Performance Audit of the County Commissioners and Administrative Office

CARROLL COUNTY, NEW HAMPSHIRE

matrix consulting group

April 4, 2019

Table of Contents

1. Introduction and Executive Summary

This chapter provides an introduction and an executive summary of the Matrix Consulting Group's performance audit of the Carroll County Commissioners and Administrative Office. It identifies the information and approach used in this study, and presents key findings, conclusions and recommendations.

1. PURPOSE OF THE PERFORMANCE AUDIT

The purpose of this audit was to review the findings from the 2014 performance audit of the County Commissioners' Office, determine which recommendations were implemented or not implemented, and provide additional recommendations as necessary. This audit also included the administrative operations of the Mountain View Nursing Home and their interfaces to the central County administrative functions.

2. AUDIT METHODOLOGY

This engagement was conducted in a number of steps. The project team began by visiting the County in person, conducting face-to-face interviews with staff and elected officials, and collecting documentation on the various functions of the administrative office. The recommendations from the 2014 audit were also reviewed and compared to the County's current state in order to determine the degree to which they had been implemented, and a descriptive profile of County staffing and operations was provided.

After assessing the implementation of the prior report, the project team developed a list of issues for analysis based on the data collection conducted, comparison with best industry practices, and remaining recommendations from the prior report which have not been implemented yet. This list of issues was explored, additional research and data collection was conducted through correspondence and conversations with County officials and staff, and it formed the basis of the analysis sections in this report.

The following report includes our assessment of prior recommendations in Chapter 2, as well as our assessment of current issues which the County should address and our specific recommendations for doing so in Chapters 3, 4, and 5. Regarding implementation, it would be beneficial for the Delegation and Commissioners to conduct a workshop to review the recommendations, develop priorities and a specific implementation plan. Periodic reports on implementation progress should be provided to the Delegation by the County.

3. SUMMARY OF RECOMMENDATIONS

The following table outlines the recommendations contained in this report for completing the implementation of the prior audit's recommendations and addressing new issues encountered during this year's audit. Recommendations are listed by the chapter and section in which they appear, along with a level of priority, an assigned responsibility, and an estimated cost.

Location	Recommendation	Priority	Responsibility	Cost
Staffing and Organizational Structure				
3.1	The County should convert the Bookkeeper position back to an Administrative Assistant position in the Finance Office to support County financial operations, assist with billing, checks, and solicitations, support the County Commission, and function as the receptionist for the Administrative Services department.	High	County Commission and Delegation	No cost
3.1	The County should hire a Finance Manager who oversees the County's financial functions, conducts reconciliations and financial reporting, and manages the other two finance staff.	High	County Commission and Delegation	TBD
3.2	The County should replace the current Benefits and Payroll Coordinator position with a Human Resources Director position.	High	County Commission and Delegation	TBD
3.3	The County should continue to monitor the cost of contracted technology support, considering insourcing this function if the cost rises to a point where in-house personnel would be more cost-effective.	Low	County Commission and Delegation	N/A
Human Resources				
4.1	The County should adopt a policy of routine review and updating of job descriptions to ensure review of each description every three to five years.	Medium	HR Director	N/A
4.2	The County should contract for the development of a formal classification and compensation plan for non-union employees.	High	County Commission and Delegation	$17,500

Location	Recommendation	Priority	Responsibility	Cost
4.3	The Human Resources Department should make a practice of conducting exit interviews of employees voluntarily leaving County employment.	Medium	HR Director	N/A
4.3	An annual report should be provided to the County Commissioners outlining findings from the exit interviews.	Medium	HR Director	N/A
4.4	The County should update its 2013 personnel reference guide to include updated versions of all applicable policies and procedures.	High	HR Director	N/A
4.5	The County should centralize all employee personnel files in the Human Resources Department.	Medium	HR Director	N/A
4.6	The County should purchase and implement a Human Resources Information System.	Medium	HR Director, County Commission and Delegation	$30,000
4.7	The County should create a formal training policy outlining ongoing workplace training requirements for County employees.	Medium	HR Director	N/A
4.7	The County should establish an ongoing supervisory training program in conjunction with the current initial required supervisory training.	Medium	HR Director	N/A
Finance				
5.1	The County should complete monthly bank statement reconciliations within 30 days of the end of each month.	High	Finance Manager	N/A
5.2	The County should continue to develop and compile updated financial policies.	High	County Administrator	N/A
5.3	The County should, along with the Commissioner meeting agenda, publish agenda item memoranda for each action item on the agenda.	High	County Commission	N/A
5.4	The County should institute a performance measures and reporting program.	Medium	County Administrator	N/A
5.5	The County should centralize the procurement process and issuance of purchase orders through the Finance office.	Medium	County Commission	N/A

Location	Recommendation	Priority	Responsibility	Cost
5.6	The County Commission should delegate the responsibility to approve purchases between $2,500 and $5,000 to the County Administrator.	Medium	County Commission	N/A
5.7	The County should implement software to streamline and improve the efficiency of the purchasing process.	Medium	County Commission and Delegation	$6,000 per year
5.8	The County should expand access to ACS to Department heads.	High	County Commission and Delegation	N/A
5.9	The County should budget for an audit of its annual financial statements for each fiscal year at the beginning of that fiscal year in order to complete the audit within 90 days of the fiscal year end, in compliance with State law.	High	County Commission and Delegation	N/A
5.10	The County should commit to accelerating its budget process in order to have an approved budget by the end of December each fiscal year.	Medium	County Commission and Delegation	N/A

Analysis and supporting narrative regarding each of these recommendations is provided in later chapters of this report.

2. Assessment of Prior Recommendations

In the following table, each of the recommendations provided in the 2014 audit are listed with an assessment of the County's current state compared to that recommendation. Recommendations which have not been fully implemented, or those for which circumstances have shifted and implementation may no longer be practical or appropriate, have been highlighted in **bold** in this table, and they are addressed in later chapters of this report.

	Recommendations from Prior Assessment	Current State Assessment
Human Resources		
2.1	The Human Resources Department should continue with the standardization of all files. It should also develop a list of appropriate and inappropriate documentation for all personnel files, and should maintain separate files for each. The Department should also establish formal protocols for access to each of the file types.	All employee files have been standardized across the County. All information in employee files has been separated in accordance with State and Federal laws and recommendations by the State Department of Labor.
2.2	Once all files currently in the Human Resources Department conform to the same set of standards, the County should centralize all employee personnel files in the Human Resources Department.	**Personnel files are not maintained centrally, but are kept at the employee's place of work.**
2.3	The Human Resources Department should formally review each job description to ensure compliance with federal requirements including ADA legislation, and to ensure that job requirements (such as education and experience) are consistently applied.	Job descriptions have been reviewed and updated. They are reviewed with each employee at orientation, and HR staff ensure that all federal, ADA and state requirements are followed.
2.3	The County should adopt a policy of routine review and updating of job descriptions to ensure review of each description every three to five years.	**Until recently, job descriptions have not been reviewed or updated according to any regular schedule. They are instead reviewed and updated when changes are needed to the duties, classification, or physical requirements of a position.**

