

TEXAS STATE BOARD OF PHARMACY

Austin, Texas

INTERNAL AUDIT ANNUAL REPORT

Fiscal Year 2021



Garza/Gonzalez & Associates
CERTIFIED PUBLIC ACCOUNTANTS

TEXAS STATE BOARD OF PHARMACY
Austin, Texas

Internal Audit Annual Report
Fiscal Year 2021

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Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

Board Members
Texas State Board of Pharmacy
Austin, Texas

We performed tests of management's assertion about the effectiveness and efficiency of the internal control structure over the Compliance Monitoring/Peer Assistance Area (the Area) of the Texas State Board of Pharmacy (TSBP); and, its compliance with the requirements set by applicable sections of the Texas Pharmacy Act; other applicable state and federal requirements; the Peer Assistance Program (PAP) contract provisions; and, TSBP's established policies and procedures, as applicable to the Area, for the 8 months ended April 30, 2021.

The results of our tests disclosed that TSBP's internal control structure over the Area and its established policies and procedures, were generally adequate and no material instances of noncompliance were noted; however, we did identify certain matters that are included in this report, that are opportunities for strengthening internal controls and ensuring compliance with state requirements and TSBP's established policies and procedures. Based on the degree of risk or effect of these matters in relation to the audit objective(s), these matters were rated as either Priority, High, Medium, or Low, which is further described in the "Summary and Related Rating of Observations/Findings and Recommendations", which is included in page 11 of this report.

We also performed a follow-up of the findings and recommendations that were presented in the prior year annual internal audit report. This report reflects the implementation status of those matters; and, includes all information required for compliance with the State of Texas Internal Audit Annual Report requirements.

We have discussed the comments and recommendations from the audit of the Area; and, the implementation status from the follow-up performed, with various TSBP personnel, and we will be pleased to discuss them in further detail; to perform an additional study of these matters; or, to assist you in implementing the recommendations.



June 21, 2021

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INTRODUCTION

The Texas State Board of Pharmacy (TSBP) is a state agency under the authority of the Texas Pharmacy Act (Texas Occupations Code Title 3, Subtitle J) and is responsible for:

- licensing/registration of Texas pharmacists, pharmacy technicians, and pharmacies;
- establishing regulations for pharmacy practice; and,
- investigating and resolving complaints against licensees and registrants, and taking disciplinary action when necessary.

TSBP is governed by an 11-member Board that is statutorily required to meet at least once every 4 months; although, currently, it meets quarterly. The Board consists of 7 pharmacists, 1 pharmacy technician, and 3 members who represent the public. Board members are appointed for staggered 6-year terms by the Texas Governor with the advice and consent of the Texas Senate.

TSBP's mission is "to promote, preserve, and protect the public health, safety, and welfare by fostering the provision of quality pharmaceutical care to the citizens of Texas, through the regulation of: the practice of pharmacy; the operation of pharmacies; and, the distribution of prescription drugs in the public interest."

2021 Internal Audit Plan

Following is the internal audit and other functions performed, as identified in TSBP's *Internal Audit Plan for Fiscal Year 2021*, dated January 6, 2021, and approved by the Board on February 2, 2021:

- Completion of the Fiscal Year 2021 Risk Assessment and Preparation of the 2021 Internal Audit Plan
- Compliance Monitoring/Peer Assistance Area (Area)
- Follow-up of Prior Year Internal Audits and Preparation of the 2021 Internal Audit Annual Report

This report contains the results of our audit of the Compliance Monitoring/Peer Assistance Area; reflects the results of the follow-up procedures performed in the current year of findings that were presented in the prior year internal audit report; and, meets the State of Texas Internal Audit Annual Report requirements.

INTERNAL AUDIT OBJECTIVES

In accordance with the **International Standards for the Professional Practice of Internal Auditing**, the audit scope encompassed the examination and evaluation of the adequacy and effectiveness of TSBP's system of internal control and the quality of performance in carrying out assigned responsibilities. The audit scope included the following objectives:

- **Reliability and Integrity of Financial and Operational Information** – Review the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.
- **Compliance with Policies, Procedures, Laws, Regulations and Contracts** – Review the systems established to ensure compliance with those policies, procedures, laws, regulations, and contracts which could have a significant impact on operations and reports, and determine whether the organization is in compliance.
- **Safeguarding of Assets** – Review the means of safeguarding assets and, as appropriate, verify the existence of such assets.
- **Effectiveness and Efficiency of Operations and Programs** – Appraise the effectiveness and efficiency with which resources are employed.
- **Achievement of the Organization's Strategic Objectives** – Review operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.

