



UT Health RGV Cosmetic Surgery Clinic Audit

Report No. 24-AEN-02

March 18, 2025

Office of Audits & Consulting Services

EXECUTIVE SUMMARY

Overall Assessment:

Internal controls over medication inventory management are inadequate.

Opportunities exists for improvements in the areas of medication security and inventory controls, as well as the strengthening of medication management policies.

Risk Levels Appendix I

Priority

High

Medium

Low

We appreciate the courtesy and cooperation from the Clinical Affairs office throughout this audit.

Background: The UT Health RGV Cosmetic Surgery Clinic provides cosmetic and reconstructive surgeries, as well as minimally invasive office procedures. The clinic stores non-controlled substances, which are administered at the clinic based on physician orders. Non-controlled substances at the clinic include prescription medications that are not regulated by the Controlled Substances Act. The clinic staff are responsible for medication inventory management in order to meet the needs of the patients.

Objective: To determine whether there are adequate medication inventory management controls in order to prevent theft or misappropriation.

Scope/Period: The scope of this audit includes fiscal year 2023 and current operations.

Risk		Observation Summary
High	1.	The prescription drug Botox is stored in a refrigerator in an unlocked storage room.
Medium	2.	An inventory of medication is not conducted on a set schedule. A medication inventory log was not maintained. Receiving documentation for one order of Botox could not be found in the binder maintained at the clinic.
Medium	3.	Policies related to medication management do not address procedures for reporting discrepancies in inventory or for documenting disposal of waste. These policies have not undergone any recent reviews.

Observation Detail	Recommendation	Management Action Plan
<p>Secure Storage of Prescription Medication</p> <p>1. (Condition) During an on-site visit, it was noted that the prescription drug Botox is stored in a refrigerator in an unlocked storage room. Prior to staff moving to this clinic location, the storage room door had been intentionally kept from locking due to the fact that staff did not have a key. Staff have had trouble getting keys for that storage room since the building location was not available on the HR portal, where key requests need to be made.</p> <p>We observed other internal controls as follows:</p> <ul style="list-style-type: none"> • other medications locked in a storage cabinet, • secure access to the clinic and treatment area, and • cameras in the lobby and the treatment area. <p>(Criteria) Medication Management policy 09.01MM, 2(A)(a) states, Medications requiring refrigeration should be stored in labeled, designated refrigerators. These refrigerators should have appropriate thermometers, locks or behind locked door with limited approved access, and alarms.</p> <p>(Cause) Keys for the storage room could not be ordered due to the building not being properly listed in the HR Portal.</p> <p>(Effect) Storing prescription medication in an unlocked storage room increases the possibility of theft or misappropriation.</p>	<p>1. Management should take action to secure the storage room and assign limited approved access, as stated in SOM Clinical Operations policy 09.01MM, Medication Safety and Management.</p>	<p>The Nurse Educator submitted a request for a key to the closet in which the refrigerator is kept in, on October 8, 2024. Key was received two days later; Medical Assistant maintains the key in a secure location in the clinic. No one else has been granted access to the refrigerator which contains the Botox.</p> <p>Action Plan owner: Nurse Educator</p> <p>Implementation Date: October 8, 2024</p>

Observation Detail	Recommendation	Management Action Plan
<p>Inventory Controls</p> <p>2. (Condition) The control environment surrounding the medication management process at the clinic is a manual process. The lack of an automated inventory tracking system increases the reliance on periodic inventory counts, medication inventory logs, and other supporting documentation. We observed the following:</p> <ul style="list-style-type: none"> • An inventory of medication is not conducted on a set schedule. Clinic personnel did not conduct periodic physical inventories or reconciliations to logs and other supporting documentation. • Clinical staff did not maintain a medication inventory log. This log is used to track medication received, expired medication dates, physician orders, and who removed medication for dispensing. • Receiving documentation such as packing slips and invoices are maintained in a binder at the clinic and filed by month. We reviewed two orders for the prescription drug Botox, which were identified during this audit scope, to determine if receiving documentation was maintained in the binder. We noted that receiving documentation for one Botox order could not be found. <p>UTRGV is in the process of implementing a PeopleSoft inventory module which will track clinic supplies and will be integrated with our new EPIC Electronic Health Record System and the Jaegger Procurement System.</p>	<p>2. Management should ensure that periodic physical inventory counts are conducted and reconciled to medication inventory log and other supporting documentation.</p>	<p>Log was created on 07/2024, Medical Assistant was able to add patient and medication information going back to 01/31/2023 by running a report on the EMR used at that time. Currently each clinic is responsible for creating and maintaining their medication logs.</p> <p>We will ensure a manual periodic reconciliation process is maintained at each clinic. Future state includes an automated inventory management system, which will tentatively go live once the New Surgical Center opens on 04/2025.</p> <p>Log has been attached.</p> <p>Action Plan owner: Medical Office Manager</p> <p>Implementation Date: April 30, 2025</p>

