

Arizona Supreme Court  
Administrative Office of the Courts



*Compliance Audit*

*Pinal County Public Fiduciary*

*March 2003*



# Supreme Court

STATE OF ARIZONA  
ADMINISTRATIVE OFFICE OF THE COURTS

Charles E. Jones  
Chief Justice

David K. Byers  
Administrative Director  
of the Courts

May 26, 2003

Mary Espinoza  
Pinal County Public Fiduciary  
500 South Central  
P.O. Box 808  
Florence, AZ 85232

Re: Pinal County Public Fiduciary Audit Report

Dear Ms. Espinoza:

Enclosed is the final compliance audit report for Pinal County Public Fiduciary. Thank-you for your written response to the draft you received. You will find a copy of your response and a letter of conclusion as appendices to this report.

Thank you for your cooperation and assistance during the pilot compliance audit process. To the extent the new fiduciary audit process will assist the court to ensure the safety, health and welfare of individuals and estates entrusted by the court to your management, we have benefited from our audit of Pinal County Public Fiduciary. I hope Pinal County Public Fiduciary and its clients will equally benefit.

If you have any questions, please let me know at (602) 364-2378.

Sincerely,

A handwritten signature in cursive script that reads "Nancy Swetnam".

Nancy Swetnam, Division Director  
Certification and Licensing Division

Enclosures

c: Director, Administrative Office of the Courts, Dave Byers  
Honorable William O'Neil, Presiding Judge  
Honorable Kelly M. Robertson  
Ms. Sandie Smith, Chairman, Pinal County Board of Supervisors

# TABLE OF CONTENTS

	Section Number
FINAL REPORT	1
Objective	
Methodology	
Scope	
Findings	
Auditee's Response	
Corrective Action	
APPENDIX I	2
Conclusion and Summary Letter	
APPENDIX II	3
Pinal County Fiduciary Audit Response	

## Disclaimer

This final report represents the information and conditions encountered at the point in time of the audit and does not purport to represent conditions prior to or subsequent to the performed audit. In addition, the information presented does not represent an endorsement or denunciation of the audited fiduciary or business.

After this report is distributed to the audited fiduciary, presiding judge of the county and, if a public fiduciary, the county supervisors, it becomes public record.

# SECTION 1

## Pinal County Public Fiduciary Compliance Audit Report

### *Objective*

The pilot compliance audit was conducted pursuant to the Fiduciary Program's responsibilities as set forth in A.R.S. §14-5651 and Arizona Supreme Court Administrative Order No. 2003-31.

The objective of the pilot compliance audit was to determine compliance with applicable statutes, Arizona Supreme Court orders and rules and the Fiduciary Program rules and codes and the Code of Conduct.

### *Methodology*

In preparation for the pilot compliance audit, preliminary survey questions were given and responded to by the Pinal County Fiduciary. The responses were reviewed and compiled to assist in the development of case file samples. In addition, information was requested from the Superior Court in Pinal County to verify court appointment information.

In preparation for testing for compliance, the program developed fiduciary compliance attributes from Arizona statutes, Arizona Supreme Court rules and Fiduciary Program Certification rules and codes. Compliance with these requirements was verified by staff interviews, observation and reviewing samples of client case files.

A random sampling approach was used. The selected samples of court appointed client case files were designed to provide conclusions about the accuracy, validity and timeliness of transactions, internal controls and compliance with attributes. Client case files were selected by type of appointment, length of appointment, amount and type of assets, type of required client protection and initiation or termination of appointment during the review time frame.

### *Scope*

During the period of March 17, 2003 to March 27, 2003, the Fiduciary Program of the Certification and Licensing Division of the Administrative Office of the Courts, Arizona Supreme Court, conducted a pilot compliance audit of the Pinal County Public Fiduciary Office. The audit included the fiduciary activities of the principal, certified staff and support staff.

The Pinal Public Fiduciary is currently the court appointed fiduciary on two hundred thirty (230) guardian, conservator or personal

## Pinal County Public Fiduciary Compliance Audit Report

representative cases.

