



**New Jersey State Legislature
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Office of the State Auditor**

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

July 1, 2010 to June 30, 2012

**Stephen M. Eells
State Auditor**

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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, 2010 to June 30, 2012. If you would like a personal briefing, please call me at (609) 847-3470.

A handwritten signature in black ink, appearing to read "Stephen M. Eells".

Stephen M. Eells
State Auditor
March 20, 2013

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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 (OPG) for the period July 1, 2010 to June 30, 2012. Our audit included financial activities accounted for in the state's General Fund as well as off-line bank accounts maintained in the office's case management and trust accounting system.

The OPG provides services for elderly adults who have been deemed by a Superior Court judge to be incapacitated and in need of a state guardian or conservator. These services, currently provided to approximately 1,100 clients, include legal, financial, and healthcare decisions for individuals age 60 and older. The office, created by state law in 1986, employs attorneys, investigators, care managers, accountants, and support staff to assist its elderly wards. During our audit period, the office was administratively organized within the Department of Health and Senior Services; however, as of July 1, 2012, the office was transferred to the Department of Human Services.

General Fund expenditures for fiscal years 2011 and 2012 were \$2.6 million and \$2.7 million, respectively, of which federal Medicaid grant funds represented an average of \$1.5 million per year. The office also maintains four active off-line checking accounts for purposes that include paying for temporary employees and consultants and covering General Fund salary and expense account deficits with earnings from clients, maintaining client funds for client expenses, and maintaining an escrow account for anticipated earnings from clients. The total balance of these four accounts was \$31.6 million as of June 30, 2012.

Objectives

The objective of our audit was to determine whether the office has adequate controls in place to ensure fiduciary guardianship responsibilities are achieved. In addition, our objective was to determine whether financial transactions were related to the office's programs, were reasonable, and were recorded properly in the accounting systems. We also tested for resolution of the significant conditions noted in our prior report dated January 31, 2005.

This audit was conducted pursuant to the State Auditor's responsibilities as set forth in Article VII, Section I, Paragraph 6 of the State Constitution and Title 52 of the New Jersey Statutes.

Methodology

Our audit was conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States.

In preparation for our testing, we studied legislation, the administrative code, circular letters promulgated by the Department of the Treasury, and policies of the office. Provisions we considered significant were documented and compliance with those requirements was verified by interview, observation, and through our testing of financial transactions. We also read the budget

messages, reviewed financial trends, and interviewed agency personnel to obtain an understanding of the programs and the internal controls.

A nonstatistical sampling approach was used. Our samples of financial transactions were designed to provide conclusions about the validity of transactions, as well as internal control and compliance attributes. Sample populations were sorted and transactions were judgmentally selected for testing.

To ascertain the status of findings included in our prior report, we identified corrective action, if any, taken by the office and walked through or performed tests to determine if the corrective action was effective.

Conclusions

We found the office has adequate controls to ensure its fiduciary guardianship responsibilities are achieved. We also found the financial transactions included in our testing were related to the office's programs and were reasonable. However, not all revenues and expenses of the office are recorded in the state accounting system. Additionally, we have identified potential savings related to the utilization of an accounting vendor, temporary employees, and an outside attorney. We also noted internal control weaknesses related to client asset storage, cash receipts, system access and security management, investigator reports, and other matters meriting management's attention. In addition, we found that the office has not fully resolved the significant issues noted in our prior report regarding deceased clients, business continuity, and policies and procedures. These issues have been updated in our current report. Questionable items related to professional services were referred to the state's Division of Criminal Justice.

During our audit, we observed potential efficiencies and cost savings that may be achieved if an electronic filing system was developed and adopted by the office to maintain client records.

Accounting Services

The office should re-evaluate its agreement with the accounting vendor.

The Office of the Public Guardian for Elderly Adults (OPG) utilizes a vendor to perform financial-related duties for approximately one-third of its clients. The agreement with this vendor is outdated and may not be the most cost-effective option. The vendor was paid a total of \$883,000 from July 2010 through May 2012 with both OPG and client funds. Our review noted the following.

