

AUDITOR'S REPORT

HARRIS HEALTH SYSTEM NURSING CONTROLLED SUBSTANCES CONTROLS



March 27, 2014

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BARBARA J. SCHOTT, C.P.A.
HARRIS COUNTY AUDITOR

March 27, 2014

Mr. David Lopez
President and Chief Executive Officer
Harris Health System
2525 Holly Hall
Houston, Texas 77054

RE: Harris Health System Nursing Controlled Substances Controls for the three months ended March 31, 2013

The Audit Services Department (Audit Services) performed procedures relative to Harris Health System (Harris Health) Nursing Controlled Substances Controls for the three months ended March 31, 2013. The objective of the engagement was to evaluate critical internal controls for maintaining and distributing controlled substances after they are transported from the Pharmacy Department to nursing units or ancillary departments. The following procedures were performed:

- Reviewed and evaluated procedures for securing controlled substances on nursing units or in ancillary departments, including controlled substances brought by patients to a facility.
- Reviewed and evaluated backup procedures to be followed if Harris Health's automated drug storage, dispensing, and inventory system (the Pyxis system) is not available.
- Assessed the adequacy and completeness of information from the Pyxis system and/or other systems used for monitoring and reporting of possible drug diversion.
- Evaluated and selectively tested critical controls for:
 - Granting and terminating access to the Pyxis system.
 - Maintaining and testing the accuracy of perpetual inventory records.
 - Investigating and resolving reported instances of Pyxis system overrides, higher than normal dispensing by nurses, or discrepancies between inventory records and controlled substances held.
 - Wasting of controlled substances that are removed from the Pyxis system but not administered to patients.

The engagement process included providing you with engagement and scope letters and conducting an entrance and exit conference with your personnel. The purpose of the letters and conferences were to explain the process, identify areas of concern, describe the procedures to be

Mr. David Lopez
President and Chief Executive Officer

performed, discuss issues identified during the engagement, and solicit suggestions for resolving the issues. A draft report was provided to you and your personnel for review.

The enclosed Auditor's Report presents the results of our evaluation of critical internal controls, recommendations developed in conjunction with your staff, and any actions you have taken to implement the recommendations. Less significant issues and recommendations have been verbally communicated to your staff.

We appreciate the time and attention provided by you and your staff during this engagement.

Sincerely,



Barbara J. Schott
County Auditor

cc: Harris Health System Board of Managers
District Judges
County Judge Ed Emmett
Commissioners:
 R. Jack Cagle
 El Franco Lee
 Jack Morman
 Steve Radack
Devon Anderson
Vince Ryan
William J. Jackson

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OVERVIEW

Controlled substances transported from the Pharmacy Department to nursing units or ancillary departments are secured in electronic cabinets (Pyxis med-stations) until they are removed and administered to patients. Pyxis med-stations restrict access to controlled substances, and loading and dispensing activity is accounted for in the Pyxis system. In addition, Pharmacy and Nursing Management monitor Pyxis system reports and other information to:

- Ascertain controlled substances inventory levels and dispensing activities.
- Perform procedures and tests to identify and investigate possible diversion.

Controlling Pyxis Med-station Access

Nurses that administer controlled substances access Pyxis med-stations by logging on to the Pyxis system using unique user identification and passwords or biometric identification technology. Nurses complete a *Patient Care Staff Pyxis User Authorization* form (Pyxis user form) to receive Pyxis med-station access rights. The Pyxis user form is approved by the manager of the nursing unit or ancillary department and sent to the Pharmacy Supervisor to establish access.

A nurse's access is adjusted, if necessary, when they are transferred to another nursing unit, or terminated when they are no longer associated with Harris Health. In addition, the Pharmacy Supervisor or the Pharmacy Lead Technician evaluates Pyxis system records to determine whether access should be terminated for nurses who have not accessed Pyxis med-stations for 90 days.

There are also provisions for granting temporary Pyxis med-station access to contract nurses on a short-term basis. This access can be granted by Nursing Management and automatically terminates after 16 hours. Contract nurses that work for extended periods can complete Pyxis user forms and receive access that does not automatically expire.

