

PERFORMANCE AUDIT

DEPARTMENT OF HEALTH SERVICES

OFFICE OF VITAL RECORDS

Report to the Arizona Legislature
By the Auditor General
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DOUGLAS R. NORTON, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

LINDA J. BLESSING, CPA
DEPUTY AUDITOR GENERAL

September 25, 1989

Members of the Arizona Legislature
The Honorable Rose Mofford, Governor
Mr. Ted Williams, Director
Department of Health Services


Transmitted herewith is a report of the Auditor General, A Performance Audit of the Arizona Department of Health Services, Office of Vital Records. This report is in response to a June 2, 1987, resolution of the Joint Legislative Oversight Committee.

This report identifies ways DHS can better protect vital records and improve service to the public. Physical security for the department's records room is not adequate to deter illegal entry and records theft. Fire suppression and climate control also need improvement. In addition, the department lacks controls needed to prevent unauthorized use of vital records by its staff.

The department can speed up service to the public by issuing more computer generated birth certificates. Time saved by using computer records will enable the department to reduce turnaround times for mail requests. Finally, a larger waiting area is needed to accommodate persons requesting copies of vital records.

My staff and I will be pleased to discuss or clarify items in the report.

Sincerely,


Douglas R. Norton
Auditor General

DRN:lmn

STAFF: William Thomson
Mark Fleming
Anthony James Guarino
Margaret McNamara Jackson

SUMMARY

The Office of the Auditor General has conducted a performance audit of the Arizona Department of Health Services, Office of Vital Records, in response to a June 2, 1987, resolution of the Joint Legislative Oversight Committee. This audit was conducted as part of the Sunset Review set forth in Arizona Revised Statutes (A.R.S) §§41-2351 through 41-2379.

This is the fifth in a series of reports issued on the Department of Health Services (DHS). The report focuses on the functions of the Office of Vital Records which operates within the Director's Office.

Better Protection and Oversight of the State's Vital Records Are Needed (see pages 5 through 12)

Adequate security of vital records is important. In March 1989, a thief broke into Delaware's vital records office and stole more than 1,700 blank record forms and the official state seal. The office director believes the thief will use these materials to create and sell counterfeit birth certificates. Counterfeit records have sold for prices of up to \$1,500 each. Because Arizona's facility lacks adequate security, a similar theft could happen at Arizona's Office of Vital Records (OVR). The agency could greatly improve its physical security by installing alarms and video cameras at an estimated cost of \$14,000.

The OVR facility is also susceptible to fire and environmental hazards which could damage or destroy the State's vital records. The agency can remedy these problems without undue expense. Halon, a popular fire protection system, would cost OVR approximately \$12,800, while temperature and humidity controls would cost approximately \$40,000.

In addition, limited inventory controls and unrestricted employee access to vital records and forms provide opportunity for OVR employees to make unauthorized use of records. Weak controls may have contributed to several recorded incidents of illegal employee activity. For example, one employee was recently caught sending a certified copy of a birth record to a friend without the proper request, authorization, or fee.

Since vital records are a valuable commodity, OVR should limit employee access to vital records and reconcile forms used to make certified copies with the actual number of certified copies sold each day - treating these materials, in essence, like cash.

OVR Can Improve Operational Efficiency and Customer Service (see pages 13 through 18)

OVR could improve efficiency and customer service in several ways. For example, although the agency developed an in-house computer to facilitate a more timely and efficient records storage and retrieval system, the computer is currently underutilized. Instead of using the computer to routinely produce records, OVR produces many records by manually photocopying the original documents. By more fully utilizing its computer system, OVR could: 1) process records faster and free staff to perform other duties, and 2) increase customer satisfaction by improving turnaround time. Turnaround time and, consequently, customer satisfaction for mail-in requests could also be improved by eliminating the 20-day check-hold procedure.

OVR Should Enlarge Its Waiting Area to Improve Service to the Public (see pages 19 through 21)

OVR's customer waiting area is not adequate to serve the public. Up to 56 people have been observed using the 12 by 22 foot area which was designed for no more than 15 people. During busy times, many people must wait outside (often in the heat) for up to an hour to get service. Although DHS has initiated plans to expand OVR's staff areas, the plan needs to be modified to provide enlargement of the waiting area.

