

# OFFICE OF AUDITS & ADVISORY SERVICES



## **PUBLIC ADMINISTRATOR/GUARDIAN/ CONSERVATOR PERFORMANCE AUDIT**

*FINAL REPORT*

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# County of San Diego

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**JUAN R. PEREZ**  
CHIEF OF AUDITS

February 26, 2020

TO: Mark Sellers, Director  
Public Administrator/Guardian/Conservator

FROM: Juan R. Perez  
Chief of Audits

**FINAL REPORT: PUBLIC ADMINISTRATOR/GUARDIAN/CONSERVATOR PERFORMANCE  
AUDIT**

Enclosed is our report on the Public Administrator/Guardian/Conservator Performance Audit. We have reviewed your response to our recommendations and have attached it to the audit report.

The actions taken and/or planned, in general, are responsive to the recommendations in the report. As required under Board of Supervisors Policy B-44, we respectfully request that you provide quarterly status reports on the implementation progress of the recommendations. You or your designee will receive email notifications when these quarterly updates are due, and these notifications will continue until all actions have been implemented.

If you have any questions, please contact me at (858) 495-5661.

A handwritten signature in blue ink, appearing to read "Juan R. Perez".

**JUAN R. PEREZ**  
Chief of Audits

AUD:CE:nb

Enclosure

c: Nick Macchione, Director, Health and Human Services Agency  
Tracy Drager, Auditor and Controller  
Dean Arabatzis, Chief Operations Officer, Health and Human Services Agency  
Andrew Pease, Executive Finance Director, Health and Human Services Agency

## INTRODUCTION

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**Audit Objective** The Office of Audits & Advisory Services (OAAS) completed a performance audit of the Public Administrator/Public Guardian/Public Conservator (PA/PG/PC). The objective of the audit was to assess the effectiveness and efficiency of the PA/PG/PC operations and compliance with program mandates.

**Background** The Public Administrator (PA) serves as the administrator of decedent estates for those who have died without someone to properly and fully attend to their final affairs. Referrals are received from a variety of sources, including the Superior Court, Medical Examiner's Office, hospitals, mortuaries, and nursing homes. All work is conducted in accordance with the California Probate Code (PROB) and, where indicated, the direct authority of the Probate Court. Anyone in the public may request assistance from the PA for probate services, which include:

- Distributing assets according to the decedent's will, trust, or by law.
- Conducting investigations, which may include searching for next of kin and estate planning documents, as well as protecting the estate from waste, loss or misappropriation.
- Administering estates according to PROB.
- Notifying known creditors of the person's death and filing federal and state taxes, as applicable.
- Arranging for disposition of the decedent's remains.
- Administering the Indigent Disposition Program, providing direct cremation / ashes scattered at sea.

The Public Guardian (PG) serves as the legally-appointed conservator of persons and/or estates found by the Probate Court to lack capacity to attend to their own care needs and/or effectively manage their assets, particularly where no other person is able and available to reasonably act on their behalf. Frequently, PG conservatees are frail, isolated, older adults who were previously victims of abuse or neglect and have no one to oversee their care. Referrals are received from the Probate Court and anyone in the public may submit a referral for assistance. The PG can establish conservatorship of the person, estate, or both.

The Public Conservator (PC) receives referrals from psychiatrists in Lanterman Petris Short (LPS)-designated facilities throughout the County for the mental health conservatorship of a person who is gravely disabled due to mental illness and unwilling to accept treatment voluntarily. If no other alternatives are available, the Mental Health Court is petitioned to establish a one-year conservatorship, including orders for appropriate treatment settings and the provision of direct services. The PC also provides investigations and recommendations to the Court on a variety of matters relating to conservatees. Once established, further need for conservatorship is assessed at least annually. PC operations are largely governed by the California Welfare and Institutions Code (WIC).

The PA/PG/PC utilizes the application, Panasoft, for all of its case management activities. Documents related to case management are stored in the Electronic Records Management System (ERMS).

### **Audit Scope & Limitations**

The scope of the audit focused on evaluating whether key internal controls are in place and operating effectively to allow for the proper management of person and estate in accordance with applicable laws and regulations, as well as internal PA/PG/PC procedures.

This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing prescribed by the Institute of Internal Auditors as required by California Government Code, Section 1236.