Monitoring Inventory Discrepancies

When removing controlled substances from Pyxis med-stations, nurses identify the patient and select the controlled substances they want to remove. The Pyxis med-stations only allow nurses to access the specific compartment containing the controlled substances to be removed.

After accessing the Pyxis med-stations and opening the compartment, nurses are required to count and record the quantity of controlled substances in the compartment. The Pyxis system automatically compares the recorded count to the Pyxis med-stations' perpetual inventory records. If the count does not match (two attempts are allowed), the Pyxis med-station notifies the nurse that an inventory discrepancy exists and an indicator icon is displayed on the Pyxis med-stations' monitor.

Nursing is required to notify Management immediately if a discrepancy occurs to ensure timely investigation. In addition, Nursing Management is required to print and inspect an *Undocumented Discrepancies Report* at least one hour before the end of their shift to identify

unresolved discrepancies. The *Undocumented Discrepancies Report* identifies the last nurse to access the compartment before the discrepancy is identified.

An *All Discrepancies Report*, that shows discrepancies for all nursing units and ancillary departments, is printed daily in the Pharmacy. Pharmacy Narcotic Technicians (Narcotic Techs) inspect the *All Discrepancies Report* to identify discrepancies that have not been resolved by Nursing Management within 24 hours. The Narcotic Techs or Pharmacists report any discrepancies not resolved to Nursing Management for investigation.

Matching to Physician Orders

Information regarding controlled substances ordered by physicians is electronically transmitted to the Pyxis med-stations from Harris Health's clinical system (Epic) after an order is placed and reviewed by a Pharmacist. The transmitted information creates a medication "profile" for the patient. If nurses remove controlled substances not on a patient's medication profile, the removals are classified as "overrides" and reported on a *Profile Override Report*.

Pharmacy Narcotic Techs or Pharmacists inspect and test overrides on the *Profile Override Report* to verify that a physician order was transmitted after the controlled substance was removed. If a subsequent physician order is not transmitted, the incident is considered a narcotic discrepancy, and reported to Nursing Management for investigation.

Profile Override Reports are not generated and reviewed for Pyxis med-stations in the Emergency Centers because controlled substances are routinely removed to provide emergency treatment before physician orders are transmitted to Epic.

Monitoring Removal Rates

Nurses who remove more controlled substances during a time period than other nurses on a unit or department by a statistically significant amount (such as 2 or 3 standard deviations) are monitored using the *Proactive Diversion Report*. Transactions by nurses are selected from the reports and tested by Pharmacy Narcotic Techs or Pharmacists by reconciling Pyxis med-station activity to supporting physician orders and patient administration records in Epic.

If the records do not match, the incidents are considered a narcotic discrepancy and the nurse is reported to Nursing Management for investigation. In addition, Narcotics Techs or Pharmacists regularly email copies of the *Proactive Diversion Report* to Nursing Management for inspection.

Wasting and Returns

Controlled substances removed from Pyxis med-stations but not administered to patients should be returned to Pyxis med-stations, or disposed of according to policy. This disposal of un-administered controlled substances is referred to as wasting. The nurses record controlled substances returns or wasting in Pyxis med-stations and the wasting activity is reported on the *Returns and Wastes Report*. Wasting controlled substances must be witnessed by another licensed professional identified by Harris Health policy. The *Returns and Wastes Report* documents the dates, times, nurses, and witnesses for controlled substances wasting.

RESULTS

Based on our procedures, automated and manual controls are adequate for securing controlled substances after they are transported to nursing units or ancillary departments. Contingency backup procedures appear adequate if automated processes are unavailable.

Information from Pyxis and other systems is adequate to allow for monitoring for possible diversion. However, improvements are needed to Pharmacy processes for identifying and reporting possible diversion to Nursing Management for investigation, and for enforcement of Nursing policies for reporting the results of the investigations back to Pharmacy Supervisors within 48 hours.

