

# **AUDIT OF BIONUTRITION PROGRAM P-CARD USE**

## **THE UNIVERSITY OF NEW MEXICO**

**Report 2016-05  
February 29, 2016**



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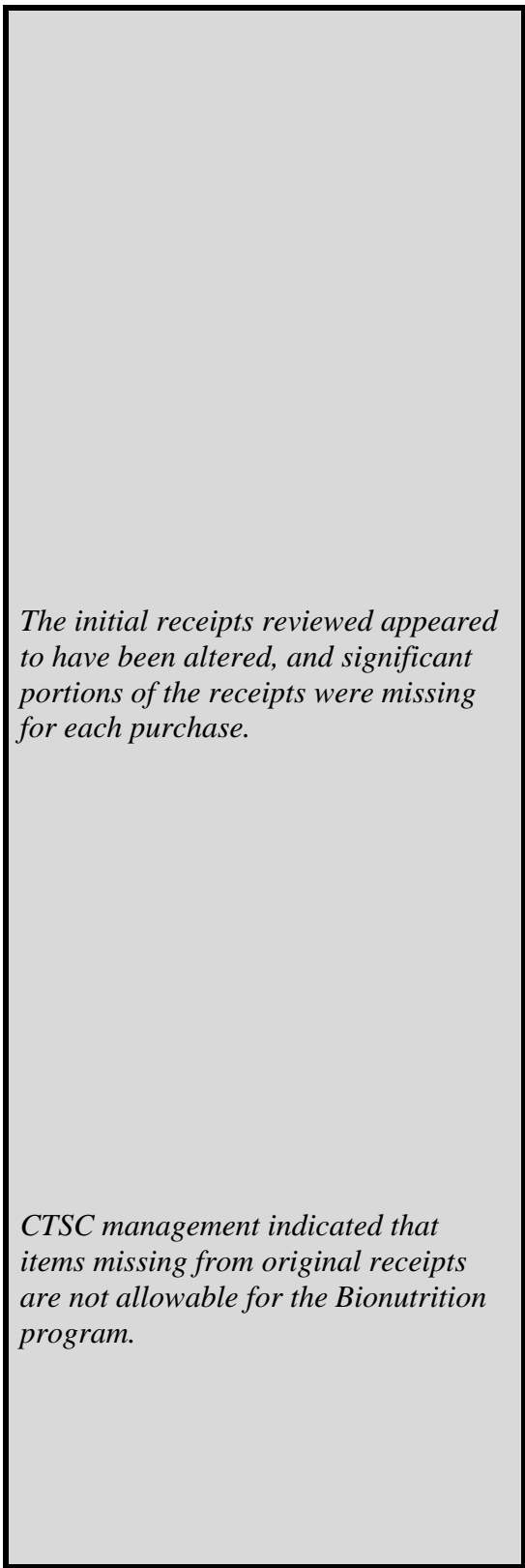
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## ABBREVIATIONS

CTSC.....	Clinical & Translational Science Center
FY .....	Fiscal Year
HSC.....	Health Sciences Center
Internal Audit .....	University of New Mexico Internal Audit Department
NIH .....	National Institute of Health
P-Card .....	Purchasing Card
Smith's .....	Smith's Food and Drug Store
UAP.....	University Administrative Policies
University.....	The University of New Mexico
UNM .....	The University of New Mexico
UNMH .....	University of New Mexico Hospitals



*The initial receipts reviewed appeared to have been altered, and significant portions of the receipts were missing for each purchase.*

*CTSC management indicated that items missing from original receipts are not allowable for the Bionutrition program.*

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## **EXECUTIVE SUMMARY**

An audit was completed to determine if the former Bionutrition Dietary Coordinator’s P-Card use was in violation of UAP #7205: Fraudulent and Dishonest Activities.