### **Methodology**

The audit was performed using the following methods:

- Examined PA/PG/PC policies and procedures related to person and estate management to obtain an understanding of the business process;
- Identified and reviewed applicable PROB and WIC laws and regulations applicable to the management of PA/PG/PC cases;
- Assessed the risks to achieving PA/PG/PC key objectives; independently and in coordination with PA/PG/PC management;
- Interviewed key personnel on policies, procedures, regulations, and processes relevant to the areas being reviewed; and,
- Conducted specific audit procedures (e.g., interviews, document inspections, reconciliations, recalculations, and data analytics) on the following processes:
  - Asset identification and management;
  - Asset sales at auction;
  - Case management of person and estate;
  - Disbursement approval and payment;
  - Real property management;
  - Account open and closure;
  - Oracle/Panasoft reconciliation;
  - Cash receipts;
  - Warehouse/Vault security.

## **AUDIT RESULTS**

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### **Summary**

Within the scope of the audit, PA/PG/PC is generally compliant with applicable laws and regulations. However, multiple instances were noted where PA/PG/PC did not consistently follow internal policies and procedures. Additionally, we noted instances where the efficiency and effectiveness of operations could be improved. We have issued the following findings and related recommendations to further strengthen controls and improve their effectiveness.

**Public Guardian (PG)****Finding I: Deficiencies Noted in PG Case Management**

We selected a judgmental sample of 20 PG cases for review of compliance with applicable laws, regulations and internal policies and procedures. The sample consisted of 10 PG referrals received during FY 2018-19, and 10 open appointed PG cases as of 8/16/19. There were 175 PG referrals received by PG during FY 2018-19 and 134 open appointed PG cases as of 8/16/19. The following exceptions were noted:

- 4 of the 10 referrals - The client was not visited at least once every 30 days during the investigation phase.
- 7 of the 10 open cases - The client was not visited at least once every 30 days.
- 2 of the 10 open cases - No recorded activity for over 2 years.
- 2 of the 10 open cases - No photo of the conservatee was on file in Panasoft or ERMS. For the remaining 8 cases, there was no evidence to determine whether the photo had been updated on an annual basis.

PG policies and procedures require the PG to visit the conservatee at least once every 30 days during the investigation phase. The purpose of the investigation phase is to assess whether or not the referral is appropriate for appointment. After appointment, subsequent visits are required to be made at least once every 30 days. Additionally, the policies and procedures state that the Deputy Public Guardian should take all actions required to best serve the interests of conservatees. Therefore, PG has determined that timely follow-up on open cases is essential for ensuring the best interests of conservatees are adequately served.

According to PG management, frequency of visitation criteria was changed to once per calendar month instead of once every 30 days. However, the PG policy and procedure manual was not updated to reflect these changes.

Failure to visit referrals and conservatees at the established frequency could result in negative consequences to the physical and financial wellbeing of the individual.

For the cases with no activity in over two years, PG management indicated that one of the cases should have been closed as PG staff indicated this case was accidentally left open during a system conversion several years ago. The remaining case was awaiting final discharge from the Probate Court.

Insufficient follow-up on open cases could result in negative consequences to the physical and financial wellbeing of the conservatee and/or estate.

Additionally, PROB 2360<sup>1</sup> requires that a photo of the conservatee be taken upon appointment and updated on a yearly basis.

Not maintaining an updated photo of the conservatee in the case file results in non-compliance with PROB 2360.

**Recommendation:** In order to ensure quality service is provided to the conservatees, and increase compliance with internal policies, procedures, and PROB; the PG should:

1. Identify the frequency for face-to-face visits necessary to provide adequate care to the conservatee. Ensure the identified frequency is supported by adequate research. Document and monitor the standard identified in the PG policies and procedures.
2. Establish a management control designed to ensure the following:
  - Open cases are followed-up on and closed in a timely manner.
  - Ability to verify that a photo of the conservatee is on file and updated on an annual basis.
3. Provide training to PG deputies to ensure they are aware of PROB law requirements, as well as updated internal policies and procedures.

**Finding II:**

**Evidence of Disbursement Approval Is Not Maintained**

PG procedures require PG deputies to review all client bills for accuracy and appropriateness prior to disbursement. These bills include fixed disbursements, which are recurring monthly payments such as nursing facility rental payments and mortgage payments.

However, we were unable to verify that fixed disbursements were reviewed and approved by PG deputies. The support for the approval is done via email, and these approvals are not maintained, as emails are automatically deleted after a specific time period has passed in accordance with County practices.

Absence of evidence of the review results in the inability to verify that the control activity has been implemented.

According to the Committee of Sponsoring Organizations of the Treadway Commission (COSO), documentation provides evidence of the conduct of internal control and supports reporting on internal control effectiveness. Documentation is necessary to assure management that each component and relevant principles are present and operating together. Further, County Administrative Manual Item # 0040-11, Section 4.6 requires email users to determine, before 60 days, whether an email needs to be saved in a location other than the email system.

