

Public Administrator Process

Audit Report
February 2016

Internal Audit
Ada County



Report 16-01

Ada County Internal Audit Committee

The five member Internal Audit Committee approves Audit topics and receives completed reports. Audits are conducted by Internal Audit staff. The findings, conclusions, and recommendations in the report do not necessarily reflect the views of the Internal Audit Committee or its individual members.

Internal Audit Committee Members

Jim Tibbs, *Chairman*
Christopher D. Rich
Ted Argyle
Darby Weston, Director
Bethany Calley-Green

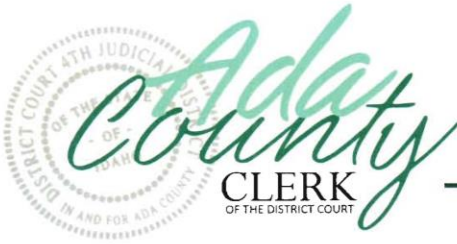
Board of Ada County Commissioners
Ada County Clerk/Auditor/Recorder
Ada County Prosecutor designee
Ada County Emergency Medical Services
Sr. HR and Communications Manager, DOA

Public Administrator Process

February 2016

Report 16-01

Internal Audit
Ada County Auditor's Office
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February 8, 2016

Members
Internal Audit Committee
Ada County

Dear Members:

I directed Dawn Burns, on behalf of the Committee, to review internal controls related to the Public Administrator Process. The Committee requested the audit because of concerns about internal controls related to the checking account and Public Administrator function.

The Treasurer, as ex officio Public Administrator, is responsible for handling the estates of individuals who die without a will or someone willing to represent the affairs of the estate. Internal audit reviewed the operations of the Treasurer's Office and four other departments involved in the Public Administrator process, including the Coroner's, Prosecutor's and Clerk's Offices, as well as Indigent Services.

As you are aware, Internal Audit found a potentially fraudulent check in the course of the audit. In response to the check finding, the Board of County Commissioners requested a Forensic Audit be performed on the checking account. No additional potentially fraudulent activity was found. In order to cut down on redundancies, the Forensic Auditor's twenty-four recommendations for strengthening internal controls are included in Appendix A of this audit and generally not discussed. If a forensic audit finding overlapped with an Internal Audit finding, it is mentioned in the report.

Internal Audit makes nine recommendations for improving the security of Public Administrator estate property, improving the efficiency of the overall process and strengthening financial control weaknesses, including incorporating segregation of duties.

We appreciate the cooperation and assistance we received from all five departments and look forward to working with them to address these concerns.

Sincerely,

A handwritten signature in blue ink, appearing to read "C. D. Rich".

Christopher D. Rich

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Executive Summary

Public Administrator Process

In the past few years, the number of decedents with estates that potentially qualify for Public Administration has increased. At the same time, the length of time for a Public Administrator estate to proceed through probate has also increased. The result has been a backlog of Public Administrator estates, which creates staff workload issues for the Treasurer's Office. There appear to be three root causes for the backlog:

- All estate property, regardless of its value, is boxed up, stored and liquidated. The result is the Treasurer is storing and processing thousands of items per year, the majority of which cost more to liquidate than the resale value of the item.
- The current practice of selling low value estate property on the Treasurer's online auction website is an involved and time-consuming process that cannot keep pace with the capacity of items collected.
- There is no mechanism in place to ensure estates continue to be worked and proceed through probate. As a result, work on several estates appears to have been delayed.

The simplest, most direct solution to the estate backlog issue is to create and follow a written, procedural framework for determining what constitutes an asset worth the cost of liquidating it, which in turn would reduce the staff time and storage space needed to process an estate.

This approach would also facilitate the ability of the Treasurer's Office to secure estate property. Under the current process, there is no master control inventory taken before property is removed from the home, and property is not always marked to identify the estate to which it belongs. This, combined with limited storage space, has resulted in property not being liquidated or possibly attributed to the wrong estate.

Finally, both Internal Audit and the Forensic Auditors found numerous examples of weaknesses in the accounting practices used to track estate finances, which have caused the Court to be provided inaccurate or incomplete financial accounting for estates. Lack of segregation of duties contributed to the issuance of a potentially fraudulent check, which is under investigation by law enforcement. Other accounting weaknesses include proceeds from the sale of assets being incorrectly recorded or not recorded in a timely manner, untimely deposits and missing supporting documentation. Developing written policies and procedures that follow accounting best practices would address these accounting weaknesses.

The Coroner's Office, Prosecutor's Office, Indigent Services and Court Clerks have written procedures and protocols that govern their individual roles in the Public Administrator process. All appear to be fulfilling their statutory responsibilities to the estate.

Recommendations

Recommendation 1

The Treasurer's Office should develop written policies and procedures for the Public Administrator Process. These procedures should outline the various steps in the probate process including:

1. Specific criteria for evaluating which estates are acceptable and which will be declined.
2. A framework for deciding which assets should be liquidated by the Treasurer's Office.
3. Segregation of duties related to handling assets, accepting payment for sales and recording sales transactions in accounting and inventory records.
4. Requirements for creating a control inventory before items are removed from the home, storage facility, safe deposit box, etc.
5. Requirements for depositing estate proceeds in accordance with County accounting policies.
6. Requirements for recording deposits in QuickBooks and all related documentation within days of the actual deposit.

Recommendation 2

Upon request of the Treasurer's Office, the Prosecutor's Office should assist the Treasurer's Office, Coroner's Office and Indigent Services to develop a mechanism to track all open estates and ensure they proceed through probate in a timely manner. The protocol should also address a method to ensure Indigent Services submits a claim for cremations.

Recommendation 3

The Treasurer's Office should develop a framework for deciding which assets should be liquidated by the Office and which should be disposed of in a more cost efficient method. The framework should be incorporated into written policy and include a protocol for declining estates and auctioning any property.

Recommendation 4

The Treasurer's Office should identify all monies in the Public Administrator checking account not related to open estates and distribute it appropriately, including any interest previously earned or monies from declined estates.

Recommendation 5

The Treasurer's Office should mark with a unique identifier all assets removed from the estate for liquidation by the Treasurer's Office.

Recommendation 6

The Treasurer's Office should prepare a master control inventory of all estate property in sufficient detail to support the inventory submitted to the Court. The control inventory should individually list all property that is removed for liquidation by the Treasurer's Office.

Recommendation 7

The Treasurer's Office should create a corrective action plan and address the Forensic Audit recommendations.

Recommendation 8

The Human Resources Department should work with the Board of County Commissioners to develop a countywide policy that prohibits employees and their families from purchasing items from County sponsored auctions.

Recommendation 9

The Treasurer's Office should work with Human Resources to evaluate the current staffing for the Public Administrator function.

Chapter 1.

Introduction

Article XVIII of the Idaho Constitution and state statutes assign responsibility to the County Treasurer, as ex officio Public Administrator, for handling the estates of individuals (the decedents) who die without a will or someone able or willing to represent the affairs of the estate. The settling of these estates is performed under the auspices of the District Court. The Court appoints the Treasurer as Public Administrator and presides over the probate process, which concludes with the final distribution and closing of the estate. As Public Administrator, the Treasurer's Office has primary responsibility for settling estates, but there are also four other County departments involved in the full process: the Coroner's Office, Indigent Services, Prosecutor's Office and Clerk's Office.

This audit primarily focuses on the financial matters of settling estates and the duties to secure, protect, liquidate and distribute assets expeditiously, efficiently and in accordance with internal control best practices.

Public Administrator Estates

One of the common misconceptions about Public Administrator estates is that the decedents are homeless with no money or property. People who have no money or property do not qualify for public administration, and their deaths are handled by the Coroner's Office and Indigent Services. Public Administrator estates tend to have some form of income, usually from social security or retirement benefits, and occasionally, investment income. The decedent may have lived in an assisted living facility, an apartment, trailer, house or vehicle. The property of the estate often includes furniture, kitchen and other household items, clothing, jewelry and personal items.

Idaho Code Title 14, Estates of Decedents, provides guidance for the Treasurer in performing the Public Administrator function. Specifically, Idaho Code §14-102 directs the Treasurer, as Public Administrator, to make an initial determination of the absence of an heir or will and take charge of the estate of persons who, upon their death, reside in the county, to include:

- a) *The estates of decedents for which no personal representatives are appointed, and which, in consequence thereof, are being wasted, uncared for or lost and of estates which he is directed to administer by virtue of the provisions of subsection (a)(7) of section 15-3-203 of [the Uniform Probate Code];*
- b) *The estates of decedents who have no known heirs;*
- c) *The estates ordered into his hands by the court, and of estates to which the state of Idaho is an heir.*

The Treasurer evaluates the estate to determine if the assets warrant public administration; petitions the court to start the probate process; collects property of value and disposes of the remainder; closes bank and credit card accounts, notifies creditors; liquidates the estate and distributes the estate as directed by the Court. Exhibit 1.1 provides a summary of the Public Administrator estates reviewed and discussed throughout this report.

Exhibit 1.1 Summary of estates reviewed by Internal Audit.

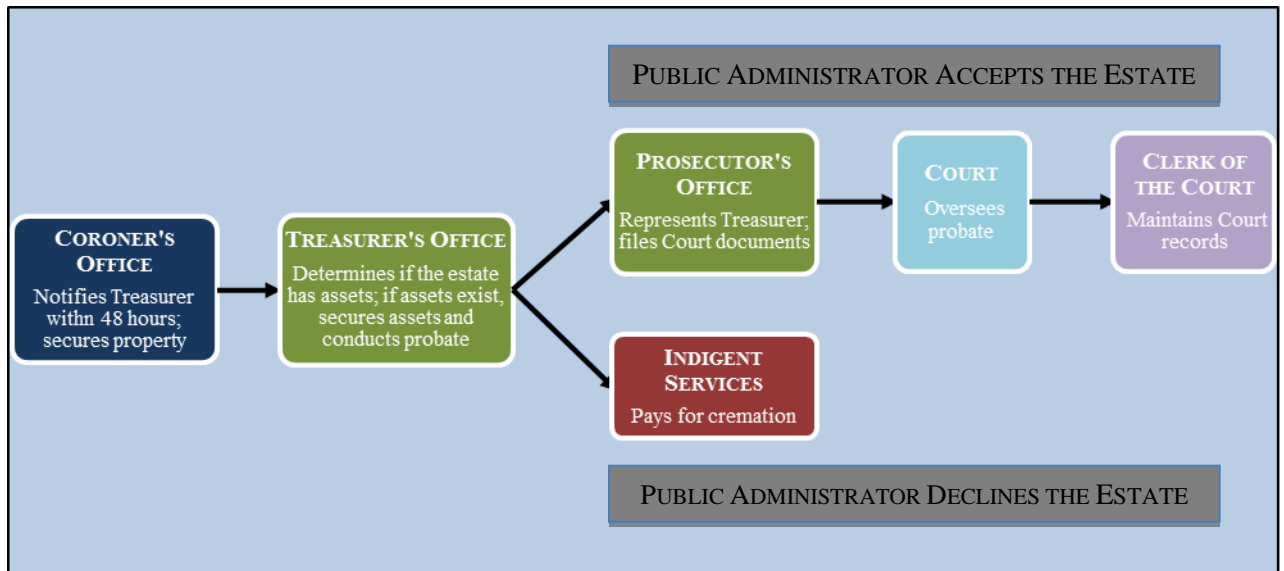
Estate Number	Date of Death	Treasurer Requests Public Admin	Days from Death to Public Admin Request	Treasurer Appointed Public Admin	Days from Death to Inventory	Days from Appointment to Inventory	Estate Closing Date	Days from Death to Estate Closing
1	Dec 2009	Mar 2010	105	May 2010	352	182	May 2013	1253
2	Jul 2010	Jul 2010	14	Oct 2010	161	63	Jul 2012	761
3	Apr 2012	Apr 2012	749	Jun 2012	879	61	Apr 2013	1103
4	Aug 2012	Nov 2012	93	Jan 2013	155	-1	Jan 2013	175
5	Aug 2012	Oct 2012	82	Jan 2013	251	90	Aug 2013	377
6	Sep 2012	Oct 2012	34	Dec 2012	191	89	Pending	--
7	Dec 2012	Dec 2012	19	Apr 2013	222	87	Mar 2014	479
8	Dec 2012	Jan 2013	44	Jan 2013	220	174	Open	--
9	Jan 2013	Feb 2013	38	Apr 2013	164	64	Dec 2013	349
10	Jan 2013	Feb 2013	31	Apr 2013	189	88	May 2014	500
11	Feb 2013	Apr 2013	69	Jun 2013	231	95	Nov 2013	277
12	May 2013	Jun 2013	42	Aug 2013	205	92	Apr 2015	720
13	Jun 2013	Jul 2013	40	Jul 2013	179	138	Open	--
14	Oct 2013	Nov 2013	42	Jan 2014	357	250	Open	--
15	May 2014	Sep 2014	144	Jan 2015	397	123	Open	--
16	May 2014	Jun 2014	50	Sep 2014	215	89	Open	--
17	Jun 2014	Aug 2014	65	Oct 2014	269	120	Open	--
18	Jul 2014	Sep 2014	91	Dec 2014	324	168	Open	--
19	Aug 2014	Sep 2014	33	Nov 2014	248	151	Open	--
20	Nov 2014	Apr 2015	163	Jul 2015	--	--	Open	--
21	Dec 2014	Jan 2015	44	Apr 2015	294	166	Open	--
22	Feb 2015	Apr 2015	73	Jun 2015		188	Open	--
23	Feb 2015	Feb 2015	26	Apr 2015	151	66	Oct 2015	270
24	Feb 2015	Mar 2015	43	Apr 2015	123	58	Open	--
25	Feb 2015	May 2015	94	Jul 2015	206	41	Open	--

Source: Internal Audit Analysis of Court files and Treasurer's Office data

The Public Administrator Process

In addition to the Treasurer's Office, four County departments and the District Court are also involved with the Public Administrator process, as shown in Exhibit 1.2. The responsibilities of each are briefly discussed below.

Exhibit 1.2 Departments involved with the Public Administrator process



Coroner's Office

All public officials, including the Coroner's Office must notify the Treasurer of the death of a person without a will and with no apparent heirs within 48 hours of becoming aware of the death.¹ Within this timeframe, the Coroner attempts to identify a will or any possible heirs through various research methods, including a search of the decedent's home, interviews of people who knew the decedent, review of medical records, and searches of law enforcement databases.

Treasurer's Office

Once notified by the Coroner, the Treasurer reviews the Coroner's report, and if necessary, the home and property of the decedent to determine if sufficient assets exist to warrant public administration of the estate. If the Treasurer determines the estate has no assets or assets of negligible value, the estate is declined and the Coroner's Office and Indigent Services are notified via an official letter from the Treasurer.

If the estate's assets are sufficient, the Treasurer again searches for a will and any heirs. If none are found, the Treasurer's Office opens an estate by submitting the appropriate information to the Prosecutor's Office and notifies the Coroner's Office and Indigent Services that the estate has been accepted for public administration.

Indigent Services

In September 2013, the various departments involved in the Public Administrator process agreed that Indigent Services, on behalf of the decedent, would submit an application for non-medical assistance to the Board of Ada County Commissioners to cover cremation costs for those estates potentially subject to public administration. The purpose of this approach is to ensure the decedent is cremated and the funeral costs are paid in a timely

¹ Idaho Code §14-107

manner. Previous to this agreement, cremations were delayed, sometimes for months, until the Treasurer determined if the estate qualified for public administration.

If the Public Administrator declines the estate, the cremation costs are borne by Indigent Services. If the Public Administrator accepts the estate, the Board approves the application for payment of the cremation costs. Indigent Services then files a claim for reimbursement from the estate.

Prosecutor's Office

Idaho Code directs the Prosecutor's Office to represent the Treasurer in the Public Administrator function without charge.² This includes filing petitions with the Court throughout the probate process and representing the Treasurer in other Public Administrator functions. The law allows the Treasurer to charge the estate for reasonable fees, costs and other expenses, including the fees of the prosecuting attorney, whenever the heirs or creditors refuse to administer the estate.³

District Court

The Court reviews and considers all petitions and actions related to probate of the estate, such as assigning the Public Administrator, reviewing the inventory and final accounting, proper notification of heirs and creditors, and final distribution of assets.

Clerk of the Court

The Clerk of the Court is required to maintain a single court file for each decedent, which includes any document filed with the Court under the Uniform Probate Code.⁴ The court file includes all petitions, applications and demands for notice or bonds. All certificates relating to the letters of appointment must show the date of the appointment.

