash Disbursements (Continued)	Date/ Initials	Work Paper Reference
8.	Perform the following steps for the sample selected in steps 5, 6 and 7.		

Agency Name: _____ Audit Period: _____

8a.	Document the following if applicable: ▪ Check number ▪ Check Date ▪ Check Amount ▪ Transaction Number (non-cash expenditure) ▪ Transaction Date (non-cash expenditure) ▪ Transaction Amount (non-cash expenditure) ▪ Vendor Name (payee) ▪ Variance (check/transaction amount vs. supporting documentation amount), if a variance exists, report it on the Schedule S-1 and document the explanation in the AUP report ▪ Account Name/Account Number (General Ledger) ▪ Expense location by Program, Service, Category, and Type (as defined in the cost report instructions) (ex. IV-E, RES-1, Other Consumables, Direct) ▪ Amount of expense by Program and Service (program and service as defined in the cost report instructions) ▪ Expenditure Purpose ▪ Any Auditor Comments Verify the following information: ▪ The expense is located in the proper program, service, category, and type within the service (as defined in the cost report instructions) ▪ The location is in compliance with applicable rules and regulations and the cost report instructions ▪ Amount by program, service, category, and type (as defined in the cost report instructions) is in compliance with applicable rules and regulations, OMB Circulars A-87 and/or A-122 and the cost report instructions ▪ Expenditure Purpose is in compliance with applicable rules and regulations, the cost report instructions and OMB Circulars A-87 and/or A-122 ▪ Proper authorization of the expense		

Reviewed by: _____ Date: _____

Agency Name: _____ Audit Period: _____

	Cash Disbursements (Continued)	Date/ Initials	Work Paper Reference
8b.	▪ Allocation of the expense is in accordance with the methodology verified in step 3-3b and is in accordance with the allowable methodologies of the particular program and service as defined in the cost report instructions and in compliance with OMB Circulars A-87 and/or A-122. ▪ Compliance with all applicable rules and regulations including, but not limited to, OMB Circulars A-87 and/or A-122, OAC 5101:2-47-26.1, and the single cost report instructions. **Note:** Obtain a written explanation from management on any variance(s) or any potential non-compliance. Document any explanation provided by management. Types of adequate supporting documentation include: copies of all vehicle and building rental/lease and mortgage agreements, copies of other leases and contracts associated with the expenditures selected, and copies of notes payable associated with expenditures selected. Please note that for debit card and credit card expenditures, the bank and billing statements are not considered adequate documentation. You should obtain the associated receipt (actual or copy). Please note that for checks replenishing a petty cash account, all expenditures supporting the replenishment must have the associated receipt(s) as documentation for examination.		

Reviewed by: _____ Date: _____

Agency Name:_____ Audit Period: _____

	Cash Disbursements (Continued)	Date/ Initials	Work Paper Reference
9.	Identify USDA revenues. From the detailed general ledger, obtain the total food expense and the total USDA revenue received. Subtract the total USDA revenue figure from the total food expense. Compare the net amount to the food expense listed within the reimbursable section of the single cost report. Verify the Food Expense associated with the USDA Revenue is placed in the appropriate non-reimbursable column(s) on the cost report. List any variance(s) and obtain a written explanation from management on the variance(s) and place on the Schedule S-1. Document any explanation provided by management in the Agreed Upon Procedures report.		
10.	Inspect all other revenues, grants, refunds, and credits. If the direct service expense associated with such funding source(s) is reported on the cost report, the expense must be deducted from the total reimbursable expenses in arriving at allowable costs. Verify that any deducted expenses are reported in the appropriate non-reimbursable category on the cost report ensuring 100% of the costs are reported.		

