

Arizona Supreme Court  
Administrative Office of the Courts



**Fiduciary Licensing**

*Compliance Audit*

**MAUREEN L. EDWARDS, L.L.C.**

*September 2013*

January 13, 2014

Maureen L. Edwards  
17220 N. Boswell Boulevard, Suite 125  
Sun City, AZ 85373

**RE: Fiduciary Compliance Audit**

Dear Ms. Edwards:

Enclosed is your final compliance audit report. The Certification and Licensing Division appreciates your cooperation during the audit process.

As stated previously, please note that as a licensed fiduciary you are required to fully comply with the statutes and code governing this profession. As a means of monitoring and assuring compliance, the Certification and Licensing Division conducted this limited on-site audit of your records. Although the audit team may have identified specific deficiencies or instances of non-compliance in the files we reviewed, these findings should not be considered comprehensive. The audit does not preclude a more in-depth inquiry into the specific cases reviewed or any other court appointed cases you are assigned.

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

Sincerely,

Mark Wilson, Director  
Certification and Licensing Division

Enclosures

Cc: Honorable Andrew Klein, 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. Additionally, this is a limited on-site audit and should not be considered comprehensive. This audit does not preclude a more in-depth inquiry into the cases reviewed or other court appointed cases.*

*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.*

# **EXECUTIVE SUMMARY**

# **Executive Summary**

**Maureen L. Edwards, L.L.C.**

## **Compliance Audit Report**

The Arizona Supreme Court Fiduciary Licensure Program conducted a compliance audit of Maureen L. Edwards, L.L.C. (#20704) and Maureen Edwards (#20163), pursuant to Arizona Revised Statutes § 14-5651 and Arizona Supreme Court Administrative Order 2003-31. During the period of September 16, 2013 through September 17, 2013 the Program Management and Audit Unit audited the fiduciary activities of Ms. Edwards and any other licensed and unlicensed employees.<sup>1</sup> The following is a summary of the audit findings.

### ***Finding # 1 Compliance with Court Orders***

*Edwards did not ensure that all required documents were filed with the court.*

Edwards both agreed and disagreed with the finding.

### ***Finding # 2 Documentation***

*Edwards did not keep suitable records of the wards' administration.*

Edwards agreed with the finding.

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

# **FINAL REPORT**

**Maureen Edwards, LLC  
Maureen Edwards, Principal  
Compliance Audit Report**

***Objective***

The compliance audit of Maureen L. Edwards, L.L.C (#20704) and Maureen Edwards (#20163) 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”).<sup>1</sup>

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 provided to Maureen Edwards (“Edwards”). The responses were reviewed and compiled to assist in the development of case file samples. In addition, information from the Superior Court in Maricopa County was reviewed in order to verify court appointment information.

In order to test for compliance, the program uses 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 reviewing court documents, interviewing and observing staff, and reviewing samples of client case files.

A stratified sampling approach was used to select client case files for review. The 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. The selected sample of court appointed client case files was designed to provide conclusions about the accuracy, validity and timeliness of transactions, compliance with the fiduciary attributes, and the adequacy of internal controls.

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<sup>1</sup> *Arizona Codes of Judicial Administration, General Requirements* effective January 1, 2008 & *Fiduciaries* effective September 1, 2012.

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	<p>During the period of September 16, 2013 and September 17<sup>th</sup>, 2013 audit staff conducted the onsite compliance portion of the audit of Edwards. The onsite compliance audit consists primarily of fiduciary client case file review. The audit also included a review of fiduciary activities of the principal fiduciary and any un-licensed staff.<sup>2</sup> On November 25, 2013 an internal controls interview was conducted with Edwards.</p> <p>An exit interview was conducted on November 25, 2013.</p> <p>Edwards was the court appointed fiduciary on 1 personal representative, 2 guardianships and 3 guardian/conservatorships cases as of September 11, 2013. Also as of September 11, 2013 Edwards reported having approximately \$1,838,630 in court-appointed client assets under management.</p> <p><i>Scope</i></p> <p>The compliance audit team reviewed a selected stratified sample of three (3) client case files of court appointments, focusing on the internal controls, processes, timeliness, accuracy, and statutory and ACJA requirements of client case administration.</p> <p><i>Summary</i></p> <p>Edwards and her staff extended professional courtesies and cooperation to the audit team during the course of the audit.</p> <p>The compliance audit found non-compliance in two (2) areas - compliance with court orders and documentation. These findings are discussed as follows:</p>
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<sup>2</sup> Pursuant to the Arizona Code of Judicial Administration §7-201 and §7 -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.

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<p><b><i>Finding # 1</i></b></p> <p><b><u>Compliance with court Orders</u></b></p> <p><i>Arizona Code of Judicial Administration § 7-202 (J)(1)</i></p> <p><b><i>Requirement</i></b></p>	<p>Edwards did not ensure that all required documents were filed with the court.</p> <ul style="list-style-type: none"> <li>• A proof of notice was not filed with the court showing that the ward’s court-appointed attorney received a copy of the 1<sup>st</sup> Annual Accounting and other pertinent documents – Client #3</li> </ul> <p>Pursuant to Arizona Code of Judicial Administration § 7-202 (J)(1) a fiduciary 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><b><i>Auditee's Response</i></b></p>	<p>Agree and disagree. It is unclear what “proof of notice” was not filed. If it is the Proof of Mailing of the 1<sup>st</sup> Annual Accounting “document” that was not filed, the law firm representing MLELLC on this case has stated that it appears they failed to file this document. We have been represented by many law firms over the years. Various firms prepare notices with varying “titles”. Client #3</p>
<p><b><i>Corrective Action</i></b></p>	<p>We are working with the law firm to clarify what “notices” and/or “proofs” they filed for this case. The following Corrective Actions have been taken: we have requested documents from counsel, created a specific computerized form that will allow us to “track” the status of all court documents to ensure our files are accurate and eliminate non-compliance, begin preparing court documents “in-house” to ensure accuracy and compliance and increase staff oversight with closer follow-up.</p>

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<p><b><i>Finding # 2</i></b></p> <p><b><i>Documentation</i></b> <i>Arizona Revised Statutes § 14-5418(B)</i></p> <p><b><i>Requirement</i></b></p>	<p>Edward's did not keep suitable records of the wards' administration.</p> <ul style="list-style-type: none"><li>• Conformed copies of court filings and proceedings were not contained in the wards' files - All clients</li></ul> <p>Pursuant to Arizona Revised Statute § 14-5418(B) a fiduciary must keep suitable records of their administration and exhibit them upon request.</p>
<p><b><i>Auditee's Response</i></b></p>	<p>Agree.</p>
<p><b><i>Corrective Action</i></b></p>	<p>We have met with counsel representing MLELLC in the audited cases and requested copies of all court filed documents. The following Corrective Actions have been taken: we are reviewing our files to ensure accuracy and compliance relating to conformed copies of court filings and proceedings, created a specific computerized form that will allow us to "track" the status of all court documents to ensure accuracy and eliminate non-compliance, begin preparing court documents "in-house" to ensure accuracy and compliance and increase staff oversight with closer follow-up.</p>

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***Area of Concern***

From 2010 to 2013 two interested parties and the court accountant questioned Ms. Edwards' fiduciary fees and billing practices. While it is noted that Ms. Edwards addressed the concerns and the fees were ultimately approved by the court, the number and nature of the questioned fees is concerning and it is suggested that Ms. Edwards review her billing practices to ensure compliance with statewide fee guidelines.

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