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MIDDLESEX COUNTY

REPORT OF

OBSERVATIONS AND RECOMMENDATIONS

RESULTING FROM THE FINANCIAL AUDIT

FOR THE PERIOD JULY 1, 1982 TO JUNE 30, 1983



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INTRODUCTION

We have examined the financial statements of Middlesex County for the year ended June 30, 1983 and have issued an opinion thereon. As part of our audit, we interviewed over eighty line and staff personnel located in the following areas:

County Commissioners' Offices - Cambridge
County Treasurer's Offices - Cambridge
Sheriff's Offices - Cambridge and Billerica
Registrar of Deeds Offices - Cambridge and Lowell
County Hospital Offices - Waltham

The purpose of these interviews was to determine both the prescribed management policies and the actual procedures used in operating the various functional public service units of Middlesex County government. Our examination and interviews enabled us to make observations and identify certain situations which may be of interest and concern to you. These matters were not of such a nature as to affect our ability to express an opinion on the County's financial statements.

Without exception, we received good cooperation and candid responses from all personnel interviewed. There was a genuine interest on the part of the County officers, administrators and staff interviewed to provide their particular services in an efficient manner. We recognize this attitude as a positive attribute to responsible County government.

The actual interviews took place during the period of November 1983 to January 1984. Some changes have already taken place from procedures followed during the fiscal year ended June 30, 1983. Other changes were scheduled to be implemented during the remainder of the current (1984) fiscal year. These primarily effected the organization and staffing of the various County governmental functions.

Our observations are broadly grouped into the following headings:

Organization
Personnel
Productivity
Equipment
Environment

Our recommendations are based upon our experience with sound management practices followed by both public and private organizations and are offered for your consideration. We feel the implementation of these recommendations will result in a better controlled, more efficient and/or more cost effective operation. However, a detailed cost/benefit analysis was beyond the scope of our regular examination. Therefore more study may be necessary before certain of the recommendations are acted upon.

INTRODUCTION
(Continued)

Our study and evaluation of the County's system of internal accounting control was made for the purpose of establishing a basis for reliance thereon in determining the nature, timing and extent of other auditing procedures necessary for expressing an opinion on the financial statements. The study was not designed to enable us to express an opinion on the effectiveness of internal controls.

* * * *

As a result of discussions with various County officials regarding our observations and recommendations, we have included where applicable their comments under the caption RESPONSE.

EXECUTIVE SUMMARY

Providing government services to the people of Middlesex County is a large, varied and complex job. Under Proposition 2 1/2 and the Advisory Board fiscal constraints, it is a very difficult job. Considering these circumstances, we feel the elected officials and County employees are doing a basically good job in providing services, and accounting for them, to the public. However, as with any organization so large and complex there are areas where we feel improvements can be made.

We offer our observations and recommendations in a constructive manner. On the pages that follow are many detailed observations made by our staff during the course of our audit for the fiscal year ended June 30, 1983. These have been listed by the major functional units of Middlesex County government. The comments in this section summarize the thrust of our detailed comments into the broad classifications of organization, personnel, productivity, equipment and environment.

Organization

Our review indicated that the various functional units of Middlesex County government are basically well organized to carry out their particular duties.

Organizational charts existed in each area clearly showing lines of authority and responsibility. Most of the positions shown on these charts were supported with a written job description explaining the duties for that position. A recent (fall 1983) reorganization in the County Commissioners' Offices requiring all department heads in that unit to report to a single administrator instead of individually to each of the County Commissioners was a marked improvement over the situation that existed during the fiscal year 1983.

In certain areas some minor adjustments of the organization may be required and some positions need new, written job descriptions as noted in our detailed comments.

Our major recommendation concerning organization is that the County would benefit from providing certain administrative functions from a centralized staff. These include purchasing, personnel, budgeting and accounting/auditing. The benefits would include elimination of duplication of effort at both the functional unit level and at the Commissioners' Offices; the ability to attract professionals to the centralized positions; and, the ability to expedite paperwork and action that now gets delayed.

Personnel

Most of the personnel have worked for the County for several years. They are experienced and, in general, have a good constructive attitude toward their jobs. They, like all of us, want to be respected for the work they do. For the most part they are sincerely interested in providing service to the public.

However, the very fact that a majority of the personnel have worked several years for the County creates a problem. Paid time off accumulates with seniority. This policy allows people to be out more often than most other industries. To compound this further, overtime is generally "paid" with compensatory time off. When an employee is out with paid time off, another employee is asked to work overtime to cover. Then that employee has time off for the overtime and another employee is asked to work overtime to cover, etc., etc. We feel the efficiency of the various functional units could be improved if the paid time off and compensatory overtime policies were reviewed and revised.

Most department heads felt they were understaffed. In some cases these remarks seemed fully justified since volume levels had increased while staff levels had decreased. In other areas changes in personnel policies and investment in modern equipment could allow a proper level of servicing without increases in staff.

