

MENTAL HEALTH SERVICES ACT (MHSA) PLAN OF CORRECTION (POC)

1.	County/City:	Mariposa
2.	POC Submitted for:	FY 18/19 MHSA Audit
3.	Date of Audit/Performance Review:	08/29/2025
4.	Name of Preparer:	
5.	Preparer Contact Email:	
6.	Preparer Contact Telephone:	

	A	B	C	D	E
#	Finding #	Finding	Recommendation	Action Taken to Correct Finding (Identify Timeline / Evidence of Correction)	DHCS Comments
7.	Finding #1	Expenditures substantially exceeded the currently approved plan update.	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	1. Mariposa County BHRS will develop policies and procedures to monitor and ensure that MHSA (BHSA) program expenditures are consistent with the currently approved plan or update. 2. When MHSA expenditures become materially inconsistent with the current approved plan or update, the County will update the subsequent plan or update to bring MHSA expenditures into materially consistent expenditures.	Approve

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			approved plan or update, the County should update subsequent Three-Year Program and Expenditures and/or Annual Update to ensure MHSA funds are expended consistent with an approved plan or update.		
8.	Finding #2	The County is required to maintain records in accordance with GAAP, GASB, and the SCO Manual of Accounting Standards and Procedures for Counties. These standards require the	1. County should develop and maintain fund accounting practices to separately account for MHSA fund balances, expenditures, and investment gain by component.	1. The County has developed and maintained fund accounting practices to separately account for MHSA fund balances, expenditures, and investment by component. 2. The County will record any additional, non-MHSA funded expenditures in the unrestricted	Approve

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		use of Fund Accounting, such that MHSA funds and their related expenditures are to be tracked separately from other funds. Also, according to the Department's MHSA Reversion Enclosure, if expenditures exceed the amount of available MHSA funds, then the county must use local resources to cover the unapplied expenditures.	2. County should use other local resources to cover any additional, non-MHSA funded expenditures and record those expenditures in unrestricted funds (typically the County general fund), not the MHSA component fund accounts. 3. The County should calculate, and report interest owed on the PEI and WET MHSA fund balances.	funds account and not in the MHSA component fund accounts. 3. The County will calculate, and report interest owed on the PEI and WET MHSA fund balances.	
9.	Finding #3	The County's accounting records do not support and provide a full	1. County should correct the prudent reserve balance and interest earned for this	1. The County will correct the prudent reserve balance and interest (if applicable) for this and any other fiscal year.	Approve

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		accounting of the Prudent Reserve Fund balance and accumulated interest. According to County representatives, the Auditor's office would normally transfer any unused revenue to the unearned revenue fund account in December. That's why we are not seeing the prudent reserve balance on the general ledger. In FY19-20, the Auditor's office directly transferred the prudent reserve balance from the unearned	and any other fiscal years. 2. County should report interest earned for prudent reserve in the CSS component since prudent reserve is funded with CSS funds.	2. The County will follow the recommendation and report interest earned for prudent reserve in the CSS component.	

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		revenue fund to the CSS component because the fund had a negative average daily balance. Therefore, the Auditor's office did not transfer the prudent reserve balance back to the prudent reserve fund in FY18-19.			
10.	Finding #4	According to W&I Code, Section 5830(e), county mental health programs shall expend funds for their innovation programs upon approval by the Mental Health Services Oversight	1. The County must request and receive approval before expending MHSA funds in accordance with W&I Code, Section 5830.	1. Mariposa County BHRS will request and receive approval before expending MHSA funds in accordance with W&I Code, Section 5830.	Approve

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		and Accountability Commission. Further, CCR, Title 9, Section 3910.010 states that an Innovative Project shall not last longer than five years Reported INN Adult Team Decision Making expenditures were not approved. The Innovation Plan Approval Summary shows the MHSA Team Decision Making work plan expired on July 29, 2013, because it was approved on July 29, 2010, for three years. The approved			

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		amount was \$110,100.			
11.	Finding #5	County did not report any direct Administrative Costs on Short-Doyle/Medi-Cal (SD/MC), MH 1960. Rather, County reported indirect costs in the amount of \$1,550,604 on MH 1960, then allocated the indirect costs into Administrative Costs, Utilization Review Costs and Non-Hospital Mode Costs cost center.	1. County should review and follow the RER and SD/MC cost report instructions when reporting mental health expenditures. 2. County should submit a correction if needed.	1. The County will review and follow the RER and SD/MC cost report instructions when reporting mental health expenditures. 2. The County will submit a correction if needed.	Approve
12.	Finding #6	CCR, Title 9, Section 341 0(a) requires that "Funds distributed under this chapter	1. The County should develop and implement a written non- supplant policy.	1. The County created a non-supplant policy entitled "Policy for MHSA Programs Expenditures	Approve

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		should not be used to provide mental health programs and/or services that were in existence on November 2, 2004." At the time of the audit, the County did not submit a formal written policy and accounting records to document meeting the MHSA non-supplant requirement.	2. The County should develop and follow annual budgets that will document and ensure each fiscal year's MHSA expenditures comply with non-supplant requirements and their non- supplant policy.	Mariposa HHSA" to address this recommendation. 2. The County does and will continue to follow annual budgets that document and ensure MHSA expenditures comply with non-supplantation requirements in line with the County's "Policy for MHSA Programs Expenditures Mariposa HHSA."	