



# Department of Veterans Services Pharmacy Operations Audit

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**Audit Period: January through August 2018**

## Results Summary:

Objective	Conclusion
Distribution of Pharmaceutical Drugs	Well-Controlled with Improvement Needed
Monitoring of Pharmaceutical Drug Distribution	Well-Controlled with Improvement Needed

\* Refer to Appendix A for classification of audit objective conclusions.



## Executive Summary

### Background

The Ohio Department of Veterans Services (DVS) was established by S.B. 289 of the 127th General Assembly and began functioning as an agency on August 21, 2008. The agency's main objective is to actively identify, connect with, and advocate for veterans and their families. The Department also works to connect approximately 848,000 Ohio veterans and their families to programs and benefits to which they are entitled.

DVS runs and operates two veterans' homes, one in Sandusky and one in Georgetown. The Sandusky facility is a 94-acre campus with 300 beds in the Veterans Hall Domiciliary and 427 beds in the Secrest-Giffin Nursing Home. The Domiciliary provides independence and freedom comparable to community living for residents who do not require hospital or nursing care. The Nursing Home provides nursing care and Alzheimer's and other dementia care for residents. The Sandusky facility also offers skilled care and hospice care for residents in need.

Pharmacists at the DVS Sandusky location utilize QS1 software to input prescriptions for the veterans which then interfaces with TCGRx to auto package the pharmaceuticals required for each veteran. The TCGRx allows for approximately 320 of the most commonly used pharmaceuticals to be auto packaged. Effective June 4, 2018, the Sandusky pharmacy operations implemented a new system, Omnicell, which deals with controlled drugs. There is a machine on each unit which allows nurses to pull medications for veterans using biometrics to gain access. This machine only allows access to those authorized and only for the pharmaceutical selected.

During the audit, OIA identified opportunities for DVS to strengthen internal controls and improve business operations. OIA conforms with the *International Standards for the Professional Practice of Internal Auditing*. OIA would like to thank DVS staff and management for their cooperation and time in support of this audit.

This report is solely intended for the information and use of agency management and the State Audit Committee. It is not intended for anyone other than these specified parties.

### Scope and Objectives

OIA staff was engaged to perform an assurance audit related to the controls over the agency's pharmacy operations process. This work was completed October through December 2018. The scope of this audit included the Sandusky Veterans' Home Pharmacy Operations. The following summarizes the objectives of the review:

- Evaluate the design and effectiveness of controls over the distribution of pharmaceutical drugs.



- Evaluate the design and effectiveness of controls over the monitoring of pharmaceutical drug distribution.

The audit period was January through August 2018 for controls related to the TCGRx automated packaging system and June through August 2018 for controls related to the Omnicell system.

## **Detailed Observations and Recommendations**

The Observations and Recommendations include only those risks which were deemed high or moderate. Low risk observations were discussed with individual agency management and are not part of this report. However, the low risk observations were considered as part of the audit objective conclusions.

### **Observation 1 – Lack of Monitoring of System Access**

Access controls help to ensure that an entity's data and information are secure and that information is only edited by authorized parties. A system access policy serves to maintain an adequate level of security to protect data and information from unauthorized access. Such a policy should outline procedures for granting system access and the appropriate access levels to meet business needs. Procedures should outline the necessary communication of significant changes in user's duties or employment status so that access may be timely updated or removed. User access reviews are designed to monitor and verify the appropriateness of user's system access. Appropriate authorization and periodic review of user access to systems by the appropriate level of management helps prevent users from overriding controls and making unauthorized changes within the process. An organization should have established procedures in place to create and monitor user access to systems.

Pharmacy operations at Sandusky utilize two systems within the pharmaceutical process: Omnicell and TCGRx. Omnicell stores controlled medications and every transaction is recorded. A scan of the employee's thumbprint and unique passcode allows access to the system which is limited to nursing and pharmacy staff. The TCGRx system is utilized to package daily medications for each veteran, a week at a time. This system requires a user name and password to gain access and is limited to pharmacy staff. These systems also contain medical information which is protected by the Health Insurance Portability and Accountability Act (HIPPA).

There is currently no formally documented process for reviewing user access to Omnicell and TCGRx. In addition, a review of individuals with access to the Omnicell system indicated seven (4%) individuals with access who were no longer current employees. These individuals had left employment at DVS dating back to March of 2018. There were also two individuals who had changed their names but this was not updated within the system. A review of the individuals with access to the TCGRx system revealed only those within the pharmacy had access. There



were different roles between the Pharmacists and the Pharmacy Technicians. No errors were noted with TCGRx access.

