



AUDIT REPORT



DATE April 5, 2019

NO. 2019-006

**FOLLOW-UP FIRE EMS CONTROLLED SUBSTANCES
(ORIGINAL REPORT NO. 2017-003 ISSUED AUGUST 17, 2017)**

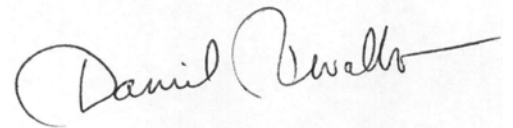
INTERNAL AUDIT DIVISION
ROGER D. EATON
CLERK OF THE CIRCUIT COURT AND COUNTY COMPTROLLER
CHARLOTTE COUNTY FLORIDA

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

We have completed a follow-up audit of Fire EMS Controlled Substances (Original Report No. 2017-003 issued August 17, 2017). The purpose of this follow-up was to ensure comments and recommendations of the original audit were adequately addressed.

The report details the original audit comments, recommendations, and follows up on the original responses provided. Follow-up was accomplished thru inquiries and observations of evidence. Management responses have been included and immediately follow the audit report.

Respectfully submitted,

A handwritten signature in black ink that reads "Daniel Revallo". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Daniel Revallo
Internal Audit Director

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EXECUTIVE SUMMARY

Internal Audit has completed a follow-up audit of the Charlotte County Fire and Emergency Medical Services (EMS) procedures for dispensing controlled substances as needed for emergency medical procedures.

This follow-up audit is limited to comments and recommendations made in the original Controlled Substances Audit Report number 2017-003 dated August 17, 2017. It takes into account the responses documented in the original audit and subsequent corrective actions taken or delegated by the respondent. As part of this review, we obtained the current Controlled Substance Accountability Medical Directors Policies and Procedures Version 1.2 dated October 2017.

This report will conclude the follow-up process as it pertains to Controlled Substances. The status of corrective action will either be:

OPEN – Corrective action has not been taken to adequately address the originally audit comment.

OPEN/PARTIALLY COMPLETED – Corrective action has begun, but has not adequately addressed the original audit comment.

CLOSED – Corrective action has been taken to adequately address the original audit comment.

Original Audit Comments and Status of Corrective Actions

OPEN

- 2 controlled substances administered by Fire EMS are not tested for in the drug testing process.

OPEN/PARTIALLY COMPLETED

- “Stock Decrease” is inconsistently used to record controlled substance usage or waste.
- Battalion Chief initials were not always present for a stock increase or decrease.
- Transaction receipts are not consistent to account for what controlled substances are received.

CLOSED

- Rescue vehicle controlled substance inventories were not replenished prior to starting a new controlled substance accountability log book.
- Central storage of controlled substances is not maintained according to internal controls.

BACKGROUND

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

Only ALS 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: 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 in this schedule 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 in this schedule 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 Statute chapters and sections give specific direction related to the requisite audit trail for controlled substance transactions.

Controlled substance accountability log books are used to track 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 purpose of this follow-up audit was to determine whether Charlotte County Fire and Medical Services (EMS) adequately and timely applied the proposed corrective actions in response to the six critical findings in Controlled Substances Audit Report Number 2017-003.

SCOPE AND METHODOLOGY

To perform the follow up audit we judgmentally sampled for review 7 (3 Engines and 4 Rescue Units) out of the 24 ALS vehicles. The sampled vehicles belong to stations 1 and 2 (Battalion 2) and station 9 (Battalion 1) and represented approximately 30% of the total ALS vehicles currently in operation. We reviewed Controlled Substance Accountability Logs for the sampled vehicles, the Central Storage, and Battalions for the period November 2017 through September 30, 2018 (the period under audit).

COMMENTS, RECOMMENDATIONS, FOLLOW-UP RESULTS

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

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

Original 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.

Status of Corrective Action: Open/Partially Completed

Auditor Comments: Internal Audit verified that the “Controlled Substance Accountability” Policies and Procedures were revised to include a better definition of Stock Decrease for the Central Storage, Field Storage, and Vehicle Logs as outlined above.

However, when we reviewed the Controlled Substance Accountability Logs for the seven sampled vehicles, we found a great number of occurrences in which the “Stock Decrease” column continues to be inconsistently/improperly used through the end of the period under audit, clearly showing that the issue has not been addressed/corrected.

