

**COÖS COUNTY
LEGISLATIVE DELEGATION**

**Report on
Agreed Upon Procedures
January 2010**

Report Supplement

DRAFT

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DRAFT

July 24, 2010

William Hatch
State Representative – Coös County
State of New Hampshire
Legislative Office Building, Room 202
Concord, NH 03301

Dear Bill:

Since the issuance of our report Coös County Legislative Delegation Agreed Upon Procedures, dated January 2010 and issued in February 2010, we have presented this report before the Delegation and County Administration on March 5, 2010 and with the Delegation only on April 19, 2010. Both meetings offered spirited debate on the issues raised in our report.

At these meetings we were provided with additional information by the County Administrator which changes the content of some of our report findings. They do not, however, change the overall financial, internal control or operational opinions expressed in our report.

As you might recall, when we were drafting our report, we suggested to the Delegation that the County Administrator meet with us to review our comments and findings prior to its issuance. Unfortunately, such a meeting could not be arranged with the County Administrator and the Delegation requested that we finalize and issue our report in the interest of expediency.

Included in the attached Supplement are representations of report items in their original text along with representations inclusive of further information relevant to them received after the report's issuance. The Page number and Report Area of the original text are also included.

There may still be several issues where the County Administrator, or others, disagree with our findings or comments. In our Agreed Upon Procedures we did inquire of processes and transactions by the most senior County representatives in charge of accounting or operational areas (see attached list of Coös County Officials Interviewed) and made many of our report findings based on representations of and observations with these officials.

We apologize for our part in any confusion this editing process has caused which may have taken the focus of some readers off the many findings and issues found in the report that need to be addressed by the County or are of value to it. We hope this effort and report supplement have sufficed the request of the Delegation.

Sincerely,

Melanson Heath & Company, PC
Certified Public Accountants

DRAFT

**COÖS COUNTY LEGISLATIVE
REPORT SUPPLEMENT ON AGREED UPON PROCEDURES
JANUARY 2010**

Page Report Area

5 Background

Original Text:

"County employees at the beginning of January 2009 were as follows:

	<u>Full Time</u>	<u>Part Time</u>	
is PT County Administrator		2	Sue Collins
used PT" County Farm	3	4	Inmates

As a result of further information we received after our report issuance, our comment on this issue is:

County employees at the beginning of January 2009 were as follows:

	<u>Full Time</u>	<u>Part Time</u>	
is PT County Administration		2	Sue Collins
County Farm	3		

Page 8 Executive Summary: Finance Manager for the County

Original Text:

"There are numerous instances noted in this report, such as the financial statement reporting issues noted above, where the absence of a competent Finance Manager for the County has left the County in need of significant fiscal repair".

As a result of further information received on this matter obtained at (2) Delegation meetings since our report's issuance, our comment on this issue is:

There are numerous instances noted in this report, such as the financial statement reporting issues noted above, where the absence of a Finance Manager for the County has left the County in need of better fiscal management, financial reporting, operational oversight and internal control restoration.

Page 12 Internal Control Evaluation: Tax Receivables

Original Text:

“UP tax collection involves the receipt of both cash and checks. It was reported that very rarely are taxes paid by check. The UP administrator receives both cash and checks from taxpayers, although she only deposits the checks, and posts to the taxpayer records. She reportedly gives the cash to the AR clerk who makes a deposit for it.

Ideally, cash/checks should not be received for deposit by the person updating the taxpayer records; in particular cash should not be received, if only to pass it along for others to deposit.”

As a result of further information we received after our report issuance, our comment on this issue is:

The UP Administrator (CA) receives checks from taxpayers and gives them to the UP clerk to deposit. The UP clerk prepares the deposit on a daily basis, mails the deposits to the bank and posts its receipt the general ledger. It was also reported by that the UP Administrator (CA) has the authority to post to the AR module.

The tax receipt process must insure that person(s) receiving either taxpayer checks or cash against tax receivables should not also be able to post to taxpayer accounts or the general ledger.

Page 12 Internal Control Evaluation: Accounting and Finance

Original Text:

“The County Administrator and others have access to the full suite of applications (accounts payable, payroll, fixed assets, fund accounting) in the Business Management System (BMSI) fund accounting system, including the general ledger module. The County Administrator also has access to the accounts receivable application which is internally developed. The BMSI system has the

ability to restrict user access by module but this has not been implemented; which allows users access to accounting modules that are not in their area of responsibility, which is a control weakness.

Ideally, the County Administrator (CA), who has the ability to create and execute accounting transactions in all accounting modules, should not also be able to enter those transactions without review. The CA advises us that there are approximately 15-20 adjusting journal entries made monthly which require her making them in the general ledger. This would present a segregation of duties (SOD) (See Note below) control issue. Having a Finance Director recording accounting entries, and not the CA, would be a more controlled accounting environment. In addition, segregating access of users within BMSI is a relatively easy way of improving controls over accounting applications."

As a result of further information we received after our report issuance, our comment on this issue is:

The County Administrator reported that she has access to the general ledger application in the Business Management System (BMSI) fund accounting system. The County Administrator also reported that she has access to the accounts receivable application which is internally developed. The BMSI system has the ability to restrict user access by module but this has not been implemented; which may allow user access to accounting modules that are not in their area of responsibility, which is a control weakness.