	Recommendations from Prior Assessment	Current State Assessment
2.4	The County should develop a formal classification and compensation plan for its non- union employees. This plan should ensure both internal and external equity, and should ideally be performed by an outside vendor in order to eliminate any perception of bias in the process. The cost of a classification and compensation plan can vary depending upon the firm used, however it is estimated that such a plan for Carroll County would cost approximately $15,000.	**A formal plan was funded by the BOC in the 2015 budget in the amount of $15,000. This item was not approved by the delegation during the budget process.**
2.5	The Human Resources Department should begin conducting exit interviews of employees voluntarily leaving County employment.	**Some exit interviews have been conducted since the prior study for employees leaving voluntarily, but the practice has not been consistently implemented.**
2.5	An annual report should be provided to the County Commissioners outlining findings from the exit interviews.	**Exit interview findings are not summarized or used to produce reports for the Board of Commissioners.**
2.6	The Human Resources Director should begin the development of policies and procedures that cover all pertinent details of County employment and policy. This effort should be completed within 12 to 18 months.	The County has a personnel reference guide which outlines policies for most aspects of employment, including code of conduct, personal appearance, attendance, cell phone usage, sick time, suspensions, harassment, protected communication, holidays and vacation, FMLA, jury duty, ADA compliance, etc. The County also has stand-alone policies on topics such as slips, trips, and falls, internal payroll controls, and travel reimbursement.
2.7	The County should purchase and implement a Human Resources Information System to facilitate planning and analysis of personnel-related information, as well as to allow for on-line submittal of applications and resumes.	**The County Commissioners proposed $15,000 to fund this in the 2015 budget. This item was not approved by the delegation during the budget process.**
2.8	Enhance the new employee orientation session to include a broader description of the employee's role as a County employee, in addition to his or her role within their specific department.	This has been accomplished. HR staff provide a detailed orientation to the employee that includes this information.
2.9	The County should develop and implement core training courses for all employees, and should also develop a required training curriculum for all supervisors.	All newly appointed department supervisors attend a Primex 3- day supervisor training academy. Each year, the county sends 1 manager to the State of NH Certified Public Manager academy. The County has also contracted with a training provider to conduct on-site sessions regarding workplace topics such as harassment, professionalism, etc.

	Recommendations from Prior Assessment	Current State Assessment
2.10	The project team recommends that the County continue in its employee and supervisor performance evaluation program implementation. However, there are certain refinements that the County should consider during this implementation phase.	The supervisor and employee evaluation is ongoing and has been implemented as a performance-based measurement evaluation.
2.11	Develop and implement a standard policy and procedure on hiring practices.	A hiring policy has been approved and adopted.
2.12	Carroll County should implement a formal training policy outlining the annual training requirements for various positions.	**A formal training policy is not yet in place for staff other than supervisors and those employees with licenses and certifications which must be maintained.**
2.12	Carroll County should implement a standard and formalized supervisory training program for all supervisors that includes a core set of classes, and is supplemented annually with topical items.	All newly appointed supervisors go through a 3 day Primex Supervisors Academy that includes a core set of classes. **Ongoing supplementation with topical training has not yet been explored.**
Financial Operations		
3.1	The County should develop a Financial Policies and Procedures Manual.	Seventeen finance policies have been adopted by the Board of Commissioners including: Cash Receipts & Deposits, Bank Account Reconciliation, Petty Cash Accounts, A/R, A/P, Ledger Review, Fixed Asset, Purchasing, Employee Separation, Bidding, Anti-Fraud, Approved Vendor Form, Employee Reimbursement, Fund Balance Policy, Travel, Investment Policy, and Merit Pay Raise Policy. Along with these policies, an Internal Controls manual for Department Heads has been developed. Additional financial policies are needed, including policies on credit card usage, County fund expenditures, etc.
3.2	The Finance Manager should develop a uniform policy for the acceptance of checks and handling NSF checks.	This procedure has been adopted and is being followed by staff.
3.2	The Finance Manager should develop uniform cash handling standards and procedures and train all Departments that accept payments on these policies.	This procedure has been adopted and is being followed by staff.

	Recommendations from Prior Assessment	Current State Assessment
3.3	The County Commissioners should develop performance plans for departmental personnel to ensure that (a) the Finance Department is providing adequate support to personnel to ensure proficiency and skill levels to perform job functions and (b) to use as a tool to which the Department can hold staff accountable.	The County Administrator under the direction of the BOC has developed performance reviews for staff, which are conducted annually, to ensure proficiency and hold staff accountable.
3.4	Centralize all procurement files in the Business Office under the management of the Controller.	The Controller now manages all procurement files with the help of the Bookkeeper in the Finance Office.
3.5	Begin the development of a multi-year Capital Improvement Plan for use in Fiscal Year 2016. Preliminary steps should occur beginning in the fall of 2015.	In 2016, the County Administrator put together a five-year Capital Improvement plan for the County. This plan was implemented in the 2017 budget year.
3.6	Assign the responsibility for taking minutes at Commission meetings to the Administrative Assistant in the Business Office.	**In 2015, the County Administrator assigned minute-taking for the BOC to the Administrative Assistant. Currently, the bookkeeper is handling this task because the administrative assistant position is not filled.**
3.7	Ensure that bank statements are reconciled by the end of the month following receipt of the statement. Also, the Business Office should take proactive steps to communicate with departments that have had recurring issues in reporting purchase amounts that are different from those reported by the bank.	**While the Sheriff, Jail, Nursing Home, and Recorder of Deeds reconcile their respective bank statements, monthly bank statements for Administrative Services, Public Works, and the County Attorney have not been formally reconciled in over six months.**
3.8	The County Commissioners should modify their Commission Meeting protocol by developing agenda memorandums for all action items that will be acted upon during a commission meeting. The agenda items should be posted with the agenda.	**The Board of Commissioners agenda does not include memorandums for items which will be acted upon during the commission meeting.**
3.9	The County should institute a performance measures and reporting program.	**The County does not currently have a performance measures and reporting program.**
Organizational Structure and Staffing		
4.2	No change in the staffing allocation for the Finance Department is recommended at this time. However, if the County Administrator position, as recommended in a subsequent recommendation, is not pursued, the County should implement a Chief Financial Officer position.	**Finance Department staffing was reduced from 3 staff to 2 staff in 2017. The third position is currently not authorized, and workload exceed staff capacity.**

	Recommendations from Prior Assessment	Current State Assessment
4.2	No change in the staffing allocation for the Human Resources Department is recommended at this time.	**The Human Resources Director position was eliminated and replaced with a Benefits and Payroll Coordinator, as well as two Employee Relations Assistants located in departments outside the Commissioners' offices.**
4.3	Carroll County should consider the implementation of a County Manager position to oversee day-to-day administrative operations of the County and provide necessary administrative support to enable the County Commissioners to focus on strategic and policy decisions. Alternatively, the County should implement a Chief Financial Officer position.	The County hired a County Administrator in 2015.
4.4	The County should monitor expenses for information technology services and consider in the next several years the potential to bring this service in-house to increase support to Departments at the point in time that the costs for a dedicated position would be off-set by the reduction in the IT contract.	County IT expenses remain steady at $103,000 per year, which is not currently sufficient to justify hiring in-house technology staff.
4.5	The County should seek to implement multi-year collective bargaining agreements with its employee unions. Additionally, the ending dates of the collective bargaining agreements should be staggered.	The County has successfully implemented three multi-year, staggered contracts with all unions. The Sheriff's Department, The Jail and also the Nursing Home all have multiyear agreements.
4.6	The County should not implement a program to "buy back" unused employee leave time as it is not a prevailing or recommended practice. If however, the County desires to implement a program, it should develop and adopt (or negotiate where necessary) a formal policy regarding the terms, conditions and circumstances under which buy-back of leave time will be allowed to ensure consistency of application to all employees.	**The County and Union membership have this agreement written into its CBA. The buyback of unused time has been in prior contracts, and elimination of this provision would require negotiation with the Unions. The buyback of Non- Union employees is handled on a case by case basis.**

As the summary table above illustrates, the County has made significant strides in implementing recommendations that were provided in the prior audit, either as recommended or with modifications. However, many important recommendations remain. These, along with additional issues identified in this audit, are outlined in the following chapters.