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INTRODUCTION AND BACKGROUND

The Office of the Auditor General has conducted a performance audit of the Arizona Department of Health Services, Office of Vital Records, in response to a June 2, 1987, resolution of the Joint Legislative Oversight Committee. This audit was conducted as part of the Sunset Review set forth in Arizona Revised Statutes (A.R.S.) §§41-2351 through 41-2379.

This audit is the fifth in a series of reports issued on the Department of Health Services (DHS). The report focuses on the functions of the Office of Vital Records which operates within the Director's Office.

Functions

The Office of Vital Records (OVR) directs and supervises a statewide system of vital records and public health statistics, and is the custodian of those records. Records maintained consist primarily of birth and death certificates. OVR also issues certified and noncertified copies of birth and death records to eligible persons upon request, and makes corrections to records when necessary.⁽¹⁾ During fiscal year 1987-88, OVR:

- Recorded 65,477 births and 29,221 deaths.
- Issued 109,687 certified birth records, 63,497 certified death records, and 26,195 noncertified records.

OVR has established registration districts throughout the State to assist in processing birth and death certificates transmitted from hospitals, mortuaries, midwives, and, in some cases, private individuals. These districts are administered by local registrars appointed by the State Registrar. Registration districts in Maricopa and Pima counties are designated as class A. They are responsible for reviewing the birth and

(1) Certified records contain the State seal and may be used in legal transactions, while noncertified copies can be obtained and used for research purposes only.

death records sent to them for accuracy and completeness. Class A districts retain records for 30 days, and may issue certified copies of the records while they remain in their possession. In contrast, other local registration districts, designated as class B, send records directly to OVR and cannot issue copies of records to the public.

Organization and Staffing

OVR is supervised by an Assistant State Registrar who reports directly to the director of DHS, the legally designated State Registrar. The office consists of four units, and employs a staff of 30 including the Assistant State Registrar.

- **The Revenue Control Unit** - This unit serves the public directly. It processes over-the-counter applications for certified copies of vital records. The unit reviews applications and supporting documentation to establish an applicant's eligibility and collects fees. Mail-in requests are also processed through this unit. The revenue control unit consists of six full-time employees (FTEs), including a supervisor.
- **The Records Room Unit** - The State's vital records are permanently stored in OVR's records room. The records room unit is responsible for filing vital records and for maintaining the records' security. In addition, records room staff receive applications processed through revenue control, search for the records applied for, and produce the certified copies requested. Copies are produced either by photocopying or by the agency's in-house computer. This unit consists of seven FTEs, including a supervisor.
- **The Coding Unit** - This unit prepares the birth and death certificates sent by local registration districts, hospitals, and mortuaries for permanent filing in the records room. Documents are reviewed for completeness, consistency, and accuracy. Records are then coded by staff to facilitate data entry - the DHS automation group inputs coded data from death certificates onto the agency's

mainframe computer, while birth certificates are keyed directly onto OVR's computer by OVR's coding staff. The coding unit employs 6 FTEs, including the unit's supervisor.

- The Corrections Unit - This unit makes corrections to original records. The group amends records, when necessary, to correct entries on birth and death certificates such as the time or place of the occurrence. In addition, the unit can amend birth records to add the name of a child's father to the certificate in cases where the mother was unmarried at the time of birth. The corrections group also processes late or delayed birth registrations. These generally occur when OVR is unable to locate an original record. This unit is staffed with 6 FTEs, including its supervisor.

In addition to unit staff, OVR employs three FTEs who provide administrative support, and an administrative supervisor who oversees the work of each unit supervisor.

Revenue and Expenditures

A.R.S §36-342 authorizes DHS to assess fees "for searches, copies of records, applications to file delayed records, and requests for supplementary birth certificates, following adoption, legitimation, paternity determination,...or amendments to existing records." Fees range from \$2 to \$13, or more depending on the service performed:

- \$2 for a copy of a noncertified record,
- \$5 for a certified computerized copy of a birth certificate or a photocopy of a death certificate,
- \$8 for a certified photocopy of a birth certificate, and
- \$13 for correcting a birth certificate.

In addition, record searches are performed by the office for persons

trying to obtain a certified copy of a birth or death record, but who do not know the date of occurrence. OVR charges \$3 per record year searched for the first 10 years researched, and \$2 per record year thereafter.

