



**METROPOLITAN GOVERNMENT OF NASHVILLE
AND DAVIDSON COUNTY**

Management Letter

June 30, 2005



KPMG LLP
1900 Nashville City Center
511 Union Street
Nashville, TN 37219-1735

October 31, 2005

The Honorable Mayor and Members of Council
The Metropolitan Government of Nashville and Davidson County
Nashville, Tennessee

Ladies and Gentlemen:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Metropolitan Government of Nashville and Davidson County, Tennessee (the Government) as of and for the year ended June 30, 2005, which collectively comprise the Government's basic financial statements and have issued our report thereon dated October 31, 2005. We also have audited the financial statements of each of the discretely presented component units of the Government, as of and for the year ended June 30, 2005, as displayed in the Government's basic financial statements. We also have audited the financial statements of each of the Government's nonmajor governmental, nonmajor enterprise, internal service, and fiduciary funds, as well as the financial statements of the Sports Authority Fund as of and for the year ended June 30, 2005. We did not audit the financial statements of the following Component Units: the Nashville District Management Corporation, the Metropolitan Development and Housing Agency, the Electric Power Board, the Metropolitan Transit Authority, the Nashville Thermal Transfer Corporation, the Metropolitan Nashville Airport Authority, the Emergency Communications District, and the Industrial Development Board.

In planning and performing our audit of the aforementioned financial statements, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Government's internal control over financial reporting. Accordingly, we express no such opinion. We have not considered internal control since the date of our report.

During our audit we noted certain matters involving internal control and other operational matters that are presented for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies and are summarized in Appendix I.



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Our audit procedures are designed primarily to enable us to form an opinion on the financial statements, and therefore may not bring to light all weaknesses in policies or procedures that may exist. We aim, however, to use our knowledge of the Government gained during our work to make comments and suggestions that we hope will be useful to you.

We would be pleased to discuss these comments and recommendations with you at any time.

This report is intended solely for the information and use of the audit committee, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

KPMG LLP



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RECOMMENDATIONS

GENERAL GOVERNMENT TIMELINESS OF CAPITAL ASSETS PHYSICAL INVENTORY ADJUSTMENTS

Observation

Physical inventory listings of capital assets are being sent to departments to verify existence of all capital assets each fiscal year. However, the responses received back from the various departments as to which assets have been disposed of, and the potential adjustments that are needed are not being adjusted and reflected in the fixed asset system on a timely basis. During fiscal year 2005, listings were sent out in January 2005; however, as of the date of this letter, all adjustments to the fixed asset system still have not been made. This is a repeat comment from 2004.

Recommendation

We suggest that the Government develop a detailed schedule that includes when each department's physical inventory adjustments will be analyzed. KPMG also suggests that potential adjustments are recorded within three months of when the inventory verification process began.

Management Response

We concur. During fiscal year 2006, we will outline a comprehensive plan which will detail when each department will have their physical inventory listings initially distributed, when each department must have these listings completed and returned, and a targeted date in which all adjustments will be finalized and entered into the fixed asset system. These physical inventories will be done on a rotating basis over a three-year period, with the frequency of the inventories determined based on risk factors such as past adjustments, significant changes in operations, and internal audit findings.



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GENERAL GOVERNMENT USE OF ACTUARIAL REPORT

Observation

For the past several years, the Government has retained the services of a consulting actuary to review the experience for the Government's self-insured property and casualty exposure. This annual study results in an estimate of liability that the Government uses to consider the adequacy of its funding position. For recording purposes, however, the Government continues to utilize estimates provided by the Legal Department which are analyzed frequently on a claim by claim basis. While the estimates provided by Legal have proven to be materially close to the estimates provided by the consulting actuary, the Government should be considering the results of the actuarial analysis in establishing its recorded liabilities.

Recommendation

We suggest that the Government perform a detail analysis on the recommended reserve per the externally provided actuarial report to the actual amount currently recorded in the general ledger per the internally produced Government legal letter. Any significant differences between the actuarial report balances and general ledger should be addressed to ensure that recorded reserves appropriately consider expected development on existing claims and cases.

Management Response

We concur and will implement this recommendation for the June 30, 2006 general ledger closing process.