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I. Compliance with Texas Government Code 2102: Required Posting of Internal Audit Information

To comply with the provisions of Texas Government Code 2102.015 and the State Auditor's Office guidelines, within 30 days of approval by the TSBP's Board, TSBP will post the following information on its website:

- An approved fiscal year 2022 audit plan, as provided by Texas Government Code, Section 2102.008.
- A fiscal year 2021 internal audit annual report, as required by Texas Government Code, Section 2102.009.

The internal audit annual report includes any weaknesses, deficiencies, wrongdoings, or other concerns raised by internal audits and other functions performed by the internal auditor as well as the summary of the action taken by TSBP to address such concerns.

II. Consulting and Nonaudit Services Completed

The internal auditor did not perform any consulting services, as defined in the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* or any non-audit services, as defined in the *Government Auditing Standards, 2018 Revision*, Sections 3.64-3.106.

III. External Quality Assurance Review

The internal audit department's most recent *System Review Report*, dated November 16, 2018, indicates that its system of quality control has been suitably designed and conforms to applicable professional standards in all material respects.

IV. Internal Audit Plan for Fiscal Year 2021

The approved Internal Audit Plan (Plan) included one audit to be performed during fiscal year 2021. The Plan also included a follow-up of the prior year internal audit recommendations that were not fully implemented as of fiscal year ended August 31, 2020; other tasks as may have been assigned by the Board; and, preparation of the fiscal year 2021 Internal Audit Annual Report.

Risk Assessment

Utilizing information obtained through the completed questionnaires received and background information reviewed, 13 audit areas were identified as potential audit topics. A risk analysis utilizing 8 risk factors, was completed for each of the 13 potential audit topics and then compiled to develop an overall risk assessment.

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Following are the results of the risk assessment performed for the 13 potential audit topics identified:

HIGH RISK	MODERATE RISK	LOW RISK
Inspections Information Technology	Licensing: Pharmacies Licensing: Pharmacists/ Interns/ Preceptors HR/ Payroll Procurement/ Contract Management/ HUB Accounting & Financial Reporting/ Travel	Complaints/ Investigations Prescription Monitoring Program (PMP) Compliance Monitoring/ Peer Assistance Licensing: Pharmacy Tech & Trainees Fixed Assets/ Fleet Management Records Management

In the prior 3 years, the following internal audits and other functions were performed:

Fiscal Year 2020:

- Risk Assessment & Preparation of the Internal Audit Plan
- Inspections Audit
- Follow-up of the Prior Year Internal Audits
- Preparation of the Internal Audit Annual Report

Fiscal Year 2019:

- Risk Assessment & Preparation of the Internal Audit Plan
- Accounting & Financial Reporting Audit
- Follow-up of Post-Payment Audit Dated July 20, 2018
- Follow-up of Prior Year Internal Audit
- Preparation of the Internal Audit Annual Report

Fiscal Year 2018:

- Risk Assessment & Preparation of the Internal Audit Plan
- Prescription Monitoring Program (PMP) Audit
- Preparation of the Internal Audit Annual Report

The internal audit and other tasks performed for fiscal year 2021 were as follows:

Report No.	Audits/Report Titles	Completion Date
1.	Compliance Monitoring/Peer Assistance Area (Area) <i>Objective:</i> To determine whether TSBP's policies and procedures and internal processes in place over the Compliance Monitoring/Peer Assistance Area provide reasonable assurance of compliance with state and federal requirements; and, whether established internal controls are operating effectively.	6/21/2021
1.	Annual Internal Audit Report – Follow-Up of Prior Year Internal Audits	6/21/2021
-	Other Tasks Assigned by the Board or Management.	None

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V. Executive Summary

Compliance Monitoring/Peer Assistance

Background

TSBP's governing board (Board) has authority to discipline a pharmacist or a pharmacy student under its jurisdiction (collectively, "pharmacist") for reasons specified in the Occupations Code Chapter 565, by issuing a disciplinary order ("order") or a remedial plan ("plan") that result in sanctions including fines, suspension or restriction of license, and other terms and conditions the respondent pharmacist must fulfil. Orders and plans are public information unless they relate to pharmacists who are impaired by chemical abuse, or mental or physical illness.

