



NEW JERSEY LEGISLATURE
OFFICE OF LEGISLATIVE SERVICES
OFFICE OF THE STATE AUDITOR

Department of Human Services
Division of Aging Services
Office of the Public Guardian for Elderly Adults

July 1, 2021 to September 5, 2024

David J. Kaschak
State Auditor



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OFFICE OF LEGISLATIVE SERVICES

125 SOUTH WARREN STREET • P.O. BOX 067 • TRENTON, NJ 08625-0067
www.njleg.gov

OFFICE OF THE STATE AUDITOR
609-847-3470

David J. Kaschak
State Auditor

Brian M. Klingele
Assistant State Auditor

Thomas Troutman
Assistant State Auditor

The Honorable Philip D. Murphy
Governor of New Jersey

The Honorable Nicholas P. Scutari
President of the Senate

The Honorable Craig J. Coughlin
Speaker of the General Assembly

Ms. Maureen McMahan
Executive Director
Office of Legislative Services

Enclosed is our report on the audit of the Department of Human Services, Division of Aging Services, Office of the Public Guardian for Elderly Adults for the period of July 1, 2021 to September 5, 2024. If you would like a personal briefing, please call me at (609) 847-3470.

A handwritten signature in cursive script that reads "David J. Kaschak".

David J. Kaschak
State Auditor
January 23, 2025

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Scope

We have completed an audit of the Department of Human Services, Division of Aging Services, Office of the Public Guardian for Elderly Adults (office or OPG) for the period of July 1, 2021 to September 5, 2024. Our audit included financial activities accounted for in the state's General Fund, as well as offline bank accounts maintained in the OPG's Estate Management System (EMS). During fiscal years 2022 through 2024, annual General Fund expenditures for the office totaled approximately \$5.6 million, \$3.9 million, and \$8.0 million, respectively. The office also has four active offline accounts, with balances totaling \$74.5 million as of September 5, 2024. Because these accounts are periodically audited by the department's internal audit unit, we limited our review of offline accounts to purchasing card transactions and expenditures related to temporary employees, tax professionals, and cleanout vendors.

The mission of the OPG is to aid, empower, and protect New Jersey's incapacitated elderly by furnishing outstanding individualized guardianship services. The OPG acts as a surrogate decision maker for residents 60 years of age and over who have been deemed incapacitated by the Superior Court of New Jersey. The OPG does not petition to become guardian but accepts judicial appointments on a discretionary basis. As of September 5, 2024, the office provided services, including legal, financial, and care management, for 1,733 active clients.

Objectives

The objectives of the audit were to determine whether the financial transactions were related to the office's program, were reasonable, and were recorded properly in the accounting systems. An additional objective was to determine whether the office has adequate controls in place to meet its fiduciary guardianship responsibilities.

Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In preparation for our testing, we studied legislation, circulars promulgated by the Department of the Treasury, and policies of the office and the Department of Human Services. Provisions we considered significant were documented, and compliance with those requirements was verified by interview, observation, and through our testing of transactions. We also read the budget messages, reviewed financial trends, and interviewed personnel to obtain an understanding of the program and internal controls. To achieve our objectives, we performed various tests and analyses, as we determined necessary. Additional detail regarding our methodology and work performed can be found in the Appendix, as well as in the finding section when testing resulted in a reportable condition.

A nonstatistical sampling approach was used. Our samples were designed to provide conclusions on our audit objectives, as well as internal controls and compliance. Sample populations were sorted, and transactions were judgmentally and randomly selected for testing. Because we used a nonstatistical sampling approach for our tests, we cannot project the results to the respective populations.

Data Reliability

We relied on data from the New Jersey Comprehensive Financial System. Our office assesses the reliability of this system's data annually, and we have determined it to be sufficiently reliable for the purposes of this report. We also assessed the reliability of the EMS data used by the office for case management and trust accounting. We have reviewed the data, read the system manual, and interviewed key personnel knowledgeable about the system. We determined that the data was sufficiently reliable for the purposes of this report.

Certain other data in our report were used to provide background information. Data that we used for this purpose were obtained from the best available sources. *Government Auditing Standards* does not require us to complete a data reliability assessment for data used for this purpose.

