

# COUNTY OF PLACER

OFFICE OF AUDITOR-CONTROLLER

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October 26, 2009

Dr. Richard Burton, Director Health and Human Services Department 379 Nevada Street Auburn, CA 95603

Re: Public Guardian, Public Administrator, Public Conservator Review

Dear Dr. Burton:

The Internal Audit Division of the Auditor-Controller's Office performed a review of the Public Guardian, Public Administrator, and Public Conservator Division (Division) in accordance with Government Code Section 26883 for the period of July 1, 2008 through June 30, 2009.

The objectives of our review were to determine whether (a) all real property is being inventoried and managed properly; (b) applicable benefits available for each recipient are being properly acquired; (c) procedures for filing court documents are followed and completed accurately within code deadlines; and (d) internal controls surrounding proper fiscal accountability of client's funds are being followed including collection of funds and disbursements for bill payment.

Based on our review, which consisted of determining whether adequate internal controls exist to provide reasonable assurance that conservatees' assets, benefits and care are being adequately obtained and safeguarded, internal controls appear to be operating as designed. However, we noted a few areas where internal controls could be strengthened.

Our recommendations are as follows:

## Public Guardian/Public Conservator

We noted the following:

- Conservatees' assets other than cash (vehicles, homes, etc.) are not stored in CompuTrust or summarized in one location. In order to determine the existence of a client's assets, every file would need to be reviewed or each deputy inquired of to determine which client's have other assets.
- Three instances of mis-filings (documents belonging to other conservatees) in 15 conservatee case files reviewed. This appeared to be due to staffing shortages and filing tasks done intermittently or hurriedly.

- An extra responsibility called Crisis Duty has been placed on the staff due to the lack of staffing in Mental Health. This time-consuming duty takes the deputies away from their Public Guardian conservatees and should be managed by properly trained staff in Mental Health.
- Public Guardian deputies often move clients' personal effects to storage. This is also a time-consuming duty that might be more cost effective to have other employees perform or perhaps be outsourced.

We recommend the Division begin recording conservatees' other assets such as vehicles, homes, etc. in the CompuTrust system in order to efficiently maintain records and summarize such assets.

In addition, we recommend the Division review their staffing needs for duties such as filing, Crisis Duty and transporting assets and work with the County Executive Office to ensure these important tasks are adequately staffed for the utmost efficiency and utilization of County resources.

## Division Response:

The division agrees that recording conservatees' assets in the CompuTrust system will more efficiently maintain records and summarize assets. As an interim step, the division will develop a comprehensive list of all client assets in a program like Excel. This document would then be saved on the T: Drive in the Public Guardian Confidential Sub-Directory. This change will be effective immediately for new conservatees; and, will be phased in for current conservatees over the course of the next year. We will add client assets in CompuTrust once we have upgraded to the Web version.

The division has evaluated all resources for multiple program services and supports within the ASOC. At this time, we are confident that the current design provides the best services for clients who are conserved given the resources that are available. Some specific improvements will be made to this design including additional training and increased time assigned to filing.

#### **Public Administrator**

While reviewing the files and assets in care of the Public Administrator, we noted a potentially expensive piece of property from a current client was not secured in the safe, but in a filing cabinet which was unlocked.

We recommend all items be secured immediately upon receipt in a locked safe with limited access.

## Division Response:

The division agrees with, and will implement, this recommendation immediately.

# **Accounting Processes**

We noted the following:

- Bank reconciliations are prepared by one individual; however, no one reviews the bank reconciliations unless there is a problem reconciling.
- Stale dated checks currently dating back 14 months to August 2008. Earlier in 2008, there were some checks dating back to 2006 which have since been cleared up.
- CompuTrust (the system which manages conservatees' trust funds) is not reconciled to the Performance Accounting System (PAS) (County's general ledger) regularly. There are three fund/subfunds:

373250 - Public Guardian Trust - main

373260 - Public Guardian Investment - savings for conservatees

373510 – Public Guardian Revolving

The 373260 savings fund/subfund was originally set up because it earned a higher interest rate, however the rates are the same now. The revolving fund was set up years ago with \$2,000 for timing differences (if conservatees needed money instantly but didn't have their income in their account yet). They could borrow temporarily from the revolving account until their income was received. There was a mis-posting in the past which caused a decrease in the fund. It has never been corrected and the balance sits at \$1,806.72.

We recommend all bank reconciliations be reviewed by someone independent of the cash receipting process and that stale dated checks be researched and resolved within a timely manner, typically within six months of original issuance.

In addition, we recommend all funds/subfunds in PAS be reviewed and if they are deemed necessary, that they be reconciled to CompuTrust on a monthly basis.

# Division Response:

We have already modified our Bank Reconciliation Worksheet to include a "Prepared By" and "Reviewed By" signature; and, the last two bank statements have been reviewed.

Since our Public Guardian checks do not have an expiration date printed on them we will put a process in place where the Public Guardian account clerk will monitor outstanding checks on a regular basis and contact/write letters to payees after six months that those checks will no longer be negotiable.

Outstanding checks will be cancelled within 6 months to one year of the issue date which is what the Auditor's Office Accounting Manual for Cash recommends for under the Bank Account section 7.3, item 13; there are only five checks that fit that criterion as of the October 31, 2009 bank statement.

Our accounting area will resume reconciling PAS to CompuTrust on a monthly basis and expect to be caught up by June 30, 2010.

The Division's responses to the recommendations identified in our review are described above. We did not audit the Division's responses and, accordingly, we express no opinion on them.

We appreciate the Division staff's courtesy and cooperation throughout the course of this review.

Nicole C. Howard, CPA Internal Audit Manager

cc: Teri Webb, Public Guardian Client Services Supervisor

Eldon Luce, HHS Public Authority/Older Adult Services Manager

Graham Knaus, HHS Administrative Services Director

Katherine Martinis, Auditor-Controller

Placer County Audit Committee