

## **2017-117 AUDIT SCOPE AND OBJECTIVES**

### **Mental Health Services Act—Funding and Oversight**

The audit by the California State Auditor will provide independently developed and verified information related to the funding and oversight of the Mental Health Services Act (MHSA), and will include, but not be limited to, the following:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. Review and evaluate the roles and responsibilities of the California Department of Health Care Services (Health Care Services), the Mental Health Services Oversight and Accountability Commission (Accountability Commission), the California State Controller's Office, and any other state agency related to the MHSA and the programs and activities funded by the MHSA. Determine whether these entities are meeting the requirements in the MHSA.
3. Review Health Care Services' MHSA funding allocation and positions for the most recent five-year period and evaluate how the agency is using these funds to implement and oversee the MHSA.
4. Determine and evaluate the process by which reversion amounts are calculated, communicated to relevant entities, and returned to the State from the relevant entities. Assess whether these processes comply with the MHSA.
5. To the extent possible, determine and analyze the following over the past five fiscal years:
  - a. The amount of MHSA funds that were subject to reversion.
  - b. The amount of MHSA funds that actually reverted to the State.
  - c. The programmatic sources of reverted funds, including community services and supports, prevention and early intervention, and innovation.
  - d. The total amount of reverted funds that were reallocated to counties.
  - e. Whether any state entity received reverted funds that were reallocated. If so, determine whether the state entity spent reverted funds appropriately.
6. Determine whether any MHSA funds have been used for State General Fund purposes in the most recent five-year period. If so, determine the amount of funds and evaluate whether those funds have been used in accordance with the MHSA.
7. For a selection of three counties, perform the following over the most recent five year period:

## 2017-117 AUDIT SCOPE AND OBJECTIVES, page 2

- (a) Review and assess how each county allocates, spends, and monitors MHPA funds they receive each year.
  - (b) Determine the amount of funds that were subject to reversion and the amount of funds that were actually reverted to the State.
  - (c) Review and assess the methods each county uses to determine and report to the State the amount of MHPA funds subject to reversion, and their process for reverting these funds.
  - (d) Determine whether the counties have spent funds subject to reversion and determine whether any reimbursement with interest is owed to the State.
8. Review and assess any other issues that are significant to the audit.