Conclusions

We found the financial transactions were related to the office's program, were reasonable, and were recorded properly in the accounting systems. We also found the office generally has adequate controls in place to ensure its fiduciary guardianship responsibilities are met. However, in making these determinations, we noted internal control weaknesses regarding client care visitation, state-assigned vehicles, deceased clients in the EMS, P-Card monitoring, the procurement of vendors, and user access to the EMS.

Background

The OPG (N.J.S.A. 52:27G-20 et seq.) provides guardianship services for senior adults who have been adjudicated legally incapacitated and unable to manage his or her person and/or property. The office uses the EMS to assist the OPG in providing services to clients assigned by the courts, to pay bills, make informed medical decisions, and keep interested parties related to the clients informed on their well-being. The EMS includes, but is not limited to, case history, current case status, and client finances. The total cost for the EMS averaged \$225,000 annually for fiscal years 2022 through 2024. The office also maintains four offline accounts on the EMS:

- Representative Payee – Accounts used by the office to manage the finances of the clients. The funds in this account belong to the client.
- Escrow – Maintained to account for anticipated commissions and fees that will be earned at the conclusion of the guardianship.

- Office Checking – Account used by the office for its administrative duties.
- Qualified Income Trust (QIT) Escrow – The client’s income deposited into a QIT is not counted towards their income when determining eligibility for long-term care benefits.

The balances of the offline accounts, as of September 5, 2024, are shown below:

Offline Fund	Balance
Representative Payee	\$ 49,732,694
Escrow	22,726,689
Office Checking	1,240,518
Qualified Income Trust Escrow	805,139
Total	\$ 74,505,040

Administrative costs, commissions, and fees and costs incurred in the appointment procedure are charged against the income or estate of the client. N.J.S.A. 3B:18-24 allows the OPG to collect a six percent commission on all income received by the fiduciary. During our audit, we noted commission fees were being charged from the client.

Care Management

Because of lapses in the documentation by Case Managers, compliance with visitation standards could not be determined.

The OPG's management relies on the EMS to manage and document all information pertaining to the clients. Care Managers are to record case notes in the EMS to document each time they visit or speak with a client or handle a client's business. According to N.J.S.A. 3B:12-57, a guardian must visit a client not less than once every three months or as deemed appropriate by the court. However, the OPG also has its own internal policy for recommended visitation standards based on living situations, which is listed below.

Living Facility	Time frame to Visit Client
Nursing Home	Quarterly (every three months)
Supervised Living Situations, such as Assisted Living	Monthly
Own Home	Weekly

According to the policy, a client should be seen more frequently as issues arise, such as hospitalizations and increased behavioral issues.

As of August 23, 2023, the OPG had a total of 1,423 active clients. Twenty-five clients were randomly selected to determine whether Care Managers were meeting the visitation standards based on the client's living situation. Our sample indicated that 11 clients (44 percent) had not received visitation as required. Lapses in visitation times ranged from five months to two-and-a-half years.

We inquired with the OPG about the exceptions, and we were told there have been issues with Care Managers not documenting their visits in the EMS. We were provided a few examples from our sample of visits that were not documented in the EMS. Additionally, the supervisor position of the Care Management Unit was vacant until October 2023. This lack of management oversight may have contributed to Care Managers not complying with the statute and guidelines for visiting clients or not documenting visitations in the EMS. This can prevent the OPG from effectively managing the care and well-being of its clients. Our exceptions included the following:

- A client's case notes listed correspondence through phone calls between OPG care management and nursing facility staff; however, there were two visitation gaps of 5 months and one of 13 months.
- Another client's case notes listed correspondence through phone calls between OPG care management and the nursing facility staff; however, there were no in-person visits for two-and-a-half years by the Care Manager during our audit period.

- A third client's case notes listed correspondence through phone calls regarding the client's care. The client was in and out of the hospital without visitation for 13 months until the client passed away.

Recommendation

We recommend that Care Managers document all client visitations within the case notes in the EMS. We also recommend the OPG management improve monitoring to ensure Care Managers are making adequate in-person visitations to clients in compliance with statutory and internal requirements.



State-Assigned Vehicles

The OPG is not in compliance with Department of the Treasury circular requirements regarding the monitoring and usage of state-assigned vehicles.

