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

1.	County/City:	Merced
2.	POC Submitted for:	MHSA Revenue and Expenditure Report
3.	Date of Audit/Performance Review	FY 14-15
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 NO. 1	FFP was not correctly reported and reflected in the MHSA fund balances.	1. The County should develop and implement procedures to track and record FFP funded MHSA expenditures and the corresponding accounting period accurately. 2. The above findings were discussed during the audit and the County submitted documentation to DHCS Community Services Division (CSD) to address	1. The County has been tracking and recording FFP and MHSA expenditure on a quarterly basis as recommended. 2. These adjustments have been submitted with DHCS after the audit findings were discussed with the audit team and moving forward FFP has been reported properly on the MHSA RER form as those forms are corrected by DHCS.	Approved

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			unreported FFP funding. To ensure accuracy, the County should collaborate with the CSD to adjust the FY's 2010-11 through 2014-15 RERs, and review and correct any other fiscal years that may have this same issue. These adjustments must accurately reflect the actual FFP funding and ensure the correct adjustment of MHSA fund balances.		
	FINDING NO. 2	Audit Adjustment Nos. 1-5 totaling $309,772 are proposed to adjust the reported administrative cost estimate to agree with actual cost.	1. The County should develop a clear understanding of the reporting mechanisms for the MHSA administrative costs to properly report expenditures and funding. 2. The County should ensure that RER agrees with	1. The County has been tracking MHSA administrative costs with a separate job code on the job ledger to track and report its MHSA administrative costs. 2. The County has been using the administrative costs tracked under the MHSA administration job code to report its administration costs in	Approved

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			supporting records, includes only costs incurred within the reporting period, and is in accordance with the MHSA, applicable regulations, directives, policies, the approved MHSA expenditure plan, and agreement.	MHSA Revenue and Expenditure Report which ensures cost incurred within the reporting period is tied to MHSA RER.	
	FINDING NO. 3	The County did not document compliance with the non-supplant requirements.	1. The County should revise and implement its written non-supplant policy to include procedures describing how the County will ensure, and document MHSA funds are only used to expand mental health services. 2. The County should develop schedules documenting how each fiscal year's MHSA	1. The County has revised its non-supplant policy to describe how it will ensure MHSA funds are only used to expand mental health services. 2. The County has documentation showing how MHSA programs have expanded mental health services and program capacity over the years.	Approved

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			expenditures expanded mental health services or program capacity.		