Under the oversight of the Director of Enforcement, the Enforcement Program Manager (Manager) and his staff are responsible for monitoring the licensees' compliance with terms and conditions of the order or plan until their expiration. The key activities of the Compliance Monitoring/Peer Assistance area (Area) include:

- a. administrative processing of orders and plans;
- b. compliance monitoring, including a follow-up of noncompliance with terms and conditions of orders or plans; and,
- c. preparation of administrative reports.

The Area has developed the Policy and Procedure Manual (P&P) and stand-alone written procedures that accompany the P&P, to clearly document policies and procedures, and processes implemented by the Area.

The Area's activities generally begin when a new order or plan is approved by the Board. The Area assigns orders to one of the 3 Enforcement Specialists (ES), based on the ES' experience level. Thus, orders are assigned in the following sequence, with those listed in "a" being assigned to the most senior ES.

- a. confidential disciplinary orders on impaired pharmacists and students;
- b. public disciplinary orders on pharmacists, students, and pharmacies; and,
- c. disciplinary orders on technicians and tech trainees.

The ES is responsible for processing and monitoring their assigned orders and plans. As part of these activities, the assigned ES prepares a cover letter detailing compliance requirements provided in the order, attaches a copy of the order and other relevant documents to the cover letter, obtains review and approval of the cover letter and attachments from the Manager, and mails them to the respondent of the order/plan. The ES also enters the order/plan information into the Versa Regulation database system (Versa). All Versa entries are reviewed by the Manager for accuracy and for proper classification of confidential orders. Documents relating to confidential orders; such as, drug screen test results and quarterly reports submitted by pharmacists, are separately saved in a designated Monitoring folder in an agency drive.

The Area monitors the pharmacists' compliance by using various tools, with the following being the most prevalent:

- a. *Special Monitoring* spreadsheet is manually maintained to track due dates that potentially affect license status.
- b. *Past-Due Compliance Report* is generated monthly from Versa to identify past-due compliance requirements.

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In addition, TSBP contracts with contractors to operate a peer assistance program (described below) and to conduct drug screening.

Peer Assistance Program (PAP)

Occupations Code Chapter 546, *Program to Aid Impaired Pharmacists and Pharmacy Students; Pharmacy Peer Review*, established TSBP's PAP. TSBP contracts with the Professional Recovery Network (PRN), a nonprofit organization within the Texas Pharmacy Association, to administer the PAP. The minimum criteria, as required by the Occupations Code, for the administration or enforcement of the PAP are established in TSBP's Request for Proposal (RFP). Occupations Code Sec. 564.052 requires that such minimum criteria be at least as strict as the rules for the administration and enforcement of a PAP adopted by the Health and Human Services Commission in 26 TAC 8. Participation in the PAP is either mandatory through Board order or voluntary through self- or third-party referral. TSBP and PRN closely communicate in monitoring Board-ordered participants; however, identity of voluntary participants (volunteers) is not shared with TSBP unless PRN's Peer Support Committee, which advocates for participants, determines that referral to TSBP is necessary in protecting the public from unsafe practice. During the period from September 1, 2020 to February 28, 2021, 77 Board-ordered pharmacists, 1 Board-ordered student, 38 volunteer pharmacists, and 7 volunteer students participated in the PAP.

PRN is headed by a Program Director, who is a licensed mental health professional, and staffed with 3 case managers. Pharmacists referred to PRN first complete the intake process with a case manager, and are then referred to a PRN-approved mental health professional (MHP), located throughout Texas, for a mental health/substance abuse evaluation. The MHP evaluates the pharmacist using the minimum criteria set forth by PRN, and refers the participant to an appropriate level of treatment, which is typically for a 5-year period. A participant must sign a PRN Support Agreement, which includes a clause authorizing the participant information to be disclosed to TSBP in the event of noncompliance with the terms of the Agreement. PRN monitors all participants' compliance, including check-ins and drug screen tests, and reports all results to TSBP on a monthly basis, without disclosing the identity of volunteers.