The agency collected \$805,878 during fiscal year 1987-88. All monies collected are deposited into the general fund.

OVR's operating budget is derived from general fund appropriations, and in fiscal year 1988, OVR expended \$745,816.

Audit Scope and Purpose

Our audit of OVR concentrated on issues related to operational efficiency and effectiveness. Detailed work was conducted to determine whether:

- OVR's control and security of the State's vital records can be improved,
- operational efficiency and customer service can be improved, and
- the customer waiting area provides adequate space for the public.

The section entitled Areas for Further Audit Work (page 23) addresses issues identified during the course of the audit which we were unable to research due to time constraints.

This audit was conducted in accordance with generally accepted governmental auditing standards.

The Auditor General and staff express appreciation to the Director of DHS, the Assistant State Registrar of OVR and her staff, for their cooperation and assistance throughout the audit.

FINDING I

BETTER PROTECTION AND OVERSIGHT OF THE STATE'S VITAL RECORDS ARE NEEDED

Protecting vital records is more important than is generally recognized. In March 1989, a thief broke into the Delaware Office of Vital Records. Entering through a window, the thief stole more than 1,700 blank forms and the official seal. The office director in Delaware believes that the thief intended to forge birth certificates and sell them. Counterfeit records have been sold for prices of up to \$1,500 each. Our review suggests that a similar theft could happen in Arizona. The Arizona Office of Vital Records has little security to prevent such a break-in. In addition, the current facility is susceptible to fire and environmental problems that could damage or destroy the records. OVR also needs to strengthen internal controls to prevent possible theft and misuse of records by employees.

Adequate Protection of the State's Vital Records Is Necessary

Vital records are a valuable commodity. They are important source documents, and therefore, they are commonly used for fraudulent purposes. Special care must be taken with these records because they are, in many cases, the primary documentation of births, adoptions, name changes, and deaths in Arizona. According to a recent report by the Office of the Inspector General, U.S. Department of Health and Human Services, "false identification...is estimated to cost society billions of dollars annually." Further, "The birth certificate has been called a 'breeder' document because with a false one a person can obtain other false identification (ID) documents with which to defraud Government or business, or create a new identity." Securing these documents from

theft, therefore, is a necessity. Because of their importance, State law requires DHS to adequately protect vital records. A.R.S. §36-302.B mandates that:

"[T]he department of health services shall provide fireproof and theft proof facilities to insure the permanent and safe preservation of all vital records received and filed under this chapter." (emphasis added)

In addition, Arizona law establishes stringent confidentiality requirements and strictly limits access to vital records. Persons requesting copies of records must prove they are entitled to them. In contrast, some states allow anyone free access to the state's vital records. Security improvements have been made by OVR in recent years. For example, bank-note paper is now used for making official certified copies of vital records. This high quality paper is very difficult to duplicate. Also, OVR has increased the security of computerized documents through the use of passwords which restrict employee access to computer records.

OVR's Facility Does Not Adequately Protect Vital Records from Theft or Destruction

The physical security of the State's vital records and forms is inadequate. Currently, OVR's facility is susceptible to: 1) illegal access and theft, and 2) destruction resulting from fire and inadequate climate control.

Illegal access and theft - Physical security of vital records and materials is weak. The records room could easily be broken into, and the basement storage area is poorly secured. Similar security weaknesses contributed to vital records thefts in two other states. However, OVR can address some of these security problems at little cost.

OVR's records room, which houses all birth and death certificates, as well as the materials needed to produce certified copies, could be

burglarized relatively easily.⁽¹⁾ Although the office is "restricted," there are no alarms on the doors to the OVR office or to the records room. The records room also lacks alarms on its windows even though they are large enough to allow entry into the area.

In addition, OVR's basement storage area is not secured from theft. The basement, which is not locked, houses storage areas for several other DHS divisions, and the departmental copy and mail rooms. OVR also stores supplies of blank certificates and other valuable materials, which could be used to produce fraudulent records, in the basement storage area. This area is surrounded by a fence and padlocked. However, there is a five-foot clearance between the top of the fence and the ceiling, and the fence could be climbed easily. The locked storage area is unattended, and all DHS employees have access to the basement. There are no video cameras or alarms to monitor the area.

