

Division of Inspector General

# Annual Report

Fiscal Year Ended September 30, 2019



**SHARON R. BOCK**  
Clerk & Comptroller  
Palm Beach County



An Accredited Office of  
Inspectors General

**Division of  
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561-355-FRAUD  
[fraud@mypalmbeachclerk.com](mailto:fraud@mypalmbeachclerk.com)

**Ethics Hotline**  
888-WARN-PBC

[www.mypalmbeachclerk.com](http://www.mypalmbeachclerk.com)

February 18, 2020

The Honorable Sharon R. Bock, Esq.  
Clerk & Comptroller – Palm Beach County, Florida

On behalf of the Division of Inspector General, I am pleased to present our 2018-2019 Annual Report. This report summarizes the objectives and accomplishments of the Division of Inspector General for the fiscal year that ended September 30, 2019.

I would like to extend my appreciation to the entire Clerk & Comptroller team for their assistance and cooperation throughout this past year.

We will continue to promote accountability and integrity within the Clerk & Comptroller office. We look forward to continuing to assist the organization to operate as efficiently and effectively as possible.

Finally, I would like to acknowledge and congratulate the Inspector General staff for their professional support and accomplishments during this past year!

Respectfully submitted,

Roger Trca, CIG, CPA, CIA  
Inspector General  
Clerk & Comptroller Office  
Palm Beach County, Florida



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# INTRODUCTION

## *Executive Summary*

The mission of the Division of Inspector General (IG) of the Clerk & Comptroller's office of Palm Beach County is to provide independent, objective auditing and investigative services designed to add value, improve the Clerk & Comptroller operations and preserve public trust. The IG office includes the Audit Services and Public Integrity Units.

The fiscal year ending September 30, 2019 was a period of continued productivity for the IG office, issuing a total of 23 reports and memos, summarized below, which included audits, reviews and investigations. These reports identified \$612,014 in questionable guardianship expenditures and misreported assets.

- The Audit Services Unit (ASU) issued four audit reports and reviews.
- The Public Integrity Unit (PIU) issued three investigative reports based on 20 tips received from our Ethics Hotline and a variety of other sources.
- The PIU Guardianship Section issued three guardianship audit reports and two memos to the Fifteenth Judicial Circuit while investigating claims of fraud, waste and financial mismanagement involving the County's most vulnerable residents: the elderly, minor children and incapacitated individuals in guardianships.
- The PIU Guardianship Section continued to act in the role of Administrative Coordinator of the Memorandum of Understanding (MOU) with the Florida Department of Elder Affairs, Office of Public and Professional Guardians (OPPG). In conjunction with five other Clerk offices, our IG office conducted investigations of complaints involving public and professional guardians. In this role, our IG office issued 11 investigative reports to OPPG. Our IG office also assisted the five other Clerk offices in issuing 60 additional investigative reports.
- The IG office referred 15 cases to other Clerk's office departments and various law enforcement agencies.

The IG office is accredited by the Commission for Florida Law Enforcement Accreditation, Inc., which demonstrates the team's level of professionalism and commitment to continuing compliance with investigative standards and processes. Furthermore, the Audit Services Unit adheres to the professional audit standards and Code of Ethics promulgated by The Institute of Internal Auditors.

# What's New?

## Guardianship Fraud Program

Clerk & Comptroller Sharon R. Bock, Esq. and her Deputy Inspector General & Chief Guardianship Investigator Anthony Palmieri were invited to address the National Conference on Guardianship in Lexington, Kentucky. They provided an overview of the key components of monitoring guardianship proceedings, which include enhanced auditing, investigating, and data collection and analysis.

## Background

The Clerk & Comptroller is an elected constitutional officer who derives her authority and responsibilities from constitutional and statutory provisions.

*The Constitution of the State of Florida, Article VIII, Section 1.(d), provides for the election of certain County Officers including a Clerk of the Circuit Court (Clerk). The latter part of this section specifies that, ". . . the clerk of the circuit court shall be ex officio clerk of the board of county commissioners, auditor, recorder and custodian of all county funds." Section 16, Article V, State Constitution, also specifies that the Clerk shall have the duties quoted above. One of the Clerk's responsibilities enumerated in law is to act in the capacity of Auditor.*

According to the legal authority and responsibility cited above, the Clerk & Comptroller established the Audit Services Division as an independent unit to fulfill the responsibilities of the office as they relate to auditing functions.

In 2009, the Audit Services Division expanded its roles and responsibilities. The Charter was revised to add a Public Integrity Unit (PIU). The PIU and Audit Services joined to form the Division of Inspector General (IG). The PIU conducts investigations into the Clerk & Comptroller's office affairs and for that purpose makes inquiries as necessary, compels the production of books and papers, and implements appropriate investigative techniques.

## Independence

As specified in the IG's Charter, to provide for independence, the Inspector General reports functionally and administratively to the Clerk & Comptroller. As an independent elected official, the Clerk & Comptroller is directly responsible to the citizens and taxpayers of Palm Beach County. The IG office has no direct responsibility or authority over any area subject to its audit, review and investigation. Therefore, the IG office is organizationally independent from those areas within the Clerk & Comptroller's office. Employees in the IG office report to the Inspector General.

