

**WEST VIRGINIA LEGISLATURE**  
*Joint Committee on Government and Finance*

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# Memo

**To:** Thedford L. Shanklin, CPA, Director

**From:** Michael A. House, CPA, Assistant Director  
Tim Butler, CPA, Legislative Auditor III

**Date:** November 19, 2004

**Subject:** FOLLOW-UP REVIEW OF THE AUDIT REPORT OF THE WEST VIRGINIA  
DIVISION OF REHABILITATION PHARMACY FOR THE PERIOD JULY 1, 2001  
- JUNE 30, 2003

In accordance with your instructions and as requested by the Post Audit Committee at the August 2004 interim meeting, we conducted a follow-up review to examine the implementation of certain recommendations contained in the audit of the Division of Rehabilitation for the period July 1, 2001 - June 30, 2003. In conducting this follow-up, we met with the following agency employees: Division Pharmacist Sandra K. Boyd and Diane Blake, Licensed Practical Nurse. In addition, we reviewed and tested the new procedures implemented to comply with audit recommendations. A copy of those procedures are attached.

We traced the medications listed on ten judgmentally selected control drug records from the physician's order (prescription), through the pharmacy's inventory system, and back to the pharmacy's disposition records to determine whether the medications were properly recorded and tracked by nursing and pharmacy staff. If the control substances were to be returned to the pharmacy, we verified the medication was actually delivered to the pharmacist and was part of the drug inventory to be destroyed. Furthermore, we reviewed other control drug records to ensure the pharmacy and nursing staff recorded how the medication was obtained, how the medication was administered, and the disposition of the medication upon the patient's discharge. Our review shows controls have been strengthened and recommendations have been followed in relation to the pharmacy inventory and the disposition of controlled substances. The specific actions taken

by the Division of Rehabilitation with regard to the two findings and recommendations reviewed are set out as follows:

### **FINDING #1 - PHARMACY INVENTORY**

The Division did not account for certain “controlled substances” for which they have a responsibility. We reported in our previous audit the Division’s former pharmacist inventoried controlled drugs purchased from wholesalers and stocked in the Center Pharmacy, but did not inventory “scheduled” medications received from local pharmacies or returned to him by Clinic and Treatment Unit nursing staff. A drug is considered a scheduled medication if it is listed by the Federal Drug Enforcement Administration as a controlled substance.

We Recommended:

The Division of Rehabilitation comply with Title 15, Series 2, Section 6.3.1 of Board of Pharmacy’s Legislative Rules which requires each pharmaceutical inventory shall contain a complete and accurate record of all controlled substances on hand on the date the inventory is taken. Controlled substances are considered “on hand” if they are in the possession of or under the control of the registrant, including substances returned by a customer, substances ordered by a customer but not yet invoiced, substances stored in a warehouse on behalf of the registrant and substances in the possession of employees of the registrant and substances in the possession of employees of the registrant and intended for distribution as complimentary samples.

#### **Agency Action:**

**The Division hired a new pharmacist and established procedures to implement our recommendations. The new procedures require the pharmacist to document on the first line of the patient control drug record how medication was obtained (Loop Pharmacy, Division of Rehabilitation’s Pharmacy, or patient supplied; continue to log medication when used/received as previously documented; and document medication disposition upon patient discharge (sent home with patient or returned to pharmacy).**

#### **Post Audit Division Comments:**

Action taken is in compliance with our recommendation.

### **FINDING #2 - DISPOSITION OF CONTROLLED SUBSTANCES**

The control drug record for two agency patients did not indicate the disposition of medications at the patients’ discharge. We were unable to determine if the medication was prescribed by the attending physician to be sent home with the patient or if the medication was returned to the Division of Rehabilitation’s Center Pharmacy.

We Recommended:

The Division comply with Section 4.2.1 of Title 15, Series 2, of the Board of Pharmacy's Legislative Rule which requires its registrants to provide effective controls and procedures to guard against theft and diversion of controlled substances.

**Agency Action:**

**Controlled substances administered by Clinic or Treatment Unit nursing staff are tracked on control drug records. The nursing staff document that the medications were issued to the patient at discharge or the medication was returned to the pharmacy. The Division Pharmacist is also required to document the disposition of the unused portion of the prescription on the control drug record. The procedures established by the Division also requires the new Division Pharmacist to document the name, the strength, and the quantity of any controlled substance to be destroyed on a standardized forms provided by the West Virginia Board of Pharmacy and the medications are to be stored in a secure area of the pharmacy until the drugs can be destroyed in the presence of a Board of Pharmacy inspector.**

**Post Audit Division Comments:**

Action taken is in compliance with our recommendation.