TSBP's contract monitoring is incorporated into contractual requirements, as documented in the RFP and PRN's corresponding responses in its proposal. PRN must comply with various provisions in the RFP, including:

- a. establishment of an advisory committee, consisting of various stakeholders, to oversee the PAP; and, a grievance committee to evaluate participants' noncompliance and to review complaints directed toward the PAP or PRN;
- b. maintaining effective controls to ensure confidentiality;
- c. monthly communication with each participant;
- d. submitting periodic reports (monthly statistical data, quarterly expenditures and performance measures, annual program activity) to TSBP; and,
- e. maintaining policy and procedure manual.

Administration of the PAP is funded by a pharmacist license and renewal surcharge not to exceed \$10 for each 12-month license period, as authorized by the Occupations Code Sec. 564.051. Participants are responsible for the costs of treatment or rehabilitation beyond initial intake and evaluation. The current PAP contract with PRN was awarded on July 26, 2019, and terminates on August 31, 2021, with up to 2 optional 2-year renewals at TSBP's discretion.

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Performance Measures

There are currently 3 performance measures designed to evaluate the PAP:

Outcome measures

- Recidivism Rate for Peer Assistance Programs (non-key)
- One-year Completion Rate for Peer Assistance Program (non-key)

Output measure

- Number of Licensed Individuals Participating in a Peer Assistance Program (key)

The Output (key) measure is reported to the Board and the Legislative Budget Board on a quarterly basis; and, the outcome (non-key) measures are reported to the Board annually. The measures are manually collected by PRN. Since TSBP is restricted from accessing volunteers' information held by PRN to verify accuracy, PRN contracts with a third-party auditor to perform agreed-upon procedures (AUP) as of each fiscal year end. As part of the AUP, the auditor validates the accuracy of performance measures as well as the number of students participating in the PAP.

Audit Objective, Scope, And Methodology

Objective

The objective of our audit was to determine whether TSBP's policies and procedures and internal processes in place over the Compliance Monitoring/Peer Assistance Area (Area) provide reasonable assurance of compliance with applicable state and federal requirements; and, whether established internal controls are operating effectively.

Scope

The scope of the audit was TSBP's compliance monitoring of pharmacists with active confidential Board orders and the Peer Assistance Program (PAP) activities for the 8-month period from September 1, 2020 through April 30, 2021 (audit period).

Methodology

The audit methodology included a review of applicable laws and regulations; TSBP's established policies and procedures, and other internal and external documentation; and, interviewing and corresponding with selected TSBP employees.

We obtained and/or reviewed the following internal and external documentation:

- A. Occupations Code Chapters 564 and 565.
- B. Organizational chart of the Area and duties for the staff responsible for the Area's activities.
- C. TSBP Policy and Procedure Manual – *Monitoring Policies and Procedures Relating to Monitoring Compliance and Terms of Disciplinary Orders*; and accompanying stand-alone procedures.
- D. Sample documents such as confidential board order, cover letter template, and Past-Due Compliance Orders report.
- E. Request for Proposal (RFP) 515-19-0001 with PRN proposals.
- F. PRN compliance reports:
 - (1) Quarterly Activity and Expense reports for Q1 and Q2, FY 2021.
 - (2) Monthly statistical data report for September 2020 through April 2021.
- G. PAP performance measure definitions included in TSBP Strategic Plan 2021-2025.
- H. Performance measures reporting and supporting documentation for:
 - (1) FY 2020 Outcome measures reported to the Board on November 3, 2020.
 - (2) Q2 FY 2021 Output measure reported to the LBB on 4/12/2021 and to the Board on May 11, 2021.
- I. Texas Pharmacy Association, Professional Recovery Network, Pharmacy Peer Assistance Program, *Independent Accountant's Report On Applying Agreed-Upon Procedures* for Program Year Ended August 31, 2020.

