

COUNTY OF SACRAMENTO

DEPARTMENT OF FINANCE - AUDITOR-CONTROLLER DIVISION - INTERNAL AUDIT UNIT

INTERNAL AUDITS REPORT

CHANGE OF CUSTODY AGREED-UPON PROCEDURES FINAL REPORT AS OF MAY 7, 2021

DEPARTMENT OF HEALTH SERVICES



Audit Committee Submittal Date: 02/18/2022

SUMMARY

Background

The Department of Finance (Finance) performed a change of custody agreed-upon procedures for the outgoing acting director of the Department of Health Services (DHS) who resigned May 7, 2021.

Audit Objective

To inspect DHS' cash and assets and confirm the record to the Sacramento County Accounting System (a.k.a COMPASS) for the period May 7, 2021 to end of fieldwork.

Summary

We noted issues related to DHS' record keeping and tracking of imprest cash, bus passes and pharmaceutical inventory as a result of our procedures.



County of Sacramento

Inter-Office Memorandum

January 31, 2022

To: Chevon Kothari, Director
Department of Health Services

From: Ben Lamera
Director of Finance

By: Hong Lun (Andy) Yu, CPA
Audit Manager

A handwritten signature in blue ink, appearing to be "AY", is written over the name of the sender.

Subject: **REPORT OF APPLYING AGREED-UPON PROCEDURES FOR THE SACRAMENTO COUNTY DEPARTMENT OF HEALTH SERVICES (DHS) CHANGE OF CUSTODY ON MAY 7, 2021**

We have performed the procedures enumerated below, which were requested and agreed to by Sacramento County Department of Health Services (DHS) regarding change of custody on May 7, 2021. We performed our procedures from August 19, 2021 to October 14, 2021 at the DHS' offices located throughout Sacramento, California. DHS' management is responsible for maintaining sufficient controls for its accounting operations and assets. This agreed-upon procedures engagement was conducted in accordance with the Standards for Attestation Engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of DHS' management. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. This report is applicable solely to the procedures referred to below and is not intended to pertain to any of the DHS' other operations, procedures or compliance with laws and regulations.

Our procedures and findings are summarized as follows:

1. We counted DHS' cash and all receipts on hand during our fieldwork and compared them to the amounts authorized in the Sacramento County Financial System (a.k.a. COMPASS).

Finding: We did not note any exception as a result of our procedures. See ATT 1 – *Schedule of Accountability*.

2. We reviewed imprest cash reconciliations for the period from May 7, 2021 to the scheduled days of fieldwork during August 2021.

Finding: We did not note any exception related to DHS' cash reconciliation at two (2) of the four (4) locations with imprest cash as a result of our procedures. Imprest cash held at Vital Records is a change fund and thus we did not review an imprest cash reconciliation. We also could not review an imprest cash reconciliation at Mental Health Treatment Center (MHTC). See Finding #1 at ATT 2 – *Current Findings and Recommendations*.

3. We counted gift cards and bus passes on hand during fieldwork and reconciled the balances back to May 7, 2021.

Finding: We could not reconcile the balances back to May 7, 2021 due to record format for gift cards and bus passes. It was more practical to count gift cards and bus passes on hand and compare counted items to purchase and disbursement records. See count of gift cards and bus passes at ATT 1 – *Schedule of Accountability*. We noted exceptions related to DHS' record keeping and tracking for bus passes as a result of our procedures, see Finding #2 at ATT 2 – *Current Findings and Recommendations*. Status of prior recommendations documented at ATT 3 – *Current Status of Prior Recommendations*.

4. We inspected pharmaceutical inventories and compared them to COMPASS and DHS' records.

Finding: We inspected pharmaceutical inventory at all five (5) DHS pharmacies and compared them to DHS' records. See pharmaceutical inventory listing at ATT 1 – *Schedule of Accountability*. We noted exceptions related to DHS' pharmaceutical inventory record keeping and tracking as a result of our procedures. See Finding #3 at ATT 2 – *Current Findings and Recommendations*. Status of prior recommendations documented at ATT 3 – *Current Status of Prior Recommendations*.

