

WEST VIRGINIA LEGISLATURE
Joint Committee on Government and Finance

Theodford L. Shanklin, CPA, Director
Legislative Post Audit Division
Building 1, Room W-329
1900 Kanawha Blvd., E.



Area Code (304)
Phone: 347-4880
Fax: 347-4889

CHARLESTON, WEST VIRGINIA 25305-0610

Memo

To: Theodford L. Shanklin, CPA, Director

From: Michael A. House, CPA, Assistant Director *MH*

Date: October 1, 2004

Subject: INTERNAL CONTROLS FOR INVENTORY AND DISPENSING OF DRUGS AT STATE HOSPITALS AND LONG TERM CARE FACILITIES

At the August 22, 2004 interim meeting of the Post Audit subcommittee, we reported numerous internal control weaknesses relating to the inventory, dispensing and disposal of drugs, particularly controlled substances, at the Division of Rehabilitation Services facility. Citing similar findings reported to them in a prior audit of another State facility, the committee expressed concern that other State facilities responsible for dispensing medication to patients might also be operating without sufficient procedures and controls in place.

In accordance with the committee's instructions, we made an effort to determine whether those other State facilities with an in house pharmacy or a responsibility for dispensing medication to patients were operating with proper procedures and controls in place. To aid us in this determination we met with Paul Nusbaum, Secretary of Health and Human Services and Eugenie Taylor, Acting Commissioner of Bureau For Behavioral Health and Health Facilities to ascertain what procedures and controls were in place for facilities under their purview. They arranged for the responsible employees at State hospitals and long term care facilities to forward to us a copy of the procedures relating to the inventory, dispensing and disposal of medications and controlled drugs at their facilities.

A review of the procedures submitted indicates that the procedures and controls, if followed, are sufficient to greatly reduce if not eliminate at least most of the concerns arising from the absence of controls documented in our previous reports. However, since we have not audited these facilities, we can not comment on whether or not these procedures and controls are being adhered to at each facility. We can say that based upon the procedures submitted, staff at these facilities are aware of the procedures and controls that are necessary when handling and storing medications and controlled drugs. Additionally, the controls they report having in place are very similar to those we have reported as being absent in previous audits of other facilities.