

**YOLO COUNTY HEALTH AND HUMAN SERVICES AGENCY  
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**

Audits reviewed the RER submission correspondence, report versions, and certifications. CCR, Title 9, Section 3510(a) requires the annual RER to be submitted by December 31<sup>st</sup> following the end of fiscal year.

The Yolo County RER is dated June 15, 2017.

**CONCLUSION:**

The County is not in compliance with the RER filing requirement of submission by December 31, 2015.

**AUDIT AUTHORITY**

- Welfare and Institutions (W&I) Code Section 5899(a)
- CCR, Title 9, Section 3510(a)

**RECOMMENDATION**

County should ensure future fiscal year RERs are submitted within the filing requirements.

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**FINDING NO. 2: LOCAL MENTAL HEALTH SERVICE FUNDS**

The County is required to invest Local Mental Health Services Funds consistently with other County funds. Interest earned on the investments shall be transferred into the fund. (W&I Code, Section 5892(f) and CCR, Title 9, Section 3420.40)

The County is also required to allocate investment gains or losses to the component account containing the principal upon which they accrued and report that on the annual RER by component account. Investment gains or losses on Prudent Reserve funds are required to be allocated to the Community Services and Supports (CSS) Account. (CCR, Title 9, Sections 3420.40 and 3420.45)

The following was found during the review:

- (a) The County did not have written investment policies and procedures in place to ensure compliance with the above requirements.
- (b) Although interest transactions were noted in the County's records, the basis of those amounts and allocation of earned interest to components accounts were not documented.

**CONCLUSION**

The County did not maintain sufficiently detailed investment documentation to support that MHSA funds were invested consistently with other County funds and allocated to components accounts based on component account principal balances.

**AUDIT AUTHORITY**

- W&I Code, Section 5892(f)
- CCR, Title 9, Sections 3420.40 and 3420.45

**RECOMMENDATIONS**

Develop and implement investment policies, procedures, and schedules that ensure, detail, and document how:

- MHSA funds are invested consistently with other County funds.
- Investment results are allocated to MHSA component accounts based on component account principal balances.
- Prudent Reserve fund investment results are allocated to the CSS component account.