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BUSINESS SOLUTIONS MONITORING OF POWERFUL USER ACTIVITY

Observation

Monitoring of powerful user activity for individuals with powerful access to the systems (including programmers and administrators) is not currently performed for individuals with access to the JDE system.

While management does have a process in place to identify terminated employees for removal from the system, periodic management reviews of access have not been implemented to increase the assurance that terminated or unauthorized access has been granted to JDE users. This is a repeat comment from 2004.

Recommendation

Management should implement controls, including a periodic review of access by managers, to monitor powerful user activities in the system to increase the assurance that only authorized activities are being performed by these individuals in JDE.

Management Response

We concur. The Government is replacing the JDE system with PeopleSoft Enterprise One 8.9 during the 2006 fiscal year. PeopleSoft Enterprise One 8.9 security will be setup by role level with standard Internal Audit approved access. Security will no longer be granted on an ad hoc basis.

We will perform no less than semi-annual reviews of user security levels with departmental contacts.



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BUSINESS SOLUTIONS APPROVAL OF SYSTEM CHANGES

Observation

Minor system changes do not require approval before they are migrated to the production environment while the JDE security administrator approves major changes. This is a repeat comment from 2004.

Recommendation

Management should implement a change management system in which a Lead Developer would review and approve all changes to the production environment. Management should also segregate duties so that the individual approving the change prior to the implementation to production is not the same individual that completed the change.

Management Response

We concur. Developers in PeopleSoft Enterprise One 8.9 will not have access or the ability to promote any programs to Production. There is an entire development life cycle for new code including system rules governing authority by role. Developers are blocked from promoting anything to Production or updating production data.

In JDE, programmers no longer have all action security and the ability to promote code to production.



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GENERAL GOVERNMENT INFORMATION SYSTEMS CHANGE REQUEST FORMS

Observation

The Government ITS did not retain evidence of user testing for three out of the five ITS Change Request Forms inspected. Also, management approvals were not retained for several changes prior to their implementation into the production environment. This is a repeat comment from 2004.

Recommendation

Management should retain evidence of user testing and enforce their current policy to retain the authorization of management to migrate the change to the production environment prior to the implementation of the change in production.

Management Response

We concur. ITS is modifying the Change Request Form to require due diligence testing to confirm standard user functionality. This change will be implemented in fiscal year 2006.



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**GENERAL GOVERNMENT INFORMATION SYSTEMS
AS/400 ACCESS – USER ACCOUNTS**

Observation

KPMG noted several AS/400 accounts that had never been used, while other accounts had access to the system, although they no longer required access. In addition, some users were allowed to sign into the system using concurrent sessions. This is a repeat comment from 2004.

Recommendation

Management should implement procedures to identify users who no longer require access to the AS/400, and management should also limit AS/400 user access to only one session.

Management Response

We concur. Unused and unneeded user accounts should be removed, and concurrent access should be disallowed by default. ITS is preparing a report of unused accounts for review by the software administrators. These changes will be implemented in fiscal year 2006. ITS believes concurrent session access is justified for a few administrative and development users who need to be able to sign back on as themselves in order to investigate the problems that may have caused their session to hang.



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**GENERAL GOVERNMENT INFORMATION SYSTEMS
AS/400 ACCESS – LOGIN ATTEMPTS**

Observation

Logging has not been implemented to track failed login attempts on one of the AS/400 servers inspected. Also, procedures for monitoring audit logs on a periodic basis for the AS/400 systems have not been implemented by management. This is a repeat comment from 2004.

Recommendation

Management should implement logging for failed login attempts on their AS/400 servers and implement procedures to periodically review audit logs for security violations and powerful user activity. This review should be documented and retained for reference purposes.

Management Response

We concur. Failed signons are now being logged on all partitions for both AS/400 systems. The review of the audit logs has been assigned.



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GENERAL GOVERNMENT INFORMATION SYSTEMS ASSESSOR AND TAX ACCOUNTING MAINFRAME ACCESS

Observation

Individuals with access to the Assessor's and Tax Accounting mainframe systems are granted access through operator IDs or operator numbers. The access to specific functions within the system is permissible using operator IDs or operator numbers, but these functions have not been documented so that user access can be reviewed for reasonableness. Access through the operator IDs or operator numbers has been established by hard code that was implemented within each mainframe program at the time the application was developed.

