

**AGING AND ADULT SERVICES
AUDIT OF PUBLIC BENEFIT ACCOUNTINGS
WITH HEARING DATES FROM JANUARY 4, 2010
THROUGH DECEMBER 31, 2010**

INTRODUCTION

The special audit of public benefit accountings with hearing dates from January 4, 2010 through December 31, 2010 was performed at the request of Aging and Adult Services, Public Guardian's Office. The court, which has authority to waive the filing of public benefit accountings, may order that the Public Guardian's Office need not present the accounts based on the results of this audit as long as the conditions stated under Section 2628 (a) of the Probate Code are satisfied.

PURPOSE AND SCOPE

We have examined the accounts included in the List of Public Benefit Accountings - Hearing Dates from January 4, 2010 through December 31, 2010 provided to us by the client. Our examination was made in accordance with the *International Standards for the Professional Practice of Internal Auditing* established by the Institute of Internal Auditors.

Our examination was limited to specific agreed-upon procedures between the Internal Audit Division and Aging and Adult Services. These procedures consisted of testing transactions to determine that they were coded properly in Computrust as to account, period and amount, and that all intra-account transfers were properly and accurately done.

Our examination would not necessarily disclose all errors and irregularities that might have occurred during the audit period because it was based on selective tests of transactions.

Fieldwork was completed on June 1, 2011.

PROCEDURES PERFORMED

We performed a random sampling of all transactions in conservatees' accounts included in the List of Public Benefit Accountings - Hearing Dates from January 4, 2010 through December 31, 2010. Aging and Adult Services has provided this information in electronic format and we performed procedures to ensure that the transfer of information was complete and accurate. We selected a sample of sixty transactions for the audit period, which was considered sufficient to provide a confidence level of 95 percent that an error rate of five-percent or less existed in the population (i.e., there is a five-percent risk of over reliance). For each item in the randomly selected sample, we traced each transaction to supporting documentation to ensure that it was:

1. A valid transaction,
2. Recorded in the proper account,
3. Recorded in the proper period, and
4. Recorded for the proper amount.

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Because of the nature of the different types of transactions (i.e., deposit, disbursement, interest earned), supporting documentation used to verify each type was different. Deposit transactions were traced to the ACH (Automated Clearing House) reports, deposit permits, check copies of payment received, Social Security Administration SSI Notice of Change in Payment Form, New Benefit Amount Notice, VA form, pension receipt form, and annuity statement, as applicable. Disbursements were traced to one or more of the following: disbursement journal, automatic transaction request (ATR), check request, court order settling and approving accounting of conservator and allowing fees, Notice of Action for client's share of cost, SSI Notice of Overpayment, and residential facility agreement, as applicable. The other types of transactions were traced to their source documents for validity and propriety.

We also reviewed the accuracy and propriety of recording intra-account transfers during the audit period by calculating the net effect of these transfers to be zero. The Summary of Account kept in each case file, which showed the details of each transfer, was reviewed to determine whether the intra-account transfer was properly recorded.

Additionally, each conservatee's account selected for testing was reviewed for regularity of transactions or for any unusual transactions. To perform this procedure, we scanned the detailed schedule of receipts and disbursements in each case file to ensure that a regular monthly deposit of benefits was received or payment of rent or allowance was paid, as applicable. Any unusual entries were researched and investigated.

The total number of conservatees' accounts covered by this audit was eighty-seven (87) with total transactions numbering 8,446 amounting to \$3,653,458.

CONCLUSIONS

Based upon the procedures performed and the results of our tests, we can state with 95 percent confidence that 95 percent of all transactions, consisting of receipts, disbursements and intra-account transfers, in conservatees' accounts included in the List of Public Benefit Accountings - Hearing Dates from January 4, 2010 through December 31, 2010 are valid, recorded in the proper account, period and for the proper amount and, where transfers were made between accounts the net effect was zero.

Providing an opinion on the overall propriety of accounts was not an objective of our audit, and accordingly, we do not express such an opinion. However, the results of our tests disclosed no material unusual transactions or conditions.

County of San Mateo Controller

Redwood City, California
June 15, 2011