## Staffing, Organization and Training

As of September 30, 2019, the Division of Inspector General (IG) was comprised of the following team members:

- Roger Trca CPA, CIG, CIA, MBA - Inspector General
- Anthony Palmieri CIG, CIGI, CIGA, CIA, CCSA, JD – Deputy Inspector General
- Monica Alvarenga CIGI, CFE, CICA, MBA – Senior Internal Auditor
- Danielle Hanson CIGI, CIA, CISA, FCCA, MBA – Senior Internal Auditor

The IG office is subdivided into the following units:

- Audit Services Unit (ASU)
- Public Integrity Unit (PIU), which includes the:
  - Investigations Section
  - Guardianship Section

The IG office conducts audits, reviews, investigations and other projects. In fulfilling our responsibilities, we comply with the following auditing and investigative standards:

- *International Standards for the Professional Practice of Internal Auditing* of The Institute of Internal Auditors (IIA).
- *Principles and Standards for Offices of Inspector General* of The Association of Inspectors General (AIG).

These standards collectively prescribe how our audits and investigations are performed.

## **Professional Certifications**

Staff members of the Division of Inspector General held the following professional certifications:

- Certified Inspector General – CIG (2);
- Certified Inspector General Auditor - CIGA (1);
- Certified Inspector General Investigator – CIGI (3);
- Certified Fraud Examiner – CFE (1);
- Certified Internal Auditor - CIA (3);
- Certified Information System Auditor – CISA (1);
- Certified Public Accountant - CPA (1);
- Fellow Certified Chartered Accountant – FCCA (1);
- Certified Internal Controls Auditor - CICA (1); and,
- Certification in Control Self-Assessment - CCSA (1).

## **Professional Development & Training**

The Division of Inspector General (IG) recognizes that the quality and effectiveness of its work products are dependent upon a professionally trained staff. To this end, the IG office allocates a portion of its resources to provide continuing professional education as a key requirement of the aforementioned audit and investigation standards. The IG office devoted 3% of its time in FY 2018-2019 to staff training, which included activities sponsored by The Association of Inspectors General and various other organizations.

Training is vital to our function as it keeps us currently abreast professionally on auditing techniques, risk assessment, internal controls, information technology, investigative techniques, and best practices. The training provides an added benefit of satisfying the required continuing education credits to maintain the staff's professional certifications.

## **Professional Organization Affiliations**

Staff members of the Division of Inspector General are affiliated with the following professional organizations:

- The Association of Inspectors General;
- Florida Chapter of The Association of Inspectors General;
- The Institute of Internal Auditors;

- Palm Beach County Chapter of Internal Auditors;
- The Association of Certified Fraud Examiners;
- Association of Local Government Auditors;
- The Florida Institute of Certified Public Accountants; and,
- Various national, state and Palm Beach County guardianship associations.

## *IG's Accreditation and Adherence to Professional Standards*

“Who inspects auditors and investigators?” is a common question asked of IG staff. To ensure ongoing adherence to professional standards for its audit and investigative activities, the Division of Inspector General (IG) voluntarily is subject to periodic assessments of its operations by independent external quality assurance review teams. This demonstrates the highest commitment to quality, professionalism and best practices.

On February 3, 2011, the IG became the second Clerk’s office in the state of Florida to be awarded status as an Accredited Office of Inspector General by the Commission for Florida Law Enforcement Accreditation (CFA). Being an accredited agency signifies that the work product meets or exceeds the highest professional investigative standards promulgated for Offices of Inspector General. The benefits of accreditation include improved agency transparency, enhanced consistency and quality of investigations, improved accountability, and statewide recognition that our office has achieved its accreditation status. Having an accredited IG team within the Clerk’s office provides another layer of protection for the public – ensuring taxpayer dollars are protected.



The CFA requires re-accreditation every three years to ensure ongoing compliance, which involves a thorough on-site evaluation of our investigative policies and procedures, management, and operations. The most recent CFA assessment was performed in November 2016. The CFA determined the IG office was 100% compliant with the CFA standards and reaccreditation was awarded on February 22, 2017. The IG office was commended for its *“continued diligence, professionalism, and commitment in maintaining the highest recognition among Florida’s Inspector General community”*. Efforts are underway to complete the next re-accreditation, with CFA assessors scheduled to perform the on-site evaluation in November 2019.



In accordance with The Institute of Internal Auditors (IIA) standards, an external quality assurance review was last performed of the Audit Services Unit during the week of September 5, 2018. The IIA requires re-evaluation by an external reviewer every five years. The objective of the external review was to assess the Division's compliance with the IIA's *International Standards for the Professional Practice of Internal Auditing* (IIA Standards). The external review team determined the Audit Services Unit met all relevant IIA Standards, which is the highest affirmation. The IG office was commended for its credentialed and well-trained staff, professionalism and collaborative relationships with stakeholders.



## *Operations*

### **Audit Selection Process**

To ensure the most efficient and effective utilization of resources, it is essential that areas selected for audit be carefully considered. An annual audit plan is prepared by the Division of Inspector General (IG) to identify planned audits. Because of the large number of possible areas to audit and limited staff resources to audit them, a strategic risk-based audit selection process is in place. The audit plan is the result of the development of a risk model to assess risks of various operations for the purpose of indicating the need for audit. As a part of the audit selection process, we also solicit input from the Clerk & Comptroller, Clerk's officers and management.

In addition to executing the audit plan, the available hours of the IG staff were used to conduct investigations, provide support to the IG's Guardianship Program and Office of Public and Professional Guardians (OPPG) Memorandum of Understanding (MOU), manage tips received from the two hotlines in place (Ethics Hotline and Guardianship Fraud Hotline) and various other activities. Performance results are detailed in the following section.