The compliance audit team reviewed a sample of the 230 cases of court appointments and terminations during the period of January 1, 2001 through January 1, 2003.

### *Summary*

The Pinal County Public Fiduciary's Office provided timely accountings and documents to the court. Of note was their process for canceling client credit cards and closing bank accounts. Those processes were documented in their files. In addition, their case file reports' narrative and actions were well documented with dates, actions of parties, management review and staff time. The Pinal County Public Fiduciary staff consistently knew their job function and processes and possessed good internal controls. However, this compliance audit found non-compliance in the areas of accuracy on the inventories, accountings and guardianship reports, documentation and fiduciary program rules. These findings are discussed below.

## Pinal County Public Fiduciary Compliance Audit Report

### ***Finding # 1***

#### **➤ *Accuracy***

*Related Attributes:*  
A.R.S. §14-3706;  
Arizona Code of  
Judicial  
Administration §7-202,  
Appendix A, Code of  
Conduct, Standard 2.e,  
4.i. and 5.h

#### ***Requirements***

#### ***Auditee's Response***

The inventories, accountings and guardianship reports required by the court were inaccurately prepared in the sampled cases.

- a. Inventory and annual accounting submissions to the court did not include values for personal property. Although client files documented the actual inventory, the value (nominal or not) of the personal property was not indicated on required court filings.
- b. Assets and liabilities were not totaled on annual accountings; this prevented the ability to determine whether the client had any gains or losses from year to year.
- c. Annual accountings do not reflect the disposition of real property enabling the court to monitor and track the asset and/or its disposition.
- d. The receipt and disbursement time frames for annual accountings were not dated from the end of the prior year's accounting period ending date. Receipt and disbursement timeframes were not the same on the same accounting. This precludes tracking a client's assets accurately from one accounting period to the next.
- e. Annual accountings' assets do not agree with prior accountings. No documentation was present to indicate asset changes including gains or losses or disposition. The court (and the fiduciary) would be unable to determine the whereabouts, disposition and/or value of these assets or account for the process of how the fiduciary manages the estate's assets.
- f. One sample client case file had an inventory which was not valued as of the date of death of the client. Therefore, the court has no accurate accounting of this client's assets and liabilities as of the date of their death.

The Pinal County Fiduciary Office will submit complete and accurate inventories and accountings.

The current format of the Pinal Co. Public Fiduciary's for inventories and accountings are long-standing formats established by previous presiding judges. The formats are not very sophisticated, but they

## Pinal County Public Fiduciary Compliance Audit Report

served the original purposes outlined by the Court - inventory items of value and disclose every receipt and expenditure made on behalf of a ward.

The Pinal Co. Public Fiduciary is reformatting its inventories and accountings to meet current professional fiduciary standards of practice and the Arizona Supreme Court rules and regulations for fiduciaries.

Generally, Pinal Co. Public Fiduciary annual accountings do include the status/disposition of real property, do reflect corresponding time frames from one accounting to the next and list all client/estate assets from previous accountings. There may have been an error or omission of this nature in a case reviewed by the Compliance Audit Team. The Pinal Co. Public Fiduciary will review annual accountings prior to filing them to make sure all property is accurately reported, timeframes coincide and all assets are accurately reported.

Annual accountings are not filed after the death of a ward. Upon the death of a ward, final business is taken care of and a final accounting is presented to the Court. The final accounting provides the Court information relative to a ward's remaining assets. The Pinal Co. Public Fiduciary will continue to provide final accountings to the Court upon the death of its wards.

---

***Corrective Action***

The Pinal County Public Fiduciary Office will change the formats for inventories and annual accountings to show personal property values, totals for assets and liabilities and the disposition of real property.

The Pinal County Public Fiduciary Office will use time frames based on prior accountings with the same receipt and disbursements dates on annual accountings. Asset changes will be traceable over the course of time. In the case of inventories for decedents, they will use the date of death as the starting point for valuations.

