



Division of Inspector General

Annual Report

Fiscal Year Ended September 30, 2022



JOSEPH ABRUZZO
CLERK OF THE CIRCUIT COURT & COMPTROLLER
PALM BEACH COUNTY



An Accredited Office of
Inspectors General

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January 25, 2023

The Honorable Joseph Abruzzo
Clerk of the Circuit Court & Comptroller - Palm Beach County, Florida

On behalf of the Division of Inspector General, I am pleased to present our 2021-2022 Annual Report. This report summarizes the objectives and accomplishments of the Division of Inspector General for the fiscal year that ended September 30, 2022.

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

We will continue to promote accountability and integrity within the Clerk of the Circuit Court & 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 of the Circuit Court & 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 of the Circuit Court & Comptroller office of Palm Beach County is to provide independent, objective auditing and investigative services designed to add value, improve the Clerk of the Circuit Court & Comptroller operations and preserve public trust. The IG office includes the Audit Services and Public Integrity Units.

The fiscal year ending September 30, 2022 was a period of continued productivity for the IG office, issuing a total of 65 reports and memos, summarized below, which included audits, reviews, investigations and judiciary requests. These reports identified \$977,945 in unverifiable and questionable guardianship expenditures and misreported assets.

- The Audit Services Unit (ASU) issued two audit reports and one supplemental memo.
- The Public Integrity Unit (PIU) issued three investigative reports based on 31 tips received from our Ethics Hotline and a variety of other sources.
- The PIU Guardianship Section issued 11 guardianship audit reports and 24 memos to the Fifteenth Judicial Circuit and Clerk's Circuit Civil Guardianship Operations 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. Our IG office issued 18 investigative reports and six supplemental memos to OPPG. In support of our role as Administrator Coordinator, our IG office assisted the five other Clerk IG offices in issuing 44 additional investigative reports.
- The IG office referred 13 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?

Our office, through Deputy Inspector General Anthony Palmieri, continues to lead nationwide efforts to improve upon the Florida Guardianship System and better protect persons with significantly diminished cognitive abilities. Starting on January 1, 2022, Anthony was elected and served as President of the National Guardianship Association (NGA); a not-for-profit, volunteer run organization that advances national standards of practice for guardians and promotes ethical principles for guardianship. Through the NGA, Anthony organized a first-of-its-kind specialized training and educational pilot program for guardianship auditors, investigators, and monitors concurrent with the national conference on guardianship in Dallas, Texas. The NGA's National Investigator Training Leadership Class 001 was held in October 2022.

Background

The Clerk of the Circuit Court & Comptroller is an elected constitutional officer who derives his 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 of the Circuit Court & 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 of the Circuit Court & Comptroller 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 office Charter, to provide for independence, the Inspector General reports functionally and administratively to the Clerk of the Circuit Court & Comptroller. As an independent elected official, the Clerk of the Circuit Court & 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 of the Circuit Court & Comptroller office. Employees in the IG office report to the Inspector General.

Staffing, Organization and Training

As of September 30, 2022, 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, CFE, JD - Deputy Inspector General & Chief Guardianship Investigator
- Monica Alvarenga CIGI, CIGA, CFE, CICA, MBA - Inspector General, Senior & Accreditation Manager
- Jenna Murphy CIGI, CIGA - Inspector General, Associate II
- Ryan Snellings CIGI - Inspector General, Associate I
- Frances Hazlett - Administrative Assistant, Senior

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 (3);
- Certified Inspector General Investigator – CIGI (4);
- Certified Fraud Examiner – CFE (2);
- Certified Internal Auditor - CIA (2);
- Certified Public Accountant - CPA (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 2021-2022 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, completed investigations, management, and operations. The most recent CFA assessment was performed in November 2019. The CFA determined the IG office was 100% compliant with the CFA standards and reaccreditation was awarded on February 20, 2020. The IG office was commended for its *"continued diligence, professionalism, and commitment in maintaining the highest recognition among Florida's Inspector General community"*. The Division of Inspector General is undergoing the fourth re-accreditation process, with the final assessment scheduled in January 2023.

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. The next external review will be conducted in 2023.

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 of the Circuit Court & 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 Integrity Assurance 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 2021-2022, the IG office issued two audit reports and one supplemental memo with 10 opportunities for improvement containing 27 recommendations. In addition, two other audits were initiated during the year and remained in progress at fiscal year-end.