# PERFORMANCE RESULTS

## *Audits & Reviews*

The objective of these projects within the Audit Services Unit (ASU) is to provide auditees with an independent appraisal of whether desired results and objectives are achieved economically, efficiently and in accordance with prescribed laws, regulations, policies and procedures. Opportunities for improvement represent our philosophy to work with management to improve the delivery of government service to citizens.

During FY 2018-2019, the IG office issued four audit reports and reviews with 14 opportunities for improvement containing 49 recommendations.

Recommendations are an integral part of our audits and reviews, as this is where an opportunity for change or improvement takes place. Management has proactively committed to implementing the agreed upon actions to address the recommendations provided. We monitor management responses to our recommendations and track the responses to ensure final completion and closure. Management concurred with and committed to implement 98% of the 49 recommendations included in the audit reports issued this year, with 19 remaining open and in various stages of implementation at fiscal year-end.

The following chart shows the status of all audits on the Annual Audit Plan for FY 2018-2019. Each audit falls into one of four status categories:

- **Completed** – audit completed and report issued.
- **In Progress** – audit is in progress and the report will be issued.
- **Risk Reassessed** – As part of our continuous monitoring of the annual audit plan, some scheduled audits may have risk factors re-evaluated, which causes a change in the current year's audit plan.
- **Rescheduled** – audit was rescheduled to a future fiscal year.

| AUDIT / REVIEW   | STATUS      | REPORT ISSUED |
|--|-------------|---------------|
| Mental Health Case Reporting to Florida  |             | 4/17/19       |
| Department of Law Enforcement Audit and Management Requested Additional Testing              | Completed   | 6/11/19       |
| Payables Three-Way Matching Process Review   | Completed   | 5/31/19       |
| Department of Highway Safety and Motor Vehicles Memorandum of Understanding Compliance Audit | Completed   | 9/30/19       |
| Courts & Official Records Daily Receipts Closeout & Reconciliation Process                   | Rescheduled |               |
| HR Recruiting & Hiring   | Rescheduled |               |

Refer to the Highlights of Audit Findings section (page 23) for details of the audits and reviews issued by the Division of Inspector General during this fiscal year.

## *Investigations*

The objective of these projects within the IG’s Public Integrity Unit (PIU) is to determine whether allegations of fraud, waste, abuse and ethical misconduct can be substantiated. Projects that uncover administrative wrongdoing typically identify violations of policies or regulations. These investigations also identify the individuals responsible for the violations and we make recommendations for administrative action. Equally important to the investigative process is the identification of internal control weaknesses.

Therefore, the reports frequently make specific recommendations to:

- Correct the identified deficiencies;
- Provide guidance on the applicable laws and regulations; and
- Strengthen the internal control environment.

When investigative findings are indicative of criminal conduct, they are presented to the appropriate law enforcement authorities for further action.

The investigation disposition falls into one of three categories:

- **Substantiated:** There is sufficient information to justify a reasonable conclusion that the allegation is true. A report is prepared.

- **Unfounded:** There is sufficient information to justify a reasonable conclusion that the allegation is false. A report is generally prepared.
- **Unsubstantiated:** There is insufficient information to prove or disprove the allegation. A report is generally prepared.

The IG office implemented the Ethics Hotline to fight against fraud, waste, abuse and ethical misconduct and to promote honesty and efficiency in our governmental agency. The hotline is managed by an independent third-party agency – Ethical Advocate. Reports may be made in several convenient ways, anonymously if desired:

1. **Online:** Create a report at [www.mypalmbeachclerk.com/public-funds/division-of-inspector-general](http://www.mypalmbeachclerk.com/public-funds/division-of-inspector-general)
2. **Phone:** Dial 1-888-WARN-PBC.
3. **Walk-In:** Government Center, 9<sup>th</sup> Floor, 301 North Olive Avenue, West Palm Beach, Florida 33401.

When reporting online, the third-party application prompts the reporter to create a secure username and password so that the individual can remain anonymous and check the status as desired. In addition, this feature provides a means of ongoing communication with the anonymous complainant to enable our office to obtain any further details required to perform the investigation in a confidential and secure manner. In addition, the hotline provides 24 x 7 accessibility and multi-lingual communication capabilities. Investigations are initiated upon the receipt of credible information alleging an act of fraud, waste, abuse or ethical misconduct that falls within the IG’s jurisdiction.

During FY 2018-2019, the IG office handled 20 tips involving allegations from a variety of sources including the Ethics Hotline, citizens, and Clerk management. These tips resulted in the completion of three investigative reports, four additional investigations in progress, as well as the referral of six cases to various law enforcement agencies and other Clerk departments.

For the three completed investigations, the allegations in each case and final conclusions are summarized below.

- Allegations by a job applicant that a Human Resources representative had provided inaccurate background results, violated consumer report laws, and treated the Complainant in an unfair and unjust manner were determined to be unsubstantiated.



- Allegations that Clerk & Comptroller office employees falsified or changed Official Records documents and failed to record certain Complainant's documents into the Official Records were determined to be unfounded. The investigation determined that the Complainant's documents recorded in the Clerk's office Official Records database from 2005 to 2016 were based on original documents or certified copies of original documents. The Clerk's office's responsibility is to accept any document that complies with statutory requirements for recordation based on original or certified copies. Based on the additional documents provided by the Complainant, there was no evidence to indicate that the Clerk's office failed to record documents into its Official Records database.
- An allegation that an individual, possibly employed at the Clerk & Comptroller office, may have had prior roof repairs performed at their home for which a vendor may have made payment on behalf of the individual was determined to be unfounded.

