

April 2009

Highlights

Internal Audit Report to the
Board of Supervisors

Why We Did This Review

The Maricopa County Public Fiduciary (MCPF) is considered the last resort when no viable alternatives exist for the guardianship or conservatorship. As such, public fiduciary environments carry an inherently higher risk of fraud or abuse. The audit focused on whether MCPF:

- Adequately safeguarded client assets
- Complied with relevant statutory and regulatory guidance
- Had adequate controls over information technology

What We Recommended

We recommended:

- Revising a number of policies and procedures, and standardizing processes
- Strengthening the case review process to ensure ward quarterly visits are completed
- Updating the timekeeping system to reflect the revised fee schedule
- Restricting access to sensitive ward information



For more information, please contact
Richard Chard, Deputy County Auditor, at 602-
506-7539 or rchard@mail.maricopa.gov

Office of the Public Fiduciary

Controls Over Ward Assets Could be Improved

What We Found

Client Assets

Statutory requirements and MCPF policies and procedures help ensure that client assets are adequately safeguarded. We found that improvement was needed in some areas and recommended controls that would strengthen the Public Fiduciary's ability to safeguard client assets and information.



- Some ward accounts were not reconciled for several months after the bank statement date
- Separation of duties over the disbursement process were inadequate to prevent theft of ward funds from the pooled accounts, the balances of which collectively exceed \$2 million dollars
- Screening processes for vendors that serve wards (including locksmiths and movers) were informal and lacked documentation
- Disbursements were adequately documented and authorized
- Some individual account balances within the pooled account exceeded FDIC insurance limits, sometimes for several months at a time
- All Public Fiduciary employees had access to all components of ward files within the department's primary operating system (which displays social security numbers and medical information), exposing wards to identity theft

Quarterly Visits

State statute requires guardians report on wards to assess personal, residential, and medical needs. MCPF has developed a policy to ensure that wards are visited once each quarter, or more frequently if needed. We found that some of these quarterly visits were not completed and/or documented.



We appreciate the excellent cooperation received from Maricopa County Public Fiduciary management and staff while conducting this audit.

"Do the Right Things Right!"

Maricopa County Internal Audit Department