



UNC
HEALTH CARE

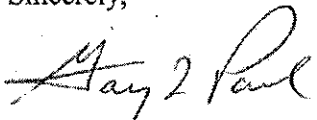
January 16, 2008

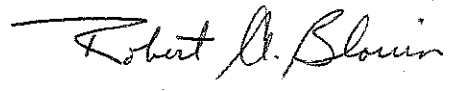
The Office of the State Auditors
Attn: Tim Hoegemeyer
20601 Mail Service Center
Raleigh, NC 27699-0601

Dear Mr. Hoegemeyer,

The attached report is a joint response from the University of North Carolina Hospitals and the University of North Carolina School of Pharmacy in follow-up to the State Audit report issued on June 28, 2007. We have read and approve of the statements made on the report.

Sincerely,


Gary L. Park
President, UNC Hospitals


Robert Blouin
Dean, UNC School of Pharmacy

**Special Review of
UNIVERSITY OF NORTH CAROLINA HOSPITALS / UNIVERSITY OF NORTH CAROLINA SCHOOL OF PHARMACY
Recommendations Follow-up**

INSTRUCTIONS: Please check the appropriate box under "Implementation Status". Also supply other information as relevant. Please return the completed worksheet and supporting documentation by **JANUARY 18, 2008**, to Tim.Hoegemeyer@ncauditor.net or mail to Tim Hoegemeyer, 20601 Mail Service Center, Raleigh, NC 27699-0601.

RECOMMENDATION	IMPLEMENTATION STATUS Please provide documentation supporting implementation status for each recommendation.
<p>1. THE UNC HOSPITALS PHARMACY DIRECTOR SUBMITTED HIS SON'S TRAVEL EXPENSES FOR REIMBURSEMENT TO THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL.</p> <p>As noted in the report, the Director reimbursed the University \$1,202 for the above overpayment. However, UNC Hospitals should consider appropriate disciplinary action concerning the Director's conduct in accordance with internal policy. In addition, UNC Hospitals and the University should consider developing a policy that either limits the reimbursement of expenses for employees in dual-employment status to the primary employer or provides for a comprehensive annual review and reconciliation of compensation and expense reimbursements for employees in this status.</p>	<p> <input checked="" type="checkbox"/> Fully implemented <input type="checkbox"/> Partially implemented _____% complete (Explain below) <input type="checkbox"/> Not implemented (Explain below) </p> <p>As a general principle, the School requires the dual employee to obtain reimbursement through the primary employer, preferring to reimburse that employer, unless the employer or the employee specifically request otherwise. In such exceptional cases, the School of Pharmacy now requires dual employees to sign a statement that he/she has not requested reimbursements for those expenses from other employer. The School also has a Travel Reimbursement Processing Checklist that we go through to ascertain if an employee is dual employee and the required Statement is provided by the employee.</p>
<p>2. THE UNC HOSPITALS PHARMACY DIRECTOR RECEIVED DUPLICATE TRAVEL REIMBURSEMENTS FROM UNC HOSPITALS AND THE UNIVERSITY</p> <p>The Director should reimburse the University \$693.39 for the duplicate reimbursements described above. UNC Hospitals should also consider appropriate disciplinary action concerning the Director's conduct in accordance with internal policy. In addition, UNC Hospitals and the University should consider developing a policy that either limits the reimbursement of expenses for employees in dual-employment status to the primary employer or provides for a comprehensive annual review and reconciliation of compensation and expense reimbursements for employees in this status.</p>	<p> <input checked="" type="checkbox"/> Fully implemented <input type="checkbox"/> Partially implemented _____% complete (Explain below) <input type="checkbox"/> Not implemented (Explain below) </p> <p>As a general principle, the School requires the dual employee to obtain reimbursement through the primary employer, preferring to reimburse that employer, unless the employer or the employee specifically request otherwise. In such exceptional cases, the School of Pharmacy now requires dual employees to sign a statement that he/she has not requested reimbursements for those expenses from other employer. The School also has a Travel Reimbursement Processing Checklist that we go through to ascertain if an employee is dual employee and the required Statement is provided by the employee. As an additional note, this Pharmacy Director is no longer employed by UNC Hospitals.</p>

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<p>3. UNC HOSPITALS AND THE UNIVERSITY REIMBURSED THE PHARMACY DIRECTOR FOR HIS SON'S CELLULAR TELEPHONE CHARGES.</p> <p>The Director should reimburse UNC Hospitals \$1,123 and the University \$1,248 for cellular telephone charges unrelated to hospital or university business. Both UNC Hospitals and the University should establish cellular telephone policies that include a requirement that employees provide documentation supporting the business purpose of cellular telephone charges submitted for reimbursement.</p>	<p> <input checked="" type="checkbox"/> Fully implemented <input type="checkbox"/> Partially implemented _____% complete (Explain below) <input type="checkbox"/> Not implemented (Explain below) </p> <p>The School follows the UNC policy of the requirement that the cellular phones are used for business purposes only. The employees are made aware of the policy through email as well as the policy statement published on the School of Pharmacy website. Employees are made aware that the UNC has to be reimbursed for any personal use of the cellular phones.</p> <p>UNC Hospitals has re-emphasized policies in place for the use and reimbursement of cellular telephone charges and is developing additional policies related to cellular telephone usage for the UNC Health Care System as a whole.</p> <p>Auditor's Note: Although this recommendation is marked as "fully implemented," OSA contends that it was only "partially implemented" because \$1,123 of the \$2,371 was not recovered.</p>
<p>4. THE UNC HOSPITALS PHARMACY DIRECTOR RECEIVED DUPLICATE REIMBURSEMENTS FROM THE UNIVERSITY FOR THE SAME EXPENSE.</p> <p>The UNC Hospitals Pharmacy Director should reimburse the University \$432 for the duplicate expense reimbursements identified above in accordance with North Carolina General Statute §143-64.80.</p>	<p> <input checked="" type="checkbox"/> Fully implemented <input type="checkbox"/> Partially implemented _____% complete (Explain below) <input type="checkbox"/> Not implemented (Explain below) </p> <p>As a general principle, the School requires the dual employee to obtain reimbursement through the primary employer, preferring to reimburse that employer, unless the employer or the employee specifically request otherwise. In such exceptional cases, the School of Pharmacy now requires dual employees to sign a statement that he/she has not requested reimbursements for those expenses from other employer. The School also has a Travel Reimbursement Processing Checklist that we go through to ascertain if an employee is dual employee and the required Statement is provided by the employee.</p>
<p>5. THE UNC HOSPITALS PHARMACY DIRECTOR DID NOT REQUEST EXPENSE REIMBURSEMENTS IN A TIMELY MANNER.</p> <p>University management should ensure that employee requests for reimbursement of expenditures are made as soon as reasonably practical. The University should require employees to submit original receipts, invoices, etc. as supporting documentation for the reimbursement of expenditures. Finally, as noted in an earlier recommendation, UNC Hospitals and the University should consider developing a policy that either limits the</p>	<p> <input checked="" type="checkbox"/> Fully implemented <input type="checkbox"/> Partially implemented _____% complete (Explain below) <input type="checkbox"/> Not implemented (Explain below) </p> <p>The School of Pharmacy follows the UNC policy that reimbursement requests must be accompanied by original receipts and that reimbursement requests must be made within 30 days from the last day of the travel.</p>

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reimbursement of expenses for employees in dual-employment status to the primary employer or provides for a comprehensive annual review and reconciliation of compensation and expense reimbursements for employees in this status.	
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