The lack of adequate security has contributed to thefts of vital records in at least two states. For example, the Delaware vital records office burglarized in March 1989 lacked a security system and was not being adequately monitored by the state security police. Similarly, thieves broke into the Colorado OVR through a side window during the 1985 Labor Day weekend. Records, the State seal, a photocopy machine, and certified paper were all available in the office which lacked security alarms, video cameras, window breakage detectors, or movement detectors. Since the incident, all have been installed.

According to the State of Arizona library and archives records management specialist and vital records offices in other states we contacted, OVR can greatly improve its physical security by taking the following steps:

(1) Materials needed to produce certified copies include: certified copy paper that is used to produce a photocopy or computer-generated copy, the State seal which is stamped on certified copies to make them official, the photocopy machine, and the computer that produces computer-generated birth certificates.

- Alarms can be installed on the records room entrance, and window breakage alarms can be installed on records room windows. DOA-Facilities Management researched the costs of the needed alarms and said that installing such alarms at OVR would cost an estimated \$1,800.
- Video cameras would provide a means for monitoring activity in and around the records room and basement storage areas at all hours of the day. DOA-Facilities Management estimated the cost for the needed cameras at \$12,000.

DHS requested funds from the Legislature for these devices in its fiscal year 1989 budget request, but the request was not funded.

Fire and environmental threats - Fire and poor climate control are also threats to Arizona's vital records. A records management specialist from the State library and archives observed OVR and determined that vital records are at risk of fire in two ways:

- Sprinkler System - The DHS building, where OVR operates, uses a sprinkler system to suppress fire. In the event of a fire, water from the fire suppression system could severely damage vital records.
- Walls - OVR's records room walls are not fire retardant and, therefore, would not contain a fire. As a result, a fire in an adjacent area could easily threaten vital records.

OVR can remedy its fire suppression problem without undue expense. Halon systems are already used by several State agencies. For example, the State library and archives uses halon to protect documents, and the DHS computer room uses halon to protect equipment. Halon is a popular records protection system because it suppresses fire without the use of water. According to DOA-Facilities Management, who researched the cost for OVR, it would cost approximately \$12,800 to install a halon system at OVR. OVR requested funds for a halon system in its 1988-89 DHS budget request, but the request was rejected.

In addition, inadequate climate controls could cause irreparable damage to the State's records. The director of the State library and archives, pursuant to A.R.S. §39-101, sets specific standards for temperature and humidity fluctuation in storage areas for permanent paper records. However, OVR has no monitors to ensure that the climate in its records room conforms to these requirements. The records room lacks any special

climate controls. It is heated and cooled in the same manner as the rest of the DHS building. For example, because air conditioning is turned off on workday evenings and weekends, the indoor temperatures can climb as high as outside temperatures. Also, the records room has no humidity control, thus potentially allowing paper records to become dry and brittle. This is a considerable danger since records are routinely handled when making certified copies.

In order to provide adequate climate control in the records room, DHS would need to add cooling and humidifying equipment. The DHS computer room, which shares a wall with the OVR records room, has a separate cooling system similar to that needed in the records room. We asked the Department of Administration-Facilities Management section to determine the cost of such a system for the records room. They estimate that adequate temperature and humidity control would require the addition of a separate air conditioning system that adjusts the humidity level. Such a system would cost approximately \$40,000.

Controls over Vital Records Are Weak in Several Areas

Controls over vital records, materials, and forms are weak in some areas at OVR. OVR lacks a sound inventory control system to ensure that materials and equipment are not used to create fraudulent documents. Controls over employee access to records and forms do not prevent unauthorized use of the documents.

Inventory controls - Loose inventory controls increase the likelihood of illicit activity. OVR does not regularly reconcile the number of certified records sold with the serial numbers of the prenumbered bank-note quality paper used to produce the copies. Moreover, OVR does not reconcile the number of copies sold with the applications and payments received for the copies. As a result, the blank forms could be diverted for unauthorized purposes without OVR's knowledge. Blank forms and certified copies are valuable documents and should be treated the same as cash and reconciled each day. OVR should reconcile copies sold with copies produced by recording serial numbers of certified copies on

the application for them. OVR should also take greater care in monitoring and tracking the serial numbers of the certified copy paper used.