The recent reclassification of personnel is not popular, especially in staff positions. This should be reviewed and the rationale should be better communicated to the employees.

Productivity

Based on our observations, productivity could be increased significantly by investment in modern technology and equipment.

Tremendous amounts of paperwork are generated throughout the County - especially in the Sheriff's and County Hospital's areas. There is duplication of certain "core" information on one manually prepared form after another. Use of word and data processing equipment - especially a compatible network that could share and pass data back and forth - would produce significant savings in preparation time, access time, report preparation time and equipment filing requirements.

Most of the County's heaviest used equipment (copiers, cameras, etc.) is old and substantially worn out. This translates into frequent work interruptions for repairs.

Major equipment systems (electrical systems at the Hospital and Cambridge Registry and the boiler at Billerica) are reported to be in need of replacement. We understand that problems with these systems creates inefficiencies and interrupts service to the public.

Productivity (Continued)

A comprehensive review and needs analysis should be taken of all County functional units' equipment. The resulting listing of needs will most likely represent a significant capital investment. The Advisory Board and Middlesex County cities and towns should be informed of the needs so proper planning of a prioritized phased program of replacement and improvement can take place.

Environment

The working environments vary from location to location. The Cambridge offices are nice, new and reasonably uncrowded. The Registry offices in Lowell represent the opposite conditions.

The Registry in Cambridge is poorly ventilated (especially the areas using chemicals), the House of Correction in Billerica is crowded and also has ventilation problems, and the Hospital has problems with both the heating and ventilation. Some buildings are not maintained or cleaned as well as they should be.

All of these conditions impact on both the public perception of County government and on employee morale and efficiency.

A master plan should be developed to renovate or replace inadequate facilities and a phased program of implementation initiated.

Response (Bill Schmidt, Chairman - Middlesex County Commissioners)

I would like to respond to the observations noted in the draft version of the Main Hurdman management audit; an audit which I believe to be, by and large, a very accurate and useful piece of work. I shall attempt to answer each of the observations put forth in the draft on a point by point basis.

Organization

a. All positions currently in the county commissioners' office budget have job descriptions written on them. These job descriptions are complete and available and have been since the reorganization.

b. The centralization of the county purchasing, accounting auditing and budgeting functions is currently being addressed. This is being accomplished primarily through a new purchasing/encumbrance policy which will be put in effect with the new fiscal year. In addition, the further reorganization of the Commissioners' Office, replacing the policy manager and executive assistants with a county administrator and assistant county administrator, will continue the process of centralizing authority.

c. The personnel functions will also be aided by this further reorganization. However, we have also instituted a revised personnel policy, the primary aim of which is to further centralize those operations.

Personnel

a. I fully agree with the arguments put forth by Main Hurdman concerning compensatory time. In order to eliminate the inefficiencies in this system it will be my position during next year's union negotiations that we buy this time back at a percentage of its value and institute strict management controls coupled with realistic budgeting for overtime pay.

b. The county will be commissioning an independent study of the personnel classifications in the county. I believe that this study will address any dissatisfaction felt with the recent in-house personnel reclassification.

Productivity

a. A computer feasibility study has been approved and funded and is expected to be initiated in early fiscal year 1985. Automation of the various county offices and functions is a primary concern. I am in total agreement with the Main Hurdman report in its observations regarding the potential benefits of increase computerization.

b. The need for replacement of the electrical systems at the hospital and Cambridge Registry and the boiler at Billerica is well known and are either being attended to already or will be commencing with fiscal year 1985.

Environment

a. A Capital Facilities Plan has been approved by the MCAB and will be implemented by the County Commissioners in fiscal year 1985. It is my belief that this plan will be a major step in addressing the recommendations of the Main Hurdman report concerning working environment.

In summary, the Main Hurdman report is a useful, constructive tool which has highlighted many of the positive and negative features of our operation in Middlesex County. In many of the areas which they have noted deficiencies we are taking remedial action. In those areas where we can accomplish more, we will, and in those areas where the report has noted positive progress I am delighted that our efforts to date have been recognized.

OBSERVATIONS AND RECOMMENDATIONS

County Commissioners' Offices

Observation

Throughout the fiscal year ended June 30, 1983, all line personnel in the County Commissioners' Offices were responsible to each of the three County Commissioners. This put these people in the sometimes difficult position of getting conflicting requests and/or having to prioritize their work for the three Commissioners.

In the early fall of 1983, this situation was corrected by the appointment of a policy manager. This new position provides a better organizational arrangement with each department supervisor receiving requests from, and supplying reports to, a single manager. The policy manager gathers the Commissioners' requests for information, assigns the work, sets priorities and reviews the results. This results in a smoother workflow and better employee morale. However, there are still a few positions for which job descriptions either are not specific or do not exist (i.e., legal counsel, policy assistant, workmen's compensation investigator).

