

County of San Diego

Auditor and Controller

# OFFICE OF AUDITS & ADVISORY SERVICES



## CONTROLLED SUBSTANCES – HHSA EDGEMOOR SKILLED NURSING FACILITY FOLLOW-UP AUDIT

***FINAL REPORT***

Chief of Audits: Juan R. Perez  
Audit Manager: [Laura R. Flores, CIA, CFE, CGAP](#)  
Auditor II: [Ida Miclat, CPA](#)

Report No. A16-021

May • 2016

Intentionally Left Blank



# County of San Diego

**TRACY M. SANDOVAL**  
DEPUTY CHIEF ADMINISTRATIVE OFFICER/  
AUDITOR AND CONTROLLER

AUDITOR AND CONTROLLER  
OFFICE OF AUDITS & ADVISORY SERVICES  
5530 OVERLAND AVENUE, SUITE 330, SAN DIEGO, CA 92123-1261  
Phone: (858) 495-5991

**JUAN R. PEREZ**  
CHIEF OF AUDITS

May 10, 2016

**TO:** Alfredo Aguirre, Director  
HHSA – Behavioral Health Services

**FROM:** Juan R. Perez  
Chief of Audits

## FINAL REPORT: CONTROLLED SUBSTANCES – HHSA EDGEMOOR SKILLED NURSING FACILITY FOLLOW-UP AUDIT

Enclosed is our report on the Controlled Substances – HHSA Edgemoor Skilled Nursing Facility Follow-up Audit. As there are no findings and recommendations in the report, no audit response is required.

Thank you for the courteousness and cooperation extended to the Office of Audits & Advisory Services during the course of the audit.

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

A handwritten signature in black ink, appearing to read "JUAN R. PEREZ".

JUAN R. PEREZ  
Chief of Audits

AUD:IM:aps

Enclosure

c: Nick N. Macchione, Director, Health and Human Services Agency  
Tracy M. Sandoval, Deputy Chief Administrative Officer/Auditor and Controller  
Dean Arabatzis, Chief Operations Officer, Health and Human Services Agency  
Andrew Pease, Executive Finance Director, Health and Human Services Agency

## INTRODUCTION

---

<b>Audit Objective</b>	The Office of Audits & Advisory Services (OAAS) completed a follow-up audit of the Controlled Substances – Health and Human Service Agency (HHSA) Edgemoor Skilled Nursing Facility audit issued in July 2013. The objective of the audit was to verify whether prior recommendations have been implemented and actions taken have effectively addressed prior findings.
<b>Background</b>	Edgemoor operates in conjunction with the County of San Diego Psychiatric Hospital. The facility provides long term medical care to patients with complex medical needs. Edgemoor operates a pharmacy which is responsible for dispensing medications, including controlled substances, to the nursing stations based on medical prescriptions. In addition, the pharmacy is responsible for purchasing, storing, and disposing of unusable medications.
	OAAS conducted an audit of the Controlled Substances – HHSA Edgemoor Skilled Nursing Facility and issued the audit report A12-014 in July 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 two findings and provided seven recommendations, as discussed in the body of the report.
<b>Audit Scope &amp; Limitations</b>	The scope of the follow-up audit included a review and verification of the implementation of the seven recommendations identified in audit report A12-014. 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.
<b>Methodology</b>	OAAS performed the follow-up audit using the following methods:
	<ul style="list-style-type: none"><li>• Reviewed all findings and recommendations included in the July 2013 audit report.</li><li>• Interviewed HHSA Edgemoor Facility management and staff responsible for the implementation of audit recommendations.</li><li>• Reviewed policies and procedures specific to disposal process of controlled substances.</li><li>• On a sample basis, conducted specific audit procedures such as inquiry, document inspection, reconciliation, and analysis to validate implementation.</li></ul>

## AUDIT RESULTS

---

### Summary

Within the scope of the audit, HHSA Edgemore Skilled Nursing Facility has implemented all seven recommendations and the actions taken effectively addressed prior findings, as shown in the table below:

Prior Audit Finding	Prior Audit Recommendation	Implementation Status
I. Controls Over the Disposal Process of Controlled Substances Need Improvement	1. Update the Controlled Substances policy and establish a specific time period of accumulation of controlled substances prior to shipment to the reverse distributor for disposal.	Implemented
	2. Ensure that the Pharmacy Stock Narcotic Return Log is completed when controlled substances are removed from inventory.	Implemented
	3. Consider updating the Pharmacy Stock Narcotic Return Log to include expiration date of controlled substances, if applicable, and the pharmacist's initials.	Implemented
	4. Develop a training plan to properly communicate policy updates and related process changes to staff.	Implemented
II. Opportunities Exist for Enhancing Accuracy and Clarity of Controlled Substances Related Records	5. Continue providing adequate training to staff to ensure that controlled substances records are clear, thorough, organized, and easy to reconcile.	Implemented
	6. Establish a review process of controlled substances records on a periodic basis to ensure adequacy of records.	Implemented
	7. Revise the DEA Form 222 log sheet to include the date of use.	Implemented

Office of Audits & Advisory Services

C  
o  
m  
p  
l  
i  
a  
n  
c  
e

R  
e  
l  
i  
a  
b  
i  
l  
i  
t  
y

E  
f  
f  
e  
c  
t  
i  
v  
e  
n  
e  
s  
s

A  
c  
c  
o  
u  
n  
t  
a  
b  
i  
l  
i  
t  
y

T  
r  
a  
n  
s  
p  
a  
r  
c  
y

E  
f  
f  
i  
c  
i  
e  
n  
c  
y

V  
A  
L  
U  
E