

OFFICE OF AUDITS & ADVISORY SERVICES



CONTROLLED SUBSTANCES – SHERIFF’S DEPARTMENT MEDICAL SERVICES DIVISION FOLLOW-UP AUDIT

FINAL REPORT

Chief of Audits: Juan R. Perez
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County of San Diego

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JUAN R. PEREZ
CHIEF OF AUDITS

June 27, 2016

TO: William D. Gore, Sheriff
Sheriff's Department

FROM: Juan R. Perez
Chief of Audits

FINAL REPORT: CONTROLLED SUBSTANCES – SHERIFF'S DEPARTMENT MEDICAL SERVICES DIVISION FOLLOW-UP AUDIT

Enclosed is our report on the Controlled Substances – Sheriff's Department Medical Services Division Follow-up Audit. We have reviewed your response to our recommendations and have attached them to the audit report.

The actions taken and/or planned, in general, are responsive to the recommendations in the report. As required under Board of Supervisors Policy B-44, we respectfully request that you provide quarterly status reports on the implementation progress of the recommendations. The Office of Audits & Advisory Services will contact you or your designee near the end of each quarter to request your response.

Also attached is an example of the quarterly report that is required until all actions have been implemented. To obtain an electronic copy of this template, please contact Ida Miclat at (858) 694-2050.

If you have any questions, please contact me at (858) 495-5661.

JUAN R. PEREZ
Chief of Audits

AUD:IM:aps

Enclosure

c: Ronald J. Lane, Deputy Chief Administrative Officer, Public Safety Group
Tracy M. Sandoval, Deputy Chief Administrative Officer/Auditor and Controller
Eunice Ramos, Group Finance Director, Public Safety Group
Barbara Lee, Sheriff's Medical Services Administrator, Sheriff's Department

INTRODUCTION

Audit Objective

The Office of Audits & Advisory Services (OAAS) completed a follow-up audit of the Controlled Substances – Sheriff’s Department Medical Services Division (MSD), audit issued in June 2013. The objective of the audit was to verify whether prior recommendations have been implemented and actions taken have effectively addressed prior findings.

Background

MSD delivers comprehensive health care services to individuals who are detained in the custody of the Sheriff’s Department. As part of these services, MSD operates a pharmacy which is responsible for dispensing medications, including controlled substances, to seven detention facilities throughout San Diego County. In addition, the pharmacy is responsible for purchasing, storing, and disposing of unusable medications.

OAAS conducted an audit of the Controlled Substances – Sheriff’s Department MSD and issued the audit report A13-034 in June 2013. The objective of the audit was to verify that adequate controls exist over the purchase, storage, and use of controlled substances. The audit identified four findings and provided six recommendations, as listed in Table 1.

Audit Scope & Limitations

The scope of the follow-up audit included a review and verification of the implementation of the six recommendations identified in audit report A13-034. OAAS evaluated data from fiscal year 2013-14 to current.

This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing prescribed by the Institute of Internal Auditors as required by California Government Code, Section 1236.

Methodology

OAAS performed the follow-up audit using the following methods:

- Reviewed all findings and recommendations included in the June 2013 audit report.
- Interviewed MSD management and staff responsible for the implementation of audit recommendations.
- Reviewed policies and procedures specific to disposal process of controlled substances.
- On a sample basis, conducted specific audit procedures such as inquiry, document inspection, reconciliation, and analysis.

AUDIT RESULTS

Summary

Within the scope of the audit, MSD has fully implemented all six recommendations and the actions taken effectively addressed prior findings, as shown in Table 1.

Table 1. Implementation Status of A13-034 Audit Recommendations

Prior Audit Finding	Prior Audit Recommendation	Implementation Status
I. Controls Over the Disposal Process of Controlled Substances Need Improvement	1. To strengthen controls over the disposal process of controlled substances and to ensure compliance with federal regulations, MSD should ensure that unusable controlled substances are disposed through a California Drug Enforcement Administration (DEA) registered reverse distributor, as required by Title 21 CFR 1307.21.	Implemented
	2. Develop and implement policies and procedures specific to the disposal of controlled substances process in compliance with DEA regulations, including the following: <ul style="list-style-type: none"> • Ensure that wasted controlled substances at the detention facilities, including breakage or spillage, are not disposed down the drain but delivered to MSD for proper disposal. • Develop adequate records to document the delivery and receipt of wasted controlled substances. At a minimum, these records should document date, drug name, quantity, and include the signature or initials of the staff recording the waste. • Ensure that MSD records of expired Schedule II Controlled Substances are maintained separately from all other drug schedules. 	Implemented
	3. Develop a training plan to properly communicate new policy and related procedures changes to staff.	Implemented
II. Inventory Records of Schedule II Controlled Substances Were Commingled with Other Drug Schedules	4. MSD should ensure that inventory records of Schedule II Controlled Substances at the detention facilities are maintained separately from all other records.	Implemented