Ideally, the County Administrator (CA), who has the ability to create and execute accounting transactions in the GL module, should not also be able to enter those transactions without review. The CA advises us that there are approximately 15-20 adjusting journal entries made monthly which require her making them in the general ledger. This would present a segregation of duties (SOD) (See Note below) control issue. Having a Finance Director recording accounting entries, and not the CA, would be a more controlled accounting environment. In addition, segregating access of users within BMSI is a relatively easy way of improving controls over accounting applications.

Page 13 Internal Control Evaluation: Accounting and Finance

Original Text:

"In the accounts payable module of the BMSI system there is a vendor master file which is used to set up vendors in the system to be paid. Currently, both the accounts payable clerks and the CA reportedly have the ability to create new

vendors in the vendor master file, an ability which they should not have as it creates an SOD issue and control weakness. Vendor master file changes should be made by someone outside of the accounts payable function (i.e. purchasing) and not by the CA."

As a result of further information we received after our report issuance, our comment on this issue is:

In the accounts payable module of the BMSI system there is a vendor master file which is used to set up vendors in the system to be paid. It was reported to us by the CA that the accounts payable clerks have the ability to create new vendors in the vendor master file. They should not have this capability as it creates an SOD issue and control weakness. The CA acknowledges this. Vendor master file changes should be made by someone outside of the accounts payable function.

Page 14 Internal Control Evaluation: Accounting and Finance

Original Text:

"The County Cash Book provides a complete trail of receipts, deposits and cash and payroll disbursements. There are currently 30 cash accounts with 22 banks; including 8 sub accounts. The CA has the authority to make adjustments in the cash book and oversees the bank reconciliation process each month which is performed by several individuals. While the CA does not believe there are any SOD issues in who is currently performing bank reconciliations she believes this could be an issue. Her ability to make adjustments to the cash book may also present an SOD issue."

As a result of further information we received after our report issuance, our comment on this issue is:

The County Cash Book provides a complete trail of receipts, deposits and cash and payroll disbursements. There are currently 30 cash accounts with 22 bank reconciliations; including 8 sub accounts. The CA has the authority to make adjustments in the cash book and oversees the bank reconciliation process each month which is performed by several individuals. While the CA does not believe there are any SOD issues in who is currently performing bank reconciliations she believes this could be an issue. Her ability to make adjustments to the cash book may also present an SOD issue.

**Page 19 Financial Statement Analysis: Review of FY 2008 and FY 2009
Revised Budget Operations**

Original Text:

"Farm costs have escalated in the cost of fuel for vehicles, cost of feed, sawdust (used to be supplied free by closed Ethan Allen factory) fertilizer. County Administrator reports that the farm is "treading water" in terms of sustainability."

As a result of further information we received after our report issuance, our comment on this issue is:

Farm costs have escalated in the cost of fuel for vehicles, cost of feed, wood chips and fertilizer. County Administrator reports that the farm is "treading water" in terms of sustainability.

Page 22 County Administrator's: Management Practices

Original Text:

"Ms. Collins is a capable and dedicated administrator. She handles many responsibilities within the County and the Commissioners and other management staff in the Nursing Homes and County Offices acknowledges this. She has over 25 years experience (knowledge skills and abilities) in various County roles, including 15 years as County Administrator (since 1994). In December 2008 she officially retired, with a State pension, from full time status in her responsibilities. She agreed to stay on in a part time status (32 hours/week) keeping her same responsibilities, except for her role as CCNH Administrator where a replacement had been hired. She did however pick up responsibilities as Acting Superintendent of the Department of Correction (DOC) in 2009. She currently is 62 years old and her reported plans, at this time, are to retire fully from County service at age 65."

As a result of further information we received after our report issuance, our comment on this issue is:

Ms. Collins is a capable and dedicated administrator. She handles many responsibilities within the County and the Commissioners and other management staff in the Nursing Homes and County Offices acknowledge this. She has over 25 years experience (knowledge skills and abilities) in various County roles, including 15 years as County Administrator (since 1994). In December 2008 she officially retired, with a State pension, from full time status in her responsibilities. She agreed to stay on in a part time

status (32 hours/week) keeping her same responsibilities, except for her role as CCHN Administrator where a replacement had been hired. She did however pick up responsibilities as Acting Superintendent of the Department of Correction (DOC) in 2007. She currently is 62 years old and her reported plans, at this time, are to retire fully from County service at age 65.

Page 23 County Administrator's Office: Segregation of Duties (SOD)

Original Text:

"As she is both the CEO and CFO of the County, there appears to be a number of segregation of duties issues (SOD) concerning her role and responsibilities. Specifically:

- In the area of financial accounting and reporting, she executes transactions (i.e. County budget preparation, purchasing transactions including fixed assets, operating expenses, accounting and general ledger entries, legal contracts, human resource actions including salary and benefit transactions) and also control the financial reporting of them, including how they are reported in Medicaid reports, federal and state reportings and County financial presentations.*
- In her role as Town Manager for the County's 23 UP, she supervises that setting, collection and reporting of County taxes, and makes decisions on revenue and operating transactions and their financial reporting. (23 sets of financial statements). She currently has a staff person assisting in this position, and she allocates 8 of her 32 hours to responsibilities in this area.*
- She also supervises the IT department, and has access to all integrated County applications, including financial and reporting applications.*
- She also is responsible for developing and implementing a succession plan for her multiple responsibilities as she approaches retirement.*

It is unusual to see an executive position covering so many operational and financial responsibilities, and with as many SOD issues. As previously mentioned, there is a cost associated with providing the right level of staff to mitigate significant segregation issues as we have outlined."