3. Assessment of Staffing and Organization

This chapter address staffing and organizational structure for the County's Administrative Office including changes to the staffing contingent and organizational structure which should be considered by the County.

(1) The County Should Fill a Finance Manager Position and an Administrative Assistant Position, Bringing the Total Staffing of the Finance Office to Three.

At the time of the prior audit, the County's Finance office consisted of three staff in the following positions:

- **Finance Manager:** This position was responsible to run payroll on a bi-weekly basis, oversee accounts payable, develop the County's annual budget and keep department heads apprised of their revenue and expenditures relative to budgeted amounts, conduct monthly bank statement reconciliations, manage formal solicitations for goods and services on behalf of the County, and oversee the other two staff in the finance office.

- **Controller:** This position handled invoices received from vendors and managed accounts payable, as well as providing detail budget reports for department heads when necessary and conducted bank statement reconciliations and issuing checks when the Finance Manager was unavailable.

- **Administrative Assistant:** This position supported the financial operations of the County by making required postings for solicitations, conducting water billing, performing medical and dental billing, depositing checks, mailing employee paychecks, balancing the County's transfer account, and acting as a purchasing agent for the administrative office. This position also functioned as the receptionist for the administrative office and supported the Commission by drafting their agendas, posting their minutes, and filing their mail and other correspondence.

In the ensuing years, the Finance Manager departed the County and was not replaced. The Controller assumed the duties of the Finance Director, and the Administrative Assistant took on the role of Bookkeeper, while a new Administrative Assistant was hired to backfill that position. Shortly thereafter, the new Administrative Assistant left the department, and the position has not been filled. As a result, the finance office now operates with two staff (a Controller and a Bookkeeper) instead of the original three. There are a number of problems with this arrangement:

1. Two staff does not appear to be sufficient for undertaking all of the tasks previously managed by three full-time staff. The combination of roles required for budget development and management, supporting department heads, managing purchasing, invoices, and accounts payable, running formal solicitations, writing checks, performing necessary reconciliations and financial reports, and handling finance-related administrative work is too much for two staff.

2. With the Administrative Assistant position unfilled, there is nobody to serve as a receptionist for the administrative services department or handle clerical tasks necessary for smooth operation of the County's government. The Controller and Bookkeeper are frequently pulled away from more important tasks to answer the phone, run errands, or greet visitors to the County offices.

3. Neither of the staff in the two filled positions has been trained to handle the functions for which they are responsible. They were both placed into their current roles out of necessity to backfill the departure of the Finance Director, without an introductory period or the guidance of a formal training process.

In the 2014 recommendation regarding staffing of the Finance function, the prior report indicated that no change in the number or type of staff should be made. This was based on an assessment of workload, the appropriateness of roles, and a comparative survey of Finance staffing in other counties. The recommendation was independent of the addition of a County Administrator, who took on some important finance-related roles in the County but did not negate the need for each of the three staff in place at that time. Since that time, there have not been significant reductions in workload, and there has not been a streamlined implementation of technology to make financial processes more efficient or effective.

In the absence of these factors, and in light of the issues faced by the Finance office due to the staffing reduction since the prior study, the County should hire an additional employee to ensure that there are sufficient staff for the responsibilities and workload of the office. The three staff should be a Finance Manager, a Controller, and an Administrative Assistant. They should be responsible for the same tasks as they were at the time of the prior audit, with some changes (the County Administrator will lead development of the annual budget, as well as other additions and changes in duties outlined elsewhere in this report). Both the Controller and Administrative Assistant should report to the Finance Manager. At the present time, the County is not completing critical financial functions in a timely manner nor in accordance with best financial management practices.

Recommendation: The County should fill the Administrative Assistant position in the Finance Office to support County financial operations, assist with billing, checks, and solicitations, support the County Commission, and function as the receptionist for the Administrative Services department.

Recommendation: The County should hire a Finance Manager who oversees the County's financial functions, conducts reconciliations and financial reporting, and manages the other two finance staff.

(2) The County Should Replace the Benefits and Payroll Coordinator Position With a Human Resources Director.

At the time of the prior audit conducted by the Matrix Consulting Group, the County had two dedicated staff in the Human Resources function. These were:

- **Human Resources Director:** this position oversaw recruitment, interviews, onboarding, and retention of employees, helped the County with all personnel issues such as grievances, discipline, and terminations, advised the Commission on personnel issues and policies, ensured that the County stays in compliance with applicable labor laws, oversaw administration of benefits, developed personnel policies and procedures, and served as a legal point of contact for personnel-related matters in the County.

- **Human Resources Generalist:** this position maintained the County's timekeeping system, managed employee profiles in the payroll system and physical personnel files, conducted open enrollment and managed changes in benefits, worked with the County's third-party administrators for workers' compensation and unemployment benefits, and assisted the Human Resources Director with their duties.

In the time since the last study, the Human Resources Director position has been eliminated. The Human Resources Generalist has been reclassified as a Payroll and Benefits Coordinator, and two new positions have been added – an Employee Relations Assistant at the nursing home, and an Administrative Clerk at the Jail who performs some employee relations functions. In this new arrangement, the Payroll and Benefits

Coordinator handles the same functions as the prior HR Generalist position, as well as payroll duties. Open enrollment, assisting staff with benefits, and helping departments with recruitment are the responsibilities of the Employee Relations Assistant and Administrative Clerk. This is intended to decentralize the Human Resources function, placing staff in close contact with department employees so that they can be accessible for them and develop a strong familiarity with County operations.

However, the lack of a Human Resources Director leaves the County at risk for not sufficiently addressing critical and important issues for the organization. The Benefits and Payroll Coordinator is not at an executive level in the organization and would not be the appropriate position – in terms of job focus, background, experience or education – to handle the high level human resources issues on behalf of the County. Without an HR Director, it is more difficult to reach resolutions to personnel issues. For example, the most recent personnel reference guide (2013) instructs employees with a sexual harassment claim to notify Human Resources, but there is nobody with the authority and training to handle those complaints currently in that position.

In the prior recommendation regarding HR staffing, it was noted that every other County in the State of New Hampshire has a Human Resources Director or Human Resources Manager. This is because trained HR professionals play a vital role, not just in administering benefits, helping with the procedural aspects of recruiting, and ensuring that employees receive their paychecks, but in providing fundamental personnel leadership to the organization.

To ensure that the County has this kind of leadership and is able to provide excellent human resources management in the organization, the County should replace the current Benefits and Payroll Coordinator position with a Human Resources Director. This position would be responsible for the same duties as the previous Human Resources Director: running payroll, overseeing county-wide recruitment and retention, arranging for employee training, compliance monitoring, and handling personnel issues such as complaints, grievances, discipline, and terminations.

It should be noted that the County's move to decentralize Human Resources staffing makes sense, and some aspects of this model should be retained. For example, the Employee Relations Assistant and Administrative Clerk should be retained, and they should be located in their respective departments. They should handle hiring, payroll, and benefits issues for County staff. Their focus should be administering procedural aspects of human resources practice, leaving personnel issues for the Director.