- The vendor's current independent contractor agreement is dated December 2001. A January 2007 letter outlined the updated agreed-upon billing rate of \$72 per hour for accounting/bookkeeping services. These services include entering payment information into the system, completion of check request approval forms, making phone calls on behalf of the client, and posting deposit entries into the system. In contrast, payments for three accountants obtained from temporary employment agencies and included in our sample averaged \$28 per hour. We estimate that, during the audit period, the office and its clients could have saved at least \$280,000 if temporary employment agencies were utilized to provide these services rather than the current vendor.
- The vendor is paid \$50 per month per client for services provided to indigent wards which totaled \$237,000 for the 21 month period of July 2010 through March 2012. According to an invoice, payments were made based on an agreement; however, we were not provided with the agreement outlining these services. We reviewed the invoice for the March 2012 payment that included 244 clients billed as indigent wards. A significant number of transactions for these clients are recurring batch transactions where activity remains the same month after month. These transactions are known as frequency transactions and typically consist of four line items. Once the frequency file is set up, it only requires edits when receipt or payment amounts change, or when the client dies. For example, Supplemental Security Income may increase annually as a result of a cost-of-living adjustment which may increase the payment made to a nursing home. Based on our review, it may be more cost-effective to handle indigent wards in-house rather than outsource this function to a vendor. If the office were to use temporary employment agency accountants to provide services for indigent wards, savings of at least \$75,000 could be achieved annually.

Recommendation

We recommend the OPG re-evaluate the need and economy of its agreement with the accounting vendor and determine if there is a more cost-effective option for these services.

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Temporary Employees

The office could realize cost savings by utilizing temporary employees through the state contract.

The OPG relies on temporary employees to supplement staffing levels in providing services to its clients. The office obtains these employees from vendors that are not state contract vendors as is allowed per N.J.S.A. 52:27G-25c. We tested ten payments to the four vendors from which the office obtains legal, financial, and other administrative temporary employees and found four of these positions could have been obtained through state contract. Three accountants and one legal secretary were paid hourly rates of approximately \$28 and \$35, respectively. The state contract hourly rates for an accountant and legal secretary were \$18 and \$22, respectively. Total payments for these four positions were \$250,000 during fiscal years 2011 and 2012. If the office had used the state contract vendors, cost savings of \$90,000 could have been achieved.

Recommendation

We recommend the OPG consider obtaining temporary employees from the state contract vendors.

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Legal Services

Client savings could be realized by adding staff to perform legal services.

The office utilizes an outside attorney to perform legal services when a client dies. Adding internal staff to perform these services could result in cost savings. The outside attorney prepares a final account which documents all income and expenses of a client during the guardianship period and serves as a formal request for commissions and fees for guardianship services provided by the office. This attorney is paid at a rate of \$200 per hour from the deceased ward's account, and in cases where the ward has no assets the services are provided pro bono. Total payments averaged \$375,000 annually over the last six fiscal years and averaged \$475,000 for fiscal years 2011 and 2012. These services have been provided by the same attorney for over a decade with no written agreement or evidence that competitive bidding was performed. Management contends these services could be provided in-house but are instead outsourced due to the staffing limitations of the office. Since the office has a fiduciary responsibility to manage client assets prudently, adding the staff necessary to provide the services needed at a substantial savings should be a priority. We estimate the annual salary and fringe benefit costs of an attorney and paralegal to be \$167,000. If clients were billed at a rate to cover these costs, client savings could be approximately \$200,000 annually. If adding staff is not feasible, these services should be competitively bid.

Recommendation

We recommend the office seek approval to hire staff to perform final accounting and other related legal services for the clients.



Fiscal Transparency

Receipts and expenses of the office should be recorded in the state accounting system.

The OPG does not currently record all revenue earned and expenses incurred by the office in the state accounting system. This would provide greater fiscal transparency of the office by providing the true cost of operations and subjecting the financial activity to the internal controls inherent to the state accounting system. One of the off-line checking accounts the OPG maintains handles receipts from commissions and fees earned by the office for guardianship services provided to the clients. These receipts averaged \$2.0 million annually during our audit period. At the end of each fiscal year, the office utilizes a portion of these funds to cover deficits in General Fund salary and expense accounts. This amount is the only portion recorded as revenue in the state accounting system and totaled \$646,500 and \$335,000 during fiscal years 2011 and 2012, respectively. The majority of the remaining amounts are used to pay temporary employees and consultants needed to supplement staffing levels of the office. These payments from the account totaled \$1.4 million during fiscal year 2011 and \$1.7 million through May of fiscal year 2012, and are not recorded in the state accounting system. The account, which had a balance of \$3.4 million as of June 30, 2012, is also utilized to make advances to clients to cover current expenses when future receipts are expected. These advances totaled approximately \$600,000 during fiscal year 2011.