Not having a consistent process in place to periodically review user access roles for current and separated employees can result in unnecessary exposure to sensitive data increasing the risk of fraud and/or abuse. Additionally, data integrity can be compromised when unauthorized users have access to key systems.

### Recommendation

Immediately remove access to the seven individuals no longer employed by DVS.

Develop and implement a process for periodically reviewing user access roles and facilitate communication between DVS Human Resources and the Pharmacy Operations Manager for separating pharmacy and nursing employees. This periodic review should not only verify those with access are still employed by DVS but also their level of access correlates to their job duties.

Create policy and procedures to reflect these changes. The policy should indicate the responsible parties for removing access and performing the periodic review including how to properly maintain support to evidence the review. Procedures should include review of user access as documented in employees' profiles in Omnicell and/or TCGRx to ensure all access is removed. Evidence timely completion of procedures to confirm complete removal of system access.

### Management Response

The Ohio Veterans Home Pharmacy Department immediately removed system access for the individuals identified as having inappropriate access. There is a current system that has since been further refined in order to maintain this list to be accurate. This review will ensure those with access to TCGRx and Omnicell are employed by DVS and require access to complete their assigned job duties. Any access not deemed necessary will be removed immediately. The Pharmacy Operations Manager and designated employees will work with HR (and any other necessary departments) to ensure notification is provided to pharmacy management when a change in employment status has occurred. Policies and procedures are currently in place to fully document this process as outlined below:

- 1) As changes in employment status occur, the Pharmacy Operations Manager (or designated employee) will review the list of individuals who have access to the ADDS and revise the list to ensure that the necessary privileges are assigned to the appropriate individuals.
- 2) The procedure will be completed by the following process:
  - a. Pharmacy Operations Manager (or designated Pharmacist) will be notified via email of all New/Exiting Employees via both HR and Fiscal/Kronos reports. The list will be continuously updated as the changes occur.



- b. If a new Employee is required to have access to the ADDS, then the Employee will be added with the necessary privileges needed to perform his/her job requirements. Accessibility will be determined by the Job Title of the newly hired individual (User Roles defined below). The entering of a new Employee into the ADDS system will be done by an Ohio Veterans Home Pharmacist.
- c. If an Employee is no longer employed by the Ohio Veterans Home then the following actions will be taken to remove access to the Omnicell System:
  - i. Zzzz will be placed in front of the Employee’s User/login Name.
  - ii. The Employee will have all privileges removed from his/her profile to deny access to All of the Omnicell machines.
  - iii. The removal of an employee will be done by an Ohio Veterans Home Pharmacist.
- d. Periodically (no less than annually), a complete list provided by Nursing, HR, Fiscal, and/or IT Department(s); will be compared to the active list in the Omnicell System to ensure that the list of individuals is accurate. This activity will be completed by the Pharmacy and/or Nursing Department(s).

Risk*	Remediation Owner	Estimated Completion Date
Moderate	Pharmacy Operations Manager	January 31, 2019

Due to the limited nature of our audit, we have not fully assessed the cost-benefit relationship of implementing the observations and recommendations suggested above. However, these observations reflect our continuing desire to assist your department in achieving improvements in internal controls, compliance, and operational efficiencies.

\* Refer to Appendix A for classification of audit observations.



## Appendix A – Classification of Conclusions and Observations

### Classification of Audit Objective Conclusions

Conclusion	Description of Factors
<b>Well-Controlled</b>	The processes are appropriately designed and/or are operating effectively to manage risks. Control issues may exist, but are minor.
<b>Well-Controlled with Improvement Needed</b>	The processes have design or operating effectiveness deficiencies but do not compromise achievement of important control objectives.
<b>Improvement Needed</b>	Weaknesses are present that compromise achievement of one or more control objectives but do not prevent the process from achieving its overall purpose. While important weaknesses exist, their impact is not widespread.
<b>Major Improvement Needed</b>	Weaknesses are present that could potentially compromise achievement of its overall purpose. The impact of weaknesses on management of risks is widespread due to the number or nature of the weaknesses.

### Classification of Audit Observations

Rating	Description of Factors	Reporting Level
<b>Low</b>	Observation poses relatively minor exposure to an agency under review. Represents a process improvement opportunity.	Agency Management; State Audit Committee (Not reported)
<b>Moderate</b>	Observation has moderate impact to the agency. Exposure may be significant to unit within an agency, but not to the agency as a whole. Compensating controls may exist but are not operating as designed. Requires near-term agency attention.	Agency Management and State Audit Committee
<b>High</b>	Observation has broad (state or agency wide) impact and possible or existing material exposure requiring immediate agency attention and remediation.	Agency Management and State Audit Committee