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 all 27 (100%) of the recommendations included in the audit

reports issued this year. For the audit reports previously issued, seven recommendations remained 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 2021-2022. 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	STATUS	REPORT ISSUED
Official Records System Replacement Pre-Implementation Audit	Completed	1/20/2022
Courts & Official Records Daily Receipts Closeout & Reconciliation Process Audit and Supplemental Memo	Completed	5/03/2022 6/7/2022
HR Recruiting & Hiring Audit	In Progress	
DHSMV DAVID & Data Exchange Memoranda of Understanding (MOUs) Compliance Audit	In Progress	
Revenue & Cash Management Audit	Rescheduled	

Refer to the Highlights of Audit Findings section (page 21) for details of the audits 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 will reach one of the following three conclusions of fact for each allegation deemed legally sufficient:

- **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
2. **Phone:** Dial 1-888-WARN-PBC
3. **Mail:** 205 North Dixie Highway, 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. 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 and is deemed legally sufficient.

During FY 2021-2022, the IG office handled 31 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 and the referral of seven 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.

- A complaint was submitted by a citizen with four allegations against a Clerk’s office employee involving filing and docketing a temporary injunction for protection against domestic violence, and improperly assisting the petitioner in preparing a subsequent petition for injunction and a motion for modification. The investigation determined that three allegations were unfounded as sufficient information indicated the allegations were false and one allegation was unsubstantiated as there was insufficient information to prove or disprove the

allegation.

- A complaint was submitted by a citizen that alleged the Clerk's office Tax Deeds & Foreclosure Department did not take proper actions in supporting the online foreclosure sale of their personal property. The investigation determined that one allegation was unfounded as sufficient information indicated the allegation was false and the other two allegations were not legally sufficient and outside of the Clerk's office jurisdiction.
- A complaint was submitted by a citizen that alleged the Clerk's office Recording Department accepted and recorded documents into Official Records that did not satisfy requirements and were fraudulently prepared with forged signatures. The investigation determined that one allegation was unfounded as sufficient information indicated the allegation was false and one allegation was not legally sufficient and outside of the Clerk's office jurisdiction.

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's monitoring role with supporting the Court's oversight process applicable to the protection of wards' health, welfare, and safety 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 approximately 3,000 open guardianship cases in Palm Beach County, and guardians control in excess of an estimated \$1 billion in assets.

The IG Public Integrity Unit (PIU) conducts varying levels of assessments, reviews, and audits to monitor guardianship activities, which may originate from a variety of sources including but not limited to: the Guardianship Integrity Assurance Hotline, Clerk Guardianship auditors, the Court or Court Administration, 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:**

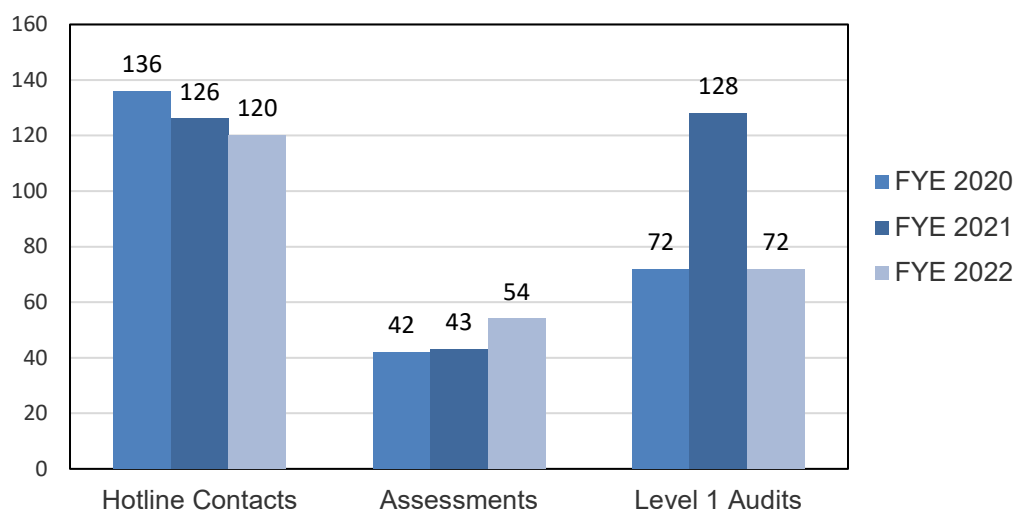
A Level 3 audit consists of an IG office comprehensive examination and attempted verification of all significant items pertinent to the guardianship report.

