

# COUNTY OF SANTA BARBARA

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## OFFICE OF THE AUDITOR-CONTROLLER

June 5 , 2009

The Honorable William J. McLafferty  
Santa Barbara County Superior Court  
1100 Anacapa St., 2<sup>nd</sup> Floor  
Santa Barbara, California 93121-1107

Santa Barbara County Grand Jury  
Attention: Foreperson  
1100 Anacapa Street  
Santa Barbara, CA 93101

### **Auditor-Controller Department Response to the 2008-09 Grand Jury Report on: Alcohol, Drug and Mental Health Services – An Uncertain Financial Future**

Dear Judge McLafferty:

Attached is my response to the current grand jury report entitled Alcohol, Drug and Mental Health Services – An Uncertain Financial Future. The Grand Jury requested that the Auditor-Controller respond to finding number 2. I want to thank the Grand Jury for its efforts at improving County government over the past year and commend the efforts of its members.

Sincerely,

Robert W. Geis, C.P.A.  
Auditor-Controller

Cc: Ted Sten, Grand Jury Foreperson 2008-09  
Michael Brown, County Executive Officer  
Ann Dietrich, Director ADMHS

AUDITOR-CONTROLLER'S DEPARTMENT RESPONSE  
SANTA BARBARA COUNTY 2007-08 GRAND JURY

FINDINGS AND RECOMMENDATION

**ALCOHOL, DRUG AND MENTAL HEALTH SERVICES  
AN UNCERTAIN FINANCIAL FUTURE**

**FINDING 2**

Many of the financial liabilities of the past eight years would never have been incurred if adequate accounting systems had been in place.

**RECOMMENDATION 2**

That the Santa Barbara County Auditor-Controller continue to review and monitor the accounting activities of the Alcohol, Drug and Mental Health Services Department.

**RESPONSE TO FINDING 2 AND RECOMMENDATION 2**

The Auditor-Controller Department agrees with the finding as long as the reader understands that adequate accounting systems include systems that have strong and adequate internal controls.

The Auditor-Controller department is assisting the ADMHS department to improve the financial provisions of third party contracts, their accounting, departmental reporting and the internal control framework. Included with this response are two reports authored by the Auditor-Controller Department to document in writing our work over the last year in the Mental Health Department for the Mental Health Programs dated June 1, 2009 and the Alcohol Drug program dated November 25, 2008.

Although ADMHS has made improvements in its billing and fiscal processes, there is still much progress to be made. Weakness exist across many areas including: a lack of enforcement of contract terms and conditions, recording of unsubstantiated revenue estimates, billing delays, ShareCare malfunctions, and deficiencies in the development of policies and procedures.

We want to thank the staff at ADMHS for their continued cooperation with the staff of the Auditor-Controller Department.