



CITY OF SAN ANTONIO

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October 23, 2012

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SUBJECT: Audit Report of San Antonio Fire Department Drug Inventory Management

Mayor and Council Members:

We are pleased to send you the audit report of the San Antonio Fire Department Drug Inventory Management. This audit began in February 2012 and concluded with an exit meeting with department management in August 2012. Management's verbatim response is included in Appendix B of the report. The San Antonio Fire Department should be commended for its cooperation and assistance during this audit.

The Office of the City Auditor is available to discuss this report with you individually at your convenience.

Respectfully submitted,

Kevin W. Barthold, CPA, CIA, CISA
City Auditor
City of San Antonio

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CITY OF SAN ANTONIO
OFFICE OF THE CITY AUDITOR



Audit of San Antonio Fire Department

Drug Inventory Management

Project No. AU12-015

October 23, 2012

Kevin W. Barthold, CPA, CIA, CISA
City Auditor

Executive Summary

As part of our annual Audit Plan, we conducted an audit of the San Antonio Fire Department's drug inventory management. The audit objectives, conclusions, and recommendations follow:

Is the San Antonio Fire Department adequately managing its drug inventory?

No, management has not implemented adequate controls to ensure drug inventory is appropriately managed.

We found that the San Antonio Fire Department (SAFD):

- Has not established appropriate segregation of duties practices in regards to creating and approving drug orders in the City's automated system, as well as receiving, stocking, and issuing drug inventory.
- Has an incomplete and sometimes inaccurate record of drug inventory purchases, storage, distribution, usage, and disposal.
- Has incomplete policies and procedures that have not been fully implemented.

We recommend that SAFD chief:

- Coordinate with Information Technology Services Department (ITSD) to ensure that individual employees do not have access to both create and approve purchase orders in SAP and SAePS. Also establish physical controls to ensure that duties of receiving shipments, stocking inventory, tracking inventory levels, and issuing inventory to Emergency Medical Services (EMS) units are properly segregated.
- Incorporate controls that establish a complete audit trail of controlled substances from purchase order to final usage or disposal. Ensure that such documentation is clear and readily accessible for future management reviews or audits. Also ensure that appropriate supporting documentation and approvals are filed for all drug inventory purchases.
- Review, finalize, approve, and formally implement current policy and procedure drafts.

SAFD management's verbatim response is provided at Appendix B on page 11.

Other Matters

San Antonio Fire Department’s inventory controls are predominately manual, which often results in inefficiencies and human error. This requires time that is not always available in emergency situations, resulting in failure to accurately record inventory levels. Therefore, inventory levels recorded in SAP are not always accurate or updated in real time.

SAFD is currently evaluating automated solutions for inventory management. Auditors recommend that SAFD management coordinate these efforts with ITSD to ensure the feasibility of implementing the system and interfacing with SAP. The system may provide barcode-scanning functions that increase speed and accuracy of receiving and issuing inventory items, as well as reporting functions to provide management with greater visibility of inventory purchases, usage, and waste. Diligent planning and implementation of such a system may also provide means to maintain a more consistent and complete audit trail of controlled substances.

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Background

The San Antonio Fire Department (SAFD) comprises three main divisions: Administration, Operations, and Human Services. The function of Emergency Medical Services (EMS), which operates within the Operations Division, is to deliver life-saving interventions in the event of a trauma-related incident or serious medical condition. EMS responds by assessing, treating, stabilizing and transporting patients to the appropriate medical facility. All EMS personnel are trained, state-certified, and registered Emergency Medical Technician Paramedics (EMT-P).

EMS is under the command of Assistant Chief Yvette Granato, aided by a command staff of 21 supervisory officers, who supervise 371 paramedics and 2 civilian support positions stationed at 33 full-time medic units. During periods of high call volume, between 3 and 8 peak units are activated as needed. Peak units are staffed by overtime personnel as available.

SAFD's FY 2011 adopted budget was approximately \$267 million; the 2012 budget decreased to approximately \$266 million. Total expense for chemical and medical-related items during FY 2011 was approximately \$2.1 million¹, comprising approximately 1% of the 2011 budget.