Recommendation

We endorse this new organizational arrangement. The situation might be further strengthened if the policy manager could be appointed for a longer period, instead of the current rotational policy being used.

Job descriptions should exist for all line positions and should be reasonably specific about the duties to be performed.

Response

I am pleased to read Main Hurdman's endorsement of the reorganization of the County Commissioner's Office. We have recently, I believe, strengthened this reorganization by taking the Policy Manager out of the Chairman's Office and making him a County Administrator working only for the Board as a whole.

Job descriptions do exist for all positions currently in the Commissioner's Office.

Observation

Although most department heads were only recently appointed, most (personnel, purchasing and auditing) expressed an immediate need for additional staff personnel. These concerns are difficult to evaluate without a more detailed study, but if the concept of a central core of services housed in Cambridge and available for all functional units of Middlesex County government is to become a reality, it is evident that either more and better equipment or more staff personnel, or both, will be required.

County Commissioners' Offices
(Continued)

Recommendation

A feasibility study should be conducted to determine the most practical and cost effective method of providing certain centralized services for all functional units. The concept of centralized services is characteristic of private sector management efficiency techniques. To a certain extent the public sector has utilized this concept in the functional areas of data processing, communications and human resource management. On surface evaluation, the development of centralized services for Middlesex County government seems to be a desirable goal. The direction and extent of these services, however, must be carefully evaluated.

Response

It is my hope that increased use of data processing equipment will alleviate much of the burden in areas where there are complaints about lack of staffing. However, it is hoped that through both our reclassification study and our computer feasibility study we may begin to identify where staffing is the only answer and to make whatever accommodations we can to address these situations. Wherever we are able to make address these issues adequately, centralization will remain an important goal.

Observation

There is no employee orientation manual or handbook of rules and regulations.

Recommendation

The production of an employee orientation manual would help standardize employment practices and save time in the training of new employees.

Response

An employee handbook is being prepared by the personnel director.

Observation

The centralized purchasing function is creating a bottleneck in the processing of the functional units' requests for goods and services.

Recommendation

Evaluate the need for the originating unit, the centralized purchasing staff, the auditor, and the Treasurer's Office each to review the statutory requirements for advertising and obtaining quotes/proposals on work and subsequently tracking purchases on state contracts. This multiplies the work required to purchase goods and/or services by a factor of four. Furthermore, modern electronic data and word processing equipment should be considered for this operation. It could reduce processing time significantly.

County Commissioners' Offices
(Continued)

Response

The observation of a bottleneck in the Purchasing Department is the direct result of our efforts to centralize core services as indicated above. By instituting our encumbrance system, and by requiring uniform, centralized purchasing, we greatly increased the workload in this area. I anticipate that this problem will be ameliorated or eliminated with the installation of up-to-date data processing equipment, as well as the possible necessity of reallocation of personnel.

Observation

More extensive use of state contracts would cut down the work load in the purchasing function and might produce cost savings.

Recommendation

The purchasing procedure for all units should include a required consideration of existing state contracts for all purchased items. This could be facilitated by use of electronic data processing equipment.

Response

With properly programmed equipment we will be able to evaluate all items in light of existing state contracts, although there are many cases where state contracts are not the least expensive way for us to purchase needed supplies.

Observation

Equipment in many of the Commissioners' Offices is undersized and/or technologically obsolete. Specifically the purchasing department's copying equipment, the legal counsel filing equipment, and the extension director's printing equipment.

Recommendation

The benefits of the reorganization of the Commissioners' Offices and upgrading of the personnel therein will be significantly diluted if the proper equipment to do the job efficiently and cost effectively is not provided. Again in this area modern electronic data and word processing equipment should be considered before extensive expenditures are made for possibly out-of-date conventional equipment.

Response

It is my hope that the computer feasibility study will give us a better idea of where our deficiencies are. At the very least, it should give us some idea of what areas will need additional equipment support outside of computers.

County Commissioners' Offices
(Continued)

Observation

The Cambridge offices are modern, well lighted, with adequate space and are generally comfortable. However, the lack of petitions adversely impacts on the program director and his staff; the separation (by many floors) of the administrative assistant to the Superintendent of County Buildings creates inefficiencies; and the storage of large amounts of obsolete paper and forms clogs up the stockroom.

Recommendation

The environmental changes required to correct the situations noted in the above observations should be considered and acted upon.

Response

Partitions and space requirements are on an on-going source of concern to me. I am certain that further discussion of this topic will result in acceptable solutions.

OBSERVATIONS AND RECOMMENDATIONS

County Treasurer's Offices

Observation

The Treasurer's Office operates in an efficient manner, with a minimum number of staff personnel. We understand that while most of the staff have many years of practical experience, there is no one who is professionally trained in accounting (other than the Treasurer who has since resigned). The long-term illness of the Assistant Treasurer has required the remainder of the staff to "cover" the duties normally performed by that person.