Ohio Department of Job and Family Services

Agreed Upon Procedures

Agency Name:_____ Audit Period: _____

PAYROLL

	Program Step	Date/ Initials	Work Paper Reference
1.	Obtain and document through a narrative the payroll processing cycle.		
2.	Tie the total wages reported on the cost report to the amounts reported on payroll records from the general ledger. Obtain written explanations from management for variances. Document any explanation provided by management. Select 10 position titles/employees and verify the amounts on the single cost report for personnel expenditures in the Title IV-E, ODADAS, and ODMH programs are reported in accordance with the cost report instructions (i.e., are allowable and are reported in the appropriate line and column). Verify amounts reported to direct/support services are in compliance with all applicable rules and regulations including, but not limited to, OMB Circulars A-87 and/or A-122, and the cost report instructions.		
2a.	Tie the total agency payroll expense from the general ledger for the engagement period to the agency's 941s (Employers Quarterly Federal Tax Return). Obtain written explanations from management for variance(s). Document any explanations given in the Agreed Upon Procedures report.		
2b.	Tie all payroll liability accruals to the payroll register, if applicable. Determine if services were provided during the engagement period. Identify any variance(s) and place on the Schedule S-1.		
3.	Obtain a schedule identifying the total personnel salaries and fringe benefits, and re-compute total amount associated with the breakdown by program and service. Obtain written explanations from management for variances (disregarding variance(s) due to rounding). Document any explanation provided by management in the Agreed Upon Procedures report.		
4.	Obtain from management a description of all methods of allocation.		
4a.	Document the methods of allocating payroll and fringe benefit expenses from the general ledger to the single cost report.		

Reviewed by: _____ Date: _____

Agency Name: _____ Audit Period: _____

	Payroll (Continued)	Date/ Initials	Work Paper Reference
4b.	Document the allocation of expenses as reported on the cost report by program and service. Verify the allocation methodology is allowable under OMB Circulars A-87 and/or A-122. Obtain written explanations from management for variance(s) (disregarding variances due to rounding). Document any explanation provided by management in the Agreed Upon Procedures report. *Please note this includes salaries reported on the Administrative Overhead Worksheet.*		
5.	Select a pay period during the engagement period and select 50% or ten (10) employees, whichever is less. Ensure the sample selected includes a minimum of two employees from each applicable program (Title IV-E, ODADAS, and ODMH). For the employees selected, document the following data : • Employee number, • Employee name, • Position title, • Department, cost center or general ledger account charged, • Pay rate, • Regular hours worked, • Overtime hours worked, ▪ Gross pay.		
6.	For the employees identified in Step 5, perform the following:		
6a.	From the personnel files, trace employee number, pay rate, hire date, termination date, department worked, and job description. If no job description is available, obtain a written job description from management. Verify the information from the personnel file agrees with the data in step 5. Document any variance(s) in the working papers. Propose any adjustments on the Schedule S-1.		
6b.	Tie hours worked to supporting documents (e.g., time cards, leave forms, salary schedule, etc.) and job schedules. Identify any variance(s) and place on the Schedule S-1.		
6c.	Re-compute gross pay based on supporting documents (e.g., time cards, leave forms, salary schedule, etc.) and the pay rate listed. Identify any variance(s) and place on the Schedule S-1.		

Agency Name: _____ Audit Period: _____

	Payroll (Continued)	Date/ Initials	Work Paper Reference
6d.	For all employees terminated or 20 terminated employees (whichever is less), scan two months of payroll registers subsequent to the termination. Identify and list payroll activity for terminated employees after the termination date. Obtain written explanations from management for any activity on subsequent payroll registers. Document any explanation provided by management in the Agreed Upon Procedures report		
7.	Identify fringe benefits reported for each program and service.		
7a.	Document the following items for fringe benefits reported for each program (Title IV-E, ODADAS, and ODMH which includes the administrative overhead worksheet) and service (program and service as defined in the cost report instructions): ▪ Type(s) of fringe benefits ▪ Expense Amount(s) by program and service (program and service as defined in the cost report instructions) ▪ Account/Name and Number (General Ledger) ▪ Any Auditor Comments		
7b.	Verify the following information for the fringe benefits reported for each program (Title IV-E, ODADAS, and ODMH) and service (program and service as defined in the cost report instructions): ▪ The expense is located in the proper program and service (program and service as defined in the cost report instructions) ▪ Amount by program and service (program and service as defined in the cost report instructions) is in compliance with applicable rules and regulations, the cost report instructions, and OMB Circulars A-87 and/or A-122 ▪ Proper authorization of the expense ▪ Allocation of the expense is in accordance with the methodology verified in step 4b and is in accordance with the allowable methodologies of the particular program and service (program and service as defined in the cost report instructions). ▪ Compliance with all applicable rules and regulations including, but not limited to, OMB Circulars A-87 and/or A-122, OAC 5101:2-47-26.1, and the single cost report instructions.		