Recommendation: The County should replace the current Benefits and Payroll Coordinator position with a Human Resources Director position.

(3) The County Should Continue to Monitor Information Technology Outsourcing Costs and Consider Hiring an IT Professional If It Becomes Cost-Effective.

The County does not currently employ in-house IT professionals, instead contracting for technology support services through a contract with an annual value of $103,000. In the prior audit, it was recommended that the County should monitor expenses for information technology services and consider the potential to bring this service in-house if the costs for a dedicated position would be off-set by the reduction in the IT contract.

Thus far, the cost to contract for Information Technology services has not increased to the point where insourcing the function would represent a cost savings while ensuring an equivalent level of service. Accordingly, the County should simply continue to monitor the cost of contracted technology support, considering insourcing if the cost rises to a point where in-house personnel would be more cost-effective.

Recommendation: The County should continue to monitor the cost of contracted technology support, considering insourcing this function if the cost rises to a point where in-house personnel would be more cost-effective.

4. Assessment of Human Resources Operations

The following chapter addresses recommendations regarding the County's Human Resources function, outlining new issues and those which remain from the prior study, and providing recommendations for improvement. The County's Human Resources employees provide recruitment, benefits, and payroll services to the County, serving over 300 employees.

(1) The County Should Have a Policy of Reviewing and Updating All Job Descriptions on a Rotating Basis Every Three to Five Years.

In the 2014 study, it was recommended that the County adopt a policy of routine review and updating of job descriptions to ensure review of each description every three to five years. This task would be performed by the Human Resources staff, and would place the County in line with Human Resources best practices. This recommendation was not immediately implemented, but some job descriptions have been reviewed and updated within the last year. Currently, however, job descriptions are not reviewed or updated according to any regular schedule. Instead, this is done when administration desires to change duties of the position, reclassification is needed, or any physical requirements of the job have changed.

In October 2018, the Board of Commissioner began reviewing job descriptions. This task should not fall to the Commissioners, but should be undertaken by a qualified Human Resources Director and supporting staff. To ensure that job descriptions remain accurate and updated, the County should implement this recommendation, reviewing about 20% to 25% of job descriptions each year. With the addition of a Human Resources Director as recommended earlier in this report, this policy should not be a major effort to implement.

Recommendation: The County should adopt a policy of routine review and updating of job descriptions to ensure review of each job description every three to five years.

(2) The County Should Have a Formal Classification and Compensation Plan.

In addition to reviewing job descriptions regularly, the County should conduct a more comprehensive assessment of the classification and compensation ranges into which positions belong. The prior recommendation regarding classification and compensation was that the County should develop a classification and compensation plan for all non-union employees, studying the labor market to ensure that the County remains competitive and cost-efficient. A formal plan to implement this recommendation was included by the Commissioners in the 2015 budget in the amount of $15,000. The item was subsequently eliminated by the delegation during the 2015 budget process.

Recently, the County has encountered issues related to its pay scale, most notably a series of salary adjustments for elected officials which were made because the existing rates of pay were out of step with prevailing salaries and stipends in the region. A classification and compensation plan, based on an objective study of the market in the surrounding region, would address such issues and provide a number of benefits for an organization:

- It ensures that the basis for compensation is objective, transparent, and market-driven rather than being determined without clear criteria.

- It ensures that compensation ranges exhibit internal equity where rates of pay are based on the complexity, demands, and skill level of the position; as well as, external equity where compensation reflecting the marketplace.

- It improves morale by signaling to staff that the organization is committed to attracting and retaining quality employees by positioning itself competitively in the labor market.

The classification and compensation plan will assist the County in adhering to a market-driven salary structure with internal and external equity among positions. Additionally, this may assist the County in attracting and retaining top talent for positions.

While this plan could be developed internally, given competing work demands the need for it to be completed with a high level of objectivity, this should be contracted out. It is estimated that for the limited scope of this assessment, a study should be able to be completed for $15,000.

Recommendation: The County should implement a formal classification and compensation plan for all non-union positions.

(3) The County Should Fully Implement Prior Recommendations Regarding Exit Interviews.

In the prior audit of the County, it was recommended that the Human Resources Department should begin conducting exit interviews of employees voluntarily leaving County employment. It was also recommended that an annual report should be provided to the County Commissioners outlining findings from the exit interviews. These recommendations are in line with best practices in the human resources industry, and help to create a formal and complete picture of separation patterns among County employees and provide insight into the workplace environment.

Some exit interviews have been conducted since the prior study, but the practice has not been consistently implemented. Similarly, exit interview findings have not been summarized or used to produce reports for the Board of Commissioners.

With an additional Human Resources employee on the payroll since the last audit, and because HR staff are now located within County departments and close to staff, conducting exit interviews should be easier to implement.

- Exit interviews should take the form of a scheduled meeting at an agreed upon time whenever an employee submits notice of resignation.

- The interview can be conducted by any human resources employee (never the supervisor or manager of the departing employee).

- The interviews should last no more than 20 - 25 minutes, and should follow a simple 1 - 2 page guide of questions. An example of questions was provided in the prior audit report. Departing employees who decline to participate in person should be provided the opportunity to complete the exit interview via paper or electronic copy.

Each year, a short report of the most common trends from exit interviews should be drafted by Human Resources Staff and presented to the Commission, along with a comparison of exit interview results from prior years. The Human Resources Department should identify any issues identified from the exit interviews conducted that warrant further attention by the County. This program should be overseen by the Human Resources Director.

Recommendation: The Human Resources Department should conduct exit interviews of all employees leaving County employment.

Recommendation: An annual report should be provided to the County Commissioners outlining findings from the exit interviews with recommendations outlining any actions necessary.

(4) The County Should Update Its Personnel Reference Guide and Add Policies and Procedures Which Have Not Been Added Yet.

The County's Personnel Reference Guide provides policies and procedures for County employees to use in the course of their employment. It covers human resources policies, employee behavior, benefits, leaves of absence, federal protection policies, workplace injuries, sexual harassment, and other general policies like cell phone usage, social media, and attendance.

The most current personnel reference guide is from 2013. Because of the many staffing changes and additions of new policies and procedures since then, the guide is outdated. The guide should be updated to ensure that all relevant policies and procedures are included, accurate, and up-to-date. Many critical policies, including those related to Sexual Harassment, Workplace Violence, and others do not appear to have been updated since their last adoption in 2013.

The County should also add some policies to the Reference Guide. In the prior performance audit report, a suggested list of personnel policies and procedures was provided. The current Reference Guide should be augmented with policies on grievances, compensation, conflicts of interest, and recruitment, more specific policies on overtime, various types of leave, additional clarification of access to personnel records, and other topics which have not been added yet.

Recommendation: The County should update its 2013 personnel reference guide to include updated versions of all applicable policies and procedures and include new policies and procedures where appropriate.

(5) Personnel Files Should Be Centralized in One Location in the Human Resources Department.

In the prior performance audit, it was recommended that all Human Resources personnel files should be standardized and documented, and that the County should also establish formal protocols for access to each of the file types. Since then, all employee files have indeed been standardized across the County, and all information in employee files has been separated in accordance with State and Federal laws and recommendations by the State Department of Labor.