Recommendation

There should be a professionally trained accountant on the Treasurer's staff. While a lean staff is cost effective, care should be taken not to get so "thin" that there is not enough staff to cover essential services when one or more people are out. Staff personnel should be cross trained to be able to cover each others work.

Response

The Assistant Treasurer has returned to work. He is professionally trained in accounting, and since his return we have begun cross-training personnel in the various functions of the Treasurer's office.

Observation

The County presently utilizes the Retirement Board's computer system to prepare payroll and accounts payable reports. We understand from our interviews that the computer is operating near its capacity. This sets up a potential problem if either (or both) the Retirement Board and the County wish to expand the size of their records.

Recommendation

As in other areas, it would appear that more of the County's books and records could be automated and processed in a more timely and efficient manner. The County should conduct a needs assessment for all of its functional units to determine the tasks that could be done more efficiently on an automated basis and obtain an estimate of the potential volume levels involved.

Response

We have an appropriation for the purchase of a component to expand the present capacity of our computer and with this expanded memory the computer should be able to handle expected demands for the next three to five (3 to 5) years.

Observation

Personnel cards are maintained in the Treasurer's Office that include data that could be utilized by the personnel section of the Commissioner's Office.

County Treasurer's Offices
(Continued)

Recommendation

The County should consider the use of a personnel system utilizing electronic data processing equipment. A common data base could be established and shared by all those functional units with a need for such information. With appropriate security, such a system would eliminate duplication of effort while allowing maximum use of data in the County's files.

Response

The County Treasurer's Office is prepared to cooperate with all county departments relative to access to records on file in the office.

Observation

Time is spent each week to audit (verify) the time sheets and bill schedules turned in by departmental personnel to ascertain validity of persons on the payroll and vendor's prices to contracts.

Recommendation

An electronic data processing system could edit check weekly input against established master files for valid employees and contracts. This could save significant amounts of time, expedite the processing of warrants and probably be more accurate than human visual comparisons.

Response

Our computerized payroll system for the county already operated in this manner. We will begin implementing this procedure for the County Hospital immediately.

Observation

The same accounting clerk signs and mails checks, prepares bank reconciliations, and enters data into the computer for all checks voided, cancelled and reissued.

Recommendation

Good internal accounting control dictates the separation of certain functions. The person who signs the checks should not mail them. A person with responsibility for preparing bank reconciliations should not have duties that allow him/her to void, cancel and reissue checks.

County Treasurer's Offices
(Continued)

Response

The accounting clerk signs all checks to be disbursed. She also handles cancel, void and reissue checks, but there are two (2) other persons who must sign or initial all checks, cash balances, voided, cancelled or reissued checks before they leave the office. The check signer has a mechanical counter that is verified, before and after, each payroll check is signed. Also, two (2) other clerks keep a ledger with the date of payroll, checks used and number of signers used. All voided checks are signed by two (2) clerks and the chief accountant and/or assistant treasurer. Three (3) clerks keep balances of each active account, independent of each other, and the chief accountant or assistant treasurer check daily with each clerk to verify the bank balances.

Observation

There are no formal procedures for requesting or approving new computer applications or enhancements to existing computer applications. Requests, usually verbal, are made to the programmer who determines priorities then codes, tests and documents the application.

There is little formal documentation for many of the programs used by the Treasurer's Office.

All system backup is maintained in one vault in the same building as the computer.

Recommendation

Standards should be adopted for the handling of computer programming requests that require: written requests; approval of an appropriately authorized person/committee; coding and testing methodologies; formal user acceptance; and timely documentation.

Existing programs being currently used should be properly documented to allow full understanding of their functions and to allow any subsequent changes to be made properly.

At least one copy of the computer backup files should be maintained in a vault off the premises in case of an emergency situation at the computer site.

Response

We acknowledge the observations and recommendations and have begun to formalize the procedure for development and documentation of computer programs.

County Treasurer's Offices
(Continued)

Observation

The County is not currently utilizing encumbrance accounting procedures.

Recommendation

Better accounting control can be effected by use of encumbrance accounting. Commitments can be quickly and easily determined and compared to appropriated and expended funds.

Response

Programming for a county wide encumbrance system is complete. Implementation of this program is underway.

Observation

Concerns were expressed by various County Departments as to the proper procedure required of them by the Treasurer's Office for the efficient processing of warrants. Specifically, when one or more items on a warrant is rejected what is the proper procedure required to resubmit and subsequently receive timely consideration. Also, what is the procedure to effect prompt payment of the remaining, valid, items on a multi-item warrant which includes a rejected item(s).

Recommendation

Written notification of warrant related processing procedures should be provided to all County Departments.

Response

The above observation and recommendation was discussed with the County Treasurer. He agreed to issue written warrant processing procedures, although he is of the opinion that these procedures are understood by the appropriate County Departmental personnel.