As a result of further information we received after our report issuance, our comment on this issue is:

As she is both the CEO and CFO of the County, there appears to be a number of potential segregation of duties issues (SOD) concerning her role and responsibilities. Specifically:

- In the area of financial accounting and reporting, she executes transactions (i.e. County budget preparation, purchasing transactions including fixed assets, operating expenses, accounting and general ledger entries, legal contracts, human resource actions including salary and benefit transactions) and also control the financial reporting of them, including how they are reported in Medicaid reports, federal and state reportings and County financial presentations.
- In her role as Town Manager for the County's 23 UP, she supervises that setting, collection and reporting of County taxes, and makes decisions on revenue and operating transactions and their financial reporting. (23 sets of financial statements). She currently has a staff person assisting in this position, and she allocates 8 of her 32 hours to responsibilities in this area.
- She also supervises the IT department. The CA reported that she has access to the GL application in the BMSI software and to the proprietary AR application. She also reported that she does not have access to the payroll application. She further reported that she has access to the file servers but that she has not accessed them. In addition, as previously mentioned, it was also reported to us by both the CA and the IT Director that user access and security profiles for the BMSI and the AR applications have not been generated or reviewed. Without reviewing these profiles one cannot determine the true access and security levels of users and their internal control implications (SOD). This review needs to be performed.
- She also is responsible for developing and implementing a succession plan for her multiple responsibilities as she approaches retirement.

It is unusual to see an executive position covering so many operational and financial responsibilities, and with as many potential SOD issues. As previously mentioned, there is a cost associated with providing the right level of staff to mitigate significant segregation issues as we have outlined.

Page 25 County Administrator's Office: Hold on Full Time Hirings

Original Text:

"The County Administrator reported that for the last 2 years, the Commissioners have held the line on hiring any new full time employees in the County which

would add the incremental cost of healthcare to their overall wages and benefits. This is a reported cost of approximately \$20,000 per employee per year. An employee working more than a 30 hour week would be eligible for healthcare benefits. This has been a chronic issue with the Berlin Nursing Home (see Background section for FT and PT headcounts) who would like to have more of their employees full time as their peers are in the Coös County Nursing Home. The County Administrator reports that each year a headcount re-evaluation is performed in all departments for budget purposes, using a zero based approach.”

As a result of further information we received after our report issuance, our comment on this issue is:

The County Administrator reported that for the last 2 years, the Commissioners have held the line on hiring any new full time employees in the County which would add the incremental cost of healthcare to their overall wages and benefits. This is a reported cost of approximately \$20,000 per employee per year. An employee working more than a 30 hour week would be eligible for healthcare benefits. This has been an issue with the Berlin Nursing Home (see Background section for FT and PT headcounts) who would like to have more of their employees full time as their peers are in the Coös County Nursing Hospital. The County Administrator reports that each year a headcount re-evaluation is performed in all departments for budget purposes, using a zero based approach.

Page 25 County Administrator’s Office: Utilization of County Assets

Original text:

“As outlined in her job description as County Administrator, a requirement for the position is that she must live in the County’s house, near the Coös County Nursing Home, Farm and other County operations. It is expected that she will be available for emergencies and on-call, except when out of the area. The County home reportedly began its history in the 1974 when the then Superintendent of the County, Mr. Bouchard and his wife, who was the NH Administrator for the Coös County Nursing Home, both lived in the Coös County Nursing Home. In order to accommodate more residents in the Coös County Nursing Home, the County built the County home for their use on County property. Since then, the prior (Mr. King) and current County Administrator have lived at the home. The costs of heat and electricity and property upkeep are borne by the County. The County Administrator also has the use of a vehicle (four wheel drive) with gas, maintenance and fees borne by the County. This vehicle is used for County

business and the County Administrator reports that as a result she is expected to be on call 24/7 to respond to County emergencies when in the area.”

As a result of further information we received after our report issuance, our comment on this issue is:

As outlined in her job description as County Administrator, a requirement for the position is that she must live in the County’s house, near the Coös County Nursing Home, Farm and other County operations. It is expected that she will be available for emergencies and on-call, except when out of the area. The County home reportedly began its history in the 1974 when the then Superintendent of the County, Mr. Bouchard and his wife, who was the NH Administrator for the Coös County Nursing Home, both lived in the Coös County Nursing Home. In order to accommodate more residents in the Coös County Nursing Home, the County built the County home for their use on County property. Since then, the prior (Mr. King) and current County Administrator have lived at the home. The costs of heat and electricity and property upkeep are borne by the County.

