

Division of Inspector General

ANNUAL REPORT

Fiscal Year Ended
September 30, 2023



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



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



An Accredited Office of
Inspectors General

**Division of
Inspector General**
205 North Dixie Highway
West Palm Beach, FL 33401

Phone: 561-355-2722

**Guardianship Integrity
Assurance Hotline**
561-355-3728
fraud@mypalmbeachclerk.com

Ethics Hotline
888-WARN-PBC

www.mypalmbeachclerk.com

December 11, 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 2022-2023 Annual Report. This report summarizes the objectives and accomplishments of the Division of Inspector General for the fiscal year that ended September 30, 2023.

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

TABLE OF CONTENTS

	<i>Page</i>
Introduction	4
Executive Summary	4
What's New?	5
Background	5
Staffing, Organization and Training	6
IG's Accreditation & Adherence to Professional Standards	8
Operations	9
Performance Results	9
Audits & Reviews	9
Investigations	10
Guardianship Program	12
Financial Impacts Identified	19
Highlights of Audit Findings	19

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, 2023 was a period of continued productivity for the IG office, issuing a total of 47 reports and memos, summarized below, which included audits, reviews, investigations and judiciary requests. These reports identified \$1,374,232 in unverifiable and questionable guardianship expenditures and misreported assets.

- The Audit Services Unit (ASU) issued four audit reports and one supplemental memo.
- The Public Integrity Unit (PIU) issued one investigative report based on 20 tips received from our Ethics Hotline and a variety of other sources.
- The PIU Guardianship Section issued 11 guardianship audit reports and five 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 24 investigative reports and one supplemental memo to OPPG. In support of our role as Administrator Coordinator, our IG office assisted the five other Clerk IG offices in issuing 69 additional investigative reports.
- The IG office referred nine 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., and successfully received its fourth reaccreditation this year. This 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?

The Division of Inspector General was awarded its fourth re-accreditation by The Commission for Florida Law Enforcement Accreditation (CFA) on February 23, 2023. The CFA requires re-accreditation every three years to ensure ongoing compliance with the investigative standards, which involves a thorough on-site evaluation of our investigative policies and procedures, completed investigations, and operations.

The Division of Inspector General continues to spearhead state and national efforts to improve guardianship monitoring and promote the public welfare for Palm Beach County. For example, the 2022 National Investigator Training (NIT) Leadership Class in October 2022, founded and led by our staff, was a first-of-its-kind specialized education and training program for guardianship investigators. The NIT taught over 125 core competencies to 50 guardianship investigators representing 27 different state, court, and local agencies. For the Florida Guardianship System, the 6th Annual Clerks' Statewide Investigation Alliance Training Symposium in May 2023, hosted virtually and organized and administered by our staff, continues to raise the bar and heighten scrutiny for auditing and investigating guardians and attorneys in Florida.

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, 2023, 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 – Assistant Inspector General & Accreditation Manager
- Ryan Snellings, CIGI – Inspector General, Associate II
- 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 (2);
- Certified Inspector General Investigator – CIGI (3);
- 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 4% of its time in FY 2022-2023 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 2022. The CFA determined the IG office met the required standards and awarded our IG office its fourth reaccreditation on February 23, 2023. The IG office was commended for its *"continued diligence, professionalism, and commitment in maintaining the highest recognition..."*.

In accordance with The Institute of Internal Auditors (IIA) standards, an external quality assurance review was last performed of the Audit Services Unit in September 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 2018 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 Division scheduled the next external review in November 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 2022-2023, the IG office issued four audit reports and one supplemental memo with 23 opportunities for improvement containing 57 recommendations. In addition, one other audit was 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 56 (98%) of the recommendations included in the audit

reports issued this year. For the audit reports previously issued, 41 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 2022-2023. 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
DHSMV DAVID & Data Exchange Memoranda of Understanding (MOUs) Compliance Audit and Supplemental Memo	Completed	12/14/2022 12/16/2022
HR Recruiting & Hiring Audit	Completed	1/10/2023
CCOC Case Counting Audit	Completed	6/5/2023
Revenue & Cash Management Audit	Completed	9/26/2023
South County Branch Audit	In Progress	

Refer to the Highlights of Audit Findings section (page 19) 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.
- **Unfounded:** There is sufficient information to justify a reasonable conclusion that the allegation is false.
- **Unsubstantiated:** There is insufficient information to prove or disprove the allegation.