For all ITS applications, change management procedures are the responsibility of the individual ITS development groups. For the Tax Accounting systems, documentation of the development manager's approval to move a change to the production environment is retained, but no other documentation, including the change request, testing, etc. are retained for application changes to the Tax Accounting system. This is a repeat comment from 2004.

Recommendation

Management should document the access which has been assigned through operator IDs or operator numbers to determine whether access assigned to individuals is reasonable according to their job responsibilities, or management should migrate the Assessor and Tax Accounting applications off of the mainframe as soon as feasibly possible to a system that allows the administrator to evaluate the specific access granted to a user.

Management should also implement standard change management procedures for all ITS applications and retain documentation related to the change management process.

Management Response

We concur. Change management procedures are being followed at ITS for hardware and application changes. We are moving to migrate off the mainframe as quickly as possible, likely moving systems for the Assessor and Tax Accounting to new platforms during fiscal year 2006. In the interim, operator ID and operator number accounts will be reviewed for reasonable levels of access.



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GENERAL GOVERNMENT INFORMATION SYSTEMS MONITORING OF SECURITY VIOLATIONS

Observation

Monitoring of security violations and powerful user activity is not currently performed by the Assessor's information systems group for the AssessPro application or for the Windows 2000 server on which AssessPro runs.

Although all users must be authorized by a manager before the Assessor's information systems group will grant the user access to AssessPro, no evidence of these authorizations is retained. This is a repeat comment from 2004 and 2003.

Recommendation

Management should implement procedures to monitor significant security violations and powerful user activity to increase the assurance that unauthorized access is not obtained to the AssessPro system.

Management should retain authorizations for user access and periodically review them to increase the assurance that users are current and authorized for the access they have been granted.

Management Response

We concur. We have hired Patriot Properties to work on resolving the issue of monitoring significant security violations and powerful user activity. In addition, we will implement the procedure recommended above regarding review of authorizations for user access during fiscal year 2006.



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METROPOLITAN NASHVILLE PUBLIC SCHOOLS MAINTENANCE OF ORGANIZATION CHARTS

Observation

School personnel organizational charts are prepared and sent out three times a year (usually in August, January, and March) as an internal control to ascertain if there are any errors in the employee data contained in the payroll or human resource systems at MNPS. Principals are required to compare the information presented on the organizational charts to the records held at the school and note any errors or discrepancies and also to sign off denoting approval. The organizational charts are then returned to the MNPS Human Resources Director, and any discrepancies noted are supposed to be keyed into the system. KPMG selected the March 15 organization charts for testwork and noted that all organization charts were not returned by the principals. Additionally, the organization charts sent were inaccurate in some instances and not corrected by the principals. We also noted that in the memo attached to the organizational charts the principals were not instructed to sign the organization charts; therefore, the approvals were not always documented.

Recommendation

MNPS should design the control such that the organization charts that are being confirmed periodically throughout the year agree to the information in the payroll system. Principals should be instructed to sign approved school organizational charts before returning them to MNPS, and management should follow up with each school until all organizational charts are returned to ensure this internal control surrounding completeness and accuracy of payroll is operating effectively.

Management Response

We concur. Human Resources will work with the Information Technology department to confirm that the organization charts being distributed agree to the information in the payroll system. Human Resources will revise the letter issued to instruct the Principal to sign approved school organizational charts before returning them to MNPS and Human Resources will follow up with each school until all organizational charts are returned to ensure the completeness and accuracy of the information.



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METROPOLITAN NASHVILLE PUBLIC SCHOOLS PAYROLL DEDUCTIONS

Observation

KPMG noted several instances where we could not recalculate deductions on employee paychecks by reviewing support maintained by employee personnel files in Payroll and Human Resources. Additionally, we noted that for all employees selected in our sample the deductions for the healthcare flexible spending account were under deducted by approximately 10% resulting in additional cost that MNPS had to absorb on behalf of their employees. KPMG noted that this mistake resulted from non-standard payrolls which were processed during late calendar year 2004. When these non-standard payrolls were processed, normal deductions were not properly calculated, leading to a lack of completeness of payroll deductions.

Recommendation

Employee information in the payroll system should mirror the information contained in the employee personnel files. Management should review employee information that is input into the system to ensure that it agrees with the information in the employee personnel file. Any discrepancies should be investigated and corrected as necessary.