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<sup>1</sup> CA Prob Code § 2360: Upon the establishment of a conservatorship by the court and annually thereafter, the conservator shall ensure that a clear photograph of the conservatee is taken and preserved for the purpose of identifying the conservatee if he or she becomes missing.

**Recommendation:** PG should establish and document a process to ensure that sufficient evidence of the review and approval of fixed disbursements is maintained as evidence that the review was performed. At a minimum, PG should require email approvals be retained based on business need or applicable record retention policy.

## Public Conservator (PC)

### **Finding III: Compliance with Case Management Requirements**

We selected a judgmental sample of 10 PC referrals out of 502 received during FY 2018-19 for detail testing. Nine of the 10 referrals in our sample were accepted and appointed by the PC. For the 9 appointed cases, PC could not demonstrate compliance with WIC 5352.6<sup>2</sup>, which requires a treatment plan to be completed within 10 days after conservatorship of the person has been appointed.

The PC transfers case management responsibilities to Behavioral Health Services (BHS), including day-to-day administration of the case. In turn, BHS uses third party service providers to complete required treatment plans. However, PC was unable to produce evidence that required treatment plans were completed for conservatees as PC does not have a process to monitor or verify that treatment plans are adequately performed.

PC operations are governed by the WIC which provides requirements that must be met during the management of a PC case. Many of these requirements are time sensitive and require specific milestones to be completed within a certain timeframe.

**Recommendation:** Work with BHS to develop a process in which sufficient information is provided to the PC to substantiate that required treatment plans have been completed within required timeframe.

### **Finding IV: Deficiencies Noted in PC Case Management**

The same sample of PC referrals from finding III was tested to verify whether the PC case manager contacted the conservatee's social worker once a week to check the status of the case, and found no evidence of these calls.

PC procedures require the case manager to call the conservatee's social worker once a week for a status check and to document it in Panasoft.

Also, we noted that the Conservatorship Investigation Report for 1 of the 10 referrals was not completed at least 5 days prior to the court date. The report was completed on 6/11/18 and the court date to assign permanent conservatorship was held on 6/12/18.

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<sup>2</sup> CA Welfare and Institutions Code § 5352.6: Within 10 days after conservatorship of the person has been established under the provisions of this article, there shall be an individualized treatment plan unless treatment is specifically found not to be appropriate by the court.



The Conservatorship Investigation Report is to be completed at least 5 days prior to the court date according to PC procedures. Additionally, WIC 5354<sup>3</sup> requires the submission of the report to the court prior to the hearing.

Deficiencies in case management documentation and communication between parties involved in the case management of conservatees may cause delays in the management process and non-compliance with legal requirements established by WIC.

**Recommendation:** In order to ensure quality service is provided to the conservatees, and increase compliance with internal policies, procedures, and WIC; the PC should perform the following:

1. Review and revise case management process to ensure alignment with WIC and internal policy, and thoroughly document it in the PC policies and procedures manual.
2. Provide training to PC staff covering updated PC policies and procedures, including but not limited to case management documentation requirements.

**Finding V:**

**PC Documented Procedures Need Improvement**

We noted that PC procedures are not organized in an easily accessible and centralized document. Current procedures consist of multiple separate documents which state the steps for various processes within PC. However, the procedures do not explicitly document the responsibilities of each of the parties involved in the management of PC cases (e.g., PC Investigators, BHS Case Managers, 3rd Party Contractors, etc.).

According to PC management, staff turnover in the PC division led to the disorganization of policies and procedures within the division.

In the absence of specific and clear procedures, there is an increased risk for errors and inconsistency within the PC case management process.

Principle 12 of the COSO Framework advises an organization to deploy control activities through policies that establish what is expected and procedures that put policies into action.

**Recommendation:** PC procedures should be reviewed, revised, organized and documented in an easily accessible and centralized document. Procedures should be documented to enable PC management to clearly communicate specific responsibilities to individual staff, facilitate training new staff, and the review and monitor of PC internal controls. These procedures should be reviewed and updated, if necessary, on an annual basis.

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<sup>3</sup> CA Welfare and Institutions Code § 5354: The officer providing conservatorship investigation shall investigate all available alternatives to conservatorship and shall recommend conservatorship to the court only if no suitable alternatives are available. This officer shall render to the court a written report of investigation prior to the hearing.

**Public Administrator (PA)****Finding VI: Lack of Consistency in Estate Asset Sales**

We obtained the sale list for the July 16, 2019 auction noting there were assets sold for 6 PA summary case estates. We reviewed a judgmental sample of 10 sale items from these 6 estates noting that 4 of the items reviewed were not auctioned off within 120 days of appointment as required by PA procedures.