Public Administrator Statutes

In addition to the statutes guiding the Public Administrator in Idaho Code Title 14, Public Administrator functions are also subject to the general probate laws outlined in Title 15, the Uniform Probate Code. To codify the relationship between the two areas of law, the Public Administrator statutes specifically address the Uniform Probate Code:

When no direction is given in this chapter [Title 14] for the government or guidance of a public administrator in the discharge of his duties, or for the administration of an estate in his hands, the provisions of the Uniform Probate Code must govern.⁵

The Prosecuting Attorney's Office told Internal Audit that the Uniform Probate Code is used for most estate action because the Title 14 Public Administrator statutes establish authority, but do not provide procedural guidance.

² Idaho Code §14-118

³ Idaho Code §14-120

⁴ Idaho Code §15-1-305

⁵ Idaho Code §14-116

Public Administrator as a Personal Representative

The Uniform Probate Code uses the general term “Personal Representative” for individuals appointed by the Court to administer an estate. The statute defines a personal representative as follows:

"Personal representative" includes executor, administrator, successor personal representative, special administrator, and persons who perform substantially the same function under the law governing their status. "General personal representative" excludes special administrator.⁶

For the remainder of this report, the term public administrator will be used in lieu of personal representative when discussing the requirements of this function under the law.

Public Administrator Role and Responsibilities

Idaho Code Title 14 outlines the general responsibilities of the Public Administrator function, including directing the Public Administrator to:

- Take charge of estates that, as a consequence of not being administered by another representative, are being wasted, uncared for or lost (§14-102)
- Act to identify, secure, protect and take charge of all tangible and intangible assets (14-103)
- Incur reasonable expenses to administering the estate (§14-103)
- Provide an inventory to the Court (assets less debts) of all assets present or ascertainable at the time they are taken into possession (§14-105)
- Liquidate assets after being appointed Public Administrator (§14-103)
- Distribute any remaining assets, less expenses, to heirs, creditors or the State Treasurer (as unclaimed property) as directed by the Court (§14-105)

The Uniform Probate Code further defines the role of the Public Administrator as being “under a duty to settle and distribute the estate of the decedent in accordance with...this code, and as expeditiously and efficiently as is consistent with the best interests of the estate.”⁷ The full description of the duties of a Public Administrator listed in Idaho Code Titles 14 and 15 are too extensive to discuss in detail here, but will be discussed as needed throughout the remainder of the report.

Other Investigations Related to This Audit

The Prosecutor’s Office and the Board of County Commissioners (BOCC) were notified in mid-July 2015 of a potentially fraudulent transaction, which occurred in relation to the Public Administrator checking account. The checking account is used to deposit funds related to estates and pay estate expenses. When an estate is closed, any remaining estate monies are disbursed from the account. The investigation has been referred to law enforcement.

⁶ Idaho Code §15-1-201(35)

⁷ Idaho Code §15-3-703

The BOCC also hired a forensic accountant with the accounting firm Eide Bailly, to review all transactions in the Public Administrator checking account for any additional questionable activity. While no other fraudulent activity was found, the forensic audit report made 24 observations and recommendations related to financial controls and improving operations. The recommendations are included in Appendix A of this audit report.

Timing and Restrictions Related to This Audit

The Internal Audit Committee suspended this audit August 3, 2015, while the other two investigations were underway. The Committee asked Internal Audit to resume audit work on October 22, 2015, after the forensic audit was complete and it was determined that continued review would not interfere with law enforcement proceedings.

Throughout this audit, the Treasurer has maintained that her staffing levels have limited her ability to provide files or other requested information within the timeframes requested by Internal Audit. Restrictions on access to requested files and data, including information that was never provided, delayed the early part of this audit by an estimated 3-4 weeks. After audit work resumed in late October, the audit work was delayed by another 4-5 weeks to accommodate the Treasurer's tax collection efforts in November and December 2015.

Internal Audit is required by international audit standards to report restrictions on access to department records to the Internal Audit Committee. Department delays in providing requested records and data presents the opportunity for the information to be modified. For this reason, the Internal Audit Committee agreed to allow Internal Audit to rely on the work of the Forensic Auditor's analysis of the electronic checking account files. Further, Internal Audit has reviewed the Forensic Auditor's report and agrees that implementing the recommendations would strengthen the Public Administrator process. For brevity, the observations are generally not discussed as part of this report, but should be considered to supplement Internal Audit's recommendations. The Forensic Auditor's observations and recommendations are included in Appendix A.

Selection for Review

The Internal Audit Committee approved this audit May 12, 2015, in response to several concerns raised about the Public Administrator function. First, an Auditor's Office annual review of the Public Administrator checking account identified concerns about the controls and practices used to manage the account. Also, the use of Treasurer's Office common areas to store estate assets as overflow for the Morris Hill site raised concerns about the general security of estate assets. Appendix B includes a letter from Operations declining to further assist in moving estate property.

Finally, the Board of County Commissioners expressed concern about the health and safety of staff, and the control of cash and other assets based on a site visit by the Ada County Risk Manager. Appendix B includes the letter from the Risk Manager to the Board. It should be noted the staff health and safety issues were addressed separately by the Board and Treasurer and were not included in this audit.

Because the Public administrator process involves several departments, the Internal Audit Committee made the decision to audit the process as a whole, and include these departments.

Audit Questions

Based on the audit scope approved by the Internal Audit Committee, this audit will address the following audit questions:

1. How do the existing internal controls interact to form an overall control environment, including:
 - Physical security over assets
 - Separation of incompatible duties in receiving, recording and reconciling estate assets
 - Authority to access and make changes to Public Administrator electronic asset records, databases and check registers
 - Departments' monitoring of assets and the process
2. Are existing controls sufficient to ensure complete, accurate and timely estate records? Is the accounting based on these records and other estate actions reported to the Court in an accurate and timely manner? Does the process include a verification step to account for all assets and expenses?
3. Do existing processes comply with pertinent legal and court filing requirements, and operational best practices?

Audit Methodology

Internal Audit reviewed the various records of the involved departments related to 25 Public Administrator estates and 10 declined or transferred estates for which the decedent's date of death occurred after October 2013 or were initiated prior to that date, but were still active Public Administrator estates after that date.

Internal Audit performed this audit using the following methods:

- Staff from all involved departments were interviewed.
- Checking account records were reviewed by an outside forensic auditor for completeness and fraudulent activity.
- The Coroner's records were reviewed for compliance with the 48 hour reporting requirements and the proper securing and transfer of estate property.
- The Treasurer's estate files were reviewed to identify monetary transactions and verify that the transactions were accurately recorded in the estate accounting and inventory records.
- Court files were reviewed to verify they reflect the appropriate status of the case.
- Estates were reviewed for timing and progress through the probate process.
- A selection of inventory items were identified from estate files and tested to see if they could be located.

Acknowledgements

The Auditor's Office would like to thank Ada County Treasurer Vicky McIntyre, Coroner Dotti Owens, Prosecutor Jan Bennetts, Clerk Christopher Rich and their staffs for their assistance during the audit. The Auditor's Office also thanks Jason Olsen and Eide Bailly for their work on the forensic audit. Internal Auditor Dawn Burns performed this audit.

Report Organization

This report is organized into the following chapters:

- Chapter 2 reviews the security and protection of estate assets.
- Chapter 3 discusses the expediency of the current probate process.
- Chapter 4 examines the efficiency of the current asset liquidation process.
- Chapter 5 reviews the controls and best practices related to estate accounting and liquidation.
- Chapter 6 discusses Internal Audit's conclusions and provides nine recommendations.
- Appendix A lists the forensic audit's observations and recommendations.
- Appendix B includes a letter from Operations declining to continue to assist in moving estates and a letter from Risk Management expressing concerns about an estate.
- Appendix C is an example of an inventory Bill of Sale for assets liquidated through the online website.
- Appendix D includes responses by each department to the report findings and recommendations.

Chapter 2.

Security and Protection of Assets

The Coroner is initially responsible for protecting the assets of a decedent's estate. Estate security is handed off to the Treasurer's Office once the estate becomes a Public Administrator estate. Internal Audit reviewed both departments in their roles of protecting and securing assets.

Coroner's Office Initially Secures Property

As mentioned in Chapter 1, the Coroner has 48 hours to notify the Treasurer of the death of an individual whose estate may require public administration. When the Coroner's investigator is dispatched to the site of a death, the investigator does a preliminary review of available identification and other documents to establish identity, locate a will and identify next of kin. At the same time, the investigator gathers information to get a general idea if there are enough assets to qualify for public administration, such as bank account records, should no next of kin be found.

The Coroner's Office investigator may collect and remove personal property needed for evidence or to protect the property from theft or damage. Investigators photograph the scene of death and seal residences and automobiles to protect the property until it can be turned over to the legal next of kin or the Treasurer's Office. If guns are found, law enforcement may be contacted to remove the weapons and secure them.

Idaho Code §14-104 makes the Coroner's Office liable for any damages incurred by not notifying the Treasurer within the 48 hours. Both Treasurer Vicky McIntyre and Coroner Dotti Owens told Internal Audit that landlords, relatives or others occasionally break the Coroner's seal and remove estate property from the location. In cases of theft, a police report is filed.

Property is Logged and Secured

The Coroner uses a software tracking system called MDILog to record details of each death investigation. This is the same software used by the Coroner to track property and evidence for criminal cases. MDILog also has a property management component to record a detailed list of any property collected.

Any property collected with the body (purse, wallet or valuables) is transported to the Coroner's Office, photographed and logged into the MDILog system. Property logs

typically list each item separately, such as driver's licenses, credit cards, keys, etc. The log includes any jewelry being worn at the time of death. The property log also allows the investigator to record the individual types of coins and denominations of any cash found in purses or wallets.

After being logged, property is stored in numbered lockers. Exhibit 2.1 is a photograph of one section of the Coroner's property lockers. When property is released to the Treasurer or her staff, the name of the individual accepting the property is recorded to document the chain of custody.

Exhibit 2.1 Example of property storage lockers used at the Coroner's Morris Hill site.



Internal Audit reviewed the Coroner's case files for the 28 estates included in the audit, as well as for cases that were declined or eventually transferred to heirs. All of the files were in good order and, where appropriate, cash and other property were recorded in detail. The Coroner's Office was able to provide photographs of a selection of property requested by Internal Audit. Internal Audit observed the storage facilities and property stored in labeled bags.

Treasurer's Office to Secure Estate Assets

Idaho Code §14-103 authorizes the Treasurer, as Public Administrator, to protect and secure all (tangible) property and (intangible) financial assets of the estate:

*When a county treasurer is entitled to administer an estate as public administrator, prior to appointment he is authorized to act on behalf of the estate to **identify, secure, protect and take charge** of all tangible and intangible assets, including incurring reasonable expenses for those*

*purposes, provided that no disbursement from or liquidation of such assets shall be made prior to issuance of letters of administration.*⁸ [Emphasis added]

Tangible assets include the physical property owned by the decedent, such as homes, mobile homes, vehicles, furniture, and personal belongings. Intangible assets include items such as cash, money in bank accounts, social security benefits or other income, investment earnings, security deposits, insurance payments and refunds. Different methods are used to secure and protect assets depending on the type of asset.

Assets Held for 60 Days

As outlined in the statute, the Treasurer has the authority to take charge of an estate's assets immediately after determining the estate qualifies for public administration. The assets cannot be distributed or liquidated prior the Treasurer being appointed Public Administrator by the Court through letters of administration. This process takes about 60 days to allow enough time to contact next of kin, creditors or others who may be interested in administering the estate. Any assets collected must be stored and secured during this time. If someone else is granted the duty to administer the estate by the Court, the Public Administrator is required to hand over all property to the new personal representative once appointed.

Securing Assets at Risk

If the Treasurer believes it is necessary to protect the estate prior to being appointed Public Administrator, she can petition the Court to become a Special Administrator, which allows her to take possession of assets, such as money in a bank account, more quickly.⁹ If it appears to the Court that an emergency exists, the appointment may be ordered without providing notice to others interested in the estate.

Estate Inventories Help Secure Assets

Establishing a complete list of all assets is an important internal control for protecting and securing an estate, and ensuring all assets are credited to the estate. It is also important in deterring and detecting any misappropriation of assets. In the public administration process, there are two inventories—the master **control inventory** taken by the Public Administrator, which catalogues the estate as it is being collected and the **Court inventory**, which estimates the estate's value and encumbrances for submission to the Court.

Establishing a control inventory when assets are collected provides a description of the estate, and helps establish the estate's estimated worth. The estimated

⁸ Descriptions of various type of property are included in Idaho Code §15-1-201.

⁹ Idaho Code Title §15-3-614 and §15- 3-618.

worth of the estate helps the Prosecutor's Office and the Court determine the type of probate process to be used.

Both Title 14 and Title 15 of Idaho Code require the Public Administrator to make and report an inventory of the assets owned at the time of death to the Court.

Idaho Code §14-105(1) describes the Court inventory:

*The public administrator must make and return an inventory of all assets of estates taken into his possession, less debts of the decedent and projected costs of administration. Such net **inventory must include all assets present or ascertainable at the time he takes possession of the estate.** He shall administer and account for the same, converting the assets into money according to the provisions of this title, subject to the control and direction of the court. [Emphasis added]*

The Uniform Probate Code §15-3-706 further defines the Court inventory requirements:

*Within three (3) months after his appointment, a [Public Administrator] ...shall prepare **an inventory of property owned by the decedent at the time of his death**, listing it with reasonable detail, and indicating as to each listed item, its fair market value as of the date of the decedent's death, and the type and amount of any encumbrance that may exist with reference to any item. [Emphasis added]*

The Uniform Probate Code requires the Public Administrator to submit the inventory to the Court within three months of being appointed. A final accounting is submitted to the Court after all the assets have been liquidated, debts and creditors identified, and estate matters settled. A control inventory in the Treasurer's estate file could be used to ensure all assets are accounted for in the Court inventory and the final accounting.

Public Administrator's Inventory Process

Internal Audit interviewed Treasurer McIntyre and her staff to get an understanding of the current public administration inventory process. To understand the history of the process, Internal Audit also interviewed the former Chief Deputy Treasurer who had performed public administration duties under the current and two former treasurers.

At the start of the internal audit and the forensic audit, there were no policies or procedures to guide staff in performing inventory or other public administration functions. Treasurer McIntyre described the process as being in development as she tries out new approaches, and said her staff is currently documenting the processes put into place since January 2015. As an example of one new approach,

the Treasurer said she is now using new software to record inventory using existing manufacturer's bar codes and another application to track time spent on each estate. Chapter 3 provides a more thorough discussion of the process.

Inventory Not Prepared Until Items Are Readied for Sale

The Treasurer and her staff report that under the current inventory process, estate property is boxed and put into storage before a complete control inventory is performed to save time. An inventory is prepared as time becomes available, and items are photographed and listed on the Treasurer's auction website. Exhibit 2.2 is an example of items grouped and sold on the website.

Exhibit 2.2 Photograph of estate items posted for sale on the Treasurer's website



Valuable Property Removed before Control Inventory

The Treasurer and former Chief Deputy told Internal Audit that it has been standard practice for many years to remove portable items of significant value, such as fine jewelry, electronics, collectable coins, weapons, etc. from the home at the first visit to evaluate the estate. According to the Treasurer, these items are brought back to the Treasurer's Office for safe keeping and not recorded in the inventory until prepared for liquidation. The same thing is true for items held in safe deposit boxes.

Controls to Secure Assets

Internal Audit reviewed Public Administrator estates that had available control inventories and compared them to sales and other documentation in the estate file. Internal Audit found cash that was incorrectly identified as "cash with body;" property that was sold, but not listed in inventory; and property that was sold, but the proceeds were not identified as being deposited. Exhibit 2.3 lists examples of these findings for several estates.

Ada County Internal Audit

Exhibit 2.3 Examples of incorrectly reported assets and untimely deposits.

