

**UNIVERSITY OF CALIFORNIA, DAVIS
AUDIT AND MANAGEMENT ADVISORY SERVICES**

Cardiac Inventory

Audit & Management Advisory Services Project #23-12

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MANAGEMENT SUMMARY

Background

As part of the fiscal year (FY) 2023 audit plan, Audit and Management Advisory Services (AMAS) conducted a planned audit of inventory controls at the University of California Davis Health (UCDH) Heart & Vascular Center.

The Heart and Vascular Center (The Department) is comprised of invasive and noninvasive departments. Invasive cardiology is split into three cost centers: Catheterization Laboratory (Cath Lab), Operating Room 45 (OR45), and Electrophysiology (EP).

Purpose and Scope

The purpose of this review was to assess controls over consumable inventory items used in cardiovascular care. AMAS also reviewed processes in place to ensure that staff were preparing and providing the correct supplies for patient cases.

To conduct our review of inventory controls, we spoke with personnel and reviewed documentation from the Cath Lab, OR45, and EP, and performed a physical walkthrough of these locations and their supplies storage. We performed testing to assess controls in place to secure inventory items; reviewed the processes in place to track inventory items; assessed the inventory ordering and reconciliation processes; and interviewed staff to determine the cause of physician complaints in relation to supplies not being readily available in patient care rooms.

Additionally, we reviewed Reprax system logs and compared them to the Department's vendor visits calendar for the period of January 1, 2023, to April 30, 2023. ¹

General ledger (GL) analysis was not intended to be a part of the scope of this review, but charges in question were discovered and we expanded the scope to include comparison of Cath Lab GL reports against Cath Lab supplies invoices. The period under review was January 1, 2023, to April 13, 2023.

Conclusion

We observed that staff are dedicated to improving inventory controls and internal processes, and to ensuring that supplies are readily available to meet patient care needs. We found that outdated storage room designs, inadequate supplies storage space, and outdated patient care room cabinetry (referred to as "casework") are the leading causes of issues related to tracking of supplies inventory and the ability of staff to accommodate physician requests. The Department is actively working with Facilities Design and Construction to address these issues.

We observed issues related to the physical security of inventory: Not all storage rooms are secured by a badge reader. After we alerted management, the Department submitted a

¹ Reprax is UCDH's vendor credentialing system that helps track and manage vendor requirements and credentials.

workorder to correct this condition. In addition, we observed that a security camera was not installed outside of the Cath Lab supply storage room.

We found that the Department is not always ensuring that visiting vendors' and suppliers' representatives have checked in and obtained a badge from Reprax prior to permitting them to enter restricted areas.

We determined that the Department's purchasing practices did not ensure that items were always coded to the correct account.

Finally, we observed that many of the Department's inventory processes are manual, which increases the risk of errors as well as staff workload.

Details of these observations along with management corrective actions are included in the body of this report.

Observations, Recommendations, and Management Corrective Actions**A. Controls in place to secure inventory****1.) There is no camera present outside of the Cath Lab supply room.**

During our physical walkthrough, the Materials Management Supervisor advised us that the Cath Lab supply room does not have a security camera present outside of the room. Per PPM 350-60.III.A.8, the department head in charge of maintaining supplies inventory is responsible for establishing safeguards to protect supply inventory from theft, expiration, or other loss. Installing a security camera will help to prevent theft and other types of loss.

Recommendation

- The Department should initiate the process to install a security camera outside of the supply room.

Summary of Actions Taken

The Department has initiated a Service Now request to install a security camera outside of the supply room. The Department has also requested repositioning of the camera within the storeroom so that it points towards the supplies.

B. Processes to ensure that vendor and supplier representatives have met the requirements to enter a UCDH department**1.) The Department is not checking that all vendor and supplier representatives have obtained a badge from Reprax prior to allowing them to enter.**

UCDH is committed to maintaining the highest ethical standards in clinical and business practices. To achieve this commitment, UCDH has established policies and procedures to govern vendor and supplier on-site visits. All representatives who wish to visit a UCDH facility must have a prescheduled appointment with a UCDH member and must have completed the Reprax registration process.

By comparing the Department's vendor visits calendar to the corresponding Reprax logs, we determined that the Department is not always checking for Reprax badges prior to allowing vendor and supplier representatives to enter restricted areas. Our testing sample covered vendor and supplier visits for the period of January 1, 2023, and April 30, 2023, and we observed that fewer than 10% of vendors on the Department's vendor visits calendar had been preapproved in Reprax. Interviews with Department staff confirmed that the practice was not to check to ensure that vendors have Reprax badges. We also found that some of the representatives who

visited the Department had received Reprax denials due not meeting required credentials.

Recommendation

- The Department will provide a documented process for restricting access by vendors who are not checked into Reprax.

Summary of Actions Taken

The Department has developed written procedures to ensure that staff are checking vendors for Reprax badges prior to permitting them to enter restricted areas. The Department has also implemented a vendor sign-in sheet at the front desk and has educated their staff and vendors on Reprax compliance requirements.

C. Processes to receive supplies deliveries

1.) The Department is leaving supplies shipments unattended in common spaces.

Supplies are delivered to the Department by UCDH Central Receiving daily. Due to space related issues within the department, supplies are stored in a hallway or in employee offices until there is a staff member available to receive and stock the supplies. Storing supplies in common spaces increases the risk of theft or damage.

Recommendation

- The Department should explore possibilities for reducing the amount of time that shipments are left unattended and in common spaces.

Summary of Actions Taken

The Department met with UCDH Distribution Services to develop a daily delivery schedule. The Department has also scheduled a staff member to be available to receive and stock the deliveries by the end of each day.

D. Items master

1.) Purchasing practices do not ensure that items are coded to the correct account.

The GL indicated that medical supplies that are not used in cardiovascular care were coded to the Department's accounts.

We reviewed relevant transaction and determined that those supplies were erroneously coded to the Department's accounts in the item master.

Recommendation

- The Department should correct its item master.

Management Corrective Action

- a. By October 15, 2023, the Department will correct the item master.

E. Administrative processes

1.) Not all of the Department's information systems interface, which increases staff workload and risk of errors.

A review of inventory purchasing, receiving, and reconciliation processes revealed that the Department's processes require intensive manual effort. Interfacing of the Department's inventory management system, Centricity Cardio Workflow (CCW), with other relevant UCDH systems can help to reduce manual processes and in turn reduce staff workload and the risk of errors. It would also increase the accuracy of information across systems.

Recommendation

- The Department should explore solutions for increased systems integration and data availability during patient encounters.

Management Corrective Action

- a. By September 30, 2023, the Department will obtain final sign-off on their workplan for the EPIC Cupid EMR module.
