



Narcotic and Controlled or Targeted Substances Reconciliation

From the Webster's online dictionary:

Reconciling:

4 a: to check (a financial account) against another for accuracy; b: to account for

As provided for in the SCPP document, "*Responsibilities of the Pharmacy Manager*":

B. Narcotic and Controlled Drugs

The pharmacy manager:

- a) *is ultimately accountable for record keeping, the acquisition, storage and distribution of Narcotic and Controlled Drugs, according to the pertinent governing legislation.*
- b) *retains the right to designate which pharmacists may have signing authority for purchasing Narcotic and Controlled Drugs in a specific pharmacy.*

The record keeping requirements regarding receipt, sales and destruction of narcotic and controlled drugs are outlined in *The Controlled Drugs and Substances Act (CDSA)*, *Narcotic Control Regulations*, the *Benzodiazepines and Targeted Substances Regulations* and Part G of the *Food and Drug Regulations*. Along with specific prescription requirements, accurate purchase and sales records, as well as secure storage of products are required within the pharmacy. As well, any loss or theft, including forgeries, is to be reported to the Minister (Federal Minister of Health) within ten (10) days of its discovery.

An inventory count of the narcotic and controlled drugs should be done on a routine basis but this alone is not reconciliation. It simply provides an inventory. A review of purchases, sales and inventory together using the pharmacy's records (reconciliation) will identify any losses or discrepancies.

It is essential to keep your unique personal access wholesale ordering code for controlled substances secure at all times. No one other than the person to whom the order code belongs should be using it to order CDSA products.

Reconciliation

It is important not to rely solely on your computer system's inventory control management system for reconciliation. If there is inadequate security for the ordering, receiving or distribution of controlled substances in the pharmacy, the pharmacy manager may be relying on inaccurate or incomplete information. One method of diversion is to use another person's ordering code and to intercept those orders (and invoices) before they are received into stock and put into the computer. The person whose code is utilized then becomes accountable for the missing products. Most wholesales now have online access to your account 'ordering' information and can provide you with a list of all purchases for CDSA products. A quarterly review of wholesale orders can identify suspected diversion.

When performing reconciliation, it is best to reconcile each specific brand of a particular drug separately. Do not include expired medications or medications which are slated to be returned

to the wholesale in your first reconciliation. Ensure your sources of information are accurate and up to date, including purchase records (as above) and sales reports. This is a good opportunity to review your sales records to ensure reports contain all the required information. Sales reports must include all “reportable” drug products as per the Regulations.

If your pharmacy software system is capable of generating an inventory report that details perpetual inventory, you can review this report. However, diligence will be required to ensure the accuracy of the data inputted into the computer to ensure no information has been missed. Also take into consideration any prescriptions which have “owed” quantities still outstanding.

Decide upon the date range of your reconciliation. Your first reconciliation should review at least one year of records; subsequent reconciliation time frames will depend upon how often you wish to do inventory counts and reconciliations, but the less data you have to work through, the easier the process will be. If you intend to keep an ongoing reconciliation log, document the last narcotic, controlled or targeted (BZD) drug prescription filled, count your inventory before filling any more prescriptions, and then proceed to examine your records. If possible, your date range should begin with the date of your last inventory. Any discrepancies should then be investigated for causes and record keeping errors should be corrected. Future reconciliations may also need to consider products returned to the wholesale as well as those which have expired.

Reconciliation involves comparing sales and current inventory with purchases. A thorough review of any discrepancies should include a review of the records, your ordering/receiving systems, your security systems, your storage systems, and your present and previous inventory counts.

Adjustments to Inventory

The pharmacy manager should decide which pharmacy staff members are authorized to adjust inventory and under what specific protocol. Computer permissions and restrictions should be set by ‘user group’ (i.e. pharmacist, pharmacy technician, pharmacy assistant) for narcotic, controlled and benzodiazepine drug products.

When the on-hand inventory is adjusted either on the computer or manual records such adjustments should be reviewed by the pharmacy manager as part of the reconciliation process. An on-hand adjustment made to the computer inventory should require a login and password along with a documented reason for the adjustment. Documentation should be retained that supports the reasons for the adjustment and should be reviewed as part of the reconciliation.

Any inventory adjustments should only be made once a thorough review of records (purchase records, sales records, computer records and prescription records, etc.) has been completed.

Security Review

Although federal requirements only speak to “adequate precautions”, all pharmacy managers are encouraged to review security in conjunction with trends in inventory discrepancies, loss and thefts and other concerns. A locked cabinet or safe is recommended when multiple staff members have access to the pharmacy inventory. Keys and security codes should be limited to those pharmacy staff who require access to the inventory. Money should not be stored with the inventory if possible. Keys should not be left unattended (i.e. in unlocked drawers) and codes should not be shared.

Tips and Suggestions

- Reconcile your inventory four times per year, and more frequently for high volume medications;
- Double count medications at the time of dispensing (ideally by two different pharmacy staff members);
- Keep careful track of medication 'shorts' or 'owes' (if an owe is older than one month call the patient to see if they still require the medication and if they do not, remove the 'owe' from the system);
- Print a monthly narcotic report of all narcotic, controlled, benzodiazepine and targeted drugs dispensed and review it for unusual patients or quantities of medications;
- Check the PIP failed transaction report for unusual prescriptions and 'out of province' patients;
- Review the drug inventory history report regularly for manual adjustments;
- Compare invoices to the drug receiving history in the computer (and with your online wholesale report) – your accountant/book-keeper may also alert you to unusual purchases for which invoices do not match or exist; and,
- Whenever possible have two people count inventory and rotate the staff who count inventory so that the counts are as random as possible.

Unexplained losses are to be reported to Health Canada and the SCPP office.

National Compliance Section

Office of Controlled Substances Health Canada

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<http://www.hc-sc.gc.ca/contact/dhp-mps/hecs-dgsesc/ocs-bsc-eng.php>

Email: national_compliance_section@HC-SC.GC.CA

Phone: 613-954-1541 / 1-866-569-2560

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Loss and Theft Report Form: <https://www.canada.ca/en/health-canada/services/health-concerns/controlled-substances-precursor-chemicals/controlled-substances/compliance-monitoring/loss-theft-forgery/loss-theft-report-form.html>

Completed "Loss and Theft Reports" should be faxed to the SCPP office at 306-584-9695.

Questions?
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