Estate #	Description from Public Admin check register or deposit slip	Date of Death	Date of check or cash received	Amount	Date deposited	Coroner reports cash w/ body	Comment	
							UNTIMELY DEPOSITS	MULTIPLE CASH WITH BODY DEPOSITS
19	Cash with Body	8/3/2014	8/12/2014	\$59.00	8/15/2014	same		Coroner report confirms \$59 cash with body.
	Funds in home		unknown	\$20.86	8/15/2014	---		File has copy of \$20 bill and envelop with estate name and "86c" written on it.
			unknown	\$20.00	2/6/2015	---		Deposit slip with multiple estates indicating the estate name-- "20 X 1." Deposit 4 months after prior "funds in home" deposit.
	Cash with body		unknown	\$23.70	3/9/2015	No		Funds with body already deposited seven months earlier (see above). No supporting docs other than depo slip and note.
	---		3/5/2015	\$22.20	Not able to match deposi			There is no record of a deposit of \$22.20 for sold assets attributed to this estate. The Bill of Sale lists gold foil baseball cards, jewelry and coins. These items are listed in the 7/13/15 inventory. Estate file includes research on a Babe Ruth coin, but no record of its sale. Sale of a Babe Ruth coin is attributed to another estate.
16	Cash with body	5/16/2014	unknown	\$72.99	5/29/2014	None		Coroner confirms no cash or property transferred with body. Deposit supported by photocopy of cash and change envelop.
	Bank Refund		5/15/2014	\$73.73	3/9/2015	---		Check deposited ten months after issued. Replacement check deposited the same day. Stale check returned by bank.
	Cash with body		unknown	\$1.85	4/1/2015	None		Coroner confirms no cash or property transferred with body. Cash deposited almost 1 year after death. Note on deposit slip shows the deposit was combined with two other estates.
	Sold jewelry		4/9/2015	\$30.00	4/13/2015	---		Mixed lot of jewelry and assorted items sold on e-Bay. Most of the items sold, including a jewelry box, nine necklaces, four pairs of earrings, cufflinks, men's watches, decorative pocket knife and silver coasters are not listed in the original or 7/10/15 inventory.
	Gold jewelry and Babe Ruth coin		4/13/2015	\$234.00	4/13/2015	---		Bill of Sale does not break out the items for each estate. Notes indicate the amount was for a cross necklace, three gold rings, and a Babe Ruth coin. The original inventory lists two necklaces (see above) and one "diamond?" ring.
21	Money found in home	12/15/2014	unknown	\$47.04	2/6/2015	---		Deposit slip for coins deposited.
	Cash with body		3/5/2015	\$5.55	4/1/2015	None		Coroner report shows no cash with body. Bill of Sale shows \$5.55 cash for sale of coins attributed to this estate. Cash deposited one month later.
	Money order with body		unknown	\$7.00	4/1/2015	None		Coroner confirms no money order with body. Deposited four months after death. Bank returned for non-sufficient funds.
	Deposit (sale of assets)		4/4/2015	\$7.00	6/15/2015	---		Cash deposited two months after sale
8	Bank Refund	12/19/2012	10/1/2014	\$126.16	3/9/2015	----		Deposited five months after check was issued.
18	Cash with body	7/12/2014	?	\$41.26	8/15/2014	None		Coroner says no cash w/body. Deposit note says found in wallet (which remained at the home) and mailbox refund.
20	Cash with body (20.09) and dental gold (\$504.60)	11/25/2014	3/5/2015	\$524.69	3/9/2015	None		Pawn shop Bill of Sale shows a total \$523.25 for miscellaneous gold. Inventory shows cash found at home of \$1.44. \$523.25 + 1.44 = \$524.69. However, deposit slip for \$524.69 has note that says coin shop gold 504.60 and \$20.09 cash w/body. Coroner report show no cash with body.
	Cash with body		unknown	\$2.00	4/1/2015	None		Coroner shows no property with body. Deposited over 3 months after death, not listed in inventory.
17	Jewelry	6/8/2014	unknown	\$271.63	4/22/2015	---		Items not listed in handwritten or typed up inventory. Note on inventory says "This does not include the vehicle, items brought to the office previously, items in the back yard."
	Cash with body		unknown	\$1.00	5/4/2015	None		Coroner did not report any cash on body. The inventory lists a total of \$1.13 in coins and currency found while going through inventory.
22	Check (\$1,112) and cash with body (\$135.84)	2/3/2015	3/27/2015	\$1,247.84	4/1/2015	Same		Matches Coroner's report.
	Cash with body		unknown	\$10.73	4/13/2015	None		Cash with body already deposited. No support other than deposit slip attributing cash w/body to this estate. Check register error shows deposit on 5/4/15.
	Cash with body		unknown	\$1.08	4/17/2015	None		Cash with body already deposited. No support other than deposit slip attributing cash w/body to this estate.
	Ring		unknown	\$57.73	4/22/2015	---		No support other than deposit slip attributing amount to this estate and handwritten calculation (no Bill of Sale). No ring in inventory list as of 11/16/15. Check register error shows deposit on 4/24/15.

Source: Internal Audit analysis of Treasurer's Office data.

Cash Not Correctly Identified

Internal Audit found instances where cash was attributed to a particular estate as “cash found with body.” As mentioned previously, the Coroner’s Office documents any cash collected with the decedent. Internal Audit reviewed Coroner’s reports and identified deposits recorded to estates as “cash found with body,” for which no cash was reported by the Coroner or for which multiple “cash found with body” deposits were made to one estate. Examples of these entries are highlighted in tan in Exhibit 2.3. Treasurer McIntyre and her staff told Internal Audit that “cash found with body” is a generic term the department uses to describe small amounts of cash found when going through the decedent’s property.

Items Sold Not Listed in Inventory

The file for Estate #16 in Exhibit 2.3 contained a cash disbursement voucher (receipt) from a coin shop for the combined sale of jewelry from three estates. Handwritten notes indicate Estate #16 was credited \$234 for the sale of three rings, a cross necklace and a Babe Ruth coin. The original inventory for Estate #16 listed one ring with the notation “diamond?” next to it and two necklaces. There were no other rings or a Babe Ruth coin listed in the inventory.

On May 4, 2015, the proceeds from the April 4, 2015, sale of a jewelry box full of jewelry and other personal items for \$30 was attributed to Estate #16. The estate file contains a printout from e-Bay of multiple pictures and a listing of 20 pieces of jewelry and five other items sold for this estate. The initial inventory taken when the estate was boxed only listed seven pieces of jewelry and did not include some of the other personal items included in this sale. Without being identified in inventory, it is not clear that all these items were from this estate.

Sold Property Not Attributed to an Estate

Internal Audit and the Forensic Auditors found cash from the sale of assets was often comingled with cash from other estates, such as when multiple items were sold to a coin shop. As seen in Exhibit 2.3, the cash was then deposited and recorded for the individual estates at a later date, sometimes months after the initial sale. Best practice for handling cash and checks is to deposit the proceeds as soon as possible after the sale, preferably within a day or two. This helps to ensure the cash is not misplaced, applied to the wrong estate or misappropriated.

In one example, a coin shop disbursement voucher in the file of Estate #19 shows a cash sale made March 5, 2015, for personal property from three estates. Of the total sale, \$22.20 is attributed to Estate #19 for baseball cards, rings and coins. There is no deposit recorded for Estate #19 in the amount of \$22.20; however, four days after the coin shop sale there is a cash deposit of \$23.70 recorded for this estate which is described as “cash found with body.” The Coroner reports no cash was found with the decedent. When asked, Treasurer’s Office staff said the cash from the sale was included in the “cash with body” deposit, although there was no record of this in the estate records. Reporting cash from the sale of an

asset as “cash found with body” is inaccurate and does not provide a record that the cash was properly deposited to the estate.

Public administration staff often use e-Bay to research the potential value of inventory items and place a printout of the comparable e-Bay sale in the file. It is noteworthy that the Treasurer’s file for Estate #19 contains a printout from e-Bay showing an example of the sale of a comparable Babe Ruth coin. The initial inventory for this estate lists “2 Babe Ruth Danbury Mint gold foil baseball cards,” but no Babe Ruth coin. Since neither Estate #16 or #19 lists a Babe Ruth coin in the inventory, it is not clear to which estate the Babe Ruth coin (attributed to Estate #16) actually belonged, or if there were two coins.

Estate Property Not Fully Liquidated

All estate property of value should be liquidated and reported in the final accounting to the Court. Internal Audit and the Forensic Auditors found several items stored in the Treasurer’s Office that belong to estates that had been closed, including weapons and a laptop computer. Because items of value are not added to the initial inventory, these items would be easily overlooked when liquidating these estates.

Security of Property Storage Facilities

The Treasurer’s approach to storing estate property varies depending on the value, amount and bulk of the property. The Treasurer told Internal Audit that if the home is owned by the decedent or if the property is housed in a storage unit, the property remains in place until it can be liquidated, which sometimes takes months. Although storage units are generally secure, vacant homes may not be.

The Treasurer stores estate property in several locations. The majority of estate items, especially estates with furniture and a large number of items, are stored at the warehouse on Morris Hill which also houses the Coroner’s Office. Smaller estate items such as jewelry and collectables, are typically stored at the Treasurer’s Office. The Treasurer’s Office is also used to store some estate items prior to being liquidated. Property security for each of these areas is discussed below.

Treasurer’s Office

As mentioned, valuable property is removed and stored in the Treasurer’s Office, including electronics, jewelry, collectable coins, firearms, knives and ammunition. Valuables are generally stored in the Treasurer’s conference room, storage room or vault. Internal Audit and the Forensic Auditors observed weapons and ammunition stored in the vault belonging to one estate being actively worked and one estate for which the final accounting had been submitted to the Court and the estate closed.

Less valuable property and items being prepared for sale are stored in the Treasurer’s Office common areas. These areas are also used as overflow when the Morris Hill site is closed. Exhibit 2.4 is a photograph of estate property stored in the office common area.

Both Internal Audit and the Forensic Auditors found that these areas, including the vault, are accessible to all Treasurer's Office employees. In addition, Internal Audit has observed that evening cleaning personnel also have access to most areas of the Treasurer's Office, except the vault.

Exhibit 2.4 Estate property stored in the Treasurer's Office common area.



Morris Hill Loft

When large estate property cannot be stored at the decedent's home, the property has been stored at the Coroner's warehouse at Morris Hill, although recently the Treasurer has also been renting a local storage unit. At the time of the audit, the bulk of the estate items were stored in a loft area that is enclosed with fencing and an adjacent area outside the fencing as overflow. A small number of items are also stored in a locked "cage" area.

The staircase to the loft is secured by a locked door. Both the Treasurer's Office and Operations personnel have keys to the door. Exhibit 2.5 and 2.6 are photographs of property stored in the loft area in July 2015. Internal Audit observed the gate to the fenced area was unlocked. Operations personnel told Internal Audit the gate padlock is left unlocked to give the Treasurer easy access to the area.

Exhibits 2.5 Property stored in the fenced loft area at Morris Hill.



Exhibit 2.6 Estate property stored in the loft area outside of the fence.



Estate property not marked or identified

Internal Audit met the Treasurer at Morris Hill to perform an inventory audit of selected estate items by asking to physically see the property requested. During the review, Internal Audit observed most of the estate boxes and other property were unmarked, and there was no physical identification or demarcation of estates in storage. The Treasurer said she was able to identify property and estates from memory.

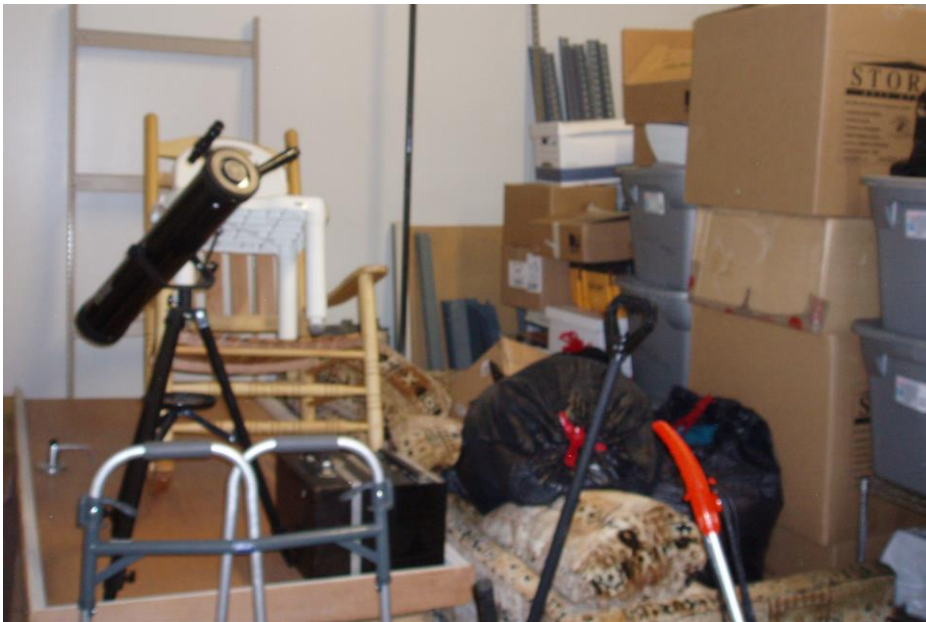
Internal Audit selected a mix of large and small items from several sources, including from estates' inventories, Coroner's reports, and (SRV) requests to Operations to move property. Of the 48 items tested at either Morris Hill or the Treasurer's Office, the Treasurer and her staff were able to present 41 (85%). Of the seven items that were not located during the inventory audit, the Treasurer said two had been sold, four were most likely in boxes, and one was likely a mistake in recording the property from memory on the SRV. Internal Audit verified the items that the Treasurer said were sold, were indeed sold as part of an estate auction.

Internal Audit also observed property from one estate which was stored in multiple areas. The Treasurer said Operations staff had moved some of the estate property while she was not present to make room for other estates. Internal Audit observed one box marked with the name of a closed estate mixed in with property from an open estate currently being liquidated. The boxes from the open estate were not marked. The Treasurer told Internal Audit that her staff does not have time to mark all the boxes and other property when they are boxing up the estate.

Items comingled with County property

Internal Audit also observed items belonging to Ada County Operations stored within the loft fenced area with estate property and with estate overflow property adjacent to the fenced area. Exhibit 2.7 shows estate property being stored on top of door frames owned by the County in the area adjacent to the fenced estates. Operations staff said this area was originally used for storage by Operations. The Treasurer said Operations did not move the overflow property to the fenced area before declining to assist with further property moves (see Appendix B).

Exhibit 2.7 Estate property stored on doors belonging to Ada County.



Morris Hill Small Cage

The Treasurer uses a smaller fenced area at Morris Hill that is locked. As shown in the photograph in Exhibit 2.8, the fence is about 5.5 feet high.

Exhibit 2.8 The small locked cage at Morris Hill.



At the time of the audit, this locked area was used to store weapons. The weapons were stored in cases that were hidden behind the boxes and not visible, with the exception of a canister on the floor that contained a shotgun. The weapons have since been removed.

On the day of the inventory audit, the cage contained two rifles, a handgun, a shotgun, a machete and a sword. As the picture shows, an individual could easily scale the fence. This storage area is near the loading dock door. In addition to being accessible to Coroner's Office and Operations staff after hours and on weekends, the area is also accessible to contracted cleaning staff. The Treasurer reports that she considers the idea that anyone, including cleaning staff, would scale the fence unfathomable.

Conclusion

The Coroner's Office maintains a log of all property collected with the body. The assets are secured in padlocked lockers until released to the Treasurer's Office.

Both Internal Audit and the Forensic Auditors found the Treasurer's Office is not accounting for all property ascertainable at the time of death in a master control inventory; valuables are transported to the Office before an inventory is performed and may not be included in the inventory. Property is often not marked with identifying information and is sometimes comingled with property from other estates. It seems highly likely that estate property has been mistakenly attributed to the wrong estate, but without a complete control inventory it is not possible to verify this.

An estate's most valuable items are stored in areas open to all Treasurer's Office staff. The existing physical security controls at the Treasurer's Office and the Morris Hill warehouse do not appear to adequately protect valuable property, including weapons, from being misappropriated without detection.

The development of an initial master control inventory is a critical internal control to ensure assets are not comingled with other estates, misplaced, overlooked or stolen. Valuables should be inventoried immediately, with two people present, before they are removed from the decedent's home. As the estate is liquidated, the control inventory should be referenced to verify that all items are sold and reported to the Court.

Chapter 3.

Expediency of the Process

Internal Audit reviewed the Public Administrator process to determine if the related controls ensured all estates moved through the Court process in an expedient and efficient manner as described in the Uniform Probate Code §15-3-703(a):

*A [Public Administrator] is under a duty to **settle and distribute the estate of the decedent in accordance with the terms of...this code, and as expeditiously and efficiently** as is consistent with the best interests of the estate. [Emphasis added]*

Expediency

The Treasurer's Office maintains a master list of Public Administrator estates, and their current status in the Court probate process. Idaho Code §14-112 requires the Treasurer to report to the probate judge every six months the value of the estate, the amount of money collected, fees or expenses incurred and any remaining balance of estate funds. The Treasurer's Office provides a report to the judge on the status of each individual active estate.