OBSERVATIONS AND RECOMMENDATIONS

County Sheriff's Offices

Observation

All departments at both the Cambridge and Billerica facilities have a great deal of paperwork to process daily. Almost all paperwork is done manually. A few micro computers have been acquired, but very few persons have been trained in their use.

Recommendation

A thorough study should be made of the amount of paperwork prepared, processed and filed within the Sheriff's department. This study should consider what information can be stored in a data base of a centralized electronic word and data processing system and accessed by various departments on a "need-to-know" basis. Since a significant amount of information on all the manual paperwork is "common data" (e.g., name, number, etc.) substantial savings in preparation time probably can be realized.

Response

The amount of paperwork processed by us is indeed high. It should be noted, however, that inmate record information is protected by Massachusetts statute and in our view should not be part of the County wide electronic work and data processing system. We have had micro-computers for approximately ten months and have trained all but three people who would be using these machines on a regular basis. We heartily agree that certain personnel and accounting data could and should be sharable County wide.

Observation

Many department personnel expressed that they were understaffed for the work required. Some of these departments, and other departments as well, complained about their equipment or the lack of equipment. The equipment in many departments is old and substantially obsolete. Examples of equipment requiring replacement include the trucks and boiler at Billerica. Examples of needed equipment include teletype, data and word processors, files, and walk-in refrigerator.

The personnel/equipment deficiencies are related. There is a tremendous amount of paperwork currently being manually processed. This results in an inappropriate amount of paperwork processing time and a reduction in productive operational time on a number of staff levels. The lack of proper equipment to improve productivity further adds to the problem.

Recommendation

An overall review of the current paperwork is needed to determine what is really necessary and what type of equipment is required to process that needed information efficiently.

County Sheriff's Offices
(Continued)

Response

We certainly endorse your comments that certain areas may be understaffed and certain equipment needs to be replaced. We also recognize that everything is relative and in recent years both the Commissioners and the Advisory Board have supported our efforts at improvement in both these areas. The teletype equipment has been installed in both Cambridge and Billerica and is fully operable as of this writing. New files are being purchased yearly and there seems to be a fairly reasonable replacement system for vehicles now. Finally, we would site the need for a new generator as more important than a new boiler.

Observation

The County sick and overtime policies create problems. Allowing staff to take time off instead of paying it only creates the need for more overtime to cover the positions of the absent personnel.

Recommendation

Review the policy for sicktime and overtime and consider paying for this type of time instead of having employees take time off.

Response

Generally speaking, we pay for most overtime worked. There is, however, a minority of officers who prefer to take time owed. Our current thinking is to eliminate this option as of July 1, 1984.

Observation

Personnel in several different departments stated that the present purchasing system specifically as it applied to contracts took too long. Contracts requested seem to get bottlenecked in the Commissioners' Office purchasing area.

Recommendation

Consider the installation of a centralized electronic data processing system which could have requests entered at the departmental level and verified at the centralized purchasing level.

Response

We are in agreement with a centralized system to process purchase orders. We also believe that a streamlined system for awarding contracts is essential. Frequently, there is a four month period between drawing up specifications and the actual mailing of an award letter to a vendor. This is unfair to departments and vendors alike.

OBSERVATIONS AND RECOMMENDATIONS

County Registrar of Deeds Offices (Cambridge and Lowell)

Observation

Both Cambridge and Lowell are operating with much equipment that is over ten years old. Repair parts are now becoming hard to obtain. Frequent breakdowns make for inefficient operations.

Recommendation

Take an inventory of all equipment and review for old items. Consider alternate methods of processing. Prepare a priority list of necessary replacement equipment and establish a procedure for replacing a portion of the equipment each year on a rotational basis.

Response - Cambridge

There is no question that equipment at the Registry is old, outdated and in disrepair. My staff and employees have done a good job keeping the equipment operable. Each budget year, since I have been Register of Deeds, we have given priority to our needs regarding equipment and, for the most part, have not succeeded in obtaining necessary funds to repair or replace the equipment. The last few years, we have been able to obtain new equipment, but, as you suggest, more is needed. An inventory including updating has been in force. Reviewing for old items will be effected.

Observation

Both registry facilities are older buildings and environmental conditions (especially heating and ventilating) are less than adequate. This impacts on employee productivity and is energy inefficient.

Recommendation

Continue to improve the energy efficiency of these buildings and consider the phased acquisition of air conditioners to improve the working environment.

Response - Cambridge

I agree with these findings and recommendations regarding the environmental conditions and lack of cleanliness of the Cambridge Registry. These conditions have a direct impact on employee morale and productivity. Because of the inadequate electrical system, we have new air conditioners that have not been taken out of their packing crates because the system will not accept additional electrical loads. The repair of existing windows and the addition of storm or double glazed windows would save the County countless dollars in heating costs.

County Registrar of Deeds Offices (Cambridge and Lowell)
(Continued)

Observation

There is currently a duplication of effort expended by entering data at both the document reception area and in the index/data processing areas.