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We performed various procedures to achieve the objective of our audit; to include, the following:

1. Reviewed and obtained an understanding of state and federal laws and regulations, and other requirements as applicable to the Area.
2. Reviewed the Area's policies and procedures, monitoring reports, templates, and other documentation; and, conducted a walk-through and interviews with selected employees, to obtain an understanding of controls, processes, and current practices in place over the Area, and to evaluate whether such controls adequately ensure compliance with applicable requirements identified in procedure 1 above.
3. Reviewed internal controls for safeguarding information related to confidential Board orders managed by TSBP.
4. Reviewed the RFP and PRN compliance reports submitted to TSBP during the audit period to assess TSBP's oversight of PRN and PRN's compliance with reporting requirements.
5. Reviewed PRN Agreed-Upon Procedures report to determine whether the agreed-upon procedures are adequate in validating performance measures reported by PRN, based on the definitions contained in TSBP's Strategic Plan.
6. For performance measures:
 - (1) Agreed the FY 2020 Outcome measures to the PRN Agreed-Upon Procedures report.
 - (2) Agreed the Quarter 1 and Quarter 2, FY21 Output measure to the PRN LBB report.

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VI. Observations/Findings and Recommendations**SUMMARY and RELATED RATING of OBSERVATIONS/FINDINGS and RECOMMENDATIONS**

As TSBP's internal auditors, we used our professional judgment in rating the audit findings identified in this report. The rating system used was developed by the Texas State Auditor's Office and is based on the degree of risk or effect of the findings in relation to the audit objective(s). The table below presents a summary of the observations/findings in this report and the related rating, as applicable.

Summary of Observations/Findings & Recommendations and Related Ratings		
Finding No.	Title	Rating
1	Performance Measure	Low
<i>Observation</i>		
1	PAP Rules or Minimum Criteria	-
<u>Description of Rating</u> A finding is rated <i>Priority</i> if the issues identified present risks or effects that if not addressed could <u>critically affect</u> the audited entity's ability to effectively administer the programs(s)/function(s) audited. Immediate action is required to address the noted concern(s) and reduce risks to the audited entity. A finding is rated <i>High</i> if the issues identified present risks or effects that if not addressed could <u>substantially affect</u> the audited entity's ability to effectively administer the programs(s)/function(s) audited. Prompt action is essential to address the noted concern(s) and reduce risks to the audited entity. A finding is rated <i>Medium</i> if the issues identified present risks or effects that if not addressed could <u>moderately affect</u> the audited entity's ability to effectively administer programs(s)/function(s) audited. Action is needed to address the noted concern(s) and reduce risks to a more desirable level. A finding is rated <i>Low</i> if the audit identified strengths that support the audited entity's ability to administer the programs(s)/function(s) audited <u>or</u> the issues identified do not present significant risks or effects that would negatively affect the audited entity's ability to effectively administer the programs(s)/function(s) audited.		

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OBSERVATIONS/FINDINGS and RECOMMENDATIONS