Recommendation

We recommend revenue and expenses of the office currently recorded in the off-line checking account be processed through the state accounting system. A reasonable balance should be maintained in the off-line checking account for client advances only.



Safeguarding Client Assets

The office should ensure client assets are properly safeguarded.

The OPG does not have adequate internal controls to ensure client assets maintained on-site are safeguarded against loss. The office maintains a locked room to store miscellaneous client assets and documents such as coins, jewelry, and birth certificates. Our walkthrough of the room and its procedures disclosed the record keeping for the room is insufficient. There is no

inventory of items, no record of additions or removal of items from the room, and no log is maintained of whom gained access to the room. In addition, we observed items stored in an unorganized manner. Management has a fiduciary responsibility for establishing internal controls that account for the receipt, storage, and disposition of client assets. Subsequent to our inquiries, the office began a process for corrective action.

Recommendation

We recommend the office continues its corrective action providing for an accounting of items added and removed from the locked room, maintaining a log that records access to the room, and ensuring all items are listed on an inventory report. Periodic physical inventory checks should also be performed to verify the accuracy of the records.

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Cash Receipts

The office should deposit client funds timely.

The OPG receives checks on behalf of its clients such as monthly pension payments, funds transferred from accounts maintained prior to guardianship, and dividends. These checks are not being deposited timely and periodic mail log reconciliations are not performed. In accordance with Department of the Treasury Circular Letter 12-02-OMB, agencies are to ensure funds are deposited on the same day as received. In addition, management should provide a means to verify that all receipts are recorded and deposited. The majority of the checks received by the office are deposited using the bank's remote scanning technology. Instead of bringing checks to the bank, they are scanned and the image of the check is captured and immediately transmitted to the bank for deposit. We obtained the mail logs for November 2011 and March 2012 which contained an average of 551 checks totaling \$1.2 million per month. Check deposit transactions that exceeded \$15,000 during these months were selected for testing. Testing revealed that 19 out of 372 checks were not recorded in the mail log before being sent for deposit and 327 out of 353 checks totaling \$1.3 million were not deposited on the day received. The average time from the mail log receipt date to the date deposited was 7 business days with some deposits up to 18 business days after receipt. In addition, there is no independent reconciliation between the mail log and deposits. Scanning checks at the point of receipt may eliminate the need for a mail log and would ensure checks are deposited timely.

Recommendation

We recommend the OPG scan checks at the point of receipt thereby ensuring compliance with Department of the Treasury regulations and eliminating the need of a mail log.

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System Access Controls, Security Management, and Business Continuity

The office should strengthen internal controls over information technology.

The CompuTrust system is utilized by the OPG as a trust accounting and case management system for its 1,100 active clients. A review of the information technology controls in place over the CompuTrust system noted weaknesses in the areas of system access, security management, and business continuity.

Prudent access control practices dictate user accounts for separated individuals should be disabled or removed in a timely manner. The office's procedure when an employee separates is to change the password for the user account and keep user privileges intact. User accounts should be deleted upon employee separation. Deletion of inactive accounts would provide assurance that inappropriate activity could not be posted to the system through these accounts. We did not find any transactions posted by separated employees after their separation date.

The office also did not utilize access request forms when granting or modifying employee access to the CompuTrust system. These request forms would provide supervisory authorization and would identify system access privileges based on employees' job responsibilities. During the course of our field work, the office developed an access request form. There are also no procedures for periodically recertifying user access to the application to ensure access levels are commensurate with job responsibilities.

In addition, the office does not have a written business continuity plan for the CompuTrust system. A comprehensive business continuity plan should address all potential disruptions to office operations. Industry best practices require periodic testing of the business continuity plan to ensure adequate controls are in place and functioning to minimize the loss of data if a disruption were to occur. Testing is also important because it measures the feasibility of the plan and identifies any modifications that may be required because of noted weaknesses. We also noted that daily back-up data is not periodically tested for integrity. Without this testing, there is no verification that back-ups are complete and the data in them usable in the event a restoration is needed. Furthermore, the office does not have a comprehensive written security plan for the application. A security plan should be developed based on a risk assessment of the application and identify potential threats to the system. For example, since the system allows remote access, an assessment of the firewall server which controls this access should be performed. The lack of a comprehensive security plan increases the risk that existing controls may be ineffective or inadequate to protect the application and its data. Once the risk assessment is performed and the security plan written, appropriate security controls should be implemented.