According to Department of the Treasury Circular No. 17-05-ADM, state vehicles "shall be assigned only if they will be used on official business for more than an average of 1,250 business miles per month. Individual exceptions to this policy may be considered on a case-by-case basis when justified by extenuating circumstances." The circular also requires every driver to possess a valid driver's license to operate a vehicle in the state. The OPG employees with state-assigned vehicles are required by the Division of Aging Services (division) to submit monthly vehicle records to the division.

OPG state vehicles are used for investigating and managing physical property, as well as assisting with the client's personal well-being. The OPG uses state-assigned vehicles to transport clients and their possessions. Vehicles are also used for client visitation. As of September 2023, the OPG had 20 employees with state-assigned vehicles. We reviewed their vehicle usage and noted the following:

- Ten of 15 employees (67 percent) in calendar year 2022 did not meet the 1,250-mileage threshold. These 10 exceptions had average usage ranging from 435 miles to 1,206 miles per month, with 8 averaging under 1,000 miles. Five employees either did not have a state vehicle during calendar year 2022 or incomplete information was provided.
- Four of 20 employees (20 percent) did not have a current active driver's license on file.
- Four of 19 employees (21 percent) did not have their original mileage log sent to their appropriate supervisors as required.

By not monitoring state vehicle usage, the OPG risks being unable to determine if vehicles are needed or whether Care Managers are visiting clients in accordance with statutory requirements.

Recommendation

We recommend the OPG monitor its usage of state vehicles and periodically evaluate its need in order to comply with circular requirements. If needed, we recommend the OPG apply for individual exceptions for these vehicles.



Deceased Clients

The OPG did not track the number of deceased client cases that needed to be closed.

The OPG entered into an agreement with a vendor to use the EMS beginning October 9, 2018. The OPG uses the EMS to manage and monitor its active and deceased clients. After a client passes away or leaves the OPG's care, the OPG is responsible for compiling the client's financial activity and the fees charged to complete the First and Final Accounting (FFA). The FFA is filed with the Superior Court of New Jersey (court) for approval. After the FFA gets submitted to the court, the client goes into the Order to Show Cause (OSC) Filed for Discharge status in the EMS until a judgment has been made. Once the judgment is determined, the system gets updated with the judgment date. Subsequently, the OPG may proceed with distributing the funds to relatives, estates, and other governmental entities.

Best practices by management should include developing control activities that contribute to the mitigation of risk and the achievement of objectives to an acceptable level. However, prior to our inquiries, the OPG was not monitoring the overall number of deceased clients over time; therefore, it could not determine whether the backlog of cases involving deceased clients was increasing or decreasing. As of December 13, 2023, the OPG provided our audit team with a list of 1,666 deceased clients awaiting final progression through the closeout process, a number we later determined was too low. We noted 1,444 of the deceased clients (86.6 percent) had a status of "Needs FFA".

The OPG had 2,452 deceased clients with account balances totaling \$16.9 million open in the EMS.

We analyzed client data as of February 6, 2024 to determine the number of deceased clients who had an open status and a bank balance. The analysis showed there was an actual backlog of 2,452 deceased clients having a bank balance totaling \$16,935,741.

The backlogged cases ranged from under 1 year to more than 26 years. We noted one individual in an open status, who passed away in 2014, had a representative payee bank balance of \$1.094 million. A breakdown of Representative Payee accounts for deceased clients are shown on the next page:

Number of Days	Representative Payee	
	Count	Amount
0 - 365 (0-1yrs)	213	\$ 2,771,021
366 - 1825 (1-5yrs)	1,189	\$ 8,365,816
1826 - 3650 (5-10yrs)	849	\$ 4,740,117
3651+ (10+ years)	201	\$ 1,058,786
Total	2,452	\$ 16,935,741

First and Final Accounting

We used the Federal Bureau of Fiscal Services Do Not Pay Initiative to perform a death match of the OPG's client lists. The match resulted in an additional 76 deceased clients with a bank balance and an open status in the EMS. We judgmentally selected 18 clients (including 10 of the 76 clients), with EMS bank balances totaling \$382,112, to determine if FFAs were completed and fees were properly calculated and charged. Eleven of the clients had an open case status, and seven had a closed case status. Because of our inquiries, FFAs were started for 4 of the 18 clients, 10 of whom had a bank balance within the EMS. As a result of our inquiry:

