

Hernando County Clerk of Circuit Court & Comptroller
Audit Services Department
Audit Report
Of
Guardianship Case Review Audit
July 22, 2022

MANAGEMENT LETTER

TO: The Honorable Doug Chorvat, Jr.

FROM: Elizabeth Hogan, CIA, CFE, Director of Audit Services *EP*

DATE: July 22, 2022

SUBJECT: Guardianship Case Review Audit

In accordance with the Audit Services Department's Audit Project Schedule, the internal audit team conducted an audit of the Clerk of Circuit Court and Comptroller's Guardianship Case Review processes. Based on testing, observations, and communications with key personnel, the audit team produced the attached report for your review. Management's responses to the recommendations are also included.

The purpose of this report is to furnish management with independent, objective analyses, recommendations, counsel, and information concerning the activities reviewed. The audit report is a tool to help management discern and implement specific improvements. It is not an appraisal or rating of management.

Although the internal audit team exercised due professional care in the performance of this audit, this should not be construed to mean that unreported noncompliance or irregularities do not exist. The deterrence of fraud and/or employee abuse is the responsibility of management. Audit procedures alone, even when carried out with professional care, do not guarantee that fraud or abuse will be detected.

The courtesies and cooperation extended by the employees of the Civil Courts Department during the audit were sincerely appreciated.

If you have any questions, concerns, or need additional information regarding the above or the attached report, please do not hesitate to contact Audit Services at (352) 540-6589, or just stop by our offices in Room 300C.

ATTACHMENT: Guardianship Case Review Audit Report

Copy: Camille Johnson, Civil Courts Manager

Copy: **Audit Services Planning & Priorities Committee**

The Honorable Doug Chorvat, Jr., Clerk of the Circuit Court and Comptroller
Toni Brady, Director, Office of Management & Budget/Chief Procurement Officer
Joshua Stringfellow, CPA, Director of Financial Services
Jon Jouben, County Attorney
Tobey Phillips, Deputy County Administrator
Jeffrey Rogers, PE, County Administrator
William Blend, CPA, CFE, Shareholder, MSL P.A.
Jeff Wolf, CPA, Senior Audit Manager, MSL P.A.

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Executive Summary

Guardianship Financial Report desk audits performed by the Civil Courts Department must be performed in compliance with the Circuit Court for the Fifth Judicial Circuit in and for Hernando County, Florida, Administrative Order H-2000-5, Auditing, Duties and Responsibilities of the Clerk of the Circuit Court Regarding Guardianship Files (The Order) and the associated Florida Statutes. To provide some level of assurance that the Civil Court Department's desk audits for the most recently submitted accounting of the selected cases were performed in compliance with The Order, the Audit Services Department (ASD) selected a sample of cases and compared the desk audit checklist results for accountings and inventories to the documentation submitted by the guardian. The ASD also reviewed the due dates for the completion of desk audits, that were manually entered into Clericus, to ensure that the due dates were aligned with The Order. In addition, the ASD reviewed the guardian's petitions for reimbursement of expenditures for duplicate billings.

The ASD found that the Civil Court Department's desk audits were thorough and materially accurate. Although the desk audits were completed in a thorough manner, the ASD identified three opportunities for improvement that are addressed in Discussion Point 1: Desk Audit Compliance with The Order. The opportunities for improvement included the following: document Standard Operating Procedures for the desk audit process; perform desk audits and advise the Court of the results within 90 days; and implement and document supervisory review of completed desk audits. These opportunities for improvement would strengthen internal controls, ensure compliance with The Order, and provide for continuity of operations.

The ASD's review of a sample of guardian's petitions for reimbursement for duplicate billings for the same date and time did not identify any opportunities for improvement.

Acknowledgement

Other minor findings not included in the attached report were communicated to management and/or corrected during fieldwork.

