

Plumas County MHPA Plan of Correction

County: Plumas County	POC Due Date: 12-15-20	Date Received by DHCS:01-21-21	Completed Date: 01-15-21
County Contact Person:			
(The Above Line Will Be Removed Prior To Posting on the DHCS Website)			

Finding # or Suggested Improvement #	Finding or Suggested Improvement	Recommendation # (State Corrective Action Step / Identify Timeline / and Evidence of Corrections / Mechanisms for Monitoring Effectiveness)		DHCS Comments and Notes
1. Contract awarding policy not followed	The County did not follow the competitive bidding process or document the sole source justification/waiver of competitive bidding when awarding contracts over \$10,000.	For contracts exceeding \$10,000, County must follow the protocol for competitive bidding, scoring, evaluation, and selection process, or document and retain the sole source justification/waiver of competitive bidding.	Effective immediately, all contracts exceeding \$10,000 will follow the county purchasing policy dated August 16, 2005.	The county submitted plan to address this finding is accepted.
2. County reported contract expenditures in Account 521900, Professional Services. The Department reviewed the MHPA general	County inappropriately reported contract expenditures in MHPA GL. Based on the above findings,	1. County should correct the records and provide evidence of correction in the	The RER was adjusted October 2018. Back-up material attached.	The county submitted plan to address this finding is accepted.

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<p>ledger (GL), invoices, contract agreements, the MHPA FY 2014-2017 Three-Year Plan, the MHPA FY 2015/16 Annual Updates, and the MHPA FY 2016/17 Annual Updates. The review disclosed variances in Community Services and Supports (CSS), Prevention and Early Intervention (PEI), and Workforce Education and Training (WET)</p>	<p>the Department proposed adjustments in program expenditures totaling (\$472,503), \$16,530, and \$6,000 in CSS, PEI, and WET, respectively (Audit Adjustment Nos. 2, 5, 7).</p>	<p>Plan of Correction (POC).</p> <p>2. County should ensure that:</p> <p>a) MHPA expenditures are consistent with the MHPA three-year plan or plan update.</p> <p>b) Expenditures are reported in the appropriate MHPA component.</p> <p>c) Expenditures are reported in the period that the liability is incurred.</p> <p>d) Expenditures, if not directly identifiable, are allocated to the benefitting programs through an acceptable allocation methodology</p>	<p>As Per POC please see Attached Form 1891- (Reason)</p> <p>Finding # 2A 2B 2C 2D 2E 2F 2G 2H 2I 2J 2K 2L 2M 2N 2O 2P 2Q</p>	

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<p>3. Budgetary transfer entries were recorded as expenditures in the County's MHSA GL, including CSS, Innovation (INN), and PEI. The Department reviewed the backup documents and disclosed that transfers totaling \$47,870 were for bed days and \$342,740 for administration. The transfer amounts were not actual expenditures but based on budget amounts.</p>	<p>The reported administration and bed day transfers were budgeted, not actual expenditures. Based on the above findings, the Department proposed adjustments in program expenditures totaling (\$307,870), \$(55,790), and \$(26,950) in CSS, PEI, and INN, respectively (Audit Adjustment Nos.1, 4, 6).</p>	<p>1. County should correct the records and provide evidence of correction in the POC. 2. County should report actual expenditures incurred, not budgeted expenditures.</p>	<p>The RER was adjusted October 2018. Back-up material attached. As Per POC please see Attached Form 1891- (Reason) Finding # 3A 3C</p>	<p>The county submitted plan to address this finding is accepted.</p>
<p>4. MHSA funds received by the County, and interest thereon, must be distributed to the local Mental Services Fund among the MHSA components in accordance with Welfare and Institutions Code,</p>	<p>MHSA funds received and interest were not distributed to MHSA components as required by W&I Code, section 5892(f) and MHSUDS</p>	<p>1. The County should correct previous MHSA funds received, calculate and allocate interest earned distributions among components.</p>	<p>The RER was adjusted October 2018. Back-up material attached. As Per POC please see Attached Form 1891- (Reason)</p>	<p>The county submitted plan to address this finding is accepted.</p>

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<p>section 5892(f) and MHSUDS Information Notice No. 17-049. The County did not distributed funds as specified in the above requirements. The Department reconciled MHSAs fund distributions among the State Controller's Office's (SCO's) remittance advices, County's bank statements, and County's MHSAs revenue GL, and traced interest apportioned to the MHSAs revenue GL. The reconciliation disclosed the following:</p> <p>a). INN funds totaling \$92,259.58 were all reported in the CSS component (department no. 70571) instead of the INN component (department no. 70571A).</p>	<p>Information Notice No. 17- 049. For the above findings a) and b), the Department proposed adjustments in revenues totaling (\$189,005), \$77,396, and \$111,609 in CSS, PEI, and INN, respectively (Audit Adjustment Nos. 9-11).</p>	<p>2. The County should develop and implement procedures to ensure ongoing distributions are made in the required proportions.</p>	<p>Finding # 4A 4B 4C</p>	

