

**BUTTE COUNTY DEPARTMENT OF BEHAVIORAL HEALTH
MENTAL HEALTH SERVICES ACT
REVENUE AND EXPENDITURE REPORT REVIEW
MANAGEMENT FINDINGS AND RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2011**

**FINDING NO. 1: COMMUNITY SERVICES AND SUPPORT (CSS)
CONTRACTED PROVIDER RECONCILIATION**

County contracted with Youth for Change, the contractor performing CSS services for MHSA members. During the audit, it was disclosed that contractor payments reported in the General Ledger (GL)/County accounting records for Youth for Change, Contract # 18282 and 18422, did not reconcile with the invoices that County submitted. Per invoice reconciliation, Contract No. X18282, County owed the Contracted Provider \$7,053 and Contracted Provider owed \$4,045 to County. For Contract No. X18422, County owed \$11,144 to the Contracted Provider.

According to the County, there were no adjustments made for this difference during the FY 10-11 cost report settlement, however; County made adjustments later in April 2013 and September 2014. County provided invoices showing the adjustments for later years.

CONCLUSION

For cost report and RER preparation, County is required to make adjustments in the year incurred. Adjustments in later years will overstate/understate the expenses in the RER and SD/MC cost report. Department did not make an adjustment since the County submitted documents showing that the adjustments were made in the later years.

AUDIT AUTHORITY

- 42 CFR, Sections 413.20 and 413.24
- MHSA Agreement No. 07-77304-000, Exhibit B

RECOMMENDATION

County should exercise due care in the preparation RER and SD/MC cost report and maintain accuracy among the reports submitted to the Department.

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**FINDING NO. 2: THE CSS COMPONENT DID NOT RECONCILE TO THE
COUNTY'S GL [Adjustment No. 1]**

Our examination disclosed that County's RER for CSS component did not reconcile with the GL/ accounting reports. According to the County, the variance are due to the adjustments made to the MHSA expenses after the RER had been submitted to the Department. Therefore, Audits made the following adjustments to the CSS component.

CSS Programs	Reported	Audited	Adjustment
	\$	\$	\$
CSS Crisis	2,238,238	2,345,972	107,734
	\$	\$	\$
CSS Search	1,948,683	1,972,879	24,196
	\$	\$	\$
CSS Link	1,477,471	1,516,745	39,274
CSS	\$	\$	\$
W&R/CET/CEEW	2,108,176	2,092,591	(15,585)
	\$	\$	\$
CSS Admin	730,946	587,137	(143,809)
Total	\$8,503,514	\$8,515,323	\$ 11,809

CONCLUSION:

The Department proposes an \$11,809 adjustment to reflect the correct CSS program expenditures totaling \$8,515,323. (Audit Adjustment No.1).

AUDIT AUTHORITY

- 42 CFR, Sections 413.20 and 413.24
- CMS Pub. 15-1, Sections 2300 and 2304
- MHSA Agreement No. 07-77304-000, Exhibit B

RECOMMENDATION

County should exercise due care in the preparation RER and SD/MC cost report and maintain accuracy among the reports submitted to the Department.

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**FINDING NO. 3: CSS PROGRAM FUNDING SOURCES REVIEW
 [Adjustment No. 4]**

Our examination disclosed that the total Medi-Cal Federal Financial Participation (FFP) funding reported in the RER is less than the audited Medi-Cal FFP funding for the CSS program. Comparing Medi-Cal FFP in the RER with the audited Medi-Cal FFP disclosed the following variances:

Program	Per RER Medi-Cal FFP	Per Audited MHA Medi-Cal FFP Total	Difference
SEARCH	\$1,129,000	\$1,170,579	\$41,579
LINK	\$257,785	\$231,294	(\$26,491)
Other CSS Non-FSP Program Expenditures	\$1,525,434	\$1,674,316	\$148,882
CSS Administration	\$136,314	\$163,748	\$27,434
Total CSS	\$3,048,533	\$3,239,937	\$191,404

The reason for the variance is County's reported MHA units for FFP calculation for RER is different than the audited MHA units.

CONCLUSION:

Based on the above findings, the Department proposes to adjust CSS Medi-Cal FFP funding by \$191,404. (Audit Adjustment No. 4).

AUDIT AUTHORITY

- 42 CFR, Sections 413.20 and 413.24
- CMS Pub. 15-1, Sections 2300 and 2304;
- MHA Agreement No. 07-77304-000, Exhibit B

RECOMMENDATION

**BUTTE COUNTY DEPARTMENT OF BEHAVIORAL HEALTH
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MANAGEMENT FINDINGS AND RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2011**

County should make changes to the funding information according to the final MHSa audit report.

**FINDING NO. 4: THE RER FOR PEI DID NOT RECONCILE TO THE
COUNTY'S GL [Adjustment No. 2]**

The County's RER did not reconcile with the County GL/ accounting reports for PEI component. According to the County, the variance is due to the adjustments they made to the MHSa expenses after the RER was submitted to the Department. Therefore, Audits made following adjustments to the PEI component.