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

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

Original 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.

Status of Corrective Action: Open/Partially Completed

Auditor Comments: Internal Audit verified that the “Substance Accountability Policies and Procedures was revised to include a better definition of “initial” column of the controlled substance log.

Internal Audit found no exceptions during the review of Battalion Chief Controlled Substance Accountability Logs for Battalions 1 and 2. However, when we reviewed the Controlled Substance Accountability Logs for the seven sampled vehicles, we found several occurrences in three of the vehicle logs in which the Battalion Chief did not use the “Initial” column as mandated by Policies and Procedures. The situation continued through the end of the period under audit, clearly showing that the issue has not been corrected.

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

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

Original 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.

Status of Corrective Action: Closed

Auditor Comments: During the review of the Controlled Substance Accountability Logs for the seven sampled vehicles, we compared ending inventory amounts in the old logs to beginning inventory amount in the new logs. We found an instance where the narcotic count for Rescue 30 was not filled to the maximum prior to starting the new Controlled Substance Accountability Log. For this instance, a Stock Decrease, Waste, or Administration was documented in the last line of the log's last page leaving no space to document replenishment. The situation was addressed verbally when discovered and the status of corrective action for the finding was treated as closed for the following reasons:

- Rescue 30, the sole instance, is only used for special events.
- New logs have two blank pages before their last page reminding personnel to order new books and this situation is not likely to occur again.

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

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

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

Status of Corrective Action: Closed

Auditor Comments: Charlotte County Fire & EMS updated its Controlled Substance Accountability Policies and Procedures to allow central storage to place medications inside a dual locking safe that meets DEA requirements. Controlled substances delivered to the central storage are now kept in a locked safe with 2 separate locking devices (tumbler, key and/or pin code). Only the Deputy Chief of Training and Deputy Chief of Logistics will have access to this safe.

During this follow-up audit, the Auditor verified by observation that to open the safe, the key and the pin code needs to be used. Each Chief has his own key and his own pin code.

5. Two of the controlled substances administered by Fire EMS are not being tested for as part of the drug testing process.

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

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

Status of Corrective Action: Open

Auditor Comments: Currently, the drug testing process for employees does not include all the controlled substances administered by Fire/EMS.

Internal Audit contacted the County's Risk Management Division under the County's Budget and Administrative Services Department and found out that testing has not been implemented because the CareHere clinic does not test for the two controlled substances. Further conversations with Risk Management and Fire/EMS Management indicated that there is no lab in the area that could provide the service either.

Conversations with CareHere continue and Fire/EMS and Risk Management are committed to implement testing for all of the substances administered by Fire/EMS as soon as a lab makes available testing for the controlled substances currently not being tested for.

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

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

Original 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.

Status of Corrective Action: Open

Auditor Comments: Fire/EMS Management told Internal Audit that it makes all efforts to avoid having backorders. Due to national shortages, medicines are not always immediately available in the quantity ordered and Fire/EMS is put on a waiting list. Backorders are therefore received sometimes several months after the order is placed.

Meanwhile, Internal Audit also found that P Card statements do not have the required documentation stapled/attached as outlined in the Procurement Card Guidelines of the Charlotte County Purchasing Manual. We judgmentally selected a random sample of 21 entries in the "Stock Increase" column of the Central Storage Controlled Substance Accountability Log Books and vouched them to Procurement Card supporting documentation and additional documentation provided by Fire/EMS management. Fire/EMS did not provide itemized vendor's sales receipts (purchase invoices) for seven of the entries and itemized procurement card receipts for the entire sample.

We recommend Fire/EMS Management add a control activity for documenting the procurement of controlled substances by requiring that copies of documentation relating to the purchase of such substances be maintained in a central location and readily available for inspection. We also recommend that procurement card guidelines be followed and adhered to in relation to the type of documentation that need to be attached to procurement card statements.

OTHER COMMENTS

There was an observation noted that is outside the scope of the follow up audit and that we considered worth of being mentioned in this Audit Report to provide management with an opportunity to address it.

Fire/EMS does not follow *Audit Procedures* outlined in Medical Director Policies and Procedures.