5. We reviewed DHS' capital assets listing and physically inspected 25 out of 258 total assets at DHS' offices for their existence during our fieldwork.

Finding: We did not note any exception related to DHS' capital asset record keeping and tracking as a result of our procedures. See ATT 1 – *Schedule of Accountability*.

This agreed-upon procedures engagement was conducted in accordance with the Standards for Attestation Engagements contained in *Government Auditing Standards*

issued by the Comptroller General of the United States. We were not engaged to, and did not perform an audit or examination, the objective of which would be the expression of an opinion or conclusion, respectively, on DHS' fiscal processes or results of our procedures referred above. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

DHS' responses to the findings identified during our procedures are described in ATT 2 – *Current Findings and Recommendations*. We did not perform procedures to validate DHS' responses to the findings and, accordingly, we do not express an opinion on the responses to the findings.

This report is intended solely for the information and use of the Sacramento County Board of Supervisors, those charged with governance, Sacramento County Audit Committee, Sacramento County Executive, and DHS' management. It is not intended to be, and should not be, used by anyone other than these specified parties. However, this restriction is not intended to limit distribution of this report, which is a matter of public record.

Attachments

- ATT 1 – *Schedule of Accountability*
- ATT 2 – *Current Findings and Recommendations*
- ATT 3 – *Current Status of Prior Recommendations*

**COUNTY OF SACRAMENTO
DEPARTMENT OF HEALTH SERVICES
CHANGE OF CUSTODY
SCHEDULE OF ACCOUNTABILITY**

May 7, 2021

Imprest Cash

<u>Imprest Cash Location</u>	<u>Authorized Amount</u> ⁽¹⁾	<u>Amount Counted</u> ⁽²⁾	<u>Identified Variances</u>
Correctional Health Services	\$ 200	200	
Fiscal Services	850	850	
Mental Health Treatment Center (MHTC)	400	400	
Vital Records	400	400	
Total	\$ 1,850	1,850	

Cash Receipts

<u>Undeposited Cash Receipts</u> ⁽³⁾	<u>Amount Posted by Treasury</u> ⁽⁴⁾	<u>Amount Counted</u> ⁽⁵⁾	<u>Identified Variances</u> ⁽⁶⁾
Cash and Checks	\$ 19,785	19,787	2
Amount Posted by Treasury ⁽⁸⁾			
<u>Deposited Cash Receipts</u> ⁽⁷⁾	<u>Amount Posted by Treasury</u> ⁽⁸⁾	<u>Amount Counted</u> ⁽⁹⁾	<u>Identified Variances</u>
Credit Cards	\$ 1,540	1,540	

Cash Equivalents

<u>Cash Equivalents on Hand</u>	<u>Amount Per DHS Records</u> ⁽¹⁰⁾	<u>Amount Counted</u> ⁽¹¹⁾	<u>Identified Variances</u> ⁽¹²⁾
Gift Cards	\$ 35,885	35,885	
Bus Passes	7,657	6,140	(1,517)
Total	\$ 43,542	42,025	(1,517)

Pharmaceutical Inventories

<u>Pharmacy Location</u>	<u>Amount Per Recent Inventory Count</u> ⁽¹³⁾	<u>Sample Amount Counted</u> ⁽¹⁴⁾	<u>Unverifiable Sample</u> ⁽¹⁵⁾
Juvenile Hall	\$ 36,809	1,637	
Main Jail	521,633	4,647	
MHTC	68,564	1,771	(1,722)
Primary Care Center	207,422	360	
Rio Cosumnes Correctional Center (RCCC)	418,091	1,189	
Total	\$ 1,252,518	9,604	(1,722)

Capital Assets

<u>Total Acquired Unit</u>	<u>Unit Inspected</u>	<u>Exception</u>
258	25	
<u>Total Acquired Value Reported</u> ⁽¹⁶⁾	<u>Amount Inspected</u> ⁽¹⁷⁾	<u>Exception</u>
\$ 11,877,136	1,027,866	

Number superscripts are described on the next page.

