MENTAL HEALTH SERVICES ACT

FINAL AUDIT REPORT

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TO: Alfredo Aguirre, Director
        HHSA – Mental Health Services

FROM: Juan R. Perez
        Chief of Audits

FINAL REPORT: MENTAL HEALTH SERVICES ACT AUDIT

Enclosed is our report on the Mental Health Services Act Audit. As there are no findings and recommendations in the report, no audit response is required.

Thank you for the courteousness and cooperation extended to the Office of Audits & Advisory Services during the course of the audit.

If you have any questions, please contact me at (858) 495-5661.

JUAN R. PEREZ
Chief of Audits

AUD:WA:aps

Enclosure

c: Nick Macchione, Agency Director, Health and Human Services Agency
    Tracy M. Sandoval, Deputy Chief Administrative Officer/Auditor and Controller
    Andrew Pease, Executive Finance Director, Health and Human Services Agency

INTRODUCTION

Audit Objective The Office of Audits & Advisory Services (OAAS) completed an audit of the Mental Health Services Act. The objective of the audit was to review compliance with the Mental Health Services Act requirements.

Background In 2004, California enacted Proposition 63, known as the Mental Health Services Act (MHSA or the Act), to expand services to its mentally ill population. The MHSA provides State funding to counties for expanded and innovative mental health programs.

The MHSA imposes a one percent income tax on personal income in excess of $1 million to provide funding for mental health services to individuals severely affected by or at risk of serious mental illness. The MHSA serves children, transitional age youth, adults, older adults, and families with mental health needs.

The MHSA addresses a broad range of service needs and targets different aspects of mental health services through the following five program components:

- Community Services and Supports (CSS) – this is the largest MHSA component. CSS are the programs, services, and strategies identified to assist underserved populations with an emphasis on eliminating disparity in access and improving mental health outcomes for racial/ethnic populations and other underserved populations. CSS programs receive 80% of the annual MHSA funding.

- Prevention and Early Intervention (PEI) – this program brings mental health awareness and early intervention services to the community through public education initiatives and dialogue. PEI programs receive 20% of the annual MHSA funding.

- Innovation – defined as novel, creative, and/or ingenious mental health practices and approaches that are expected to contribute to learning. Innovation programs receive 5% of each of the PEI and CSS annual funding.

- Workforce Education and Training (WET) – this program provides training and increase mental health career opportunities. The overall mission is to develop and maintain a sufficient public mental health workforce capable of providing client and family driven, culturally competent services that promote wellness, recovery, and resiliency. WET programs are funded through one-time funding approved in 2009.

- Capital Facilities and Technological Needs (CFTN) – this supports MHSA services through the development of a variety of community-based facilities that support integrated service experiences. CFTN projects are funded through one-time funding approved in 2009.

The Health and Human Services Agency Behavioral Health Services Division (BHS) is responsible for administering the services funded by the MHSA. Most of these services are provided by contractors. These contractors and their performance are monitored by BHS.

Audit Scope & Limitations

The scope of the audit focused on the adequacy of the MHSA administration and compliance related controls. The period under review included fiscal years 2011-12 and 2012-13.

This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing prescribed by the Institute of Internal Auditors as required by California Government Code, Section 1236.

Methodology

OAAS performed the audit using the following methods:

- Interviewed key personnel on policies, procedures, and processes relevant to the areas being reviewed.

- Examined policies and procedures related to the areas being reviewed and mapped key processes to obtain an understanding of the related controls.

- Assessed risks and controls related to MHSA administration independently and in coordination with BHS management.

- Reviewed the MHSA Annual Program and Expenditure Plan for FY 2012-13 for compliance.

- On a sample basis, conducted specific audit procedures on the following:

  − Reviewed, recalculated, and verified the various BHS contract expenditure and revenue tracking tools.

  − Recalculated the total funding rates for each component and agreed to the MHSA requirements.

  − Reviewed, recalculated, and verified the MHSA revenue and expenditure reconciliations.

  − Recalculated the total MHSA administration costs expended and the amount paid using MHSA funds and reviewed for compliance.

AUDIT RESULTS

Summary

Within the scope of the audit, there is reasonable assurance that MHSA is in compliance with the requirements of the Act. Specifically, OAAS reviewed and tested the following required components of the MHSA Annual Program and Expenditure Plan for FY 2012-13 and determined

general compliance with such requirements, as shown in the table below.

FY 2012-13 MHSA Requirements

OAAS Review of MHSA Annual Program and Expenditure Plan Components
Adopted by the County Board of Supervisors and submitted to the Mental Health Services Oversight and Accountability Commission (MHSOAC) within 30 days of adoption.
Available unspent funds and estimated revenue allocations provided by the state and in accordance with established stakeholder engagement and planning requirements.
Inclusion of a program for prevention and early intervention.
Inclusion of a program for services to children (to include transition age youth ages 16-25).
Inclusion of a program for services to adults and seniors (to include transition age youth ages 16-25).
Inclusion of a program for innovations.
Inclusion of a program for technological needs and capital facilities.
Identification of shortages in personnel and additional assistance needed from education and training programs.
Establishment and maintenance of a prudent reserve.
Certification by the County Mental Health Director.
Preparation of an Expenditure Plan.
The Expenditure Plan indicated the number of children, adults, and seniors to be served and the total cost per person.[1]
The Expenditure Plan included utilization of unspent funds allocated in the previous year.
Allocation of funds from a prudent reserve.
Development of the Annual Program in conjunction with local stakeholders.
Circulation of a draft plan for stakeholder review for at least 30 days.
Inclusion of achievement of performance outcomes reports.

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[1] The Expenditure Plan for FY 2012-13 did not include information regarding the number of children, adults, and seniors to be served, and the total cost per person. This Expenditure Plan was developed under the AB 100, which granted more autonomy to counties regarding information to be reported. Under the new MHSA update (AB 1467), the Expenditure Plan for FY 2013-14 will include this data.

Office of Audits & Advisory Services

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