Ohio Department of Jobs and Family Services

Agreed Upon Procedures

Agency Name:_____ Audit Period: _____

	Payroll (Continued)	Date/ Initials	Work Paper Reference
8.	Identify the agency's policies for returning agency assets (e.g., phones, credit cards, laptops, keys, and pagers, etc.) upon termination. Inquire and identify if the agency has adopted and consistently adhered to these policies. Select two (2) employees terminated during the engagement period. Compare the handling of termination with agency policy and list any variance(s). Note if there is no policy or documentation for the policy in place.		

Reviewed by: _____ Date: _____

Ohio Department of Jobs and Family Services

Agreed Upon Procedures

Agency Name:_____ Audit Period: _____

FIXED ASSETS

	Program Step	Date/ Initials	Work Paper Reference
1.	Obtain and document through a narrative the process for purchasing fixed assets.		
2.	Obtain the fixed asset schedule and scan for additions and retirements during the engagement period.		
3.	**Additions** Select 20% or 10 additions, whichever is less, from the list obtained in step 2. Ensure a minimum of two additions from each of the applicable programs (Title IV-E, ODADAS, and ODMH which includes the administrative overhead worksheet) are selected. Identify and document the following for each addition, if applicable: •Description of asset (include serial #), •Agency Identification #, •Invoice date, •Acquisition date, •Invoice amount, •Amount paid, •Useful life (Verify minimum years used is at least equal to Hospital Rates and Audits), •Depreciation taken, •Program, Service and category on the cost report, •Trace invoice to canceled checks, •Purpose of the asset, •Location of the asset. ***Note: Straight line depreciation must be used.***		
4.	Identify and inspect invoices and vouchers for all fixed assets purchased during the engagement period. Ensure the assets are properly reported from acquisition month and that depreciation for these items is accurately calculated for a partial year. In addition verify the depreciation is accurately reflected on the single cost report by program and service. Obtain a written explanation from management for any assets that can not be located. Document any explanation provided by management in the Agreed Upon Procedures report.		

Reviewed by: _____ Date: _____

Agency Name: _____ Audit Period: _____

	Fixed Assets (Continued)	Date/ Initials	Work Paper Reference
5.	From the fixed asset schedule, select at least 5 additional items. Identify the location of the asset selected and trace the depreciation reported to its location (program/service/category) on the cost report. Obtain a written explanation from management for any assets that can not be located. Document any explanation provided by management in the Agreed Upon Procedures report.		
6.	Retirements (any asset no longer in use by agency) Select 20% or 10 retirements, whichever is less, from the list obtained in step 2. Ensure a minimum of two retirements from each of the applicable programs (Title IV-E, ODADAS, and ODMH which includes the administrative overhead worksheet) are selected. Verify the correct amount of depreciation was reported on the cost report. Verify the retired fixed assets have been removed from the depreciation schedule.		
7a.	Obtain a list of all equipment and/or assets that were fully expensed on the cost report in the current period. The list shall include: •Description of asset (include serial #), •Agency Identification #, •Invoice date, •Acquisition date, •Invoice amount, •Amount paid, •Useful life (Verify minimum years used is at least equal to Hospital Rates and Audits), •The amount included on the cost report, •Program, Service and category on the cost report, •Trace invoice to canceled checks, •Purpose of the asset, •Location of the asset.		
7b.	Obtain the list created from the previous year and verify the expenses are not included on the current depreciation expense reported on the current cost report. Obtain a written explanation from management for any assets that can not be located. Document any explanation provided by management in the Agreed Upon Procedures report. Discrepancies shall be reported on the Schedule S-1.		
8.	Inspect lease agreements in effect during the engagement period. Verify any leased items are presently in use. Obtain a written explanation from management for any assets that can not be located. Document management's explanation in the Agreed Upon Procedures report.		