Internal Audit reviewed 28 estates that were open probate cases at some point between January 2013 and May 2015, including estates for which a probate case had been opened prior to 2013, but had not yet been closed. Exhibit 3.1 summarizes the Public Administrator estate activity in recent years.

As the table shows, the number of Public Administrator estates accepted by the Treasurer remained fairly consistent from 2010 to 2014. The number accepted is not a good indicator of the Treasurer's workload, however, because the number of decedents referred by the Coroner to the Treasurer for evaluation has increased. The Treasurer must review each decedent's estate to determine if the assets warrant public administration. Regardless of whether the Treasurer accepts, declines or transfers the estate to an heir, the evaluation creates work for her office.

As of May 2015, both the number of decedents referred by the Coroner and the estates accepted for public administration appear to be poised to double. It is not clear if the number of new cases will continue to increase long term.

Exhibit 3.1 Distribution of Public Administrator estates by year.

	2010	2011 ²	2012	2013	2014	By May 2015	Audit Reviewed
Referred by Coroner ¹	9	7	13	14	17	11	
New Public Admin Estates	[7] ²	[4]	8	7	5	6	28
All Open--new & old	--	[6]	11	13	12	16	
All Closed	--	--	--	6	2	2	
Transferred to heir	--	--	2	1	2	[2]	3
Reported declined ¹	--	--	5	4	[10]	2	17
Total estates audit reviewed 45							
¹ As reported by Treasurer’s Office. New, transferred and declined cases may not total to the number referred by the Coroner because of different reporting periods. ² [] brackets indicate not all the estates were reviewed as part of audit. Source: Internal Audit analysis of Treasurer’s data.							

Clearly, the number of estates closed is lagging behind the number of new Public Administration estates, which is causing a backlog of open (new and old) estates. The backlog seems to have started in 2012, when the number of open estates increased from 6 to 11. As of May 2015, the number of open (new and old) estates was 16. There may be several factors contributing to the backlog, such as an increase in the duration of probate cases, staff turnover and a decrease in the number of estates that are declined.

Duration of Estate Probate

There is no requirement in the Uniform Probate Code that the estate probate process be completed within a certain timeframe. The amount of time needed to expeditiously probate a Public Administrator estate depends on many factors, including the amount and type of assets that need to be liquidated, legal matters related to settling the estate and notification of creditors, to name a few.

In very general terms, estates follow similar steps when moving through the Court probate process. The specifics of each estate may vary depending on the size of the estate, the number of creditors and other factors. The following general steps can be used to monitor the progress of an estate as it moves through the probate process:

1. Petition submitted for appointment as Public Administrator
2. Appointment/Acceptance of Public Administrator duties (60 days after initial petition)
3. Liquidation of assets (begins after appointment—no time limit for completion)
4. Inventory filed with Court (three months after Public Administrator appointment)
5. Publication of Notice to Creditors (depends on type of probate—creditors have four months to submit claims)
6. Estate final accounting is submitted to Court
7. Estate distribution is ordered by the Court
8. Estate is closed

The duration of the early part of a probate case (steps 1-4) is fairly standard. After the inventory is filed with the Court (step 4), the process depends greatly on the length of time it takes the Public Administrator to liquidate all the assets and settle estate affairs.

Estates taking longer to probate

Twenty-five open and closed Public Administrator probate cases were reviewed to determine their most current Court status as of November 13, 2015. Open cases were compared to closed cases to identify any differences in the amount of time for an estate to complete the Court probate process.

Exhibit 3.2 shows the number of days the estates were in the probate process prior to being closed or for open cases, the days still open as of November 13, 2015. Of the 12 closed estates, the average length of time to probate the estate was 1.5 years, and ranged from 156 days to 3.4 years (1,253 days). The analysis shows that open cases have been in the probate process 1.4 years (521 days) on average.

Although open estates have been in the probate process less time than closed cases on average, an analysis of the Court status of open estates suggests the overall averages may be misleading.

First, the overall averages may not represent an accurate picture of activity because they may be skewed by extreme outliers. An examination of Exhibit 3.2 shows two estates took longer than 1,000 days to close, and one estate has been open more than 1,000 days. When these outliers are removed from the analysis, a different picture emerges.

With the outliers removed, the average amount of time to close an estate is reduced to 1.1 years (418 days). By comparison, currently open estates have been in probate an average of 1.3 years (476 days), which is about two months longer than previously needed to close an estate. Further, 8 of the 13 open estates have been open longer than the average for closed estates.

Older estates not being actively worked

It appears that work on the older open estates has been minimal the last few years, which has delayed closing; only two estates were closed in 2014. The delay in working estates may be due in part to the recent loss of Public Administrator and other Treasurer's Office staff, and reassignment of Prosecutor's staff. The Treasurer reports that recent reductions in staffing levels have delayed work on estates because Public Administrator staff are needed to assist with tax collection. However, the delays appear to have been occurring as far back as 2013. For example, Estate #13 has been in the inventory liquidation stage since August 2013, with the last liquidation activity occurring in September 2013 (two deposits) and May 2014 (tax refund). Estates #6 and #8 may also have been delayed.

Exhibit 3.2 Average days between the date of death and the most recent Court status.

Estate Number	Date of Death (DOD)	Court Inventory	Final accounting	Last Court Status (excluding creditor claims)	Date of last Court filing (excluding creditor claims)	Days DOD to last status
CLOSED ESTATES REVIEWED						
1	Dec 2009	X	X	Closed ¹	May 2013	1253
2	Jul 2010	X	X	Closed	Jul 2012	759
3	Apr 2012	X	X	Closed	Apr 2013	370
4	Aug 2012	X	X	Closed	Jan 2013	156
5	Aug 2012	X	X	Closed	Aug 2013	351
7	Dec 2012	X	X	Closed	Mar 2014	479
9	Jan 2013	X	X	Closed	Dec 2013	349
10	Jan 2013	X	X	Closed	May 2014	488
11	Feb 2013	X	X	Closed	Nov 2013	265
12	May 2013	X	X	Closed	Apr 2015	701
23	Feb 2015	X	X	Closed	Oct 2015	258
6	Sep 2012	X	X	Pending Close ²	Oct 2015	1166
Average days to close						550
Average days to close (excluding estates over 1000 days)						418
OPEN ESTATES REVIEWED						
8	Dec 2012	X		Proof of publication ³	Apr 2014	1059
13	Jun 2013	X		Inventory ⁴	Nov 2013	868
14	Oct 2013	X		Inventory	Sep 2014	771
15	May 2014	X		Inventory	Jun 2015	560
16	May 2014	X		Amended inventory	Jun 2015	546
17	Jun 2014	X		Inventory	Feb 2015	513
18	Jul 2014	X		Real property abandoned ⁵	Oct 2015	489
19	Aug 2014	X		Inventory	Apr 2014	467
20	Nov 2014	None		Appoint PA ⁶	Jul 2015	353
21	Dec 2014	X		Inventory	Sep 2015	333
22	Feb 2015	None		Appoint PA ⁷	Jun 2015	283
24	Feb 2015	X		Inventory	Jun 2015	272
25	Feb 2015	X		Inventory	Aug 2015	258
Average days open						521
Average days open (excluding estates over 1000 days)						476
¹ Extended time due to foreclosure of distressed real property. ² Inventory filed Mar 2013. Last three liquidation dates Mar, Jul, Sep of 2014. Close pending Court approval. ³ Four month waiting period for creditor claims expired Aug 2014. Last three liquidation dates: Sep 2013, May 2014 and Mar 2015. ⁴ Last three inventory liquidation dates: two in Sep 2013 and May 2014 (tax refund). ⁵ Real Property allowed to go into default. ⁶ Petition for Public Administration filed 4 months after death. Four months after appointment, no inventory yet filed. ⁷ Inventory filed Dec 2015.						

Inventory process causing delays

Without access to all Treasurer and Prosecutor records related to estates, it is not possible to clearly identify the causes of the delays.¹⁰ The current process of creating an estate's inventory as assets are being prepared for sale appears to be one factor contributing to delays on the most recent estates.

Decrease in declined estates

Finally, the increase in open estates may be due, in part, to a decrease in the number of estates declined for public administration. The Treasurer's Office has no policies that specify a threshold value or guidance on what level or type of assets would determine which estates should be accepted for public administration and which should be declined. Because there are no inventories performed on declined estates, it is not possible to examine the types and value of assets of these estates.

Idaho Code has provisions for disposing of the minimal assets found with decedents who do not qualify for public administration, but does not provide direction on the value of assets needed to qualify.¹¹ It should be noted that not all the decedents of declined estates were homeless or without belongings. A cursory review, however, suggests the approach to evaluating estates is not consistent—estates have been accepted with as little value as \$76 and appear to have been declined when the decedent had an apartment and pets. The documentation is limited, but it is likely the condition of the assets in the declined estate would have cost more to liquidate than the estate was worth.

Obviously, the Treasurer must accept estates with enough assets to warrant public administration. As shown previously in Exhibit 3.1, the Treasurer declined 10 estates in 2014. Without clear direction on which estates should be declined, it is possible estates are now being accepted that would have been declined in the past.

Conclusions

Public Administrator estates appear to be taking longer to probate than in the past. The estates currently open have been in probate longer, on average, than those that have been previously closed. The delay in closing estates has steadily increased the number of estates the Treasurer's and Prosecutor's Offices have to actively work at one time, placing additional burden on limited staffing resources and further slowing down the process.

It appears some of the increase in the duration of probate may be a result of a new approach to recording and liquidating inventory (see Chapter 4). It also appears that several older estates are not being actively liquidated or closed, suggesting the current process doesn't ensure estates continue to move through the process and are not overlooked.

¹⁰ The Prosecutor's Office provided documents when consistent with attorney-client privilege.

¹¹ Idaho Code §31-2117 provides for the disposal of money or property found on a dead body. The Treasurer must deposit any funds to the credit of the County or auction any property found within 30 days and deposit the proceeds to the credit of the County.

Finally, as the number of referrals from the Coroner increases, so too does the need for standard policies to guide which estates should be accepted or denied. Taking an estate through probate takes a significant amount of staff time and should be reserved for only those cases that require the Court process to settle the estate.

Chapter 4.

Efficiency of the Inventory Liquidation Process

The Public Administrator’s approach to liquidating assets has a direct impact on the length of time needed to settle an estate, particularly if the estate has a significant amount of personal property. There are no statutory requirements that regulate the timing for liquidating assets.

At the time of audit review, 12 of the 13 open estates were being liquidated. As mentioned in Chapter 3, the liquidation step appears to be taking longer under the current process than with previously closed estates. As of November 2015, the open estates that have submitted an inventory to Court have been in the inventory liquidation stage an average of one month longer than the previously closed estates.

Treasurer McIntyre said the method used to liquidate an asset depends on the type of asset and varies by estate. As an example, the Treasurer described an estate that contained many designer clothes with the tags still on them, which she was able to sell to a consignment shop. Assets are typically liquidated through consignment to an auction house, sold to a coin shop or sold through the Treasurer’s online auction website. Items that cannot be sold are donated to area thrift stores or to charities.

Powers and Duties Related to Liquidation

Both Title 14 and Title 15 confer power and duties to the Treasurer related to liquidating assets and settling the affairs of the estate. As long as the Treasurer’s Office is acting on behalf of the best interests of the estate and its creditors, the Public Administrator may liquidate or dispose of property in any manner consistent with the actions of a prudent man.

Prudent Man Standard

Idaho Code §15-7-302 requires the Treasurer to observe standards in dealing with estate assets:

“...that would be observed by a prudent man dealing with the property of another, and if the [Treasurer] has special skills or is named trustee on the basis of representations of special skills or expertise, he is under duty to use those skills.”

Powers of an Absolute Owner

Further, Idaho Code §15-3-711 describes the Public Administrator’s power, until termination of appointment, as:

“...the same power over the title to property of the estate that an absolute owner would have, in trust however, for the benefit of the creditors and others interested in the estate. This power may be exercised without notice, hearing, or order of court.”

The Uniform Probate Code provides more detail about the Public Administrator’s powers duties related to liquidating assets. Section §15-3-715 specifies that a Public Administrator, acting reasonably for the benefit of the interested persons, may properly, among other duties:

- Retain assets owned by the decedent pending distribution or liquidation
- Receive assets from fiduciaries
- Acquire or dispose of an asset, including land, for cash or credit at public or private sale
- Manage, develop, improve, exchange, partition, change the character of, or abandon an asset

May dispose of valueless property

Title 15 makes provisions to allow for the disposal or abandonment of assets that have no value or would cost more to liquidate than the asset’s resale value to the estate (encumbered). For example, the Treasurer may allow a vehicle to be repossessed that is valued at less than the outstanding loan on the vehicle. The Uniform Probate Code allows the Public Administrator to abandon property (§15-3-715) when

“... in the opinion of the [Public Administrator], it is valueless, or is so encumbered, or is in [a] condition that it is of no benefit to the estate...”

In short, the Treasurer may perform any action to liquidate, abandon or dispose of estate assets that an owner would be able to perform.

Value of Assets Liquidated

The Forensic Auditors analyzed all deposits made to the Public Administrator checking account from April 2013 through July 2015. Internal Audit summarized this analysis in Exhibit 4.1. The totals represent the assets liquidated from 29 open and closed estates.¹² Internal Audit also added the proceeds from the sale of assets through the Treasurer’s online auction website from August 2015–November 2015 because the site had only been operational for a few months at the time of the forensic audit.

¹² The Forensic Auditor’s analysis covered a slightly different time period, which included 29 estates compared to the Internal Audit review of 25 estates.

The sum of all assets liquidated for the 29 estates was approximately \$116,000, or nearly \$4,000 per estate. This average is skewed because the proceeds from one estate made up about a quarter of the total.

About 92 percent of the assets liquidated are in the form of bank accounts, investments, social security benefits, homes, vehicles, refunds and cash. The bulk sale of estate items to thrift stores and auction houses or through sale to consignment and coin shops account for another 6 percent of the total. The remaining 2 percent of the total is from the individual sale of items of personal property by the Treasurer's Office, such as furniture, artwork, electronics, collectables, small personal items and clothing. Under the Treasurer's current process, these items are liquidated through the Treasurer's online auction website. Vehicles are also auctioned through the website.

Exhibit 4.1 Assets liquidated from 29 estates April 2013 to July 2015

Asset Category Liquidated from 29 estates April 2013 to July 2015	Total from 29 Estates
Bank Account/Investments/Paycheck/Cash	\$ 62,565
Auto/Home/Trailer	37,202
Refund/Prepaid asset	7,888
Sale by thrift/auction/consignment/coin	6,448
Direct sale by Treasurer's Office ¹	<u>2,264</u>
Total	\$116,367
¹ Also includes an additional \$1,589 in sales through the Treasurer's auction site from Aug–Nov 2015.	
Source: Internal Audit analysis of Eide Bailly and Treasurer's Office data.	

Inventory

The Treasurer told Internal Audit that she has tried several methods to liquidate assets over the past few years in her efforts to maximize the amount collected on behalf of the estate. Currently, the Treasurer does not create a complete control inventory of estate items when they are boxed and collected from the decedent's home. The current process combines the preparation of the estate inventory with the liquidation process. Estate property that is not recorded at the time the estate is boxed and stored is added to the control inventory at the time individual items are being prepared for sale. Based on statute, the Treasurer may not sell assets until she has been appointed Public Administrator, a minimum of 60 days after the death of the decedent. This means some estate items are being held a minimum of two or more months before being listed on the control inventory because they cannot be sold any sooner.¹³

At the start of this audit, only a few estates had been inventoried in this manner so it is not possible to draw a strong conclusion, but the Treasurer had not yet completed a control inventory for one of the larger estates that has been in the liquidation (and inventory) process for more than three months.

¹³ Idaho Code §14-103 states, "When a county treasurer is entitled to administer an estate as public administrator, prior to appointment he is authorized to act on behalf of the estate to identify, secure, protect and take charge of all tangible and intangible assets...provided that no disbursement from or liquidation of such assets shall be made prior to issuance of letters of administration."

Sale of Assets through the Treasurer's Website

The Treasurer operates an online auction website that can be accessed by the general public through the Ada County website. The Treasurer and her staff described the following process that has been used since early in 2015 to prepare items for inventory and sale. There is no written policy or procedures to guide this process. The Treasurer reports that staff have standards for how long an item remains on the website for sale.

Step 1. Photos taken at the home

During the initial evaluation of the estate, photos are taken of the rooms in the home before removing items.

