

BILL PURCELL
MAYOR



METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DEPARTMENT OF FINANCE
OFFICE OF FINANCIAL ACCOUNTABILITY
222 3RD AVENUE NORTH, SUITE 650
NASHVILLE, TN 37201

June 30, 2006

Reginald Coopwood, CEO
Metropolitan Hospital Authority
Bordeaux Long Term Care
1414 County Hospital Rd.
Nashville, TN 37218

Dear Dr. Coopwood:

Please find attached the Procurement Monitoring Report for the Bordeaux Long Term Care. This report explains the results of our review of delegated authority purchases and procurement card use from July 1, 2004 through June 30, 2005. Staff from The Office of Financial Accountability conducted the fieldwork for this review on June 14, 2006.

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

Sincerely,

Fred Adom

Fred Adom, CPA
Director

cc:

David Manning, Director of Finance
Talia Lomax-O'dneal, Deputy Director of Finance
Kim McDoniel, Chief Accountant
Don Dodson, Audit Manager
Randy Pirtle, CFO Metropolitan Hospital Authority
Jan Henderson, Finance Director of Bordeaux Long Term Care
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◆ Procurement Monitoring Report of ◆

Bordeaux Long Term Care

◆
Issued by



The Office of Financial Accountability

June 30, 2006

Fred Adom, CPA
Director

Kevin Brown
Auditor

Our Vision: To be excellent and proficient in monitoring and management services.

**MONITORING REPORT
FOR THE
BORDEAUX LONG TERM CARE**

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OBJECTIVES, SCOPE, AND METHODOLOGY

The Office of Financial Accountability (hereinafter referred to as OFA) is charged with the responsibility of monitoring the prompt pay performance, delegated purchasing authority and procurement cards for departments of the Metropolitan Government of Nashville and Davidson County. The OFA is also responsible for monitoring the Federal and State grants to Metro departments and to nonprofit organizations receiving direct appropriations from the Metro Council.

We have completed a monitoring review of the procurements for the Bordeaux Long Term Care (hereinafter referred to as Bordeaux) for the year ended June 30, 2005. A monitoring 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 assurance regarding the financial statements of Bordeaux. The OFA's role in this review was to monitor the performance of the department in their established practices and procedures for procuring goods and services for the operations of the Metro Nashville Government.

Our objectives for the review were:

- To determine whether costs were allowable and necessary
- To determine compliance with Metro Procurement regulations
- To determine compliance with Metro Policies and Procedures for the Purchasing Card Program
- To determine whether costs were recorded appropriately
- To determine that no unauthorized uses of the VISA purchasing cards were committed
- To analyze the payment habits of the department

The scope of the monitoring review included an overview of the department's procurement practices and testing of completed transactions for the period of July 1, 2004 – June 30, 2005. The testing was centered on the compliance of the department's purchase orders, direct payment vouchers, and their procurement card transactions to the requirements of the *Regulations to the 1992 Procurement Code* and the *Policies and Procedures for Procurement Card Purchases of the Metropolitan Government of Nashville and Davidson County*.

A random sample was selected from the EBS Prompt Pay System for testing of the department's purchase orders and direct payment vouchers transactions. In addition, a random sample of the procurement card transactions was tested.

The methodology used by OFA included an objective review of fiscal resources:

- Interviewed the department's designee and the procurement card representative
- Reviewed controls and supporting documentation of expenditures for allowability, necessity, and reasonableness of cost

EXECUTIVE SUMMARY

Overview of the Department

The Bordeaux Long Term Care is a 420 bed nursing home operated by the Hospital Authority. Bordeaux opened on December 5, 1893 and has delivered a variety of medical services during its first 74 years; however, since 1967, Bordeaux has focused solely on delivering quality, long-term care to its residents. Board certified internists and family practice physicians serve as attending physicians for the residents. Bordeaux also provides convenient, on-site podiatry, behavioral health, dental services, and specialty clinics for its residents.

The review covered the activities for the department procurement cards and the total population of the department's purchase orders and direct payment vouchers for the accounting period of July 1, 2004 through June 30, 2005. The test sample consisted of 14 transactions from direct vouchers and 73 transactions from the procurement cards.

Overall Findings and Major Review Highlights

Based on our review, the staff from the Bordeaux Long Term Care appeared to be very knowledgeable about the *Regulations to the 1992 Procurement Code* and the *Policies and Procedures for Procurement Card Purchases of the Metropolitan Government of Nashville and Davidson Count*. Our review **did not** reveal any findings of non-compliance.