Page 28 County Nursing Homes in W. Stewartstown and Berlin

Original Text:

“Coös County is the only county in New Hampshire with two nursing homes: the Coös County Nursing Hospital (CCNH) in W. Stewartstown, NH and the Berlin Nursing Home (BNH) in Berlin, NH. The CCNH was originally built in 1932 as an alms house for the poor; later converted to a hospital and now used exclusively as a nursing home. It has 97 available beds. Occupancy rates at CCNH are on average low, or about 77%, or approximately 75 residents. The BNH was built in the mid 1980’s to handle nursing home bed demands in the County that could not be met at the CCNH. It has 100 available beds. Occupancy rates at BNH are on average about 97%, or approximately 97 residents.”

As a result of further information we received after our report issuance, our comment on this issue is:

Coös County is the only county in New Hampshire with two nursing homes: the Coös County Nursing Hospital (CCNH) in W. Stewartstown, NH and the Berlin Nursing Home (BNH) in Berlin, NH. The CCNH was originally built in 1932 as an alms house for the poor; later converted to a hospital and now used exclusively as a nursing home. It has 97 available beds. Occupancy rates at CCNH are on average low, or about 77%, or approximately 75 residents. The BNH was opened in 1976 to handle nursing home bed demands in the County that could not be met at the

CCNH. It has 100 available beds. Occupancy rates at BNH are on average about 97%, or approximately 97 residents.

Page 28 County Nursing Homes in W. Stewartstown and Berlin: HR Practices, Compensation Levels and Staffing

Original Text:

"CCNH has approximately 77 full time employees and 70 part time employees. Part time employees receive no medical benefits. Full time equivalent (FTE) positions at CCNH are approximately 126 staff. For a break out of FTE positions by department, see Exhibit 4.

BNH has approximately 42 full time employees and 144 part time employees who receive no medical benefits. The cost of family medical benefits is approximately \$20,000 per employee and this, along with the number of full time positions, are closely monitored by the County. Full time equivalent positions at BNH are approximately 139 staff."

As a result of further information we received after our report issuance, our comment on this issue is:

CCNH has approximately 77 full time employees and 70 part time employees. Full time equivalent (FTE) positions at CCNH are approximately 126 staff. For a break out of FTE positions by department, see Exhibit 4.

BNH has approximately 42 full time employees and 144 part time employees. Part time employees who work less than 30 hours per week are not eligible for medical benefits. The cost of family medical benefits is approximately \$20,000 per employee and this, along with the number of full time positions, are closely monitored by the County. Full time equivalent positions at BNH are approximately 139 staff.

Page 28 County Nursing Homes in W. Stewartstown and Berlin: HR Practices, Compensation Levels and Staffing - Wages

Original Text:

"We also looked at selected comparisons between nursing and administrative positions (approximately 7) at CCNH vs. BNH, which were brought to our attention by the BNH Administrator. At issue was the seniority of certain

positions at BNH and the amount of their 2008 wages as compared with those similar positions at CCNH. It appeared that a number of these selected staff at BNH were paid wages disproportionate to their counterparts at CCNH, given their number of years of service. We believe that many of these concerns were a direct result of publishing County wages and recommend that the two nursing home administrators work directly together to address any seniority and wage related differences."

As a result of further information we received after our report issuance, our comment on this issue is:

We also looked at selected comparisons between nursing and administrative positions (approximately 7) at CCNH vs. BNH, which were brought to our attention by the BNH Administrator. At issue was the seniority of certain positions at BNH and the amount of their 2008 wages as compared with those similar positions at CCNH. It is difficult to compare salaries of staff between two different organizations because their responsibilities within each may be different. Notwithstanding this, it appeared that a number of these selected staff at BNH were paid wages disproportionate to their counterparts at CCNH, given their number of years of service. We believe that many of these concerns were a direct result of publishing County wages and recommend that the two nursing home administrators work directly together to address any seniority and wage related differences.

**Page 29 County Nursing Homes in W. Stewartstown and Berlin:
Financial Performance per Review of 2008 Medicaid Cost
Reports**

Original Text:

"Each year the State of New Hampshire (Department of Health and Human Services) requires a comprehensive Medicaid annual report of all of its nursing home facilities, which includes a detailed cost report identifying key patient census statistics, expenses and allocations, building and general information, fixed assets and depreciation, debt and interest, financial statement, patient fund and other information (see Exhibits 9 and 10 for CCNH and BNH Cost Reports, respectively).

We performed a comparative review between CCNH and BNH cost reports and also included in the review the 2008 cost report data for the Sullivan County Nursing Home, which was available to us (see Exhibit 11)."

As a result of further information we received after our report issuance, our comment on this issue is:

Each year the State of New Hampshire (Department of Health and Human Services) requires a comprehensive Medicaid annual report of all of its nursing home facilities, which includes a detailed cost report identifying key patient census statistics, expenses and allocations, building and general information, fixed assets and depreciation, debt and interest, financial statement, patient fund and other information (see Exhibits 9 and 10 for CCNH and BNH Cost Reports, respectively).

We performed a comparative review between CCNH and BNH cost reports and also included in the review the 2008 cost report data for the Sullivan County Nursing Home, which was available to us (see Exhibit 11)."

