



AUDIT REPORT



DATE August 17, 2017

NO. 2017-003

**CHARLOTTE COUNTY FIRE/EMS
CONTROLLED SUBSTANCES**

INTERNAL AUDIT DIVISION
ROGER D. EATON
CLERK OF THE CIRCUIT COURT AND COUNTY COMPTROLLER
CHARLOTTE COUNTY FLORIDA

Honorable Roger D. Eaton
Charlotte County Clerk of the Circuit Court and County Comptroller
350 East Marion Avenue
Punta Gorda, Florida 33950

We have completed an audit of Charlotte County Fire and Emergency Medical Services procedures for the dispensing of controlled substances for emergency medical procedures.

This report includes our observations as well as comments and recommendations we deemed necessary. Responses from Fire/EMS Management have also been included.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "DMitchell", written in a cursive style.

Diane Mitchell
Internal Audit Director

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
BACKGROUND	1
AUDIT OBJECTIVES.....	2
SCOPE	3
COMMENTS AND RECOMMENDATIONS.....	3
ACKNOWLEDGEMENT	6

EXECUTIVE SUMMARY

Internal Audit has completed a review of Charlotte County Fire and Emergency Medical Services (EMS) procedures for dispensing controlled substances as needed for emergency medical procedures. Our review determined the following:

- Strict adherence to the Controlled Substance Policy is expected and is enforced.
- Controlled substance log books include instructions for critical policy and procedure elements.
- Battalion Chiefs review and audit Advanced Life Support (ALS) unit logbooks to ensure compliance with rules, regulations, policies and procedures.
- All Fire/EMS personnel are subject to random drug testing.

Given the nature of risks involved in the achievement of departmental objectives, we are providing the following recommendations:

We recommend Management ensure consistent and proper use of the “Stock Decrease” column in the controlled substance log books.

We recommend Management ensure the Battalion Chiefs initial all stock transactions involving the Central Storage inventories.

We recommend Management ensure that narcotic inventories are filled to maximum levels prior to starting new controlled substance log books.

We recommend Management ensure proper access to the central storage of controlled substances.

We recommend that the drug testing process include all of the controlled substances that are administered by Fire and EMS.

BACKGROUND

Advanced Life Support (ALS) and Basic Life Support (BLS) responses are provided to meet the emergency medical needs of Charlotte County citizens.

Only Advanced Life Support vehicles are equipped with controlled substances. All 14 rescue units are designated as ALS and 10 engines are equipped to provide ALS.

Delivery of emergency medical services requires using a variety of medical supplies and medications, including controlled substances. Controlled substances are classified according to their potential for abuse, accepted medical use, and probability for causing physical or psychological dependency. Based on these factors, the drugs are ranked by the Federal Drug Enforcement Agency in one of five schedules.

Fire/EMS uses four controlled substances, ranked per Florida Statute 893, Drug Abuse Prevention and Control. These are: Morphine (Schedule II), Versed/Midazolam (Schedule IV), Ketamine (Schedule III), and Fentanyl (Schedule II).

A substance in Schedule II has a high potential for abuse and has a currently accepted but severely restricted medical use in treatment in the United States. Abuse of the substance may lead to severe psychological or physical dependence.

A substance in Schedule III has a potential for abuse less than the substances contained in Schedules I and II and has a currently accepted medical use in treatment in the United States. Abuse of the substance may lead to moderate or low physical dependence or high psychological dependence or, in the case of anabolic steroids, may lead to physical damage.

A substance in Schedule IV has a low potential for abuse relative to the substances in Schedule III and has a currently accepted medical use for treatment in the United States. Abuse of the substance may lead to limited physical or psychological dependence relative to the substances in Schedule III.

Chapters 499 and 893 of the Florida Statutes govern, and Section 64J-1 of the Florida Administrative Code provides for, the rules and regulations for Emergency Medical Services related to the purchase, inventory, and dispensing of controlled substances. These Statutes chapters and Code sections give specific direction related to the required audit trail for controlled substance transactions.

Controlled substance accountability log books are used to track the inventory, usage and responsibility of controlled substances. Daily inventories are recorded in these books along with usage, waste, and transfer of controlled substances.

AUDIT OBJECTIVES

The objectives of this audit were:

1. To determine the adequacy and effectiveness of the system of internal control over the procurement, storage, security, inventory and distribution of controlled substances.
2. To determine the degree of compliance of controlled substance activities as required by the Florida Administrative Code, Florida Statutes, Federal Regulations, the Medical Director's protocols, and the Department's policies and procedures.
3. To evaluate the effectiveness of Management control currently in effect over controlled substance activities.
4. To evaluate the drug testing policy and practice in effect for Fire/EMS Department employees.