OVR also distributes birth and death certificates to county registrars, hospitals, and funeral homes but does not reconcile the number of certificates distributed with completed certificates returned. The library and archives records management specialist suggests that OVR number the blank certificates, have the users sign the certificates out in "blocks," and later reconcile the completed certificates to the number distributed.

Employee access - Access to both the original records and to the materials needed to make certified copies is loosely guarded at OVR and could lead to the fraudulent use of records and OVR materials. Although records room employees are most frequently in the area, all employees have free access to the records room. In fact, the staff refrigerator is located in the records room, so it is common to find any of the OVR employees there. Moreover, employee activity in the records room is not monitored. Weak controls over vital records may have contributed to several incidents of illegal activities by OVR employees.

- OVR's records room supervisor was caught altering the content of vital records and distributing a certified copy of a record to a friend. In January 1987, the supervisor was caught sending a certified copy of a birth record to a friend without the proper request, authorization, or fee. In December 1988, she cut two birth certificates out of records books, whited out certain information, and had an employee type in fraudulent information. (The employee said that this was not the first time a situation such as this had occurred.). After the second incident, the supervisor was demoted and transferred to another DHS unit.
- In October 1986, an OVR information processing specialist was caught making a copy of a birth certificate for her own use. The employee quit her job after this incident.

In neither case were controls set up to prevent the illegal activities. In the first incident, the employee who was asked to assist the records room supervisor reported her to OVR's director. In the second incident, an OVR employee reported the information processing specialist to the OVR supervisor after seeing her produce the document for her own use.

In addition, non-OVR employees have access to the records room. Representatives from Social Security, the State Board of Funeral Directors and Embalmers, the American Cancer Society and the DHS Birth Defects Monitoring Program are allowed to review specific records and obtain copies.

Access to the records room should be strictly regulated. For example, the Michigan office of vital records uses strict division of labor to control access. Although duties at Arizona's OVR are normally segregated, it is not unusual for staff to perform tasks outside of their assigned function including all jobs necessary to produce a certified record. According to the Michigan director, duties are segregated so that one person cannot search for, copy, and certify a record.

Only employees who are specifically assigned to the Michigan records room are allowed in that area. Arizona's library and archives records management specialist also recommends that only records room staff be allowed in the records room to make certified copies. Given the limited space at OVR, working in the records room appears necessary, but it is reasonable to restrict access for those who work outside of the records room. DHS has initiated both short- and long-term plans to renovate OVR's facility. These plans should take OVR's security needs into consideration.

RECOMMENDATIONS

1. DHS should provide adequate, secure facilities for OVR including:
 - a. Door and window alarms, and video cameras in the records room,
 - b. A fully enclosed basement storage area with intrusion alarms and a video monitor,

- c. A fire suppression system appropriate for use with paper records,
 - d. Temperature and humidity control in the records room, and
 - e. Consideration of provisions for OVR's security needs in their plans for future office renovation.
2. OVR should improve controls over the bank-note quality paper used to produce certified copies of vital records by reconciling serial numbers for certified copies with the corresponding applications and payments, and the prenumbered copy forms.
3. OVR should also reconcile the blank forms distributed to the local registrars, hospitals, and mortuaries with the completed certificates received.
4. OVR should limit nonessential staff's access to the records room area to records room staff only.
5. OVR should more strictly segregate office duties to avoid enabling one employee to search, copy, and certify a record.

FINDING II

OVR CAN IMPROVE OPERATIONAL EFFICIENCY AND CUSTOMER SERVICE

The Office of Vital Records could improve efficiency and customer service. By more fully utilizing its computer system, OVR could: 1) process record requests faster and free staff to perform other duties, and 2) increase customer satisfaction by improving turnaround time. Turnaround time for mail-in requests could also be improved by eliminating OVR's policy of holding personal checks for 20 days.

Full Benefits of OVR's In-House Computer Are Not Being Utilized

OVR is not making efficient use of its computerized records system. Although the agency developed an in-house computer to facilitate a more timely and efficient records storage and retrieval system, the computer is currently underutilized.

