



July 16, 2002

Ms. Donna Burkett Rogers, R.Ph
President, Texas State Board of Pharmacy

Re: Texas State Board of Pharmacy Complaint Resolution Process Audit

Porterfield & Associates, CPAs has completed the Complaint Resolution Process audit of the Texas State Board of Pharmacy. The audit was conducted as a part of the FY 2002 Audit Plan for the Texas State Board of Pharmacy. The objective for this initial Internal Audit was to review the complaint resolution process to assess compliance with relevant policies and laws. The scope did not include an assessment of possible changes in the Texas Administrative Code, the Texas Occupation Code, or the Board's internal policies which could result in improvements in effectiveness or efficiency in the disposition of complaints. These issues can be addressed in future Internal Audit activities

The audit was conducted in accordance with Government Auditing Standards (The Yellow Book). The scope of the audit included testing compliance with *Texas Occupation Code Sec. 551-569* and *Texas Administrative Code Title 22, Part 15*. This was achieved by conducting interviews, evaluating internal control and reviewing sampled complaint cases resolved during the first and second quarters of FY 2002. Statistical testing was employed to assess:

- Adequacy of internal control over the complaint resolution process
- Content accuracy and sufficiency of complaint information file
- Timeliness of complainant notification
- Compliance with statutory requirements of the complaint resolution process
- Compliance with statutory requirements of the disciplinary process

Based on our audit, one issue was identified:

- The Board has not been consistently following the status notification procedures of the complaint resolution process as required by the Texas Occupation Code.

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Details of the above concerns, recommendations, and management's response are provided on the following pages. In summary:

- Texas State Board of Pharmacy has been successful in investigating and resolving complaints filed with the Board in conformity with the Texas Occupation Code and Texas Administrative Code.
- In addition, the Board has established and followed a sound complaint record retention procedure.

We appreciate the cooperation and support of Carol Fisher, Director of Enforcement Division, and Allison Benz during the audit.

Sincerely,



John Porterfield, CPA

cc: Dr. Roger W. Anderson
Ms. Wiki Erickson
Mr. W. Michael Brimberry
Ms. Kim A. Caldwell
Ms. Rosemary Forester Combs
Mr. Doyle E. High
Mr. Oren M. Peacock
Ms. Gay Dodson

Texas State Board of Pharmacy
COMPLAINT RESOLUTION PROCESS AUDIT
Fiscal 2002

Finding:

The Board has not been consistently following the status notification procedures of the complaint resolution process as required by the Texas Occupation Code.

Texas Occupation Code Sec. 555.006 states that if a written complaint is filed with the board that the board has authority to resolve, the board, at least every four months and until final disposition of the complaint, shall notify the parties to the complaint of the status of the complaint unless the notice would jeopardize an undercover investigation.

It is the intent of this Act to assure that parties involved in the complaints be notified if the complaints are not resolved within four months.

Approximately 85% of the complaints filed do not require status notification because either the Board initiated the complaint or the complaint was resolved before the notice was required.

Recommendation:

When a complaint is filed by a third party, such as a consumer, the Board should notify the complainant and the respondent of the complaint's resolution status as least every four months as required by the foregoing Act. For efficiency, the Board may choose to notify parties by telephone, fax or via e-mail. The staff member who initiates the contact should make a record in the file including the date and the text or brief content of the conversation.

The Board may choose not to notify the respondent when the Board deems that the notification would jeopardize the investigation process, especially when the Board is the complainant.

Management's Response:

Management recognizes that prior to March 2002, the notification requirements were not consistently followed as required.

Investigators and other enforcement staff contacted complainants and respondents as necessary through the investigation process, but the contacts did not consistently occur at the required four-month intervals. The resolution status was communicated to complainants through these contacts. During FY 2001, 60% of the complaints were closed within six months with a final disposition letter to the complainants. For these cases, the resolution letter served as the status notification letters. This notification was effectively one month late.

As of March 2002, this duty has been re-assigned to an administrative technician who prepares the status notification letters in compliance with the Texas Occupation Code Sec. 555.006.