

LOS ANGELES COUNTY
CITIZENS ECONOMY AND EFFICIENCY COMMITTEE
ROOM 139, HALL OF ADMINISTRATION/500 WEST TEMPLE/LOS ANGELES, CALIFORNIA 90012/625-3611, Ext. 64605

February 14, 1972

Honorable Board of Supervisors
383, Hall of Administration
Los Angeles, California 90012

Gentlemen:

REPORT ON THE DEPARTMENT OF
PUBLIC ADMINISTRATOR-PUBLIC GUARDIAN

We are submitting for your urgent Consideration the following report. It has been prepared in response to your referral to this Committee on December 21, 1971, of the County Task Force's study of the Department of Public Administrator-Public Guardian. A subcommittee composed of Dr. John C. Bollens, chairman; Dixon R. Harwin, and Gus A. Walker wrote this report. The recommendations contained in the report were developed over numerous subcommittee sessions and approved by the full committee at a meeting on February 14, 1972.

Importance of the Department of Public Administrator-Public Guardian

The Department of Public Administrator-Public Guardian is a tremendously important agency of the County government in terms of the dollar volume of its activities. During any single year no less than \$50 million and probably more than \$100 million in asset value is under its jurisdiction.

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Burke Roche,
Executive Secretary

The County Task Force's comprehensive study reveals a long series of major departmental problems, including mismanagement, waste, and unconscionable delays. Many of these deficiencies have also been pointed out in a number of previous official studies.

The discussions of our subcommittee with trust officers, attorneys, realtors, auctioneers, and many other business executives in the community have brought forth information of departmental incompetence, lack of standards, low employee morale, and an inability to realize full value of estates.

The opportunities for malfeasance and inefficiency, which are great in the Department because so many dollars are involved, must be eliminated. The detrimental effects of one-man rule and manipulation in the Department, which are emphasized by the County Task Force, must be eradicated.

Establishment of an Effective Management Control System

A system must be set up to rectify these conditions and to prevent them from ever occurring again. Accordingly, this system must possess adequate controls and effective and continuous surveillance, and it must prevent the possibility of one-man rule and manipulation.

We believe an effective management control system in the Department will realize these objectives only if it contains two basic components. The first is the formation and appointment by the Board of Supervisors of a permanent policy and management commission and the assignment to it of significant and concrete responsibilities. The second is the appointment by the Board of the most highly qualified person to the position of Public Administrator-Public Guardian.

The Policy and Management Commission

The Policy and Management Commission should consist of four commissioners and the Public Administrator-Public Guardian. The commissioners should be nominated in the following manner for final approval by the Board of Supervisors.

One member should be a trust company officer who is well versed in the administering of estates. He should be nominated by the Southern California Trust Officers Association.

A second member should be an attorney who is experienced in probate procedures. He should be nominated by the Los Angeles County Bar Association.

A third member should be an experienced auditor. He should be nominated by the California Society of Certified Public Accountants, Los Angeles Chapter.

A fourth member should be a person with extensive executive and managerial experience in private enterprise. He should be nominated by the Los Angeles County Citizens Economy and Efficiency Committee.

The fifth and final member should be the Public Administrator- Public Guardian. All the members of the Commission, except the Public Administrator-Public Guardian, should be appointed for overlapping two-year terms and serve without compensation.

The immediate task of the Policy and Management Commission will be to establish an effectively functioning Department of Public Administrator- Public Guardian through the devising of proper systems, procedures, and controls. In undertaking this task, the Commission will find it useful to refer to the various reports about this Department.

Once established, no changes in the systems, procedures, and controls should be made without the consent of at least a majority of the members of the Commission, which should regularly review the adequacy of these processes.

We wish to emphasize that the Commission will have no role with to the fiduciary responsibility of the Public Administrator-Public for the estates under his charge as assigned to him by the court.

The Commission should report at least quarterly, in writing, to the Board of Supervisors.

Qualifications for Public Administrator-Public Guardian

As pointed out before in this report, a highly qualified Public Administrator-Public Guardian is a fundamental component in a system designed to correct existing deficiencies and block their recurrence. We, therefore, recommend that your Board request the Civil Service Commission to consider the establishment of the following important qualifications for this position. We strongly believe that any person appointed to this position should satisfy these specifications as nearly as possible.

1. Educational training in the business and finance field with considerable legal knowledge.
2. Experience and knowledge comparable to those of a senior trust department officer in a bank or trust company.
3. Excellent knowledge of California probate procedure.
4. Substantial experience in administering estates--probate, conservator ships, and guardianships.
5. Thorough knowledge and understanding of accounting principles and practices.
6. Thorough knowledge of federal and state inheritance tax law.

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As is the case in all such human endeavors, the caliber of the individuals appointed to the Policy and Management Commission and to the position of Public Administrator-Public Guardian will determine the overall quality of the Department's operations. The four citizen-members of the Commission should be prominent persons in their respective fields. The Public Administrator-Public Guardian should be a leader who is able to motivate and supervise efficiently the employees in the Department. He should also be a person of unwavering integrity and sound judgment.

Very truly yours,

LOS ANGELES COUNTY CITIZENS
ECONOMY AND EFFICIENCY
COMMITTEE

Robert Mitchell, Chairman

RM:ml