See Independent Accountant's Report on Applying Agreed-Upon Procedures

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May 7, 2021

- (1) The total amount represents DHS' imprest cash authorized in the Sacramento County Financial System (a.k.a. COMPASS).
- (2) Amount represents the imprest cash and reconciling amounts counted and inspected.
- (3) We counted and inspected DHS' daily receipts (cash and checks) during our fieldwork on September 10, 2021 and September 16, 2021.
- (4) Amount represents DHS' daily receipts during our fieldwork that the County Treasury posted.
- (5) Amount represents DHS' daily receipts counted and inspected during our fieldwork.
- (6) Amount represents overage between cash counted and DHS records.
- (7) We counted and inspected DHS' daily receipts (credit card payments) during our fieldwork. These payments deposit directly to County Treasury when the transaction is processed.
- (8) Amount represents DHS' daily receipts posted by the County Treasury.
- (9) Amount represents DHS' daily receipts counted and inspected.
- (10) Amount represents DHS' gift cards and bus passes on hand per their logs and records.
- (11) Amounts represents DHS' gift cards and bus passes counted and inspected.
- (12) Total amount represents the difference between amount counted versus DHS' logs and records. See Finding #2 at ATT 2 – *Current Findings and Recommendations* for details.
- (13) Amounts represent the total values of recent physical count of pharmaceutical inventories completed by DHS. Inventories for Main Jail, RCCC, Primary Care Center and MHTC pharmacies were completed as of June 22, 2021, June 21, 2021, June 12, 2021, and June 1, 2021, respectively. For Juvenile Hall, amount reported under recent inventory count is based on purchases made in fiscal year 2020-21 and not physical inventory count.
- (14) Amount represents the sample of pharmaceutical inventories selected for testing. Amounts counted were agreed to DHS' records.
- (15) MHTC pharmacy did not maintain a perpetual inventory log for Schedules III – V controlled substances. Accordingly, we could not verify the sample amount counted in September 2021 to its last reconciled inventory record completed in June 2021. See Finding #3 b) at ATT 2 – *Current Findings and Recommendations* for details.
- (16) Amount consists of the acquisition value of DHS' capital assets reported in COMPASS for the 258 units as of June 30, 2021.
- (17) Amount represents the acquisition value of DHS' capital assets reported in COMPASS for the 25 units selected for inspection.

See Independent Accountant's Report on Applying Agreed-Upon Procedures

**COUNTY OF SACRAMENTO
DEPARTMENT OF HEALTH SERVICES
CHANGE OF CUSTODY
CURRENT FINDINGS AND RECOMMENDATIONS**

May 7, 2021

1. Imprest Cash Reconciliation

Condition

We could not review imprest cash reconciliation for the period from May 7, 2021 to the day of our fieldwork on August 26, 2021 at the Mental Health Treatment Center (MHTC) as custodian did not maintain a summary sheet or control log for petty cash payments, deposits (petty cash replenishment), and remaining balance. MHTC indicated that the custodian issue a reimbursement payment to MHTC staff once an approved claim voucher form is submitted with supporting receipts. Staff indicated that monthly reconciliation occurred; however, records of reconciliation were not maintained.

Criteria

Proper internal controls dictate maintaining controls over and tracking assets that are subject to theft or misappropriation. Petty cash activities should be documented for record keeping and reconciliation purposes.

Effect

Without a summary sheet or control log for payments and deposits, it would be difficult for custodian to track petty cash activities and determine remaining cash balance. Not tracking the available balance could lead to not being able to detect theft or misappropriation on a timely basis.

Recommendation

We recommend maintaining a summary sheet or control log for payments and deposits to track petty cash fund activities and balance.