SAFD carries over 40 different types of drugs in its inventory, 4 of which are controlled substances: diazepam (valium), midazolam (versed), morphine, and fentanyl. Historically, SAFD has only carried one controlled substance, morphine. However, diazepam was added to SAFD's inventory in recent years, and midazolam and fentanyl were added within the past 12 months. Most firefighters are trained at a basic medic level and paramedics assigned to Fire carry a relatively small variety of drugs on fire engines, while paramedics assigned to EMS units carry and administer a larger variety of drugs, including controlled substances.

Controlled substances are regulated by the US Drug Enforcement Agency and Texas Department of Public Safety. EMS units follow Standard Medical Operating Procedures, which is a set of formal guidelines for SAFD published by the University of Texas Health and Science Center, Emergency Health Sciences, Office of the Medical Director. Guidelines from SMOPS include standing orders from the Medical Director (MD) for administration of controlled substances and other drugs.

¹ For accounting purposes, drugs and related items (e.g. syringes and bandages) are combined with chemicals (e.g. fire retardant foam) in a single account, labeled "Chems & Meds"

Audit Scope and Methodology

The audit scope includes fiscal year 2011 through February, 2012. For some testing, the scope was expanded to include the months in which fieldwork was conducted due to recent changes in drug inventory processes.

To obtain an understanding of operations related to drug management, we interviewed paramedics, medic officers, EMS management, EMS supply facility personnel and SAFD fiscal personnel.

To establish testing criteria, we reviewed the following:

- Drug Enforcement Administration (DEA) Practitioner’s Manual and other DEA regulations associated with the procurement, storage, use, and disposal of controlled substances by SAFD
- Texas Department of Public Safety (DPS) regulations associated with controlled substances.
- Texas Department of State Health Services’ training and certification requirements for paramedics
- City Administrative Directives related to inventory accounting and purchasing procedures
- Standard Medical Operating Procedures (SMOPS) published by the University of Texas Health and Science Center, Emergency Health Sciences, Office of the Medical Director
- SAFD draft policies and procedures related to inventory management

During the course of the audit, we observed SAFD personnel conduct a quarterly inventory count of all supplies kept at the EMS warehouse facility. To validate inventory count results, we independently counted 60 items², which we identified by conducting a walkthrough of the warehouse facility and by reviewing a comprehensive inventory sheet provided by the Stock Control Supervisor. We then determined whether drug inventory on-hand, per inventory count results, was accurately reflected in SAP for the quarter ending March 31, 2012.

We obtained log books used for tracking the receipt and distribution of controlled substances kept by the supply facility, medic officers, and paramedics. We reviewed the logs to determine whether they provided a complete and accurate audit trail of controlled substance receipts, issuances, administration, and/or waste. To complete this review, we judgmentally selected a sample of 25 entries from the supply facility log book³ showing distributions to medic officers and various EMS units throughout the City. The entries selected represented

² These 60 items included all drugs SAFD had in stock at the time

³ The supply facility log book was selected as the basis for our test population because it reflected the point at which each controlled drug must pass from the time it was originally received from the vendor to the time SAFD warehouse personnel issue the drug to paramedics.

distributions of each type of controlled substance to a number of locations throughout the City, including the busiest EMS units. We traced each distribution through the medic officers' and EMS units' log books, as well as the City's patient care reporting system for any drugs administered to a patient. We also attempted to trace the distributions back to associating vendor invoices and purchase orders.

We obtained a list of drug inventory purchase orders generated from October 2010 through March 2012 and, using automated tools, selected a random sample of 25 drug orders. We then obtained and reviewed supporting documentation—including signed purchase orders, vendor invoices, and packing slips—for each sample selection to ensure that purchase orders were appropriately approved and shipments were received and processed by authorized personnel. We also reviewed EMS and fiscal staff's roles and responsibilities to determine whether appropriate segregation of duties existed in physical and automated ordering and receiving processes. Finally, we attempted to trace controlled substance orders from our sample selection forward to associating log books to ensure distribution of those drugs were being appropriately tracked.

We obtained a complete list of paramedics and selected a random sample of 25 to ensure they completed requirements for obtaining and maintaining current certifications and/or licenses.