## *Guardianship Program*

We continued our efforts to investigate allegations or indications of fraud, waste and financial mismanagement by anyone exploiting the County's most vulnerable residents: elderly, minor children and incapacitated individuals who are served by Florida Guardianship Law. This program supplements the Clerk of the Circuit Court in supporting the Court's oversight process applicable to the protection of wards' assets according to Chapter 744 of the Florida Statutes and the related Administrative Order of the Fifteenth Judicial Circuit (No.: 6.306-12/10). There are more than 2,800 open guardianship cases in Palm Beach County, which control in excess of an estimated \$1 billion in assets.

The IG Public Integrity Unit (PIU) conducts varying levels of assessments and audits of guardianship activities, which may originate from a variety of sources including but not limited to the: Guardianship Fraud Hotline, Clerk Guardianship auditors, judiciary, and IG office analyses. An assessment is the initial phase for all requests, reviews, and audits (though Level 1 audits as described below are handled separately). Upon completion of the assessment, the IG office may discontinue any further review, prepare a memo to the judiciary or proceed with a Level 2 or Level 3 audit.

### **Level 1 Audit:**

A Level 1 audit consists of the IG office review of the Clerk's Guardianship auditors' desk worksheet review to ensure guardianship reports are prepared timely, completely and accurately. If significant discrepancies or concerns are identified, the IG staff review the documents and determine if a more detailed review (Level 2 or Level 3 audit) is warranted.

### **Level 2 Audit:**

A Level 2 audit consists of an IG office examination of the guardianship report and the attempted verification of selected questionable items. Limited inquiries and/or requests for supporting documentation may be necessary to resolve issues.

### **Level 3 Audit:**

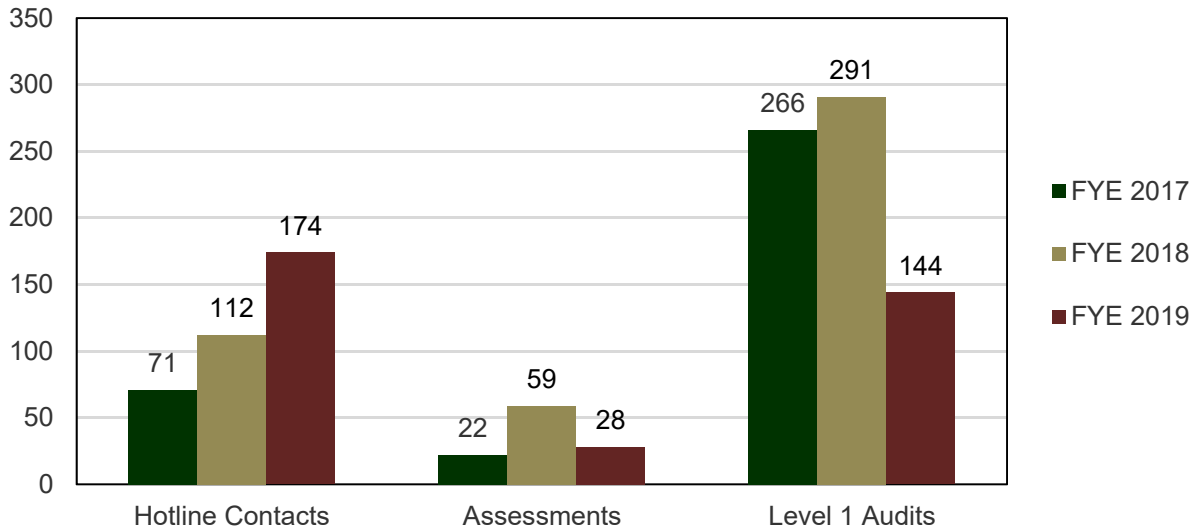
A Level 3 audit consists of an IG office comprehensive examination and attempted verification of all significant items pertinent to the guardianship report.

The IG PIU Guardianship Section prepares reports for Level 2 and Level 3 audits for the Court but does not issue reports for Level 1 audits. Assessments may result in the issuance of a memo to the Court, depending on the results. These audit reports and memos are not available to the public per Florida Statute (Section 77.3701) and Administrative Order of the Fifteenth Judicial Circuit (No.: 6.306-12/10). The reports are issued to the Court for their review and any actions deemed appropriate.