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 2022-2023, 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 one investigative report and the referral of five cases to various law enforcement agencies and other Clerk departments. In addition, one investigation was in progress.

For the one completed investigation, the allegations and final conclusions are summarized below.

- A complaint was submitted by a citizen alleging that an unauthorized ACH withdrawal of \$7,000 was deducted from his bank account and set up as a foreclosure auction deposit. This allegation was not within the Clerk’s office jurisdiction. The complainant further alleged that Clerk’s office later inappropriately issued a \$7,000 refund of these monies via check to a different individual. We determined this allegation was unsubstantiated as the Clerk’s office

acted in accordance with its existing procedures at the time of the incident though procedures were subsequently revised to enhance the operations.

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.

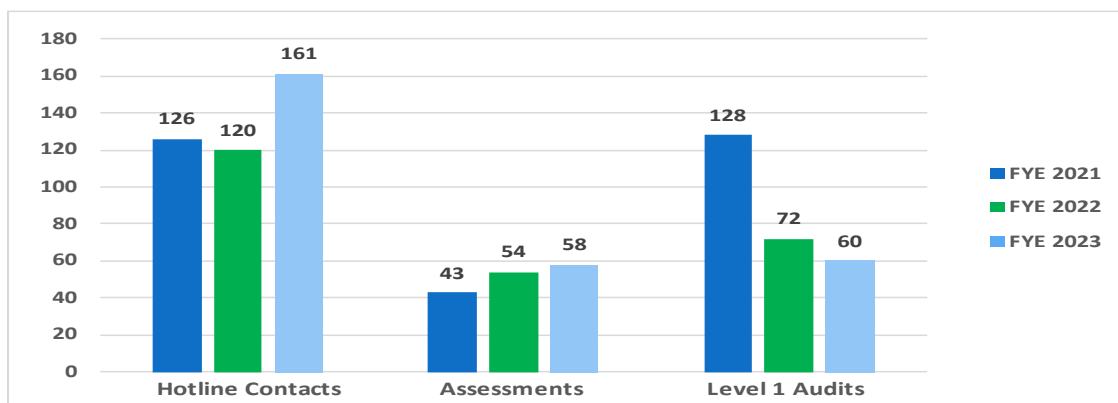
- **Level 1 Audit:**
A Level 1 audit consists of the IG office review of the Clerk's Guardianship auditors' desk worksheet review to ensure guardianship reports are prepared timely, completely and accurately. If significant discrepancies or concerns are identified, the IG staff review the documents and 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.

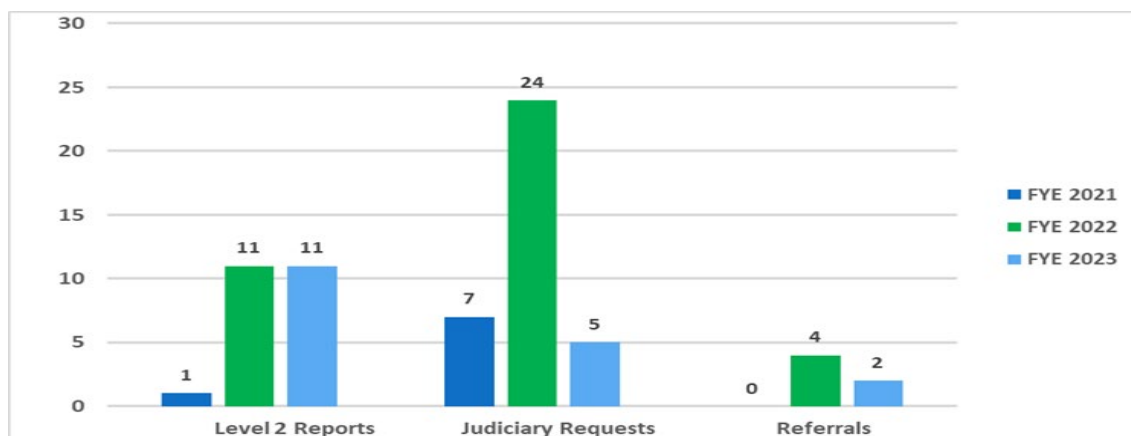
The Guardianship Integrity Assurance Hotline is in place to enable anyone suspecting fraud, waste or financial mismanagement of a ward’s property and assets to report such concerns, anonymously if desired. Reports may be made in several convenient ways.