We relied on computer-processed data in SAP to obtain purchase order information and to validate inventory balances and employee rosters. Our reliance was based on performing direct tests on the data rather than evaluating the system's general and application controls. Our direct testing included reviews of supporting documentation for purchase orders and journal entries to inventory accounts, as well as a listing of active certified paramedics from a third-party source. We do not believe that the absence of testing general and application controls had an effect on the results of our audit.

We conducted this audit from the end of February through June 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our audit results and conclusions based on audit objectives. We believe that the evidence obtained provides a reasonable basis for our audit results and conclusions based on audit objectives. This audit included tests of management controls that we considered necessary under the circumstances.

Audit Results and Recommendations

A. Insufficient Segregation of Duties

We identified two employees who had access to create and approve purchase orders in SAP on behalf of SAFD. Such access enables these individuals to order inventory without oversight or approval from supervisors or other appropriate staff. However, upon further analysis, we determined that neither individual had created and approved a purchase order in SAP without oversight by appropriate SAFD management and fiscal personnel.

We also determined that the Stock Control Supervisor's current duties and responsibilities are not appropriately segregated. Specifically, this employee is authorized to order controlled substances and is responsible for: receiving them when shipped, storing them in a locked room, assigning unique control numbers to each vial, issuing vials from the locked store room, and updating inventory levels in SAP and log books. The combination of such responsibilities provides opportunity for theft or misuse of controlled substances without detection. However, we compared the total quantity of controlled substance orders received from vendors and issued to paramedics by the Stock Control Supervisor and determined that there was no indication of loss or theft.

Recommendations

We recommend that SAFD Chief:

A.1. Request Information Technology Services Department (ITSD) to remove either the *create PO* or *approve PO* role in SAP for each of the identified employees, depending on their respective responsibilities.

A.2. Assign some of the Stock Control Supervisor's duties to other staff or management. For example, one individual should receive the drugs while the other assigns control numbers to each vial received.

B. Incomplete Documentation for Purchase Orders and Inventory Stock

Supporting documentation for drug purchases, distribution, usage, and disposal was incomplete and contained errors. While reviewing supporting documentation for drug inventory purchases, we identified issues associated with 15 of 25 randomly-selected purchase orders. Issues included missing documentation, such as packing slips and vendor invoices, as well as lack of evidence that quantities received were verified by stock clerks prior to processing

corresponding invoices for payment. Additionally, two shipments containing controlled substances were received by a stock clerk rather than the Stock Control Supervisor, as expected.

For each controlled substance order, EMS supply personnel gather and file purchase order documentation, lot numbers, and expiration dates associated with each drug received from vendors. Staff then assign each vial a unique control number, which is logged in a binder along with the name of the individual and location to which the vial is issued. Medic officers and paramedics also keep logs of controlled substances they receive and distribute to other personnel or administer to patients. However, until May 2012, SAFD did not have a process in place whereby purchase orders and vendor invoices for controlled substances could be clearly linked to corresponding control numbers in log books. Without this link, we could not trace individual vials, by control number, from purchase orders and vendor invoices to log books showing where each vial was distributed.

We therefore compared total units received by the supply warehouse between October 2010 and June 2012, per SAP, to the total quantity issued from the warehouse during the same time period, per log books. Analysis results indicated, with reasonable assurance, that all controlled drugs purchased and received have been logged by supply warehouse personnel. However, if a vendor were to recall a specific shipment sent prior to May 2012, EMS personnel would not be able to easily identify and pull the corresponding units from inventory for disposal or return to the vendor.

Paramedics are required to create a case in a patient care reporting (PCR) system for each patient they treat in order to document the patient's condition and details of treatment given. Additionally, when paramedics administer a controlled substance to a patient, they are required to fill out a "usage and waste" sheet, which documents the associating control number of the drug, date and amount given, and corresponding case number assigned by the PCR system. Paramedics are also expected to update logs for each drug administered and indicate the date and corresponding PCR case number. However, we identified inconsistencies or errors associated with 13 of the 25 cases tested⁴, as summarized below (some cases had more than one issue):

- Dosage amount recorded in usage and waste sheet differed from amount recorded in PCR system – 4 cases
- Dosage amount not recorded in PCR system – 2 cases
- Control number not recorded in the PCR system – 6 cases
- Case number recorded on usage and waste sheet differed from actual case number per PCR system – 1 case

⁴ These 25 cases correspond to the 25 log book entries judgmentally selected for testing, as described in the Audit Scope and Methodology section.