Report No.	Report Date	Name of Report	Observations/ Findings and Recommendations	Fiscal Impact/ Other Impact
1	6/21/2021	Compliance Monitoring/ Peer Assistance	<p>1. Performance Measure</p> <p>Peer Assistance Program's (PAP) output is measured by the number of pharmacists and pharmacy students participating in the PAP during the fiscal year. Since the identity of voluntary participants is not disclosed to TSBP, data for Board-ordered and voluntary participants is collected separately by TSBP and PRN, respectively. PRN contracts with a certified public accountant to perform agreed-upon procedures to validate its measures. The combined data is then reported to LBB and the TSBP's Board on a quarterly basis.</p> <p>Our review of the output measure reported for Quarter 1 and Quarter 2 of fiscal year 2021 disclosed that, in each quarter, the output measure was underreported by 6, which is the number of voluntary students as of Quarter 1 of fiscal year 2021. The underreporting was caused by TSBP incorrectly reducing the reported totals by the voluntary student participants. The following measures and reporting were affected:</p> <ul style="list-style-type: none"> • Number of licensed individuals in PAP (Board-ordered and voluntary), as reported to the LBB. • Number of voluntary pharmacists monitored by PRN, as reported to the Board. <p>Recommendation</p> <p>We recommend that TSBP implement a quality control review process that will ensure the accuracy of performance measure data collection, calculation, and reporting to the LBB and the Board.</p> <p>Management's Response</p> <p>Beginning for 4th quarter FY21 and going forward on quarterly basis, TSBP staff will meet with the PRN director to discuss in detail how many new participants that PRN added for the prior quarter. For each quarter, the meeting will review data to be reported and include a verification and confirmation process of participants to ensure accurate reporting of data.</p> <p style="text-align: center;"><i>Observation</i></p> <p>1. Peer Assistance Program (PAP) Rules or Minimum Criteria</p> <p>Occupations Code Sec. 564.052 requires that TSBP adopt rules or minimum criteria that are at least as strict as the rules or minimum criteria for the administration or enforcement of a PAP adopted by the Texas Commission on Alcohol and Drug Abuse (which is now part of the Department of State Health Services (DSHS)) under Chapter 467, Health and Safety Code. DSHS's referenced rules are found in Title 6 of the Texas Administrative Code (TAC), Chapter 8, <i>Peer Assistance Programs for Impaired Professionals</i>.</p> <p>TSBP has developed minimum criteria for its PAP and incorporated them in the Request for Proposal (RFP) for contracted PAP service. We compared the RFP's minimum criteria to 6 TAC 8, and observed that the following TAC rules are not explicitly included as minimum criteria in the RFP:</p> <ul style="list-style-type: none"> • §8.115(c), relating to requiring a professional in recovery to be involved in program and policy development. • §8.119(a), relating to prohibiting the PAP and any individual associated with it from accepting compensation for referrals. 	<p>To ensure adequate control over accuracy of performance measures.</p> <p>Compliance with Occupations Code Sec. 564.052.</p>

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Report No.	Report Date	Name of Report	Observations/ Findings and Recommendations	Fiscal Impact/ Other Impact
1	6/21/2021	Compliance Monitoring/ Peer Assistance	<p>Recommendation</p> <p>We recommend that TSBP review and revise its next RFP for PAP contract services to ensure that minimum criteria in the RFP are at least as strict as 6 TAC 8, as required by OC Sec. 564.052.</p> <p>Management's Response</p> <p>Future RFP language will modify and add to existing RFP section 2.12 to require that at least one member of the three member advisory committee be an individual in current or sustained recovery from a substance use condition(s) and mental health condition(s).</p>	

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Report No.	Report Date	Name of Report	Observations/ Findings and Recommendations	Status (Fully Implemented, Substantially Implemented, Incomplete/ Ongoing, or Not Implemented) with explanation if not yet fully implemented
1	6/21/2021	2021 Follow-up	<p>Follow-Up of Prior Year Audits</p> <p><i>Following is the status of the recommendations made during previous fiscal years that had not been fully implemented.</i></p> <p><u>Accounting and Financial Reporting (Report Dated 3/1/2019)</u></p> <p>1. AFR/USAS Balances</p> <p>TSBP should implement procedures that ensure financial information in USAS reconciles to supporting data sources.</p> <p>OBSERVATION</p> <p>1. AFR Submission Deadlines</p> <p>TSBP should implement procedures to ensure compliance with the Comptroller's AFR submission deadlines.</p> <p><i>Explanation for FY21 Status</i></p> <p><i>Due to this process now being performed by the Financial Reporting Section of the Texas Comptroller, this finding is no longer applicable.</i></p> <p><u>Inspections (Report Dated 5/15/2020)</u></p> <p>1. Review, Approval, and Quality Control</p> <p>TSBP should develop and implement a quality assurance process for inspections of resident pharmacies to help management identify issues, deficiencies; and, opportunities for improvement, in a timely manner.</p> <p>2. Inspection Report</p> <p>TSBP should finalize the class B inspection manual, reassess the inspection report used for class A-S, class B, and class C-S pharmacies; and/or, develop and implement procedures that will provide evidence that each applicable compliance requirement was inspected</p> <p>3. Inspections Scheduling</p> <p>TSBP should consider the development and implementation of a risk-based, quantifiable tracking methodology at the managerial level to ensure compliance inspections are scheduled based on risk. Risk factors should include the time since the last inspection, priority follow-up inspections, etc.</p>	<p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p>