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. Some information in these audit reports and memos are not available to the public pursuant to Florida Statute (Section 744.3701) and Administrative Order of the Fifteenth Judicial Circuit Court (No.: 6.306-12/10). The reports are issued to the Court for their review and any actions deemed appropriate.

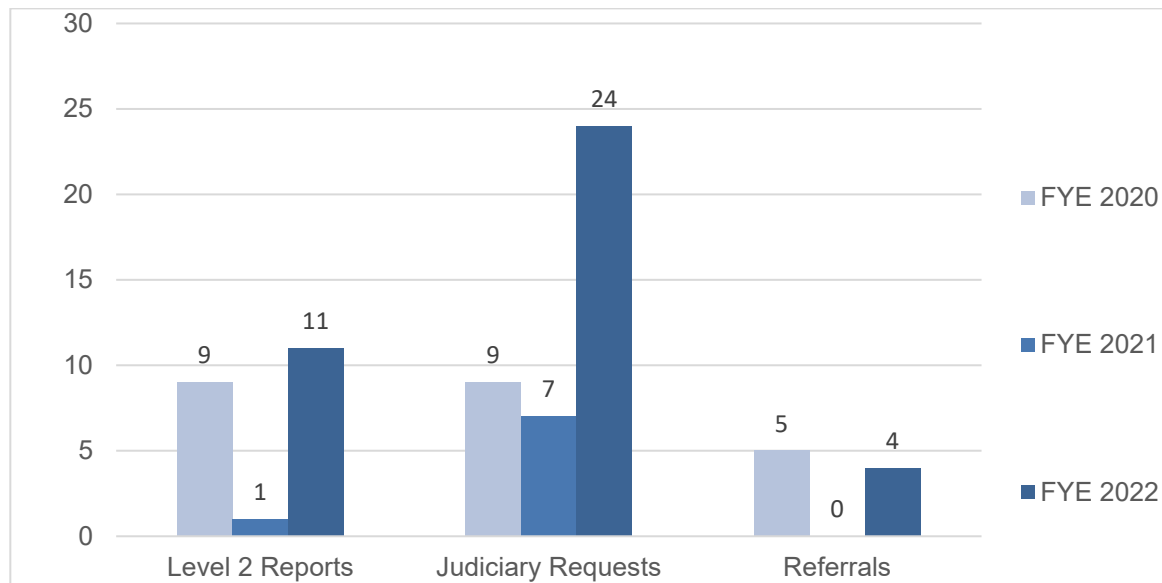
The Guardianship Integrity Assurance Hotline is in place to enable anyone suspecting fraud, waste or financial mismanagement of a ward’s property and assets to report such concerns, anonymously if desired. Reports may be made in several convenient ways.

1. **Online:** Create a report at www.mypalmbeachclerk.com/fraud. 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
4. **Mail:** 205 North Dixie Highway, West Palm Beach, Florida 33401

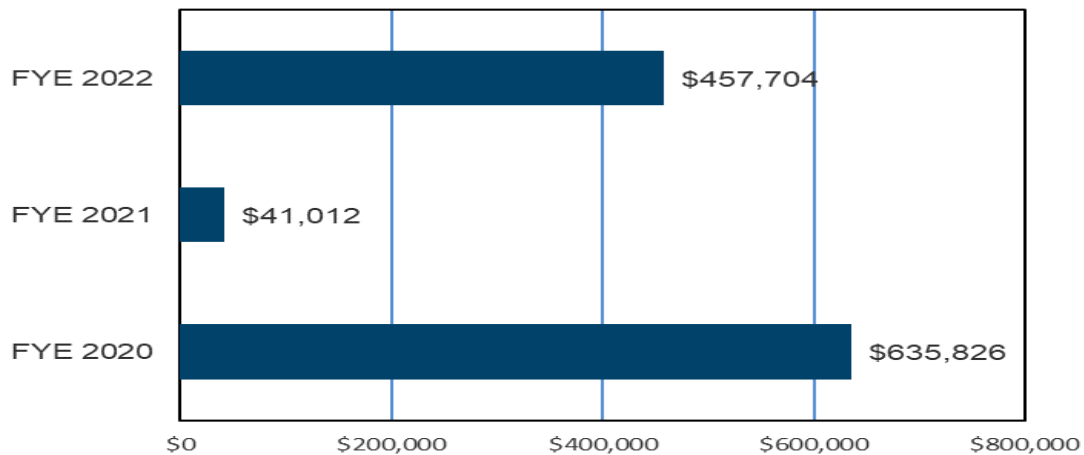
During FY 2021-2022, we received 120 Guardianship Integrity Assurance Hotline contacts, of which 29 contacts required further monitoring, review, or investigation. In addition, we conducted 54 assessments and 72 Level 1 audits. Trends over the past three fiscal years are presented as follows:



During FY 2021-2022, we released 11 Level 2 audit reports, which included 13 recommendations. In addition, we issued 24 memos to the Fifteenth Judicial Circuit and Clerk’s Circuit Civil Guardianship Operations to provide time-sensitive updates on key issues and to satisfy research assistance requests. With four formal referrals made this fiscal year, our IG team has ongoing conversations with law enforcement and other agencies (e.g., Palm Beach County Sheriff’s Office and Florida Attorney General Office) to discuss possible criminal charges on guardianship cases and other related matters. Trends over the past three fiscal years are presented below.



The Level 2 audit reports and judiciary memos identified unverifiable and questionable expenditures as well as misreported assets totaling \$457,704 during FY 2021-2022 and a combined total of \$1,134,542 for guardianship audits over the last three years as shown in the graph below. 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, under the leadership of Anthony Palmieri, Deputy Inspector General & Chief Guardianship Investigator for our IG team, 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 for the following organizations:

- Seventh World Congress on Adult Capacity
- National Guardianship Association – various events
- American Bar Association
- National College of Probate Judges
- Texas Guardianship Association
- North Dakota Guardianship Association
- Arizona Fiduciaries Association
- Illinois Guardianship Association
- Michigan Guardianship Association
- Missouri Association of Public Administrators
- Washington Association of Professional Guardians
- North Carolina Guardianship Association
- Ohio Guardianship Association
- Florida State Guardianship Association
- Florida Court Clerks & Comptrollers Association
- Broward County Elder Abuse Task Force Meeting
- Florida Clerks’ Statewide Investigation Alliance
- Southern Gerontological Society
- Palm Beach State College
- Indian River State College
- Palm Beach County Guardianship Association
- Palm Beach County Bar Association
- Palm Beach County National Organization for Women
- Nova Southeastern University Shepard Broad College of Law
- Pinellas County Guardianship Association
- Broward County Guardianship Association

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 and newspapers).
- Attending events sponsored by a variety of organizations dedicated to supporting guardianship programs.

Guardianship Data Collection and Monitoring

The Clerk's office continues 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 supported the Clerks of Court Operations Corporation (CCOC) to implement House Bill 1349 (codified into law on June 28, 2022), which will allow our office to compile and track the first complete set of guardianship statistics in the country for a large scale guardianship system.

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 to educate, regulate, and if necessary, discipline public and professional guardians under Chapter 744, Florida Statutes. Six Clerk's Inspectors General (Clerk's IG) offices have entered into a partnership through a Memorandum of Understanding (MOU) with OPPG, referred to as the Clerks' Statewide Investigation Alliance (SIA), to investigate legally sufficient complaints about the conduct of state-registered professional guardians. The six Clerk's IG offices conducting the investigations include: Palm Beach, Pinellas, Polk, Lee, Okaloosa and Sarasota. Our Palm Beach County Clerk's IG office was designated as the administrative coordinator in the MOU. Investigations were initially referred to SIA IG offices in October 2016; however, the SIA was not fully operational until July 2017 when OPPG finalized and codified the rulemaking process.

OPPG receives complaints about the conduct of 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 independently verifies whether the complaint is legally sufficient. If legally sufficient, the AC initiates the investigative case and assigns the case to an SIA member based on geographic location, subject matter expertise, or other considerations. The SIA 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 SIA 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 SIA 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 SIA's jurisdiction.

Significant work has been accomplished by the SIA during this fiscal year. The Palm Beach County Clerk IG administrative coordinator (AC) received a total of 71 cases from OPPG, of which 22 were assigned to our office; the other 49 cases were distributed to the other five Clerk IG SIA members.



During the year, our IG office:

- Completed 18 investigations and issued the related reports to OPPG, with financial impacts identified totaling \$297,345.
- Issued six supplemental memos to OPPG and referred one case to a law enforcement agency, with financial impacts totaling \$310,205.

In conjunction with our role as AC, our IG office assisted the five other Clerk IG offices in issuing 44 additional investigative reports. Below is a summary of the metrics for the cases received from OPPG and investigative reports issued by the entire SIA, as well as the cases that were assigned to our Palm Beach Clerk's IG office for investigation and reports issued for the fiscal year ending September 30, 2022.