Recommendation

We recommend the office delete inactive user accounts and recertify user access on a periodic basis. In addition, the office should develop a business continuity plan and periodically test both

the plan and the daily data back-ups. The office should also develop a written security plan based on an application risk assessment.

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Deceased Clients

The office should ensure balances for deceased clients are accurate and disbursed timely.

The OPG does not have procedures in place to ensure balances for deceased clients are accurate and disbursed timely. The office utilizes the CompuTrust system which is designed as a complete trust accounting and case management system. The system records pertinent health, legal, and financial information for each client. The estate balance, as recorded on the database, is primarily comprised of the sum of a client's trust, burial, and inventory balances. The trust balance represents liquidated client funds maintained in the representative payee checking account. The burial balance is a pre-paid fund used for funeral expenses. The inventory balance is used to record the value of tangible property. We performed an analysis as of May 2012 of clients who died prior to January 2012 with estate balances greater than \$50,000. Our analysis revealed 55 clients with a total estate balance of \$16.2 million, of whom 14 died prior to 2009. We judgmentally selected 20 of the 55 clients for testing and noted the following.

- Inventory balances for 11 clients totaling \$6.3 million should have been removed from the system. These assets were previously turned over to the estate's administrator; however, corresponding system transactions were never entered. Balances totaling \$725,000 represented four of these clients who died prior to 2008.
- Two clients died in 2007 and 2008 whose heirs never had their wills probated. Based on our inquiry, the office followed up on these accounts and is awaiting an administrator to be appointed. These clients had a total trust balance of \$130,000.
- Another client who died in 1996 still had an inventory balance of \$56,000. Management is researching why this balance exists.

Prudent accounting practices dictate the accounts should be closed timely, assets should be properly disbursed, and the accounting records should properly reflect these transactions.

Recommendation

We recommend the office periodically follow-up on deceased client accounts to ensure system balances are accurate and client estates are disbursed timely.

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Investigator Reports

Investigator reports should be completed.

The OPG is not completing investigator reports. The office, at times, is appointed clients who are subsequently relocated from their residence to an assisted-living facility or nursing home. Once the residence is vacated, two investigators are assigned to conduct an investigation of the client's home and its contents. According to management, investigators are required to complete a report to document the search and serve as an inventory of the client's belongings. The purpose of the investigation is to recover and secure all monetary instruments and valuables, pertinent documents/correspondence relative to the client's past, useable personal effects for the client's continued use, personal property having probable recovery value, and prepare the residence for eventual sale. Often, items of value are sold at auction in an effort to liquidate client assets. We selected ten clients where an investigator report should have been completed and found only three reports that were done. One of these reports was completed in October 2012 because of our request regarding an investigation performed in November 2010. Without this report, there is increased risk items could be misappropriated or not properly recorded on the clients' CompuTrust accounts.

Recommendation

We recommend investigator reports be completed timely for all applicable clients.

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Other Matters

Updated Policies and Procedures

The office should update policies and procedures.

Our prior audit noted that the office did not have updated policies and procedures. The office is in the process of updating policies and procedures with some functions in draft form. Current written policies and procedures are an important internal control which communicate management directives. It also gives employees an understanding of their roles and responsibilities regarding the operation of the office.

Professional Fee Calculations

Professional fees should be billed consistently.

The OPG bills professional fees in accordance with N.J.S.A. 52:27G. These fees are not being billed consistently between clients. Upon the death of a client, the final account is filed and serves, in part, as a formal request for professional fees incurred for guardianship services

provided by the office. The preparation of the final account is performed by an outside attorney. Our prior audit noted the professional fee hours included on the final account were significantly higher than the hours detailed in the case management system. Our current audit found that hours included in the case management system closely matched or exceeded the hours included on the final account; however, hours for activities documented in the system were not consistently selected for reimbursement. For example, hours and activities that were included on the final account for one client were not included for another client. According to management, the attorney utilizes his professional judgment to decide which hours should be included based on what he expects the court to approve, as well as consideration of the amount of commissions being received. Professional fees should be billed consistently between clients.

Escrow

Reconciliation procedures should be implemented.