PA does not have specific guidelines regarding timeliness of the auction sale. Therefore, estate assets are not auctioned off in a consistent manner.

The longer assets remain in the warehouse/vault, the higher the risk is for asset loss or misappropriation. Additionally, warehouse/vault storage space is used inefficiently, as this space could be utilized by other estate assets.

**Recommendation:** In order to ensure all estate assets are sold timely and in a consistent manner, PA should establish and document guidelines regarding the specific timing of the sale of estate assets. Additionally, as estate assets are also sold for PG cases, the PG should develop and document similar guidelines.

**Public Administrator (PA) & Public Guardian (PG)****Finding VII: Deficiencies Noted in Asset Management**

We tested a judgmental sample of 20 cases (12 PA and 8 PG) with assets appointed during FY 2017-18 and FY 2018-19 noting the following:

- One of the sampled cases did not have photos of the client vehicle. PA procedures require that all vehicles have at least 3 photos showing the front, side, and rear of the vehicle, and a photo of the license plate must always be included.
- 12 of the sampled cases, which had property removed from the estate, did not have a department field receipt completed. PA/PG procedures state when accessing a decedent's property at any location, any property taken will be itemized on a department field receipt.

Additionally, we reviewed all 15 cases which held real estate as of 8/17/19 noting the following:

- Three of the cases did not have property insurance established within 24 hours of appointment. PA/PG real property procedures specify the Real Property Manager, or the designated Admin Support Staff, will arrange insurance coverage for all properties which are either uninsured or have no available proof of insurance.
- 14 of the cases did not have a Real Property Information Sheet completed. PA/PG real property procedures state that if it is appropriate to make a real property referral to the Estate Property Manager, the request should be made on the Real Property Information Sheet and should include all information regarding the property.

- 11 of the cases did not have property visitation performed at least once every 90 days (or 45 days if vacant). PA/PG real property procedures require occupied/vacant properties to be visited by the Estate Property Manager, or another member of the Estate Property Team, no less than 45 days if vacant, and no less than every 90 days for occupied properties. These visits are to be documented in Panasoft.

According to PA/PG management, photos are typically maintained on employee cell phones and/or laptops and are required to be uploaded to ERMS upon return to the office. However, ERMS does not have the capability to accept JPG files and photos must be first converted to PDF prior to upload and this process can sometimes cause delays. The case managers in these instances may have taken the photos but neglected to upload them into the case files.

Additionally, per PA/PG management, department field receipts are only completed when valuable items, such as jewelry and cash, are removed from a location and secured in the PAPG vault room. Field receipts are not used for items secured in the PAPG warehouse as those items are tracked and identified in the Panosoft database.

PA/PG management stated the Real Property Information Sheet has been used inconsistently as the Property Estate Manager typically uses the Property Tax Record for information regarding client property instead.

According to management, the real property visit frequency requirement was not met due to staff oversight.

**Recommendation:** In order to increase asset management effectiveness and awareness, and ensure compliance with internal policies and procedures, PA/PG should perform the following:

1. Evaluate criteria for the frequency of property visits for both vacant and occupied properties and determine whether criteria are sufficient to prevent significant waste and abuse to properties.
2. Document revised criteria in the Real Estate Policies and Procedures.
3. Provide refresher training to PA/PG staff involved in asset management to ensure they are aware of all requirements regarding asset management, including but not limited to:
  - Photos of estate assets
  - Completion of the Real Property Information Sheet
  - Completion of Departmental Field Receipts
  - Property visitation requirements
  - Insurance requirements for real properties

**Finding VIII: Insufficient Segregation of Duties**

Insufficient segregation of duties (SOD) was noted in the asset investigation and intake process. Specifically, with the exception of valuables (e.g., jewelry, cash, etc.), PA/PG staff identify and transfer estate assets to the PA/PG warehouse. These same staff will also record the assets identified in Panasoft.

According to PA/PG management, asset identification and recording processes are only segregated for high value items such as jewelry or cash. Management has determined the risk of loss or theft of low value items does not warrant the assignment of additional staff, as these resources can be applied more effectively in other areas of higher risk.

Inadequate SOD in the asset investigation and intake process increases the risk that estate assets may be misappropriated.

SOD is a significant component of the control activities aspect of the COSO Framework. The principle of SOD is based on sharing responsibilities within a key process and dispersing the critical functions of that process to more than one person or department. Without this separation in key processes, fraud and error risks are less manageable, less detectable, and more likely.

**Recommendation:** In order to ensure all estate assets are properly identified and accounted for, PA/PG should revise procedures to segregate incompatible duties, including asset identification and reporting processes.