- An EMS unit lost track of a vial; the control number appears once in the unit's logbook, but there was no indication of when the vial was used or disposed – 1 case
- Contradicting records: No usage and waste sheet on file and the supply warehouse log indicated that the vial was still with the EMS unit; however, the PCR system and medic officer and EMS unit logs specify the date the vial was administered and corresponding case number – 1 case
- EMS unit log book from 2011 could not be located when requested for review; we could therefore not verify accuracy or completeness of the record – 1 case
- Issuance date per the medic officer's log book did not match date received per EMS unit log book – 1 case

The above issues were the result of either omission by the individuals responsible for the information, or human error while attempting to follow manual processes. Additionally, there is no process in place whereby logs and PCR data are independently reviewed for completeness and accuracy. Accurate information entered into the PCR system is important for emergency room personnel who rely on PCR information to continue proper care of patients who are brought to the hospital.

While conducting walkthroughs and preliminary testing of the purchasing process, we encountered two DEA order forms that were signed by unauthorized personnel. The DEA requires that a Form 222 be completed for each order of a schedule I or II controlled substance⁵, and that the form be signed by the registrant or his/her authorized designee(s).⁶ The Medical Director (MD) currently serving SAFD is registered with the DEA and authorized the District Fire Chief and Stock Control Supervisor to place orders on his behalf. However, one form was signed by a stock clerk. The other form was signed and dated prior to the current District Fire Chief and Stock Control Supervisor's time. We verified that the signature in question did not belong to the prior Stock Control Supervisor, but neither we nor current personnel were able to identify the signer. Therefore, we could not determine whether the signature was authorized.

Furthermore, SAFD did not have documentation that the MD formally granted power of attorney to issue orders using Form 222 under his DEA registration. The Controlled Substances Act requires that documentation of power of attorney be filed and ready for inspection together with related order records. During the course of this audit, the MD signed a formal document granting power of attorney to the District Fire Chief and Stock Control Supervisor.

⁵ The "Controlled Substances Act" categorizes specific drugs into five schedules based on whether they have a currently accepted medical use in treatment in the United States and their relative abuse potential and likelihood of causing dependence when abused. Schedule I drugs include LSD, heroin, and methamphetamine. Schedule II drugs include morphine and fentanyl, which are both carried by SAFD.

⁶ "Controlled Substances Act" Title 21, Chapter II, Section 1305.12

According to SAFD management, they had identified issues related to log book errors during the latter part of the 2011 calendar year. As a result, EMS personnel designed a series of “log sheets” intended to replace log books and improve controlled substance tracking. Auditors reviewed the new log sheets and agreed that, if properly completed, they would provide a more thorough record of controlled substances. However, the log sheets had only begun to be implemented by the conclusion of the audit; therefore, auditors were not able to assess their effectiveness.

Inaccurate and incomplete documentation of controlled substance distribution and usage puts SAFD at risk of violating federal and state regulations, which could result in the loss of SAFD’s license to acquire and administer such drugs. Without these drugs, paramedics would not be able to effectively manage and treat certain conditions⁷ of patients under their care.

Recommendations

We recommend that SAFD Chief:

B.1. Ensure that all warehouse personnel, medic officers, and paramedics understand how to correctly complete the required forms and logs by providing clear guidelines through formal policies and procedures as well as any necessary training.

B.2. Incorporate a process whereby an individual periodically reviews a sample of log book entries, tracing each entry from purchase order and vendor invoice through final usage and the PCR system to verify completeness and accuracy of the logs.

B.3. In conjunction with recommendation C, below, ensure policies and procedures clearly define all necessary supporting documentation to be filed with purchase orders, and indicate all necessary written approvals that are expected for each document.

B.4. Going forward, ensure that a current copy of documentation showing power of attorney from the MD is filed with completed copies of Form 222s, and is available for inspection as required by the Controlled Substances Act.