Our comparative review comments focused on percentage differences between the nursing homes (cost percentages as they relate to headcount, revenue, overall costs, # of beds used, square footage etc.) and not actual costs reported in the Medicaid Cost Reports. Our comparative review included only 2008 Medicaid Costs (Schedule K) and not any 2009 data.

**Page 31 County Nursing Homes in W. Stewartstown and Berlin:
Financial Performance per Review of 2008 Medicaid Cost
Reports - BNH**

Original Text:

"BNH

In general, BNH's higher percentage occupancy positively impacted its cost to revenue percentages. The following comments were obtained from the Nursing Home Administrator at BNH:

- *Plant employee benefit costs are higher due to lower full time positions*
- *Water and sewer costs (city water and sewer) are much higher in Berlin than CCNH which has its own well*
- *Laundry costs are higher because of a higher number of residents at BNH*
- *Dietary – Food costs were higher in 2008 when contract food services were used. Food quality also went down and consequently food preparation went in-house in 2009*
- *Medical record costs are higher because of more residents, more physicians attending to them and more resident records*

In summary, on a revenue per bed day used basis, CCNH and BNH are very comparable (\$183 to \$184); however on a cost per bed day used the differences are significant (\$284 for CCNH to \$249 for BNH) and warrant more detailed

analysis and focus by County and Delegation members. While there appear to be some additional administrative personnel and related costs at CCNH, we believe the main cost differences are driven by proportionately higher staff levels per resident at CCNH (in particular at the administrative group cost category) and a higher percentage of full time employees at CCNH who carry higher employee benefit costs (see Human Resources section above). In addition, CCNH has higher capital group costs due to the new multi-purpose room and higher plant maintenance cost which may be due to the age of the existing facility.”

As a result of further information we received after our report issuance, our comment on this issue is:

BNH

In general, BNH’s higher percentage occupancy positively impacted its cost to revenue percentages. The following comments were obtained from the Nursing Home Administrator at BNH:

- Plant employee benefit costs are higher due to lower full time positions
- Water and sewer costs (city water and sewer) are much higher in Berlin than CCNH which has its own well
- Laundry costs are higher because of a higher number of residents at BNH
- Medical record costs are higher because of more residents, more physicians attending to them and more resident records

In summary, on a revenue per bed day used basis, CCNH and BNH are very comparable (\$183 to \$184); however on a cost per bed day used basis the differences are significant (\$284 for CCNH to \$249 for BNH) and warrant more detailed analysis and focus by County and Delegation members. After reviewing Full Time Equivalent (FTE's) data in Exhibits 4, 7 and 8, we noted some differences which appear to be caused by proportionately higher staff levels at CCNH. It appears that CCNH has a higher number of FTE's per resident than BNH; which may carry with them higher employee costs like employee benefit costs.

**Page 34 County Nursing Homes in W. Stewartstown and Berlin:
Physical Facilities Observations - CCNH**

Original Text:

“We toured both the CCNH and BNH nursing homes escorted by the respective nursing home administrator, and noted the following comments:

CCNH

- Has four floors of operation. Building not intended to be a nursing home, has patients on three floors. Workflow is not efficient. Narrow floors.
- No sprinkler system in nursing home except in new multipurpose rooms
- Average age of residents is in the 70's; some in 90's and 100's.
- Nursing home administrator has not been to BNH to observe their operation and any opportunity for new/helpful ideas. BNH nursing home administrator has not been to CCNH to tour facility in four years. Both administrators admittedly do not get together much at all.
- CareTracker equipment installed.
- Waivers on thirteen rooms, to make rooms for two residents vs. a designated one, expired in December 2009.
- A waiver exists on the current fire alarm system to allow it to be wired to the Department of Corrections facility who would contact custom/border officials (Beecher Falls VT, one mile away) for response in case of emergency.
- Two licensed plumbers were employed to manage utility and HVAC issues
- The service, kitchen and laundry elevator is vintage 1932 yet has been performing adequately. A new elevator or higher service costs may be incurred to keep this elevator functioning adequately. A second elevator, vintage 1970's, is used in nursing home operations, but this has incurred higher maintenance costs than expected.
- Laundry room handles laundry for the Department of Corrections.
- Second floor has five private baths and one old tub room in need of updating
- The third floor was the old hospital part of the building; half of the floor and residents are special care residents. This floor has shared baths and an old tub room in need of updating.
- The third floor has 22 empty beds; only one single resident room empty
- Thermostats control three resident rooms
- New multi purpose addition/sun porch is accessed for first, second and third floors
- EMS ambulance service is sub-contracted out
- Short term "Wish List" of improvements to make to the nursing home:
 - Update/upgrade all bathrooms/tub areas, est. cost: ??\$ millions
 - New fire alarm system, est. cost: \$80K - \$200K
 - Secure care for elevators, est. cost: \$8K/flr
 - Replace 1932 elevator, est. cost: ??
 - Nurse call, est. cost: \$46-80K
 - Replacing all windows, est. cost: ??\$, trying to get through grants
 - Keep a van for emergencies, est. cost: ??