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Report No.	Report Date	Name of Report	Observations/ Findings and Recommendations	Status (Fully Implemented, Substantially Implemented, Incomplete/ Ongoing, or Not Implemented) with explanation if not yet fully implemented
1	6/21/2021	2021 Follow-up	<p>4. Written Procedures</p> <p>The Area should periodically review and revise, as applicable, the Manual to ensure written procedures reflect current operating procedures.</p> <p>5. Code of Professional Responsibility</p> <p>TSBP should adopt a stand-alone code of professional responsibility to effectively communicate the expectations to TSBP and vendor inspectors.</p> <p>6. Inspections Data Entry</p> <p>TSBP should evaluate the current job distribution and consider allowing inspectors to enter inspection report data into Versa, where appropriate. Furthermore, TSBP should consider developing an interface between Versa and Inspection Editor to automate the data feed from the platform to the database.</p> <p><i>Explanation for FY21 Status</i></p> <p>TSBP is in the testing phase of exporting all inspections data in the Inspection Editor into the Versa system, that will result in bypassing manual entry.</p> <p>7. Travel Reimbursements</p> <p>The compliance department should utilize the agency's travel coordinator when booking lodging for quarterly meetings; and, provide travel expense training to the inspectors</p>	<p>Fully Implemented</p> <p>Fully Implemented</p> <p>Substantially Implemented</p> <p>Fully Implemented</p>

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VII. External Audit Services Procured in Fiscal Year 2021

TSBP procured the internal audit services documented in the approved Internal Audit Plan for fiscal year 2021. No other external audit services were performed.

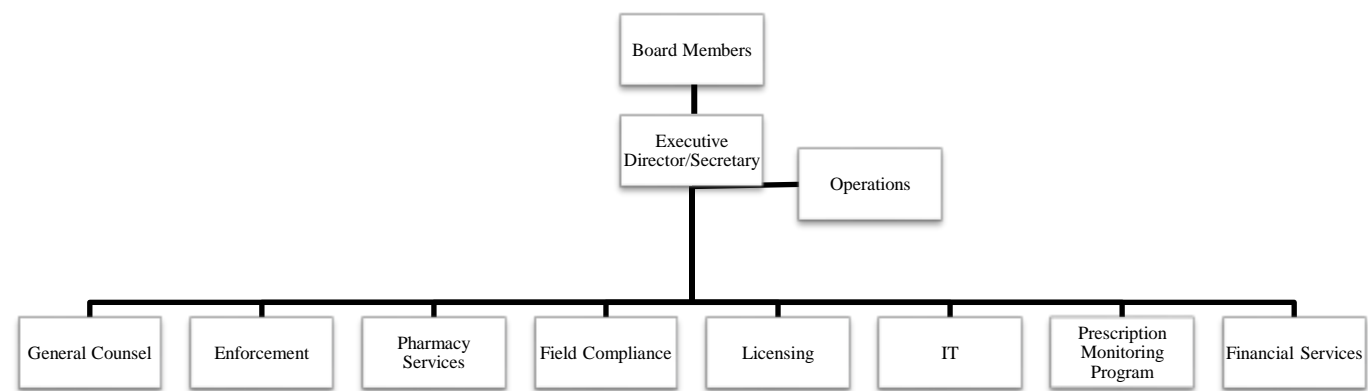
VIII. Reporting Suspected Fraud and Abuse

TSBP has provided information on their website home page on how to report suspected fraud, waste, and abuse to the State Auditor's Office (SAO) by posting a link to the SAO's fraud hotline. TSBP has also developed a Fraud Prevention and Detection Plan that provides information on how to report suspected fraud, waste, and abuse to management and/or the SAO.

IX. Internal Audit Plan for Fiscal Year 2022

TSBP procured the services of another internal audit consultant to perform their internal audit activities. As such the internal audit plan for fiscal year 2022 will be developed by that consultant.

X. Organizational Chart



Source: TSBP