Recommendation

Consider the use of modern word/data processing equipment which would allow the single entry of data into a data base which could then be shared with other departments needing this information without a duplicate data entry step.

Response - Cambridge

There really is no duplication expended between document reception and data processing because there is a dual requirement in the reporting output. However, with the acquisition of a new and updated data processing system, which is imminent, there will be no dual requirement.

Observation

Many department personnel expressed that they were understaffed. Volume has increased significantly (over 25%) and staff has been reduced. Work is backlogged - almost 50 days at the time of our visit. A recent reclassification of employees is also unpopular, especially with the women and lower level employees. This has created a definite morale problem in Cambridge. Coupled with the perception of being understaffed, the situation may lead to heavy turnover of the staff personnel. If that happens the service will fall further behind and costs of hiring and training new personnel will increase.

Recommendation

Review the recent reclassification policy. Communicate to County employees pertinent rational for changing the prior classification structure and the advancement opportunities that are now available.

As in other areas, the staffing level concerns must be evaluated with the equipment situation. It is probable that significant increases in productivity can be accomplished without staff increases if an investment is made in new modern equipment.

Response - Cambridge

There is no question that the recent personnel reclassification system is unpopular. That, compounded by a decrease in staff levels and a huge increase in recordings and registrations, has created a morale problem. The introduction of new equipment will have a marginal effect on this problem. The County Commissioners and the Advisory Board must address these problems by an increase in staffing and greater pay incentives to the existing employees.

County Registrar of Deeds Offices (Cambridge and Lowell)
(Continued)

Observation

Equipment used in the "data processing" department is old and breaks down often. Furthermore, it often reaches its capacity and operations are slowed down while it is backed up and cleared.

Recommendation

Review this department's equipment needs as part of a greater needs analysis study of the entire registry function.

Response - Cambridge

As indicated above, the introduction of an updated processing system is imminent and will directly address this problem.

Observation

Most of the equipment used by the reproduction services department is twenty or more years old. Spare parts are becoming hard to obtain. Both copiers are in bad shape. Ventilation in areas using chemicals is very poor.

Recommendation

Review this department's equipment needs as part of a greater needs analysis study for the entire registry function.

Response - Cambridge

As discussed earlier, as long as the Advisory Board funds our budget requests, this problem will eliminate itself over a period of time.

Observation

The plan department has a new camera that will significantly increase productivity, but it had not been operational for several months prior to the time of our visit because necessary supplies and materials could not be acquired due to budgetary limitations.

This department also has problems with the ventilation (chemical vapors), the electrical supply (at capacity - cannot take any more load) lack of adequate space (very crowded) and a need for a key station to do the indexing of cards.

It was explained to us that although the law requires that original plans be microfilmed, there are approximately 63,000 plans covering the period of 1928 to 1962 that never have been done.

County Registrar of Deeds Offices (Cambridge and Lowell)
(Continued)

Recommendation

Equipment needs should be reviewed as part of an overall needs assessment. The budget should be reviewed to free up funds to acquire materials and supplies needed to operate the new camera that will increase department productivity.

If in fact the County has a legal requirement to have a significant number of plans microfilmed it should explore its alternatives and get the work done in the most economical and timely manner.

Response - Cambridge

At the time of Main Hurdman's visit, there was a problem obtaining supplies for the new 3M Camera Processor in the Plan Department, however, this has been eliminated by the acquisition of the necessary supplies. A concerted effort will be made to microfilm all the plans on record and the new camera will aid this effort tremendously. Unfortunately, because of the understaffing and increase in recordings and registrations, employees of the Plan Department, have been utilized in other departments to assist in the backlog. I expect that when the backlog is decreased, the microfilming of plans will continue to increase.

Observation

Land Court in Cambridge has approximately a one year backlog in certificate writing.

This department also feels it needs more space to operate efficiently.

Recommendation

Consider use of temporary personnel or more permanent, properly trained personnel to break the backlog.

Review the equipment and space needs as part of an overall needs assessment of the entire registry function.

Response - Cambridge

The recommendation regarding the use of temporary personnel in the Land Registration section is not feasible. There are few, if any, personnel on the outside that would be familiar with the specialized type of work performed in this department. It would take at least six months to train new employees to the point where they could perform the jobs with limited supervision. Since the current employees would have to do the training, this would increase the backlog. The only alternative would be to hire temporary or permanent personnel to perform tasks requiring less training, and use the employees replaced, who are familiar with the work in the Land Registration Office, to assist in the backlog.

The space problem is one that is common in the whole building. Unless we initiate microfilming on a large scale to provide the microfilm reader/printers, we will have to continue to utilize the record books and original instruments.

County Registrar of Deeds Offices (Cambridge and Lowell)
(Continued)

Observation

All departments of the Lowell Registry are very crowded and all equipment used there is old and basically worn out.