As a result of further information we received after our report issuance, our comment on this issue is:

We toured both the CCNH and BNH nursing homes escorted by the respective nursing home administrator, and noted the following comments:

CCNH

- Has four floors of operation. Building not intended to be a nursing home, has patients on three floors. Workflow is not efficient. Narrow floors.
- No sprinkler system in most of the resident living areas of the nursing home, except in the new multipurpose rooms. Sprinklers are on the 4F where staff training classrooms are located; in the sub-basement.
- Average age of residents is 83; some are in their 90's and 100's.
- Nursing home administrator has not been to BNH to observe their operation and any opportunity for new/helpful ideas. BNH nursing home administrator has not been to CCNH to tour facility in four years. Both administrators admittedly do not get together much at all.
- CareTracker equipment installed.
- Waivers on thirteen rooms, to make rooms for two residents vs. a designated one, expired in December 2009.
- A waiver exists on the current fire alarm system to allow it to be wired to the Department of Corrections facility who would contact custom/border officials (Beecher Falls VT, one mile away) for response in case of emergency.
- Two licensed plumbers were employed to manage utility and HVAC issues
- The service, kitchen and laundry elevator is vintage 1932 yet has been performing adequately. A new elevator or higher service costs may be incurred to keep this elevator functioning adequately. A second elevator, constructed in 1991, is used in nursing home operations, but this has incurred higher maintenance costs than expected.
- Laundry room handles laundry for the Department of Corrections.
- Second floor has five private baths and one old tub room in need of updating
- The third floor was the old hospital part of the building; half of the floor and residents are special care residents. This floor has shared baths and an old tub room in need of updating.
- Thermostats control three resident rooms
- New multi purpose addition/sun porch is accessed for first, second and third floors
- EMS ambulance service is sub-contracted out
- Short term "Wish List" of improvements to make to the nursing home:
 - Update/upgrade all bathrooms/tub areas, est. cost: ?\$ millions

- New fire alarm system, est. cost: \$80K - \$200K
- Secure care for elevators, est. cost: \$8K/flr
- Replace 1932 elevator, est. cost: ??
- Nurse call, est. cost: \$46-80K
- Replacing all windows, est. cost: ??, trying to get through grants
- Keep a van for emergencies, est. cost: ??

**Page 35 County Nursing Homes in W. Stewartstown and Berlin:
Physical Facilities Observations - BNH**

Original Text:

"BNH"

- A debt free facility
- Does not have accounting staff
- Business office has very inefficient layout, with no privacy for Human Resource practices and sensitive resident files
- CareTracker equipment installed
- Wider floors than CCNH.
- Sprinkler system throughout the facility
- Individual thermostats in each resident room
- Poor airflow (from current air conditioning and heating system) because of "winged" design
- Original boilers (Hebert installation) had to be replaced. New boilers in facility outside of nursing home.
- Only two private rooms in nursing home
- Kitchen can accommodate 25+ more people to serve
- New van accommodates only five residents vs. older van which accommodates nine
- Maintenance staff are not licensed, but are very versatile
- Trying one person from the state prison one day/week
- Use of stairs by staff encouraged for exercise and to save energy and maintenance on elevators
- Short term "Wish List" of improvements to make to BNH:
 - New more private and efficient business office layout, with separate room for employee/family private meetings est. cost: \$50K
 - Digitized electronic records capability, est. cost: ??
 - Central air conditioning for the nursing home, est. cost: \$1 million+
 - New call bell system, est. cost: \$50 - \$75K
 - New phone system, est. cost: \$60K
 - Additional resident room in the dementia unit, est. cost: ??
 - Parking lot improvements, est. cost: ??
 - Keep old, nine person van, est. cost: just maintenance costs

As a result of further information we received after our report issuance, our comment on this issue is:

BNH

- A debt free facility
- Business office has very inefficient layout, with no privacy for Human Resource practices and sensitive resident files
- CareTracker equipment installed
- Wider floors than CCNH.
- Sprinkler system throughout the facility
- Individual thermostats in each resident room
- Poor airflow (from current air conditioning and heating system) because of “winged” design
- Original boilers (Hebert installation) had to be replaced. New boilers in facility outside of nursing home.
- Only two private rooms in nursing home
- Kitchen can accommodate 25+ more people to serve
- New van accommodates only five residents vs. older van which accommodates nine
- Maintenance staff are not licensed, but are very versatile
- Trying one person from the state prison one day/week
- Use of stairs by staff encouraged for exercise and to save energy and maintenance on elevators
- Short term “Wish List” of improvements to make to BNH:
 - New more private and efficient business office layout, with separate room for employee/family private meetings est. cost: \$5K
 - Digitized electronic records capability, est. cost: ??
 - Central air conditioning for the nursing home, est. cost: \$1 million+
 - New call bell system, est. cost: \$50 - \$75K
 - New phone system, est. cost: \$60K
 - Additional resident room in the dementia unit, est. cost: ??
 - Parking lot improvements, est. cost: ??
 - Keep old, nine person van, est. cost: just maintenance costs

Page 37 **Information Technology: Allocation of IT Director Time and Costs**

Original Text:

“The IT Director reportedly is assigned to work three days on CCNH IT issues, one day on BNH IT issues and one day on DOC IT issues. The IT Director’s

salary, however, is reportedly allocated one third to each of the three facilities, which leaves BNH with a slightly unfavorable cost allocation”.