Computer system developed to increase efficiency - OVR developed and partially implemented an in-house computer system to facilitate efficient operations and offset increased workloads. Increased workloads have made timely and efficient service more difficult for the agency to achieve. For example, OVR's incoming mail has increased approximately 34 percent, and the number of certified records issued has increased approximately 26 percent since fiscal year 1985, while staffing has remained relatively constant. To compensate for increasing demands, OVR developed and partially implemented the Vital Records System in January 1989 at a cost of \$372,000.⁽¹⁾ To fund this system, DHS had to divert funds from

(1) Birth records for persons born in Arizona from 1950 to the present are on the system. Data entry forms did not require all necessary information from the original certificate to be included on the computer form when the first records (1973-1982) were originally entered into the system. This prevents OVR from producing usable copies for those years. The data entry forms have since been changed, and complete records for 1973 through 1982 are being entered into the system as time permits. Death records are not on the system, and plans to complete the system have stalled due to the lack of funding.

its automation group's operating budget. The office justified the expense by asserting that an automated system was necessary to prevent "intolerable delays in accessing vital records, decreasing service levels, and...increased complaints."

The computer system is underutilized - Despite the agency's investment, OVR is not fully utilizing the computer system. Currently, the vast majority of certified records sold by OVR are still produced by the older and slower method of photocopying original records. Our analysis showed that the agency issues five times more certified photocopies than certified computer copies. If its computer technology were fully utilized, many more certified computer copies could be sold. Currently, 54 percent of all birth records are on the system and can be used to make certified computer copies.

The large number of photocopies issued is due to the agency's policy of providing persons an option of purchasing either certified photocopies or certified computer records. Although few people who purchase records are aware they have an option until informed by OVR, our audit work indicates many customers tend to choose photocopies largely because of confusion regarding the legal value of computer records.⁽¹⁾ However, this concern is unnecessary because certified computer copies have the same legal value as certified photocopies. In fact, more and more State agencies nationwide are increasing their reliance on computer technology.

OVR has at times added to the confusion over the legal value of computer records by misrepresenting the records' worth to the public. We observed OVR counter staff asking customers if they wanted "the certified copy or the computer copy," implying that the computer records were not certified. We also observed counter staff erroneously telling customers that the Social Security Administration might not accept computer-generated records.

(1) A customer survey showed only 10 percent of the mail-in customers and 16 percent of the over-the-counter customers were aware that such an option existed.

Full Utilization of Computer Technology
Would Result in Greater Efficiency

Complete utilization of computer technology would increase agency efficiency. OVR could: 1) process records faster and free staff to perform other duties, and 2) improve customer service by fully utilizing its computer technology.⁽¹⁾

More efficient records processing - Fuller utilization of the Vital Records System would result in faster record processing. Our office performed a limited time and motion study to determine the time required to produce photocopied records versus computer-generated records. We found certified photocopies take up to one-third longer to produce than computer-generated records because staff need time to manually retrieve original records and photocopy them. These activities, and the time required to perform them, are avoided with the computer.

Overall improvements in processing efficiency may be even greater than our study indicated. Studies by Virginia's vital records office determined that processing records by computer is five times faster than photocopying.⁽²⁾

In addition, greater reliance on computer processing would free staff to address other bottlenecks in processing. Producing photocopied records is a labor intensive activity. Currently, four full-time employees are assigned to this activity. If photocopying were significantly reduced, some staff involved in records retrieval and photocopying activities could be reassigned to other functions where staff are needed. Record requests sent by mail, for example, typically remain unopened for three days because staff are unavailable to begin processing. Full utilization of its computer capability would give OVR greater flexibility in deploying staff to these kinds of activities, resulting in more efficient processing.

(1) In addition to more efficient processing, use of computer technology would help protect original records from wear resulting from photocopying. Currently, some records must be cut out of ledgers, copied, and taped back in place.

(2) Virginia may obtain greater benefits, however, because of a more sophisticated computer system.

Computer technology and customer service - More efficient record processing through increased automation could improve customer satisfaction. In response to a customer survey, a significant number of people expressed dissatisfaction with OVR timeliness in fulfilling record requests.

We conducted a survey of 238 customers which showed that, overall, 26 percent of the over-the-counter customers surveyed were unhappy with the agency's timeliness in fulfilling record requests. Analyzing these results, we found that the degree of dissatisfaction rose as people waited more than a half-hour to complete their business. Further, we found that surveyed customers who purchased certified photocopies tended to wait longer than those purchasing certified computer records.