Other needed improvements to critical controls are as follows:

- Additional testing to verify the proper wasting of controlled substances dispensed but not administered to patients should be performed.
- Complying with written policies for weekly inventory counts, daily inspections of discrepancy reports, and wasting of controlled substances should be enforced.
- Complying with written policies for retaining Pyxis med-station access requests and performing quarterly user authorization verification should be enforced.
- Securing controlled substances brought by patients from home should be improved.

These and other issues are discussed in more detail in the following Issues and Recommendations matrix.

ISSUES AND RECOMMENDATIONS

Subject	Background	Issue	Recommendation	Management Response
Monitoring for Diversion	Pharmacy Narcotic Techs and Pharmacists inspect and test information from the <i>All Discrepancies Reports</i> , the <i>Profile Override Reports</i> , and the <i>Proactive Diversion Reports</i> to identify incidences of possible diversion. Incidences identified are referred to Nursing Management for investigation.	<p>There are no formal documented procedures that describe the processes or expectations for inspections and tests performed by Pharmacy employees to identify possible diversion. The following situations were identified:</p> <ul style="list-style-type: none"> • Inspection and test procedures were not documented and there were differences in the selection method for items tested for Ben Taub and LBJ. • <i>Profile Override Reports</i> are not generated and reviewed for Pyxis med-stations in the Emergency Centers and there is no alternative testing to verify there are physician orders for controlled substances dispensed. • Documentation of the inspections and tests 	<p>Pharmacy Management should formally document the inspection and testing procedures which should be performed to identify possible diversion including:</p> <ul style="list-style-type: none"> • Inspection and testing procedures and the method of selecting items for testing. In addition, differences in procedures followed for Ben Taub and LBJ should be justified. • The method of alternative testing performed in the Emergency Centers where Pyxis med-station <i>Profile Override Reports</i> are not generated for testing. • The procedures for documenting test results and how documentation should be maintained. • Retaining records of possible diversion 	<p>Pharmacy Management in collaboration with Nursing Management agrees with all recommendations. The task force will define and implement the processes. Implementation Date: April 10, 2014.</p>

ISSUES AND RECOMMENDATIONS

Subject	Background	Issue	Recommendation	Management Response
(Continued) Monitoring for Diversion		<p>could not be located at Ben Taub because the employee responsible for the procedures retired.</p> <ul style="list-style-type: none"> • Records of incidents reported to Nursing Management for investigation were not consistently retained for Ben Taub and LBJ. • Documentation of management supervision and monitoring of the process was not retained. <p>Not formally documenting procedures increases the risk that inspections and tests will be inadequately performed and incidences of possible diversion will not be investigated.</p>	<p>reported to Nursing Management for investigation.</p> <ul style="list-style-type: none"> • Documenting supervision and monitoring of the inspection and testing process. <p>Training on the procedures should be provided to Pharmacy employees responsible for performing the inspection and testing, and cross-training should be provided to accommodate employee absences or turnover.</p>	
Reporting Investigation Results	Harris Health Policy 550, <i>Automated Patient Medication System (Med-Station & Anesthesia Station)</i> requires Nursing Management to report to Pharmacy Supervisors	Nursing Management does not consistently report on investigations within the required timeframes. Thirty-eight of 59 (64%) LBJ incidences during the three months ended March	Nursing Management should consistently report on the results of investigations to Pharmacy Supervisors within the required timeframes. In addition, Pharmacy	Nursing Management in collaboration with Pharmacy Management agrees with all recommendations. The task force will review and revise policies 582.0 and 550.0 to reflect the processes defined