B.5. In conjunction with recommendation D, below, research automated inventory management solutions that will promote greater efficiency and accuracy.

⁷ Conditions commonly treated with controlled substances carried by SAFD include extreme pain and seizures.

C. Incomplete Policies and Procedures

During the latter part of the 2011 calendar year, SAFD management noted potential issues related to SAFD's compliance with federal and state regulations for controlled substances. As a preliminary effort to address these issues, department personnel drafted policies and procedures related to drug inventory management. However, management had not yet formally approved and executed the policies and procedures due to inconsistencies they identified between federal and state regulations. Without formal policies and procedures, employees' actions become inconsistent, leaving drug inventory stock and records more vulnerable to errors, misuse, abuse, and/or theft. Formal policies and procedures help ensure compliance with applicable state and federal regulations and promote accountability for individuals whose job functions involve drug inventory. Additionally, Administrative Directive 1.6 Purchasing Procedures requires departments to develop policies and procedures that ensure adequate controls over purchase orders and requisitions.

Recommendations

We recommend that SAFD Chief:

C. Complete policies and procedures related to drug inventory management and ensure that they provide adequate guidance to maintain compliance with current federal and state requirements for controlled substances. Upon completion, management should ensure that: a) policies and procedures are distributed to all appropriate personnel, b) personnel understand and agree to abide by the policies and procedures, and c) personnel receive any needed training to comply.

D. Inefficiencies and Errors Due to Manual Processes

Processes associated with drug inventory management are predominantly manual. For example, controlled substances are tracked in hardcopy logs from the time they are shipped to SAFD to the time paramedics administer them to patients. Although drug inventory is tracked in SAP by an assigned material number, each shipment received and each item issued out must be manually keyed into SAP. Such manual processes are vulnerable to human error, as evidenced by the findings described in this report.

Additionally, SAFD's current inventory management processes do not provide management with sufficient oversight to identify potential shortages, excesses, or loss. Rather, warehouse personnel rely on visually scanning inventory levels to determine when to place orders. Such manual processes do not reliably ensure

that inventory is replenished in a timely manner to avoid shortages that could negatively impact paramedics' ability to care for patients.

Finally, although manual processes may be a reasonable and cost-effective way to manage inventory for small operations, these processes provide an unreliable and inefficient way to manage the annual addition of over \$2 million in chemical and medical-related inventory. However, SAFD has been researching potential automated solutions.

Recommendations

D. We recommend that management continue to research an appropriate automated inventory management solution. Research efforts should involve personnel from Finance and ITSD to ensure the feasibility of purchasing and installing such a system. Ideally, this new system should be able to interface with the City's current financial system, SAP. An effective and properly-implemented system should provide features that enable management and supply warehouse personnel to manage inventory more efficiently and effectively. For example, a reporting function would help identify shortages, excesses, loss, or potential theft in a timely manner. Barcode scanning devices could provide an accurate way to quickly receive shipments and issue supplies to and from the warehouse. This system could also incorporate control numbers for controlled substances and provide an accurate audit trail and real-time account of each vial. Finally, the system should improve efficiency and accuracy in quarterly inventory cycle counts.

Appendix A – Staff Acknowledgement

Andre C. DeLeon, CPA, Audit Manager
Bruce Coleman, CIA, Auditor in Charge
Rosalia Vielma, CFE, Auditor

Appendix B – Management Response

The following pages comprise SAFD management’s verbatim response to audit recommendations.



CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

October 5, 2012

Kevin W. Barthold, CPA, CIA, CISA
City Auditor
San Antonio, Texas

RE: Management's Corrective Action Plan for the San Antonio Fire Department Drug Inventory Management Audit

San Antonio Fire Department has reviewed the audit report and has developed the Corrective Action Plans below corresponding to report recommendations.