It was also recommended that the County should centralize all employee personnel files in the Human Resources Department. This has not been implemented. Instead, personnel files are kept at the employee's place of work. Because human resources staff are now located within the departments they serve, such as the nursing home, this may seem appropriate. Centralizing the location of files, however, will help to ensure that the risks of unauthorized file access or duplicate/conflicting records is minimized and ensure that all employee personnel files are maintained in a consistent manner and by a trained Human Resources professional.

Employee personnel files should be maintained in the administrative office, under the supervision of the Human Resources Director.

Recommendation: The County should centralize all employee personnel files in the Human Resources Department.

(6) The County Should Pursue Implementation of a Human Resources Information System.

In the prior audit, the recommendation was made that the County should purchase and implement a Human Resources Information System (HRIS). This would have a number of benefits for the County, including:

- allowing personnel files to be kept digitally rather than physically,
- facilitating streamlined updating of position descriptions and hiring,
- providing the basis for workforce analysis and planning, and
- ensuring straightforward reporting on County compliance with applicable labor laws.

The budget for an HRIS in the amount of $15,000 was proposed in 2015, but was removed during the delegation's budget process.

The County should first seek to implement the HRIS module available through the County's current financial software, ACS (or "GFS"). If appropriate functionality cannot be achieved through this module, the County should consider other off-the-shelf HRIS products ideally with the ability to integrate with ACS. The implementation of new technology such as this will be easier than in the past, due to upgrades which have been completed to the County's network infrastructure since the prior audit.

The HRIS selected should allow for the following uses:

- Electronic job applications and submittal of digital resumes and other hiring materials.

- Digital personnel files for current and past staff, backed up remotely to eliminate the need for physical files.

- Tracking of job descriptions and position requirements, as well as completed employee training and professional development.

- Reporting on all aspects of recruitment, hiring timeframes, employee demographics, discipline, and professional development.

The implementation of an HRIS will enable the County to more fully conform and comply with critical Human Resources practices and enable future automation of many manual HR processes that are currently in place. It will also provide the ability for authorized Department representatives (for example, Department Heads, Managers and Supervisors) to have access to real-time information regarding their employees. Given the criticality of the HRIS, it would be beneficial for the HR Director position recommended in this report to be filled prior to the selection of the HRIS system so that individual can participate in the review, selection and implementation of the HRIS software.

Recommendation: The County should purchase and implement a Human Resources Information System.

(7) The County Should Adopt a Formal Training Policy for Staff and Expand Supervisory Training to Include Ongoing Training.

Two recommendations from the 2014 report focused on the need for established training policies and programs in the County. These were:

> *Carroll County should implement a formal training policy outlining the annual training requirements for various positions.*

And:

> *Carroll County should implement a standard and formalized supervisory training program for all supervisors that includes a core set of classes, and is supplemented annually with topical items.*

Currently, a formal training policy is not yet in place for staff other than supervisors and those with licenses and certifications which must be maintained (such as the jail and nursing home, which use Relias® training). The policy for supervisors requires that newly appointed supervisors go through a three-day Primex Supervisors Academy that includes a core set of classes, but ongoing supplementation with topical training has not yet been explored.

The County has made some valuable steps in the training arena, instituting Primex classes for supervisors and inviting a workplace training provider to make presentations to staff from time to time. The County should take these to the next level by taking the following steps:

1. The County should create a training policy which outlines the type, amount and frequency of training for employees, establishing a routine rotation of workplace training for all employees on topics including sexual harassment, diversity, and equal employment practices, as well as supplementary topics on a rotating basis. Training could be administered online or through an agreement with the recently contracted training provider.

2. The County should also establish an ongoing training program for supervisors which would provide refresher training on Effective Personnel Management, Discipline and Performance Management, Teambuilding, Communication, as well as other issues which have been identified as needs. This could be arranged through an external provider such as Primex, which provides initial supervisory training currently.

Taking these two steps will align the County with best human resources practices and ensure that staff are kept up-to-date on core workplace and supervisory standards.

Recommendation: The County should create a formal training policy outlining ongoing workplace training requirements for County employees.

Recommendation: The County should establish an ongoing supervisory training program in conjunction with the current initial required supervisory training.

5. Assessment of Finance Operations

This chapter addresses recommendations regarding the County's Finance function, outlining recommendations regarding issues from the prior study as well as those identified in the course of this audit. The County's Finance staff provide accounting, billing, purchasing, budgeting, and payroll services to the County, overseeing an annual budget of over $31 million.

(1) The County Should Complete and Record Bank Statement Reconciliations Within 30 Days of the Closing of Each Month.

In the prior audit, it was noted that the County was not performing regular reconciliations of bank account statements, and recommended that bank statements be reconciled by the end of the month following receipt of the statement. While individual departments such as the Sheriff, Jail, Nursing Home, and Recorder of Deeds reconcile their own accounts, bank statements are not currently being formally reconciled for Administrative Services, including Public Works and the County Attorney. While Finance staff review monthly bank statements and identify debits and credits which appear questionable, they have not been recording formal reconciliations for at least six months. This is not helped by the fact that staffing was reduced from three to two in 2017, limiting the amount of time available to spend on even important tasks such as this one. However, even prior to the staff reduction reconciliations were not being completed in a timely manner. Bank reconciliations should be completed monthly and conducted by the Finance staff – not at the departmental level.

The lack of regular reconciliations poses significant problems for the County:

- It makes the timely detection of financial irregularities and errors, incorrect postings of transactions, incorrect bank fees, and duplicate checks more difficult.

- It makes it more difficult to detect if cash deposits are not reaching the bank or to verify that checks are being sent only to legitimate County vendors.

- Increases potential to identify and address internal control problems in a timely manner.

- It fails to ensure an accurate reflection of the County's financial position.

As stated in the 2015 DRA report, “County financial management should institute a process to ensure the ongoing completeness and accuracy of data collected. This process should include appropriate monthly reconciliations to identify any needed adjustments.” The County’s annual audit of financial statements also addressed this topic, stating that all bank accounts should be reconciled in a timely manner to the general ledger. Despite repeated notifications to the County of the importance of this activity, it continues not be conducted in a timely manner or at all.

Bank reconciliations should be completed within 30 days of the end of the month. The Government Finance Officers Association (GFOA) recommends in their best practice for “Bank Account Fraud Prevention” that this monthly duty fall to an individual other than those responsible for approving payments. They also recommend that any reconciliation services offered by the bank be utilized as much as possible.

To properly conduct reconciliations, each revenue or expense item from the County’s financial system should be matched with the corresponding line item on the bank statement, and the amounts verified. Discrepancies in the amounts, as well as any items which appear on only one of the documents, should be reviewed with the bank to reconcile the difference, and edits to the County’s ledger made in order to reflect the balance of the reconciled account. Reconciliations should be conducted by the Finance Manager.

Recommendation: The County should complete monthly bank statement reconciliations within 30 days of the end of each month.

(2) The County Should Continue to Develop Financial Policies and Procedures and Compile Them in a Manual.

One of the most notable steps the County has undertaken in response to the 2014 performance audit has been the implementation of seventeen new finance policies. The policies were developed by the County Administrator and adopted by the Board of Commissioners and cover the following topics: Cash Receipts & Deposits, Bank Account Reconciliation, Petty Cash Accounts, A/R, A/P, Ledger Review, Fixed Asset, Purchasing, Employee Separation, Bidding, Anti-Fraud, Approved Vendor Form, Employee Reimbursement, Fund Balance Policy, Travel, Investment Policy, and Merit Pay Raise Policy.