**Finding IX: Warehouse Surveillance Equipment Not Secured**

During a walkthrough of the PA/PG warehouse, we noted that video surveillance equipment and storage is maintained in a room that is not secured. Therefore, unauthorized individuals such as PG warehouse staff and members of the public, can potentially access this room.

PA/PG indicated that the lack of security controls in the storage room was due to a management oversight.

The lack of adequate physical security controls for the storage room increases the risk of theft of County surveillance equipment.

Section 80 of the County Administrative Code requires each department head to maintain appropriate controls over minor equipment and fixed assets assigned to the department.

**Recommendation:** To increase the physical security and safeguarding of assets, PA/PG should:

1. Evaluate current physical security controls in place for the warehouse and establish additional controls, including restricting access to the storage room.
2. Document the new controls in PA/PG policies and procedures.

**Public Administrator (PA), Public Guardian (PG), & Public Conservator (PC)****Finding X: Lack of Standardized Guidelines**

PA/PG/PC does not have standardized guidelines regarding case management documentation practices. Specifically, we noted inconsistencies in processes including how the next of kin search is performed and documented.

The following represent potential effects of inconsistent documentation practices:

- Loss of productivity
- Increase in errors
- Incomplete information
- Unclear notes
- Insufficient trail of evidence for activities performed

According to COSO Principle 13, an organization obtains or generates and uses relevant, quality information to support the functioning of internal control.

Consistent practices among staff regarding the sufficient documentation of case management activities will ensure the necessary tasks are completed in an accurate and timely fashion using minimal resources. This helps eliminate duplicated efforts, streamline processes, increase productivity, and employ a variety of means to achieve consistent, efficient and effective processes.

**Recommendation:** PA/PG/PC should develop and document standardized guidelines for staff to follow regarding the documentation of case management activities.

**Finding XI: Process Improvement Identified**

We identified an opportunity for the PA/PG/PC to maximize efficiency of operations by applying technological enhancements to case management processes. Specifically, the following activities involve the completion of paper documentation which is later input into Panasoft:

- Case management notes related to site visits are manually input by staff into Panasoft.
- Estate and conservatee photos are taken onsite via cellphone and later uploaded into Panasoft.
- Assets identified at an estate and itemized on a paper department field receipt are later uploaded into Panasoft and ERMS.
- Drayage labor hours and expenses are documented on paper forms and later input into Panasoft and ERMS.

According to PA/PG/PC management, there is some concern about using mobile devices in the field as they may be unsafe to have in certain circumstances due to unstable conservatees and unsanitary estates.

Using manual processes can impact an organization negatively in the following ways:

- Loss of productivity
- Increase in errors
- Incomplete information
- Insufficient trail of evidence for activities performed

**Recommendation:** In order to increase efficiency of operations, PA/PG/PC should conduct a review of current processes that could potentially benefit from the use of IT technology.

Office of Audits & Advisory Services

C Compliance   R Reliability   E Effectiveness   A Accountability   T Transparency   E Efficiency

VALUE

**DEPARTMENT'S RESPONSE**  
(PUBLIC ADMINISTRATOR/GUARDIAN/CONSERVATOR)



# County of San Diego

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**MARK SELLERS**  
PUBLIC ADMINISTRATOR  
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PUBLIC CONSERVATOR

February 26, 2020

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**FEB 26 2020**

OFFICE OF AUDITS &  
ADVISORY SERVICES

TO: Juan R. Perez  
Chief of Audits

FROM: Mark Sellers  
Office of the Public Administrator, Public Guardian & Public Conservator

DEPARTMENT RESPONSE TO AUDIT RECOMMENDATIONS: Public Administrator, Guardian & Conservator Performance Audit

**Finding I: Deficiencies Noted in PG Case Management**

**OAAS Recommendation 1:** Identify the frequency for face-to-face visits necessary to provide adequate care to the conservatee. Ensure the identified frequency is supported by adequate research. Document and monitor the standard identified in the PG policies and procedures.

**Action Plan:** PAPGPC agrees with the audit recommendations. The Judicial Council of California "Handbook for Conservators" requires conservatees be visited "periodically." Several years ago, PAPGPC changed the visit frequency from every 90 days to every 30 days to provide more better oversight of conservatee needs. However, 30-day visitation was burdensome to track and monitor and the requirement was changed to monthly to better manage caseloads. The written Policy and Procedure Guide, however, was inadvertently not updated to reflect this change. The Policy and Procedure guide was updated on 8/28/19 to reflect the current visit expectation of monthly visits instead of the prior 30-day visit expectation. The PG supervisor runs the "PG Visit Report" in Panosoft twice per month to proactively monitor compliance. If the supervisor finds evidence a visit has not yet been conducted, she reminds the responsible deputy and follows up to make sure the visit was completed timely. The Panosoft case management system was updated to accurately track monthly visitation. Visitation compliance has always been monitored by the PG Supervisor. Corrective action has been completed.