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
A.1	Insufficient Segregation of Duties Recommendation: The Fire Chief should request Information Technology Services Department (ITSD) to remove either the <i>create PO</i> or <i>approve PO</i> role in SAP for each of the identified employees, depending on their respective responsibilities.	4	Accept	Hope Brooks	10-04-12
A.2	Recommendation: The Fire Chief should assign some of the Stock Control Supervisor's duties to other staff or management. For example, one individual should receive the drugs while the other assigns control numbers to each vial received	4	Accept	Steve Reuthinger SAFD Service Chief	09/01/12

Action plan:

A.1 – The SAFD agrees with the findings. SAFD is working with ITSD to eliminate the role of approver from one of our employees in SAP and removing the creator role from another employee. Even though no evidence of improprieties were found, the SAFD agrees that no employee should have access to create and approve purchase orders in SAP on behalf of the Fire Department.

A.2 – The SAFD agrees with this finding. New policies and procedures are now in place to distribute the work load from the EMS Supervisor to other personnel. While this task has become more difficult with a limited number of employees assigned to the Logistics and Services Division, SAFD agrees this change to the duties is vital for ensuring integrity and accountability of the drug inventory process. One of the procedures that has been implemented is to have our supervisor receive the controlled meds from the delivery dock and take a count for goods received. Then the Supervisor gives the meds to the Stock Crew Leader to create and assign control numbers. Once control numbers have been assigned to the controlled meds, they are then recounted by our supervisor and put in a controlled locked room. At this point, the controlled meds are secure and will stay there until our stock clerk, assigned to the controlled meds counter, gives a usage and waste card to the supervisor asking to restock his forward satellite safe. By doing this, the SAFD has redistributed the duties currently assigned to our supervisor to other personnel and therefore eliminated opportunity for theft or misuse of the controlled meds.

The auditors did compare the total quantity of controlled substance orders received from vendors and issued to paramedics by the EMS supervisor and determined there was no indication of loss or theft.

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
B.1	<p>Incomplete Documentation for Purchase Orders and Inventory Stock</p> <p>Recommendation: The Fire Chief should ensure that all warehouse personnel, medic officers, and paramedics understand how to correctly complete the required forms and logs by providing clear guidelines through formal policies and procedures as well as any necessary training.</p>	7	Accept	Steve Reuthinger Chief of SAFD Services Yvette Granada Asst Chief EMS Division	07/2012, Policies and procedures complete 12/01/12
B.2	<p>Recommendation: The Fire Chief should incorporate a process whereby an individual periodically reviews a sample of log book entries, tracing each entry from purchase order and vendor invoice through final usage and the PCR system to verify completeness and accuracy of the logs.</p>	7	Accept	Steve Reuthinger Chief of SAFD Service	09/03/12
B.3	<p>Recommendation: In conjunction with recommendation C, below, the Fire Chief should ensure policies and procedures clearly define all necessary supporting documentation to be filed with purchase orders, and indicate all necessary written approvals that are expected for each document.</p>	7	Accept	Steve Reuthinger Chief of SAFD Service	12/01/12
B.4	<p>Recommendation: Going forward, the Fire Chief should ensure that a current copy of documentation showing power of attorney from the MD is filed with completed copies of Form 222s, and is available for inspection as required by the Controlled Substances Act.</p>	7	Accept	Steve Reuthinger Chief of SAFD Service	08/17/12
B.5	<p>Recommendation: In conjunction with recommendation D, below, the Fire Chief should research automated inventory management solutions that will promote greater efficiency and accuracy.</p>	7	Accept	Steve Reuthinger Chief of SAFD Service	03/01/13

Action plan:

B.1 – The SAFD agrees with this finding. On December 12, 2011, SAFD realized there was an issue with the documentation and tracking of controlled meds. Several actions were taken immediately to address those issues including replacing the EMS medic log books with a controlled substance log sheet. The log sheet is cycled and stored on a maximum ten day period compared to the log books that potentially comprised multiple years of tracking and remain on the medic unit until the book was completely filled. This process did not allow for timely accountability, control and tracking of our controlled meds. The SAFD began drafting new controlled substance supply forms, sign off logs and controlled substances usage and waste forms. The new forms closed the loop from the time the controlled meds were distributed to the field medic officer and paramedics on the medic units to the time the opened or used drug came back to EMS Supply. Formal training was done with all EMS supply personnel and all medic officers in the field on the documentation necessary to accurately and thoroughly complete the forms. These drafts were then officially approved by Chief Reuthinger and Chief Granada in early July 2012.