When non-standard payrolls are processed, payroll should carefully recalculate all deductions to ensure accurate amounts are deducted.

Management Response

We concur. The Payroll Office will validate the initial data entry of deductions with the supporting documentation and file the documentation in an organized manner. The procedure that was in place during the 2004 calendar year and prior was to prorate some deductions based on the number of days an employee worked. This practice changed in July 2005 and full deductions are withheld from the employee's pay as approved by the employee's signed agreement(s). The Payroll Manager will oversee this process going forward.



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METROPOLITAN NASHVILLE PUBLIC SCHOOLS YEAR-END CLOSING PROCESS

Observation

While significant progress has been made with respect to complete and timely closing of year-end accounts, we noted instances that indicate that MNPS needs to continue to strengthen their year-end closing process. In the 2005 audit, we noted a need for more detailed reviews of accuracy and completeness of accounts. For instance, recurring revenue and expense accounts should be reviewed to ensure recording of a full twelve months of activity. Recurring accruals should be reviewed to ensure they have been booked based on amounts earned and incurred related to the fiscal year.

Recommendation

MNPS's year-end closing process should result in a more detailed review of financial reports for reasonableness based on history or current year expectations. We suggest management institute a process of comparing amounts to budget and to prior years to better identify any possible adjustments necessary in the year-end closing process.

Management Response

We concur. A year-end closing check off list has been created to provide assurance on completeness of accounts. Also included in the year-end closing process will be a review of budget to actual and prior year to actual reports.



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METROPOLITAN NASHVILLE PUBLIC SCHOOLS RECONCILIATION OF PAYROLL WITHHOLDINGS TO VENDOR PAYMENTS

Observation

The MNPS payroll mainframe system is automatically interfaced with EBS for payroll liability accounts. Each pay period, the mainframe credits the payroll health insurance liabilities for the amounts withheld from employee paychecks and for the matching employer premiums. The health insurance premiums for MNPS employees are paid centrally by the Government in connection with other employees covered by the same health insurance vendors within all of Metro. The health insurance premiums are paid based on carrier feeds. These carrier feeds are updated centrally by Human Resources in connection with information received from MNPS HR. This information is maintained in a “shell” environment which is part of EBS but outside of the MNPS payroll mainframe system. Currently, employees listed on the carrier feeds each month are not reconciled to the MNPS payroll mainframe records of employees with health insurance deductions.

This lack of reconciliation could result in errors when employees change coverage or sign up for new coverage based on changes in family status, etc. This could result in incorrect amounts being withheld or paid.

Recommendation

MNPS and Metro Central Division of Accounts should work together to reconcile the employees listed on the carrier feeds to the employees listed on the MNPS mainframe payroll system from whom deductions are withheld. This control will help mitigate the risk of errors.

Management Response

We concur. Metro Division of Accounts will provide monthly a detail listing of the employees listed on the carrier feed to the MNPS Employee Benefits Department. The MNPS Employee Benefits Department will reconcile this list with the employees listed on the MNPS mainframe payroll system from which deductions are withheld. All reconciling items will be followed up by the MNPS Employee Benefits Department. Note that this issue will be resolved when MNPS payroll is converged to the central Metro payroll system during the 2005-2006 fiscal year.



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DEPARTMENT OF WATER AND SEWERAGE SERVICES CHANGE MANAGEMENT PROCEDURES

Observation

The Department does not have documented change management procedures implemented for the AS/400 or for application changes and/or upgrades. Also, a test environment on the AS/400 server is utilized to test any changes and/or upgrades to the operating system or to the application before migrating the change to the production environment, but testing is not documented or approved upon completion. This is a repeat comment from 2004.

Recommendation

Management should develop and implement formal change management procedures for changes to the operating system and/or applications. Change management procedures should include standards for documenting, testing, and approving changes before they are migrated to the production environment.

Management Response

We concur. The AS/400 Hardware and Operating System is maintained and operated by Metro ITS. There is a change management process in place in the department that documents changes and provides approvals for those changes. Staff from both ITS and Metro Water & Sewer IS (MWS/IS) are involved in the preparation of the documentation and the documentation is retained by ITS.