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<p>b). Two MHPA fund deposits, \$137,603.48 and \$249, 379.12 with deposit date of 6/15/2017 and 7/14/2017, respectively, were reported in CSS. County did not allocate and report the funds among CSS, INN, and PEI.</p> <p>c). County did not allocate interest earned on MHPA funds to the appropriate MHPA components, including CSS, INN, and PEI. Instead all MHPA interest earnings were reported in CSS.</p>				
<p>5. The Department tested and reviewed three programs the County subcontracted to community providers:</p>	<p>The MHPA Annual Updates need improvements</p>	<p>County should prepare annual updates in accordance with required rules and regulations:</p>	<p>See attached MHPA Annual update for FY19/20 for evidence.</p>	<p>The county submitted plan to address this finding is accepted.</p>

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<p>a) The Community Connection Program under CSS (contract no. MHSA1417PRS-CC) b) The ancillary support services program under CSS (contract no. PCBH1617PCIRC-CSS) c) The Youth Prevention Services Program under PEI (contract no. MHSA1417PRS-YPS)</p> <p>The Department compared the contract agreements, the MHSA FY 2016/17 Annual Update, the MHSA FY 2017/18 Annual Update, and the outcome which was also reported on Annual Updates. The following issues were noticed:</p> <ul style="list-style-type: none"> • The MHSA FY 2016-17 Annual Update did not indicate the number of children, adults, and seniors to be served in FY 2016/17 by each program. • For the Community Connection Program, the 		<ul style="list-style-type: none"> • Each update shall indicate the number of children, adults, and seniors to be served for each applicable program. • Each update shall include reports on the achievement of performance outcomes for services. 		

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<p>outcome reported in the MHSA FY 2016/17 and FY 2017/18 Annual Updates included activities which were not included in the Scope of Work of the contract agreement. These activities included Public Service Announcements on local radio station and press releases, presentations to partner service organizations, presentations and community events for outreach, Member Swap Meet 'N' Eat social events, and member appreciation brunch.</p> <ul style="list-style-type: none"> • For the Youth Prevention Services Program, the MHSA Annual Updates did not report on the achievement of performance outcomes for the whole contract term (6/15/15 to 6/30/17). The FY 2017-18 Annual Update reported outcome for FY 2016/17, yet the FY 2016/17 Annual Update did not report any outcome for FY 2015/16. 				

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<p>6. The Department noted the following deficiencies in County's internal controls over expenditures:</p> <p>A) The MHSA Client Request for Ancillary Support forms did not require the signature of the approvers. Also, the travel reimbursements and purchase payments required signatures of the claimant and the Fiscal Officer or Director, but not the signature of the supervisor. Immediate supervisor approval is necessary to prevent misuse of MHSA funds since the immediate supervisor is best situated to ensure expenditures are for intended MHSA Program purposes.</p>	<p>The County did not establish and implement sufficient internal controls to safeguard MHSA funds and ensure funds are used for their intended purposes.</p>	<p>The County should strengthen its system of internal controls to prevent and detect errors, irregularities, abuse, and misuse of funds, including but not limited to the following:</p> <p>A) Establish or revise its policies and procedures accordingly to provide compliance with applicable laws, criteria, standards, and requirements.</p> <p>B) Monitor the system of internal controls periodically to ensure that employees follow the policies and procedures in performance of</p>	<p>See attached policies and forms to support internal controls.</p>	<p>The county submitted plan to address this finding is accepted.</p>

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<p>B) The purpose for purchases was either not identified (Amazon card purchases), or not clearly identified. (Purchase orders) on claim forms. For example, the purpose "for client services activities" wasn't clear and did not identify a benefitting MHSA program within a component.</p> <p>C) County did not have a policy and procedure for gas card purchases. There used to be a mileage logbook in every County vehicle, documenting the date, time, purpose of trip, mileage, odometer, and employee initials. However, due to employee complaints, in FY 2017/18 County simplified the</p>		<p>duties and functions.</p> <p>C) Establish an effective system of internal review, including requiring the immediate supervisor to review and approve purchases/ reimbursements. The review and approval should be evidenced by signature on the appropriate County forms, such as the claim form, the travel reimbursement form, the MHSA Client Request for Ancillary Support form, and the In-County Mileage & Travel Log with Personal Vehicle form.</p>		

