

Finding
Supporting Observation

#6

No independent detail testing was performed for expenditures approved by Nutrition Management Services.

- Contract prices were not verified to invoice prices resulting in a 3 week overpayment of \$27.40 for bread purchases.

- an agreement for the loaning of equipment was not on file.

- no written agreement was available for rental of cracker vending machine costing \$364/year.

-NMS did not comply with BVGC vendor qualification procedures and errors were noted in price comparisons.

- there was a lack of control over purchase orders.

Facilitating Condition

Invoices were reviewed for reasonableness.

Equipment was owned by vendor who waived lending conditions.

\$7/week rental was verbally agreed upon. Amount considered immaterial for written agreement.

Vendor qualification criteria were developed to screen out questionable vendors. Vendors accepted were all either qualified in previous years and/or otherwise known to be qualified by industry reputation.

Plan of Action

Invoice prices will be verified to contractually-stipulated prices.

Center is considering conversion to hospital coop.

Target Date

**1st Quarter
2000**