New procedures have also been implemented in regards to a stock clerk opening an unmarked package which contains a controlled med. All of our vendors who supply the SAFD with controlled med ship their products in unmarked packages. New procedures are in place requiring the stock clerk to immediately contact their supervisor or the Chief of Services when they open an unmarked package containing a controlled med. The controlled med is immediately counted by the stock clerk and the supervisor and these counts are matched with the packing slips. The supervisor will then secure these meds until the stock crew leader can assign control numbers. These meds will then be counted again before they go back into the secure controlled storage room.

SAFD agrees there were some inconsistencies found in the Patient Care Reports (PCR's) and the usage and waste forms. In order to adequately address this issue, the SAFD has implemented new procedures which are outlined in the "Documentation of Controlled Substances in Tablet PCR" policy. SAFD has also updated the software and data entry to the tablet PCR.

In our new system, the tablet PCR CANNOT be closed out on a patient without answering appropriate questions pertaining to that particular controlled medicine. Listed below are the qualifiers which have to be filled out on the tablet PCR every time a controlled med is used to complete the patient care report:

- Name of the drug (Fentanyl, Diazepam, Morphine, and Versed)?
- Who is filling out the report? Dosage? Control number? Lot number? Amount wasted?
- Witnessed by (name)? Witness position?

The new documentation of controlled substances in the tablet PCR and the controlled substance usage and waste forms will eliminate the following:

- Usage and waste sheet counts being different from the amounts recorded in the PCR system.
- Dosage amounts not being recorded in the PCR system
- Control numbers not being recorded in the PCR system
- Case number recorded on usage and waste sheet being different from actual case number in the PCR system.

B.2 – The SAFD agrees with this finding. New procedures have been implemented for the EMS supervisor to review a sample of the controlled substances supply form, controlled substance sign off log and controlled substance usage and waste forms on a weekly basis. Additionally, the SAFD is trying to determine if the PCR form can be included in this weekly review.

B.3 – The SAFD agrees with this finding. The SAFD has implemented new procedures for ordering controlled meds. These procedures include new request forms which were recently developed. Once a request form is filled out, the EMS Supervisor or Stock Crew Leader makes a copy of all the quotes and sends the original forms to the new procurement team which was established on August 20, 2012. Once these requests are approved, a purchase order (PO) is created and a copy of the PO is sent by the procurement team back to the EMS Supervisor or Stock Crew Leader. They will then attach this to the copied request form and quote. All our vendors have been contacted and requested to send invoice to AP File net. (By doing so, this eliminates invoices being lost).

Packing slips that are taken off of packages are then copied for our records with the originals sent to the procurement team. If this is controlled substances, then a copy of the invoice, PO, and form 222 blue copy will be filed by EMS supply personnel and all original copies will be sent to the procurement team for their files.

The SAFD agrees that some packing slips have been lost. SAFD believes that consolidating two warehouses into one will help eliminate the possibility of packing slips being lost or misplaced. All deliveries are now being sent to one location and all controlled meds, supplies and equipment are being processed at the same location as where the delivery was made. Proper procedures are in place as to where these packing slips are stored. These packing slips are then delivered to the procurement team for processing and filing.

B.4 – The SAFD agrees with this finding. As of July 17, 2012, the Chief of Services and the EMS Supervisor have been given power of attorney by the SAFD Medical Director. The power of Attorney paperwork is on file at the EMS warehouse with all copies of form 222. These forms are available for inspection as required by the Controlled Substance Act.

B.5 – The SAFD agrees with this finding. Automated inventory management solutions will be discussed under Section D response.

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
C	<p>Incomplete Policies and Procedures</p> <p>Recommendation: The Fire Chief should complete policies and procedures related to drug inventory management and ensure that they provide adequate guidance to maintain compliance with current federal and state requirements for controlled substances. Upon completion, management should ensure that: a) policies and procedures are distributed to all appropriate personnel, b) personnel understand and agree to abide by the policies and procedures, and c) personnel receive any needed training to comply.</p>	8	Accept	Steve Reuthinger Chief of Services	12-1-12

Action plan:

C – The SAFD agrees with this finding. The SAFD has been meeting with representatives of the DEA and the South Texas Trauma Regional Advisory Council (Strac) since August of 2011. These meetings are being held to identify the licensing requirements of the EMS system in Texas. The SAFD not only wants to be compliant with all requirements from federal agencies, but also wants to be proactive and go beyond what is required. Below are several agencies we are working with and some of the areas we are working on to be a model department that others can follow.