The escrow checking account is maintained to account for anticipated commissions and fees that will be earned at the conclusion of the guardianship. The account had a balance of \$6.0 million as of April 30, 2012. We performed an analysis of the escrow account as of April 2012 to determine if activity was correctly posted to the accounting system. Based on our analysis, 116 clients were identified where transactions representing disbursements from this account did not match transactions representing receipts. We selected a sample of 20 of these clients and provided them to management for further explanation. Transaction errors were noted for 10 of the 20 clients. Nine of the ten errors were the result of accounting data entry errors, and one of the ten errors totaling \$26,000 was a duplicate entry. The office performs bank reconciliations for each of the off-line checking accounts; however, these errors would not be detected by bank reconciliations and the office does not currently have reconciliation procedures to ensure activity posted to the system is proper. Many of the errors can be attributed to an archaic single entry accounting system.

Recommendation

We recommend policies and procedures manuals are finalized for all office operations and functions, hours for professional fee reimbursements on the final account be consistent amongst clients, and reconciliation procedures be implemented to detect transaction errors in the escrow account.

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Observation

The office should consider adopting an electronic filing system.

The OPG maintains hard copy files for each of its clients. We obtained and reviewed these files for sampled clients as part of our audit testing. The files reviewed were voluminous and often difficult to follow. We found an environment with an overwhelming amount of documents and limited storage space available. Confidential legal documents and other records were stacked in cubicles and in hallways for prolonged periods of time. In the course of reviewing office hard copy files, we found a number of filing errors. The office is also required to keep five years of bank statements for Medicaid eligibility requirements for each banking institution where a client held funds. This requirement adds to the size of client files. Although certain hard copy documents must also be retained to comply with applicable statutes and court regulations, potential efficiencies and cost savings may be achieved if an electronic filing system was developed and adopted by the office to maintain client records. We estimate the current cost of retrieving hard copy documents to be over \$200,000 annually. The benefits of adopting an electronic filing system include:

- *Less space.* There were approximately 60 full-size filing cabinets throughout the office not including smaller sized cabinets within employee cubicles. One CD-ROM can hold approximately 3,000 documents or the equivalent of five full-size filing cabinets.
- *More secure and recoverable.* Document imaging would prevent lost or stolen files. Rather than keeping sensitive records physically accessible, you can protect them digitally using firewalls, encryption, and other computer security measures. Additionally, digital back-up provides protection from fire, flood, and other disasters. Whereas physical documents may be destroyed and require an extensive recovery process, digital files can be easily retrieved from secure storage, allowing quick disaster recovery.
- *Improved level of customer service.* Immediate access to documents can improve correspondence, reduce call backs, and provide immediate answers.
- *Easy access.* Time-consuming searches through cumbersome paper files for specific documents could be alleviated.



State of New Jersey

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Commissioner

March 19, 2013

John J. Termyna
Assistant State Auditor
Office of Legislative Services
Office of the State Auditor
125 South Warren Street
P.O. Box 067
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Dear Mr. Termyna:

Kindly accept this letter in response to your letter of February 28, 2013 to the Department of Human Services concerning the Office of Legislative Services (OLS) draft audit report entitled "Department of Human Services, Division of Aging Services, Office of the Public Guardian for Elderly Adults."

The objectives of the audit were to determine whether the office has adequate controls in place to ensure achievement of fiduciary guardianship responsibilities and to determine whether financial transactions were reasonable, were related to the office's programs, and were recorded properly in the accounting system.

The draft audit report concluded that the Office of the Public Guardian (OPG) has adequate controls to carry out its fiduciary responsibilities, and that financial transactions are reasonable and related to OPG's programs. Internal controls and procedural weaknesses were noted, however, and potential vendor-related savings were identified. As set forth below, the Office will address reinforcement of the identified controls and procedures, and will review the suggested cost-savings measures for greater accountability and efficiency.

Accounting Services

Recommendation:

We recommend the OPG re-evaluate the need and economy of its agreement with the accounting vendor and determine if there is a more cost-effective option for these services.

Response:

A strategy for bringing files in-house has been developed following re-evaluation of the office's long-standing relationship with the overflow vendor. Since the audit, OPG has sought return of all indigent ward files and has reduced the number of outsourced non-indigent cases significantly. We continue to utilize more cost-effective in-house temporary staff pending review of the hiring of permanent state staff. With the support of the Department of Human Services, we also are actively investigating updated technology enable the handling of our files in-house within a year.