- Two clients were identified for recoupment. A total of \$122,633 will be repaid to Medicaid.
- The OPG will be returning funds totaling \$87,332 to the estate of two deceased clients.
- Three clients, with balances totaling \$86,000, are now going through the FFA process. The OPG will submit documentation to the courts to determine appropriate adjudication, repayment to governmental entities, or payment to the estate.
- One client will have funds transferred to their daughter once the FFA is completed and the OPG sets up an ABLE account. An ABLE account allows an individual with a disability to accumulate resources without jeopardizing eligibility for certain benefits, such as Medicaid and Supplemental Security Income. This client passed away in 2015 with \$82,066 in their Representative Payee account, and the balance should have been transferred to their spouse, who was also in the OPG's care. The spouse then passed away with \$19,612 in her account. Their daughter is also under the OPG's care and has not received the above funds while only having \$143 in her account. Once the ABLE account is completed and the daughter receives the funds, the OPG will be able to close the estate.

The lack of monitoring deceased clients has led to a growing number of backlogged cases, delays in inheritances, and delays in repayment to government entities.

Recommendation

We recommend the OPG maintain a complete listing of deceased client cases that need to be closed out. Additionally, the OPG should track the progress of deceased client cases to final closeout to ensure FFAs are submitted to the court timely.



Purchasing Cards

The OPG lacks adequate internal controls to properly monitor the usage of P-Cards.

Internal Controls

The Department of the Treasury Circular No. 23-10-DPP states internal controls should be in place for purchasing cards (P-Cards) to ensure compliance with applicable laws, rules, and regulations, P-Card policies and procedures, and other governing instruments. During our audit period, 28 P-Cards had been issued to OPG personnel with credit limits ranging from \$2,000 to \$20,000. The total amount expended using P-Cards in calendar year 2023 was \$341,781. The OPG's policy indicates that P-Card holders are to submit via email the check request and supporting receipts to designated OPG personnel in the Finance Unit.

In September 2023, the OPG paid for 232 P-Card transactions totaling \$41,675. We tested all transactions and noted the following internal control weaknesses:

- Of the 232 transactions, 48 (21 percent) did not have proper support (check request and/or receipt), and 99 (43 percent) did not have verification that items purchased were received by the OPG client.
- None of the P-Card transactions were approved by authorized OPG personnel.
- A \$335 purchase was charged to the wrong spouse's representative payee account.
- In July 2023, the OPG advanced funds to a client who did not have any funds available for purchases. A P-Card holder used their personal third-party account for a purchase that was subsequently returned. Store credit was issued from the vendor rather than a reimbursement to the P-Card account. The client has been deceased since April 2020.
- The Department of the Treasury Circular No. 23-10-DPP states P-Cards shall not be used for the purchase of gift cards. We found 12 purchases for gift cards totaling \$3,394. The OPG purchases gift cards for their clients to use for their personal needs. However, no mechanism is in place to ensure gift cards are received by the clients or used for their needs.

- Three P-Card holders were also designated check signers for the offline bank accounts. Although no purchases were made, this is a segregation of duties issue because someone with the ability to make purchases should not be able to approve payments. After we notified the OPG of this issue, it cancelled two of the three P-Cards.

P-Card Reconciliations

The Department of the Treasury Circular No. 23-10-DPP requires monthly reconciliations of all accounts, with the reconciliation information remaining on file for future audits. We inquired with OPG personnel and were told reconciliations are performed by reviewing each purchase on the bank statement and verifying the receipts to process the payment. However, the OPG was unable to provide support for their monthly reconciliations.

Personal Accounts

The OPG does not have business accounts for purchases with third-party online vendors. As a result, P-Card holders use their personal accounts to make purchases. We performed an analysis of the 232 transactions tested from September 2023 and noted 166 transactions (71 percent) were purchased using personal accounts. Purchasing through personal accounts may result in improper charges to the P-Cards not being detected.