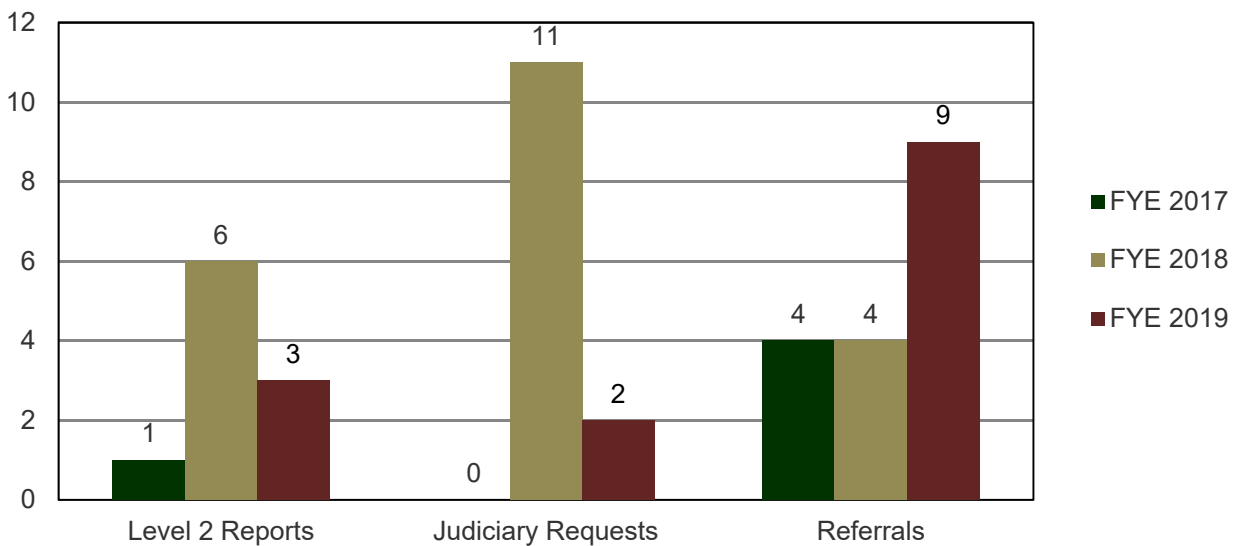
A Guardianship Fraud Hotline is in place to enable anyone suspecting fraud, waste or financial mismanagement of a ward's property and assets to report such concerns, anonymously if desired. Reports may be made in several convenient ways.

1. **Online:** Create a report at [www.mypalmbeachclerk.com/fraud](http://www.mypalmbeachclerk.com/fraud). Click on "File a report now" in the middle of the page.
2. **Telephone:** Dial 561-355-FRAUD
3. **Email:** Send email to [fraud@mypalmbeachclerk.com](mailto:fraud@mypalmbeachclerk.com)
4. **Mail:** 301 North Olive Avenue, 9<sup>th</sup> Floor, West Palm Beach, Florida 33401

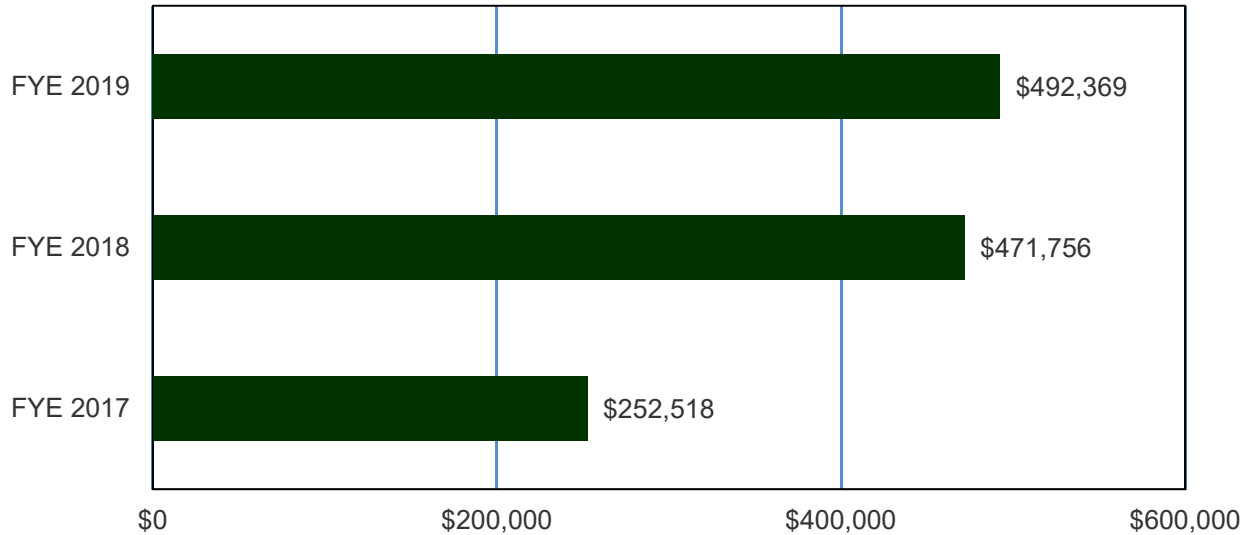
During FY 2018-2019, we received 174 Guardianship Fraud Hotline contacts, of which 57 contacts required further review and investigation. In addition, we conducted 28 assessments and 144 Level 1 audits. Trends over the past three fiscal years are presented below.



During FY 2018-2019, we released three Level 2 audit reports, which included six recommendations. In addition, we issued two other memos to the judiciary to provide time-sensitive updates on key issues and to satisfy research assistance requests. We also provided nine referrals to law enforcement and other agencies (e.g., Palm Beach County Sheriff’s Office and Florida Attorney General Office) for further review of possible criminal charges on guardianship cases and other related matters.



The Level 2 audit reports and judiciary memos identified unsubstantiated and questionable expenditures, as well as, misreported assets totaling \$492,369 during FY 2018-2019, and a combined total of \$1,216,643 for guardianship audits over the last three years as shown in the below graph. While impossible to eliminate all fraud, the program’s biggest attribute is the deterrence of guardianship fraud and exploitation of guardianship assets.