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<p>procedures to have vehicle supervisor record only the odometer reading at the end of each calendar year. Without a policy and procedure for purchases and without logging detail information regarding the use of County vehicles, inappropriate purchases/usage could occur and not be detected.</p> <p>D) A five-day airport parking and rental car charge claimed was personal in nature. Their personal car was parked at the airport and a rental car was used for three days before the conference started and three days after the conference ended. In another case, a one-day rental car use was</p>		<p>D) Include all necessary supporting documents in purchasing claims or travel reimbursement, including clear purposes and the benefitting programs for the purchases, the original itemized receipts, certificate of completion for training taken, prior approval for out-of-state travel and business meal expenses. All necessary explanations and justifications for non-conforming to the policies and procedures must be documented.</p>		

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<p>personal in nature due to the training ending the previous day. In both cases, the car rental was not necessary since the conferences were held in the hotel where employees stayed.</p> <p>E) Meals claimed for reimbursement were not justified because lunches were either included in the registration or the conference/training had ended the previous day, or in one case meals were two days after the conference/training had ended.</p> <p>F) Lodging costs claimed were not justified because the conferences/trainings ended on the day of the stay. In another case there was no lodging</p>		<p>E) Set the maximum short-term lodging reimbursement rates based on the State lodging rate criteria.</p> <p>F) Ensure that travel reimbursements are for expenses incurred for conducting County business. No personal expenses are allowed.</p> <p>G) Ensure reimbursement for transportation expenses are based on the method of transportation that is in the best interest of the State/County.</p>		

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<p>receipt to support the claim, only a reservation confirmation that could have easily been cancelled.</p> <p>G) Employees stayed at hotels with rates ranging from \$155.82 per night to \$312.62 which exceeded the applicable State rates. County's Travel and Business Expense Reimbursement policy limited lodging reimbursement to actual cost incurred. There was no set maximum lodging reimbursement rates.</p> <p>H) Training was for three days, yet the former Behavior Health (BH) Director checked out of the hotel on the second day. No explanation was provided on travel reimbursement form.</p>		<p>H) Ensure that business meals and out-of-state travel are justified. Out-of-state travel has to be mission critical or in the best interest of the State/County.</p> <p>I) Claimed expenditures for use of County vehicles must document and log the detailed information needed to support these claims, including the date, time, purpose of trip, mileage, odometer, and employee.</p> <p>J) Monitor contracts to ensure that contractors comply with the applicable</p>		

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<p>Certificate of Completion was not included in backup as evidence of completion of training.</p> <p>l) The former BH Director claimed roundtrip mileage reimbursement of \$598.32, or 1,108 miles between the County office in Quincy and a conference in Garden Grove, while his primary residence was in Marina, next to Monterey. In another instance, he claimed round trip mileage between Quincy and Marina, while the training was in Elk Grove. Mileage should be computed between the conference/training site and his residence or County Office, whichever is closer.</p>		<p>contract terms and provisions.</p> <p>K) Develop an accounting system that is adequate to track expenditures, particularly contract expenditures by including the specific contract numbers and vendor accounts.</p>		

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<p>J) Certificates of Completion were sometimes not included in backup documents for training related travel reimbursements. County's Travel and Business Expense Reimbursement Policy did not require the submission of certificate of completion for training related travel reimbursement. Without the certificate of completion, there is no evidence that the employee has indeed completed the training as intended and the expenditures were proper.</p> <p>K) In one case, an employee went to a training in Berkeley, while the same training was also provided in Sacramento, a closer</p>				

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<p>and more prudent alternative to Berkeley.</p> <p>L) A dinner meeting was held in a restaurant, which included the former BH Director, the former BH Deputy Director, and the former BH Program Manager, and a trainer, to discuss training needs of staff and the County's attempt to get a whole person grant. The dinner meeting was not justified because the meeting did not have to be conducted in person during the trainer's stay in the County. The meeting could take place by conference call. In addition, for the business meal there was no evidence of pre-approval from the County Administrative</p>				

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<p>Officer (CAO) or the Board.</p> <p>M) County staff took clients to a Shakespeare Festival in Ashland, Oregon. The out of state trip is not a prudent use of public funds. Additionally, there was no evidence of prior written approval from department head included in the backup for reimbursement.</p> <p>N) County did not effectively monitor contract maximums. Two contracts, PCBH1617PCIRC-CSS and MHSA1517CALMHSA, exceeded contract maximums by \$23,624 and \$5,000, respectively. No amendments were made</p>				

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<p>to account for these overpayments.</p> <p>O) County's accounting system identified contractors, but generally not the contract numbers. In one case, an incorrect contract number was reported in GL. Without a contract number, it is difficult to track expenditures for a particular contract or to detect posting errors, especially when a contractor has multiple contracts with the County. Incorrect contract number leads to incorrect information.</p>				