1. **Online:** Create a report at www.mypalmbeachclerk.com/fraud. Click on “File a report online” 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

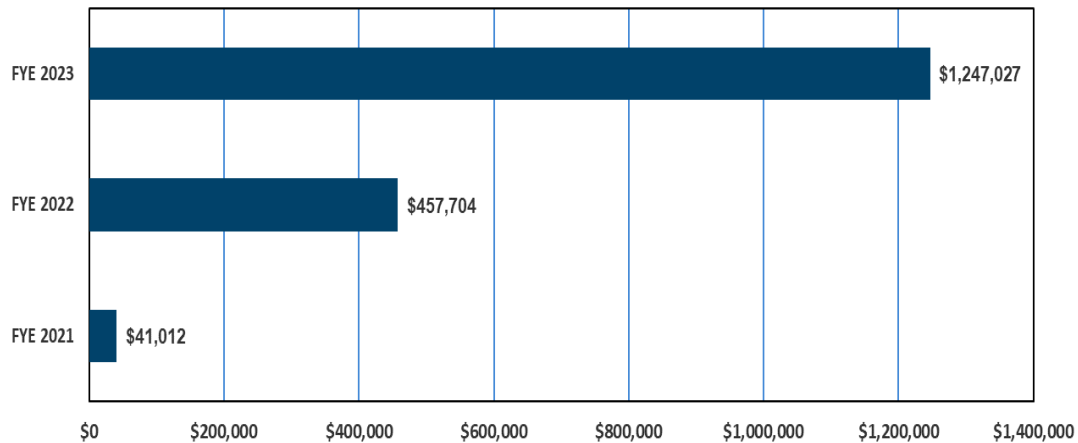
During FY 2022-2023, we received 161 Guardianship Integrity Assurance Hotline contacts, of which 39 contacts required further monitoring, review, or investigation. In addition, we conducted 58 assessments and 60 Level 1 audits. Trends over the past three fiscal years are presented as follows:



During FY 2022-2023, we released 11 Level 2 audit reports, which included 24 recommendations. In addition, we issued five 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 two formal referrals made this fiscal year, our IG team has ongoing conversations with law enforcement and other agencies 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 \$1,247,027 during FY 2022-2023 and a combined total of \$1,745,743 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. Also, Anthony addressed various groups in his role as President of the National Guardianship Association in calendar year 2022. For example, presentations were provided to the following organizations:

- Korean Supreme Court (Virtual)
- National Conference on Guardianship
- National College of Probate Judges
- National Investigator Training Leadership Class
- National Guardianship Association
- Minnesota Association for Guardianship and Conservatorship
- Alaska State Association for Guardianship and Advocacy
- Guardian/Conservator Association of Oregon
- Conservatorship Association of Tennessee
- Palm Beach State College Elder Financial Exploitation Training
- Florida Clerks’ Statewide Investigation Alliance Annual Training Symposium
- Palm Beach Economic Crimes Unit
- Palm Beach 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 respond to media requests accurately and rapidly (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. The AC also can prepare an investigation report if there is sufficient evidence to indicate that an allegation is not true.

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 or evidence to justify a reasonable conclusion that the allegation is true; the guardian's conduct was contrary to statutes or standards, and there were actual damages, financial, physical, or otherwise, to the Person Subject to Guardianship.
- **Unfounded** means there is sufficient information or evidence to justify a reasonable conclusion that the allegation is not true; the allegation is false, or no relevant statutes or standards were violated, or there were no actual damages, financial, physical or otherwise, to the Person Subject to Guardianship, or the allegation is outside of the SIA's jurisdiction.
- **Unsubstantiated** means there is insufficient information or evidence to either prove or disprove the allegation; some information or evidence indicates the allegation may be true and or some information or evidence indicates the allegation may be false, neither rising to an appropriate evidentiary standard.
- **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 66 cases from OPPG, of which 18 were assigned to our office; the other 48 cases were distributed to the other five Clerk IG SIA members.