## Education & Awareness

One of our goals is to educate the community and increase public awareness of guardianship fraud, waste, abuse and exploitation. Our team attends meetings and makes presentations to professional organizations and community groups. During the past year, our Palm Beach County Guardianship Program has been very proactive in sharing best practices and audit techniques at conferences and training programs hosted by various guardianship associations and related agencies at the national, state and local levels. For example, presentations were provided at the following venues:

- Fifth World Congress on Adult Guardianship
- Florida Council on Aging
- Florida Bar Elder Law Section Annual Meeting
- Working Interdisciplinary Network of Guardianship Stakeholders (WINGS)
- Florida Clerks of the Circuit Court & Comptrollers Conferences
- Statewide Investigation Alliance Training Symposium



- Office of the State Attorney for the Florida Fifteenth Judicial Circuit Court – Elder Exploitation Taskforce
- Alzheimer’s Community Care Conference
- Palm Beach County and other chapter guardianship associations

The IG PIU Guardianship Section is committed to disseminating information through a variety of channels to shine the spotlight on guardianship awareness, such as:

- Coordinating efforts with the Clerk’s Communications Department to accurately and rapidly respond to media requests (e.g., television, newspapers and magazines).
- Attending events sponsored by a variety of organizations dedicated to supporting guardianship programs.

### **Guardianship Inventory Reports & Accountings For Florida (GIRAFF)**

The Clerk’s office is leading the charge to compile statistics that provide a comprehensive look at guardianships that will enable us to track trends, detect fraud and make meaningful recommendations.

Subject matter experts throughout the Clerk’s office continued the development of the innovative web-based program, the Guardianship Inventory Reports & Accountings For Florida (GIRAFF), which will allow our office to compile and track the first complete set of guardianship statistics for a county in Florida. GIRAFF is being designed in a scalable manner so that the program can be shared with Clerk’s offices across Florida. The goal is to create the first-ever statewide system to monitor guardianships for signs of financial exploitation.



With the assistance of the Clerk’s Information Technology (IT) Department and Project Management Office (PMO), demonstrations and training programs on navigating the GIRAFF program were provided during the year to guardians and attorneys in Palm Beach County. Feedback received was very favorable and constructive, resulting in further enhancements to GIRAFF by the Clerk’s PMO. Usage has continued to increase, as measured by guardianship reports submitted through GIRAFF, particularly by the

large professional guardian agencies. The Clerk’s PMO continues to refine the Walk-Me tutorial guides embedded in GIRAFF, which support guardians and attorneys real-time with specific instructions in completing and submitting guardianship reports. Efforts are underway to provide demonstrations to Florida state legislative groups to further pursue the goal of building upon the GIRAFF program to develop a statewide system to monitor guardianships for signs of financial exploitation.

## **Alliance with Department of Elder Affairs – Office of Public & Professional Guardians**

The Florida Department of Elder Affairs, Office of Public and Professional Guardians (OPPG) has the statutory authority for handling complaints and conducting investigations of public and professional guardians under Chapter 744, Florida Statutes. Six Clerk’s Inspectors General (Clerk IG) offices have entered into a partnership through a Memorandum of Understanding (MOU) with OPPG, referred to as the Statewide Investigation Alliance (Alliance). The six Clerk’s IG offices conducting the investigations include: Palm Beach, Pinellas, Polk, Lee, Okaloosa and Sarasota. Our Palm Beach County IG office was designated as the administrative coordinator in the MOU. Investigations were initially referred to Alliance IG offices in October 2016; however, the Alliance was not fully operational until July 2017 when OPPG had finalized and codified the rulemaking process.



OPPG receives complaints against public and professional guardians on their hotline and determines whether each complaint is legally sufficient. OPPG forwards the complaints to our Palm Beach County IG administrative coordinator (AC). The AC logs the cases and verifies whether the complaint is legally sufficient. If legally sufficient, the AC initiates investigative case plans and assigns the case to an Alliance member based on geographic location, subject matter expertise or other considerations. The Alliance members conduct a thorough investigation and determine if any violations of Florida Statutes or standards of practice for professional guardians have occurred. The AC monitors the progress of each investigation, issues interim memos as needed, provides feedback on draft investigative reports prepared by Alliance members, and issues the final investigative reports to OPPG. It should be noted that non-legally sufficient cases are forwarded by OPPG to the AC, which are then forwarded to the Clerk IG with jurisdiction for informational purposes and any actions deemed necessary.

Section 744.20041, Florida Statute, established the rulemaking authority for OPPG to adopt disciplinary guidelines, which specify a range of designated penalties based upon the severity and repetition of specific offenses. OPPG is responsible for making a final determination of the disciplinary actions for the guardians. OPPG will utilize, but is not limited to, the information provided in the Clerk IG’s reports.

Investigations by the Alliance will reach one of the following four conclusions of fact for each allegation: substantiated, unfounded, unsubstantiated and legally not sufficient.

- **Substantiated** means there is sufficient information to justify a reasonable conclusion that the allegation is true.
- **Unfounded** means there is sufficient information to indicate the allegation is false.
- **Unsubstantiated** means there is insufficient information to either prove or disprove the allegation.
- **Legally Not Sufficient** means assuming the allegations are true, the conduct does not violate statute or standards, or allegations are outside of the Alliance’s jurisdiction.