ISSUES AND RECOMMENDATIONS

Subject	Background	Issue	Recommendation	Management Response
(Continued) Reporting Investigation Results	(within 48 hours) on incidences of possible diversion referred for investigation.	<p>31, 2013, were reported as unresolved as of July 2013. Pharmacy Management informed us that Ben Taub reports were unavailable because the Pharmacy employee responsible for reporting retired.</p> <p>Not consistently reporting results to Pharmacy Supervisors does not comply with Policy 550 and increases the risk that investigations of possible diversion are not performed, which could result in unidentified diversion.</p>	<p>Management should follow-up with Nursing Management if a timely response is not received. Senior Management in Pharmacy and Nursing should receive periodic reports on unresolved investigations.</p>	<p>above. The task force will examine root causes related to noncompliance for timely response and address compliance, accountability and escalation to the Senior Management in the policy. The policy will be placed on expedited review pathway. Implementation Date: May 9, 2014.</p>
Monitoring for Diversion at Smith Clinic	The Smith Clinic opened in October 2012 and includes eight Pyxis med-stations with controlled substances and one controlled substance safe.	Procedures for monitoring reports (see Monitoring for Diversion on page 8) and referring possible diversion to Nursing Management for investigation were not performed at the Smith Clinic. As a result, there is an increased risk of undetected diversion.	Pharmacy Management should implement an inspection and testing process at Smith Clinic to identify possible controlled substances diversion and report the incidences to Nursing Management for investigation. In addition, Pharmacy Management	Pharmacy Management and Nursing Management agree. Recommendation has been implemented.

ISSUES AND RECOMMENDATIONS

Subject	Background	Issue	Recommendation	Management Response
(Continued) Monitoring for Diversion at Smith Clinic			should determine why inspection and testing was not implemented at the Smith Clinic and implement procedures to ensure that the procedures are timely implemented at clinics or outpatient facilities that are opened in the future.	
Verifying Wasting		Current procedures do not adequately verify wasting of controlled substances dispensed from Pyxis med-stations but not administered to patients because there is no routine process of reconciling dispensing records in Pyxis to administration records in Epic. A limited amount of testing is performed on wasting for nurses that appear on the <i>Proactive Diversion Report</i> at LBJ. Without adequate procedures to verify wasting, diversion of controlled substances may	Pharmacy Management, in conjunction with Nursing Management, should routinely perform sample testing to verify wasting of controlled substances not administered to patients, including controlled substances administered through IV therapy. In addition, Pharmacy Management should consult with Information Technology to determine if an automated process for verifying wasting can be implemented.	Pharmacy Management and Nursing Management agree. Pharmacy Management will Consult with vendors and Harris Health IT to explore an automated audit solution to encompass pull, administration, wastage and/or returns. In the interim, Pharmacy in collaboration with Nursing will design an audit filter that highlights key high risk transactions for audits that addresses the recommendations. The task force will define the audit process. Implementation

ISSUES AND RECOMMENDATIONS

Subject	Background	Issue	Recommendation	Management Response
(Continued) Verifying Wasting		not be detected.		Date: April 10, 2014.
Complying with Policy for Wasting and Witnessing	Policy 550 requires two professionals with the following credentials to waste controlled substances: Registered Nurse, Licensed Vocational Nurse, Registered Pharmacist, or a Medical Doctor.	For the three months ended March 31, 2013, 231 (1.0%) of 22,600 controlled substances wasting transactions performed included an employee without the required credentials (i.e. a Pharmacy Tech). Not enforcing requirements regarding personnel that are authorized to waste or witness controlled substances wasting increases the risk of diversion.	Pharmacy Management, in conjunction with Nursing Management, should monitor wasting transactions to ensure compliance with Policy 550. In addition, Pharmacy Management should consult with the Pyxis system application service provider to determine if a system application control is feasible to enforce compliance.	Pharmacy Management and Nursing Management agree. Policy 550.0 reflects that only licensed professionals (e.g. pharmacists, LVNs, RNs and MDs) are the only ones with the authority to witness wasting. Pharmacy will run a Pyxis waste report for compliance to policy and notify management for noncompliance. Implementation Date: April 10, 2014.
Complying with Approved Wasting Methods	U.S. Food and Drug Administration (FDA) regulations specify that Duragesic patches should be wasted by folding them in half and flushing them down a toilet. In addition, Policy 550 states that controlled substances should be wasted by	Policy 550 does not include instructions for wasting of Duragesic patches. In addition, nurses do not consistently follow Policy when wasting controlled substances. Not ensuring that Policy conforms to regulatory	Nursing Management should ensure the Policy for wasting conforms to current regulations and that nurses are trained to comply with the Policy.	Pharmacy Management and Nursing Management agree. Upon revision and approval of policy 582.0, an electronic attestation acknowledgement will be sent to all nursing personnel. Nursing Quality will send a summary email to all Nursing personnel of the specific changes in the

