

County of Solano
Office of the Auditor-Controller



**Internal Control Review of the
Solano County Health & Social Services
Public Guardian**

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INTRODUCTION

In accordance with the Fiscal Year 2014/15 Audit Plan for the Internal Audit Division, we conducted an internal control review of the Solano County Health & Social Services Public Guardian.

BACKGROUND

The Health & Social Services Public Guardian, a Bureau within the Older and Disabled Adult Services Division provides personal and financial services to individuals who are unable to care for themselves and/or are unable to manage their own affairs. The Public Guardian consists of two programs; the Public Guardian/Conservator and the Public Administrator.

Public Guardian/Conservator

The Public Guardian/Conservator provides services to individuals who are legally conserved under the Lanterman-Petris-Short (LPS) Act (typically those individuals suffering from mental illness) or under the Probate Code (designed for individuals with permanent, ongoing, cognitive deficits not attributable to a mental illness). The Public Guardian's services include:

- Case management
- Management of assets (income and property management)
- Applying for and receiving benefits
- Authorizing medical treatment as mandated by the California Probate Code and Welfare & Institution Code.

As of December 31, 2014 the Public Guardian was providing services to 277 clients.

The Public Guardian/Conservator's general ledger is maintained in the County's Integrated Financial Accounting System (IFAS) under Fund 377 as an agency fund. An agency fund is custodial in nature. The following assets were maintained within the general ledger as of December 31, 2014.

Cash in Treasury	\$3,350,599
Property of Estates	<u>4,817,430</u>
Total	<u>\$8,168,029</u>

Public Administrator

The Public Administrator searches for next of kin, authorizes the disposition of a decedent's remains, and oversees the distributions of a decedent's estate when they have left no direction and/or executor for that purpose. As of December 31, 2014 the Public Administrator was overseeing 42 estates.

The Public Administrator's general ledger is maintained in IFAS under Fund 376 as an agency fund. The following assets were maintained within the general ledger as of December 31, 2014:

Cash in Treasury	\$ 770,910
Property of Estates	<u>3,015</u>
Total	<u>\$ 773,925</u>

The Public Guardian/Conservator and Public Administrator subsidiary ledgers for both cash and property are maintained within the Panoramic system. The Public Guardian uses this system to perform fiscal and case management duties for the separate conservatee/estate accounts.

OBJECTIVE

The objective of our review was to evaluate the adequacy of internal controls over the accountability of clients' funds, property, and records maintained by the Health & Social Services Public Guardian, which includes the following programs:

- Public Guardian/Public Conservator
- Public Administrator

SCOPE & METHODOLOGY

For the two programs, we evaluated the adequacy of internal controls in the following areas:

- Collection and disbursement of funds
- Tracking and distribution of client property
- Reconciliation of bank accounts to the general ledger
- Court accountings

The scope of our review was limited to the internal controls, policies and procedures, processes, and systems in place over the recording and reporting of Public Guardian operations and activities during the period July 1, 2013 through December 31, 2014. Additionally, we reviewed the Public Guardian's compliance with its policies and procedures related to court accounting filings and the California Probate Code from January 1, 2012 through December 31, 2014.

To achieve our objectives, we interviewed key individuals, reviewed records, documents, and the automated system in place, and evaluated policies and procedures. Our review was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

In any system of internal controls inherent limitations exist which may result in errors or irregularities occurring and not being detected. Limitations may include, but are not limited to, resource constraints, management override, and circumvention of internal controls by collusion. Further, projection of any evaluation of the internal controls to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies and procedures. Accordingly, our review would not necessarily

disclose all weaknesses in the operating procedures, accounting practices and compliance with County policy.

CONCLUSION

We did not identify material weaknesses or significant deficiencies in the Public Guardian's internal controls over the collection and disbursement of funds, the tracking and distribution of client property, reconciliation of bank accounts to the general ledger, or court accounting filings.

The Internal Audit Division thanks the management and staff of Health and Social Services Public Guardian for their cooperation and assistance extended to us during the completion of this review.