III. Inventory Counts of Controlled Substances Not Conducted as Required	5. MSD should provide adequate oversight of the detention facilities to ensure that weekly physical counts of reserve controlled substances are conducted in compliance with policy.	Implemented
IV. Delayed System Interface Could Increase Wasted Medication	6. To minimize wasted medication, MSD should continue working with IT staff to ensure a timely interface between JIMS and WORx. If this continues to be an issue, MSD should consider exploring other solutions including the acquisition of a new integrated system to increase efficiency and accuracy of data.	Implemented

Further, OAAS identified opportunities to further strengthen controls over the controlled substances disposal process, as illustrated in Finding I.

Finding I:

Existing Policy Does Not Outline Frequency of Destruction of Controlled Substances

MSD is responsible for the collection, storage and disposal of wasted controlled substances. Wasted controlled substances are set aside for accumulation before destruction.

OAAS noted that wasted controlled substances are kept in a locked drawer for an unspecified period of time before they are sent for disposal through a DEA registered reverse distributor.

OAAS reviewed a sample of 50 batches of controlled substances removed from inventory and recorded in the Narcotic Wastage Log to determine proper disposal of controlled substances. OAAS found that 12 of the 50 batches (24%) were accumulated for over a year before they were sent for destruction. Specifically, the following was noted:

Table 2. Expired Controlled Substances Accumulation Period

Batches Shipped for Disposal	Accumulation Period Before Shipment	%
20	1 to 6 months	40%
18	6 months to 1 year	36%
12	More than 1 year	24%

While the DEA does not impose a specific time limit within which controlled substances must be sent to disposal, it is best practice to implement internal policies that establish accumulation period of controlled substances prior to destruction. For example, Health and Human Services Agency (HHS) Edgemore Controlled Drugs Policy requires accumulation period of controlled substances awaiting destruction not to exceed one year after removing them from the inventory.

Because there is no DEA regulation, MSD's existing controlled substances policy does not delineate specific accumulation period prior to shipment to the reverse distributor. Therefore, it has been common practice that controlled substances awaiting disposal are locked in a cabinet for an undefined period of time before shipment. As a result, the risk of controlled substances being lost, unaccounted for, or diverted increases.

Recommendation: To strengthen the controls over the disposal process, MSD should:

1. Update the Controlled Substance Policy establishing a specific time period of accumulation of controlled substances prior to shipment to a DEA registered reverse distributor.
2. Enhance existing training plan to properly communicate revised policy and related procedure changes to staff.

Office of Audits & Advisory Services

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VALUE

DEPARTMENT'S RESPONSE



San Diego County Sheriff's Department

Post Office Box 939062 • San Diego, California 92193-9062



William D. Gore, Sheriff

June 17, 2016

RECEIVED

TO: Juan R. Perez
Chief of Audits

JUN 23 2016

FROM: Barbara Lee
Medical Services Administrator

OFFICE OF AUDITS &
ADVISORY SERVICES

DEPARTMENT RESPONSE TO AUDIT RECOMMENDATIONS: CONTROLLED SUBSTANCES –SHERIFF'S DEPARTMENT MEDICAL SERVICES DIVISION FOLLOW-UP

Finding I: Existing Policy Does Not Outline Frequency of Destruction of Controlled Substances

OAAS Recommendation

1. Update the Controlled Substance Policy establishing a specific time period of accumulation of controlled substances prior to shipment to a DEA registered reverse distributor.
2. Enhance existing training plan to properly communicate revised policy and related procedure changes to staff.

Action Plan: Items below will be updated in the policy by July 31th, 2016.

1. Accumulated CII narcotic wastage and expired medication will be sent to a DEA licensed reverse distributor yearly for destruction.
2. Training will be completed by training bulletins.

Planned Completion Date: 7/31/16

Contact Information for Implementation: Jeff Crutchfield, Pharmacist

If you have any questions, please contact me at (858)974-5966.

Thank you,

WILLIAM D. GORE, SHERIFF

Barbara Lee
Medical Services Administrator
San Diego County Sheriff's Department

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