**Planned Completion Date:** Completed 8/28/2019

**Contact Information for Implementation:** Sharon Drury, Assistant PAPGPC



**OAAS Recommendation 2:** Establish a management control designed to ensure the following:

- Open cases are followed-up on and closed in a timely manner.
- Ability to verify that a photo of the conservatee is on file and updated on an annual basis.

**Action Plan:** PAPGPC agrees with the audit recommendations. One of the open cases noted in the audit was only waiting for court authorization to close and was in "final discharge status," meaning all assets had been distributed to heirs, however, receipts from those heirs verifying the asset was received had yet to be mailed back to the PAPGPC office. The PAPG Legal Support Assistant created an Excel spreadsheet in October 2019, updates it regularly and uses this to better track all pending final discharges. County Counsel maintains awareness of all pending final discharges and works closely with the Probate Court and the PAPG to resolve all outstanding issues preventing final discharge. The updated spreadsheet is reviewed by the Assistant PAPGPC monthly and shared with County Counsel, who is reviewing each case and advising the PAPG when additional documents are needed for final discharge approval by the Probate Court. The other identified open case was an electronic system "conversion" issue in Panosoft. This electronic case has since been closed. A search for additional open "conversion" cases is now conducted monthly by the Assistant PAPGPC. Concerning photographs of conservatees, the Policy and Procedure Guide was updated in November 2019 to clarify conservatee pictures must be taken and uploaded within 30 days of initial appointment and annually thereafter. The updated procedures were sent to PG staff in an e-mail on 12/4/19. Additionally, two new fields were added to Panosoft on December 5, 2019: "Date Picture Taken" and "Date Picture Uploaded." A Panosoft download will be run by the PAPGPC Administrative Analyst or her designee quarterly to make sure all pictures remain in compliance. The PG Supervisor will be asked to follow up with the responsible PG Deputy if a picture is found out of compliance with this policy.

**Planned Completion Date:** Corrective action has been completed as of 12/5/2019.

**Contact Information for Implementation:** Sharon Drury, Assistant PAPGPC

**OAAS Recommendation 3:** Provide training to PG deputies to ensure they are aware of PROB law requirements, as well as updated internal policies and procedures.

**Action Plan:** PAPGPC agrees with the audit recommendations and provided training information to all PAPG staff on 12/4/2019.

**Planned Completion Date:** Corrective action has been completed as of 12/4/2019.

**Contact Information for Implementation:** Sharon Drury, Assistant PAPGPC

**Finding II: Evidence of Disbursement Approval Is Not Maintained**

**OAAS Recommendation 1:** PG should establish and document a process to ensure sufficient evidence of the review and approval of fixed disbursements is maintained as evidence the review was performed. At a minimum, PG should require email approvals be retained based on business need or applicable record retention policy.

**Action Plan:** PAPGPC agrees with this audit recommendation. In July 2019 we began emailing a "Mark & Hold Transaction Report" to the Deputy for approval. If changes are made by the

Deputy, Fiscal updates the report (in Panosoft). The final, approving email from the Deputy is now printed and attached to the report. A hardcopy of the report and email is kept in compliance with record retention guidelines.

**Planned Completion Date:** Corrective action has been completed as of July 2019.

**Contact Information for Implementation:** Sharon Drury, Assistant PAPGPC

**Finding III: Compliance with Case Management Requirements**

**OAAS Recommendation 1:** Work with BHS to develop a process in which sufficient information is provided to the PC to substantiate that required treatment plans have been completed within required timeframe.

**Action Plan:** PAPGPC agrees with this audit recommendation and is working with Behavioral Health Services to establish a process whereby the established case plan in place at the moment Permanent Conservatorship is established is obtained in compliance with W&IC 5352.6. A misstatement within the Audit Report should be addressed, however, as it states it is the responsibility of Behavioral Health Services to complete treatment plans for conservatees. This is not their role. It is the licensed facilities responsibility to develop a treatment plan for each conservatee that is based upon the laws governing their licensure.

**Planned Completion Date:** 5/29/2020

**Contact Information for Implementation:** Mark Sellers, PAPGPC

**Finding IV: Deficiencies Noted in PC Case Management**

**OAAS Recommendation 1:** Review and revise case management process to ensure alignment with WIC and internal policy, and thoroughly document it in the PC policies and procedures manual.

**Action Plan:** PAPGPC agrees with this audit recommendation. Staff were re-trained on 10/9/2019 and again on 1/8/2020 on the county-established policy of documenting weekly contact with each conservatee's case manager, social workers, treatment staff, as appropriate. The Program Manager is monitoring compliance twice per month and discussing any discrepancies in individual supervision.

