

BILL PURCELL  
MAYOR



**METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**

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

February 27, 2007

Mr. Alex J. Joyce, Chairman  
**Tennessee State Fair Board**  
P.O. Box 40208  
Nashville, TN 37204

Dear Mr. Joyce:

Please find attached the preliminary Procurement Monitoring Report for the Tennessee State Fair Board. This report explains the results of our review of delegated authority purchases and procurement card use from July 2005 through December 2006. Staff from the Office of Financial Accountability conducted the fieldwork for this review on February 14, 2007.

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 L. Manning, Director of Finance  
David Jeter, Executive Director  
Howell Townes, State Fair Board  
Talia Lomax-O'dneal, Deputy Director of Finance  
Kim McDoniel, Assistant to the Director of Finance  
Don Dodson, Internal Audit  
Kevin Brown, Office of Financial Accountability



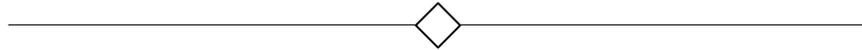
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◆ Monitoring Report of ◆

# Tennessee State Fair Board



Issued by



Finance Department  
Office of Financial Accountability

February 27, 2007

Fred Adom, CPA  
Director

Lead Auditor:  
Kevin Brown

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

**MONITORING REPORT**  
FOR THE  
**TENNESSEE STATE FAIR BOARD**

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## EXECUTIVE SUMMARY

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The Office of Financial Accountability (hereinafter referred to as “OFA”) has completed a procurement monitoring review for the Tennessee State Fair Board, (hereinafter referred to as “Fair Board”). The OFA is charged with the responsibility of monitoring the prompt pay performance, delegated purchasing authority, and purchasing card activity for the departments of the Metropolitan Government of Nashville and Davidson County (hereinafter referred to as “Metro”). 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.

### **Overview of the Department**

The Fair Board, currently located at the fairgrounds in South Nashville, serves as a center for business, civic, cultural and social activities; it is a central place of travel events and space rental for exhibitions throughout the year. Built specifically for meetings, conferences, trade shows and special events, the 117 acre Tennessee State Fairgrounds is less than one mile from downtown Nashville, with direct interstate access, free on-site parking and eight buildings totaling more than 120,000 square feet of space. The Flea Market, which is held monthly, at the Tennessee State Fairgrounds, is considered to be among the top ten flea markets in the country. The Fair Board estimates that more than one million people visit the fairgrounds for one or more of these events annually.

### **Objectives, Scope, and Methodology**

A monitoring review is substantially less in scope than an audit. The OFA did not audit the Fair Board’s financial statements and, accordingly, does not express an opinion or any assurances regarding the financial statements of the Fair Board. The objectives for our procurement review were as follows:

- To determine whether expenditures were allowable and necessary.
- To determine the department’s compliance with Metro’s Policies and Procedures Manual for the Purchasing Card Program
- To determine whether there was unauthorized uses of the Fair Board’s purchasing cards
- To identify any patterns in expenditures and payment habits of the cardholders.
- To determine whether purchases were made in accordance with OMB Circular A-87, the minimum federal, state and local requirements, and grantor guidelines.
- To determine whether the agency has adequate and effective internal controls over its purchasing card program.

The review covered the activity for the procurement transaction for the period of July 2005 through December, 2006. To accomplish the objectives of the monitoring review, the methodology encompassed various interviews and an objective review of fiscal transactions and supporting documentation, including employee’s training files. Through analytical procedures and random sampling, the OFA reviewed 98 procurement card transactions and 64 items related to purchase vouchers.

### **Overall Findings and Major Review Highlights**

Our review revealed **no** major discrepancies in internal control and compliance with policies and procedures; however, the OFA noted that out of the 64 purchasing vouchers reviewed, 22 (34%) were not paid timely and/or in accordance with the vendor payment terms.

**The OFA recommends the Tennessee State Fair Board to take all necessary steps to pay its vendor on time.**