

OFFICE OF AUDITS & ADVISORY SERVICES



MENTAL HEALTH SERVICES ACT

FINAL REPORT

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County of San Diego

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JUAN R. PEREZ
CHIEF OF AUDITS

July 31, 2023

TO: Dr. Luke Bergmann, Director
Health and Human Services Agency – Behavioral 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.

A handwritten signature in black ink, appearing to read "Juan R. Perez".

JUAN R. PEREZ
Chief of Audits

AUD:MPT:nb

Enclosure

c: Patty Kay Danon, Chief Operations Officer, Health and Human Services Agency
Tracy Drager, Auditor and Controller
Amy Thompson, Executive Finance Director, Health and Human Services Agency
Christy Carlson, Group Program Manager, Health and Human Services Agency

INTRODUCTION

Audit Objective 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.

Background 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.

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 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.

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 2020-21 to 2021-22.

Table 1 outlines the total Mental Health Services Funds distributed by the California State Controller to the State's Counties during FY 2020-21 and FY 2021-22.

Table 1: State Controller MHS Funds Total Distribution

Fiscal Year	Total Funds Distributed to the Counties	Total Funds Received by County of San Diego
2020-21	2,768,689,595	228,502,351
2021-22	3,123,587,530	257,809,991

Source: California State Controller, Monthly Mental Health Service Fund website

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:

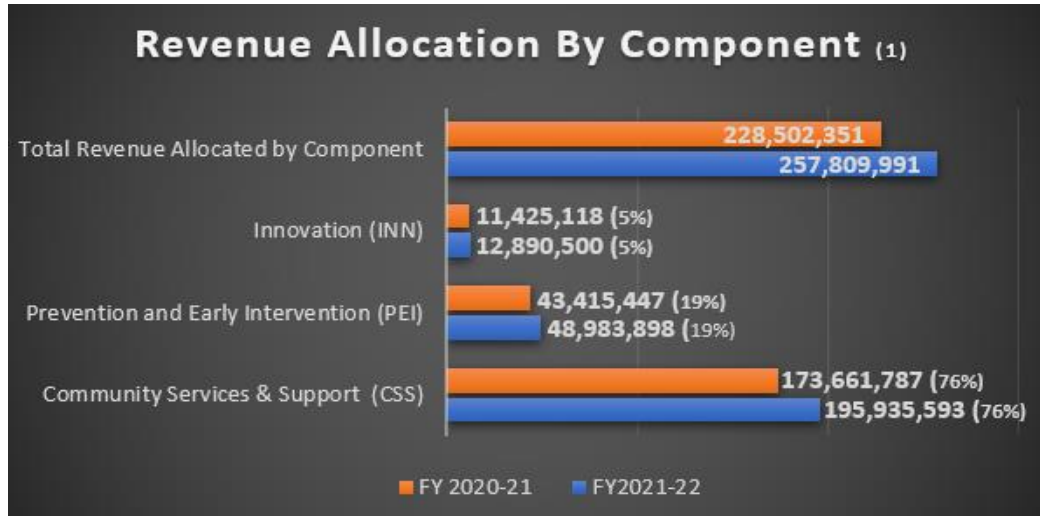
- Interviewed key personnel on policies, procedures, and processes relevant to the areas being reviewed.
- Assessed risks and controls related to MHSA administration independent of, and in coordination with, BHS management.

- Reviewed the MHSA program documentation for the period under review.
- Conducted specific audit procedures on the following:
 - Reviewed, recalculated, and verified sampled BHS contract expenditure and revenue tracking tools.
 - Recalculated the total funding rates for each MHSA component and agreed to the requirements.
 - Reviewed, recalculated, and verified the MHSA revenue and expenditure reconciliations.
 - Reviewed MHSA administration costs to ensure they agreed to the requirements.
 - Verified that Performance Metrics are in place to ensure that performance is accurately and appropriated reported.
 - Verified that contract monitoring effectively ensures compliance with contract/program requirements.
 - Verified BHS allocated funds and programs for underrepresented communities, particularly groups who historically had been subject to discrimination on the basis of identity or disability.
 - Confirmed that the County prepared and submitted a Three-Year Program and Expenditure Plan and Annual Updates for MHSA programs and expenditures to the Mental Health Services Oversight and Accountability Commission and Department of Health Care Services.
 - Verified that current controls are sufficient to ensure that performance is accurately and appropriately reported.

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 MHSA are effective. BHS has the appropriate processes in place to ensure compliance with the requirements of the MHSA. Chart 1 outlines the allocation of the County's MHSA funds to the program components for the scoped period.

Chart 1: Allocation of MHPA Funds to Program Components



(1) The MHPA requires that 19% of funds be allocated to PEI and 5% to INN.

Office of Audits & Advisory Services