During the year, our IG office:

- Completed 24 investigations and issued the related reports to OPPG, with financial impacts identified totaling \$126,269.
- Issued one supplemental memo to OPPG, with financial impacts totaling \$936.

In conjunction with our role as AC, our IG office assisted the five other Clerk IG offices in issuing 69 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, 2023.

KEY METRICS	SIA TOTAL	PALM BEACH CLERK'S IG
New Cases Received	66	18
Open Cases at Year End	34	7
Investigative Final Reports Issued to OPPG	93	24
Number of Allegations Investigated	481	145
Number of Substantiated Allegations	49	3
Number of Unfounded Allegations	394	134
Number of Unsubstantiated Allegations	21	0
Number of Non-Legally Sufficient and Insufficient Evidence Allegations	17	8
Number of Additional Observations	28	8
Financial Impact in Final Reports	\$2,212,373	\$126,269

In further support of our role as AC and as requested by OPPG, our IG office conducts monitoring of case proceedings for select professional guardians. Updates and time sensitive memos are provided to OPPG as appropriate.

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 59 close-out letters to professional guardians, which included various disciplinary actions.
- The SIA referred various cases to law enforcement and state attorney offices to pursue prosecution of potential criminal conduct.
- The SIA held its sixth 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 Integrity Assurance Program 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.

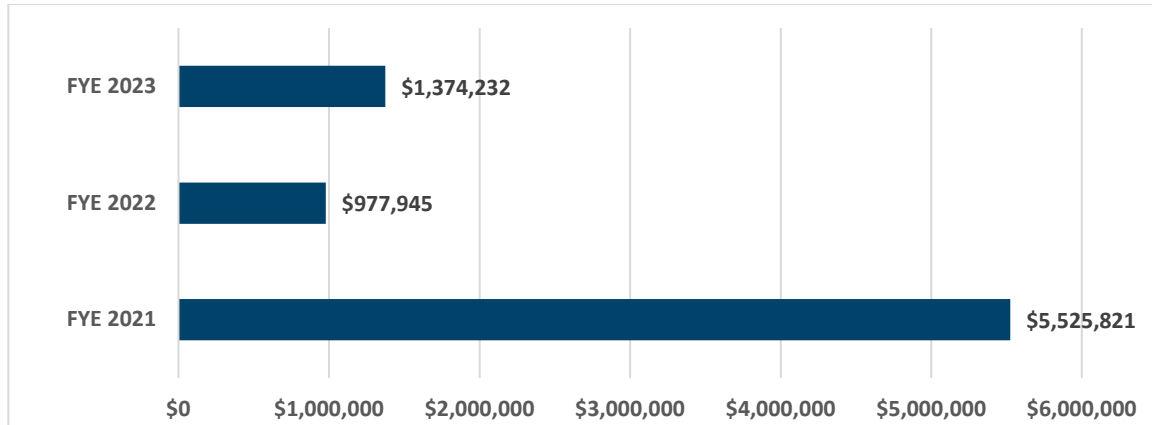
Our office assisted with legislation in 2022 to improve what data is available to document problems and successes within the guardianship system in Florida. Even basic statewide information such as the number of people under guardianship, the number of guardians, how many cases each guardian has, how 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 support to the IG's Guardianship Fraud Program. During this past fiscal year, individuals contributed a total of 48 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 2022-2023, as shown in the graph below, the Division of Inspector General identified \$1,374,232 in unverifiable and questionable expenditures and misreported assets within guardianship audits in the Clerk’s Office and OPPG investigations of public and professional guardians. Over the past three years, the Division of Inspector General has identified similar financial impacts totaling \$7.9 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, 2023. 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).