## Pinal County Public Fiduciary Compliance Audit Report

<p><b><i>Finding # 2</i></b></p> <p>➤ <b><i>Accuracy</i></b></p> <p><u><i>Related Attributes:</i></u> <i>A.R.S. §14-5315(C)</i></p> <p><b><i>Requirements</i></b></p> <p><b><i>Auditee's Response</i></b></p>	<p>Annual guardianship reports were missing statutorily required information. The missing information on the reports was the type of facility, person in charge of the facility, a summary of the services provided at the facility and the name of the individual responsible.</p> <p>Pinal County Fiduciary Office will include the statutorily required information on all guardianship reports to the court.</p> <p>In its annual guardianship reports, the Pinal Co. Public Fiduciary has failed to include the name of the person in charge of the facilities where our wards reside. Generally speaking, however, the type of facility is included in or inferred from the name of the facility (i.e. Desert Valley Care Center).</p> <p>There is no statutory requirement to provide a summary of the services provided by the facilities where our wards reside. The statute does require a summary of the services provided to our wards by governmental agencies. The name of the individual responsible for our wards affairs with those agencies is also required.</p> <p>In each annual guardianship report, the Pinal Co. Public Fiduciary will include the name of the person in charge of the facility where our ward resides. A description of the type of facility will also be included.</p>
<p><b><i>Corrective Action</i></b></p>	<p>The Pinal County Fiduciary Office will include the name of the person in charge of the facility, type of facility and the summary of services provided by a government agency on annual guardianship reports.</p>

## Pinal County Public Fiduciary Compliance Audit Report

<p><b><i>Finding #3</i></b></p> <p>➤ <b><i>Documentation</i></b></p> <p><u><i>Related Attributes:</i></u> <i>A.R.S. §14-5418(B)</i></p> <p><b><i>Requirements</i></b></p> <p><b><i>Auditee's Response</i></b></p>	<p>Client case file documentation is incomplete or missing in the following instances:</p> <ol style="list-style-type: none"><li>a. Client stock holding was not reflected in the file nor reported on accountings;</li><li>b. Title to real property was not in the files;</li><li>c. Evidence of insurance on property was not in the files;</li><li>d. Conformed copies of court orders/letters were not in the files;</li><li>e. Notes explaining any deviations on accountings were not in the files nor reported on accountings;</li><li>f. Some bank statements on client individual bank accounts were not in the files;</li><li>g. Documentation for a recovery action was not in the files.</li></ol> <p>The Pinal County Public Fiduciary will document each client file to ensure compliance with statute order and fiduciary decision making process is supported by documentation.</p> <p>The Pinal Co. Public Fiduciary attempts to ensure client case files are well maintained and adequately documented.</p> <ol style="list-style-type: none"><li>a. One client did have stock that was not properly accounted for.</li><li>b. If located, titles to a wards real property are maintained separately in a fire-proof safe. Titles or deeds to real property may or may not be obtained if the originals are not found. Documentation relative to ownership will be in the file, however.</li><li>c. Generally speaking, evidence of property insurance is in maintained in client files. The policies are maintained separately in a fire-proof safe.</li><li>d. Generally speaking, copies of all court documents are maintained in client files.</li><li>e. There are no deviations on accountings. If there are deviations, this information will be noted in the client file.</li><li>f. Generally speaking, if a client has money in an account other than a Pinal Co. Public Fiduciary's account, this information is documented in the client file. Depending on the type of account the Pinal Co. Public Fiduciary may or may not have copies of actual bank statements.</li><li>g. The documentation on a recovery action was not current in a client file.</li></ol>
---	---

## Pinal County Public Fiduciary Compliance Audit Report

The Pinal Co. Public Fiduciary will continue its efforts to properly maintain and adequately document client case files.

---

***Corrective Action***

Client stock holdings, title to real property, insurance records, conformed copies of court orders/letters, deviations and other types of documentations will be placed in client files or reference will be made in the files of the documentation location.



