

**SACRAMENTO COUNTY  
MENTAL HEALTH SERVICES ACT  
REVENUE AND EXPENDITURE REPORT REVIEW  
MANAGEMENT FINDINGS AND RECOMMENDATIONS  
FISCAL YEAR ENDED JUNE 30, 2012**

**FINDING NO. 1: PRIOR YEAR CONTRACT EXPENDITURES INCLUDED IN PREVENTION AND EARLY INTERVENTION (PEI) COSTS**

MHSUDS Information Notice No. 14-013 requires that the reporting for the Revenue and Expenditure Report (RER) reflect all activity that occurs between July 1, 2011 and June 30, 2012.

For one PEI contract (7202100-11/12-051), the FY 11/12 expenditures included prior year (FY 10/11) expenditures of \$9,684.

**CONCLUSION:**

FY 11/12 PEI costs included prior year expenditures. Based on the above finding, the Department proposes an adjustment to decrease \$9,684 from FY 11/12 PEI expenditures (Audit Adjustment No. 1).

**AUDIT AUTHORITY**

- MHSUDS Information Notice No. 14-013

**RECOMMENDATION**

County should not include prior fiscal year expenditures in the RER.

**AUDITEE'S RESPONSE**

The County agrees with the finding and will make the adjustment on the FY 19/20 RER.

**FINDING NO. 2: COMMUNITY PLANNING COSTS NOT SEPERATELY TRACKED**

Welfare and Institution (W&I) Code 5892 (c) specifies the funding for annual planning costs. The County's MHSA Annual Update, Innovation Plan, and Technology Needs Project Proposal all included a section describing the community program planning and local review process that the County performed. However, the County did not separately track Community Planning costs.

**CONCLUSION:**

The County was not in compliance with Section 5892 (c) of the W&I Code.

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**AUDIT AUTHORITY**

- W & I Code Section 5892 (c)
- MHSA Agreement No. 07-77334-000

**RECOMMENDATION**

County should separately track Community Planning costs.

**AUDITEE'S RESPONSE**

Sacramento County has a structured community planning process that meets all of the requirements contained in Section 3300 of the California Code of Regulations. The costs associated with the community planning activities were previously captured as part of the MHSA Administration expenditures. An accounting structure was established to capture community planning costs separately beginning on July 1, 2020.

**FINDING NO. 3: FUNDS AND EXPENDITURES FOR THE PEI STATEWIDE PROJECTS NOT REPORTED IN RER**

The County assigned funds to the State for Statewide PEI Projects, funding a contract between the State and CalMHSA to support CalMHSA administration of these projects. From FY 08/09 through FY 11/12, funds totaling \$5,327,200 were allocated and distributed. However, the County did not report the funds delegated to and expenditures incurred by CalMHSA in the RER.

**CONCLUSION**

The County did not report the funds delegated to and expenditures incurred by CalMHSA in the RER.

**AUDIT AUTHORITY**

- CCR, Title 9, Section 3510 (a)
- MHSUDS Information Notice No. 14-013

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**RECOMMENDATIONS**

1. County should correct the records and provide evidence of correction in the Plan of Correction (POC).
2. The County should ensure that funds and expenditures for the PEI Statewide Projects are reported in the RER for accurate financial reporting purpose.

**AUDITEE'S RESPONSE**

The County was not initially aware of this reporting requirement for counties as we thought CalMHSa was reporting this directly. We have since rectified this and began reporting this information on the FY 18/19 MHSa RER.

Per DHCS instructions: the County will report the transfer to PEI Statewide Projects in the notes of the 19/20 RER.

**FINDING NO. 4:      WORKFORCE EDUCATION AND TRAINING (WET)  
                                 COSTS MISCLASSIFIED AS COMMUNITY SERVICES  
                                 AND SUPPORT (CSS) ADMINISTRATION**

The County misclassified \$161,690 WET costs as CSS administration. The County included the costs for Psychiatric Residents & Fellowships in CSS administration. Per the WET Plan, Psychiatric Residents & Fellowships was a program under the Residency and Internship Programs of the WET component.

**CONCLUSION**

Based on the above finding, the Department proposes adjustments to reclassify \$161,690 from CSS Administration to WET Program (Audit Adjustment Nos. 2 and 3).

**AUDIT AUTHORITY**

- Welfare & Institutions Code Sections 5892 (g) and 5891 (d)
- CCR, Title 9, Section 3510 (a)
- MHSa Agreement No. 07-77334-000, Modification No. NEW, Exhibit B
- MHSUDS Information Notice No. 14-013

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**RECOMMENDATIONS**

1. The County should properly report program and administration costs in RER in accordance with the approved MHSA plan or annual plan update.
2. The County should correct the records and provide evidence of correction in the POC.

**AUDITEE'S RESPONSE**

The County agrees with finding and will make the adjustment on the FY 19/20 RER.