Significant work has been accomplished by the Alliance during this fiscal year. The Palm Beach County Clerk IG administrative coordinator (AC) received a total of 122 cases from OPPG, of which 36 were assigned to our office; the other 86 cases were distributed to the other five Clerk IG Alliance members. Below is a summary of the metrics for the cases received from OPPG that were handled by the entire Alliance, as well as the cases that were assigned to our IG office for investigation for the fiscal year ending September 30, 2019.

| KEY METRICS                                | ALLIANCE TOTAL | PALM BEACH COUNTY |
|--|----------------|-------------------|
| New Cases Received                         | 122            | 36                |
| Open Cases at Year End                     | 81             | 15                |
| Investigative Final Reports Issued to OPPG | 71             | 11                |
| Number of Allegations Investigated         | 337            | 72                |
| Number of Substantiated Allegations        | 62             | 31                |
| Number of Unfounded Allegations            | 166            | 19                |
| Number of Unsubstantiated Allegations      | 71             | 16                |

| KEY METRICS                                  | ALLIANCE<br>TOTAL | PALM<br>BEACH<br>COUNTY |
|--|-------------------|-------------------------|
| Number of Non-Legally Sufficient Allegations | 38                | 6                       |
| Number of Additional Observations            | 38                | 21                      |
| Financial Impact in Final Reports            | \$576,949         | \$119,645               |

Other key updates and accomplishments during this past fiscal year included the following.

- Based on the investigations performed and final reports issued by the Alliance, OPPG was able to issue:
  - 116 close-out letters and 30 letters of concern to professional guardians, and
  - seven voluntary revocations of registrations in lieu of administrative complaints being filed with the Florida Division of Administrative Hearings, which were tantamount to permanent revocation.
- The Palm Beach County IG administrative coordinator (AC) took a more proactive role in the intake and close-out processes in supporting OPPG during the year.
- The Alliance referred various cases to law enforcement and state attorney offices to pursue prosecution of potential criminal conduct.
- The Alliance held its second annual training symposium, with each of the six Alliance offices participating. A diverse group of practitioners in the guardianship community throughout Florida presented a variety of topics to the Alliance members and partners, enabling the Alliance members to continue developing their awareness of issues and key challenges and enhancing their skills in conducting investigations.



## Guardianship Legislation

Since 1989, Florida's Clerks have been directed by state statute (Chapter 744) to audit guardianship reports and advise the court of their audit findings. In 2011, we initiated the current Guardianship Fraud Program, tailored after Pinellas County, to perform enhanced audits through an administrative order in partnership with the Chief Judge of the Fifteenth Judicial Circuit.

Legislation was passed in the State of Florida in 2014 and 2015 that broadened the definition of an audit to be more consistent with professional auditing standards and improved the transparency of guardianship court proceedings while protecting the due process rights of wards. Legislation passed in 2016 provided incremental oversight of public and professional guardians by the Department of Elder Affairs, Office of Public and Professional Guardians (OPPG). In 2017, additional legislation was passed that made information involving the person filing a complaint against public and professional guardians with the OPPG confidential and exempt from Florida's public records laws. Also, legislation improved due process and provided additional protections to persons under guardianship with Emergency Temporary Guardianship procedures.

In 2018, legislative changes to Chapter 744, Florida Statute, codified processes and procedures related to guardianships that were performed in many Clerks' offices. The additional provisions stipulated the following:

- Required records held by Clerks' offices to be provided to OPPG.
- Affirmed the Clerks' authority to conduct audits of initial and annual guardianship reports.
- Allowed the Clerk to disclose confidential information to the Department of Children and Families and law enforcement agencies.
- Authorized the guardian to provide confidential information to the Clerk and OPPG for investigations that arise.

Our office provided support and subject matter expertise to legislators, legislative committees, organizers and various other stakeholders. The overriding desire is to enhance independent guardianship auditing practices to detect mismanagement or fraudulent use of the ward's assets.

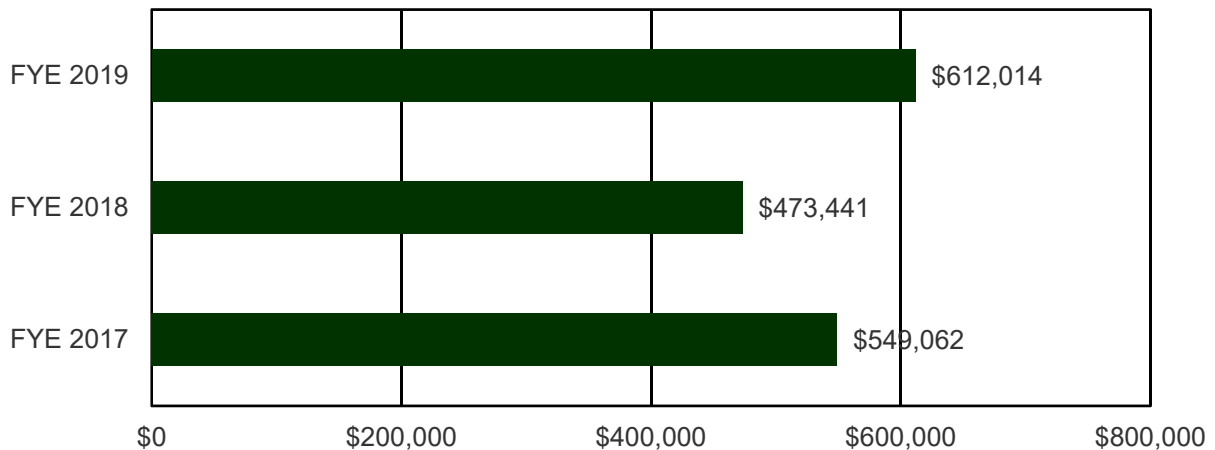
## Intern and Volunteer Support

Volunteers as well as interns from local universities pursuing undergraduate and graduate degrees have provided significant support to the IG’s Guardianship Fraud Program. During this past fiscal year, two individuals contributed a total of 282 hours in performing a variety of tasks, including conducting research and analysis of existing cases. We appreciate the valuable contributions from these individuals and hope to continue our strong partnership with the local universities to benefit our community.