## Pinal County Public Fiduciary Compliance Audit Report

<p><b><i>Finding #5</i></b></p> <p>➤ <b><i>Program Rules</i></b></p> <p><u><i>Related Attributes:</i></u> <i>Arizona Code of Judicial Administration §7-202, F.8</i></p> <p><b><i>Requirements</i></b></p> <p><b><i>Auditee's Response</i></b></p>	<p>Documents submitted to the Superior Court in Pinal County did not routinely include the fiduciary's number on the documents.</p> <p>Pinal County Public Fiduciary will include the fiduciary's certificate number on all superior court documents.</p> <p>This office did not interpret the FCP regulations to mean the number was to be included on exhibits to the petitions and the related notices of hearing or proofs of notice.</p> <p>During conversations in this audit process, the FCP Program Coordinator indicated this certification number, as well as the certification number issued to this Public Fiduciary office, should also be displayed on these supportive documents.</p> <p>The Pinal County Public Fiduciary will include the fiduciary certification numbers for Mary B. Espinoza and the Pinal County Public Fiduciary on all documents filed with the Superior Court. The numbers will be also be included on all supporting documentation such as exhibits to petitions and related notices of hearing or proofs of notice.</p>
<p><b><i>Corrective Action</i></b></p>	<p>All documents submitted to the court will include the business and a fiduciary's certificate number.</p>

# SECTION 2



# Supreme Court

STATE OF ARIZONA

ADMINISTRATIVE OFFICE OF THE COURTS

Charles E. Jones  
Chief Justice

David K. Byers  
Administrative Director  
of the Courts

May 19, 2003

Mary Espinoza  
Pinal County Public Fiduciary  
500 South Central  
P.O. Box 808  
Florence, AZ 85232

Dear Ms. Espinoza:

We have received your letter responding to the program's audit of the Pinal County Public Fiduciary Office and want to thank-you for your suggestions on the audit process and your audit findings responses. The completeness of your response letter has been instrumental to understanding your processes and systems.

Specific case references will be implemented on future audits. The challenge will be to maintain client and proprietary confidentiality yet be specific enough for an auditee to identify the case file addressed in an audit finding. This will be accomplished by assigning each reviewed case file a discreet number known only to the auditee and auditor.

## **Finding # 1: Accuracy – *Finding Stands***

The court must be able to see personal property accounted (nominal or not) for on inventories and annual accountings. To determine if there have been changes from one year to the next, summary amounts for gains, losses and disposition of real property need to be reflected on court submissions. Correct accounting time frames are key elements in that process.

Even if personal property has a nominal value, the sale of that personal property at a later date will be reflected on the accounting as a deposit. If the personal property was not listed on the inventory or accounting, the court is left to wonder why the property has suddenly appeared. Therefore, personal property of a nominal value should be reported on the inventory and the subsequent accountings.

On case file # 03 (case file numbers and names are attached to this letter) the inventory of property owned by the decedent was not valued as of the date of death as required by A.R.S. §14-3706. The draft audit finding incorrectly referenced an annual accounting. It should have referenced an inventory.

**Finding # 2: Accuracy – *Finding Stands***

A.R.S. §14-5315(C) requires the guardian include the following information on the annual report:

- Type, name, address of the home or facility and the facility's person in charge
- Number of times the guardian has seen the ward in the last twelve months
- Date the guardian last saw the ward
- Name and address of the ward's physician
- Copy of the ward's physician's report or summary of observations on the ward's physical and mental condition
- Observed major changes in the ward's physical or mental condition
- Opinion whether the guardianship should be continued
- Summary of services provided to the ward by a governmental agency and the name of the responsible individual

The type of facility inferred in the name of the facility would not be explicit or sufficient for an interested individual not working in the fiduciary industry.

The summary of services provided by a governmental agency is a fairly broad requirement. Any facility receiving tax supported funding would qualify as a government agency. An example of a government agency is the Arizona Division of Developmental Disabilities.

