

**KINGS COUNTY BEHAVIORAL HEALTH
MENTAL HEALTH SERVICES ACT
REVENUE AND EXPENDITURE REPORT REVIEW
MANAGEMENT FINDINGS AND RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2015**

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 December 31, following the end of the reporting fiscal year.

This fiscal year's RER is dated December 31, 2015. However, both the hardcopy and Excel format of the RER were submitted in March and April 2016. Furthermore, the final certification was signed on March 11, 2016. These dates are beyond the submission deadline of December 31, 2015.

CONCLUSION

The County was not in compliance with the RER filing requirement to submit and certify the RER before the due date of December 31, 2015.

AUDIT AUTHORITY

- CCR Title 9, Section 3510(a)

RECOMMENDATION

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

**FINDING NO. 2: MENTAL HEALTH SERVICES ACT (MHSA)
EXPENDITURES NOT CONSISTENT WITH THREE-YEAR
PROGRAM AND EXPENDITURE PLAN OR 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).

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).

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The County's MHPA 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.

Descriptions	Reported Expenditures	Estimated Plan	Variiances	Variance %
FSP Programs				
Children/Tay	\$545,556			
Adults/Older Adults	1,762,358			
CIT (FSP 3)	650,000			
Non-FSP Programs				
ECHO	95,029			
FRC & Satellite Clinics	328,930			
MHSA	229,569			
CSS Administration	319,834			
CSS Total	\$3,931,276	\$5,051,772	(\$1,120,496)	-22.18%
PEI				
PEI Programs- Prevention				
In Common	\$537,049			
SAFE	229,978			
PEI Statewide	204,273			
PEI Programs- Early Intervention				
We Can	661,667			
PEI Administration	195,820			
PEI Total	\$1,828,787	\$1,387,077	\$441,710	31.84%
INN				
ILC	\$149,875			
Innovation Evaluation	17,925			
Innovation Administration	472			
INN Total	\$168,272	\$189,600	(\$21,328)	-11.25%
WET				
Workforce Staffing Support	\$0			
Training and Technical Assistance	13,145			
Mental Health Career Pathways Program	0			
Residency and Internship Programs	10,585			
Financial Incentive Programs	2,293			
WET Total	\$26,023	\$121,853	(\$95,830)	-79%
CFTN				
Ongoing CF Support	\$11,902			
Technological Needs Administration	0			
CFTN Total	\$11,902	\$365,000	(\$353,098)	-96.74%
Grand Total	\$5,966,260	\$7,115,302	(\$1,149,042)	-16.15%

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CONCLUSION

Expenditures were not consistent with the currently approved Three-Year Plan, 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.