To formalize this process, forms will be developed to document any changes required and the testing required for these changes. These forms will be completed by MWS/IS through the process, and signatures of the appropriate key people will be placed on these forms prior to promotion from the test to the production system. These forms will be maintained by MWS/IS. Due to the critical time element of nightly batch runs, documentation of emergency fixes will continue to be handled after the fact.



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DEPARTMENT OF WATER AND SEWERAGE SERVICES USER ACCESS AUTHORIZATION

Observation

Documentation of the management authorization of user access to the Customer Information System (CIS) application and AS/400 system has not been retained or was verbally approved by Help Desk personnel. Also, management does not complete a periodic reauthorization of users with access to the CIS application or the AS/400 system to determine whether users require the access that they have been granted to the system. This is a repeat comment from 2004.

Recommendation

Management should require the managers or supervisors of CIS or AS/400 users to document their authorization of user access prior to a user being granted access to the system, and management should implement a periodic review of user access to the system, documenting the results of their review.

Management Response

We concur. CSC Supervisory personnel request CIS user access and/or security changes by way of email, and these requests are logged into the Metro ITS Magic Service Desk system. All incidents related to the MWS CIS are assigned to the Water Services Application Team. These types of incidents are processed by one of the three CIS System Administrators. All information related to the request and completion are documented and retained in the Magic Service Desk System.

During fiscal year 2005, MWS/IS is going to work to produce a report that defines each of the users of the CIS and to which security group they are assigned. We will then list those employees that belong to a group but have more or less authorization than the basic group. This report will be sent to the supervisors on a semi-annual basis for their review and approval of the stated security authorizations, and their return approval will be retained by MWS/IS.



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METRO GENERAL HOSPITAL VALUATION OF ACCOUNTS RECEIVABLE

Observation

Metro General Hospital (MGH) had several adjusting entries related to the valuation of accounts receivable due to various payors' insolvency. This is a repeat comment from 2004.

Recommendation

While management had made initial allowances for the related accounts receivable, we suggest management continually monitor the collectibility of net accounts receivable to determine if additional reserves may be necessary based on changing facts and circumstances.

Management Response

We concur. MGH does continuously monitor its collectibility of accounts receivable. In addition, we make allowances for accounts receivable by utilizing an industry accepted procedure of rolling averages. This is based on payment history broken down by payor type. MGH agreed to increase its allowances for the three bankrupt TennCare payors due to the age of the receivables.



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METRO GENERAL HOSPITAL EBS SYSTEM RECONCILIATIONS

Observation

Metro General Hospital's management has an inefficient accounting process due to running parallel accounting systems. Running parallel systems results in time-consuming reconciliation efforts and double-booking entries to both systems. This is a repeat comment from 2004.

Recommendation

We understand that the Hospital continues to use two systems due to the lack of functionality within EBS for patient accounting. We encourage management to work closely with Metro Division of Accounts to identify ways to make this process more streamlined and efficient.

Management Response

We concur. In fiscal year 2006, MGH stopped utilizing Metro's EBS system for most general ledger activities. MGH is required to continue to utilize EBS for accounts payable as the current QuadraMed Affinity system does not have an accounts payable module. This creates the need for a crosswalk between EBS and Affinity for all expenses. This is very labor intensive. MGH plans to move to a single platform for general ledger and accounts payable through the implementation of a McKesson system by fiscal year 2007. This would bring the financial system into the same McKesson environment as the hospital clinical systems.



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METRO GENERAL HOSPITAL AUTHORIZATION OF CAPITAL ACQUISITIONS

Observation

KPMG noted that the CEO and CFO are required to both sign off on the purchase of capital acquisitions greater than \$1,000. In many instances either the CEO or the CFO would sign off on the purchase individually in the other's absence and never obtain approval from the other upon their return.

Recommendation

In the event that the CEO or CFO is unable to physically sign off on the purchase of capital acquisitions, a conversation between the two parties should be held. The absent party should give their approval for the purchase. Upon return the absent party should sign the approval for the purchase indicating that a conversation took place.

Management Response

We concur. The process for approving capital purchases begins with the department director with final approval by the CFO and CEO. The capital purchases are tracked on an approved capital worksheet and discussed monthly in the CFO/CEO meetings when financials are reviewed. Management agrees, however, that signatures should be obtained based on current policy and will establish better internal controls to ensure this occurs.



