



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Auditor-Controller
Department No.: 061
For Agenda Of: June 20, 2017
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Theodore A. Fallati, CPA, CPFO, Auditor-Controller, 568-2100
Director
Contact Info: Heather Fletcher, CPA, Audit Manager, 568-2456
SUBJECT: Mental Health Systems Audit Report

County Counsel Concurrence

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

Receive and file the Mental Health Systems Audit Report (the Audit Report).

Summary Text:

The Audit Report is submitted pursuant to California Government Code 26883, which requires that the Auditor-Controller's audit reports be filed with the Board of Supervisors. The overall purpose of our audit was to determine whether amounts were appropriately billed and paid within the terms and conditions of the contracts and other applicable rules from July 1, 2014 to April 30, 2016. We concluded that there are opportunities for improvement over Behavioral Wellness' contract monitoring.

Background:

MHS is a not-for-profit organization which provides mental health, drug, and alcohol treatment services. Behavioral Wellness contracted with MHS from fiscal year 2004-05 through fiscal year 2015-16. In fiscal years 2014-15 and 2015-16, payments under the contract with MHS were \$955,432 and \$679,525, respectively. The most recent contract expired in June 30, 2016 and Behavioral Wellness did not renew the contract.

We noted opportunities for Behavioral Wellness to enhance their contract monitoring. Specifically, we identified the following opportunities for improvement:

1. Review payments made by contractors to periodically ensure that amounts requested for reimbursement have been paid.
2. Reconcile contractor staffing reports and the list of staff charged to County programs to ensure that employees charged to the County actually worked on County programs.

3. Review the contractor's indirect cost rate to ensure that the rate is appropriate and calculated properly.

We also recommend that Behavioral Wellness determine whether any repayment from the contractor is required.

Attachments:

Mental Health Systems Audit Report

Authored by:

Heather Fletcher, Audit Manager

CC:

Alice Gleghorn, PhD, Behavioral Wellness Director

Mona Miyasato, County Executive Officer

Stacy Maxa, Mental Health Systems, Chief Financial Officer