

**MONTEREY COUNTY BEHAVIORAL HEALTH
MENTAL HEALTH SERVICES ACT
REVENUE AND EXPENDITURE REPORT REVIEW
MANAGEMENT FINDINGS AND RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2014**

FINDING NO. 1: REVENUE AND EXPENDITURE REPORT (RER) FILING REQUIREMENTS

According to California Code of Regulations (CCR) Title 9, Section 3510(a), the County is required to submit the RER no later than by December 31, following the end of the reporting fiscal year. Department issued MHSUDS Information Notice No. 15-037 on August 26, 2015, requested counties submit their fiscal year 2013-14 RER by October 30, 2015.

However, this fiscal year's RER and the final certification are dated October 19, 2017, which falls beyond the submission deadline of October 30, 2015.

CONCLUSION

The County was not in compliance with the RER filing requirement to submit and certify the RER by the due date of October 30, 2015.

AUDIT AUTHORITY

- CCR, Title 9, Section 3510(a)
- MHSUDS Information Notice No. 15-037

RECOMMENDATION

The County should implement procedures that will ensure filing and certifying RERs on time.

**FINDING NO. 2: MENTAL HEALTH SERVICES ACT (MHSA)
EXPENDITURES NOT CONSISTENT WITH ANNUAL
UPDATE**

According to W&I Code Section 5892(g), all expenditures for county mental health programs shall be consistent with a currently approved plan or update pursuant to Section 5847. The Three-Year Program and Expenditure Plan shall be based on available unspent funds, estimated revenue allocations provided by the state, and in accordance with established stakeholder engagement and planning requirements (W&I Code Sections 5847(b) and 5848).

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The County is required to include projected/budgeted expenditures and funding sources for each component in the Three-Year Program and Expenditure Plan and Annual Update (CCR, Title 9, Sections 3755, 3820, and 3930).

The County's MHSA expenditures by program have material variances compared to the currently approved annual update as detailed in the following table.

However, the County did not update and obtain approval for these significant differences.

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Descriptions	Reported Expenditures	Approved Plan	Variances	Variance %
Children and Youth (T&Y)	\$3,216,752	\$3,019,883	\$196,869	
Transition Age Youth	1,906,179	1,184,735	721,444	
Adults	3,628,245	8,195,032	(4,566,787)	
Older Adults	1,133,411	967,525	165,886	
Access to Treatment	1,600,579	0	1,600,579	
Subtotal:	\$11,485,165	\$13,367,175	(1,882,010)	
MHSA Administration	1,720,206	2,005,076	(284,870)	
CSS Total	\$13,205,371	\$15,372,251	(\$2,166,880)	-14.10%
PEI				
Underserved & Unserved Cultural Population	\$3,512,138	\$2,267,136	\$1,245,002	
Trauma Exposed Individuals	406,594	276,760	129,834	
Children & Youth at Risk of Juvenile Justice In	500,272	53,671	446,601	
Children in Stressed Families	1,087,547	580,026	507,521	
Training & Technical Assistance Building Prog	68,400	0	68,400	
Subtotal:	\$5,574,951	\$3,177,593	\$2,397,358	
PEI Administration	836,243	476,639	359,604	
PEI Total	\$6,411,193	\$3,654,232	\$2,756,961	75.45%
INN				
Juvenile Sex Offender Reduction Team	\$286,469	\$234,032	\$52,437	
Positive Behavioral Intervention Supports	0	35,000	(35,000)	
Alternative Healing and Promotores de Salud	0	145,170	(145,170)	
Subtotal:	\$286,469	\$414,202	(\$127,733)	
Administration Costs	42,970	62,130	(19,160)	
INN Total	\$329,439	\$476,332	(\$146,893)	-30.84%
WET	\$154,134	\$148,601	\$5,533	3.72%
CFTN	194,053	193,715	338	0.17%
Sum	\$348,187	\$342,316	\$5,871	

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CONCLUSION

Expenditures were not consistent with the currently approved Annual Update, and the County did not secure further updates to correct this.

AUDIT AUTHORITY

- W&I Code Sections 5847, 5848 and 5892(g)
- CCR, Title 9, Sections 3755, 3820 and 3930

RECOMMENDATIONS

1. The County should develop policies and procedures to monitor and ensure that MHSA program expenditures are consistent with a currently approved plan or update.
2. If MHSA program expenditures are anticipated to become materially inconsistent with the most recently approved plan or update, the County should update subsequent Three-Year Program and Expenditure Plans and/or Annual Update to ensure MHSA funds are expended consistent with an approved plan or update.