Observation Detail	Recommendation	Management Action Plan
<p>(Criteria) Policy 09.01MM Medication Management has an attached medication inventory log for tracking medication. Additionally, policy states “All stock medication will be reviewed monthly by appropriate personnel to identify expired medications and for date labeling of open vials.”</p> <p>(Cause) Clinical staff were not aware of the Medication Management Policy.</p> <p>(Effect) Clinical staff cannot verify whether quantities on hand are accurate or able to identify missing medications.</p>		

Observation Detail	Recommendation	Management Action Plan
<p>Medication Management Policies and Procedures</p> <p>3. (Condition) We reviewed policies 09.01MM Medication Management and 09.04MM Management of the Patient’s Medication. The policies do not address procedures for reporting discrepancies in inventory or for documenting disposal of waste.</p> <p>Additionally, both policies have not undergone any recent review (09.01MM Medication Management in December 2019 and 09.04MM Management of the Patient’s Medication in January 2021).</p> <p>(Criteria) Up-to-date policies ensure that all levels of staff have the necessary information to be able to perform their job duties efficiently, effectively, and in compliance with laws.</p> <p>(Cause) An analysis has not been conducted to identify gaps in current policies regarding medication inventory management.</p> <p>(Effect) Outdated policies for staff to reference could lead to inefficient medication management and potential violation of state or federal regulations.</p>	<p>3. Management should take an inventory of policies and ensure all medication-related policies, procedures, and guidelines are up-to-date and compliant with regulatory standards.</p>	<p>Policies are currently being reviewed in preparation for the Ambulatory Surgical Center and Cancer Center, they should be completed by 02/28/2025.</p> <p>09.04MM Management of the Patient’s Medication was reviewed on 01/08/2021 by Michael Dobbs, MD</p> <p>Leadership is exploring options for an electronic policy management system to assist in the administration of clinical policies, ensuring timely updates and efficient oversight. The expectation is to have it in place in early 2025.</p> <p>Action Plan owner: Senior Director of Nursing and Pharmacy Manager</p> <p>Implementation Date: February 28, 2025</p>

APPENDIX I

Risk Classifications and Definitions

Priority	High probability of occurrence that would significantly impact UT System and/or UT Rio Grande Valley. Reported to UT System Audit, Compliance, and Risk Management Committee (ACRMC). Priority findings reported to the ACRMC are defined as <i>“an issue identified by an internal audit that, if not addressed timely, could directly impact achievement of a strategic or important operational objective of a UT institution or the UT System as a whole.”</i>
High	Risks are considered substantially undesirable and pose a significant level of exposure to UT Rio Grande Valley operations. Without appropriate controls, the risk will happen on a consistent basis. Immediate action is required by management in order to address the noted concern and reduce exposure to the organization.
Medium	Risks are considered undesirable and could moderately expose UT Rio Grande Valley. Without appropriate controls, the risk will occur some of the time. Action is needed by management in order to address the noted concern and reduce the risk exposure to a more desirable level.
Low	Low probability of various risk factors occurring. Even with no controls, the exposure to UT Rio Grande Valley will be minimal. Action should be taken by management to address the noted concern and reduce risk exposure to the organization.

APPENDIX II

Criteria & Methodology

Criteria

- 09.01MM Medication Management policy
- 9.04MM-Management of the Patient's Medication

Methodology

We conducted this audit in conformance with the Global Internal Audit Standards issued by the Institute of Internal Auditors. Additionally, we conducted this audit 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 findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for findings and conclusions based on our audit objectives. The Office of Audits and Consulting Services is independent per both standards for internal auditors. These standards are also required by the Texas Internal Auditing Act.

To achieve our objective, we performed the following:

1. Reviewed policies, procedures, and other supporting documentation.
2. Interviewed management and staff to gain an understanding of the medication management process.
3. Conducted onsite visits to observe medication security controls in place.
4. Conducted testing and data analysis regarding the prescription drug Botox.

APPENDIX III

Report Distribution & Audit Team

Report Distribution

Dr. Michael Sander, Chief Physician Executive
Aurora Mendoza, Clinical Service Line Administrator
UTRGV Internal Audit Committee
UT System Audit Office
Governor's Office - Budget and Policy
State Auditor's Office
Legislative Budget Board

Audit Team

Eloy R. Alaniz, Jr., Chief Audit Officer
Norma Ramos, Director of Audits
Paul Plata, Senior Healthcare Auditor