ISSUES AND RECOMMENDATIONS

Subject	Background	Issue	Recommendation	Management Response
(Continued) Complying with Approved Wasting Methods	flushing them down a sink or drain.	guidelines and that nurses follow the Policy increases the risk of diversion and regulatory non-compliance.		policy. Implementation Date: May 9, 2014.
Complying with Policy for Timely Wasting	Policy 582, <i>Management and Accountability of Controlled Substances</i> , requires that controlled substances dispensed from Pyxis med-stations and not administered to patients be wasted either when removed from Pyxis med-stations or as soon as possible after the ordered doses have been administered.	<p>From January through March 2013, 146 (0.6%) of 22,600 controlled substances wasting transactions occurred more than two hours after the controlled substances were dispensed from Pyxis med-stations. Thirty-five (0.2%) of the wasting transactions occurred more than eight hours after the controlled substances were removed.</p> <p>Excessive time between removal and wasting of controlled substances increases the risk of diversion.</p>	Nursing Management should enforce Policy 582 and monitor to identify and investigate incidences of excessive time between dispensing and wasting. In addition, Nursing Management should ensure nurses are adequately trained regarding timely wasting and that disciplinary actions are taken where appropriate.	<p>Pharmacy Management and Nursing Management agree. Pharmacy Management will Consult with vendors and Harris Health IT to explore an automated audit solution to encompass pull, administration, wastage and/or returns.</p> <p>In the interim, Pharmacy in collaboration with Nursing will design an audit filter that highlights key high risk transactions for audits that addresses the recommendations. The task force will define the audit process. Implementation Date: April 10, 2014.</p>

ISSUES AND RECOMMENDATIONS

Subject	Background	Issue	Recommendation	Management Response
Inspecting the Undocumented Discrepancies Report	Policy 550 requires Nursing Management to print and inspect the <i>Undocumented Discrepancies Report</i> at least one hour prior to the end of their shifts to identify unresolved discrepancies on their unit for investigation.	Nursing Management is not printing and inspecting the <i>Undocumented Discrepancies Report</i> . As a result, discrepancies occurring during their shifts may not be timely identified and investigated.	Nursing Management should enforce daily printing and inspecting the <i>Undocumented Discrepancies Report</i> on all units.	Pharmacy Management and Nursing Management agree Nursing leadership will educate nursing staff on printing and investigate the Undocumented Discrepancy Report per shift. Pharmacy Management will explore Pyxis self-generating report for variances to this procedure. Implementation Date: April 10, 2014. Policy 582 states Discrepancy Report is done daily. Recommend to revise policy to per shift. Implementation date: May 9, 2014.
Counting Controlled Substances Inventory	Policy 550 requires two licensed employees to inventory controlled substances on nursing units or ancillary departments weekly. The Policy also requires that Pharmacy Supervisors monitor whether the counts are	Weekly counts were not consistently performed at Ben Taub or LBJ, and Nursing Directors at Ben Taub were not notified by Pharmacy Supervisors that the counts were not performed. Not performing weekly counts increases the	Nursing Management should require weekly inventories and Pharmacy Management should monitor to ensure Pharmacy Supervisors report to Nursing Directors if the counts are not performed.	Pharmacy Management and Nursing Management agree. Recommendation has been implemented.