Step 2. Estate assets are boxed and transferred to storage

At this step, the focus is boxing and moving the property to storage to allow landlords and other property owners to clean and re-rent the property. If the items are already in a storage facility or the decedent owned the home, they remain in place. The timing appears to depend on the Treasurer's other obligations. It is not unusual for this step to take a month or longer to complete. A control inventory listing some property may be started at this time. Once property is in storage, staff collect a number of items approximately once a week to process for inventory and sale. The items may all be from one estate or from multiple estates.

Step 3. Items are scanned or keyed into software application

Staff use a software application to scan estate items that still retain the manufacturer's barcode, such as an item stored in the original packaging. Items without barcodes are manually keyed into the program. The items in the program can be exported to an Excel spreadsheet, which can be used to start an estate inventory.

Step 4. A Treasurer's Office code number is assigned to the item

Items are categorized and assigned a Treasurer's code number in the Excel spreadsheet.

Step 5. Items are researched, prices calculated and photographed

Property comparable to each estate item is looked up on e-Bay and individual printouts are used to calculate and document the Treasurer's discounted minimum bid (price). Items are photographed individually or grouped, depending on their value. The e-Bay printouts are placed in the estate file and the photos are placed in an estate folder on the computer.

Step 6. Photographs are coded

The photos are renamed with the Treasurer's code number to match the Excel spreadsheet.

Step 7. Photos are transferred to Treasurer's online auction website

Once a picture is coded, it can be transferred to the Treasurer's online website for sale. The auction software allows items to be categorized. Bidders submit bids via email through the website, which are date and time stamped.

Step 8. Bids are reviewed and bidders contacted

Bids are accepted for two weeks. Staff review the bid submissions for the highest bidder and then call or email all bidders to inform them of the outcome. Arrangements are made with the successful bidders for picking up items.

Step 9. A Bill of Sale is created and signed

A Bill of Sale is created in advance for each successful bidder, which includes the date, all items purchased, the bid amount and the signature of the Treasurer. This allows other members of the staff to process the sale if Public Administrator staff are not available. The Bill of Sale states the items are sold “as is” and the buyer is responsible for paying sales tax. Buyers are required to sign the Bill of Sale, and a copy is provided to the buyer upon request. Buyers may pay with cash, money order or check. The Bill of Sale is stored in a notebook and a copy is placed in the estate file.

Step 10. Item is picked up by purchaser

Treasurer’s Office staff accept payment for the item. If the item is large, such as furniture, and stored at the Morris Hill warehouse, Treasurer’s staff meet the purchaser there to complete the transaction.

Step 11. Sales are recorded in the Excel inventory spreadsheet

Sales are recorded in the inventory spreadsheet from the Bill of Sale for each item and estate. Each time items are recorded in the spreadsheet, an updated copy of the inventory is placed in the estate file.

Step 12. Deposits are prepared

Periodically, deposit slips are prepared to deposit estate proceeds into the Public Administrator checking account. Deposit slips are numbered and bound in books. A carbon copy remains in the book. Multiple Bills of Sale are included on one deposit slip and referenced individually by number. The Treasurer takes deposits to the bank. A photocopy of the deposit slip is made for each estate included in the Bill of Sale and placed in the estate file.

Step 13. Deposits are recorded in QuickBooks

The Treasurer’s Office uses QuickBooks as a check register for the Public Administrator checking account. Deposits are coded in QuickBooks to each individual estate, providing an individual accounting of each estate. For example, Bill of Sale #09-03 records the sale of nine items from three estates for a total of \$107 (see Appendix B). Three entries would be made in the amounts of \$65, \$36 and \$6 coded to the corresponding estates.

Efficiency of Online Inventory Liquidation

The Treasurer and her staff have shifted their liquidation process toward using more automated tools. It is not clear, however, if the current 13-step process is cost efficient. The Treasurer said she has not reviewed the process for cost efficiency, but would like to in the future because the Office now uses an application that tracks the time worked on estates called MyCase. The entries in MyCase automatically calculate the public

administration costs, which are charged to the estate. At the time of this audit, the MyCase application had been in use about nine months.

A Review of a Sample Estate

Liquidation of the estate’s property falls under the statutes giving the Treasurer the authority of a “prudent man” acting as an owner of the property. This means the Treasurer may determine if the costs of liquidating the assets are greater than the gain by selling them, and dispose of the property accordingly.

Internal Audit attempted to examine the efficiency of the liquidation process in terms of the time needed and cost involved with the liquidation process. MyCase reports were requested for a sample of seven estates, but not all were made available for analysis during the audit period. Estate #24 had a copy of the final accounting in the file, including the MyCase report for estate billing. A summary of the costs and expenses of Estate #24 are presented here as an example of one type of analysis for cost efficiency that should be considered when developing a guiding framework for deciding which assets should be collected for liquidation by the Treasurer’s Office.

Some assets cost more to liquidate than they are worth

Exhibit 4.2 summarizes the assets of Estate #24 and the associated costs of liquidation.¹⁴ The total assets of the estate were liquidated for a total of \$3,153. The total cost of the Public Administrator’s time was reported by MyCase as \$1,522. Obviously, certain actions must be performed as part of the constitutional duty to settle the estate, such as obtaining a death certificate, evaluating the estate, filing petitions with the Court, etc. These actions must be performed, regardless of the cost, and so they are not considered in this analysis. The analysis includes the time charged for research and review of assets,

Exhibit 4.2 Summary of liquidated assets and related costs of Estate #24.

Asset Category—Liquidation of one estate	Liquidated amount	Cost to estate	Net value of estate	Net value of estate without selling low value items
Bank Account/Investments/Paycheck/Cash	\$3,070.21	\$205.19	\$2,865.02	\$2,865.02
Auto/Home/Trailer	--	--	--	--
Refund/Prepaid asset –unclaimed property check	0.78	12.03	-11.25	0
Sale by thrift/auction/coin shop--3 coins	0.75	12.03	-11.28	0
Direct sale by Treasurer’s Office	<u>81.00</u>	<u>165.95</u>	<u>-84.95</u>	<u>0</u>
Total	\$3,152.74	\$395.20	\$2,757.54	\$2,865.02
Total estate value after liquidation	\$3,152.74			
Treasurer’s Administration Cost	-1,522.00			
Net worth of the estate for distribution	\$1,630.74			

Source: Internal Audit analysis of Treasurer’s Office data.

¹⁴ Estate #24 assets sales and costs are taken from supporting documentation in the Treasurer’s estate files and include Bills of Sale, final accounting and MyCase reports.

photographs, and posting to the website. It does not include the Prosecutor's costs, which are also considered necessary to settle the estate.

The Treasurer charged the estate \$205 to close the bank account and deposit the bank check and any cash found into the checking account. This cost is offset by the \$3,070 liquidated for a net gain to the estate of \$2,865. Based on Internal Audit's review, this estate is fairly typical—liquidating bank accounts and cash tends to be cost efficient.

Other methods of asset liquidation are not as clearly profitable for the estate. The MyCase report showed the estate was charged \$12 to submit a request for \$0.78 in unclaimed property and a similar amount to determine if three coins were worth more than face value. It should be noted that Idaho Code allows the Treasurer to expend estate funds to determine the potential worth of the coins.

Directly selling low value property not cost efficient

The Treasurer's Office is directly involved in selling estate property. The 13-step process for collecting, preparing for sale and recording the sale of estate property requires a significant amount of staff time.

The Treasurer's Office listed 18 personal items from Estate #24 on the auction website. Of those, 17 items were sold for a total of \$81, or an average of \$4.50 per item. The cost of performing just the liquidation steps outlined previously for the 18 items totaled \$165, for a net loss to the estate of \$85, or an average loss of \$4.72 for each item listed. Had the unclaimed property refund and direct sale items **not** been liquidated, the final net value of the estate would have been worth an additional \$107. This is money that could be distributed to creditors awaiting payment for the remaining debts of the estate.

The cost to deposit the proceeds of the online sales into the Public Administrator checking account are not included in the analysis above because the deposit step was not detailed in the MyCase report. However, the estate was charged \$81.55 for one hour of both the Treasurer's and a staff member's time to deposit the bank check from the closed the bank account. Presumably, the amount charged to deposit sale proceeds would be similar.

Because the same steps must be followed for every item sold through the online auction, low value items do not appear to be cost efficient to sell in this manner, while higher value items would likely be worth the cost of selling them. Further analysis would be needed to determine the dollar threshold for selling items for a net gain to the estate. The total time needed to list and sell, or dispose of the 18 items was 7.4 hours. With the addition of the one hour to deposit the funds, the minimum cost to auction and deposit the proceeds from an individual item increased to approximately \$13 per item. In this example, individual items would have to be sold for \$13 or more to recoup the costs associated with selling them.

The Treasurer reports that some low value items are sold through the website as "loss leaders," or items sold at a loss to get customers to visit the auction site. According to

Idaho Code §15-3-711, the Public Administrator is to act for the benefit of the creditors and others interested in the estate. In this analysis, the cost to sell all the items (\$166) was twice as much as the proceeds from the sale (\$81), so it is not clear this approach is effective or consistent with statute.

This analysis is presented as an example of an approach that could be used to establish an average cost to sell items and develop a decision framework for determining which assets are cost efficient for the Treasurer's Office to sell directly. The simplified analysis above does not include additional expenses such as storage costs, transportation costs or the costs for boxing up estate items. Further, it does not take into account the value of the staff time that is taken away from assisting with other Public Administrator or Treasurer's Office duties. All of these expenses should be considered in a full analysis of the costs to directly sell assets.

No policies to guide liquidation

The Treasurer told both Internal Audit and the Forensic Auditors that the Office does not have written policies for liquidating assets. According to a former Chief Deputy, previous treasurers have used an informal policy of discarding or donating items worth less than \$50, with certain exceptions, rather than taking staff time to inventory and liquidate these items. In other words, this approach assumes that any item that could not be sold for \$50 or more qualifies as "low value" or "valueless" because it would likely cost more than \$50 to inventory, box, transport, store, sell, deposit and record the proceeds of the sale.

Regardless of the amount determined by the Treasurer to be an appropriate threshold for "low value" and "valueless," the framework should be incorporated into a written policy that would cause these types of items to be donated, sold to a thrift store, sent to auction or discarded at the time the estate is boxed up. This would eliminate the costs to box, transport, and store the majority of the items in the estate, allowing the Treasurer's Office to focus on the items of highest value. Further, this framework could be used to determine the guidelines for which estates should be declined for public administration.

Limiting the assets collected to those that are cost efficient to liquidate would likely eliminate the vast majority of estate property currently collected, freeing up storage space and staff time. For example, the Treasurer sold 180 items on the auction website between July 2015 and November 2015. Eight of the items were sold for \$50 or more, suggesting that 95 percent of the items could have been considered as "low value" (sold in bulk) or "valueless" because they cost more for the Treasurer to sell than they were worth to the estate. Any policy framework developed should address items that could be considered exceptions, such as vehicles, jewelry or furniture which are likely to bring a high return with few staff related costs.

Conclusions

The Treasurer and her staff are spending a significant amount of time liquidating the two percent of assets worth the least amount to the estate, which is undoubtedly contributing to the backlog of open estates discussed in Chapter 3. The current process of waiting

until some assets are prepared for sale before they are added to a control inventory appears to delay the submission of inventory to the Court, which in turn raises issues related to asset security (Chapter 2) and incurs expense for storing the assets.

Low value items are being liquidated for less than the cost to sell them because there is no written policy guiding the threshold below which estate items are considered too costly to sell. Further, limiting the items sold through the auction website to those worth more than the cost to box, store inventory, sell and deposit the proceeds would free up staff time to assist with other Treasurer's Office functions.

Chapter 5.

Process Controls

Internal Audit reviewed the key financial and process controls related to the Public Administrator function for the five departments involved in settling a decedent's estate. The roles of the Coroner's Office, Prosecutor's Office, Court Clerks and Indigent Services are critical to the Public Administrator process, although the scope of their involvement is limited. This chapter starts by reviewing the specific controls related to each of the four departments that have less involvement in the process and concludes with the Treasurer's Office.

Coroner's Office

Idaho Code §14-107 requires the Coroner's Office to notify the Treasurer of the death of a person without a will and with no apparent heirs within 48 hours of becoming aware of the death, and to make available to the Treasurer all known property belonging to the decedent that is liable to loss, injury, or waste that ought to be in the possession of the Public Administrator.

Idaho Code §31-2117 requires the Coroner to:

“...notify the county treasurer, within forty-eight (48) hours of knowledge of death, of money or other property found on or with a dead body. The treasurer, upon receiving such funds, must deposit the money to the credit of the county. Upon receiving other property in a like manner he must, within thirty (30) days, sell it at public auction upon reasonable public notice, and must in like manner deposit the proceeds to the credit of the county.”

Coroner Dotti Owens reports that her office goes to great lengths to identify any relatives or others interested in administering the estate. However there are circumstances that may delay notification to the Treasurer, including:

- The Coroner finds relatives, but later they decline to administer the estate.
- The funeral home notifies the Coroner that a relative declined to administer the estate.
- The doctor wants to inspect the body before signing the death certificate.

The Coroner reports that her staff meets every morning to review cases, and each case is passed on to a specific person on the next shift to continue working on finding next of kin. In addition, the MDILog software automatically notifies both the Coroner and Chief

Deputy Coroner of new cases, and they both read the communications logs for the case. These are strong controls to ensure that Treasurer McIntyre is notified in a timely manner.

Internal Audit analyzed the Coroner's reports for 24 estates. The overall average days from the time the Coroner was notified of the death until the Treasurer was notified was six days, but this included cases that were delayed for the reasons listed above. Once the cases that were delayed were removed, the average time to notify the Treasurer was two days.

Indigent Services

Based on a 2013 agreement between the Coroner's Office, Treasurer's Office, Indigent Services and the Board of County Commissioners, all potential Public Administration cases are referred to Indigent Services. Indigent Services pays for the cremation and is supposed to submit a claim once the Treasurer has been appointed as Public Administrator.

The benefit of this arrangement is that Indigent Services can give the funeral home approval to perform the cremation without waiting for the Treasurer to accept the estate or to liquidate the estate. Both Indigent Services and the Coroner's Office reported that previous to the agreement, delays in the Treasurer's decision to accept or deny an estate for public administration delayed cremation, sometimes longer than three months. The delay caused storage issues for the Coroner and funeral homes.

Internal Audit asked Indigent Services to provide a list of all Public Administrator cases. Indigent Services did not have a list readily available, but was able to develop one. A review of the financial accounts of both the Treasurer's Office and Indigent Services showed that, at the time of the audit, Indigent Services had not been reimbursed for any cremations.

The Prosecutor's Office indicates it is the responsibility of Indigent Services to submit a claim to the estate for cremation services. Currently, there is no process or controls that would ensure Indigent Services, on behalf of the Board, submits a claim for reimbursement.

Prosecutor's Office

The Treasurer's Office notifies the Prosecutor's Office of a Public Administrator estate using the automated SRV system. The Prosecutor's Office uses the SRV system to track estates as they proceed through the Court process. Estates are assigned to individual attorneys in the civil division who work with Treasurer's Office staff to resolve legal issues and close the estate.

The Prosecutor's Office uses the *Guide to Public Administration Proceedings* prepared by a staff attorney as a general overview of Title 14 and 15 and the probate process. The Office was able to provide Internal Audit with an accurate list of Public Administrator estates. As discussed in Chapter 3, some estates appear to have taken longer than average

to go through the probate process. The Prosecutor's Office said one case was delayed because of miscommunication when the attorney representing the estate was reassigned.

Court Clerks

The Clerk of the Court is responsible for maintaining all Court files, including verifying that names and dates are correct, and that the electronic and paper Register of Action (ROA) is up to date and accurate. Court Clerks follow a written desk procedure that specifically outlines the process for ensuring probate files are reviewed and handled appropriately.

The Clerks were given a master list of estates included in the audit and asked to present the Court files. The files were presented to Internal Audit, with the exception of an older closed file, which was in storage off-site and was presented the following day. All files were complete and all ROAs were accurate.

Treasurer's Office

The Treasurer's Office is responsible for handling estate finances. Under the Prudent Man standard in the Uniform Probate Code §15-7-302, the Public Administrator is under duty to use any special skills for the benefit of the estate:

*“...that would be observed by a prudent man dealing with the property of another, and if the [Treasurer] **has special skills or is named trustee on the basis of representations of special skills or expertise, he is under duty to use those skills.**”* [Emphasis added]

Thus, it is assumed the Treasurer is responsible for applying the same cash and check handling expertise and controls to estate finances as is used for financial processes in other Treasurer's Office functions. The Treasurer does not have written policies to guide the handling of finances for the Public Administrator process and is not using accounting best practices in the areas discussed below.

