

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 ARE SPECIFIC PROCEDURES PERFORMED UPON DEFINED SUBJECT MATTERS, RESULTING FROM THE NEED OF THE USERS OF THE REPORT AND INTENDED TO ASSIST THOSE USERS. THE USERS AND THE PRACTITIONER AGREE TO THE PROCEDURES THAT ARE TO BE PERFORMED. THAT THE PROCEDURES ARE SUFFICIENT ARE THE RESPONSIBILITY OF THE USERS. THE CONCLUSIONS, HOWEVER, ARE DERIVED FROM THE INDEPENDENT WORK OF THE PRACTITIONER. THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS HAS ESTABLISHED STANDARDS FOR AGREED-UPON PROCEDURES AND FOR ASSESTATION ENGAGEMENTS IN GENERAL.

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 MRS §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,

A handwritten signature in black ink that reads "Neria Douglass". The signature is written in a cursive style with a large, looping initial "N".

Neria Douglass, JD  
State Auditor

August 8, 2005