**Finding # 3: Documentation – *Finding Stands***

The client stock holdings, title to real property, insurance records, *conformed copies* of court orders/letters, deviations and other types of documentation maintained by Pinal County Public Fiduciary (PCPF) were not presented to the auditors nor referred to in the client files reviewed by the auditors. While PCPF may maintain an adequate records and documentation system in the office, the information was not present in the client files reviewed by the auditors. Therefore, the auditors were unable to verify the existence, adequacy and accuracy of the assets and information in the client files presented.

**Finding # 4: Program Rules – *Finding Stands***

The two uncertified case manager job descriptions drew no distinction between their responsibilities and those of certified case managers. Their titles were the same as

certified staff. The degree of difficulty of cases assigned is not the issue. The principal's responsibility to actively and directly supervise all other certified fiduciaries and staff is not the issue. Who must be certified is the issue. Because they are uncertified, they are not bound to the Fiduciary Certification Program Rules and Codes, including Code of Conduct Standard 7 which states a fiduciary is bound to be compliant with Arizona law and administrative orders and to court orders. In addition, uncertified staff exposes the office and the principal to risk and liability and the fiduciary's clients to health, safety and welfare issues.

Arizona Code of Judicial Administration §7-202 (E) (d) (3) states "The public fiduciary shall agree that not less than one certified person shall have the assigned *primary* responsibility for each court appointment as a guardian, conservator or personal representative". (emphasis added)

In answer to your concern, no, it is not the intent of the Fiduciary Program to impose a limit on the authority of the PCPF to delegate the case management of these cases to another certified fiduciary in your office.

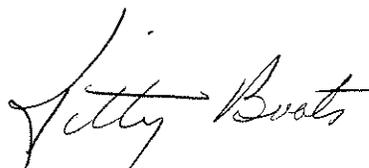
**Finding # 5: Program Rules – *Finding Stands***

Arizona Code of Judicial Administration §7-202 (F) (8) does not distinguish between documents filed with the court. Therefore all documents submitted to the court should include the business and a fiduciary's (the fiduciary who signs court documents) certificate number.

Conclusions from your response letter and this letter will be summarized and included in the final report.

Sincerely,

  
J. R. Rittenhouse  
Fiduciary Program Manager  
Certification and Licensing Division  
Arizona Supreme Court

  
Kitty Boots  
Fiduciary Program Review Specialist  
Certification and Licensing Division  
Arizona Supreme Court

Attachment

# SECTION 3

**Pinal County Public Fiduciary**  
**Response to AOC-FCP Draft Compliance Audit Report**

FINDINGS AND REQUIREMENTS	AOC-FCP COMPLIANCE AUDIT FINDINGS DESCRIPTIONS	PINAL CO. PUBLIC FIDUCIARY RESPONSES TO AUDIT FINDINGS AND ACTION PLANS
<p><b><u>Finding # 1</u></b></p>	<p>The inventories, accountings and guardianship reports required by the court were inaccurately prepared in the sampled cases.</p> <p>a. Inventory and annual accounting submissions to the court did not include values for personal property. Although client files documented the actual inventory, the value (nominal or not) of the personal property was not indicated on required court filings.</p> <p>b. Assets and liabilities, not totaled on annual accountings, prevented the ability to determine whether the client had any gains or losses from year to year.</p> <p>c. Annual accountings do not reflect the disposition of real property, enabling the court to monitor and track the asset and/or its disposition.</p>	<p><b>General Response:</b> The majority of the Pinal Co. Public Fiduciary's wards are indigents whose most significant assets are their SSI and/or SSA income. More than 50% of our cases are simple guardianships where no inventories or annual accountings are statutorily required. Less than 2% of our wards currently own or owned real property at the time the Public Fiduciary became involved with their case.</p> <p>The current format of the Pinal Co. Public Fiduciary's inventories and accountings are long-standing formats established by previous presiding judges. The formats are not very sophisticated, but they served the original purposes outlined by the Court - inventory items of value and disclose every receipt and expenditure made on behalf of a ward.</p> <p>These formats do not meet current professional fiduciary standards of practice and the Arizona Supreme Court rules and regulations for fiduciaries.</p> <p><b>Action:</b> The Pinal Co. Public Fiduciary is reformatting its inventories and accountings to meet current professional fiduciary standards of practice and the Arizona Supreme Court rules and regulations for fiduciaries.</p> <p><b>Response: a.</b> Generally speaking, Pinal Co. Public Fiduciary inventories and accountings do include personal property with</p>

value such as mobile homes, vehicles, burial policies, and large lots of household furnishings. What is not included in inventories and accountings filed with the Court are personal property items of nominal value such as an institutionalized client's television, radio, recliner and clothing. As noted above, this has been long-standing local standard practice established at the direction of previous presiding judges.