Many of these policies address areas of need noted in the prior performance report. Additional policies which should be added include:

- Banking procedures
- Budget preparation and monitoring
- Preparation of financial statements
- Annual audit procedures
- Collections of outstanding receivables
- Wire transfers
- Credit card usage
- Accepting and depositing checks, and dealing with insufficient funds checks

As policies are approved and updated, they should be provided to all affected County staff with training provided on how to comply with them.

Recommendation: The County should continue to develop and compile updated financial policies.

(3) Action Items on the Commissioner Meeting Agenda Should Be Accompanied by Memoranda Developed by Staff.

In the prior audit, it was recommended that the County Commission meeting agendas should be modified to specifically list agenda items which would be acted upon and to supporting documentation regarding the recommended action. This has not been implemented and remains a continuing recommendation. The agenda and agenda memoranda should be posted online in advance of the meeting in accordance with State public meeting requirements.

The 2015 DRA report made two recommendations related to agendas, noting the benefits to staff familiarity and citizen transparency when this information is made publicly available. As the report stated, "Financial management needs to review upcoming agendas to familiarize themselves with upcoming topics. In reviewing this information, staff can then better anticipate requests for more granular data." The report also said, "Timely public posting of supplementary documentation provided for County Commissioner and County Delegation meetings, particularly on easily accessed venues such as the County website, will show the County's commitment to transparency."

Currently, the Board of Commissioners meeting agendas do not include memorandums for action items. As noted in the prior audit, taking action and developing policy "on the fly" during meetings is an ineffective approach to handling County business. Instead, the appropriate County departments should develop short memoranda (typically no more than one page) for agenda items related to their department, so that Commissioners are able to give appropriate consideration and take into account costs and other critical elements of each issue. The agenda item memos should be published along with the agenda itself, ahead of the meeting. This ensures public transparency regarding potential Commission action.

Recommendation: The County should, along with the Commissioner meeting agenda, publish agenda item memoranda for each action item on the agenda.

(4) The County Should Track and Report on Selected Performance Measures.

The recommendation in the prior study indicated that the County should institute a performance measures and reporting program has not been implemented. The selected performance measures would be tracked and reported upon in the County's Annual Report, which currently contains workload measures.

The following are a sample of some performance measures suggested for the administrative office:

Finance
Average number of business days to process payables
Average age of accounts receivable
Payroll errors as percentage of total checks
Percentage of purchases made on P-cards
Percentage of bank reconciliations completed within one month of receipt of bank statement
Receipt of unqualified opinion on financial audits
Human Resources
Number of lost time injuries per 100 employees
Total days lost to injury
Countywide sick time per 1,000 hours worked
Percentage of employees receiving performance evaluations within five business days of anniversary date
Percentage of employees rating job satisfaction as "high"
Percentage of eligible supervisors receiving supervisory training
Employee satisfaction with benefits program
Percent change in average cost per employee in medical benefits plan

The County does not currently have a performance measures and reporting program. Aspects of performance which are never tracked are unlikely to improve, and the lack of a performance measures program makes it difficult for the County to assess itself in these administrative areas and make progress.

The County should begin by selecting two to three key performance metrics in each function and devising a plan to track them over the course of the coming year. For example, the number of injuries, the change in per-employee benefits costs, and employee job satisfaction ratings (which would require a short countywide survey) could be selected as the key Human Resources metrics. On the Finance side, the time to process payables, the reconciliation of monthly bank statements, and receiving an unqualified opinion on the annual audit would be good places to start.

The County should report on its selected metrics at the next Annual Report and select one or more additional metrics for tracking in the next year.

Recommendation: The County should institute a performance measures and reporting program.

(5) The County Should Centralize the Purchasing Process and Issue All Purchase Orders Through the Finance Office.

Currently, the procurement of goods and services is decentralized. Each department is responsible for making their own purchases, and they are responsible for providing the purchase paperwork and supporting documentation to the Finance staff so that they can pay invoices when they arrive from vendors.

This decentralization of purchasing separates the buyer of goods and services from the individual who is responsible to pay for them. As a result, the Finance staff does not know whether appropriate purchasing procedures have been followed when they are asked to pay an invoice, and they do not have the necessary documentation on file if the purchasing department has not provided it. This also means that the Commissioners cannot be sure whether departments have taken measures to secure the best pricing on goods and services and provided the correct documentation. As a result, they spend time reviewing purchases and double-checking invoices.

These issues can be improved by centralizing the County’s purchasing practices. The following points detail the way this should be done:

- One Finance employee (not the Finance Manager, who will be responsible for reconciliations, but the Bookkeeper/Controller) should be designated as the County's Purchasing Agent, rather than having individual departments with responsibility for deciding on purchases.

- When departments seek to make a purchase, they should submit a requisition for the item to the purchasing agent. The requisition should describe the item needed, the reason/use for it, the necessary specifications, and a suggested model/vendor if desired. When County Administrator approval is required, the department should include the signed approval when submitting to the Purchasing Agent.

- The Purchasing Agent should review the requisition and any supporting paperwork, note that the appropriate approval is obtained, and then issue the purchase order. This step would follow a formal solicitation process for purchases exceeding the $5,000 limit for formal bidding. If possible, the issuance of a purchase order should be recorded in the County's financial management software so that it encumbers funds from the appropriate account.

- When invoices arrive to the County, the Finance Department should ensure that they match the purchase order and the receipt of delivery (if applicable) before paying them. Because the work necessary to issue the purchase order will be done in the Finance office, that documentation will be readily available to verify for payment.

The nursing home currently has one position designated as a purchasing agent, which does all procurement for the nursing home. This measure of centralization is a good example of the way the procurement needs of an organization can be met by a dedicated purchasing function. Centralizing the purchasing function further will provide a number of benefits to the County. In addition to streamlining the payment process by eliminating much of the need for last-minute verification of documentation, it will require departments to make a business case for their purchases, carefully considering what specifications they need and making them accountable for their purchasing decisions. Centralizing purchasing through the Finance office will also mean that the Purchasing Agent has the opportunity to optimize the County's buying power by taking advantage of State contracts and other cooperative purchasing opportunities which can save the County money.

Recommendation: The County should centralize the procurement process and issuance of purchase orders through the Finance office.

(6) The County Administrator Should Be Responsible to Approve Purchases Between $2,500 and $5,000.

The County currently has a purchasing policy which requires that all purchases over $2,500 go to the Commission for approval, and all purchases over $5,000 go to formal solicitation unless the Commission waives this requirement. The threshold for formal bidding aligns with the State statute that all materials and equipment purchases exceeding $5,000 go to bid. However, the requirement that purchases between $2,5000 and $5,000 be approved by the Commission is unnecessary.

At the time of the 2014 audit, the County did not have a County Administrator. Now that the Commission has hired a full-time County Administrator, the responsibility for approving purchases between $2,500 and $5,000 should be delegated. This would be similar to the requirements of other nearby counties such as Strafford County and Coös County, where purchases above the Department level but below the formal bidding threshold require County Administrator approval. It would still be more restrictive than Cheshire County, where Department directors have license to authorize purchases up to the $5,000 threshold.

Under this proposed system, the following thresholds would be in place:

- Purchases up to $2,500 could be made by Department directors, using either their purchasing cards or a requisition.
- Purchases greater than $2,500 but not exceeding $5,000 would require approval of the County Administrator.
- Purchases exceeding $5,000 would require Commission approval and a formal solicitation, unless the Commission waives this requirement.