ISSUES AND RECOMMENDATIONS

Subject	Background	Issue	Recommendation	Management Response
(Continued) Counting Controlled Substances Inventory	performed and to notify Nursing Directors if they are not.	risk that inventory discrepancies are not timely detected and investigated. After the issue was brought to the attention of Nursing Management, weekly inventories were initiated.		
Verifying Pyxis Access	As of June 7, 2013, there were approximately 2,600 employees with access to Pyxis med-stations. Most of the users had access to controlled substances. Policy 550 requires quarterly verification of users with Pyxis med- station access.	Quarterly verification of users with Pyxis med- station access is not performed. An analysis of assigned access of the approximately 2,600 users as of June 7, 2013 identified: <ul style="list-style-type: none"> • Thirty-two users no longer associated with Harris Health still had access to Pyxis med- stations. (No activity by the users after leaving Harris Health was identified.) • Seven users had more access than needed for their job duties. • Twelve users were not assigned to standard user templates. 	Pharmacy Management should enforce Policy regarding quarterly verification of users with Pyxis med-station access and should: <ul style="list-style-type: none"> • Immediately terminate the access of the 32 users no longer associated with Harris Health. • Reduce access for the seven users to what is required to perform their job duties. • Assign appropriate standard user templates to the 12 users. • Deactivate the additional user identification numbers for the four users. 	Pharmacy Management and Nursing Management agree. Recommendations have been implemented.

ISSUES AND RECOMMENDATIONS

Subject	Background	Issue	Recommendation	Management Response
(Continued) Verifying Pyxis Access		<ul style="list-style-type: none"> • Four users had more than one user identification number. <p>Users with unnecessary administrator rights were also identified. This issue was reported in the Harris Health System Controlled Substance Inventory Controls Auditor's Report dated August 29, 2013.</p> <p>Not ensuring that users are only provided with access needed and that access no longer needed is timely terminated increases the risk of inappropriate access to Pyxis med-stations.</p>	As recommended in a previous Auditor's Report, Pharmacy Management should inspect to ensure administrative rights are only provided to users as needed.	
Retaining Pyxis User Forms	Policy 550 requires retention of complete Pyxis user forms where access is requested or changed.	<p>Pyxis user forms are not consistently completed and retained. An inspection of forms on file for 25 selected users identified:</p> <ul style="list-style-type: none"> • Ten of 25 (40%) Pyxis user forms requested could not be located and provided. 	Pharmacy Management should ensure that Pyxis user forms submitted to request or change access are complete and that they are retained and available for inspection.	Pharmacy Management agree on the recommendation. Task force is evaluating alternative methods of record keeping and retrieval to achieve the recommendations. Implementation Date: May 9, 2014.

ISSUES AND RECOMMENDATIONS

Subject	Background	Issue	Recommendation	Management Response
(Continued) Retaining Pyxis User Forms		<ul style="list-style-type: none"> Eleven of 15 (73%) of forms provided were not complete, not approved, or did not agree to the access that was granted. <p>Not retaining completed Pyxis user forms increases the risk of inappropriate or unapproved access to Pyxis med-stations.</p>		
Utilizing Knowledge Portal	The Pharmacy acquired and implemented a software program (Knowledge Portal) to improve monitoring and reporting of controlled substances dispensing, wasting, and other activities.	Analytical tools available through Knowledge Portal are not fully utilized by Pharmacy Management. As a result, there may be opportunities to perform monitoring and reporting activities more effectively and efficiently that are not being utilized.	Pharmacy Management should improve monitoring and reporting activities by increasing utilization of Knowledge Portal.	Pharmacy Management agrees. Pharmacy Management will work with vendor to provide training on Knowledge Portal function to increase efficient utilization. Implementation Date: May 9, 2014.
Securing Medications Brought from Home	Medications brought from home by patients who are admitted to a hospital are inventoried, sealed in tamper resistant bags, and held in the Outpatient Pharmacy until the patient is discharged.	Medications, including controlled substances, brought from home and held in the Outpatient Pharmacy are not secured in a locked cabinet. Not securing the medications increases the risk of	Pharmacy Management should secure medications brought from home, including controlled substances, in a locked cabinet in the Outpatient Pharmacy until they are returned to the patient.	Pharmacy Management agrees. Recommendations have been implemented.

ISSUES AND RECOMMENDATIONS

Subject	Background	Issue	Recommendation	Management Response
(Continued) Securing Medications Brought from Home		diversion of any controlled substances that may be included.		