Florida Department of Highway Safety and Motor Vehicles (DHSMV) Data Exchange and Driver and Vehicle Information Database (DAVID) Access and Controls Audit (report issued December 14, 2022)

The Clerk of the Circuit Court & Comptroller’s office (“Clerk’s office”) signed a Memorandum of Understanding (“MOU”) with the Florida Department of Highway Safety and Motor Vehicles (DHSMV) for electronic access into the DHSMV system via DAVID (HSMV-0313-19) as well as a separate MOU for Data Exchange automated access (HSMV-0527-22). 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 into the Clerk's office case management system ("ShowCase") to prepare for court scheduling and judiciary review.

The objectives of this audit were to determine whether (1) the Clerk's office complied with the requirements of the DHSMV DAVID MOU and the Data Exchange MOU, and (2) internal controls adequately protect the personal data received from the DAVID database as well as Data Exchange electronic access into DHSMV from unauthorized access, distribution, use, modification, or disclosure.

Internal controls governing the use and dissemination of personal data were evaluated and determined to be in compliance, except as noted, with the requirements of the DHSMV DAVID MOU and the Data Exchange MOU as well as applicable laws. We determined internal controls were adequate to protect the personal data from unauthorized access, distribution, use, modification, or disclosure. Policies and procedures for personnel to follow and data security policies and procedures were in place to protect personal data. Data security policies and procedures were approved by an in-house Risk Management IT Security Professional.

The audit identified that the Clerk's office did not complete the Quarterly Quality Control Review reports selected for review within 10 days after quarter-end as required by the DAVID MOU, though were completed and signed an average of 13 days after the due date. One (1) terminated employee was not immediately deactivated in accordance with MOU requirements, though was deactivated four (4) business days after employment separation. We also noted the DHSMV was not notified of the Clerk's office Point-of-Contact ("POC") changes upon employment termination of the former Legal Counsel acting as the DAVID MOU POC.

The deficiencies noted during the audit were corrected and measures were taken to prevent recurrence in accordance with the MOU requirements.

Human Resources Recruiting & Hiring Audit (report issued January 10, 2023)

At management's request, a risk-assessed audit was performed of the Clerk's office Human Resources ("Clerk's HR") Recruiting and Hiring processes. Clerk's HR is responsible for several critical functions, including but not limited to, employees' classification and compensation, recruitment, benefits, wellness initiatives, training and development, compliance, employee relations, performance management, Clerk's HR information systems management, records management, and charitable giving. Clerk's HR's goal is to provide learning and development opportunities to employees of all levels to enhance job performance, develop skills, and contribute to the overall effectiveness and efficiency of the Clerk's office to meet the needs of Palm Beach County residents. Clerk's HR uses and interfaces with the PeopleSoft system and various other automated applications, in addition to standard office applications, to assist in its work.

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 July 1, 2021 through June 30, 2022.

The audit determined opportunities exist to improve internal controls and related processes. Our audit disclosed the practice to rescind contingent offers was not processed in accordance with the Fair Credit Reporting Act (“FCRA”), ClearStar regulations (Clerk’s office contracted consumer reporting agency) as well as Clerk’s HR policies and procedures. Our selection of 15 rescinded offers disclosed 10 offers were based, in whole or in part, on the results obtained from ClearStar; however, the candidates were not provided actions, forms, and reports (e.g., pre-adverse action notice) as required. Our review also disclosed that the dates of the final review of professional background screening (e.g., education, employment, and professional reference checks) were not documented; as such, we were unable to determine whether background screening checks were completed prior to the sign-off of formal offer letters. We noted two (2) of six (6) condition of employment letters were signed after formal offers of employment had been signed by new hires. We also noted opportunities to improve Clerk’s HR policies and procedures.

Florida Clerks of Court Operations Corporation (CCOC) Case Counting Audit (report issued June 5, 2023)

At management’s request, a limited-scope audit was performed of the new case counting processes as mandated by the Florida Clerks of Court Operations Corporation (“CCOC”).

The CCOC issued the New Case Counting Business Rules Monthly Outputs Report – Subcases (“CCOC Business Rules”), effective October 1, 2022, including general reporting rules for case types under Circuit Criminal, County Criminal, Juvenile Delinquency, Juvenile Dependency, Criminal Uniform Traffic Citation, Uniform Traffic Citations, Circuit Civil, County Civil, Probate, and Family. The Clerk’s office must abide by the CCOC Business Rules to ensure consistent and accurate counts of new as well as re-opened cases within the Clerk’s office case management system (“ShowCase”).