SCOPE

The scope of the audit included an evaluation of the policies and procedures and the system of internal controls related to the administration of the controlled substance program. Our scope only included controlled substances; other medications and supplies were not included as part of our review.

The audit period included a review of log books dated 2015, 2016 and 2017.

Statistics for the periods are as follows:

	<u>2015</u>	<u>2016</u>	<u>2017*</u>
Total Incidents	22,423	23,779	7,376
Transports	18,985	19,655	6,165
Incidents with controlled substance usage	638	817	257

*(Through April 4, 2017)

Transports average 86% of total incidents. Dispensing of controlled substances averages 3% of the total incidents.

As part of our audit procedures, on April 20, 2017, we conducted an inventory at the central storage and conducted surprise inventories of eleven vehicles located at nine different stations. Along with the inventories, we evaluated the safekeeping of controlled substances at these locations.

In addition, we reviewed 55 controlled substance accountability log books that covered the entire fleet of vehicles handling Advanced Life Support (ALS) duties. The review included proper recording of transactions, transfers to and from central storage, replenishment of inventories prior to starting a new log book, and the end of shift procedure.

COMMENTS AND RECOMMENDATIONS

Emergency Medical Technicians have a challenging role in the healthcare field. They must constantly remain calm, focused and make split-second decisions. During those times, they are required to maintain an accurate and detailed accounting of controlled substance usage and inventories.

As a result of our review, we are providing the following comments and recommendations:

1. “Stock Decrease” is inconsistently used to record usage or waste of controlled substances.

The controlled substance inventory is described as stock. The controlled substance log defines the stock increase column for the addition of stock and the stock decrease column for the deletion of stock. The stock decrease column is consistently used in the Battalion logs to document stock transfers to the ALS vehicles, but it is inconsistently used in the ALS vehicle logs where it is used when the drugs are administered and/or wasted.

During our review of 55 controlled substance log books, we identified 33 instances when the quantity of a drug was reduced by either administration (usage) and/or waste, with no entry being made in the stock decrease column. When drugs were reduced by either usage or waste, entries were made in the administration column and/or the waste column.

Recording entries in the stock decrease column for usage and/or waste may not only be redundant to the entries made in the other columns, but its inconsistent use indicates mixed interpretation of the Department’s documented procedures. Procedures should be clearly defined and adhered to for internal controls to be adequate.

We recommend Management ensure consistent and proper use of the “Stock Decrease” column in the controlled substance logs.

2. Battalion Chief’s initials were not always present in the logs for a stock increase or decrease.

18 instances were identified when a Battalion Chief’s initials should have been present, but were not. 12 of these instances occurred in the Battalion log books and 6 occurred in ALS vehicle log books. These instances were for transfers of stock, not use and/or waste.

The Documentation Procedure for Distribution, Disposal, and Re-Supply states, “INITIALS: Battalion Chief initials for stock increase or decrease.” Transactions between Central Storage and suppliers and/or the units should be initialed by the Battalion Chief showing they attest to the transaction.

Missing initials may indicate that a Battalion Chief was not present for the transaction or a transaction was not proper.

We recommend Management ensure that Battalion Chiefs consistently initial stock transactions involving Central Storage inventories.

3. Rescue vehicle controlled substance inventories were not replenished prior to starting a new controlled substance accountability log book.

19 controlled substance accountability log books ended prior to replenishing inventories. This resulted in new log books starting at less than maximum inventory levels.

The Documentation Procedure for Distribution, Disposal, and Re-Supply states, “The narcotic count must be filled to the maximum level prior to starting a new controlled substance accountability log.”

Starting a new log book with less than maximum inventory levels may result in improper transfer of inventory totals between log books.

We recommend Management ensure narcotic inventories are filled to maximum levels prior to starting new controlled substance accountability log books.

4. Central storage of controlled substances is not maintained in accordance with internal controls.

Internal Audit identified that controlled substances in central storage are kept in a cardboard box within a safe dual-locked by both key and combination. The key is maintained by the responsible Battalion Chief.

The procedure for Storing of Controlled Substance: Central Storage states, “Controlled substances delivered to the central storage shall be kept in a locked drug box within a locked safe.”

The current practice allows persons with access to the safe to also have direct access to the controlled substance inventory.

We recommend Management ensure proper security over central storage of controlled substances.

5. Only 3 of the 4 controlled substances administered by Fire/ EMS are tested for in the drug testing process.

The standard Fire/EMS drug test only covers 3 of the 4 controlled substances administered by Fire/EMS. Testing for the fourth controlled substance would be at an additional cost. Current testing costs \$10.20 per employee or approximately \$1,387 for all Fire/EMS employees. Additional testing would cost \$24.50 per employee or approximately \$3,332 for all Fire/EMS employees.

