

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY



November 10, 2020

Cynthia Croom, Executive Director
Metropolitan Action Commission
800 2nd Avenue North
Nashville, TN 37201

Dear Dr. Croom:

Please find attached the monitoring report for the Metropolitan Action Commission. This report explains the results of our review of the agency's compliance with its delegated purchasing authority from September 2019 through May 2020. Staff from the Office of Financial Accountability conducted the fieldwork for this review in June 2020.

We appreciate the assistance provided by your department during the course of the review. If you have any questions, please call me at 615-862-6712.

Sincerely,

Kevin Brown

Kevin Brown, CMFO, CICA, CFE
Director, Office of Financial Accountability

cc: Benita Davis, Administrative Services and Operations Director, Metropolitan Action Commission
Robert Wright, Finance and Operations Director, Metropolitan Action Commission
Kevin Crumbo, Director, Department of Finance
Talia Lomax-O'dneal, Deputy Director, Department of Finance
Kim McDoniel, Deputy Director, Department of Finance
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Metropolitan Government of Nashville and Davidson County

METROPOLITAN ACTION COMMISSION

◆ Monitoring Report ◆

Conducted by



Office of Financial Accountability

November 10, 2020

MONITORING REPORT

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INTRODUCTION

The Office of Financial Accountability (hereinafter referred to as “OFA”) has completed a compliance monitoring review of the Metropolitan Action Commission (hereinafter referred to as “Metro Action Commission”) delegated purchasing authority. The monitoring process included a review of the agency’s purchasing transactions that occurred during the fiscal year ending June 30, 2020. The OFA conducted the monitoring review along the compliance areas identified the notice of Delegated Purchasing Authority that was granted to the agency’s Executive Director.

Department Background

According to Metropolitan Action Commission’s website, The Metropolitan Action Commission partners with families in poverty using a Whole Family/2Gen Approach. This approach meets the needs of both the child and the adult in their lives, building a system of care around the entire family. Our programs and services break the cycle of poverty by addressing the root causes by increasing family economic security, educational success, and health and well-being from one generation to the next. With the vision of "Breaking the Cycle of Poverty in our Community-one child, one person, one family at a time".

Per the FY 2020 Operating budget book, the Metropolitan Action Commission had an operating budget of \$34,837,400.00 with three hundred and ninety-five (395) budgeted positions. The Metro Action Commission’s mission is to “change people’s lives, embodies the spirit of hope, improves communities and makes Nashville and Davidson County a better place to live. We care about the entire community and we are dedicated to helping people help themselves and each other.”

OBJECTIVES, SCOPE AND METHODOLOGY

A monitoring review is substantially less in scope than an audit. The OFA did not audit the financial statements for the Metro Action Commission and, accordingly, does not express an opinion or any assurances regarding the financial statements of the Metro Action Commission or the Metropolitan Government of Nashville and Davidson County (hereinafter referred to as “Metro”). 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. In summary, any agreement(s) that imposes performance and/or financial requirements on Metro government is subject to review by the OFA.

The overall monitoring objective was to determine the Metro Action Commission’s compliance with Metro guidelines, policies, rules, and regulations. Specifically, we reviewed for the following objectives:

- 1) To determine the agency’s compliance with their Notice of Delegation of Purchasing Agent’s Authority.
- 2) To determine the agency’s compliance with Metro’s official Procurement Policies and Regulations.
- 3) To determine whether purchasing expenditures were allowable and necessary.
- 4) To determine whether purchasing transactions were authorized and sufficiently documented.
- 5) To determine whether the agency has adequate and effective internal controls over its purchasing transactions program.

The scope of our review included purchasing transactions occurring between September 1, 2019 and May 7, 2020.

The monitoring review procedures included meeting with agency management and staff, reviewing internal controls over purchasing use, and examining certain financial records and supporting documentation to ensure compliance with requirements set forth in Metro’s official Procurement Policies and Regulations. Specific procedures included:

- Comparing purchasing transactions with procurement contracts, purchasing requisitions, and purchase orders issued through iProcurement.
- Comparing purchasing transactions with original receipts, supporting documentation and travel authorizations.
- Identifying split transactions in order to circumvent Metro’s Procurement Policies and Regulations.
- Reviewing supporting documentation for accuracy, necessity and reasonableness.
- Investigating discrepancies and following up as necessary.

RESULTS OF MONITORING

The Office of Financial Accountability reviewed expenditure transactions processed by the Metro Action Commission within R12 along with the department's credit card transactions. Tests were performed to determine the agency's compliance with its Notice of Delegation of Purchasing Agent's Authority and the Metro Procurement Regulations. Based upon the results of testing, the OFA concludes that the MAC's controls and processes are sufficient and are being followed regarding expenditure transactions. The MAC utilizes iProcurement to procure goods and services from existing contracts by issuing purchase orders, receipting the goods and services within iProcurement, and processing the invoices for payment within R12 utilizing a PO matched invoice.

Overall, the Metro Action Commission is compliant with its Notice of Delegation of Purchasing Agent's Authority as well as Metro Procurement Regulations. No discrepancies or findings of non-compliance were noted during the review.