Financial Controls

A review of the Treasurer's accounting for estates shows the transactions for each individual estate are recorded in the QuickBooks software program. The Forensic Auditors were given electronic access to all QuickBooks records related to the Public Administrator checking account. They compared all deposits and disbursements (checks written) to bank records and supporting documentation. Internal Audit also reviewed paper estate files to ensure that transactions were recorded in the QuickBooks files for estates. Both audits used Coroner reports, receipts, bills of sale, invoices, and other estate file records as supporting documentation; however, the two audits differed in their approach.

Lack of segregation of duties allows potentially fraudulent check

One of the strongest controls to prevent errors and fraud is to segregate duties so that no one person has control of the assets and the money and has the ability to modify the

records to cover up the transaction. The Treasurer currently has one employee assigned to perform all Public Administrator functions except depositing money into the checking account. This one individual has access to estate property, prepares the inventory, has control of the cash from sales, prepares the deposit slips and has access to the QuickBooks accounts. Without segregation of duties, one individual could divert funds or property from the estate, modify the inventory, issue a falsified check and cover up the action by modifying the checking account records—all with little chance of detection. The Treasurer told Internal Audit that until she has adequate staffing levels, she is not able to segregate duties.

In reviewing the Public Administrator checking account, Internal Audit discovered an allegedly fraudulent check for \$31,349 written from the account while the process was overseen by a previous employee. The money was supposed to be deposited with the State of Idaho on behalf of an estate, but was diverted. QuickBooks was modified to cover up the transaction. Segregation of duties, such as removing the Public Administrator staff's access to QuickBooks, would have prevented the transaction or detected it earlier.

Deposits not made in timely manner

As previously demonstrated in Exhibit 2.3 in Chapter 2, deposits of both cash and checks were not always made in a timely manner. The Ada County Accounting Handbook requires monies collected on behalf of the County to be deposited daily, with a few exceptions.¹⁵ Cash is especially high risk for theft, and so it is typically deposited as soon as possible. Although the Public Administrator funds do not technically belong to the County, based on the Prudent Man standard, estate finances should be subject to the same best practices expected of the Treasurer's Office.

Internal Audit reviewed a selection of cash and check transactions and compared the date the cash was received, or a check was dated, with the date deposited into the Public Administrator checking account. The review showed most estate monies are deposited two to three times per month, but sometimes there are exceptions with cash and checks not deposited in a timely manner. The QuickBooks check register shows 24 deposits recorded in 2014 and 68 deposits in 2015. These numbers do not represent the actual trips to the bank because the money from multiple estates are included on one deposit slip, but recorded separately in QuickBooks. Internal Audit asked if estate monies were deposited as staff were able to work on each estate. The Treasurer said estate monies are deposited as soon as possible after they are received. She said staff prepare the deposit and place it in a bank bag, which is stored in her desk until she is able to get to the bank, which sometimes takes a few weeks.

Exhibit 2.3 provides examples of cash and checks that were not deposited in a timely manner. Internal Audit asked the Treasurer about two checks dated from May (Estate #16) and October (Estate #8) of 2014. Both of these checks were deposited March 9,

¹⁵ Most departments deposit any revenues collected the following day, which allows time to reconcile tills and prepare deposits. Departments that do not receive revenue daily, perform their deposits weekly or when received.

2015—10 and 5 months after they were received. Treasurer McIntyre said the deposit of the check from Estate #8 was likely delayed due to loss of the staff member who worked estates at the time.

Treasurer’s staff said they believed the original May 2014 check for Estate #16 was lost in the mail and was received months after it was issued. Documentation in the Treasurer’s estate file shows the staff requested a replacement check that was received February 2015, and then both the original and replacement check were deposited in March 2015. It is not clear when the original check was actually received or why it was deposited at the same time as the replacement check.

In addition, cash from the sale of assets was sometimes deposited months after being received. For example, an asset from Estate #21 was sold for \$7 in April 2015, but the cash was not deposited until June 2015— two months later. It is not clear why some deposits are delayed, while others are made in a timely manner. A review of QuickBooks deposit dates shows the Treasurer made six trips to the bank between April and June 2015.

Deposits not accurately recorded

Exhibit 5.1 is a copy of the supporting documentation showing dental gold and some coins were sold to a coin shop for \$523.25 on behalf of Estate #20. The deposit slip in Exhibit 5.2 incorrectly records the transaction as \$504.60 (the handwritten names have been replaced with estate numbers).

Exhibit 5.1 Coin Shop cash disbursement voucher for several estates

CASH DISBURSEMENT VOUCHER


(Estate #20)	COINS/MISC./DENTAL GOLD	\$ 523.25
(Estate #19)	BASEBALL CARD/STED. PINNS/COINS	\$ 22.90
(Estate #21)	COINS	\$ 5.95
TOTAL		\$ 551.00

I certify that I am the lawful owner of the item or items or that I am authorized by the lawful owner of the items to conduct this transaction.

My full name is Vicky McIntyre
 My address is _____
 My phone # is _____
 S.S. # _____

Ok'd by [Signature]

Date 03/05/2015


VICKY J. MCINTYRE
 ADA COUNTY TREASURER
 EX-OFFICIO TAX COLLECTOR
 PUBLIC ADMINISTRATOR

200 W. FRONT STREET
 P.O. BOX 2868
 BOISE, IDAHO 83701-2868

WORK: (208) 287-6801
 FAX: (208) 287-6809
 VMCMCINTYRE@ADAWEB.NET

Cash 551.00
 Check # _____

The initial inventory for Estate #20 indicates \$1.44 was found in coins at the home. The coin shop sale (\$523.25) plus the estate change (\$1.44) totals \$524.69, which is the amount deposited. The incorrect notation of \$20.09 on the deposit slip in Exhibit 5.2 is

the description recorded in QuickBooks for this estate. The Coroner's report says there was no cash collected with the body. It is not clear why the sale of estate assets were incorrectly recorded in QuickBooks.

Exhibit 5.2 Supporting documentation attributing the deposit to Estate #20

usbank
Member FDIC
Estate #20
Official Receipt
DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL

Cash, checks and other negotiable items received for deposit are subject to the terms and conditions of your Deposit Account Agreement and any other agreements governing use of your account, as amended from time to time. All items accepted for deposit are subject to later count and verification.

Ask a banker how you can earn exclusive banking benefits when you open a U.S. Bank Personal or Business Banking Package!
usbank.com
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HC 201331(1)(1) 40442802

00054 03695 0015 03/09/2015 12:46 USB
DEPOSIT H
153395058131
\$524.69

Cash with body \$ 20.09
Gold in teeth \$ 504.60
\$ 524.69

Estate accounts and other records not updated in a timely manner

Under the current process, once an item is sold, multiple documents must be updated, including the estate account in QuickBooks, the Treasurer's estate file (deposit supporting documentation), the inventory, MyCase (to log time worked on the estate) and the spreadsheet logging website sales. An estate's deposit activity is recorded at the end of the process in steps 12 and 13 (see Chapter 4).

Throughout this audit, the Treasurer's Office has said that various estate documents could not be provided upon request because the files needed to be updated. Delays in recording deposits in the estate account files can lead to errors or incomplete records. For example, a box of ammunition was sold to a licensed weapons retailer for \$20 cash on September 9, 2015. According to the bank deposit slip, the cash was deposited the following day. A handwritten note and an updated copy of the estate accounting report showed the deposit was not recorded in the estate account in QuickBooks and other documentation until two months later, in December 2015.

Instead of showing the \$20 deposit, the September QuickBooks report listed many smaller amounts attributed to other estates that added up to the total deposited in the bank. The daily totals for these smaller amounts did not match the daily deposits in the bank statement.

Internal Audit found several other deposits that were recorded in QuickBooks in the month following the actual deposit in the bank. It is not clear how the department

reconciled the bank balance with QuickBooks at the end of the month, if the deposits were not recorded. The Treasurer reports that transaction posting, at some level, has been delayed due to lack of resources to perform the task.

Online Auction Controls

In addition to the financial controls listed above, Internal Audit reviewed other controls related to Treasurer's selling of assets. Again, it should be noted that Idaho Code allows the Public Administrator to dispose of property in any manner she determines to be in the best interest of the estate.

Internal Audit reviewed 53 Bills of Sale that documented the sale of 180 estate items from July–November 2015. The 180 items were sold to 28 different buyers, with several buyers returning to make multiple purchases.

Almost half of buyers are Treasurer's staff and other County employees

Of the 28 individuals who purchased estate items during the audit period, 46 percent were County employees. Currently, there are no general County policies prohibiting employees from purchasing items from County departments or auctions. Further, 7 of the 28 buyers (25%) were Treasurer's Office staff members.

The Treasurer does not have policies that would prohibit staff members from purchasing estate items or that govern the purchasing process. The Treasurer told Internal Audit that she requires all employees to submit a bid for items they wish to purchase through the auction. If the items do not sell in the auction, she allows employees to purchase items "over the counter" because it is in the estate's best interest to liquidate the asset.

Selling items to staff and other employees is typically prohibited in organizations because it raises questions about perceived favoritism through "related party transactions" and less than "arm's length" transactions, and increases the opportunity for fraudulent transactions. For example, the Sheriff's Office specifically prohibits any employee of the Sheriff's Office from purchasing any item at the department's unclaimed property auctions.

Internal Audit reviewed sales through the auction site for inappropriate transactions. The Treasurer's Office lists a "minimum bid" for each item listed in the auction. Internal Audit compared actual sales to the minimum bids. Members of the public and County employees who did not work at the Treasurer's Office paid the minimum bid or higher for items listed on the auction website.

Selected sales give the appearance of favoritism

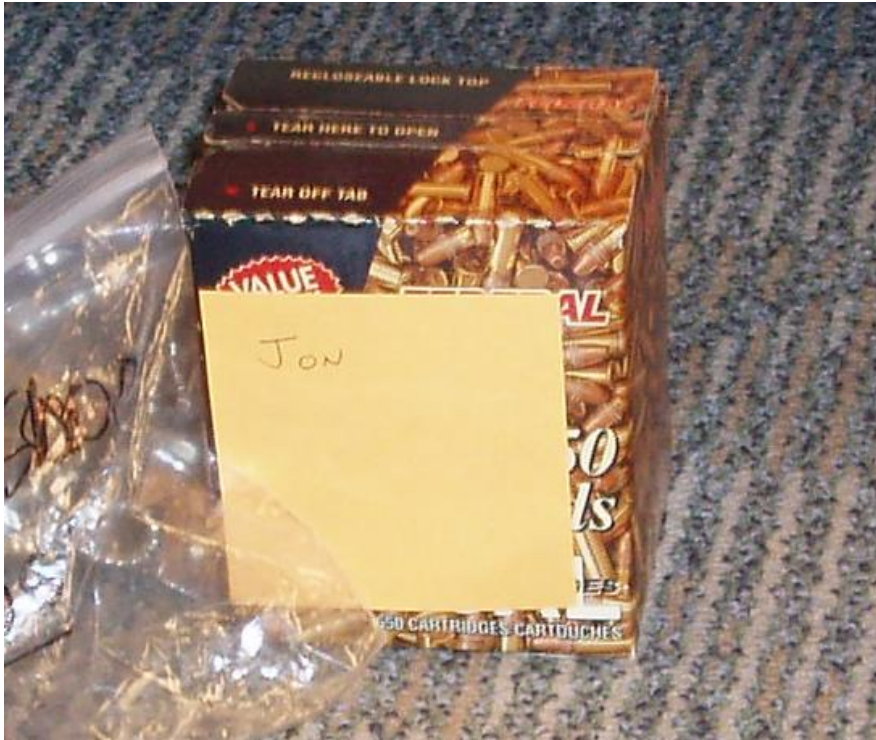
Idaho Code §74-402 requires all public officials to protect the integrity of the government and act in the public interest. Within the Treasurer's Office, one of the seven Treasurer's Office employees who purchased estate property consistently paid less than the minimum bid. This employee purchased four items for a total of \$15 less than minimum bid. The same employee purchased a large display case of hunting knives that had been listed on e-Bay for \$75, but was sold to the employee for \$35. Internal Audit was told this item

did not sell on e-Bay and was sold “over the counter.” It was not made available to the public through the auction website. Internal Audit identified several other items that were also sold “over the counter” to members of the public.

A second Treasurer’s Office employee bid \$90 for a flat screen television the day after a member of the public bid \$80. The bid was made two days before the end of the bidding period, which closed at 5:00 p.m. on Friday. The television was no longer listed on the auction website on Friday afternoon, suggesting it was removed before the end of the auction period to prevent additional bids.

In addition, staff showed Internal Audit a box of ammunition with a note on it naming a third employee who was interested in purchasing the item. Exhibit 5.3 is a picture of the item with a note. It is not clear why an item would be marked with an employee name if it was intended to be placed on the auction site.

Exhibit 5.3 Box marked with employee name.



Finally, a Treasurer’s Office employee purchased \$187 (five items) of furniture in one transaction for \$23 less than the item’s minimum bids. Other furniture purchased by members of the public and other County employees were made at, or above, the minimum bid.

In Internal Audit’s opinion, all of the estate items were sold for reasonable amounts and in the best interest of the estate. However, allowing Treasurer’s staff to purchase items for less than the minimum bid or to purchase items “over the counter” without listing them on the auction website gives the appearance of (real or perceived) favoritism.

Prematurely removing an item sold to an employee before the end of the bidding process could be considered favoritism or bid rigging.

Process Controls

Throughout this report, Internal Audit has described findings that demonstrate the need for stronger process controls to ensure estate assets are attributed to the correct estates, accurately accounted for, and liquidated in a cost efficient manner. In addition, Internal Audit found the following areas that would benefit from stronger controls.

Process controls do not prevent errors in Court documents

Process controls do more than prevent fraud; they also help prevent and detect errors. The Treasurer's Office submits estate accounting documents to the Prosecutor's Office. The Prosecutor's Office uses the information to prepare documents submitted to the Court. Under the current process, there does not appear to be a verification step when preparing documents for the Court. Internal Audit found for one estate, the total value of the amended Court inventory was added incorrectly in two places.

In another estate, an amended inventory was submitted to the Court (to add an additional asset), but the amended inventory did not reflect the actual sale of the decedent's vehicle. The Court inventory is based on the Treasurer's control inventory, which also was not updated. This suggests there are no process controls to ensure all estate documents are updated when an asset is sold.

Incorporating a detailed review as part of the overall process would help ensure the Court is given accurate information.

Process controls do not ensure Idaho Code is followed

Administering an estate through probate proceedings is a complex process, with various statutory requirements and timeframes. Without written procedures for probating an estate, there is little assurance that the requirements related to probate are being followed. For example, Title 14 requires the Public Administrator to institute probate proceedings within three months after the date of the decedent's death.¹⁶ The Uniform Probate Code requires the estate inventory to be submitted to the Court within three months of the appointment of the Public Administrator, and Title 14 specifically prohibits the liquidation of assets until after the Public Administrator has been appointed by the Court.¹⁷

As mentioned in Chapter 3, estates #20 and #22 have both been slow to move through the probate process. The probate for Estate #20 was initiated two months later than required in Idaho Code and the inventory, which was due to the Court in October 2015, had not yet been submitted by December 2016.

¹⁶ Idaho Code §14-117

¹⁷ Idaho Code §§15-3-706 and 14-103.

The Treasurer's Office filed the inventory for Estate #22 three months late and started liquidating assets from Estate #22 months before being assigned as Public Administrator by the Court.

The Prosecutor's Office reports that it requested the Public Administrator delay submitting inventories to the Court because several recent inventories were incomplete. This required amended inventories to be submitted to the Court, including one estate for which the inventory has been submitted to the Court three times. In this audit, it appears only the inventories of estates #20 and #22 have been affected by the Prosecutor's request.

Internal Audit estimates the delays in submitting documents to the Court had minimal impact on these two estates; however, the intentional delays, incomplete inventories and early liquidation of assets demonstrate the need for a stronger process to ensure the County complies with Idaho Code procedural requirements when probating estates.

Conclusion

Based on the prudent man statute, the Treasurer is responsible for applying the skills and expertise of her Office to the administration of estates. The examples above, along with examples in other chapters and the Forensic Auditor's observations, demonstrate serious control weaknesses in the Public Administrator process.

The existing process did not prevent or detect:

- A check from being fraudulently diverted by an employee
- Estates from being liquidated before allowable under the law
- Errors in Court inventory documents
- Sold assets from being incorrectly categorized as "cash found"
- Untimely deposits
- Supporting documentation that is not updated in a timely manner

Process weaknesses could be prevented by creating written policies and procedures, following standard accounting controls to segregate duties, recording transactions in a timely manner, and verifying calculations. Written procedures for working estates would also help ensure the probate process is followed. Finally, the current practice of allowing County staff, and in particular Treasurer's Office staff, to purchase estate assets appears to promote favoritism and should be prohibited.