**Action:** Regardless of what has been standard local practice, the Pinal Co. Public Fiduciary is revamping the format of its inventories and annual accountings to bring them in-line with professional fiduciary standards of practice and Arizona Supreme Court rules and regulations.

**Response: b.** The current format of the Pinal Co. Public Fiduciary accountings is a long-standing format established by previous presiding judges and it does not include an overall totaling of assets and liabilities.

**Action:** The Pinal Co. Public Fiduciary is revamping the format of its inventories and annual accountings to bring them in-line with professional fiduciary standards of practice and Arizona Supreme Court rules and regulations. The new format will include an overall totaling of assets and liabilities.

**Response: c.** Generally speaking, Pinal Co. Public Fiduciary annual accountings do include the status/disposition of real property. There may have been an error or omission of this nature in a case reviewed by the Compliance Audit Team.

**Action:** The Pinal Co. Public Fiduciary will review annual accountings prior to filing them to make sure all property is accurately reported.

d. The receipt and disbursement time frames for annual accountings were not dated from the end of the prior year's accounting period's ending date. Receipt and disbursement timeframes were not the same on the same accounting. This precludes tracking a client's assets accurately from one accounting period to the next.

e. Annual accountings' assets do not agree with prior accountings. No documentation was present to indicate asset changes including gains or losses or disposition. The court (and the fiduciary) would be unable to determine the whereabouts, disposition and/or value of these assets or account for the process of how the fiduciary manages the estate's assets.

f. One sample client file had an annual accounting, which was not valued as of the date of death of the client. Therefore, the court has no accurate accounting of this client's assets and liabilities as of the date of their death.

<p><b><u>Requirements:</u></b></p>	<p>The Pinal County Public Fiduciary's Office will submit complete and accurate inventories and accountings.</p>	<p><b><u>Response: d.</u></b> Generally speaking, Pinal Co. Public Fiduciary accountings do reflect corresponding time frames from one accounting to the next annual accounting. There may have been an error or omission of this nature in a case reviewed by the Compliance Audit Team.</p> <p><b><u>Action:</u></b> The Pinal Co. Public Fiduciary will review annual accountings prior to filing them to make sure timeframes coincide.</p> <p><b><u>Response: e.</u></b> Generally speaking, Pinal Co. Public Fiduciary annual accountings list all client/estate assets reflected on previous accountings. There may have been an error or omission of this nature in a case reviewed by the Compliance Audit Team.</p> <p><b><u>Action:</u></b> The Pinal Co. Public Fiduciary will review annual accountings prior to filing them to make sure all assets are accurately reported.</p> <p><b><u>Response: f.</u></b> Annual accountings are not filed after the death of a ward. Upon the death of a ward, final business is taken care of and a final accounting is presented to the Court. The final accounting provides the Court information relative to a ward's remaining assets.</p> <p><b><u>Action:</u></b> The Pinal Co. Public Fiduciary will continue to provide final accountings to the Court upon the death of its wards.</p>
<p><b><u>Finding # 2</u></b></p>	<p>Annual guardianship reports were missing statutorily required information. The missing</p>	<p><b><u>Response:</u></b> In its annual guardianship reports, the Pinal Co. Public Fiduciary has failed to include the name of the person</p>