The Clerk’s office Operations Systems and Training Department (“Clerk’s Operations Systems”) is responsible for the oversight of case counting mapping into ShowCase as well as the monthly reporting of new cases into CCOC via the Clerk of Court Monthly Outputs Report – Subcases Report (“CCOC Monthly Outputs Report”). The CCOC Monthly Outputs Report breaks down case type and subcase type (e.g., Felony subcases are categorized under Circuit Criminal cases) as well as new or re-opened cases.

The objectives of the audit were to review the case counting processes, related controls, and the application of the CCOC mandated rules, including the following:

- Determine whether the current Clerk’s office processes to count new and re-opened cases, including related policies and procedures, were in compliance with the CCOC New Case Counting Business Rules Monthly Outputs Report – Subcases (“CCOC Business Rules”), effective October 1, 2022.
- Determine whether the number of new cases reported monthly to CCOC accurately reflected the source data from ShowCase and/or other systems, if

applicable (e.g., Child Support Enforcement System) during the audited scope period.

Testing was performed for new and re-opened cases and Notice of Appeal (“NOA”) cases from October 1, 2021 through December 31, 2022.

The audit determined a limited number of cases were not reported to CCOC or reported cases were incorrectly classified. Cases that had been entered into ShowCase after the established date (eight calendar days after month end - “cut-off”) were not reported to CCOC for the month the cases were filed or in subsequent months. There were 632 of 368,953 (0.2%) cases not reported to CCOC after the cut-off date and six (6) of 3,043 (0.2%) Criminal Traffic citations that were not reported to CCOC due to data entry errors. Also, we noted two (2) of 860 (0.2%) cases were submitted to CCOC with the wrong classification; the cases should have been classified under County Criminal Misdemeanor instead of Criminal Traffic. We also noted opportunities to improve the Clerk’s Operations Systems’ procedures.

Revenue & Cash Management Department (report issued September 26, 2023)

A risk assessed audit was performed of the Revenue & Cash Management Department (Clerk’s R&CM).

The Clerk’s R&CM is responsible for cash management, banking services, and for the receipting, recording and analysis of County revenues. The primary revenue function is to account for select County departments’ revenue processes. Revenue is received from private individuals, other government entities, and various departments of Palm Beach County, with \$2.5 billion received in calendar year 2022. Cash management responsibilities include processing outgoing wires and Automated Clearing House (“ACH”) payments, totaling \$3.1 billion in calendar year 2022, for the Palm Beach Board of County Commissioners (“BOCC”) and the Clerk’s office.

The objectives of this audit included the following:

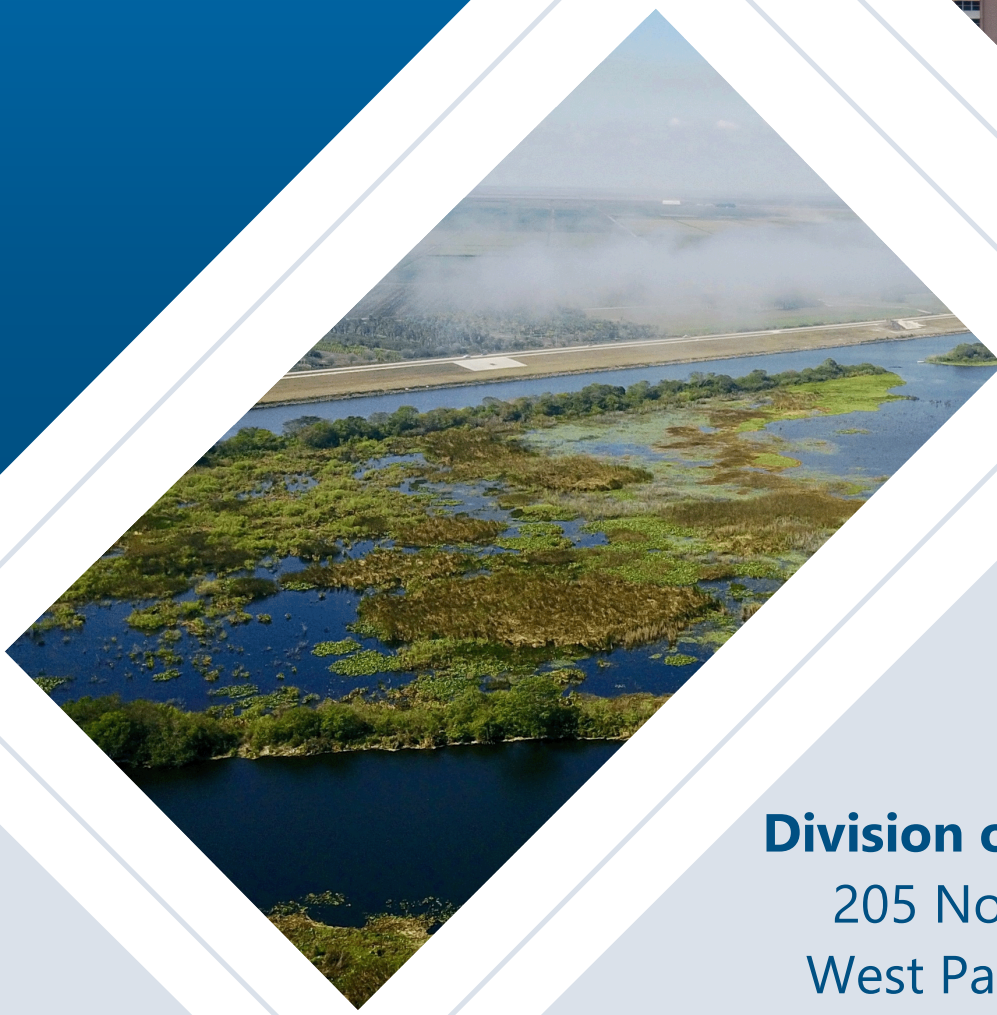
- Perform a risk assessment to identify risks and vulnerabilities impacting Clerk’s R&CM processes,
- Evaluate the overall effectiveness and efficiency of processes and related internal controls to mitigate the risks,
- Assess whether controls are in place to facilitate compliance with pertinent laws and regulations as well as established Clerk policies, and
- Compare processes with accepted standards and best practices.

The audit scope included testing performed for the period from October 1, 2021 through March 31, 2023.

The audit determined that Clerk’s R&CM was functioning in a generally satisfactory manner and mostly aligned with established policies and procedures though opportunities for improvement were noted. The primary observations identified were mainly related to the absence of controls in specific processes, rather than non-

compliance with existing policies and procedures. Security risks were noted including the absence of a two-step verification process to verify whether wire transactions were properly authenticated and documented, delays in deactivating Wells Fargo Commercial Electronic Office Portal (“CEO Portal”) users upon employment termination, and incomplete documentation for user changes. Opportunities were noted to improve revenue receipting, mail processing, accountability of checks received and unrecognized checks requiring research, deposit handling, and security measures of checks and cash received. Physical access controls required strengthening to prevent unauthorized access to a restricted area. Legally and management required report processing lacked oversight, manual quality control reviews may not detect errors, and some functions were not appropriately segregated. The Clerk’s R&CM had limited visibility over the County’s deposit processes and opportunities exist to improve Clerk’s R&CM’s procedures.

The report contained 10 observations and 37 recommendations.



Division of Inspector General

205 North Dixie Highway
West Palm Beach, FL 33401

Phone: 561-355-2722

Guardianship Integrity Assurance Hotline

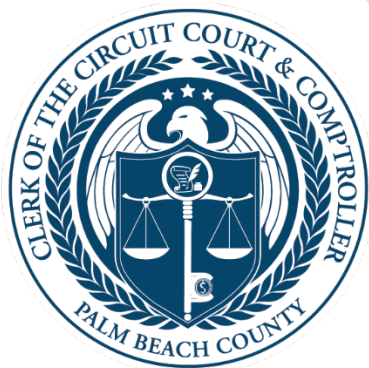
Phone: 561-355-3728

fraud@mypalmbeachclerk.com

Ethics Hotline

Phone: 888-WARN-PBC

www.mypalmbeachclerk.com



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