

**PHARMACY REVIEW  
AUDIT PROGRAM**

**PURPOSE:**

To establish a guide during the planning phase of the audit to aid in the completion of field work and review for the audit of the Pharmacy Department at

**PROGRAM:**

	<b>Planning</b>	<b>Auditor</b>	<b>Date</b>	<b>Reference</b>
	Discuss with OIA Management the direction of the audit, I.e., objectives, scope, extent of testing, and potential Information Systems issues, as applicable			
	Review the previous year's audit workpapers or those workpapers from similar audits performed at other locations, the audit reports, the prior year's Future Notes, relevant third party reports, applicable training materials, and the permanent file			
	Review applicable regulatory manuals, accounting standards, specific industry requirements and other reference materials.			
	Follow-up on prior year's internal and external audit and regulatory report findings.			
	Document the overall understanding of the audit environment. Use flow charts, narratives, etc. to document the information.			
	Conduct a pre-audit meeting with the auditee. Document the overall understanding of the audit environment. Use flow charts, narratives, etc. to document the information.			
	Document the planning phase of the audit in the form of a written narrative that is reviewed and approved by a supervisor.			
	Prepare the audit program. Include the steps necessary to achieve the objectives developed for the audit. Based on the objectives, determine the type of audit to be performed and, therefore, the Audit Standards to be followed. OIA management should approve the program before testing begins.			
	Arrange a meeting with the staff assigned to the audit to discuss and distribute work assignments. Assure that the staff understands the objectives of the overall audit and the specific areas assigned.			
	Conduct an entrance conference with the management of the assigned audit area. Ensure that the objectives, scope, and timeframe for the audit are discussed and documented.			

<b>Field Work</b>				
	Obtain an understanding of the operations of the Pharmacy Department			
	Purchasing			
	Receiving			
	Inventory Control			
	Controlled Drugs			
	Filling and Disbursing of Medication			
	Floor Stocks			
	Security			
	Pharmacy Observation			
	Document our understanding in the form of a narrative or flowchart.			
	Review any written policy and procedure manuals effective at the Pharmacy Department.			
<b>Internal Controls - Purchasing &amp; Inventory</b>				
	Obtain a listing from ISIS of purchases made for the Pharmacy cost center number (7340) (PHD Ticket 9683)			
	Separate Morris & Dickson transactions from purchases made from other vendors.			
	Using the RAT-STATS program, randomly selected 42 transactions (25 Morris & Dickson purchases and 17 non M/D Purchases) and selected all non M/D purchases over \$10,000 for our attribute test.			
	Test transactions in an attribute test. Testing will include all areas of the operations of the Pharmacy Department			
<b>Controlled Drugs</b>				
	Obtain a list of all schedule II controlled drugs kept in stock			
	Selected 15 random drugs using RAT-STATS program to test at each pharmacy.			
	Tested 15 randomly selected items at each 24 hour Pharmacy. Tested 100% at HIV Clinic Pharmacy.			
<b>Staffing</b>				
	Obtain a current organizational chart			
	Verify hospital pharmacy permit is displayed and current (Board Reg 2503)			
	Verify that all pharmacists maintain a current license by the Board and is displayed (Board Reg. 511)			
	Verify that all technicians hold a current certificate from the Louisiana Board of Pharmacy via the National Pharmacy Technician Examination (Board Reg. 2535)			
	Verify that each of the pharmacists completed 15 CPE units and have a certificate supplied by the approved CPE (Board Reg. 739)			
	Verify the Pharmacy Board issued a preceptor site certificate (Board Reg 711.)			

<b>Accuracy of Charges</b>				
	Obtain an ad-hoc report listing all charges made by the Pharmacy Department for 10 random days during fiscal year 1999 from Information Systems.			
	Converted ad-hoc report into Access Database file.			
	Randomly, using Rat-Stats program, selected 200 charges from our population.			
	Request the medical records for these patients, print detail of patient's account and verify that all medication administered was recorded in an accurate, timely and complete manner.			
	Tested the first 30 transactions selected for accuracy and completeness of charges.			
	Documented conclusion whether patient accounts were accurate and complete.			
<b>General Fieldwork</b>				
	Develop audit findings (if applicable)			
	Follow up on all exceptions with appropriate level of management			
	Periodically, the AIC should appraise the time budget based on the audit objective(s) and scope. Any revisions should be reviewed and approved by OIA Management.			
<b>Wrap-up and Review</b>				
	Assure all Audit Program segments are performed. All audit working papers should be cross-referenced to this program. Update Audit Program, as necessary.			
	Assure all working papers contain the following: Heading (Identifying the Audit and ACN), Title (Concise description of wp information). Purpose, Source, Procedure, Results (statistical information related to the work performed), Comments, and Conclusion (what does the work contribute overall). Working papers should also include the file name and directory location.			
	Assure all working papers have been reviewed and all review notes have been cleared. Assure that all supervisory reviews have been performed as appropriate.			
	Assure all findings have been documented. All findings should include the following: Condition, Criteria, Cause, Effect, and Recommendation. Discuss the findings with the auditee as they arise during the fieldwork. Request that the auditee respond with the actions necessary to correct the findings noted.			
<b>Report</b>				
	Draft the audit report. OIA management must review the draft report. Send draft report with appropriate transmittal letter to the auditee requesting response within ten working days.			
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	Conduct an Exit Conference with agency management. Revise findings if management provides information that warrants revisions in the draft report.			
	Assure that all reportable comments are cross-referenced to the appropriate audit working papers.			
	Prepare the report distribution schedule and distribute the final report.			
	<b>Final Wrap-up</b>			
	Determine if improvements or modifications are necessary for the following areas: Changes in frequency / type of review or changes to program steps.			
	Finalize time summary and explain significant budget vs. actual time variances.			

NOTE: This audit program is used as guidance and it is not intended to replace auditor judgement. This program may be modified during the field work phase of the audit as necessary.

**CONCLUSION:**

A guide has been established during the planning phase of the audit to aid in the completion of field work for the audit of the Pharmacy Department