PEI Programs	Submitted RER	Audited RER	Adjustment
Promotores	\$ 356,927	\$ 356,729	\$ (198)
African American Family Cultural Center	\$ 207,030	\$ 206,833	\$ (197)
Integrated Health & Mental Health	\$ 605,789	\$ 604,598	\$ (1,191)
Mobile Transitional Age Youth	\$ 1,250,523	\$ 1,259,750	\$ 9,227
Gridley Live Spot	\$ 739,158	\$ 738,325	\$ (833)
Mental Health Awareness	\$ 31,611	\$ 11,020	\$ (20,591)
GLBTQ	\$ 77,908	\$ 77,908	\$ 0
Older Adult Suicide Prevention	\$ 129,522	\$ 130,772	\$ 1,250
PEI Administration	\$ 176,813	\$ 176,416	\$ (397)
Total	\$ 3,575,281	\$ 3,562,351	\$ (12,930)

CONCLUSION:

The Department proposes to adjust PEI program expenditures by \$12,930.(Audit Adjustment No. 2).

AUDIT AUTHORITY

- 42 CFR, Sections 413.20 and 413.24
- CMS Pub. 15-1, Sections 2300 and 2304;
- MHSa Agreement No. 07-77304-000, Exhibit B

RECOMMENDATION

County should exercise due care in the preparation RER and SD/MC cost report and maintain accuracy among the reports submitted to the Department.

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**FINDING NO. 5: PEI PROGRAM FUNDING SOURCES REVIEW
 [Audit Adjustment No. 5]**

Our examination disclosed that the total Medi-Cal FFP funding reported in the RER is less than the audited Medi-Cal FFP funding for MHPA program. Comparing Medi-Cal FFP reported in the RER with the audited Medi-Cal FFP disclosed the following variances:

Program	Per RER Medi-Cal FFP	Per Audited MHPA Medi-Cal FFP Total	Difference
Integrated Health & Mental Health	\$ 355,459	\$ 378,505	\$ 23,046
Mobile Transitional Age Youth	\$ 640,435	\$ 674,338	\$ 33,903
Gridley Live Spot	\$ 0	\$ 28	\$ 28
Mental Health Awareness	\$ 28	\$ 0	\$ (28)
Older Adult Suicide Prevention	\$ 17,043	\$ 10,632	\$ (6,411)
PEI Administration	\$ 48,276	\$ 56,009	\$ 7,733
Total PEI	\$1,061,241	\$ 1,119,512	\$ 58,271

The reason for the variance is County's reported MHPA units for FFP calculation for RER is different than the audited MHPA units.

CONCLUSION:

The Department proposes to adjust PEI Medi-Cal FFP funding by \$58,271. (Audit Adjustment No. 5).

AUDIT AUTHORITY

- 42 CFR, Sections 413.20 and 413.24
- CMS Pub. 15-1, Sections 2300 and 2304
- MHPA Agreement No. 07-77304-000, Exhibit B

RECOMMENDATION

**BUTTE COUNTY DEPARTMENT OF BEHAVIORAL HEALTH
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County should make changes to the funding information according to the final MHSa audit report.

**FINDING NO. 6: THE RER FOR INNOVATION (INN) DID NOT RECONCILE TO
 THE COUNTY'S GENERAL LEDGER
 [Adjustment No. 3]**

The County's RER for INN did not reconcile with the County GL/ accounting reports. According to the County, the variance is due to the adjustments they made to the MHSa expenses after the RER was submitted to the Department. Therefore, Audits made the following adjustments to the INN component.

INN Comprehensive Service Plan	Reported RER	Audited RER	Adjustments
INN	\$ 118,140	\$ 117,605	\$ (535)
WIN	\$ 49,443	\$ 48,560	\$ (883)
Total	\$ 167,583	\$ 166,165	\$ (1,418)

CONCLUSION:

The Department proposes to adjust the INN program expenditures by \$1,418. (Audit Adjustment No. 3).

AUDIT AUTHORITY

- 42 CFR, Sections 413.20 and 413.24
- CMS Pub. 15-1, Sections 2300 and 2304
- MHSa Agreement No. 07-77304-000, Exhibit B

RECOMMENDATION

County should exercise due care in the preparation RER and SD/MC cost report and maintain accuracy among the reports submitted to the Department.

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**FINDING NO. 7: INN PROGRAM FUNDING SOURCES REVIEW
 [Audit Adjustment No. 6]**

Our examination disclosed that the total Medi-Cal FFP funding reported in the RER is less than the audited Medi-Cal FFP funding for MHA program. Comparing Medi-Cal FFP reported in the RER with the audited Medi-Cal FFP disclosed the following variances:

INN Comprehensive Service Plan	RER Medi-Cal FFP	Audited MHA Medi-Cal FFP	Adjustments
WIN	\$ 11,323	\$ 12,061	\$ 738
Innovation Administration	\$ 549	\$ 13,513	\$ 12,964
Total	\$ 11,872	\$ 25,574	\$ 13,702

The reason for the variance is County's reported MHA units for FFP calculation for RER different than the audited MHA units.

CONCLUSION:

The Department proposes to adjust the INN Medi-Cal FFP funding by \$13,702. (Audit Adjustment No. 6).

AUDIT AUTHORITY

- 42 CFR, Sections 413.20 and 413.24
- CMS Pub. 15-1, Sections 2300 and 2304
- MHA Agreement No. 07-77304-000, Exhibit B

RECOMMENDATION

County should make changes to the funding information according to the final MHA audit report.