These thresholds will streamline the purchasing process and allow for more expedient procurement in the County, while still ensuring oversight of department purchases at all levels over $2,500. Along with the centralization of purchasing, implementation of electronic purchasing software, and monthly account reconciliations, this change will provide the basis for an efficient and accountable purchasing function in the County.

Recommendation: The County Commission should delegate the responsibility to approve purchases between $2,500 and $5,000 to the County Administrator.

(7) The County Should Implement Electronic Purchasing.

To streamline the purchasing process, the creation of requisitions and approval of these forms by the appropriate authority levels should be conducted electronically. The current process, in addition to being decentralized in terms of purchasing responsibility, is paper-based. This requires physical documentation of purchases and approvals to be delivered to the Finance office, which is a slower and more error-prone means of correspondence than an electronic purchasing process.

The County should seek to implement electronic purchasing processes. If possible, the integrated purchasing module of the current financial management system, ACS, should be used so that purchase orders and invoices can be matched to the appropriate accounts. If this option is not available, another off-the-shelf system should be used to electronically initiate and route requisitions for approval, generate purchase orders, and provide the necessary documentation for purchases.

Recommendation: The County should implement purchasing software to streamline and improve the efficiency of the process. The cost of upgrading to include this capability is estimated to be about $6,000 per year.

(8) The County Should Expand Access to Financial Management Software to Department Heads.

Currently, access to the County's financial software, ACS, is limited to finance staff and the County Administrator. Department heads and Elected Officials do not have access to the system, and thus must request reports regarding budget status from the Controller whenever needed. In the 2015 DRA report, it was noted that departmental access to internal reports needs to be improved, since effective management is dependent on timely, accurate and relevant information. This has not yet been implemented. As a result, departments must ask finance staff for updates on their budgets, a process which should be unnecessary. It is common practice in local government for Department Heads and Elected Officials to have direct access to financial systems to view, review, and generate reports regarding their budget and expenditures.

ACS has the capability to provide access to Department heads to see updates on their revenues and expenditures against projections in real time. With the implementation of a high-speed fiber network at the County's campus, this capability can be implemented as all department locations are now linked. In order to provide real-time information for effective management to Department heads, the County should arrange with ACS to provide read-only access to respective departmental accounts for each Department Head and Elected Official. This is a basic function of effective government financial software and is necessary to ensure that County staff are equipped for decision-making in as timely a fashion as possible.

Recommendation: The County should expand access to ACS to Department Heads and Elected Officials.

(9) The County Must Take Steps to Complete Its Annual Audit Within 90 Days of the End of the Fiscal Year, As Required by State Law.

According to State statute, the County's annual financial audit must be completed each year within 90 days of the end of the fiscal year. Carroll County's fiscal year ends on December 31st, which means that the audit should be completed by April 1st. As the 2015 DRA report points out, a financial report showing receipts and expenditures for the fiscal year must also be filed by this date each year.

In the last three years, however, this has not been the case. The 2016 audit was completed in August, and the 2017 and 2018 audits were not concluded until October. In order to achieve compliance with statutory requirements, the County must secure approval for the audit earlier in the year and complete it more quickly.

To accomplish this, the County Commission should include appropriations for the following year's audit in the annual proposal to the Delegation. This would mean that each budget includes funding for an audit to be awarded in December of the fiscal year and commenced in January. This would effectively eliminate the audit's dependence on budget passage during the short timeframe available to comply with State law at the beginning of the year.

The County should implement this approach in the next budget cycle, securing appropriations for the audit of the FY 2020 financial statements during the 2019/2020 budget process. This will help to ensure that the County complies with State legal requirements.

Recommendation: The County should budget for an audit of its annual financial statements for each fiscal year at the beginning of that fiscal year in order to complete the audit within 90 days of the fiscal year end, in compliance with State law.

(10) The County Should Accelerate Its Budget Process to Approve a Budget As Early As Possible In Each Fiscal Year.

The County's fiscal year begins on January 1st each year. Ideally, the County would have an approved budget in place before the beginning of the fiscal year with which to begin conducting business. Under New Hampshire State Statutes, the County Delegation has until March 31st of each year to approve a budget. As a result, the County generally operates without an approved budget for the first few months of each year. Departments utilize the prior year's budget until the new one is approved. This arrangement creates uncertainty at the beginning of the year and prevents departments from strategically scheduling expenditures throughout the year, being forced to wait several months before knowing how much funding will be ultimately available for providing services.

To address this, the County Commission and Delegation should commit each year to developing and approving an appropriations budget for the coming fiscal year before the end of the current fiscal year. This means that the Commission should submit its recommended budget to the delegation with enough time for deliberation and revisions to be completed and approved by the end of December. This would align with the effective practice of city and county governments across the United States and eliminate the inefficiency and uncertainty which results from waiting until the end of the statutorily allowed period for budget passage.

Recommendation: The County should commit to accelerating its budget process in order to have an approved budget by the end of December each fiscal year.

Appendix – Descriptive Profile

This appendix provides a descriptive profile of the Carroll County administrative and nursing home functions. The information contained in the profile was developed based on the work conducted by the project team, including:

- In-person interviews conducted with County management, staff, and elected officials.

- Collection and review of documentation including budgets, audit reports, job descriptions, active contracts, and capital and long range plans.

The document is not intended to include every organizational and operational facet of the organization, but rather to provide an overview and to serve as the “base line” or “status quo” against which any recommendations made at the conclusion of the study can be compared to demonstrate the change in roles, staffing, technology, or operational practice.

Information contained in this document will be employed in the analysis of issues during subsequent stages of the project.

1. INTRODUCTION

Carroll County is located in northeastern New Hampshire. With a population of about 48,000, it is the third-smallest of New Hampshire’s ten counties. The County’s legislative branch is comprised of the 15 representatives from the County (known as the County Delegation) who sit in the New Hampshire House of Representatives, while the executive branch is formed by a board of three elected County Commissioners.

This Board of Commissioners (BOC) exercises budgetary control over County operations, and prepares the annual budget for approval by the Legislative Delegation. The Board authorizes departmental expenditures and the payment of bills. The Board is also responsible for the approval of contracts on behalf of the County, and for management of county buildings and land. The BOC has hired a County Administrator to oversee finance and human resources, the nursing home, the public works department, and corrections. This study is focused on the County operations which fall under the oversight of the County Administrator, specifically finance, human resources, and the nursing home.

2. BUDGET

The table below summarizes the County's operating budget in both revenues and expenditures over the last three years.