Reviewed by: _____ Date: _____

Ohio Department of Job and Family Services

Agreed Upon Procedures

Agency Name:_____ Audit Period: _____

STATISTICS

	Program Step **TITLE IV-E**	Date/ Initials	Work Paper Reference
1.	Obtain and document through a narrative the census day cycle.		
2.	Obtain a schedule for the engagement period listing by month the total child care days found on the agency's summary. Trace accumulated days to the total days shown on the Title IV-E Summary Schedule. Identify any variance(s), and document on the Agreed Upon Procedures report.		
3.	Randomly select a month and compare the sum of the detail (census days per child) to that of the monthly summary. Identify any variance(s), and document on the Agreed Upon Procedures report.		
4.	Using the test month above, select a sample of children to test census days (50% or 10, whichever is less). Pull the child's case records and prepare a schedule noting the child's name, admission and discharge dates, and total days the child was in the provider's care for our test month. Ascertain that the child was properly included in total days by tracing the child to daily census records for the test month. Report any variance(s) on the Schedule S-1. *Note: Count either the day of admission or the day of departure as a census day not both.*		
5.	Using the case record of the children from step #4, review the ICCA, provider's billings (invoices) for that month, and the foster parent payments (verify compliance with the active license). Compare the census days to the days on the county payments. Compare the billings to the county payments for those children. Compare the ICCA foster parent maintenance payment to the cash disbursement journal. Identify any variance(s) and include in the Agreed Upon Procedures report.		
6.	For agencies preparing a residential program schedule, determine that the number of total census bed days reported for the program is equal to or less than the total available bed days. Verify that the number of licensed beds is equal to the number of beds used to calculate the total available bed days. Obtain an explanation from management for any variance(s). Document any explanations given in the Agreed Upon Procedures report.		

Reviewed by: _____ Date: _____

Ohio Department of Job and Family Services

Agreed Upon Procedures

Agency Name: _____ Audit Period: _____

	Statistics (Continued)	Date/ Initials	Work Paper Reference
	Program Step **ODMH**		
7.	For agencies who report expenses to ODMH, verify the units of service reported are in compliance with their respective cost reporting guidelines contained in OAC rules 5122-26-19 and 5122-26-191.		
	Program Step **ODADAS**		
8.	For agencies who report expenses to ODADAS, verify the units of service reported are in compliance with their respective cost reporting guidelines contained in OAC rules 3793:2-1-09 and 3793:2-1-10.		

Reviewed by: _____ Date: _____

Ohio Department of Job and Family Services

Agreed Upon Procedures

Agency Name:_____ Audit Period: _____

WRAP – UP

	Program Step	Date/ Initials	Work Paper Reference
1.	Attach to the report the following information: ▪ A schedule of proposed cost and statistical adjustments (S-1) with an agency representative's signature ▪ A copy of the most recent audited financial statements ▪ A summary of non-compliance with applicable rules and regulations ▪ A copy of the CPA's management letter from their financial statement audit ▪ A signed original, a copy and an electronic copy, (e.g., e-mail, CD, etc.) of the cost report ▪ A copy of the related party listing and related party transactions for the cost report period ▪ A copy of the provider's representation letter to the CPA firm conducting the Agreed Upon Procedures engagement ▪ A copy of any approved waivers requested by the CPA (if applicable) ▪ A copy of the ODJFS, ODADAS, ODMH or other state issued and approved provider license in effect during the cost report period. Note: Attach all items listed above. If any of the items listed above are not being included, please document the reason and attach to the report.		
2.	All work papers must be cross referenced to all applicable work papers, engagement programs, index, and report. For all written explanations obtained from management, the following information must be included: cross reference to the appropriate engagement program and step, the required criteria (objectives), the conditions found, the effect, if any, on the cost report, and management's explanation. Document any explanations given in the Agreed Upon Procedures report.		

Reviewed by: _____ Date: _____

SCHEDULE S-1 - The Foster Care Agency Name

SUMMARY OF PROPOSED COST AND STATISTICAL ADJUSTMENTS

SUMMARY OF COST ADJUSTMENTS

Adj. #	Adjustment Amount	Description of Proposed Adjustments	Description of Non-Compliance	Audit Program Segment	Workpaper Reference	Programs Affected	Services Affected	CR Column(s)/Liine(s) Affected	Sum of the Proposed Adjustments
1		Within this column, identify and offer detailed explanations for the following: Condition (What Happened): Criteria (Why is it a Problem): Recommendation: **Please note the entire Recommendation section should appear in bold.**							0
2									0
3									0
4									0
5									0
6									0
7									0
8									0
9									0
10									0

SUMMARY OF STATISTICAL ADJUSTMENT(S)

Adj. #	Number of Statistical Units Adjusted	Description of Statistical Adjustment(s)	Description of Non-Compliance	Audit Program Segment	Workpaper Reference	Programs Affected	Services Affected	CR Column(s)/Liine(s) Affected	Sum of the Statistical Adjustments
1		Within this column, identify and offer detailed explanations for the following: Condition (What Happened): Criteria (Why is it a Problem): Recommendation: **Please note the entire Recommendation section should appear in bold.**							0
2									0
3									0
4									0
5									0
6									0
7									0
8									0
9									0
10									0