Increased use of automation could also speed processing for mail-in requests. A survey of 145 mail-in customers showed almost 33 percent were displeased with the timeliness of OVR's mail-in service. A review of OVR files showed processing time for mail-in requests averaged over 15 days.⁽¹⁾ Greater reliance on the computer could reduce this processing time. As noted previously, mail-in requests typically are not opened for three or more days because staff are not available to begin processing. More frequent use of the computer would free staff to address this and other processing delays.

Customer Service Could Be Improved
If OVR Changed Its Check-Handling Procedure

Turnaround time, and consequently customer satisfaction for mail-in requests, could be further improved if OVR changed its check-handling procedure. Under the current procedure, any mail-in request accompanied by a personal check (and lacking a copy of a check guarantee card) is held for 20 days by OVR to allow time for the check to clear the bank.

(1) OVR's turnaround time for mail-in requests has improved substantially since January 1989, when it was four weeks. However, the current two-week turnaround time is still considered marginal. According to an official of the National Center for Health Statistics (NCHS), a turnaround time of greater than two weeks is considered substandard.

This has a significant impact on turnaround. While average turnaround for mail-in requests is 15 days overall, turnaround time for requests in which customers pay by check is 36 days - including the 20-day delay.

In order to process a check, it must clear the bank, be processed by the State Treasurer's office, and, if there is a problem, be returned to OVR. This process can take up to 20 days. The Assistant State Registrar maintains that the 20-day check-holding policy has substantially reduced the number of checks returned for nonsufficient funds (NSF). However, figures are not available from OVR on the percentage of NSF checks.

OVR should track the amount of checks returned NSF in order to better identify the size of the problem. If they find that the number justifies the 20-day checkhold, they should consider adopting the procedure employed by Arizona's Motor Vehicle Division (MVD). MVD processes all check payments immediately. If a check is returned, MVD arranges for the appropriate bank to hold the bad check until money sufficient to cover the fee is deposited into the account. At that time, the bank issues MVD a cashier's check for the amount owed, plus any penalty fee assessed by the agency. This procedure, if adopted by OVR, would eliminate delays resulting from checkholds.

A statutory amendment will be necessary for OVR to implement this procedure. A.R.S. §28-1599.38 allows MVD to initiate the action described above. DHS will need to ask the Legislature to provide OVR with similar authority.

RECOMMENDATIONS

1. OVR should instruct its staff on the legal value of computer records and routinely issue these records in cases where the data from the original record is contained on its automated records system. OVR could continue to issue photocopied records to persons specifically requesting them.

2. OVR should track processed checks to determine the percentage of checks returned NSF.
3. If OVR finds that the number of checks returned NSF warrants a checkhold, OVR should consider using MVD's procedure. If this is needed, OVR should request the appropriate legislation.

FINDING III

OVR SHOULD ENLARGE ITS WAITING AREA TO IMPROVE SERVICE TO THE PUBLIC

OVR's customer waiting area is not adequate to serve the public. The waiting area is not designed to accommodate the number of people using it each day, and this leads to customer dissatisfaction. DHS' current plan for improving the facility should be modified to provide enlargement of the waiting area.

Current Lobby Situation Is Inadequate

OVR's waiting area is too small to serve the needs of the public. OVR has been located at the Department of Health Services building since 1974. At that time, OVR's level of service was approximately one-fourth of its present level. A space management specialist estimates that up to four times more people use the waiting area each day than the allocated space comfortably allows. The poor waiting area situation results in inferior service to the public.

OVR does not have an adequate waiting area to serve its public. Over 200 people are served at OVR's counter each day. Accompanied by friends or family members, the total number who enter the waiting area averages 400 people a day. In the middle of the day, we observed between 30 and 50 people in the lobby area at one time. At one point, we counted 56 people. Since the waiting room is only 12 feet by 22 feet, this situation results in cramped space, lack of adequate table space on which customers can fill out applications, and poor flow of customers in and out of the area. During busy times, some persons wait outside the building (often in the heat) for up to an hour.

A Department of Administration space management specialist determined that OVR's customer waiting area is too small to serve its customers and that

it should be enlarged. The space management specialist analyzed the dimensions of the waiting area and concluded that the maximum number of people there at one time should not exceed 15. He also noted that the setup of the room is confusing and does not suit the needs of the customers. The specialist said that the area should be at least twice its current size and recommends that OVR enlarge it in two directions. He recommends moving back the counter wall and the area's rear wall.