**Planned Completion Date:** Corrective action has been completed as of 1/8/2020.

**Contact Information for Implementation:** Regina Koller, Program Manager

**OAAS Recommendation 2:** Provide training to PC staff covering updated PC policies and procedures, including but not limited to case management documentation requirements.

**Action Plan:** PAPGPC agrees with the audit recommendations. The Policy & Procedure Manual is presently being updated. Draft/updated policy will receive staff review and comment before being finalized and trained.

**Planned Completion Date:** 3/31/2020

**Contact Information for Implementation:** Regina Koller, Program Manager

**Finding V: PC Documented Procedures Need Improvement**

**OAAS Recommendation 1:** PC procedures should be reviewed, revised, organized and documented in an easily accessible and centralized document. Procedures should be documented to enable PC management to clearly communicate specific responsibilities to individual staff, facilitate training new staff, and the review and monitor of PC internal controls. These procedures should be reviewed and updated, if necessary, on an annual basis.

**Action Plan:** PAPGPC agrees with the audit recommendations. All policies and procedures are undergoing a revision and reorganization process, which is presently 75% completed.

**Planned Completion Date:** 3/31/2020

**Contact Information for Implementation:** Regina Koller, Program Manager

**Finding VI: Lack of Consistency in Estate Asset Sales**

**OAAS Recommendation 1:** In order to ensure all estate assets are sold timely and in a consistent manner, PA should establish and document guidelines regarding the specific timing of the sale of estate assets. Additionally, as estate assets are also sold for PG cases, the PG should develop and document similar guidelines.

**Action Plan:** PAPGPC agrees all estate assets should be sold timely and in a consistent manner, however, as there is no requirement within the Probate Code to complete summary case auctions within 120 days, the Policy & Procedure Manual will be updated to reflect our present practice of conducting estate sales either quarterly or whenever a sufficient volume of estate items is ready for sale. Court and legal processes, contact and issues with heirs, etc., may all impact when estate items may be ready for sale, including the most efficient utilization of staff time in preparing for an estate sale. PAPGPC will remain cognizant of space issues at the warehouse and sell items as soon as possible and when the greatest efficiency may be gained.

**Planned Completion Date:** 3/31/2020

**Contact Information for Implementation:** Sharon Drury, Assistant PAPGPC

**Finding VII: Deficiencies Noted in Asset Management**

**OAAS Recommendation 1:** Evaluate criteria for the frequency of property visits for both vacant and occupied properties and determine whether criteria are sufficient to prevent significant waste and abuse to properties.

**Action Plan:** PAPGPC agrees with this recommendation. We evaluated our criteria for the frequency of property visits to prevent significant waste and abuse to properties. There is no Probate Code requirement to maintain a specific visitation schedule with vacant and occupied properties. We verified with the Property Manager that all properties, whether vacant or occupied, shall be visited every 90 days upon appointment by the Probate Court. This schedule is monitored by the Manager twice per month and reviewed with the Assistant PAPGPC on a monthly basis to ensure compliance.

**Planned Completion Date:** Corrective action has been completed as of November 2019

**Contact Information for Implementation:** Sharon Drury, Assistant PAPGPC

**OAAS Recommendation 2:** Document revised criteria in the Real Estate Policies and Procedures.

**Action Plan:** PAPGPC agrees with this recommendation. The Policy & Procedure Manual is being updated to reflect the agreed upon changes noted above in Recommendation 1 for this section.

**Planned Completion Date:** 3/31/2020

**Contact Information for Implementation:** Sharon Drury, Assistant PAPGPC

**OAAS Recommendation 3:** Provide refresher training to PA/PG staff involved in asset management to ensure they are aware of all requirements regarding asset management, including but not limited to:

- Photos of estate assets
- Completion of the Real Property Information Sheet
- Completion of Departmental Field Receipts
- Property visitation requirements
- Insurance requirements for real properties

**Action Plan:** PAPGPC agrees with these recommendations. The Policy & Procedure Manual will be reviewed with the PAPG staff in March 2020 to clarify expectations on each of the items identified above.

**Planned Completion Date:** Staff were re-trained on the proper use of the Real Property Information form on 10/15/2019 and a revised form was provided to staff in November 2019. Property team staff were trained on revised property visitation requirements in November 2019. Internal procedure was adjusted and staff were re-trained on the establishment of insurance in November 2019. The Policy & Procedure Manual addressing photographs of estate assets will be reviewed and the completion of Department Field Receipts will be revised to reflect current practice by 3/31/2020.