RISK ASSESSMENT AND SUMMARY OF RECOMMENDATIONS

The risk matrix below presents the assessed level of risk or exposure identified during our procedures. Inherent risk relates to factors that because of their nature cannot be controlled or mitigated by management. Inherent risk includes factors such as legislative changes, number and dollar amount of transactions processed and/or complex nature of transactions. Control risks relate to factors that can be influenced or controlled by management. Controls such as policies and procedures, electronic or manual approvals, system security access, and separation of job responsibilities may be instituted by management in order to mitigate control risk. Control risk is assessed during the planning phase in order to establish the nature, timing, and extent of testing and at the conclusion of the engagement in order to incorporate actions taken to implement our recommendations. The overall risk considers a combination of inherent and control risks.

Inherent Risk:	Control Risk:		Overall Risk:
<input checked="" type="checkbox"/> High <input type="checkbox"/> Moderate <input type="checkbox"/> Low	Prior to Procedures	After Procedures	<input checked="" type="checkbox"/> High <input type="checkbox"/> Moderate <input type="checkbox"/> Low
	Needs Improvement	Needs Improvement	
Type of Procedures: Audit			
Purpose: To evaluate critical internal controls for maintaining and distributing controlled substances after they are transported from the Pharmacy Department to nursing units or ancillary departments.			
Outstanding Audit Recommendations:			
Priority Rating:	Audit Recommendations: Nursing Controlled Substance Controls		
1	Pharmacy Management should formally document the inspection and testing procedures to be performed to identify possible diversion. Training on the procedures should be provided to Pharmacy employees responsible for performing the inspection and testing, and cross-training should be provided to accommodate employee absences or turnover.		
1	Consistently report on the results of investigations to Pharmacy Supervisors within the required timeframes and follow-up with Nursing Management if a timely response is not received. Senior Management in Pharmacy and Nursing should receive periodic reports on unresolved investigations.		
1	Implement an inspection and testing process at Smith Clinic to identify possible controlled substances diversion and report the incidences to Nursing Management for investigation. Determine why inspection and testing was not implemented at the Smith Clinic and implement procedures to ensure that the procedures are timely implemented at clinics or outpatient facilities that are opened in the future.		
1	Routinely perform sample testing to verify wasting of controlled substances not administered to patients, including controlled substances administered through IV therapy. Consult with Information Technology to determine if an		

	automated process for verifying wasting can be implemented.
1	Monitor wasting transactions to ensure compliance with Policy 550. Consult with the Pyxis system application service provider to determine if a system application control is feasible to enforce compliance.
1	Ensure the Policy for wasting conforms to current regulations and that nurses are trained to comply with the Policy.
1	Enforce Policy 582 and monitor to identify and investigate incidences of excessive time between dispensing and wasting. Ensure nurses are adequately trained regarding timely wasting and that disciplinary actions are taken where appropriate.
1	Enforce daily printing and inspecting of the <i>Undocumented Discrepancies Report</i> on all units.
1	Require weekly inventories and monitor to ensure that Pharmacy Supervisors report to Nursing Directors if the counts are not performed.
1	Enforce Policy regarding quarterly verification of users with Pyxis med-station access. Inspect to ensure administrative rights are only provided to users as needed.
1	Pharmacy Management should ensure that Pyxis user forms submitted to request or change access are complete and that they are retained and available for inspection.
2	Pharmacy Management should improve monitoring and reporting activities by increasing utilization of Knowledge Portal.
1	Pharmacy Management should secure medications brought from home, including controlled substances, in a locked cabinet in the Outpatient Pharmacy until they are returned to the patient.
Priority Rating	<ol style="list-style-type: none"> 1. Implement immediately (30 – 90 days) – Serious internal control deficiencies; or recommendations to reduce costs, maximize revenues, or improve internal controls that can be easily implemented. 2. Work towards implementing (6 – 18 months) – Less serious internal control deficiencies, or recommendations that can not be implemented immediately because of constraints imposed on the department (i.e., budgetary, technological constraints, etc.). 3. Implement in the future (two – three years) – Recommendations that should be implemented, but that can not be implemented until significant and/or uncontrolled events occur (i.e., legislative changes, buy and install major systems, requires third party cooperation, etc.).