<p>information on the reports was the type of facility, person in charge of the facility, a summary of the services provided at the facility and the name of the individual responsible.</p> <p>Pinal County Fiduciary Office will include the statutorily required information on all guardianship reports to the court.</p>	<p>in charge of the facilities where our wards reside. Generally speaking, however, the type of facility is included in or inferred from the name of the facility (i.e. Desert Valley Care Center).</p> <p>There is no statutory requirement to provide a summary of the services provided by the facilities where our wards reside. The statute does require a summary of the services provided to our wards by governmental agencies. The name of the individual responsible for our wards affairs with those agencies is also required.</p> <p><b>Action:</b> In each annual guardianship report, the Pinal Co. Public Fiduciary will include the name of the person in charge of the facility where our ward resides. A description of the type of facility will also be included.</p>
<p><b><u>Requirements:</u></b></p>	<p><b><u>Finding # 3</u></b></p> <p>Client case file documentation is incomplete or missing in the following instances:</p> <ol style="list-style-type: none"> <li>Client stock holding was not reflected in the file, nor reported on accountings;</li> <li>Title to real property was not in the files;</li> <li>Evidence of insurance on property was not in the files;</li> <li>Conformed copies of court orders/letters were not in the files;</li> <li>Notes explaining any deviations on accountings were not in the files nor reported on accountings;</li> <li>Some bank statements on client</li> </ol>
<p><b><u>Response:</u></b> The Pinal Co. Public Fiduciary attempts to ensure client case files are well maintained and adequately documented.</p> <ol style="list-style-type: none"> <li>One client did have stock that was not properly accounted for.</li> <li>If located, titles to a wards real property are maintained separately in a fire-proof safe. Titles or deeds to real property may or may not be obtained if the originals are not found. Documentation relative to ownership will be in the file, however.</li> <li>Generally speaking, evidence of property insurance is in maintained in client files. The policies are maintained separately in a fire-proof safe.</li> </ol>	<p>Client case file documentation is incomplete or missing in the following instances:</p> <ol style="list-style-type: none"> <li>Client stock holding was not reflected in the file, nor reported on accountings;</li> <li>Title to real property was not in the files;</li> <li>Evidence of insurance on property was not in the files;</li> <li>Conformed copies of court orders/letters were not in the files;</li> <li>Notes explaining any deviations on accountings were not in the files nor reported on accountings;</li> <li>Some bank statements on client</li> </ol>
<p><b><u>Response:</u></b> The Pinal Co. Public Fiduciary attempts to ensure client case files are well maintained and adequately documented.</p> <ol style="list-style-type: none"> <li>One client did have stock that was not properly accounted for.</li> <li>If located, titles to a wards real property are maintained separately in a fire-proof safe. Titles or deeds to real property may or may not be obtained if the originals are not found. Documentation relative to ownership will be in the file, however.</li> <li>Generally speaking, evidence of property insurance is in maintained in client files. The policies are maintained separately in a fire-proof safe.</li> </ol>	<p>Client case file documentation is incomplete or missing in the following instances:</p> <ol style="list-style-type: none"> <li>Client stock holding was not reflected in the file, nor reported on accountings;</li> <li>Title to real property was not in the files;</li> <li>Evidence of insurance on property was not in the files;</li> <li>Conformed copies of court orders/letters were not in the files;</li> <li>Notes explaining any deviations on accountings were not in the files nor reported on accountings;</li> <li>Some bank statements on client</li> </ol>