Testing for all controlled substances administered by Fire/EMS would ensure complete confidence in the results of testing.

We recommend Management ensure the drug testing process includes all of the controlled substances administered by Fire/EMS.

6. Transaction receipts are not consistent to account for what controlled substances are received.

Internal Audit found it difficult to determine what controlled substances were received based on the procurement card supporting documentation. Specifically, transaction receipts did not agree with cardholder activity in February 2016 and March 2016, due to controlled substances that were on backorder. Transaction receipts, not invoices, were included as backup.

A transaction receipt is generated when the credit card transaction is generated over the Internet. The transaction receipt shows what was ordered, and doesn't take into account backorders which are not billed

until the items are ready to ship. The invoice shows what is shipped and charged. Internal audit agreed accountability logs to what was received.

The purchasing manual states “Anytime a purchase is made that will be paid using the procurement card, the cardholder shall obtain a customer copy of the itemized procurement card receipt and itemized vendor sales receipt, which will become the accountable document.”

We recommend Management ensure cardholder activity agrees with the itemized procurement card receipt and itemized vendor sales receipt.

ACKNOWLEDGEMENT

We would like to thank Charlotte County Fire and Emergency Medical Services Department for their cooperation and assistance in the completion of this audit.

Audit performed by:
Dan Revallo
Senior Internal Auditor



Date: July 27, 2017

To: Diane Mitchell, Director of Internal Audit, Charlotte County Clerk's Office

From: Michael Davis, Deputy Chief Charlotte County Fire & EMS

Re: Charlotte County Fire & EMS Narcotics Audit

Recently, the narcotics system in place at Charlotte County Fire & EMS was audited by your office. Dan Revallo upon arrival was given the autonomy to perform this audit as required. The controls and security of our narcotics system is very important as we must meet federal standards and best practices. Dan handled himself professionally throughout this process and the collaborative efforts of your office is greatly appreciated. Here is our response to your findings.

1. "Stock Decrease" inconsistently used to record controlled substance or waste.

Recommendation: Management ensure consistent and proper use of the "Stock Decrease" column in the controlled substance log.

Response: *Management is in the process of reviewing and rewriting the "Controlled Substance Accountability" policies and procedures to strengthen the definition of "Stock Decrease" column of the controlled substance log so the user will have a better understanding of the intent of use.*

2. Battalion's Chief's initials were not always present for a stock increase or decrease.

Recommendation: Management ensure Battalion Chiefs consistently initial stock transactions involving central storage.

Response: *Management is in the process of reviewing and rewriting the "Controlled Substance Accountability" policies and procedures to strengthen the definition of "initial" column of the controlled substance log so the user will have a better understanding of the intent of use.*

3. Rescue vehicle controlled substance inventories were not replenished prior to starting a new control substance accountability log book.

Recommendations: Management ensure narcotic inventories are filled to maximum levels prior to starting a new controlled substance log book.

CHARLOTTE COUNTY ADMINISTRATION

26571 Airport Road, Punta Gorda, FL 33982
Phone: 941.833.5600 | Fax: 941.833.5630

Response: Management will review with all Battalions the current policies and procedure that address this in the current “Controlled Substance Accountability” policies and procedures. Management will also ensure they fully understand and adhere to this process.

4. Central storage of controlled substances is not maintained in accordance with internal controls.

Recommendation: Management ensure proper security over central storage of controlled substances.

Response: The policy will be amended to allow for central storage to place medications inside a dual locking safe which meets DEA requirements.

5. Only 3 of 4 controlled substances administered by Fire EMS are tested for in the drug testing process.

Recommendation: Management ensure the drug testing process includes all of the controlled substances administered by Fire EMS

Response: Management is currently working with Human Recourse and Risk Management to address this issue.

6. Transaction Receipts are not consistent to account for what controlled substances are received.

Recommendation: Management ensure cardholder activity agrees with the itemized procurement card receipt and itemized vendor sales receipt.

Response: Management will ensure that all itemized procurement card receipts and itemized vendor sales receipt coincided. The issue occurs when the item ordered is placed on “backorder” this creates a gap in time from payment to shipment and received. Management will be working very closely with the vendor to ensure that no item ordered is currently on “backorder” and if so, wait until product is available to place the order. Although this was a finding by the auditors, all controlled substances were accounted for and confirmed by log book transactions, billing receipts, and shipping receipts.

DEPARTMENT NAME IN BLUE CAPS

Division | Division | Division

Street Address | City, FL Zip

Phone: 941.###.### | Fax: 941.###.###

