

OFFICE OF AUDITS & ADVISORY SERVICES



MENTAL HEALTH SERVICES ACT *FINAL REPORT*

Chief of Audits: Juan R. Perez
Audit Manager: Lynne Prizzia, CISA, CRISC
Senior Auditor: Franco D. Lopez, CPA, CIA, CISA

Intentionally Left Blank



County of San Diego

TRACY M. SANDOVAL
DEPUTY CHIEF ADMINISTRATIVE OFFICER/
AUDITOR AND CONTROLLER

AUDITOR AND CONTROLLER
OFFICE OF AUDITS & ADVISORY SERVICES
5530 OVERLAND AVENUE, SUITE 330, SAN DIEGO, CA 92123-1261
Phone: (858) 495-5991

JUAN R. PEREZ
CHIEF OF AUDITS

July 13, 2017

TO: Alfredo Aguirre, Director
Health and Human Services Agency – Behavioral Health Services

FROM: Juan R. Perez
Chief of Audits

FINAL REPORT: MENTAL HEALTH SERVICES ACT

Enclosed is our report on the Mental Health Services Act. 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:JRP:nb

Enclosure

c: Nick Macchione, 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	<p>The Office of Audits & Advisory Services (OAAS) completed an audit of the Mental Health Services Act (MHSA). The objective of the audit was to evaluate management practices for administration and compliance with provisions of the MHSA.</p>
Background	<p>In 2004, California enacted Proposition 63, known as the MHSA, to expand services to its mentally ill population. The MHSA provides State funding to counties for expanded and innovative mental health programs.</p> <p>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.</p> <p>The Health and Human Services Agency's Behavioral Health Services Division (BHS) is responsible for administering the services funded by the MHSA. BHS utilizes contractors to provide most of these services.</p>
Audit Scope & Limitations	<p>The scope of the audit focused on the adequacy of the MHSA administration and compliance-related controls. The period under review included fiscal years 2013-14 to 2016-17.</p> <p>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.</p>
Methodology	<p>OAAS performed the audit using the following methods:</p> <ul style="list-style-type: none">• Interviewed key personnel on policies, procedures, and processes relevant to the areas being reviewed.• Assessed risks and controls related to MHSA administration independent of, and in coordination with, BHS management.• Reviewed the MHSA program documentation for the period under review.• On a sample basis, conducted specific audit procedures on the following:<ul style="list-style-type: none">– 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 MHSAs revenue and expenditure reconciliations.
- Recalculated the total MHSAs administration costs expended and the amount paid using MHSAs funds, and reviewed for compliance.

AUDIT RESULTS

Summary

Within the scope of the audit, there is reasonable assurance that the management practices for administration and compliance with provisions of the MHSAs are effective. BHS has the appropriate processes in place to ensure compliance with the requirements of the MHSAs.

Office of Audits & Advisory Services

Compliance Reliability Effectiveness Accountability Transparency Efficiency

VALUE