Based on the findings, Internal Audit supports the Forensic Auditor's recommendations to limit items listed on a deposit slip and other documentation to a single estate to make it easier for staff to update the files and reduce the potential for errors.

Chapter 6.

Overall Conclusions and Recommendations

Conclusions

In the past few years, the number of decedents with estates that potentially qualify for public administration has increased. At the same time, the length of time for a Public Administrator estate to proceed through probate has also increased. The result has been a backlog of Public Administrator estates, which appears to have started in 2012. By May of 2015, there were 16 open estates. The number of estates being worked at one time creates staff workload issues for the Treasurer's Office. There appear to be three root causes for the backlog.

First, the Treasurer reports that based on comments from the Prosecutor's Office, she treats any saleable item as an asset and liquidates it. As a result of this approach, the Treasurer Office has to collect, box, store, inventory and liquidate every item of personal property from an estate that is not broken or soiled. On a large estate, this may amount to thousands of individual items. This approach requires hours of staff time, a significant amount of storage space for each estate and does not take into consideration the costs to the estate.

Second, the current practice of selling items on the Treasurer's online auction website is contributing to the delay in liquidating assets, which in turn has contributed to the backlog of estates. During the six months for which data was available, 180 items were sold through the website. This is an involved process, and the limited number of items listed at one time makes it impractical for disposing of the thousands of estate items in storage in a timely manner. Further, Internal Audit estimates about 90 percent of the items listed on the auction website cost more to process than the proceeds received from their sale.

Third, there is no mechanism in place to ensure estates continue to be worked and proceed through probate. As a result, work on several estates appears to have been delayed. The delay of probate perpetuates the estate backlog and increases the need for storage space.

The simplest, most direct solution to the estate backlog issue is to create a written, procedural framework for determining which assets can be sold for more than the cost to liquidating them. Written procedures should address the proper treatment of potentially

high value or high risk items, such as jewelry or weapons. Previous Treasurers have used a \$50 threshold and discarded or sold in bulk (to an auction house or thrift store) any asset below the threshold, with exceptions made for valuable items, jewelry and weapons. This approach reduces the amount of time needed to process an estate by significantly reducing the number of assets that need to be inventoried, stored and liquidated. Reducing the number of assets stored would also facilitate the ability of the Treasurer's Office to protect and secure estate property.

In addition, the Treasurer is under a fiduciary responsibility to use the same level of financial skills and care when dealing with estate finances as she uses in managing the County's money. Both Internal Audit and the Forensic Auditors found numerous examples of weaknesses in the accounting practices used to track estate finances. These weaknesses have resulted in the Court being provided inaccurate or incomplete financial accounting for estates.

Foremost among these weaknesses is the lack of segregation of duties of the Public Administrator staff and lack of a master control inventory created before property is removed from the estate. Lack of segregation of duties has already resulted in the allegedly fraudulent issuing and cashing of a \$31,349 check, which is currently under investigation by law enforcement. Without a control inventory, it is not possible to determine if valuable assets are missing or have been overlooked.

Other accounting weaknesses include proceeds from the sale of assets being incorrectly recorded or not recorded in a timely manner, assets potentially attributed to the wrong estate, untimely deposits and missing supporting documentation for sales and expenses. Most of the weaknesses can be attributed to a lack of standard written procedures for handling estates and their finances.

The Treasurer has said she does not have the time or staffing levels to address segregation of duties or to create written policies and procedures. Focusing staff time on liquidating only specific assets based on policy would significantly reduce the amount of time needed to work an estate, freeing up staff to segregate duties, receive training and implement other accounting best practices. Developing written policies and procedures that follow accounting best practices would address accounting weaknesses. Written procedures for the probate process that include a verification step would ensure the Court is given accurate information.

The Coroner's Office, Prosecutor's Office, Indigent Services and Court Clerks have written procedures and protocols which govern their individual roles in the Public Administrator process. With the exceptions noted, all appear to be fulfilling their statutory responsibilities to the estate. The agreement between the Treasurer, Coroner and Indigent Services that allows cremations to go forward, benefits all three departments and the funeral homes. The process should be formalized in a written protocol and should include a mechanism for Indigent Services to submit a creditor's claim to the estate.

Recommendations

Recommendation 1

The Treasurer's Office should develop written policies and procedures for the Public Administrator process. These procedures should outline the various steps in the probate process including:

1. Specific criteria for evaluating which estates are acceptable and which will be declined.
2. A framework for deciding which assets should be liquidated by the Treasurer's Office.
3. Segregation of duties related to handling assets, accepting payment for sales and recording sales transactions in accounting and inventory records.
4. Requirements for creating a control inventory before items are removed from the home, storage facility, safe deposit box, etc.
5. Requirements for depositing estate proceeds in accordance with County accounting policies.
6. Requirements for recording deposits in QuickBooks and all related documentation within days of the actual deposit.

Recommendation 2

Upon request of the Treasurer's Office, the Prosecutor's Office should assist the Treasurer's Office, Coroner's Office and Indigent Services to develop a mechanism to track all open estates and ensure they proceed through probate in a timely manner. The protocol should also address a method to ensure Indigent Services submits a claim for cremations.

Recommendation 3

The Treasurer's Office should develop a framework for deciding which assets should be liquidated by the Office and which should be disposed of in a more cost efficient method. The framework should be incorporated into written policy and include a protocol for declining estates and auctioning any property.

Recommendation 4

The Treasurer's Office should identify all monies in the Public Administrator checking account not related to open estates and distribute it appropriately, including any interest previously earned or monies from declined estates.

Recommendation 5

The Treasurer's Office should mark with a unique identifier all assets removed from the estate for liquidation by the Treasurer's Office.

Recommendation 6

The Treasurer's Office should prepare a master control inventory of all estate property in sufficient detail to support the inventory submitted to the Court. The control inventory

should individually list all property that is removed for liquidation by the Treasurer's Office.

Recommendation 7

The Treasurer's Office should create a corrective action plan and address the Forensic Audit recommendations.

Recommendation 8

The Human Resources Department should work with the Board of County Commissioners to develop a countywide policy that prohibits employees and their families from purchasing items from County sponsored auctions.

Recommendation 9

The Treasurer's Office should work with Human Resources to evaluate the current staffing for the Public Administrator function.

Appendix A.
**Forensic Auditor's
Recommendations**

Recommendations

We observed the following areas of concerns during the interviews and examination of documentation. Recommendations have been provided for areas that appear most vulnerable to errors or fraud. Ada County personnel should review the following areas of concerns and corresponding recommendations to determine if the benefit of changing the current processes in place to reduce the risk of errors or fraud exceeds the associated costs.

A. Administrative

1. Observation

It appears the current Public Administration Specialist received no formal training for performing Public Administration functions.

Recommendation

Employees should receive formal job training to ensure adopted policies and procedures are adhered to while performing daily tasks.

2. Observation

Public Administration lacks formal, updated written policies and procedures.

Recommendation

Written policies and procedures for the Public Administration should be updated, reviewed and approved by appropriate personnel. Clearly written policies and procedures will help the individuals involved in Public Administration understand what their duties are, how to perform their duties and serve as a written record of the processes and internal controls in place.

3. Observation

Public Administration lacks formal, written case acceptance and denial standards.

Recommendation

Written acceptance and denial standards should be created, reviewed and approved by appropriate personnel. Clearly written procedures will allow for a more efficient and consistent determination as to whether or not a case should be accepted by Public Administration.

4. Observation

Public Administration case documents and supporting documentation should be stored electronically as often as possible. We noted the Treasurer's Office is in the process of storing files electronically.

Recommendation

To the extent possible, Public Administration cases should be stored electronically. Electronic storage of case documents and supporting documentation will improve the organization and consistency of all case documents, as well as save physical space within the Treasurer's Office.

B. Acquisition of Decedent Assets

1. Observation

Multiple Public Administration employees are not always involved in visits to decedents' residences to evaluate decedent assets/collect any knowingly high-value assets and follow-up visits to collect any remaining assets.

Recommendation

Multiple employees should always be involved in both the initial visit and subsequent visits to decedents' residences. Involving multiple employees reduces the opportunity for Public Administration personnel to misappropriate decedents' assets.

2. Observation

Money acquired from decedents' residences is not always counted by at least 2 employees.

Recommendation

Money acquired from decedents' residences should always be counted by at least 2 employees, both before the money is removed from the residence and after it is deposited. These funds should be deposited in a timely manner. Involving multiple employees in the counting of cash and making timely deposits of cash reduces the opportunity for an employee to misappropriate the cash collected.

3. Observation

A detailed inventory of all assets removed from decedent residences is logged on a mobile phone by hard-keying or the scanning of barcodes (if available).

Recommendation

Public Administration should evaluate whether or not the electronic logging of inventory at such a detailed level is efficient and in the best interest of the decedent's estate. It appears a significant number of hours are spent logging inventory for these cases, which results in significant bills (in relation to inventory value) from Public Administration to the estates.

C. Storage of Decedent Assets

1. Observation

Weapons (e.g., guns, ammunition, and knives) acquired from decedents are stored in the vault and conference room within the Treasurer's Office. It should be noted that all Treasurer's Office employees have access to both of these areas.

Recommendation

Weapons should always be stored in secure areas in which only authorized individuals have access. These items should be immediately liquidated or properly disposed.

2. Observation

Estate assets are stored at multiple locations, including:

- A secure fenced area within the Coroner's warehouse
- An unsecure fenced area on the 2nd level of the Coroner's warehouse
- Treasurer's Office conference room
- Treasurer's Office vault
- Treasurer's Office storage room

- Various areas throughout common areas within the Treasurer's Office, including the break area, miscellaneous cabinets and around the Public Administration Specialist's desk.

We also observed assets for the same estate being stored in multiple areas, as well as assets for one estate being stored in boxes which were labeled with another estate's name.

Recommendation

With the exception of the locked cage within the Coroner's warehouse, estate assets are stored in areas in which multiple employees have access. In the case of the open area on the 2nd level of the Coroner's warehouse, anyone who has access to the Coroner's warehouse would have access to these assets. In the case of all assets stored within the Treasurer's Office, all Treasurer's Office employees would have access to these estate assets.

Estate assets should always be stored in secure areas in which only authorized individuals have access. All assets for each estate should also be stored together in the same secure area.

3. Observation

Public Administration currently maintains assets, including weapons, laptops and an automobile which were acquired from decedent estates which have already been closed.

Recommendation

Assets should always be liquidated or properly disposed . Estates should also not be closed without ensuring that all estate assets have been liquidated or properly disposed of, especially if weapons are involved.

4. Observation

Assets for certain decedents are in the possession of Public Administration although the cases were declined.

Recommendation

Assets acquired from estates which were ultimately declined by Public Administration should be properly disposed in a timely manner.

5. Observation

Personal items such as wallets, photographs, photo albums and other items which may have sentimental value collected from decedent residences are maintained by Public Administration for 10 years.

Recommendation

Public administration should reevaluate how long such personal items are maintained by Public Administration as the items take up valuable physical space. We also noted from discussions with Public Administration personnel that is more likely than not, that these items will not be claimed/requested by a third party.

6. Observation

A cart containing estate cell phones, wallets, keys, jewelry, a bag of ammunition without a label and a lockbox containing undeposited proceeds from the sale of estate assets is stored in the vault overnight. The cart is brought into the common area every day. The key for the lockbox containing undeposited proceeds from the sale of estate assets is kept in the lock.

Recommendation

This cart should not be brought out into the general area on a daily basis. It should be regularly stored in a secure area in which only authorized individuals have access to the cart when needed. The lockbox key should also be maintained by an employee(s) with authorized access in a different secure area.

7. Observation

Multiple Public Administration employees are not always involved in process of moving estate assets from the Coroner's warehouse to the Treasurer's Office to be liquidated.

Recommendation

Multiple employees should always be involved in the transport of estate assets. Involving multiple employees reduces the opportunity for an employee to misappropriate decedents' assets.

D. Sale of Decedent Assets

1. Observation

Estate assets that are not donated or discarded, are sold individually and in "groupings" online through an Ada County website. As of the date of this report, there were assets for sale on this website for as low as \$1.00.

Recommendation

Public Administration should evaluate whether or not the sale of individual estate assets is efficient and in the best interest of the decedent's estate. The Public Administration hours spent going through estate assets, establishing and documenting the value of each individual asset, photographing assets and posting them on the website are billed to the estates and paid for with estate assets.

A possible alternative would be having multiple companies bid on estate assets as a whole, with the understanding that the company would be responsible for removing the assets from the decedent's residence. Although the amount received may be less than if the assets were sold individually, the time, money and physical space saved by not having to remove the assets from the decedent's residence or post them on the website may offset the reduction in sales proceeds. It is our understanding Public Administration has used this alternative in the past and are currently evaluating their online sales efficiency and effectiveness.

2. Observation

The same employee involved in creating the list of assets removed from decedents' residences, maintains these assets, posts assets for sale on Ada County's website, receives the cash related to the sale of these assets and records the sale in QuickBooks®.

Recommendation

As recommended earlier in this report, multiple employees should always be involved in the transport of estate assets. The other employee(s) not posting the assets for sale should be responsible for reconciling the inventory transferred to the Treasurer's Office for sale with the sales proceeds received. This will reduce the likelihood of an employee misappropriating sale proceeds.

3. **Observation**

QuickBooks® entries related to the sale of estate assets are recorded by the Public Administration Specialist after the sales proceeds are deposited by the Treasurer. These entries are made based on the deposit slip returned to the Public Administration Specialist.

Recommendation

QuickBooks® entries related to the sale of estate assets should be recorded immediately after the sale occurs. These entries should then be reconciled with the deposit slip returned by the Treasurer after performing the deposit to ensure all proceeds were deposited.

4. **Observation**

Deposits, at times, contain sales proceeds related to asset sales for multiple estates.

Recommendation

Separate deposits should be made for each estate's sales proceeds. This will allow for a more efficient reconciliation of the liquidated estate assets and related bank activity.

5. **Observation**

Receipts related to the sale of estate assets to third parties, such as thrift stores and coin stores, at times, contain assets for multiple estates.

Recommendation

Separate receipts should be received for each estate when selling assets for multiple estates at the same time. This will allow for a more efficient reconciliation of the liquidated estate assets and related bank activity.

6. **Observation**

Deposit descriptions within QuickBooks® for estate-related deposits do not always contain a detailed description.

Recommendation

Descriptions within QuickBooks® for estate-related deposits should always contain a detailed description of what was deposited. If multiple items are deposited, separate entries should be made within QuickBooks® or a breakdown of the deposit should be included in the detailed description.

E. **Accounting**

1. **Observation**

Supporting documentation was unavailable for all deposits and disbursements related to estates.

Recommendation

Supporting documentation such as bills of sale, invoices, receipts and bank statements should be located in each case file to support each deposit and disbursement associated with an estate.

2. **Observation**

QuickBooks® tracks original entries and all modifications within the accounting software through its Audit Trail Report. Currently, it appears internal audit or another independent

party, separate of the Public Administration, does not receive this report for analysis purposes.

Recommendation

Internal audit or another independent party should have access to or receive a backup copy of the QuickBooks® file to run the Audit Trail Report for audit purposes on a periodic basis.

F. Check Disbursements

1. Observation

The employee responsible for printing checks manually enters check information into Positive Pay.

Recommendation

An employee other than the employee responsible for printing checks should enter check information into Positive Pay.

G. Deposits

1. Observation

Certain deposits were not made in a timely manner. In addition, deposits are physically made by the Treasurer, when time permits, to avoid fees associated with a security carrier assisting with the deposit of funds on behalf of the Treasurer's Office.

Recommendation

Deposits should be made in a timely manner to reduce the risk of misplacement or theft. The use of a security carrier should be re-considered to assist with the timeliness of deposits and safeguarding of assets.

Appendix B.

Letters from Operations and Risk Management



ADA COUNTY

OPERATIONS
DEPARTMENT

200 W. Front Street
Boise, Idaho 83702

Dave Logan
Director

(208) 287-7100
Fax (208) 287-7109

April 22, 2015

Vicky McIntyre
Ada County Treasurer
200 West Front Street
Boise, Idaho 83702

RE: Public Administrator demands on the Operations Department

Dear Vicky McIntyre,

The purpose of this letter is to inform you that the Operations Department will no longer be available to assist in the recovery and disposition of estates. Our assistance with the estates has been in no way related to the mission of the Operations Department. The work that we have performed for you has taken away time, money, and other resources from the Department that can no longer be spared.