Medical Director Policies and Procedures on page 29 provide for five audit procedures relating to the inspection, review, and audit of Controlled Substance Accountability Vehicle, Battalion, and Central Storage Logs. While some of the procedures are very specific as to the day of the week in which the procedure must be performed, others are vague requiring that it be done “on a periodic basis”. The Medical Director Policies and Procedures also require that these reviews be documented.

Internal Audit found, and management concurred, that most of the procedures are neither being followed nor documented. Further, Internal Audit believes that the exceptions found in findings 1 through 3 above would have been found and corrected if the audit procedures outlined in the Medical Directors Policies and Procedures would have been followed.

Since compliance with policies and procedures is expected, we are not providing a recommendation. **We recommend** management adhere to these audit procedures and use them to help avoid and correct the situations that gave origin to the first three findings in the previous and in this follow up audit.

ACKNOWLEDGEMENT

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

Audit performed by:
Orlando Solarte
Senior Internal Auditor
Charlotte County Clerk of Court and Comptroller



Date: March 15, 2019

To: Dan Revallo, Director of Internal Audit, Charlotte County Clerk's Office

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

CC: Bill Van Helden, Director of Public Safety

Re: Charlotte County Fire & EMS Narcotics Audit

Recently, the narcotics system in place at Charlotte County Fire & EMS was audited by your office. Orlando Solarte 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. Orlando Solarte handled himself very professionally throughout this process and the collaborative efforts of your office is greatly appreciated. Here is our response to your findings.

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

We recommended Management ensure consistent and proper use of the "Stock Decrease" column in the controlled substance logs.

Original 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.

Status of Corrective Action: Open/Partially Completed

The definition of "Stock Decrease" was strengthened as our response stated, but this audit has identified opportunities to improve our communication and training. We also have created training videos that are being deployed through our internet training provider that will further explain all processes and lines in the book. This will allow all entries to be consistent and correct. This is being deployed to ALL personnel now.

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



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

Original 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.

Status of Corrective Action: Open/Partially Completed

We’ve strengthened the definitions as our original response stated, but this audit identified that the frequency of book audits was not practical. As a result, we have now put into place that the Battalion Log books are being audited every 4 weeks by the Deputy Chief of EMS and the QA/QI coordinator.

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

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

Original 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.

Status of Corrective Action: Closed

We concur that this issue has been closed. Additionally, a new page was placed into the book warning of the last page, this provides a reminder that this procedure needs to occur before the book is completed.

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

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

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

Status of Corrective Action: Closed

We concur that this issue is closed. Additionally, Central storage has been relocated to the Deputy Chief of EMS’ office to allow for more consistent delivery and disbursement.



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

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

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

Status of Corrective Action: Open

Currently the testing for two of the controlled substances is not commonly done in the prehospital setting. There is no process for the local testing of these controlled substances. Additionally, Charlotte County Fire & EMS performs random drug testing, as well as reasonable suspicion testing for all employees. Management accepts the risk, as we are testing to the extent possible, and compensating controls are in place to identify cases of reasonable suspicion.

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

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

Original 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.

Status of Corrective Action: Open

We have modified the ordering since the audit. The distributor extended a line of credit for our orders without permission from us and were not billing us upon shipment of our orders. These created discrepancies with the timelines of our billing records. We have placed ourselves on point of sale billing and this will fix that issue. We also are maintaining records of all orders, packing slips, and invoices in a file for review for future audits. There is no guarantee on the availability of stock when the distributor receives an order, this can cause a shipping/billing delay from time of order. By maintaining documentation on site, we will have accurate support of what is reflected in the log books.



There was an observation noted that is outside the scope of the follow up audit and that we considered worth of being mentioned in this Audit Report to provide management with an opportunity to address it.

Fire/EMS does not follow *Audit Procedures* outlined in Medical Director Policies and Procedures.

Charlotte County Fire & EMS realizes that all processes require appropriate and thorough documentation. We are taking all the audit findings very serious and will continue to look for ways to improve and create the best processes possible. Due to the nature of our business at certain times, some processes could not be followed, therefore we have removed some unnecessary steps that were repetitive in nature. We will constantly monitor and adjust procedures as necessary. The Medical Directors policies have been modified for efficiencies and improvements that were recommended by the audit.

Sincerely,

A handwritten signature in black ink that reads "Michael Davis". The signature is fluid and cursive, with a large, stylized "D" at the end.

Michael Davis

Deputy Chief