KEY METRICS	SIA TOTAL	PALM BEACH CLERK'S IG
New Cases Received	71	22
Open Cases at Year End	58	11
Investigative Final Reports Issued to OPPG	62	18
Number of Allegations Investigated	259	81
Number of Substantiated Allegations	48	11
Number of Unfounded Allegations	200	69
Number of Unsubstantiated Allegations	10	1
Number of Non-Legally Sufficient Allegations	1	0
Number of Additional Observations	21	10
Financial Impact in Final Reports (Note 1)	\$438,435	\$297,345
Financial Impact in Seven Supplemental Memos and Referrals to Law Enforcement (Note 2)		\$310,205

Note 1: Financial impacts in one report issued to OPPG totaling \$87,309 were duplicated in Level 2 audit reports previously issued to the Fifteenth Judicial Circuit Court in Palm Beach County (refer to page 14).

Note 2: Financial impacts were identified by the Palm Beach Clerk's IG in six supplemental memos issued to OPPG totaling \$53,205 and in one referral to law enforcement agency totaling \$257,000.

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

- Based on the investigations performed and final reports issued by the entire SIA, OPPG was able to issue:
 - 47 close-out letters to professional guardians, which included the following additional communications and actions taken:
 - Nine letters of concern to professional guardians with various disciplinary actions. This included one letter of concern with settlement agreements included that partially or fully offset the negative financial impacts incurred by the persons subject to guardianship.
 - Two administrative revocations of the professional guardian's state registration in lieu of an administrative complaint being filed with the Florida Division of Administrative Hearings. The voluntary revocation was tantamount to a permanent revocation.

- One administrative revocation of the professional guardian's state registration.
- The SIA referred various cases to law enforcement and state attorney offices to pursue prosecution of potential criminal conduct.
- The SIA held its fifth annual training symposium, with each of the six SIA offices participating. A diverse group of practitioners in the guardianship community throughout Florida presented a variety of topics to the SIA members and partners, enabling the SIA 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 were 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 during the 2021 legislative session. The overriding desire was to enhance independent guardianship auditing practices to detect mismanagement or fraudulent use of the ward's assets.

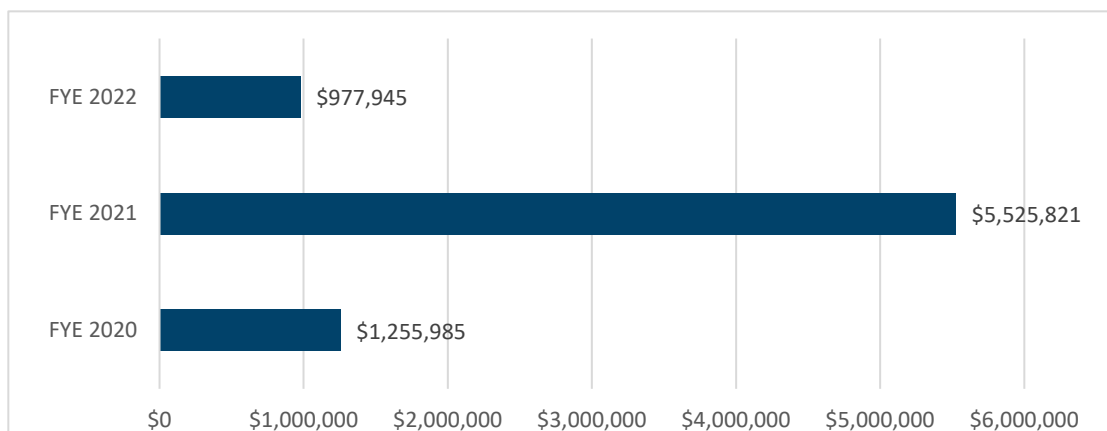
Our office assisted with legislation in 2022 to improve what data is available to document problems and successes within the guardianship system in Florida. Even basic statewide information such as the number of people under guardianship, the number of guardians, how many cases each guardian has, how much money and property are under the control of guardians, and why the individuals are under guardianship, is not readily available. Upon codification, the Clerk’s guardianship data collection system remains a practical solution to efficiently implement statewide data collection processes required by the legislation and streamline the processes of guardians, attorneys and clerks.

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, individuals contributed a total of 28 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.