Recommendation

Evaluate the space and equipment needs of the Lowell Registry. It is evident that improvements in these areas would improve service to the public and make the operations more efficient and cost effective.

Response - Cambridge

This addresses problems at the Lowell Registry.

Observation

Glass in some cases at the Cambridge Registry is cracked. A serious injury could result if this breaks from persons pressing against it to read the index strips.

Recommendation

Replace damaged glass for the safety of both the public and the employees.

Response - Cambridge

The glass in the index cases is old and cracked, but it is safety glass and not likely to cause any injuries. These cases will be eliminated as soon as we have implemented the new data processing system.

OBSERVATIONS AND RECOMMENDATIONS

Hospital

Observation

Middlesex County Hospital has a very large amount of paperwork - well over two hundred separate forms. Most of these utilize a core of common information (e.g., patient name, location, date of birth, etc.) Most of these forms are manually prepared, requiring large expenditures of time. The storage of all this paperwork requires many file cabinets and much space.

This situation is common in all departments throughout the Hospital.

Recommendation

A comprehensive study should be made to determine what information is necessary. The automation of the preparation of these records (via word and/or data processing equipment) should be seriously considered since significant advantages could result from its use - in both the medical and business areas.

Observation

Another universal condition affecting all departments was the uneven heating and ventilating at the Hospital. This is not good for the patients and creates a less than pleasant environment for the employees to work in. This will indirectly be reflected in the employee's productivity.

It was also brought to our attention that the electrical service at the Hospital is not capable of increased loads necessitated by some equipment.

Recommendation

A survey of major capital improvements that may be necessary should be taken and consideration given to the alternatives available to meet these needs.

Response

We understand from subsequent talks with the Director that capital improvements are being considered and some have already been budgeted.

Observation

The Department of Communication Disorders has problems administering its services to patients because of the lack of space to properly set up testing equipment, store inventory, and the lack of soundproofing.

Recommendation

The situation cited should be reviewed so the Hospital can better service the patients and obtain the most efficient use of its resources.

Hospital
(Continued)

Observation

Ward secretaries work exclusively in the wards, yet are administratively responsible to the medical records department.

Recommendation

Consider having ward secretaries responsible to ward nurses. Better supervision would be possible and perhaps productivity would be increased.

Observation

The turn-around time needed to purchase goods is a problem. This is the result of the current purchasing system and bottleneck delays at Central Purchasing in the Commissioners' Office.

There is a shortage of filing space in the purchasing department.

Recommendation

Evaluate the need for multiple departmental compliance edits required by the current purchasing system.

Consider use of electronic data processing equipment for processing and storing purchase orders and related information.

Observation

The "comp time" policy in effect works against efficient operation of the food service area.

There is not an effective preventive maintenance program currently in place at the Hospital. Such things as the cleaning of the drains in the food service area or the repair of the food tray trucks are not done on a periodic basis. This creates emergencies that disrupt the efficiency of the food service operation.

The food service director expressed concern over a continuing pest problem.

Recommendation

Review the entire "paid time off" policy and consider the payment of overtime to prevent an adverse impact on operations from employees taking their earned time off.

Have drains and tray trucks checked on a regular basis. Management should review all areas and establish a new comprehensive preventive maintenance program.

Direct the outside exterminators attention to the situation noted by the food director.

Hospital
(Continued)

Observation

Personnel department has very limited filing equipment and space.

There is no waiting room or area for applicants to use.

The telephone offers no ability to hold calls and is not "private".

Recommendation

Review the space situation and provide adequate filing facilities to allow personnel to do their job efficiently.

Provide an area where applicants can complete forms and wait for their appointment.

Provide a line that is "secure" so that confidential personnel matters can be talked about without concern for others that may be listening in.

Response

Our subsequent discussions with the Director indicated this recommendation has been implemented.

Observation

Present data processing equipment is underutilized, but the Hospital spends about \$60,000 per year on an outside service bureau to process patient accounts. Some of the reports produced on the in-house equipment are summarized manually into a condensed report which is distributed to management.

Recommendation

Review the data processing situation to determine the reason for the low utilization and if work currently sent to outside service bureau can be done internally. This review should be part of the comprehensive study of word and data processing needs of the County government.

Obtain technical assistance to modify reports into usable form and save the current manual summarization processing time.

Observation

A clerk in the general accounting department spends time each month preparing and submitting Hospital statistics to a service bureau for industry comparison reports. The Hospital pays \$225 per month for these reports. However, those interviewed did not know who uses these reports, if anyone.

Hospital
(Continued)

Recommendation

If this report is not useful, discontinue it.

Response

Subsequent discussions with the Director indicated that these are valuable management resource documents used by the Hospital's administration.

Observation

The same data sent to the Treasurer's Office for preparation of payroll and vendor warrants is also entered into the Hospital's computer.