**Contact Information for Implementation:** Sharon Drury, Assistant PAPGPC

**Finding VIII: Insufficient Segregation of Duties**

**OAAS Recommendation 1:** In order to ensure all estate assets are properly identified and accounted for, PA/PG should revise procedures to segregate incompatible duties, including asset identification and reporting processes.

**Action Plan:** PAPGPC disagrees with this recommendation. When a drayage occurs, no less than two staff (and generally three) are present to marshal assets from the home. They are immediately loaded on to a county moving truck and driven to the PAPG Warehouse by that same team, which provides a safe and secure location for the team to conduct this pain-staking task. Together as a team, these staff sort and inventory the personal property and together enter each item into the Panosoft case management system. The warehouse is fully managed by these staff. The warehouse has a multiple-camera surveillance system that captures all activities of the team during the sorting and inventory process. The items initially loaded into the truck cannot be inventoried at the residence due to issues of safety and health. If cash or small

items of value are located at a residence, those items are immediately inventoried on a receipt and delivered to the vault room at the PAPGPC main office the same day. Both the receipt and the property to be placed in the vault room is provided to the staff member who is tasked with managing the vault room. The "vault manager" is not a part of the team who marshals the assets at the property. It is the contention of PAPGPC these processes reasonably safeguard personal property from any theft, loss or misappropriation, regardless of whether the property is appropriate for storage at the warehouse or the vault room.

**Planned Completion Date:** The PAPGPC trains all staff in processes concerning the handling of personal property and no further action is required.

**Contact Information for Implementation:** Sharon Drury, Assistant PAPGPC

**Finding IX: Warehouse Surveillance Equipment Not Secured**

**OAAS Recommendation 1:** Evaluate current physical security controls in place for the warehouse and establish additional controls, including restricting access to the storage room.

**Action Plan:** PAPGPC agrees with this recommendation. The small enclosure within the warehouse that houses the security system recording equipment now has a locked, secure door installed. The key to the door lock is not maintained by any of the warehouse staff. No PAPGPC staff have access to this room or equipment. Photos of the completed work were received 2/12/2020.

**Planned Completion Date:** Corrective action has been completed as of 2/12/2020.

**Contact Information for Implementation:** Sharon Drury, Assistant PAPGPC

**OAAS Recommendation 2:** Document the new controls in PA/PG policies and procedures.

**Action Plan:** PAPGPC agrees with this recommendation. The Policy & Procedure Manual is being updated to identify who has and does not have access to this equipment room, should there ever be a need for review of warehouse video footage.

**Planned Completion Date:** 3/31/2020

**Contact Information for Implementation:** Sharon Drury, Assistant PAPGPC

**Finding X: Lack of Standardized Guidelines**

**OAAS Recommendation 1:** PA/PG/PC should develop and document standardized guidelines for staff to follow regarding the documentation of case management activities.

**Action Plan:** PAPGPC agrees with this recommendation. The present Policy & Procedure Manual does identify the kind of information that should be included in event notes within Panosoft for the Public Guardian function. Similar documentation guidelines will be developed for the Public Administrator function, which includes the next of kin search activity mentioned in this finding. PAPGPC is researching written standards available in other HHS case management programs that will strengthen our documentation guidelines, as well as any potential training available on the topic.

**Planned Completion Date:** 3/31/2020

**Contact Information for Implementation:** Sharon Drury, Assistant PAPGPC

**Finding XI: Process Improvement Identified**

**OAAS Recommendation 1:** In order to increase efficiency of operations, PA/PG/PC should conduct a review of current processes that could potentially benefit from the use of IT technology.

**Action Plan:** PAPGPC agrees with this recommendation and is consulting with HHSa IT representatives as to potential, available solutions. PAPGPC recently converted all three programs into ERMS, provided larger, sophisticated county cell phones to Deputies in order to support GWOW/field-based work, established e-fax capabilities, and is securing electronic signature capability within ERMS. Utilization of portable scanners is presently being reviewed.

**Planned Completion Date:** 4/30/2020

**Contact Information for Implementation:** Mark Sellers, PAPGPC

If you have any questions, please contact me at (858) 495-5586.



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**Office of Audits & Advisory Services  
PA/PG/PC Performance Audit (A19-004)  
Rebuttal to the Department's Response**

**Finding VIII – Recommendation 1:** The same group of individuals is tasked with identifying assets at an estate, transferring these assets to the PA/PG warehouse, and documenting them into the Panasoft case management system. Best practices for proper segregation of duties require different individuals to perform key tasks within a process. Without this separation in key processes, fraud and error risks are less manageable, less detectable, and more likely. Therefore, OAAS stands by its finding and recommendation.