Outstanding Balance

According to the OPG's P-Card purchasing policy, payments are processed after all receipts and check requests are approved and the transactions are entered into the EMS. During our analysis of calendar year 2023 P-Card statements, we noted every month had a previous balance of \$19,834 or more. However, the bank made an error in September 2023 by recording a payment of \$84,602 instead of \$41,675. The OPG notified the Department of the Treasury about the error, but it had not been corrected as of June 26, 2024. As a result of the bank error, the previous balance was understated starting in September; therefore, the actual previous balances ranged from \$25,540 to \$84,279 from January 2023 to December 2023. This indicates that not all P-Card transactions were being approved and processed. This could lead to the improper use of P-Cards.

Although no interest is accruing on the outstanding balance, the lack of supporting documentation received and approval to pay for all transactions could lead to improper charges to the P-Cards.

Recommendation

We recommend the OPG adhere to the circular and its own policy by improving internal controls to ensure proper supporting documentation for purchases is submitted and monthly reconciliations are completed and documented. We also recommend the OPG develop a process for ensuring P-Card purchases are delivered to clients and create business accounts for third-party vendors when possible. We recommend the OPG monitor the previous balance charges to

determine if these charges are proper. Finally, we recommend the OPG continue to follow up with the Department of the Treasury regarding the misapplied payment.



Expenditures

EMS Transactions

The OPG lacked monitoring over expenditure transactions recorded on the EMS.

Management is responsible for establishing and maintaining internal controls that safeguard assets from loss or unauthorized use. Proper segregation of duties and the maintenance of accurate and complete documentation are necessary to ensure the proper use of resources. We analyzed total expenditure transactions recorded on the EMS for temporary employees, tax professionals, and cleanout vendors and judgmentally sampled 20 transactions totaling \$36,606 to determine if adequate monitoring was in place regarding expenditure transactions. Of the 20 transactions sampled, 17 (including two expenditure reimbursements for overpayments) were from temporary employee vendors. We found the following from our testing:

- Of the 20 transactions, testing could not be completed for five (25 percent) to ensure the amount on the check/timesheet matched the invoice. The OPG did not provide the correct temporary employee contract for one of the vendors during our audit period. We were provided the 2013 temporary employee contract along with a blank contract, which was neither signed nor dated. The pay rate on the invoices for the temporary employees did not match the pay rate on either contract provided.
- One of the 14 timesheet transactions tested (7 percent) did not have the total hours worked recorded on the timesheet. Additionally, we noted 2 of 15 transactions tested (13 percent) had a timesheet amended by someone other than the employee.

Not monitoring contract prices and timesheet accuracy could result in overpayments by the OPG.

Cleanout Vendors

Bids were not obtained for the 18 cleanout transactions tested.

The OPG selects a cleanout vendor when a client is preparing to sell their home or to provide services to assist the client in maintaining their home. The OPG's policy states investigators should obtain two bids if the estimated cost is above \$1,200 and one bid if under \$1,200. Not performing the appropriate bidding could result in clients paying for services at a higher cost.

From July 1, 2021 to November 30, 2023, there were 202 cleanout transactions totaling \$292,120. We judgmentally selected 20 transactions totaling \$109,222 based on the vendor and amount, and the bid policy was applicable to 18 of these expenses. We identified the following exceptions:

- The OPG provided no evidence indicating bids were obtained for any of the 18 transactions.
- One vendor had unusual or excessive charges. For example, the vendor installed or changed a stove and washing machine for \$1,200 each. There were no receipts that accompanied these charges. Additionally, the vendor replaced a clothesline for \$150 and charged \$100 for two vases.
- From July 1, 2021 to November 30, 2023, there were 38 transactions totaling \$7,550 paid to a related party vendor.

Recommendation

We recommend that OPG strengthen internal controls over the monitoring of temporary employment agencies and follow agreed-upon contracts to ensure the correct and timely payments of expenditures. We also recommend the OPG obtain bids based on its current policy to avoid overpaying for services rendered to the client. In addition, we recommend the OPG develop policies and procedures to mitigate future related party transactions.



User Access

Some employees had improper system access, and management needs to periodically reassess user privileges.