My offer to share the use of our Ford Taurus for estate related duties still stands as long as it is for intermittent use. Your staff must empty and clean the vehicle after each use. Please also plan on replacing the fuel that is used by your Office. In the future, please plan on coordinating the use of Taurus with the Operations' receptionist on duty.

I have noticed a growing accumulation of estate property within the Treasurer's Office. Although I am sure the piles of stuff are only temporary, for your safety and the safety of your employees the exit pathways should maintain clear and unobstructed at all times. Also, to avoid thievery, items of value should be locked up in a secure area.

I understand you have an important job to perform as Public Administrator and I wish you well. Please call me directly for questions or any concerns you may have.

Sincerely,

A handwritten signature in cursive script that reads "Dave Logan".

Dave Logan
Director of Ada County Operations

Cc: BOCC, Scott Williams



ADA COUNTY RISK MANAGEMENT

200 West Front Street
Boise, Idaho 83702-7300

To: Board of Ada County Commissioners

Date: April 1, 2015

RE: Risk Assessment – Public Administrator-Estate sales

Dear Commissioners:

A couple of weeks ago it was brought to my attention that the Treasurers’ office was having Tax Data clerks and other administrative staff conduct Estate Administration Specialist/Public Administrator type of job duties. Due to the sensitive nature of the work and potential risks involved I was advised to conduct a risk assessment of one of the recent jobs.

On Friday March 27, 2015, I and Human Resources Manager Bethany Calley, visited a property located in Kuna, Idaho. In attendance at the residence were Kimberlee Irby and Sandra Marquis of the Treasurer’s Office. There were also two men that were “buyers” and had been assisting them over the last several days as well as a temporary worker from a staffing agency.

Personal Safety

Entering foreclosed or vacant homes- foreclosures may attract unexpected house guests — such as squatters. The homes also may be damaged and poorly lit or attract pests since they are vacant, leading to more potential safety hazards. Employees arrive not knowing what to expect or rely on information from the Coroner’s office. The employees from the Treasurer’s office then post an ad online as well as place physical signs in the area to advertise an estate sale; they then await potential buyers, which are complete strangers. Often times the employees are women and can at times be alone with more than one male or several others members of the public.

Checks and Balances/Cash Handling

Cash Handling/Property handling- Employees were handling cash with no checks and balances. Large sums of cash were visibly sticking out of an employee’s pocket, not secured. There was no record of how much cash was received, nor any written policies or procedures to refer to. Employees had internet printout sheets provided by the Treasurer to guide the employees on how much to sell the decedents property for based on “Salvation Army recommend amounts for donations”. These employees are not skilled in evaluating the value of personal property and may make errors undervaluing valuables such as jewelry, artwork, guns, etc. I saw no log of what personal property was or wasn’t accounted for, what was sold and for how much. Nor was there a log of what remained to be disposed of or how it would be disposed of. Prospective buyers were inside the home unattended leaving the property subject to theft/vandalism.

County Commissioners (208) 287-7000 Fax (208) 287-7009	Human Resources (208) 287-7123 Fax (208) 287-6999	Employee Benefits (208) 287-7123 Fax (208) 287-5729	Risk Management (208) 287-7123 Fax (208) 287-7129	Business Process Services (208) 287-7123 Fax (208) 287-7159	Communications (208) 287-7123 Fax (208) 287-7159	Purchasing (208) 287-7123 Fax (208) 287-7149
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Exposure to Injurious Practices/Hazardous Wastes

There are many potential exposures conducting this type of work. In this particular instance, there was human waste, blood, dust, rotting food, and potentially animal excrement on the floor and walls. Employees were given thin rubber gloves and expected to clean and decontaminate the area with everyday household cleaners. One employee was wearing flip-flop sandals in this environment while also moving heavy furniture and walking through the home with visible stains of unknown origin. The odor in the residence was pungent even after it had been “cleaned up” and open for three days. Their current job descriptions indicate they may be required to lift up to 20 pounds in an office environment, not heavy furniture.

Trash/Debris/Transporting Property/Securing the property

Remaining items such as household furnishings, durable medical equipment, computer items, clothing, etc. were left in the driveway of the residence. Not only is this a disrespectful way of leaving a decedents property and home, it exposes the county to liability such as attractive nuisance, theft, and violations of the homeowners association rules and regulations if there are any. It also leaves a bad impression on neighbors when car with a visible county seal shows up and spends a few days and then leaves a pile of trash in the driveway. A waste receptacle large enough to handle the remaining items should be ordered and promptly picked up by the appropriate agency.

Employees also indicated that the Operations Department had been instructed by the Treasurer to come to the property to reinstall the missing smoke detectors.

Employment Liability

Employees were doing work which is not in their current job descriptions. They were also working without lunch breaks, which could potentially violate FLSA rules for failing to record or compensate off the clock hours spent by the non-exempt employee (s) performing job related activities. The employees were expected to the transport “valuables” back to the Courthouse or Coroner’s office storage for safekeeping. They were expected to move heavy items, furniture and clean up waste.

Based on the risks and exposures outlined above, I would recommend that the administrative staff of the Treasurer’s office no longer perform these duties which are not only unsafe, but outside the scope of their job descriptions. I would advise transferring this risk exposure to an outside source.

If you have any questions or wish to discuss this assessment further, please don’t hesitate to contact me or Bethany Calley.

Thank you,

Kelly Paananen

Kelly Paananen
Risk Manager

Cc: Bethany Calley, Human Resources Manager
Heather McCarthy, Ada County Prosecutor’s Office

County Commissioners (208) 287-7000 Fax (208) 287-7009	Human Resources (208) 287-7123 Fax (208) 287-6999	Employee Benefits (208) 287-7123 Fax (208) 287-5729	Risk Management (208) 287-7123 Fax (208) 287-7129	Business Process Services (208) 287-7123 Fax (208) 287-7159	Communications (208) 287-7123 Fax (208) 287-7159	Purchasing (208) 287-7123 Fax (208) 287-7149
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Appendix C.
Sample Bill of Sale

Bill of Sale #10-06

This Bill of Sale is made on **10/5/2015** between Ada County Treasurer, Vicky McIntyre ("Seller") and _____ ("Buyer").

Seller, in exchange for consideration of \$ **107.00**, the receipt of which funds is acknowledged, hereby do grant, sell, transfer and deliver to Buyer the following goods:

CASH CHECK No. 2547

ESTATE	DESCRIPTION	REFERENCE	AMOUNT SOLD
	Table Lamp Metropolitan (Pink)	APL-10-RW	\$5.00
	Table Lamp Metropolitan (Gray)	APL-11-RW	\$5.00
	32 in Flat Screen TV - HAIER	ELC-30-HJ	\$65.00
	Octagon Wood Coffee Table	FUR-09-RW	\$3.00
	Upholstered Chair (Pink) Set (2)	FUR-11-RW	\$15.00
	4 Metal Plant Stands	HSH-14-RW	\$8.00
	Misc Custom Jewelry Broaches / Pendants	JEW-10-BS	\$3.00
	Misc Household items (8)	MIS-02-BS	\$2.00
	Misc Kitchen Items (5) + 2	MIS-03-BS	\$1.00
		TOTAL	\$107.00

Please note that these tools are assets from a Public Administration estate case with Ada County. ALL assets of this nature are sold "AS IS" with no representation, warranty or guarantee of any kind. Buyer shall have full rights and title to the goods described above.

Seller is the lawful owner of the goods and the goods are free from all encumbrances. Seller has good right to sell the goods and will warrant and defend the right against the lawful claims and demands of all persons.

Signature of Seller Vicky McIntyre PA

Signature of Buyer [Signature]

Appendix D.

Department Responses to the Audit



ADA COUNTY
TREASURER
TAX COLLECTOR, PUBLIC ADMINISTRATOR

200 W. FRONT
P.O. BOX 2868
BOISE, IDAHO 83701-2868

TREASURER: (208) 287-6800
FAX: (208) 287-6809

Vicky J. McIntyre
Treasurer

Kimberlee Copperi
Chief Deputy

January 25, 2016

Honorable Christopher Rich
Ada County Clerk, Auditor, Recorder
200 West Front Street
Boise, ID 83702

RE: Public Administration Internal Audit Response

Dear Mr. Rich:

The Ada County Internal Audit Committee ordered an audit to be conducted on the Public Administration function of the county in spring 2015. The audit was directed towards all departments participating in the public administration function: Prosecuting Attorney, Coroner, Indigent Services, Courts, and the Treasurer's office function of public administration.

The audit was started several times and was finalized in December 2015; the busiest time period within the Treasurer's office. At the same time, the Treasurer's office went through the financial year-end, tax billing, and tax collection. Each of these events required all staff to work with reduced lunch hours and no scheduled breaks. Of note is the budgeted reduction of two staff by the Board of Ada County Commissioners for FY2016; further strapping the Treasurer's office of sufficient resources to perform all constitutionally directed duties in a timely manner. Further, it must be noted that the exempt staff in the Treasurer's office worked excessive hours during November and December, and continue to work extremely long days just trying to "keep up" with the work required of the Treasurer's office.

I object to the use of the public administration forensic audit as supplement to the internal audit, as this audit was conducted for a different purpose and the results revealed only one suspected transaction that was misappropriated by a former county employee.

The forensic audit further claimed that "duplicate entries" existed in the public administration function, when, in fact, this information is misstated. QuickBooks is the accounting tool used to balance the public administration funds. In March 2015, my office endeavored to separate the "old books" into a "new" set of books that more accurately reflect the trust fund relationship needed in public administration. In order to make sure the new books were performing as needed, a parallel test was run using March transactions. When conducting a parallel test, entries are made in both systems. By the end of March, the test was concluded. The new account reconciliation was conducted using the "new" set of QuickBooks files. The last reconciliation using the "old books" was February 2015; therefore, no duplicate entries exist in either the old books or the new books. Eide Bailly's continued claim that the entries are duplicated in the new or old books is false. This system of parallel testing is a "best practice" method, similar to the year-long FAB test scenario used by your office.

Ada County Internal Audit

It is also difficult to write a formal response to you when I have not received the final audit document to know exactly what it claims. My 8-page, informal edit (attached) to the preliminary draft stated that much of what was contained in the report was conjecture (not based on facts). I have not been shown that my comments have resulted in a changed document with additional factual data to support the audit claims.

I have also reached out to Judge Bieter for a meeting to obtain his guidance on how public administrator should work in his court.

My office met with Ted Argyle and Ax Yewer on January 21 to discuss alternatives to asset liquidation by the public administrator. While Ted has suggested different ideas for this task within public administration, nothing can be done without a complete analysis of the process, along with determining the staffing levels needed to support a different process. Until adequate resources are provided to the Treasurer's office to analyze and fully document the current process, the initial recommendations in the audit report will be delayed.

I reserve the right to comment further on the audit results when the final document is provided.

Sincerely,



Vicky McIntyre
Ada County Treasurer, ex-Officio Public Administrator

Enclosure



**ADA COUNTY PROSECUTING ATTORNEY
JAN M. BENNETTS**

Criminal Division
200 W. Front Street, Rm 3191
Boise, Idaho 83702

Phone (208) 287-7700
Fax (208) 287-7709

Civil Division
200 W. Front Street, Rm 3191
Boise, Idaho 83702

Phone (208) 287-7700
Fax (208) 287-7719

Juvenile Division
6300 Denton Street
Boise, Idaho 83704

Phone (208) 577-4900
Fax (208) 577-4909

January 25, 2016

Christopher D. Rich
Ada County Clerk/Auditor/Recorder
200 W. Front Street, Room 1204
Boise, ID 83702

RE: Treasurer's Public Administration Process

Dear Chris:

Thanks for the opportunity to review the preliminary draft of the Treasurer's Public Administration Process Audit. We reviewed the draft in detail and spent several hours discussing the proposed findings with Dawn Burns, Ada County Internal Auditor. Because we had quite a few thoughts on this matter we have taken the time to provide all of our comments, recommendations, corrections and responses to directly to her.

I did want to mention a couple of things that we discussed with Dawn and which warrant inclusion in the official responses.

First, we represent clients, including the Treasurer, who enjoy an attorney client communications privilege. Just as we would for any of our clients, we have not disclosed our advice on particular matters or the substance or detail of communications with the Treasurer or her employees we may have been a party to. We have provided documents to the Internal Auditor that have been provided to the courts, or which in other ways have been made public. We have cooperated to the extent that we ethically could.

Second, we present our client's cases for them. The cases for which we have been asked to render legal services belong to our clients.

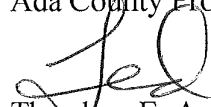
Finally, we, as you know, occasionally counsel our clients on best business practices when we deem it to be in the best interest of our client to do so. We regret, that when we do so, we cannot disclose those communications unless our client consents.

Christopher D. Rich
Page 2
January 25, 2016

I look forward to reviewing the final report.

Very truly yours,

JAN M. BENNETTS
Ada County Prosecuting Attorney



Theodore E. Argyle
Chief Civil Deputy

JMB:TEA:bm

cc: Dawn Burns, Internal Auditor

CORONER

Dotti Owens, MA, D-ABMDI

CHIEF DEPUTY CORONER

V. Brisbin

OFFICE MANAGER

Tonia Fleming



Office (208) 287-5556

Fax (208) 287-5579

5550 Morris Hill

Boise, Idaho 83706

January 28, 2016

Christopher D. Rich
Ada County Clerk/Auditor/Recorder
200 W. Front Street, Room 1196
Boise, Idaho 83702

RE: Coroner Response to Public Administrator Audit

Dear Mr. Rich,

I would like to thank everyone involved in the process and have recorded my response below.

Recommendation 2:

The Prosecutor's Office should work with the Treasurer's Office, Coroner's Office and Indigent Services to develop a mechanism to track all open estates and ensure they proceed through probate in a timely manner. The protocol should also address a method to ensure Indigent Services is reimbursed for cremation, when estate assets allow.

Coroner Response:

The Coroner's Office currently tracks all open cases submitted to the Ada County Treasurer in her capacity as ex officio Public Administrator. The Coroner's Office accepts the above recommendation and is willing to work with the Prosecutor's Office, Treasurer's Office and Indigent Services to develop better interoffice or interdepartmental tracking.

Regards,

Dotti Owens
Ada County Coroner



Christopher D. Rich
Clerk of the District Court

Phil McGrane
Chief Deputy

252 E Front St, Ste 199, Boise, Idaho 83702

Phone (208) 287-7960

Fax (208) 287-7969

January 21, 2016

Christopher D. Rich
Ada County Clerk of the District Court
200 West Front Street
Boise, Idaho 83702

Re: Public Administrator Internal Audit

Dear Mr. Rich:

We agree with the findings of the recent public administrator internal audit as they relate to Indigent Services. We will work with other County departments to develop a process to file claims for the reimbursement of necessary cremation expenses.

We appreciate Internal Auditor Dawn Burns' efforts on this audit and the opportunity to work with other County departments related to this process.

Sincerely,

Jesse Barcroft
Director, Indigent Services

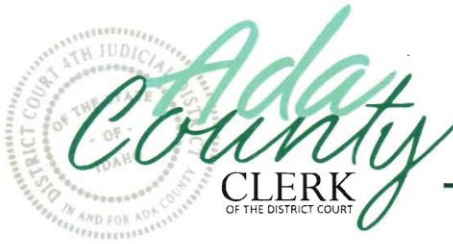
Court
Ph (208) 287-6900
Fax (208) 287-6919

Auditor
Ph (208) 287-6879
Fax (208) 287-6909

Recorder
Ph (208) 287-6840
Fax (208) 287-6849

Elections
Ph (208) 287-6860
Fax (208) 287-6939

Indigent Services
Ph (208) 287-7960
Fax (208) 287-7969



Christopher D. Rich
Clerk of the District Court

Phil McGrane
Chief Deputy

200 W Front Street, Boise, Idaho 83702 Phone (208) 287-6879 Fax (208) 287-6909

January 21, 2016

Christopher D. Rich
Ada County Clerk of the District Court
200 West Front Street
Boise, Idaho 83702

Re: Public Administrator Internal Audit

Dear Mr. Rich:

We agree with the findings of the recent public administrator internal audit as they relate to the Clerk's Office.

We appreciate Internal Auditor Dawn Burns' efforts on this audit and the opportunity to work with other County departments related to this process.

Sincerely,

A handwritten signature in blue ink, appearing to read "P. McGrane", enclosed within a blue oval scribble.

Phil McGrane

Court
Ph (208) 287-6900
Fax (208) 287-6919

Auditor
Ph (208) 287-6879
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