

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

1.	County/City:	Madera
2.	POC Submitted for:	MHSA Fiscal Audit
3.	Date of Audit/Performance Review	March 29, 2022
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	Madera County did not comply with the Audit and Records Retention requirements of the contract. Despite multiple written requests, phone calls, and a pre-exit conference over an eight-month period, Madera County provided only a few documents requested for the fiscal audit. The Department	The County must implement policies and procedures that will ensure reported expenditures are supported by properly maintained and readily available books, records, and other evidence that meet the audit and records retention requirements of the contract.	Madera County Behavioral Health Services revised and implemented the compliance auditing and monitoring policy to meet Program Integrity Requirements, CMP 09.00 Compliance Auditing and Monitoring.	Approved

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		relied on the County’s general ledgers (GLs) and Income Statement (I/S) which were the only sources of documentation provided by the County to reconcile and support reported Mental Health Services Act (MHSA) expenditures.			
8.	Finding #2	Our examination of the County’s MHSA GLs, I/S, and Revenue and Expenditure Report (RER) revealed that the total MHSA expenditures for Fiscal Year (FY) 2013-14 were overstated by \$54,993 compared to the County’s I/S. The reported expenditures for each component did	<ol style="list-style-type: none"> <li>1. County must keep adequate financial records that fully support the reported RER. Such records must be provided to State auditors within a reasonable time of the request.</li> <li>2. County should review supporting documents for WET</li> </ol>	<ol style="list-style-type: none"> <li>1. Records are logged and stored in our Financial System with all back up documentation and will be readily available upon request moving forward.</li> <li>2. After further review of our records, we determine that the expenditures are not FY 2013-14 MHSA</li> </ol>	Approved

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		<p>not agree with the County GLs and I/S. See audit adjustments 1 through 4.</p> <p>The County did not report Workforce Education and Training (WET) and Capital Fund/Technologies Need (CFTN) expenditures in the RER. However, according to the County's I/S, these expenditures totaled \$14,353.87 and \$61,760 respectively.</p> <p>Further review of County's Annual Update (AU) disclosed that the County did not request additional WET funds. The WET budget for FY</p>	<p>and CFTN expenditures to determine whether these expenditures were valid FY 2013-14 MHSA expenditures and, if applicable, provide evidence of correction in the Plan of Correction (POC).</p>	<p>expenditures. Adjustments are reflected on the adjustment spreadsheet.</p>	

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		<p>2013-14 was \$0. According to the Plan Update, the CFTN project was completed during FY 2012-13, so no funds were budgeted in FY 2013-14. Due to County's lack of response, Department was not able to validate the WET and CFTN expenditures listed in the GLs.</p>			
9.	Finding #3	<p>The County did not submit to State a Prudent Reserve Funding Request to dedicate to the prudent reserve.</p> <p>Due to lack of documentation, Department was unable to</p>	<ol style="list-style-type: none"> <li>1. The County should maintain accurate records and report prudent reserve balances and transfers on the RER.</li> <li>2. The County should ensure plan updates language and amounts are</li> </ol>	<ol style="list-style-type: none"> <li>1. Madera County Fiscal will implement procedure to save and report prudent reserve balances from our Financial System.</li> <li>2. The County will ensure that moving forward plan language is consistent and followed.</li> </ol>	Approved

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		determine how the County accumulated and maintained its LPR in order to comply with the MHSA requirement.	consistent and accurately followed. 3. The County should verify the correct LPR balance and contribution/transfer and provide evidence of correction in the POC. 4. The County should submit to State a request to dedicate funds to the prudent reserve. 5. See audit adjustments 5 and 6.	3. The County has reviewed the GL for the LPR balance and identified an LPR balance of \$2,777,219.12. The County identified the \$2,730,191.91 and the \$34,000 transfer and the interest of \$13,027.21 of what was allocated for an LPR balance of \$2,777,219.12. 4. The County will draft a procedure for transferring Prudent Reserve funds. We will have this finalized and approved by 7/1/2024. The County will provide a finalized copy.	