There are two levels of access to assign employees within the EMS: the user group level and the individual employee level. The OPG assigns user access at the individual employee level. According to the *Statewide Information Security Manual (SISM)* by the New Jersey Office of Homeland Security and Preparedness, agencies should reassign or remove privileges, if necessary, to correctly reflect evolving business needs. The OPG does not have a policy in place to periodically review user privileges.

As of August 4, 2023, there were 139 employees and 13 user groups. We reviewed employee access within the EMS and noted the following:

- 36 of 139 employees (26 percent), including 15 from the Finance Unit, had more access than their assigned user group.
- Five of the 139 employees (4 percent) have the ability to modify user rights without the access given on the group level.

The lack of a periodic review can result in users having improper access to the EMS system, which could allow checks to be processed improperly or inappropriate access to personal information.

Recommendation

We recommend the OPG comply with the *SISM* by implementing a policy for periodic updates of the user groups to reflect the OPG's needs.



Appendix

Methodologies to Achieve Audit Objectives

To determine if non-payroll expenditure transactions were related to the office's program, were reasonable, and were recorded properly in the accounting systems, we judgmentally selected 40 transactions from a temporary employee vendor totaling \$198,267 and 12 other transactions totaling \$719,798. During fiscal years 2022 and 2023, the total General Fund expenditure population was 2,339 transactions totaling \$9,564,020.

To determine if separated employees had their access removed from the EMS on a timely basis, we judgmentally selected 25 of the 60 separated employees from July 1, 2021 to January 9, 2024. We tested the timeliness of the access removal and the last day of system access.

To determine the accuracy of reporting and reasonableness of fee calculations, we tested home sales of OPG clients totaling \$1.4 million in 2024. We reviewed court order documents of 6 fiscal year 2024 real estate transactions from a population of 28 and traced the EMS disbursement to appropriate real estate vendors.





State of New Jersey

DEPARTMENT OF HUMAN SERVICES

Division of Aging Services

Office of Public Guardian for Elderly Adults

P.O. Box 812

Trenton, NJ 08625-0812

PHILIP D. MURPHY
Governor

SARAH ADELMAN
Commissioner

TAHESHA L. WAY
Lt. Governor

HELEN C. DODICK
Acting Public Guardian

January 22, 2025

Brian M. Klingele
Assistant State Auditor
Office of the State Auditor
125 South Warren Street
P.O. Box 067
Trenton, NJ 08625-067

Dear Mr. Klingele:

The New Jersey Office of the Public Guardian is in receipt of the Office of the State Auditor's draft audit report entitled "Department of Human Services, Division of Aging Services, Office of the Public Guardian for Elderly Adults." The Office of the Public Guardian (OPG) is in but not of the Department of Human Services. OPG agrees with OSA's conclusions that the financial transactions were related to the office's program, were reasonable, and were recorded properly in the accounting systems, and that the office generally has adequate controls in place to ensure its fiduciary guardianship responsibilities are met. Additionally, OPG generally agrees that certain internal controls should be strengthened, as set forth below. OPG appreciates OSA's review and opportunity to comment on the draft report.

OSA Recommendation: Care Management

We recommend that Care Managers document all client visitations within the case notes in EMS. We also recommend that OPG management improve monitoring to ensure Care Managers are making adequate in-person visitations to clients in compliance with statutory and internal requirements.

Response: Care Management

OPG agrees upon the importance of documentation. Following a lengthy vacancy in unit leadership, which has now been resolved, the Office has embarked upon a plan to improve documentation of client visits in the EMS database. Monthly reports are now generated from EMS showing each care manager's activity. The Unit Supervisor reviews these reports and cross-references with them with other pertinent materials. In addition, temporary care management staff has been added in order to lower caseloads and increase time for documentation. Caseloads of senior care management staff are also being reduced where possible to permit them to monitor documentation by more junior care managers. Care Management staff are also now equipped with laptops and hotspots so they can enter their notes in real time for appropriate clients. Finally, documentation training for care management staff has been held in order to clarify contents, expected timeframes and quality of case notes.

OSA Recommendation: State-Assigned Vehicles

We recommend that OPG monitor its usage of state vehicles and periodically evaluate its need in order to comply with circular requirements. If needed, we recommend the OPG apply for individual exceptions for these vehicles.