As a result of further information we received after our report issuance, our comment on this issue is:

The IT Director reportedly is assigned to work three days on CCNH IT issues, one day on BNH IT issues and one day on DOC IT issues. The IT Director’s salary is reportedly allocated 60% to CCNH, 20% to the DOC and 20% to the BNH.

Page 38 County Department of Correction: Background

Original Text

On the day of my brief visit and discussions with a DOC staff sergeant, there were 59 registered inmates as follows:

Inmate Population:

<i>Inmates out on contract (female, State prison inmates)</i>	<i>11</i>
<i>Inmates with electric monitoring</i>	<i>2</i>
<i>Adult male inmates (14 pre-trial; 22 sentenced inmates)</i>	<i><u>36</u></i>
<i>Total</i>	<i>49”</i>

As a result of further information we received after our report issuance, our comment on this issue is:

On the day of my brief visit and discussions with a DOC staff sergeant, there were 49 registered inmates as follows:

Inmate Population:

Inmates out on contract (female, State prison inmates)	11
Inmates with electric monitoring	2
Adult male inmates (14 pre-trial; 22 sentenced inmates)	<u>36</u>
Total	49

Page 39 County Department of Correction: Management Practices

Original Text

“According to State statutes, the County must appoint a DOC Superintendent to supervise and manage the department. The DOC has been without a

Superintendent since the beginning of 2007 due to a retirement. We were informed about concerns that his departure would lead to a legal matter, but this is reportedly not the case according to the County Administrator. As an interim step, in March 2007 the Commissioners appointed the current County Administrator as an acting-superintendent for the DOC. A full time Superintendent was not immediately re-hired due to reported budget constraints. The County Administrator assumed overall responsibility for the DOC while maintaining all of her regular and other job responsibilities. It was decided that the County Administrator would apportion 40% of her time and salary, (40% of \$96K, exclusive of benefits) to the DOC. The prior Superintendent had a salary of approximately \$72K, exclusive of benefits.”

As a result of further information we received after our report issuance, our comment on this issue is:

According to State statutes, the County must appoint a DOC Superintendent to supervise and manage the department. The DOC has been without a Superintendent since the beginning of 2007 due to a retirement. We were informed about concerns that his departure would lead to a legal matter, but this is reportedly not the case according to the County Administrator. As an interim step, in March 2007 the Commissioners appointed the current County Administrator as an acting-superintendent for the DOC. A full time Superintendent was not immediately re-hired due to reported budget constraints. The County Administrator assumed overall responsibility for the DOC while maintaining all of her regular and other job responsibilities. It was decided that the County Administrator would apportion 20% of her time and salary, (20% of \$96K, exclusive of benefits) to the DOC. The prior Superintendent had a salary of approximately \$72K, exclusive of benefits.”

Page 40 County Department of Correction: Management Practices

Original Text

“While significant cost savings were generated by not filling this top County position, a gap in services has resulted. The County Administrator reported that she doesn’t have time to adequately manage the DOC. She is hoping to find a PT or FT Superintendent in 2010. Both she and the Sergeant in Charge admit that without a new Superintendent, they are “treading water” in the management of the facility. They also both report that there are currently no violations of state laws at the DOC. Services in need of immediate attention are:

- *Ensuring a sustainable DOC, an integral part of the County’s rural criminal justice system,*

- *Improving the functioning of the DOC as well as the County's criminal justice system,*
- *Ensuring job growth and job retention caused by a reduction in available funds as a direct result of recent economic conditions,*
- *Enhancing the County's DOC and its programs by identifying partnerships for accessing community resources that can help the department address challenges,*
- *Provide officer training and career development opportunities for correction staff,*
- *Updating and enhancing the DOC policies and procedures. Currently there are no formal written policies and procedures and no formal compliance testing,*
- *Develop new rehabilitation programs for inmates as their profiles (mental health/substance abuse cases) have changed significantly over recent years,*
- *Updating and supervising the County's electronic monitoring program as well as other "alternatives to incarceration" programs."*

As a result of further information we received after our report issuance, our comment on this issue is:

While significant cost savings were generated by not filling this top County position, a gap in services has resulted. The County Administrator reported that she doesn't have time to adequately manage the DOC. She is hoping to find a PT or FT Superintendent in 2010. Both she and the Sergeant in Charge admit that without a new Superintendent, they are "treading water" in the management of the facility. They also both report that there are currently no violations of state laws at the DOC. Services in need of immediate attention are:

- **Ensuring a sustainable DOC, an integral part of the County's rural criminal justice system,**
- **Improving the functioning of the DOC as well as the County's criminal justice system,**
- **Ensuring job growth and job retention caused by a reduction in available funds as a direct result of recent economic conditions,**
- **Enhancing the County's DOC and its programs by identifying partnerships for accessing community resources that can help the department address challenges,**
- **Provide officer training and career development opportunities for correction staff,**
- **Updating and enhancing the DOC policies and procedures. In discussions with the both the prior Superintendent and the Sergeant in Charge, both noted that there were no formal policies and procedures unique to the DOC, nor the performance of any compliance testing. The written policies that exist were reportedly**

for another correctional facility and need to be re-drafted to the DOC's applicability. The Sergeant noted that he did not have the time to do this given his other priorities.