- All units at every station (51) including our spare units have the DSHS license to administer controlled meds. Date of completion 09-01-12
- All fifty-one stations are now licensed through DPS to administer controlled meds. Date of completion 09-15-12
- The SAFD is still waiting on clarification as to whether fire stations and EMS units can be considered for exemption from DEA licensing requirements. SAFD is committed to following any guidelines that DEA eventually decides upon. Completion date unknown.

The SAFD currently has two locks on their controlled meds room with security camera installed outside the door at the Houston St. location. This meets requirements set forth by the DEA. SAFD is building a state of the art facility which will open in January 2013. The SAFD is setting our own standards high by going over and beyond what the federal agencies require. This new facility will house our EMS AND Fire supply as well as our Fleet Services.

It will also house the new controlled substance room which was specifically built for the meds. This area can only be accessed by passing through three secure areas. One of these areas is a key lock and the other two will be by access card only. This area will also have a security camera mounted outside the door to the room. Inside the control room, locked file cabinets will house the controlled meds.

The SAFD is actively working on purchasing state of the art safes which will be mounted in all medic units. The safes will give us the ability to know who entered the safe, what time they entered and how long the door was open to the safe.

SAFD is also actively looking for automation equipment that will be able to track our controlled meds. We will be looking at a system of bar-coding and scanning that can be used by field medic officers as well as EMS supply personnel. This will give us even more control and accountability of our controlled meds.

The SAFD agrees written policies and procedures need to be implemented for our operations. Several of these policies and procedures have been written and are now approved by the Chief of Services. We are in the process of rewriting several policies and procedures to incorporate findings from this audit.

Once our policies and procedures are completed, The Chief of Services will proceed with their implementation by distributing to all personnel. These personnel will then receive all necessary training.

SAFD has recently hired a consultant to evaluate our EMS, Fire and Fleet operations.

The consultant is being asked to look at our staffing, organization, policies and procedures, and how we receive and distribute goods. We feel the information combined with the information we receive from the audit will only make this division better and stronger.

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
D	<p>Inefficiencies and Errors Due to Manual Processes</p> <p>Recommendation: The Fire Chief should continue to research an appropriate automated inventory management solution. Research efforts should involve personnel from Finance and ITSD to ensure the feasibility of purchasing and installing such a system. Ideally, this new system should be able to interface with the City's current financial system, SAP. An effective and properly-implemented system should provide features that enable management and supply warehouse personnel to manage inventory more efficiently and effectively. For example, a reporting function would help identify shortages, excesses, loss, or potential theft in a timely manner. Barcode scanning devices could provide an accurate way to quickly receive shipments and issue supplies to and from the warehouse. This system could also incorporate control numbers for controlled substances and provide an accurate audit trail and real-time account of each vial. Finally, the system should improve efficiency and accuracy in quarterly inventory cycle counts.</p>	9	Accept	Steve Reuthinger Chief of Services	Early 2013

Action plan:

D – The SAFD agrees with this finding. The SAFD is actively pursuing automated equipment solutions that are compatible with SAP. We have identified two vendors who have systems which are compatible with SAP. SAFD will also work closely with ITSD and SAFD's support staff to ensure the system we purchase is feasible for purchasing and installing. SAFD is committed to purchasing a system which will track not only our controlled meds but also our Fire, EMS and Fleet supplies and equipment.

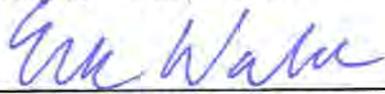
We are committed to addressing the recommendations in the audit report and the plan of actions presented above.

Sincerely,



Charles N. Hood, Fire Chief
San Antonio Fire Department

Date 10/12/12



Erik Walsh, Deputy City Manager
City Manager's Office

Date 10/15/12