Management Response

DHS currently has internal controls in place and reconciles petty cash accounts when requesting for replenishment of petty cash funds and when submitting the annual cash questionnaire. There is no discrepancy of petty cash funds during this audit. However, subsequent to this audit, MHTC has implemented and is using a Petty Cash Control Log for payments and deposits to track fund activities and balances.

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CURRENT FINDINGS AND RECOMMENDATIONS**

May 7, 2021

2. Bus Pass Review

Condition

During our engagement, we counted a total of \$6,140.00 of daily bus passes with an assessed value of \$7.00 per ticket for Daily Pass and \$2.50 per ticket for Single Pass held by several DHS programs. Variance of \$1,517.00 (\$7,657.00 - \$6,140.00) noted in comparing amount counted versus DHS records of \$7,657.00, see ATT 1 – *Schedule of Accountability*.

Table 1 summarizes DHS divisions and programs with noted variances between DHS records and amounts counted during fieldwork.

Table 1: Summary of Noted Variance for Bus Pass Review

Division	Program	Fare Type	Amount Per DHS Records	Amount Counted	Variance (\$)	Variance (Count)
Behavioral Health Services	Mental Health Treatment Center	Daily Pass	\$ 1,281.00	1,190.00	(91.00)	(13) ⁱ
Primary Health	Homeless Program RN	Daily Pass	350.00	343.00	(7.00)	(1) ⁱⁱ
		Single Pass	250.00	0	(250.00)	(100) ⁱⁱⁱ
	Family Medicine	Daily Pass	441.00	28.00	(413.00)	(59) ^{iv}
		Single Pass	235.00	200.00	(35.00)	(14) ^v
	Adult Medicine	Daily Pass	700.00	0	(700.00)	(100) ^{vi}
Public Health	Project Roomkey	Daily Pass	105.00	84.00	(21.00)	(3) ^{vii}
Total			\$ 3,362.00	1,845.00	(1,517.00)	(290)

Notes

- ⁱ DHS staff indicated that bus passes and corresponding record log for one set of 10 bus passes could not be located. Three (3) bus passes were not accounted for during the count. Based on the bus pass record log, these three passes were not disbursed. Total of 13 bus passes were missing.
- ⁱⁱ DHS staff indicated that this bus pass was issued, but was not recorded in the bus pass log.
- ⁱⁱⁱ DHS staff did not have any bus passes and record log available during the count.
- ^{iv} Bus passes were not present during the count and record log did not indicate these 59 bus passes were disbursed.
- ^v Bus passes were not present during the count and record log did not indicate these 14 bus passes were disbursed.
- ^{vi} DHS staff did not have any bus passes and record log available during the count.
- ^{vii} Bus passes were not present during the count and record log did not indicate that these three (3) bus passes were disbursed.

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During the bus pass review, we noted several issues related to bus pass tracking and record keeping. See listing below:

- i. Bus passes counted could not be compared to either a log or any type of internal documentation that showed remaining balance (bus pass count/dollar on hand). As such, we could not identify the balance of bus passes and could not determine whether the amounts counted were over or short without reviewing bus pass disbursement logs in its entirety (beginning balance less disbursed tickets to determine remaining balance).
- ii. Some of the programs' allocated bus passes could not be counted (missing bus passes) and there were no logs showing disbursement records. See Notes I – VII on Table 1.
- iii. Reconciliation of bus passes not performed on a regular basis.
- iv. Disbursement log record keeping issues:
 - a. Duplicate or missing entries – Family Medicine and Project Roomkey both had a duplicate bus pass ticket number listed on its record log. Homeless Program RN had one missing entry from its record log.
 - b. Missing signatures for issued bus passes – Record log for DHS Fiscal Services had missing signatures for bus passes issued to Family Medicine and Adult Medicine.
 - c. Timely update of shared bus pass log – Bus passes that were disbursed in July had not been updated on shared record log until October for ELC Expansion program.
 - d. Use of correction tape for edits – MHTC used correction tape to edit disbursement log record, which completely obscured the original entry. Edits to log record should be documented in a way that would allow a reviewer to identify the error and correction made by DHS staff.