<p><b><u>Requirements:</u></b></p>	<p>individual bank accounts were not in the files; g. Documentation for a recovery action was not in the files.</p> <p>Pinal County Public Fiduciary will document each client file to ensure compliance with statute order and fiduciary decision making process is supported by documentation.</p>	<p>d. Generally speaking, copies of all Court documents are maintained in client files.</p> <p>e. Generally speaking, there are no deviations on accountings. If there are deviations, this information will be noted in the client file.</p> <p>f. Generally speaking, if a client has money in an account other than a Pinal Co. Public Fiduciary's account, this information is documented in the client file. Depending on the type of account the Pinal Co. Public Fiduciary may or may not have copies of actual bank statements.</p> <p>g. The documentation on a recovery action was not current in a client file.</p> <p><b>Action:</b> The Pinal Co. Public Fiduciary will continue its efforts to properly maintain and adequately document client case files.</p>
<p><b><u>Finding # 4</u></b></p>	<p>Two case managers have assumed primary responsibility for court appointed clients and are not certified under Fiduciary Certification Program rules. The Program rules require the public fiduciary to agree that not less than one certified person shall have the assigned primary responsibility for each court appointment as a guardian, conservator, or personal representative. This requirement is a part of the Pinal County Public Fiduciary Office's eligibility for certification.</p>	<p><b>Response:</b> The Pinal County Public Fiduciary interprets our management style differently than the Compliance Auditors. There is never less than three certified staff responsible for each case – the Public Fiduciary, the Case Management Supervisor, the Business Services Supervisor - and generally speaking, there are four - the case manager. When the Court appoints this office on a case, the case is assigned a case manager. The type and complexity of a case determines how and to whom the case is assigned. Additionally, the scope and level of decision-making authority delegated to a case manager is determined by the case manager's experience and skill level.</p>

<p><b><u>Requirements:</u></b></p>	<p>Pinal County Public Fiduciary will seek certification for all case managers assuming primary responsibility for court appointed clients.</p> <p>Until the two case managers are certified, the Pinal County Public Fiduciary (Principal) will assume the assigned primary responsibility for each court appointment as a guardian, conservator, or personal representative of the uncertified case managers' caseload.</p>	<p>The two case managers who are not yet certified have been assigned "simple" caseloads, but their level of decision-making authority is quite limited. Their activities and schedules are monitored, they are in daily contact with their supervisor, their documentation is reviewed by the case management supervisor, before attending a client staffing they review the case with their supervisor, they cannot independently make medical decisions for clients, they cannot authorize large expenditures for clients and all their client expenditure requests are reviewed by the business services supervisor.</p> <p>As part of their training, both of these case managers have read the statutes relating to guardianships, conservatorships, personal representatives and public and professional fiduciaries. They have also read the Arizona Supreme Court fiduciary rules and regulations the Code of Conduct, the NGA Standards of Practice and Model Code of Ethics. These case managers will take the Arizona fiduciary certification training and test in the Fall of this year. It is anticipated that they will sit for the NGF Registered Guardian test in Spring/2004.</p> <p><b><u>Action:</u></b> If the Fiduciary Program and the Pinal Co. Public Fiduciary do not come to a compromise on this issue, the Pinal Co. Public Fiduciary will assign the cases overseen by these case managers to a certified cases manager.</p> <p><b><u>Concern:</u></b> <u>Is it the intent of the Fiduciary Program to impose a limit on the authority of the Pinal Co. Public Fiduciary to delegate the case management of these cases to another certified fiduciary in this office?</u></p>
------------------------------------	---	--

<p><b><u>Finding # 5</u></b></p> <p><b><u>Requirements:</u></b></p>	<p>Documents submitted to the Superior Court in Pinal County did not routinely include the fiduciary's number on the documents.</p> <p>Pinal County Public Fiduciary will include the fiduciary's certificate number on all superior court documents.</p>	<p><b><u>Response:</u></b> As a matter of standard practice, the Pinal Co. Public Fiduciary regularly includes Mary B. Espinoza's fiduciary certification number on all petitions submitted to the Superior Court (i.e. accountings, appointments and terminations and inventories). This office did not interpret the FCP regulations to mean the number was to be included on exhibits to the petitions and the related notices of hearing or proofs of notice.</p> <p>During conversations in this audit process, the FCP Program Coordinator indicated this certification number, as well as the certification number issued to this Public Fiduciary office, should also be displayed on these supportive documents.</p> <p><b><u>Action:</u></b> The Pinal County Public Fiduciary will include the fiduciary certification numbers for Mary B. Espinoza and the Pinal County Public Fiduciary on all documents filed with the Superior Court. The numbers will be also be included on all supporting documentation such as exhibits to petitions and related notices of hearing or proofs of notice.</p>
---	---	---