

Arizona Supreme Court
Administrative Office of the Courts



Fiduciary Licensing

Compliance Audit

Stephanie McCollum

March 20, 2012

Stephanie McCollum
6346 E Oasis St.
Mesa, AZ 85215

RE: Fiduciary Compliance Audit

Dear Ms. McCollum:

Enclosed is your final compliance audit report.

Thank you for your cooperation and assistance during the compliance audit process. To the extent the 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 your court appointments. I hope you and your clients will equally benefit.

If you have any questions, please contact Anne Hunter, Compliance Unit Manager at (602) 452-3415.

Sincerely,

Nancy Swetnam, Director
Certification and Licensing Division

Enclosures

cc: Honorable Rose Mroz, Probate Presiding Judge, Superior Court in Maricopa County
Michael K. Jeanes, Clerk of the Court, Superior Court in Maricopa County

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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. 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

EXECUTIVE SUMMARY

Executive Summary

Stephanie McCollum, #20560

Compliance Audit Report

The Arizona Supreme Court, Fiduciary Licensing Program conducted a compliance audit of Stephanie McCollum, license #20560, pursuant to Arizona Revised Statutes § 14-5651 and Arizona Supreme Court Administrative Order 2003-31. During the period of December 1, 2011 through December 19, 2011 the Compliance Unit audited the fiduciary activities of Stephanie McCollum and her unlicensed employee.¹ The following is a summary of the audit findings.

Finding # 1 – Late Filings

Ms. McCollum did not file required informal accounting timely.

Ms. McCollum agrees with the finding.

Finding # 2 – Compliance with Court Orders

Ms. McCollum's order for release, discharge and exoneration of bond was not lodged.

Ms. McCollum agrees with the finding.

¹ Pursuant to ACJA 7-201 and -202, licensed fiduciaries are required to provide active and direct supervision of other licensed fiduciaries, trainees and support staff who are employed by the fiduciary.

SECTION 2

FINAL REPORT

Stephanie McCollum Compliance Audit Report

Objective

The compliance audit of Stephanie McCollum was conducted pursuant to the Fiduciary Program's responsibilities as set forth in A.R.S. § 14-5651, Arizona Supreme Court Administrative Order No. 2003-31 the Arizona Code of Judicial Administration ("ACJA") § 7-201: General Requirements and § 7-202: Fiduciaries, and the Arizona Rules of Probate Procedure ("ARPP").¹

The objective of the compliance audit was to determine compliance with applicable statutes, Arizona Supreme Court orders and rules and ACJA § 7-201 and § 7-202.

Methodology

In preparation for the compliance audit, preliminary survey questions were requested and responded to by Stephanie McCollum. 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 Maricopa County to verify court appointment information.

In order to test for compliance, the program has developed and currently utilizes a set of fiduciary compliance attributes consisting of Arizona statutes, Arizona Supreme Court Rules of Probate Procedure and ACJA §§ 7-201 and 7-202. Compliance with these requirements was tested by staff interviews, observation and reviewing samples of client case files.

A stratified 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 the fiduciary attributes utilizing a cross-section of samples of court appointment types. Client case files were selected by type of appointment, length of appointment, type of required client protection and initiation or termination of appointment during the review time frame.

On December 1, 2011 and prior to beginning the onsite fieldwork, the auditors reviewed the selected client court files from the Superior Court in Maricopa County and on December 8, 2011 auditors conducted an internal controls interview with Stephanie McCollum.

¹ Arizona Codes of Judicial Administration, General Requirements & Fiduciaries, January 1, 2007

Stephanie McCollum Compliance Audit Report

During the period of December 8, 2011 through December 19, 2011 staff from the Compliance Unit of the Certification and Licensing Division of the Administrative Office of the Courts, Arizona Supreme Court, conducted the onsite compliance portion of the audit of Stephanie McCollum. The onsite compliance audit consists primarily of fiduciary client case file review. The audit also included the fiduciary activities of Stephanie McCollum. An exit interview was conducted on December 19, 2011.

Stephanie McCollum was the court appointed fiduciary on 1 guardian, 11 conservator, 1 combination guardian/conservator, and 4 personal representative cases as of December 1, 2011. Also as of December 1, 2011 Stephanie McCollum had approximately \$4,378,634.00 in court-appointed client assets under management.