Criteria

Proper internal controls indicate bus pass custodians maintain detailed logs of bus pass activities. Bus pass logs should include, but are not limited to, purchases, distributions, and a running balance that would allow the programs and DHS to easily monitor, track and reconcile bus pass inventories.

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Reconciliations should be performed on a regular basis so DHS could detect any mistakes, discrepancies, or theft of bus pass inventories in a timely manner.

Disbursement entries should be entered in the log record in an accurate and timely manner.

Accounting entries entered into control logs should be documented in a way that the entries are identifiable and verifiable. As such, use of correction tape for edits to bus pass record logs should not be used.

Effect

Without detailed logs of bus pass activities and running balances, custodians may not be able to determine the bus pass inventories that it should have on hand, which could lead to not being able to detect theft or misappropriation on a timely basis.

DHS may not be able to detect any mistakes, discrepancies, or theft of bus pass inventories in a timely manner if it does not perform reconciliations on a regular basis.

Inaccurate and untimely entries on record logs may result in errors in determining bus pass inventories disbursed and remaining counts.

Use of correction tape for edits to record logs that completely obscure original entries could result in recording errors and the possibility of the misappropriation of assets without management knowledge.

Recommendation

We recommend DHS maintain detailed logs of bus pass activities and running balances so DHS can monitor and track bus pass inventories on hand.

We recommend DHS perform periodic reconciliation of bus passes so DHS can detect mistakes and discrepancies of bus pass inventories and investigate variances in a timely manner.

We recommend DHS ensure that entries in the record logs are accurate and updated in a timely manner.

We recommend DHS use a method for editing its record log that will not completely obscure original entry. Edits to its record log should include DHS staff's initials and dates when documenting a correction. Supervisor's initials and dates should be required and documented for all corrections.

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CURRENT FINDINGS AND RECOMMENDATIONS**

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Management Response

DHS concurs with the finding on bus passes.

- DHS Behavioral Health Services currently uses a Bus Pass Reconciliation log to track all bus passes and balances. Pre-numbered disbursement logs are also being used in conjunction with the reconciliation log. Correction tape will no longer be used, instead entries made in error will have a single line drawn through the entry, and initialed, with the correction made.
- DHS Primary Health has a process to track, record, and reconcile bus passes; however, due to COVID, factors such as high staff turnover, high rates of absenteeism, and the custodian's supervisor being on leave have affected our quality of recordkeeping. Following this audit, DHS Primary Health will implement a reconciliation log and complete a bi-monthly review of bus passes to ensure passes are tracked and recorded properly, as well as to ensure signatures are obtained.
- DHS Project Roomkey is new and specific to mitigating COVID risks among the homeless community. Due to the unforeseen emergency, DHS was operating on emergency protocols during this time; however, going forward, staff will ensure accurate and complete logging to prevent duplicative entries.

Additionally, DHS Fiscal will develop a departmental log report to be disbursed to all DHS Divisions/Programs to track and record bus pass distribution. DHS Fiscal will require DHS Divisions/Programs to count and reconcile balance on hand quarterly and report to DHS Fiscal. DHS Fiscal will complete a quarterly reconciliation to ensure all bus passes distributed by Fiscal are accounted for.

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CURRENT FINDINGS AND RECOMMENDATIONS**

May 7, 2021

3. Pharmaceutical Inventory Review

a) Recording Inventory Balances in COMPASS

Condition

During inquiry of statuses of prior recommendations, Correctional Health Services (CHS) confirmed pharmaceutical inventory balances for Rio Cosumnes Correctional Center (RCCC) and Main Jail have not been tracked in the Sacramento County Financial System (a.k.a. COMPASS). CHS indicated that the most recent inventory count performed in June 2021 for Main Jail and RCCC will be entered as the beginning balance in COMPASS for Fiscal Year 2021-22 and a journal entry will be prepared annually at the end of each fiscal year to record an ending balance for pharmaceutical inventory in COMPASS.