According to the survey we conducted of OVR customers, the public is not satisfied with the present waiting area. Forty-two percent of those surveyed felt that the lobby was either poor or very poor, and many provided additional comments on the lobby size and crowded conditions they experienced.

OVR Should Include Lobby Expansion in Its Plans to Enlarge the Office

DHS is planning to modify its building to provide more space for OVR. However, DHS' current plan for facility improvements includes no provisions for waiting area expansion. The plan, which has been approved and given partial funding by the Legislature, involves moving the division that is presently adjacent to OVR upstairs and expanding OVR's space. However, the plan includes only increases in office space, not an expansion of the waiting area.

DHS should adjust its plan to allow more room for the lobby area. Because the DHS plan has yet to be fully financed and construction plans are not final, OVR should rearrange the expansion design to include increases in the waiting area space. Modifications should include more area for customers to fill out applications, and an organized area in which people can both wait to be served and wait to pick up certified copies. DHS is also developing future plans for additional facilities and should consider OVR lobby requirements when designing those facilities.

RECOMMENDATIONS

1. DHS should modify its current plans for expanding OVR's facilities to include lobby enlargement.

AREAS FOR FURTHER AUDIT WORK

During the course of our audit we identified two potential issues that we were unable to pursue because of time constraints.

- Should OVR use microfilm to supplement its computer system?

Although OVR has computerized approximately 54 percent of its birth records, many paper records will be in use for the foreseeable future. OVR plans to computerize all of its vital records when funds are available. However, because of the cost involved, microfilm technology may be a more cost effective alternative in some cases, particularly for death records which are accessed much less frequently than birth records. OVR attempted to use microfilm technology in the early 1970s but was not satisfied with the results. Further audit work is needed to: 1) identify microfilm systems currently available, 2) evaluate OVR's previous experience with microfilm, and 3) determine whether microfilm offers an effective alternative to complete computerization of Arizona's vital records.

- Does OVR need additional positions to work with local vital records administrators, hospitals, and mortuaries?

OVR currently relies extensively on local registrars, hospitals, and mortuaries to initiate paperwork needed to create birth and death certificates. However, OVR has no staff specifically available to deal with the various local participants. All training and assistance is provided by the Assistant State Registrar. Other states such as Texas and Michigan have staff assigned full-time to field representative positions. According to the Assistant State Registrar, field representatives are needed to reduce error rates and train local staff. They could also be used to strengthen security at the local level. Further audit work is needed to determine: 1) the local error rate, 2) the local registrars' knowledge of the proper procedures involved with processing vital records, and whether they are adequately trained, and 3) whether additional OVR staff would be needed to address these potential problems.

ARIZONA DEPARTMENT OF HEALTH SERVICES

Office of the Director

ROSE MOFFORD, GOVERNOR
TED WILLIAMS, DIRECTOR

September 20, 1989

Mr. Douglas R. Norton
Auditor General
2700 N. Central, Suite 700
Phoenix, AZ 85004

Dear Mr. Norton:

This is in response to your revised draft audit report for the Office of Vital Records.

In review I find that most of our areas of concern have been addressed; however, the following still requires attention:

1. In our first response we advised you that on page 10 the employee case history, as stated, was reversed. It has not been corrected. The event described as occurring in January 1987, actually occurred in December 1988, and the event described as occurring in December 1988, actually occurred in January 1987. *
2. On page 11, reference is still made to "several government officials from outside of OVR as well as a representative from a nonprofit organization were authorized to review records and obtain copies." I believe this statement is misleading and suggest it be stated that requests for access from Social Security, the State Board of Funeral Directors and Embalmers, the American Cancer Society, and the DHS Birth Defects Monitoring Program were approved, and they are allowed, under supervision, to review specific records and receive copies for same. *
3. The fifth recommendation on page 12 still implies that duties within the office aren't segregated; however, as we discussed, these duties are separate and distinct. Cross training (which is necessary in any office) would give various employees the knowledge and, therefore, the ability to search, copy and certify a record.

In conclusion, thank you once again for the opportunity to provide comments on the Vital Records audit report.

Sincerely,



Ted Williams
Director

TW:jl *Auditor's Note: Text has been corrected as suggested.

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