Fieldwork was performed by: Elizabeth Hogan, Director of Audit Services *EH*
Vicky Sizemore, Internal Auditor *VS*

Management's response was provided by: Camille Johnson, Civil Courts Manager

Management's response was approved by: Douglas A. Chorvat, Jr. Clerk of Circuit Court and Comptroller

This report was reviewed and authorized by Douglas A. Chorvat, Jr. Clerk of Circuit Court and Comptroller.

D.A. Chorvat, Jr.

Doug Chorvat, Jr.
7/22/2022

Date

BACKGROUND INFORMATION

In accordance with Florida Statute (F.S.) 744, the Clerk of Circuit Court and Comptroller is mandated to perform audits of guardianship financial reports submitted to the Court. This responsibility has been delegated to the Civil Courts Department. Guardianship financial report audits are performed based upon Circuit Court for the Fifth Judicial Circuit in and for Hernando County, Florida, Administrative Order H-2000-5, "Auditing Duties and Responsibilities of the Clerk of Circuit Court Regarding Guardianship Files" (herein referred to as "The Order"). The Order is the Court's interpretation of F.S. 744. In addition to The Order, staff members also follow the Best Practice on Guardianship Audits and Checklist issued by the Florida Court Clerks & Comptrollers Association. The Florida Court Clerks & Comptrollers Association Board of Directors approved the revised Best Practice on Guardianship Audits and Checklist on April 7, 2021. The Best Practice and Checklist were previously revised June 2018.

Guardianship reports address guardianship of the person (the ward's physical well-being) and guardianship of the property (the ward's financial well-being). This audit addressed guardianship of the property.

At the onset of guardianship, The Order requires the guardian to file an initial verified inventory of the ward's assets with the Court. Thereafter, the guardian is required to file an annual guardianship report and an annual accounting with the Court.

When the annual guardianship reports are submitted to the Court, they are desk audited by Civil Courts Department Probate staff. Staff members utilize checklists based on The Order and Best Practices to document their audit results. These checklists are docketed in the case file. In instances when the Court disapproves the guardianship's report, the Court requires the guardian to file an amended report and/or submit additional supporting documents. Once submitted, these additional documents are desk audited by Civil Courts Department staff and the results are submitted to the Court. Not all verbal communications are docketed in the case file.

OBJECTIVES

There were three objectives of this audit. The first objective was to evaluate the desk audit processes to provide some level of assurance that Guardianship Financial Report desk audits performed by the Civil Courts Department staff were performed in compliance with Florida Statutes and the Circuit Court for the Fifth Judicial Circuit in and for Hernando County, Florida, Administrative Order H-2000-5, Auditing, Duties and Responsibilities of the Clerk of the Circuit Court Regarding Guardianship Files (herein referred to as "The Order").

The second objective was to determine if Professional Guardians were reimbursed for hours charged for the same date and time to more than one guardianship account.

The third objective was to ensure that compliance dates were properly set up in Clericus to ensure that the required Inventory and Accounting reports were received, reviewed, and submitted to the Court within the timeframe specified in The Order and Florida Statutes.

SCOPE

To accomplish the audit objectives, the Audit Services Department performed the following procedures:

- Interviewed key personnel
- Obtained and reviewed relevant policies and procedures; Florida Statutes; Judicial Administrative Orders; Judicial Rules of Administration; best practices literature
- Obtained Guardianship Case report from Clericus
- Using IDEA data analytics software
 - Selected a random sample of 40 guardianship cases to review the desk audits of Accountings and guardian's petitions for reimbursement if a petition was filed
 - Selected a sample of 15 guardianship cases to review the desk audit of the Initial Inventory

SCOPE LIMITATIONS

The ASD did not address the Civil Courts Department's audits of guardianship plans. Generally, the ASD limited the audit to the most recent desk audit. However, there may be instances in which the ASD expanded the scope to include additional financial reports when the scope expansion was expected to provide some additional level of assurance that the most recent annual financial report has the appearance of being accurate. The ASD relied upon documentation docketed in the guardianship case files in Clericus. The Audit Team did not render an opinion regarding the Civil Courts Department's undocumented (ex parte) communications with the Court.

All cases selected for testing did not contain guardian's petitions for reimbursement.