Criteria

Pharmaceutical inventory should be tracked. A journal entry for COMPASS should be prepared at the end of the fiscal year following the annual physical inventory count to track pharmaceutical activities for all DHS pharmacies.

Effect

By not tracking pharmaceutical activities, theft or misappropriation could occur and not be detected in a timely manner. Also, not posting inventory balances in COMPASS could cause misstatement of Sacramento County's financial statements.

Recommendation

We recommend tracking pharmaceutical activities and recording inventory in COMPASS.

Management Response

DHS concurs with the finding. Correctional Health Services (CHS) does complete an inventory count; however, during the re-organization of CHS from Sacramento Sheriff's Office to Dept of Health Services, the count was overlooked and not recorded in COMPASS. DHS will work with DOF to properly record the most recent inventory count in COMPASS.

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CURRENT FINDINGS AND RECOMMENDATIONS**

May 7, 2021

b) Inventory Control Log and Reconciliation

Condition

MHTC pharmacy did not maintain a perpetual inventory control log for Schedule III – V items for controlled substances. However, MHTC maintained a perpetual inventory control log for Schedule II items for controlled substances. All other DHS pharmacies used perpetual inventory control logs to track controlled substances for both Schedule II and Schedule III – V items, which allowed pharmacists to determine count of pharmaceutical inventories at the respective facilities. During fieldwork, we counted Schedule II and Schedule III – V controlled substances at the MHTC pharmacy and compared counted amounts to DHS records. Counted amount of \$49.00 of Schedule II items agreed to MHTC perpetual inventory control log. We noted this procedure could not be performed for Schedule III – V items as MHTC did not maintain a perpetual inventory control log. The inventory control log for Schedule III – V items are reconciled every six months. The last reconciliation and physical inventory count for MHTC occurred in June 2021 and our count of pharmaceutical inventory occurred in September 2021. The counted amount of \$1,722.00 for Schedule III – V items were marked as unverified sample amounts as we could not agree our count to DHS records during fieldwork. See ATT 1 - *Schedule of Accountability*.

MHTC indicated the pharmacy uses pre-assigned numbered sheets to track purchases, distributions and usage of medications at two locations located within the MHTC facility. However, other than pre-assigned sheets and record logs at the two locations, there is not a record log at the main pharmacy to document a complete list of pre-assigned numbered sheets generated and medications distributed from main pharmacy. Until reconciliation is complete, it is not possible to determine the inventory count on hand for Schedule III – V items at MHTC pharmacy.

Criteria

Proper internal controls dictate maintaining controls over and tracking assets which are subject to theft or misappropriation.

Effect

By not tracking pharmaceutical activities perpetually, theft or misappropriation could occur and not be detected in a timely manner as reconciliations were performed every six months at MHTC for Schedule III – V items. MHTC pharmacy is not able to determine the pharmaceutical inventories on hand without a reconciliation.

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Without record of the complete list of pre-assigned numbered sheets, pre-assigned numbered sheets and medications may not be detected by the main pharmacy when medications and corresponding sheets are lost or misplaced.

Without a distribution record, the main pharmacy could not determine pharmaceutical inventories held on hand at the main pharmacy without a reconciliation.

Recommendation

We recommend MHTC use a perpetual inventory control log to track Schedule III – V items for controlled substances. We also recommend that MHTC maintain a complete listing of pre-assigned number sheets and distribution records at main pharmacy for tracking purposes.

Management Response

Following this audit, a perpetual inventory was started on Schedule III-V medications. The pages that are numbered on the unit can be completed in less than a day, making a missing page easier to detect. The other purpose of the numbering is because the number on the page coincides with a numbered package of medications. The inventory pages in the pharmacy span several months and the ending balance of one page matches the beginning balance of the next page; therefore, a missing page will be noticeable. Furthermore, the MHTC pharmacy will be implementing an Automated Drug Delivery system, which will replace the current procedure for monitoring the dispensing of controlled substances.