Financial Impacts Identified

During FY 2021-2022, as shown in the graph below, the Division of Inspector General identified \$977,945 in unverifiable and questionable expenditures and misreported assets within guardianship audits in the Clerk’s Office and OPGG investigations of public and professional guardians. Over the past three years, the Division of Inspector General has identified similar financial impacts totaling \$7.8 million.



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 highlights are provided of the audits issued by the IG office during the fiscal year ending September 30, 2022. If you would like to read the entire reports, please visit the IG's website at www.mypalmbeachclerk.com (click on Departments and then on Division of Inspector General).

Official Records Information System Data Conversion Audit (report issued January 20, 2022)

At management's request, a limited-scope audit was performed of the data conversion from the New Vision Official Records Information System (New Vision) into the Landmark and Taxsmart systems during the pre-implementation stage. The Clerk's office maintains and ensures the integrity of the Official Record Books of Palm Beach County and records documents into a computer system that is available to the public online and at all office locations. The New Vision system was implemented in October 2001 and the Landmark and Taxsmart systems were selected to replace New Vision. Management coordinated the system conversion efforts with the Pioneer Technology Group (Pioneer).

The primary objectives were to review the ongoing data conversions between New Vision and Landmark during pre-implementation and to: (1) conduct independent testing of the accuracy, completeness, and uniqueness of select data converted, and (2) provide details to management of any differences noted during audit testing. The audit scope included the review of data converted from New Vision to the Landmark and Taxsmart systems from June 28, 2021 to January 11, 2022.

The audit determined the data converted from New Vision to Landmark was accurate and reflective of the data from New Vision, with minor observations noted. The audit disclosed there were minor differences between record counts (quantity) and record dollar amounts for select tables reviewed within New Vision and Landmark. The weekly validation report conducted by Clerk's Information Technology (IT) disclosed no differences in record counts and amounts for the selected tables reviewed. There were no duplicated records for the fields selected within the document and image tables within each system. We identified seven (7) of 21,230,800 (0.00003%) records in the Landmark document table that included either a tax deed or a suspended reference. Further testing identified 1,363,240 of 63,573,348 (2%) records converted to the Landmark image table did not have matching records for one (1) of the five (5) fields reviewed. A comparison between select New Vision and Taxsmart tables disclosed 76,981 records were excluded in Taxsmart as of January 11, 2022.

Court Operations & Official Records Receipts Processing Audit (report issued May 3, 2022)

The Clerk's office Court Operations is made up of four (4) divisions: Official Records & Operations Systems, Criminal Court Services, Civil Court Services, and Branch Court Services. Each division is comprised of multiple departments offering services. The major sources of Clerk's office receipts include filing fees, court fines and costs, and court registry deposits, which are captured in ShowCase. The Clerk's office New Vision Official Records Information System (New Vision) is used to process recording fees, documentary stamps and intangible taxes. Receipts are collected from various channels (e.g., walk-in, eFiling, eRecording, U.S. postal mail) and via numerous payment methods (e.g., cash, checks, money orders, credit cards, electronic transfers). Approximately 280 cashiers process receipts in 16 locations and departments throughout the Main Courthouse and the five (5) branches in Palm Beach County. For fiscal year ending September 30, 2021, receipts totaled approximately \$695 million within the New Vision and ShowCase systems. Checks and cash accounted for approximately \$109 million (16%) of the total receipts.

The objectives of the audit were to perform a risk assessment to identify risks and vulnerabilities, evaluate the overall effectiveness and efficiency of processes and related controls to mitigate risks, verify compliance with pertinent laws and policies, and compare processes with accepted standards and best practices. Testing performed included the period from October 1, 2020 through September 30, 2021, with additional testing data analytics performed in certain areas through February 3, 2022.

The audit determined that receipts handling processes within the Clerk's office were functioning in a generally satisfactory manner though opportunities for improvement were noted. Our audit disclosed some locations' safe combinations were not changed periodically, some individuals had sole access to the safes, and safe logs did not consistently document individuals accessing the safes. There were locations in which only one (1) individual was present during the cash-out process, and surprise counts of all funds were not conducted. Clerk employees were granted unnecessary access to void and revise receipts in ShowCase. We noted opportunities exist to improve the physical safeguarding of funds at locations where cameras or secured partitions were missing and signs were not consistently displayed in public areas encouraging customers to expect and ask for a receipt for payments made. We also noted opportunities to improve processes related to opening and transporting mail containing cash and checks, endorsing checks, and updating policies and procedures.