## Recoveries and Cost Avoidance

During FY 2018-2019, as shown in the below graph, the Division of Inspector General identified \$612,014 in unsubstantiated and questionable expenditures and misreported assets within guardianship audits and investigations of public and professional guardians.

Over the past three years, as shown in the graph below, the Division of Inspector General has identified a total of \$1.6 million in potential revenue recoveries and cost avoidance during audits and investigations within the Clerk’s Office and other agencies as well as unsubstantiated and questionable expenditures and misreported assets within guardianship audits in the Clerk’s Office and OPPG professional guardian investigations.



The IG's importance extends beyond just the financial considerations. The impact of maintaining transparency and preserving public trust in local county government is invaluable. The IG office strives to ensure taxpayers get a fair and honest accounting of their money.

## *Highlights of Audit Findings*

The following are highlights of select audits and reviews issued by the IG office during the fiscal year ending September 30, 2019. If you would like to read the entire reports, please visit the IG's website at [www.mypalmbeachclerk.com](http://www.mypalmbeachclerk.com), and click on **Public Funds** and then on **Division of Inspector General**.

### **Mental Health Case Report to Florida Department of Law Enforcement Audit (reports issued April 17, 2019 and June 11, 2019)**

As required by Section 790.065, Fla. Stat., the Clerk & Comptroller's office (Clerk's office) is responsible for appropriately reporting criminal and civil (involuntary and voluntary) incompetency adjudications into the Florida Department of Law Enforcement (FDLE) Mental Competency Database (MECOM). Our initial scope included testing of criminal and civil (voluntary and involuntary) mental health cases processed from July 1, 2015 through June 30, 2018.

The audit disclosed that the Clerk's office mental health case reporting processes and related controls were generally effective, enabled compliance with pertinent laws and established policies, and adequately compared to accepted standards and best practices. The audit identified control weaknesses and improvement opportunities. Mental health case information was not always reported to MECOM in a timely, accurate and complete manner, though substantial improvements were noted in 2017 and 2018. Other improvement opportunities were noted that related to the proper review of mental health reports, control over confidential information, and enhancements to processes and procedures.

Management subsequently requested the IG office to conduct supplemental testing. As a result, additional testing was performed for mental health cases reported from February 1, 2007 (inception of the statutory requirement) through June 30, 2015 and from July 1, 2018 to April 15, 2019. Our review of criminal and civil mental health orders entered into FDLE

MECOM for these periods determined that there was no current backlog. Audit testing identified instances of orders not properly entered into MECOM, though all such instances occurred prior to December 31, 2014.

### **Three-Way Match Payables Process Limited Scope Review (report issued May 31, 2019)**

The Clerk & Comptroller's office (Clerk's office) has constitutional responsibilities to serve as a public trustee, which includes the obligation to establish controls and oversight over public funds. Within the Clerk's office, the Finance Department is responsible for ensuring that timely payments are made to vendors and suppliers for goods and services on behalf of Palm Beach County (County). Duties include ensuring that such payments are properly approved, received, based on original invoices, and meet purchasing and budget specifications, as well as ensuring related payments are accurate, timely and properly recorded.

The Palm Beach Board of County Commissioners of Palm Beach County, Florida issued the Equal Business Opportunity (EBO) Ordinance No. 2018-021 in order to ensure that all segments of the business population had an equitable opportunity to participate in the County's procurement process. To achieve this goal, the EBO Ordinance established a work group to recommend options for accelerating payment of invoices in ten days or less. As part of this endeavor, Clerk Finance management requested that we provide an opinion of the importance of the three-way match payables process based on our knowledge of best practices and professional standards.

Our review confirmed that professional standards and guidance recommend usage of the three-way match process and segregating related procurement responsibilities (e.g., authorization, receipt, and invoice processes) within the payables function. In particular, automating the three-way match process will be a critical step in attempting to expedite the payment process and achieve compliance with the ten-day payment processing goal defined in EBO Ordinance 2018-021. For an accurate and timely three-way match to occur, each component (purchase order, receiving document and invoice) must be timely recorded in the Advantage System with sufficient details to enable proper matching of essential information. To achieve this goal, the Clerk's office Payables team will need to collaborate with the County Administrator, Director of Purchasing and County department heads.

**Florida Department of Highway Safety and Motor Vehicles (DHSMV) Data Exchange and Driver and Vehicle Information Database (DAVID) Access and Controls Audit (report issued October 31, 2019)**

The Clerk & Comptroller's office (Clerk's office) signed a Memorandum of Understanding (MOU) with DHSMV for electronic access into the DHSMV system via DAVID as well as a separate MOU for Data Exchange automated access. DAVID is a multifaceted database that provides immediate retrieval of driver and motor vehicle information for law enforcement and government agencies. The Data Exchange electronic access into DHSMV allows individuals' driving history to be uploaded daily into the Clerk's office ShowCase system to prepare for court scheduling and judiciary review.

The audit identified control weaknesses related to protecting the personal data received from DAVID and the Data Exchange electronic access into DHSMV. Internal controls governing the use and dissemination of personal data were evaluated based on requirements of the DAVID MOU and Data Exchange MOU as well as applicable laws. We determined that internal controls were adequate to protect the personal data from unauthorized access, distribution, use, modification, or disclosure. Policies and procedures related to personnel and data security were in place to protect personal data, with data security policies and procedures approved by an in-house Risk Management IT Security Professional. Deficiencies noted during the audit were corrected and measures were taken to prevent recurrence.