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10	Finding #4	<p>The County did not have an approved AU for FY 2013-14 on file. The County submitted a draft that was a draft for public review. Department requested the approved AU Plan with the local mental health director’s signature. County responded that County staff could not find the signed copy and that the provided copy was approved by the Board of Supervisors. However, after Department requested documentation of approval such as County Board of Supervisors meeting minutes, no</p>	<ol style="list-style-type: none"> <li>1. The County must establish and implement records retention policies and procedures that will ensure documents required to expend MHSA funds are maintained.</li> <li>2. The County should obtain three-year expenditure plan and/or annual update(s) approval and signature of this FY, and any other FYs not approved and signed, and submit that with its POC.</li> <li>3. See audit adjustments 1 through 6.</li> </ol>	<ol style="list-style-type: none"> <li>1. Madera County Behavioral Health Services revised and reviewed our internal compliance auditing and monitoring policy to meet Program Integrity Requirements. In addition, the County Board of Supervisors approved the Madera County’s Retention policy on 01/09/2024.</li> <li>2. Madera County’s FY 13-14 Annual Update Plan is scheduled to go before the Board of Supervisors on May 7, 2024, for approval.</li> </ol>	Approved.

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		such document was submitted.			
11	Finding #5	<p>The County did not document accounting for all MHSA funds distributed and for the allocation to program components.</p> <p>MHSA payments recorded in the County's GL (Fund 6174, Behavioral Health Services – Prop 63) did not include all 12 payments documented by the SCO's Remittance Advices. The June 2014 payment was not found on County's FY 2013-14 GL. Department</p>	<ol style="list-style-type: none"> <li>1. The County must reconcile SCO payments with their records and RER, make all necessary corrections, and provide evidence of correction in their POC.</li> <li>2. The County must identify, document, and provide evidence of how MHSA funds are allocated to program components with their POC. If the County's records are not consistent with the SCO's payment</li> </ol>	<ol style="list-style-type: none"> <li>1. The 12<sup>th</sup> payment in the amount of \$713,985.41 was found and it was received. The deposit was made in the FY 14-15, ledger attached.</li> <li>2. Moving forward, the new Job Ledger system will assist us in proper record keeping of all incoming revenues. Moving forward, fiscal management will ensure payments are posted on the fiscal year ledger of the fiscal year the deposit was received.</li> </ol>	Approved.

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		requested the FY 2014-15 GL but did not receive it.	record and the required allocation percentages, they should correct their records and provide evidence of correction.		
12	Finding #6	The County’s FY 2013-14 Specialty Mental Health (Short-Doyle/Medi-Cal) cost report form MH 1995, Report of MHSA Distributions and Expenditures, was filed with no reported data (completely blank).	1. The County must review the prior year ending MHSA balance and ensure accurate and complete reporting on both the RER and Medi-Cal cost report form MH 1995. If the prior year ending balance was incorrect, the County should report that as an adjustment.	The County reviewed the prior and ending year balance, however, could not identify the variance between the ending and beginning of FY 12/13 and 13/14. We are unable to explain the variance, the employee who completed the report has been gone from the County for some time. It’s possible that the employee accounted for accrued money and accrued expenses from	Approved

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			2. The County should identify the source of these variances, correct their records, and provide evidence of correction in the POC.	previous fiscal years. Our cash balance report for FY 13/14 shows that the beginning balance should be 4,695,537.24. Moving forward, our new policy and tracking system we implemented will assist us in tracking our revenues and expenditures accurately.	

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

Instructions: Complete the MHSA Plan of Correction (POC) to address Findings from the Fiscal Audit Report or Performance Review Report.

Row 1: Enter County/City name.

Row 2: Select from the drop-down menu if this POC is submitted in response to a Fiscal Audit or a Performance Review.

Row 3: Enter the date that the Fiscal Audit or Performance Review was conducted.

Row 4: Enter the name of the person who prepared the Plan of Correction or is responsible for responding to inquiries about the Plan of Correction.

Row 5: Enter the contact email address of the person who prepared the Plan of Correction or is responsible for responding to inquiries about the Plan of Correction.

Row 6: Enter the contact telephone number of the person who prepared the Plan of Correction or is responsible for responding to inquiries about the Plan of Correction.

Rows 7-28, Column A: Enter the number of the specific Finding from the Fiscal Audit Report or Performance Review Report.

Rows 7-28, Column B: Enter the specific Finding from the Fiscal Audit Report or Performance Review Report.

Rows 7-28, Column C: Enter the specific recommendation from the Fiscal Audit Report or Performance Review Report.

Rows 7-28, Column D: Enter the description of the actions taken to correct the Finding. Must include 1) timeline for implementation and/or completion of actions; 2) proposed (or actual) evidence of correction to be submitted to DHCS.

This completed form must be submitted to [MHSA@dhcs.ca.gov](mailto:MHSA@dhcs.ca.gov).