Recommendation

This duplication of data entry effort could be eliminated if the County's data processing system(s) were coordinated so data could be passed between functional units. This situation underlines the advisability of a county-wide study of word and data processing needs.

Response

Our subsequent discussions with the Director revealed that the Treasurer's Office reports are prepared on a statutory reporting basis and the reports prepared at the Hospital are in a different format required by authoritative health care pronouncements and guidelines.

Observation

Some department heads questioned budget reports, stating that their own informal records did not agree with those distributed.

There were also requests for more participation and discretion in budget cuts.

Recommendation

When department heads feel they must spend their time keeping informal records of their departmental expenditures they obviously are not being as productive as they could be. A complete budgetary control reporting system utilizing encumbrance accounting should be seriously considered.

Department heads should be involved in decisions on both the preparation and any subsequent adjustments of budgets for their area. They will often best understand where any necessary reductions should be made.

Observation

The form used for indicating changes (C-13) for personnel does not indicate that a responsible member of management has approved and authorized the change.

Hospital
(Continued)

Recommendation

Require the appropriate authorized person to formally indicate approval of all changes concerning personnel by signing the change request form.

Response

The Director indicated that other personnel forms (CP2, CP3, CP4) having appropriate authorizations are generally used in addition to Form C-13. Nevertheless, proper approvals will be noted on C-13 forms in the future.

Observation

Current inventory practices in both the lab and pharmacy are very informal. There are no listings of standard items and no reorder levels are established. If the person working in those stockrooms fails to note that an item is getting low, there is a danger that outages can occur and it may take some time to reorder and receive the goods.

Recommendation

A listing of inventory items (at least key items) should be prepared with minimum stocking levels indicated. This could be used by stockroom personnel when items are issued as a checklist to be sure those items are reordered, on a timely basis, when they reach the minimum levels indicated. On a broader scale, the implementation of a materials management system would encourage better control and more efficient use of Hospital consumables.

Hospital billing, cash receipts and accounts receivable

In July, 1983, we issued our report on the results of a special limited audit of Middlesex County Hospital's patient accounts. This extensive report, previously issued to the County Commissioners, detailed numerous deficiencies in patient accounts and related areas together with our recommendations for improvements.

While action has been taken on some of these recommendations, most of them are still applicable. We include those comments in this report by reference to our July, 1983 report.

Employee Concerns/Suggestions

In our discussions with various Hospital personnel the following concerns and/or suggestions were expressed. We report these, without comment, for your consideration.

- o The lack of continuity of administration reduces the efficiency of the Hospital.
- o The Hospital's image in the eyes of the public and other medical organizations is less than "first rate". This negative image makes the recruiting of professionals more difficult.

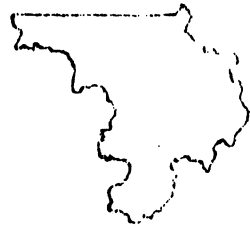
A public relations effort is needed to let people know of the good medical services that are available at the Hospital.

- o Because of the negative connotations associated with a "County" hospital, consider dropping the word "County" from the Hospital's name.
- o Because of the poor environmental conditions at the Hospital and the high cost of trying to improve them, it would be better to build a new, modern, cost effective facility.

County Advisory Board

SUPERIOR COURT HOUSE
EAST CAMBRIDGE, MASS. 02141

494-4113



3 May, 1985

x County Advisory Board Member:

a copy of the FY'83 Combined Financial Statements for
ex County and a copy of the Observation and
ations (Management Letter) for Middlesex County made as
this audit.

The Middlesex County Advisory Board's request, and with the
cooperation of the Middlesex County Commissioners, requests for
proposals were sought in 1983. Main Hurdman was contracted to
begin the audit in November, 1983.

Because the Middlesex County Retirement System is a separate
entity and not subject to the appropriating authority of the
Advisory Board, another audit firm was selected by the Retirement
System. Difficulties in accessing the records for the Retirement
System caused delays which, in turn, prevented Main Hurdman from
incorporating the Retirement System report into its own.

Both the financial statements and the management letter were
helpful to the Budget Committee of the Advisory Board in making
recommendations for the FY'86 budget.

Members of the Audit Committee include Beth Sutherland, (Lincoln,
Chairman), Harvey Beth (formerly Director, Bureau of Accounts),
Mayor Thomas Fallon (Malden), Peter Boyer (Watertown), David
Wilkinson (Newton), and George Baird (Lincoln). Representing the
County at audit committee meetings were Paul Blazar, County
Administrator, and William Gustus, Treasurer.

The FY'84 audit is being done, both for the Retirement System and
the County, by one firm and the results are expected by the close
of this fiscal year.

Sincerely,

Diane M. Norris, Coordinator
MCAB

17.

F-194

ane Norris, Coordinator, Middle-
Advisory Board enclosing a copy of
Combined Financial Statements for
County.

In City Council,

May 20, 1985

5/20/85

Placed on File