DHS does not agree with the recommendation to number the pages in the main pharmacy. This does not provide any added protection from diversion.

c) Editing Inventory Control Log

Condition

We selected a sample of drugs from the inventory control logs for the pharmaceutical inventory count at DHS pharmacies. One sample for the count at the Primary Care Center (PCC) pharmacy did not agree to the inventory control log. Based on the inventory control log, PCC should have two (2) bottles of the selected sample on hand. However, the pharmacist noted no inventory available on the shelf. Upon inquiry with pharmacy staff, the pharmacist confirmed that there were entry errors on the inventory control log. Pharmacy staff indicated that they fulfilled two prescriptions that were not documented on the inventory log. Edits were made to the inventory control log to update the record immediately. However, we noted use of correction tape for edits to

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the inventory control log which completely obscured the original entry. Amendments to inventory control log should be documented and verifiable.

Criteria

Accounting entries entered into control logs should be documented in a way where the entries are identifiable and verifiable. Use of correction tape for edits to inventory control logs should not be used as this method completely obscures the original entries preventing management from reviewing a complete record.

Effect

Edits to inventory control logs that are completely obscured could result in recording errors and the possibility of the misappropriation of assets without management knowledge.

Recommendation

DHS should not use correction tape to edit inventory control logs. Inventory control logs should be edited in a way that amendments can be confirmed. We recommend DHS add a procedure regarding editing inventory control documentation in order to establish and implement a process of properly editing the inventory control documentation.

Management Response

DHS concurs with the finding and agrees that correction tape should not be used on any medication records, to include prescriptions, inventory control logs, and monthly inventory tracking. This is a standard of practice in pharmacy. The staff member involved was verbally counselled, and the staff were reminded at a staff meeting. Modifications have been made to PP-PS-03-03 Controlled Substance Audit and PP-PS-02-04 Schedule II Filling and Record Keeping to include language on how to correct entries.

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CURRENT STATUS OF PRIOR RECOMMENDATIONS**

May 7, 2021

**CURRENT STATUS OF PRIOR RECOMMENDATIONS (REPORT DATE
SEPTEMBER 21, 2018 FOR THE CHANGE OF CUSTODY DATE AUGUST 12, 2018)**

1. Capital Asset Issues

Prior Recommendation

We recommended Department of Health Services (DHS) ensure the Sacramento County Financial System (a.k.a. COMPASS) is updated when capital assets are added, retired, lost, stolen, or sent to surplus. We also recommended DHS ensure all assets belonging to Department of Child, Family and Adult Services (DCFAS) are transferred to their respective cost centers and are no longer under DHS cost centers. In addition, we recommended DHS ensure assets valued under \$5,000 are not combined into a single asset in COMPASS and are not capitalized. We further recommended DHS contact the Department of Finance, General Accounting Unit to develop a resolution to resolve the issue noted regarding Asset Number 83865, "20-Dell OptiPlex 7050 with 40-Dell 24" Monitor," as described in this finding.

Current Status of Prior Recommendation

It appears that the prior recommendation has been implemented.

2. Gift Card Issues

Prior Recommendation

We recommended DHS ensure that all gift card activities are properly documented and ensure that gift cards on hand agree to their logs and records. We further recommended DHS develop a resolution to resolve the \$150 and \$75 differences identified in this finding.

Current Status of Prior Recommendation

It appears that the prior recommendation has been implemented.

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CURRENT STATUS OF PRIOR RECOMMENDATIONS

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3. Pharmaceutical Inventory Issue

Prior Recommendation

We recommended DHS ensure all of its pharmacies complete a physical inventory of all controlled and non-controlled substances at least annually. We further recommended all pharmaceutical activities are tracked in COMPASS.

Current Status of Prior Recommendation

It appears our prior recommendation has been partially implemented. However, pharmaceutical activities for Correctional Health Services' pharmacies (Main Jail and Rio Cosumnes Correctional Center) were not tracked in COMPASS. See Finding #3 a) at ATT 2 – *Current Findings and Recommendations*.