Response: State-Assigned Vehicles

In order to conform with the Circular, we have now ensured that all drivers have their original mileage log sent to the appropriate supervisor. In addition, we have created a spreadsheet of all state-issued vehicle miles accumulated each month. This list is circulated monthly to the Supervisors of the units that have drivers in order to closely monitor vehicle use, mileage and compliance with the Circular. We have requested copies of drivers licenses held in the Division of Aging Services' vehicle administrator's file and will do so annually so that we may ensure staff driving permits are complete and up-to-date. We will review the use of individual exceptions where appropriate.

OSA Recommendation: Deceased Clients

We recommend that OPG maintain a complete listing of deceased client cases that need to be closed out. Additionally, the OPG should track the progress of deceased client cases to final closeout. We also recommend the OPG develop policies and procedures to expedite the process of submitting FFAs to the court.

Response: Deceased Clients

OPG is responsible for significant work following the death of individuals under its protection. First and Final Accountings are labor intensive, requiring dozens of hours each to complete. Locating and maintaining staff with the skill set to perform fiduciary accountings, many of whom are necessarily temps, has proven challenging. In addition, the increase in first and final accountings required during and after the public health emergency, when programs lacked the technological infrastructure for remote work, contributed to the issues noted in the audit report. Notwithstanding these factors, the Office is committed to moving toward implementing the recommendations set forth in the report. A reorganization to provide additional attorney input from other parts of the office is in the planning stages, as is the assignment of a seasoned administrator to accomplish the complete cataloging and tracking of decedent unit work. The creation of policies and procedures has already commenced.

OSA Recommendation: Purchasing Cards

We recommend the OPG adhere to the circular and its own policy by improving internal controls to ensure proper supporting documentation for purchases is submitted and monthly reconciliations are completed and documented. We also recommend the OPG develop a process for ensuring P-Card purchases are delivered to clients and create business accounts for third-party vendors when possible. We recommend the OPG monitor the previous balance charges to determine if these charges are proper. Finally, we recommend the OPG continue to follow-up with the Department of Treasury regarding the misapplied payment.

Response: Purchasing Cards

The use of p-cards to purchase gift-certificates is no longer permitted. No staff members with check-approval authority also possess p-cards at this point. Verifications for purchases and all supporting documents are now subject to enhanced review and receive approval at appropriate levels in all cases in accordance with internal controls and related rules and policies. The reconciliation process will be expanded from the individual purchase level to monthly statement reconciliation. The Office is exploring use of vendors who can provide business accounts to reduce

the need for staff to utilize personal accounts to fulfill client needs. OPG will strive to create a system of monitoring/verifying delivery of items to incapacitated individuals where feasible, and will follow up with Treasury regarding the balance and payment issues noted.

OSA Recommendation: Expenditures

We recommend that OPG strengthen internal controls over the monitoring of temporary employment agencies and follow agreed-upon contracts to ensure the correct and timely payments of expenditures. We also recommend the OPG obtain bids based on its current policy to avoid overpaying for services rendered to the client. In addition, we recommend the OPG develop policies and procedures to mitigate future related party transactions.

Response: Expenditures:

Internal controls have been strengthened over the monitoring of temporary employment agencies. This includes arranging for OPG access to detailed invoices currently directed to Division finance personnel, creation of electronic files containing executed contracts, which are now current, and a process for monitoring of timesheet accuracy through cross-referencing all these sources. OPG is also strengthening adherence to its vendor bid policy by ensuring that pertinent staff members obtain bid documentation in an appropriate format and file and retain same for future reference. Unit policies will be augmented to reduce the possibility of related party transactions.

OSA Recommendation: User Access

We recommend that OPG comply with the SISIM by implementing a policy for periodic updates of the user groups to reflect the OPG's needs.

Response: User Access

The Office will come into compliance with the SISIM by implementing a policy for periodic updates of the user groups to reflect the OPG's needs.

Thank you again for the opportunity to review and respond to OSA's draft audit report. We welcome any opportunity to ensure that adequate internal controls are in place to aid, empower and protect New Jersey's incapacitated elderly.

Very truly yours,

Helen C. Dodick

Helen C. Dodick, Esq.
Acting Public Guardian