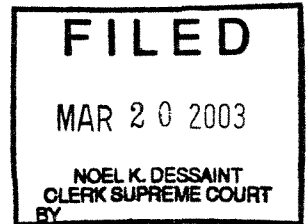


IN THE SUPREME COURT OF THE STATE OF ARIZONA



In the Matter of:)
)
ESTABLISHMENT OF FIDUCIARY)
COMPLIANCE AUDIT AUTHORITY,)
DEFINITION OF CERTIFIED)
FIDUCIARY AND POSSIBLE)
AUDIT ACTIONS)
)

Administrative Order
No. 2003- 31

Arizona Revised Statutes §14-5651 specifies the Arizona Supreme Court (Court) is responsible for overseeing the Fiduciary Program governing the certification and conduct of individuals and business entities who are eligible for court appointment as guardians, conservators and personal representatives.

The Fiduciary Advisory Committee (“FAC”) made recommendations in a final report adopted in June 2001 by the Arizona Judicial Council (“AJC”). Included in the adopted recommendations was the establishment of a statewide audit process of conservatorships to be implemented through the Administrative Office of the Courts.

Due to the confidential nature of the discipline process, the Fiduciary Program was unable to reveal information to the FAC regarding investigations on-going at the time the committee was convened. The investigations resulted in the revocation of certificates for individuals and businesses and in criminal prosecution and conviction of all revoked certificate holders. The violations by these revoked fiduciaries occurred in their capacity as guardians, conservators, or personal representatives. These case examples demonstrate the need to include the groups of guardianship and personal representatives in the audit process. This will ensure all certified fiduciaries are held to the same compliance standards regardless of the capacity the court has appointed them to serve.

Now, therefore, pursuant to Article IV, Section 3, of the Arizona Constitution and Arizona Revised Statutes §14-5651,

IT IS ORDERED the fiduciary compliance audit procedure is established as follows:

1. PURPOSE:

The compliance audit procedure shall review certified fiduciaries for compliance with statutes, court rules, court orders, Supreme Court administrative orders, certification program administration rules, Code of Judicial Administration §7-202 and Appendix A, Code of Conduct and any other legal or ethical requirement relevant to the performance of fiduciary duties.

2. DEFINITION:

A certified fiduciary is a person who is court appointed as a guardian, conservator or personal representative.

3. REPORTS:

Each audit will provide written notification to the certified fiduciary to be audited prior to the audit. Audit information will be gathered through informational interviews and document review. Each audit will conclude with a report of findings, comments on the findings by the certified fiduciary audited and a corrective action plan, if needed.

4. POSSIBLE ACTIONS:

Pursuant to the Court's Certification Program Administrative Rule 1.2.1., the Administrative Director is responsible for enforcement of the law and the rules. During the process and upon completion of a compliance audit of a certified fiduciary, the Director or the administrative director's designee may:

- a. Subpoena witnesses or documentary evidence, administer oaths and examine under oath any individual relative to the audit; and,
- b. Where appropriate, refer the audited fiduciary for investigation by the pertinent agency, including investigation by the Fiduciary Certification Program.

5. STAFF:

The Administrative Office of the Courts shall provide staff for the certified fiduciary compliance audits.

6. FUNDING:

Audits performed pursuant to this order shall be funded as provided in A.R.S. §41-2401(D)(8) which states in part, funds shall be distributed to the Supreme Court "for auditing and investigating persons or entities licensed or certified by the Supreme Court ..."

Dated this 20th day of March, 2003

CHARLES E. JONES
Chief Justice