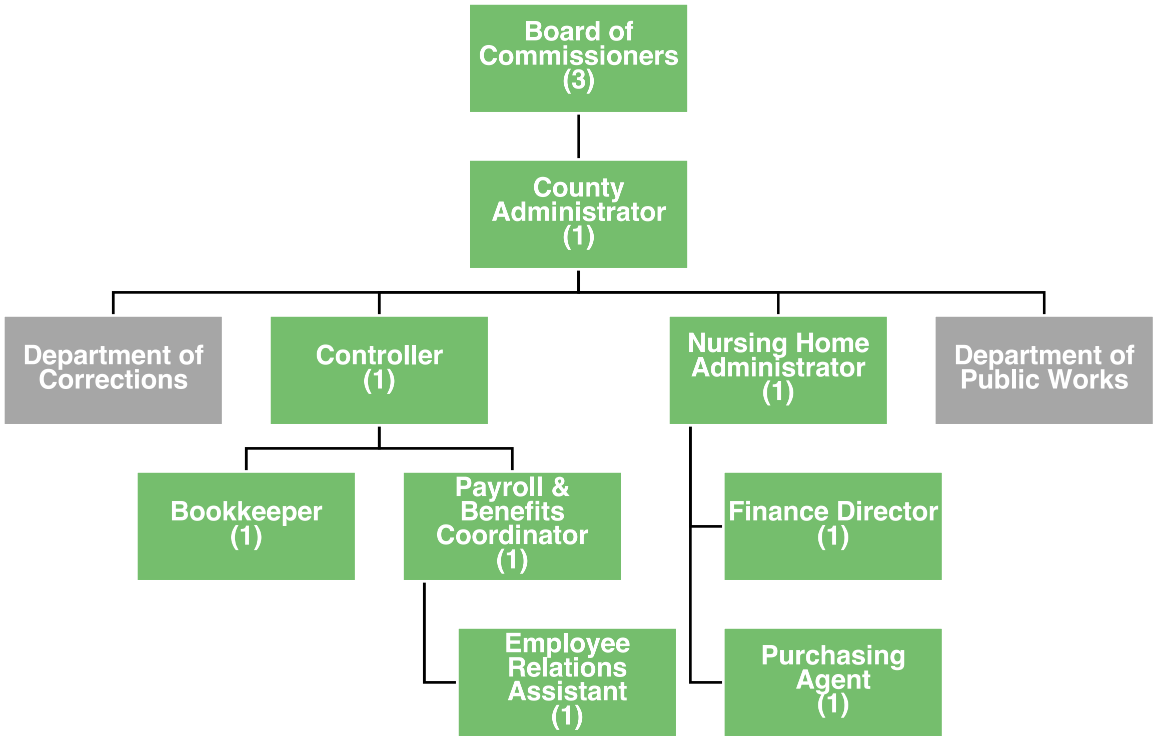
	2016	2017	2018
REVENUE			
100 Fund - Taxes	$ 17,623,594	$ 17,603,592	$ 16,521,886
100 Fund - Other	$ 1,206,316	$ 1,296,145	$ 2,545,839
200 Fund - Federal Grants	$ 382,495	$ 35,500	$ 902,539
300 Fund - MVC	$ 10,859,018	$ 11,576,901	$ 11,449,180
Total	**$ 30,071,423**	**$ 30,512,138**	**$ 31,419,444**
EXPENDITURES			
100 Fund - County Operations	$ 15,780,217	$ 16,092,464	$ 15,800,177
200 Fund - Grants	$ 382,495	$ 35,500	$ 902,539
300 Fund - MVC	$ 14,291,206	$ 14,419,674	$ 14,716,728
Total	**$ 30,453,918**	**$ 30,547,638**	**$ 31,419,444**

As the table shows, the County's practice is to subsidize a portion of MVC nursing home (300 Fund) operations each year using taxes and other revenue sources such as farm sales (100 Fund). Federal grants are used in the amount which they are receive to provide grant-funded programming (200 Fund).

The following sections depict the County's organizational structure, staffing, and technology.

3. ORGANIZATIONAL STRUCTURE

The following organizational chart shows the reporting structure of County departments and staff within the scope of this study. As the chart shows, the County Administrator reports to the BOC and oversees four departments to manage the County's operations. Because the scope of this study is targeted to Administrative functions within the Commissioners' Office and the Nursing Home, these staff are presented in detail while the Department of Corrections and Department of Public Works are depicted more generally. Elected officials such as the Sheriff, Recorder of Deeds, and Treasurer do not fall under the BOC.



The following section outlines the roles and responsibilities of staff in each department involved in this study.

4. ROLES AND RESPONSIBILITIES

The following table shows the number of authorized and filled positions within each job title, as well as a summary of their key roles and responsibilities. This table is not intended to provide a "job description" level of detail, but to outline the core functions for which each position is responsible.

Position Title	Authorized Positions	Filled Positions	Key Roles and Responsibilities
County Administrator	1.0	1.0	• Reports to the BOC. • Oversees all County finance and administrative staff. • Assists the BOC in development of the County's annual budget, capital plan, and financial strategy. • Ensures proper financial management of county resources and departmental expenditures within budgeted allotments. • Leads collective bargaining with three bargaining units for the County. • Serves as project manager and point of contact for annual Countywide audit.
Controller	1.0	1.0	• Reports to County Administrator. • Works with departments to ensure that their expenditures and balance sheet are updated. • Oversees financial reporting for grant administration, works with auditors to provide needed information. • Reviews all departmental expenditures and payment of invoices. • Monitors county retiree benefits to ensure proper payment and accounting.
Bookkeeper	1.0	1.0	• Reports to Controller. • Conducts billings for utilities, retiree benefits, and property taxes. • Collects and records payments for utilities, taxes, and proceeds from the County farm. • Pays County credit cards and invoices; coordinates review with treasurer and commissioners to write and sign checks. • Produces the County's annual report. • Records minutes at BOC meetings.
Payroll and Benefits Coordinator	1.0	1.0	• Reports to Controller and County Administrator. • Runs weekly and bi-weekly payroll for County employees. • Ensures that all staff benefits are properly recorded and deductions properly applied to paychecks. • Handles workers' compensation, FMLA, and other employee relations functions. • Manages personnel files for staff at the County offices.

Position Title	Authorized Positions	Filled Positions	Key Roles and Responsibilities
Employee Relations Assistant	1.0	1.0	• Reports to Payroll and Benefits Coordinator • Assists department staff with enrollment, benefits utilization. • Manages departmental recruiting process; posts jobs, facilitates interview process, assists in onboarding. • Completes necessary paperwork for hires, terminations, and changes in employment. • Assists supervisors and department leadership with employee relations functions.
Nursing Home Administrator	1.0	1.0	• Reports to County Administrator. • Manages all Nursing Home Department supervisory staff. • Serves as nursing home liaison to BOC and community. • Oversees development and management of annual nursing home budget. • Conducts correspondence and communication on behalf of the nursing home.
Finance Director	1.0	1.0	• Reports to Nursing Home Administrator. • Supervises the Nursing Home's purchasing agent. • Conducts Medicare and Medicaid billing, as well as private payer billing. • Assists in developing the nursing home's annual budget. • Collects payments to the nursing home and records deposits.
Purchasing Agent	1.0	1.0	• Reports to Nursing Home Finance Director. • Collect order sheets and compile emailed purchase requests from staff. • Procures commodities for the nursing home to maximize cost efficiency. • Conducts procurement according to established County policies and procedures.

The following section outlines the use of technology within Carroll County as it relates to the functions within the scope of the study.

5. TECHNOLOGY UTILIZATION

The County has one primary system which plays a role in the administrative functions toward which this study is targeted. This is ACS, the financial management information system. ACS is used to maintain ledgers and balance sheets for the County's accounts, record transactions, and produce reports on the financial positions of accounts and the County as a whole. The Controller uses ACS to keep departments apprised of their spending and spend of their allotted budget. This system is designed for accounting and financial management; it does not have dedicated modules for finance functions such as purchasing or payroll.

The County also makes use of contracted vendors to meet its technology needs:

- Checkmate is a payroll vendor with proprietary software which the County uses to meet its timekeeping and payroll needs.

- Cybertron is an information technology support vendor which provides maintenance, repairs, and troubleshooting of the County's technology including hardware, operating systems, network, phones. The current contract runs for three years at $103,000 per year.

The County, as mentioned above, does not have software or contracted support for purchasing or human resources functions. These processes and documentation are handled manually.