Scope

The compliance audit team reviewed a selected stratified sample of five (5) client case files of court appointments and terminations, focusing on the internal controls, processes, timeliness, accuracy, statutory and ACJA requirements of client case administration.

Summary

Stephanie McCollum and her staff extended professional courtesies and cooperation to the audit team during the course of the audit.

The compliance audit found non-compliance in two (2) areas. The non-compliance was found in the areas of late filings and compliance with court orders. These findings are discussed as follows:

**Stephanie McCollum
Compliance Audit Report**

<p><i>Finding # 1</i></p> <p><u>Late Filings</u></p> <p>ARS § 14-5419 (A)</p> <p><i>Arizona Code of Judicial Administration § 7-202(J)(2)(e)</i></p> <p><i>Requirement</i></p>	<p>A licensed fiduciary must ensure any document filed with the superior court is timely.</p> <ul style="list-style-type: none">• An Informal Accounting ordered by the court was not filed timely – Clients # 1 <p>Ms. McCollum must submit accountings on or before the statutorily required due date or court ordered due date for each client.</p>
<p><i>Auditee's Response</i></p>	<p><i>“I agree with your finding. I cannot argue that the informal accounting was not “filed timely.” I can argue that I did file the accounting with the attorney as requested in more than a “timely manner.” I can also argue that the attorney admits to filing the informal accounting after the due date. I agree that I should have made sure it was done as agreed.”</i></p>
<p><i>Corrective Action</i></p>	<p><i>“I have spoken to the attorney and he accepts full responsibility for his actions. No further specific corrective action is appropriate in this finding.”</i></p>

**Stephanie McCollum
Compliance Audit Report**

<p><i>Finding # 2</i></p> <p><u><i>Compliance with court orders</i></u></p> <p><i>Arizona Code of Judicial Administration § 7-202 (J)(8)</i></p> <p><i>Requirement</i></p>	<p>According to Arizona Revised Statutes and ACJA § 7-202 a licensed fiduciary must comply with court orders.</p> <ul style="list-style-type: none">• An order for release, discharge, and exoneration of bond was not lodged – Client # 1 <p>Ms. McCollum must perform all duties and discharge all obligations in accordance with current Arizona law, administrative rules, court orders and the applicable sections of the ACJA.</p>
<p><i>Auditee's Response</i></p>	<p><i>“I agree with your finding. The attorney admits to not lodging an order in a timely manner. I also agree that I should have made sure that it was done in a timely manner by my attorney and his staff.”</i></p>
<p><i>Corrective Action</i></p>	<p><i>“I have spoken to the attorney and he accepts full responsibility for his actions. It has since been completed. I will continue to strive to follow-up tracking spreadsheets to ensure that items are completed in a timely manner.”</i></p>

SECTION 3

APPENDIX

RESPONSE TO FINAL REPORT



STEPHANIE MCCOLLUM

LICENSED FIDUCIARY

January 29, 2012

Arizona Supreme Court
Certification and Licensing Division
Attn: Anne Hunter
1501 West Washington Street
Phoenix, AZ 85007

Dear Ms. Hunter,

I received your draft report of the fiduciary compliance audit dated December 30, 2011. As requested, I have prepared this response which indicates whether I agree or disagree with each finding and the corrective actions I have taken.

Finding #1 – Informal account was not filed timely. – Case number 1.

Response -

I agree with your finding. I cannot argue that the informal accounting was not “filed timely.” I can argue that I did file the accounting with the attorney as requested in more than a “timely manner.” I can also argue that the attorney admits to filing the informal accounting after the due date. I agree that I should have made sure that it was done as agreed.

Corrective action –

I have spoken to the attorney and he accepts full responsibility for his actions. No further specific corrective action is appropriate in this finding.

Finding #2 – Order for release, discharge and exoneration of bond was not lodged. – Case number 1.

Response-

I agree with your finding. The attorney admits to not lodging an order in a timely manner. I also agree that I should have made sure that it was done in a timely manner by my attorney and his staff.

Corrective action –

I have spoken to the attorney on this case and he accepts full responsibility for his actions. It has since been completed. I will continue to strive to follow-up tracking spreadsheets to ensure that items are completed in a timely manner.

I appreciate the professionalism and wisdom demonstrated by your staff throughout the audit process. I will surely benefit from their suggestions regarding internal control.

Sincerely,



STEPHANIE MCCOLLUM
LICENSED FIDUCIARY #20560