The audit period was July 1, 2020, through July 1, 2021.

Opportunity for Improvement	Description	Page Reference
1.1	Document Standard Operating Procedures for the desk audit process	9
1.2	Perform desk audits and advise the Court of the results within 90 days	9-10
1.3	Implement and document supervisory review of completed desk audits	10

Discussion Points

Discussion Point 1: Desk Audit Compliance with The Order

To provide some level of assurance that guardianship annual financial reports were audited in compliance with The Order, which is the Court's interpretation of Florida Statute 744, the ASD reviewed 40 accounting desk audits and 15 initial inventory audits. Using documentation contained in the guardianship case file in Clericus, the ASD reviewed the accounting and inventory documentation submitted by the guardians and the Civil Court Department's completed desk audits. The ASD's review was generally limited to the most recent annual or final accounting and the initial inventory docketed in Clericus.

Although the documented results of the desk audits were materially accurate. The ASD identified three Opportunities for Improvement.

1.1. Opportunity for Improvement: Document Standard Operating Procedures for the desk audit process

Standard Operating Procedures have not been drafted regarding the completion of guardianship desk audits.

Recommendation: To ensure the continuity of operations in the event of staff turnover and to provide inexperienced staff with written guidance, the ASD recommends that the Civil Courts Department management document the desk audit procedures.

Management Response: Management agrees with the recommendation and with one long-time employee leaving the organization, the Senior staff is developing these guidelines and they are to be tested by the newer employee.

Implementation Date: Within one year of issuance of this audit.

1.2. Opportunity for Improvement: Perform desk audits and advise the Court of the results within 90 days

The Order, in compliance with Florida Statute 744.368(3), requires that audits be provided to the Court within 90 days of the accounting filing date. Based on the Judicial Rules of Administration rule 2.514 the calculation of days for periods greater than seven days includes weekends and legal holidays except if the day following the filing of the accounting was a weekend or legal holiday.

Based on ASD's review of 40 accountings, 32 (80%) were not audited and reported to the Court within 90 calendar days. Currently, staff are manually setting the compliance date in Clericus at 90 calendar days.

Recommendation: To comply with the time standard set forth in The Order, the ASD recommends that staff set the compliance date at least 10 days prior to the time standard to ensure that the audit is completed and reported to the Court within 90 days.

Management Response: Management agrees with this recommendation. Additionally, the Clerk recommends that the Civil Division Management and Senior Probate Clerk to work with

the Director of Strategy and Data Integrity to come up with a means (such as docket codes) that would allow for reports to be generated to trigger notification of these types of events in advance of the 90-day period (and any other such triggers necessary) so that they can communicate this to the Information Technology Department for automation.

Implementation Date: Within one year of issuance of this audit.

1.3. Opportunity for Improvement: Implement and document supervisory review of completed desk audits

Based on staff discussions and the review of the desk audit documentation, management does not review the desk audits for accuracy or completeness. Desk audits were completed by staff and submitted directly to the Judge without review.

Recommendation: To improve internal controls and to identify potential training needs, the ASD recommends that management, at a minimum, select a sample of desk audits for review prior to submission to the Court.

Management Response: Management agrees with this recommendation.

Implementation Date: Within one year of issuance of this audit.

Discussion Point 2: Petition for Reimbursement of Guardian's Expenditures

To provide some level of assurance that professional guardian reimbursable expenditures were not duplicated (double-dipped), the ASD reviewed the Petitions for Reimbursement of Guardian's Fees and Expenses filed for the guardianship cases selected for testing. Of the 40 guardianship cases selected for review, 19 had professional guardians assigned to the case. Of these cases, the professional guardians submitted a Petition for Reimbursement of Guardian's Fees and Expenses on seven cases.

The Audit Team documented the dates and times submitted for reimbursement for each professional guardian. If a professional guardian had submitted petitions on multiple cases, the dates and times reported were evaluated across cases for duplicates. The Audit Team did not identify any duplication of reimbursed guardian expenditures.