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Independent Accountant's Report on Applying Agreed-upon Procedures: Workers' Compensation Board, 2005

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August 2005

Independent Accountant’s Report on Applying Agreed-Upon Procedures

Workers’ Compensation Board
WHY THE DEPARTMENT OF AUDIT CONDUCTED THIS REVIEW

The Workers’ Compensation Board makes an annual request that the Department of Audit perform tests of the Weekly Compensation Rates for the upcoming year. These rates are used to establish the weekly benefit amount to be paid to individuals who are eligible under law for the benefit.

WHAT THE DEPARTMENT OF AUDIT FOUND

We selected a sample of wages, recalculated the weekly benefit and compared our results to the Weekly Compensation Rates table. We found that our calculations were in agreement with the table.

AGREED-UPON PROCEDURES

AGREED-UPON PROCEDURES ARE A TYPE OF ATTESTATION ENGAGEMENT. UNLIKE AN AUDIT, AN ATTESTATION ENGAGEMENT DOES NOT RESULT IN AN OPINION. AN ATTESTATION ENGAGEMENT RESULTS IN A WRITTEN COMMUNICATION THAT EXPRESSES A CONCLUSION ABOUT THE RELIABILITY OF ASSERTIONS MADE BY ANOTHER PARTY.


AGREED-UPON PROCEDURES MIGHT INCLUDE AN INSPECTION OF CERTAIN TYPES OF DOCUMENTS, OR A COMPARISON OF DOCUMENTS OR SCHEDULES WITH CERTAIN SPECIFIED ATTRIBUTES.
INDEPENDENT ACCOUNTANT’S REPORT
ON APPLYING AGREED-UPON PROCEDURES

August 8, 2005

Mr. Richard Dunn
Deputy Director of Business Services
Workers’ Compensation Board
27 State House Station
Augusta, ME 04333-0027

Dear Mr. Dunn:

We have performed the procedures enumerated below, which were agreed to by the Workers’ Compensation Board, solely to assist you in evaluating the Weekly Compensation Rates for 2006. The Workers’ Compensation Board’s management is responsible for the Weekly Compensation Rates for 2006. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Workers’ Compensation Board. 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.

Our procedures and results are as follows.

1. We reviewed that portion of the applicable statute, 39-A MRSA §102, that describes the calculation of an injured employee’s benefits, and determined that the Weekly Compensation Rates for 2006 were computed in accordance with the statutory provisions.

   Results: No exceptions were noted.

2. We selected 25 average gross weekly wage amounts within all of the applicable filing status categories and the corresponding tax brackets from the Table of Weekly Compensation Rates for 2006 provided by the Workers’ Compensation Board on July 22, 2005. We recalculated the weekly benefits and compared the results to the table.

   Results: No exceptions were noted.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the accuracy of the Weekly Compensation Rates For 2006.
Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Workers’ Compensation Board and is not intended to be and should not be used by anyone other than this specified party.

Sincerely,

Neria Douglass, JD
State Auditor

August 8, 2005