

Introduction

The Beaver Valley Geriatric Center (BVGC) is a 672 bed, long-term care nursing facility located, since 1959, at 246 Friendship Circle, Beaver, PA. It is licensed by the Pennsylvania Department of Health. The Center is owned and operated by the County of Beaver and is governed by the Beaver County Board of Commissioners. The Commissioners delegated the operation of the Center to Heritage Valley Health Systems, previously the Medical Center of Beaver. The contract with Heritage Valley Health Systems provides for various management services, including those of the Administrator. Approximately 700 County employees conduct the day to day operations of the Center under the Administrator's direction.

The Geriatric Center has a decentralized manual purchasing system. The control of purchasing lies with the department heads for approximately 40 departments. The Center has a Materials Management Department which made purchases concerning nursing supplies and general office supplies. The department controlled the central storeroom for most of the supplies they purchased. However, many purchases that were not directly related to medical supplies were purchased by individual department heads. To test internal controls for the decentralized purchasing system, a review was made of a sampling of purchases prepared by 12 departments for 103 vendors at a total \$7,351,461.15 paid in 1998. This report illustrates general findings and weaknesses over the next few pages. Then specific examples, details and support for the findings and weaknesses follow.