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**METRO GENERAL HOSPITAL
REVIEW AND SIGN-OFF OF THE DAILY BALANCING REPORT**

Observation

KPMG noted that the daily balancing report often times did not reflect the initials of the preparer and in no cases in our test work did they contain evidence of review by the Director of Patient Accounting.

Recommendation

The daily balancing report should be signed-off on by the preparer and reviewed by the Director of Patient Accounting. Review of the document should be evidenced by the Director's signature.

Management Response

We concur. MGH has implemented procedures for verification of the daily posting and balancing report. MGH Finance is now responsible for this oversight function. The posting is also matched against the daily deposit.



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METRO GENERAL HOSPITAL CODING DELAYS LEADING TO UNTIMELY BILLINGS

Observation

KPMG noted that Health Information Management Department was slow to code patient accounts; therefore, billings to patient providers were not made timely leading to increases in the aging buckets.

Recommendation

KPMG recommends that the coding of patient accounts be reviewed for staffing shortages and efficiency, and that the lag time in patient chart coding and billing be eliminated. Patient billing and maintenance are crucial to the financial stability of the Hospital, and must be maintained as accurately as possible.

Management Response

We concur. MGH has brought in additional certified coders to aid in this process. MGH had a large implementation process to occur in the 2005 fiscal year in the Health Information Management Department that contributed to a large backlog of coding. MGH has addressed this issue post June 2005. MGH expects the lag time to greatly decrease. The discharged not final billed activity has dramatically improved in fiscal year 2006, thus reducing unbilled receivables that were due to coding delays.



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**METRO GENERAL HOSPITAL
SECOND PARTY REVIEW OF CASH RECONCILIATIONS**

Observation

KPMG noted that the same individual both prepared all cash account reconciliations and reviewed them. There is no higher level review in the area of cash.

Recommendation

KPMG recommends that the cash reconciliations be reviewed by an individual in a position no lower than one level above that of the preparer. The review of the reconciliation should be evidenced by the signature of the reviewer.

Management's Response

We concur and a review of all bank account reconciliations will be conducted in fiscal year 2005-2006.



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SHERIFF'S OFFICE TIMELINESS OF BANK RECONCILIATIONS & GENERAL LEDGER POSTINGS

Observation

KPMG noted bank reconciliations for the Sheriff's Office were not being prepared in a timely manner or consistently on a monthly basis. During fiscal year 2005, the Sheriff's Office prepared bank reconciliations for several months at one time. Therefore, this activity was not reported to Division of Accounts in a timely manner. The reconciliations do not properly account for voided checks and inmate adjustments to sub-ledger accounts, thus producing numerous reconciling items on the bank reconciliation. In addition, the reconciliation was not prepared to reconcile activities to the general ledger system. Therefore, Division of Accounts had to perform this reconciliation which leads to additional adjustments and reconciling items. This is a repeat finding from 2004.

Recommendation

KPMG suggests that the Sheriff's Office outline a plan for completing monthly bank reconciliations in a timely manner and on a monthly basis. The bank reconciliations should properly account for voided checks and inmate adjustments to sub-ledger accounts and ultimately the Aramark system and the general ledger system should be reconciled by the Sheriff's Office.

Management Response

Sheriff's Office Response: We concur. Bank reconciliations for the Inmate Trust account have been completed through October 31, 2005. Staff turnover and system issues were the primary reasons bank reconciliations were not completed in a timely manner during fiscal year 2005. However, a new staff member was hired in February 2005 whom has worked diligently to bring the reconciliations up to date and has accomplished that task. There are some issues with the voided check process and the Sheriff's Office is currently working with the Aramark software vendor to resolve those issues. The Aramark system is the original book of entry for all transactions involving the Inmate Trust account and is the most accurate account for the activity within that particular bank account. Therefore, it is our contention that the general ledger system should be reconciled to the Aramark system. We will keep these accounts up to date and going forward.

Finance Department Response: In order for this recommendation to be implemented, the Sheriff's Office staff will need to complete the three-way reconciliation of bank statements to the general ledger and to the inmate trust subsidiary records maintained in the Aramark system. Division of Accounts provided Sheriff's Office staff with instructions for accomplishing this in September 2005 and will have a follow-up meeting with them to determine if Sheriff's Office staff members need additional information from Finance to implement this recommendation prior to June 30, 2006.