Temporary Employees

Recommendation:

We recommend the OPG consider obtaining temporary employees from the state contract vendors.

Response:

In order to reduce reliance upon the previously noted vendor, OPG has sought qualified temporary workers with fiduciary accounting familiarity. We also will investigate whether state contract vendors have employees with the appropriate accounting background.

Legal Services

Recommendation:

We recommend the office seek approval to hire staff to perform final accounting and other related legal services for the clients.

Response:

In order to move the back-end of the office's business operations in-house, we have engaged interim back-up legal staff. As of this time, we have returned one-third of the accountings to the office, with the goal of generating the majority of accountings in-house within the year. Ongoing discussions with our division and department are being held to address this priority recommendation.

Fiscal Transparency

Recommendation:

We recommend revenue and expenses of the office currently recorded in the off-line checking account be processed through the state accounting system. A reasonable balance should be maintained in the off-line checking account for client advances only.

Response:

The office will investigate this recommendation while being mindful of the need for flexibility to address emergent client and personnel matters.

Safeguarding Client Assets

Recommendation:

We recommend the office continue its corrective action providing for an accounting of items added and removed from the locked room, maintaining a log that records access to the room, and ensuring all items are listed on an inventory report. Periodic physical inventory checks should also be performed to verify the accuracy of the records.

Response:

We agree with this recommendation. The office created a dedicated internal controls unit charged with quality assurance and policy and procedure development. This unit consists of legal, financial and administrative staff. Among other tasks, this group has undertaken significant new safeguards in addition to those noted in the audit report, including back-up scanning of key original documents, and implementation of law-enforcement evidence-guided protocols. These practices will be expanded in the coming months.

Cash Receipts

Recommendation:

We recommend the OPG scan checks at the point of receipt thereby ensuring compliance with Department of the Treasury regulation and eliminating the need for a mail log.

Response:

The importance of depositing checks promptly notwithstanding, we are concerned about eliminating the mail log and its attendant safeguards at this time, although we agree that associated procedures merit revision. Since OPG wards have been subject to financial scams, OPG regularly receives a small percentage of stale-dated client checks, checks that are fictitious or fraudulent and instruments payable to estate administrators. In light of this recommendation, procedures are being implemented to require automatic clearing house deposits whenever possible in order to reduce the number of paper checks coming into the offices.

System Access Controls, Security Management, and Business Continuity

Recommendation:

We recommend the office delete inactive user accounts and recertify user access on a periodic basis. In addition, the office should develop a business continuity

plan and periodically test both the plan and the daily data back-ups. The office should also develop a written security plan based on an application risk assessment.

Response:

OPG is currently in the process of deleting inactive users as set forth in this recommendation. Our internal controls unit staff is developing procedures to recertify user access.

OPG participates in ongoing meetings with our division's technical support personnel toward replacement of the office's superannuated database. In conjunction with these meetings, we also will seek assistance in developing a business continuity plan for the CompuTrust system or its replacement, as well as a written security plan based on an application risk assessment.

Deceased Clients

Recommendation:

We recommend the office periodically follow up on deceased client accounts to ensure system balances are accurate and client estates are disbursed timely.

Response:

In the process of bringing the back-end of our business in-house as described in our response to the Legal Services recommendation, OPG has developed procedures to cover the post-discharge phase of our work. As part of this initiative, we are scheduling a semi-annual review of all funds in deceased client accounts.

Investigator Reports

Recommendation:

We recommend investigator reports be completed timely for all applicable clients.

Response:

Investigator reports are now being completed timely for all applicable clients.

Other Matters

Recommendation:

We recommend policies and procedures manuals are finalized for all office operations and functions, hours for professional fee reimbursements on the final account be consistent among clients, and reconciliation procedures be implemented to detect transaction error in the escrow account.

Response:

OPG created an internal controls unit charged with policy and procedure development. Escrow reconciliation will be implemented and fee consistency will be re-visited within the scope of OPG's ongoing goal of increasing quality assurance.

If you have any questions or require additional information, please do not hesitate to contact me or Joseph Fontana at 609- 341-5555.

Very truly yours,



Helen C. Dodick
Acting Public Guardian
for Elderly Adults

c Jennifer Velez, Commissioner
William Cutti, Assistant Division Director