- Develop rehabilitation programs for inmates as their profiles (mental health/substance abuse cases) have changed significantly over recent years,
- Updating and supervising the County's electronic monitoring program as well as other "alternatives to incarceration" programs.

Page 42 County Department of Correction: Staffing and Safety Issues

Original Text

"Other safety risk areas that we witnessed or were brought to our attention are as follows:

- *In the re-cycling station, four of the six inmates assigned here have no coverage or supervision for two to four hours at times. When the assigned corporal and two inmates take a truckload of material away from the area, the remaining inmates are left by themselves. Finding contraband in this area has been a problem at times.*
- *At the Farm, the four inmates assigned to work here are reportedly left unsupervised when the farm manager is off doing some of his chores.*
- *There is no screened cover over the outside recreation cage,*
- *Many of the door locks in the facility need to be fixed. We were with the SIC on the third floor and his keys could not open a room (recreation/library). The lock had to be open by the officer in the control room.*
- *Officers have to eat with the inmates as nobody can leave their posts when there are three officers on duty.*
- *It is dangerous to get to the outside recreation area as the only access route is through the pre-trial inmates bedding area,*
- *Inmates on duty in the CCHH (kitchen/laundry) are not supervised by a DOC officer,*
- *If there is a very unruly/psychotic/enraged inmate acting up, officers have to wait for a shift change in order to have enough officers to handle the situation. In the meantime the inmate can do substantial damage to his cell or himself.*
- *There is no sprinkler system in the DOC.*
- *There is currently no way of knowing where fire detectors are that go off in the facility. The zoning and wiring of them to the control room needs repair."*

As a result of further information we received after our report issuance, our comment on this issue is:

Other safety risk areas that we witnessed or were brought to our attention are as follows:

- In the re-cycling station, four of the six inmates assigned here have no coverage or supervision for two to four hours at times. When the assigned corporal and two inmates take a truckload of material away from the area, the remaining inmates are left by themselves. Finding contraband in this area has been a problem at times.
- At the Farm, the four inmates assigned to work here are reportedly left unsupervised when the farm manager is off doing some of his chores.
- There is no screened cover over the outside recreation cage,
- Many of the door locks in the facility need to be fixed. We were with the SIC on the third floor and his keys could not open a room (recreation/library). The lock had to be open by the officer in the control room.
- Officers have to eat with the inmates as nobody can leave their posts when there are three officers on duty.
- It is dangerous to get to the outside recreation area as the only access route is through the pre-trial inmates bedding area,
- It was reported that inmates when on duty in the CCNH were not supervised by a DOC officer,
- If there is a very unruly/psychotic/enraged inmate acting up, officers have to wait for a shift change in order to have enough officers to handle the situation. In the meantime the inmate can do substantial damage to his cell or himself.
- There is no sprinkler system in the DOC.
- There is currently no way of immediately knowing where fire detectors are located that go off in the facility. The zoning and wiring of them to the control room needs repair

Page 47 County Sheriff's Office: Management Practices and Human Resource Issues

Original Text

"One of the issues raised for our review in this report concerned the sale of a department owned truck to a deputy. This case was reviewed and resolved by the Attorney General's office with no criminal wrongdoing found."

As a result of further information we received after our report issuance, our comment on this issue is:

One of the issues raised for our review in this report concerned the sale of a pickup truck, reportedly by the Coös County Sheriff's Department. This case was reviewed and resolved by the Attorney General's office with no criminal wrongdoing found.

Page 54 County Attorney's Office: Operation and Human Resource Issues

Original Text

- *"There is no budget for expert witness costs which has meant not winning some cases that could have been won if this resource was available."*

As a result of further information we received after our report issuance, our comment on this issue is:

- **The County Attorney reported that he would prefer an increase in the upcoming budget for expert witness costs. He reported that this has meant not winning some cases that could have been won if this resource was available.**

**Coös County Officials Interviewed
and Information Obtained From
During our Agreed Upon Procedures
January 2010**

Report Content	County Official	Position
Background	Suzanne Collins	County Administrator
Internal Controls Evaluation	Burnham Judd Suzanne Collins Linda Harris Jeannette Morneau David Levelle	County Commissioner County Administrator UP Accountant Berlin Nursing Home Administrator IT Director
Financial Statement Analysis	Suzanne Collins	County Administrator
Financial Budget Operations	Suzanne Collins Jeannette Morneau Pat Giroux Gerard Marcou Robert Mekeel Carole Lamirande	County Administrator Berlin Nursing Home Administrator Farm Manager Sheriff County Attorney Registrar of Deeds
County Administrator's Office	Suzanne Collins	County Administrator
Nursing Home: CCNH Stewartstown	Suzanne Collins Laura Mills	County Administrator Nursing Home Administrator
Nursing Home: BNH Berlin	Jeanette Morneau	Nursing Home Administrator
County Department of Correction	Suzanne Collins Craig Hamlin Norm Brown	Assistant Superintendent Sergeant in Charge During My Visit Former DOC Superintendant
Farm Operations	Patrick Giroux	Manager of Farm Operations
Sheriff's Office	Gerard Marcou	County Sheriff
Registry of Deeds	Carole Lamirande	County Register of Deeds
County Attorney's Office	Robert Mekeel	County Attorney