

**METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**



June 23, 2009

Sandra Duncan, Interim Director  
Metropolitan Nashville Arts Commission  
800 2<sup>nd</sup> Ave. South  
Nashville, TN 37210

Dear Ms. Duncan:

Please find attached the Procurement Monitoring Report for the Metropolitan Nashville Arts Commission. This report explains the results of our review of delegated purchasing authority and procurement card usage during fiscal year 2008. Staff from the Office of Financial Accountability conducted the fieldwork for this review on May 28, 2009.

As noted in the attached report, no findings were identified during the review. Recommendations for improvement in procurement card practices were provided to management during an exit conference.

We appreciate your cooperation and assistance during the review. If you have any questions, please call me at (615) 880-1035.

Sincerely,

Fred Adom, CPA  
Director

cc: Jonathan Saad, Grants Program Manager  
Richard M. Riebeling, Director of Finance  
Talía Lomax-O'dneal, Deputy Director of Finance

Gene Nolan, Deputy Director of Finance  
Kim McDoniel, Chief of Accounts  
Mark Swann, Internal Audit  
Kevin Brown, Office of Financial Accountability  
Laura Cowan, Office of Financial Accountability  
Brad Thompson, Office of Financial Accountability



◆ Monitoring Report of ◆

# Metropolitan Nashville Arts Commission



Conducted by



Office of Financial Accountability

June 23, 2009

MONITORING REPORT

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## EXECUTIVE SUMMARY

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The Office of Financial Accountability has completed a procurement review of the Metro Nashville Arts Commission in accordance with *Generally Accepted Government Auditing Standards*. A review is substantially less in scope than an audit. The OFA did not audit the financial statements and, accordingly, does not express an opinion or any assurances regarding the financial statements of Metro or any of its component units.

The OFA is responsible for the internal monitoring of Metro agencies that receive federal and state financial assistance, including cooperative agreements and non-profit organizations that receive appropriations from Metro government. The Office of Financial Accountability also conducts prompt pay performance, delegated purchasing authority, and procurement reviews for Metro departments. In summary, any agreement that imposes performance and/or financial requirements on Metro government is subject to review by the OFA.

### **Department Overview**

The Metro Nashville Arts Commission exists to provide leadership that stimulates and advances the arts to enrich the human experience for the community. To achieve this aim, the Metro Arts Commission promotes organizational stability and growth; fosters excellence; generates awareness; increases accessibility; responds to diverse community needs; and facilitates cooperation and partnerships.

The agency serves arts organizations, individual artists, and the general public as a facilitator, technical assistance provider, and partner-collaborator with other arts groups. Specifically, the Arts Commission presents workshops focusing on arts related issues and holds forums to discuss important arts issues, conducts research and produces various publications such as the *Metro Nashville Arts Directory* and *Teacher Arts Resource Guide*, among others. It also maintains a website making various arts resources available to the public, such as the online Artist Registry showcasing over 250 local visual artists and the online, “live” version of the Metropolitan Nashville Arts Directory, presenting mission, programming and contact information for over 200 local arts organizations.

Recent accomplishments include managing a grant funding process and providing technical assistance to over 50 non-profit arts organizations through a stringent evaluation procedure with citizen review panels. These grants allow organizations

## EXECUTIVE SUMMARY

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to expand the breadth and depth of arts offerings. The Public Art Committee undertook a strategic location planning initiative, resulting in a short list of top-priority sites for future public art projects. Two Public Square projects are moving forward with an installation target of summer 2010.

## OBJECTIVES, SCOPE AND METHODOLOGY

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The objectives of our review were:

- 1) To determine the agency's compliance with Metro's official Procurement Card Policies and Procedures.
- 2) To determine whether procurement card expenditures were allowable and necessary.
- 3) To determine whether purchasing card transactions were authorized and sufficiently documented.
- 4) To determine whether purchases were made in accordance with OMB Circular A-87, the minimum federal, state and local requirements, and grantor guidelines.
- 5) To determine whether the agency has adequate and effective internal controls over its purchasing card program.

The scope of our review included procurement card transactions occurring during fiscal year 2008.

Audit procedures included meeting with agency management and staff, reviewing internal controls over procurement card use, and examining certain financial records and supporting documentation to ensure compliance with requirements set forth in Metro's official procurement policies. Specific procedures included:

- Comparing procurement card charges with original receipts, supporting documentation and travel authorizations.
- Reviewing supporting documentation for accuracy, necessity and reasonableness.
- Identifying split purchases and unauthorized or fraudulent transactions.
- Investigating discrepancies and following up as necessary.

## **FINDINGS, RECOMMENDATIONS AND MANAGEMENT'S COMMENTS**

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No findings were identified during the review. Recommendations for improvement in procurement card practices were provided to management during an exit conference. The following table summarizes the agency's adherence with certain criteria outlined in Metro's procurement card policies and procedures, based on the results of our review.

Criteria	Yes	No
Agency in Compliance with Metro Procurement Card Policies and Procedures?	✓	
Procurement Card Expenditures were Allowable and Necessary?	✓	
Procurement Card Transactions were Authorized and Sufficiently Documented?	✓	
Transactions were Consistent with OMB Circular A-87 and Grantor Requirements?	✓	
Internal Controls over Procurement Card Use have been Implemented and appear Adequate?	✓	