## **VIOLATIONS OF UAP 7205: DISHONEST OR FRAUDULENT ACTIVITIES**

### **Initial Review of P-Card Misuse Allegations**

Internal Audit’s initial review consisted of selecting Smith’s receipts from monthly P-Card reconciliations submitted to the P-Card office for December 2014, February 2015, and May 2015 to review and recalculate itemized purchases compared to total purchase amount indicated on each receipt. The following variances were noted during this review.

<u>P-Card Statement</u>	<u># Receipts</u>	<u>Variance</u>
December 2014	1	\$ 292.62
February 2015	2	641.79
May 2015	1	239.38

### **Review of Smith’s Original Receipts**

Internal Audit performed audit procedures from December 2014 to June 2015 to identify specific purchases related to the missing portions of Smith’s receipts.

Food and beverage items missing from original receipts included Red Bull energy drinks, steaks, ground beef, potato chips, sodas, cookie and cake treats, frozen dinners, etc.

*Internal Audit determined that \$7,590 of Smith's purchases for FYs 2012-2016 were missing, and/or the receipts submitted for review and approval appeared to have been intentionally altered.*

<i>Missing/Altered Receipt:</i>	\$ 7,590
<i>Unallowable</i>	<u>5,706</u>
<i>Sub Total</i>	<u>\$ 13,295</u>
<i>Allowable</i>	\$ 12,178
<i>Total Purchases</i>	<u>\$ 25,473</u>
<i>% Missing/Altered</i>	29.79%

*UAP 7205 Dishonest or Fraudulent Activities committed by the Dietary Coordinator include:*

- a. Forgery or alteration of documents*
- b. Misrepresentation of information on documents*
- c. Improprieties in the handling or reporting of money transactions*
- d. Authorizing or receiving payments for goods not received or services not performed*

### **Review of Previous P-Card Activity**

Internal Audit obtained P-Card reconciliations from July 2011 (FY 2012) to determine when the Dietary Coordinator intentionally began altering/excluding portions of receipts from Smith's purchases, and determined that a consistent pattern of missing portions of purchases from Smith's receipts began with a July 18, 2013 purchase.

CTSC management reviewed detailed listings to identify unallowable food and beverage purchases for FYs 2012-2016, and identified \$5,706 of food and beverage purchases as unallowable.

The table to the left summarizes total Smith's P-Card purchases reported on the Bionutrition Dietary Coordinator's July 2011 – October 2015 P-Card reconciliations.

Internal Audit identified the following during the audit of the Bionutrition P-Card Use:

- a. Smith's receipts appear to have been consistently altered and/or destroyed since July 2013.
- b. Smith's receipts submitted with monthly P-Card reconciliations were not complete, therefore misrepresenting the total number and dollar amount of items purchased.
- c. Misuse of P-Card and false reporting of purchases.
- d. The Bionutrition program may not have received all items that were purchased on the Bionutrition P-Card.

*CTSC management's oversight of the Bionutrition program was limited during the period under review.*

*Training is not available for Department P-Card reviewers and approvers.*

*Bionutrition did not have Inventory control procedures in place for food and beverage purchases.*

## **INTERNAL CONTROLS OVER BIONUTRITION PROGRAM**

### **Management Review**

Detailed reviews of the Dietary Coordinator's Smith's purchases and P-Card reconciliations were not performed at the department level to detect missing/altered receipts and unallowable food purchases.

### **P-Card Office Review**

Similar to CTSC management, the UNM P-Card office did not detect missing and altered portions of receipts submitted with the Bionutrition Dietary Coordinator's monthly reconciliations.

### **Bionutrition Inventory Control**

The following inventory control procedures were not in place for food and beverage purchases:

- Cross-checks between itemized receipts and food and beverages transported to the Bionutrition kitchen was not performed.
- Inspections of the kitchen were not performed to ensure the food on hand appeared sufficient to provide the meals and snacks needed for patient study/research protocols.
- The Bionutrition program does not prepare an approved shopping list for food and beverage purchases.
- The Bionutrition program did not have a process for tracking food and beverage servings by patient study/research protocol.



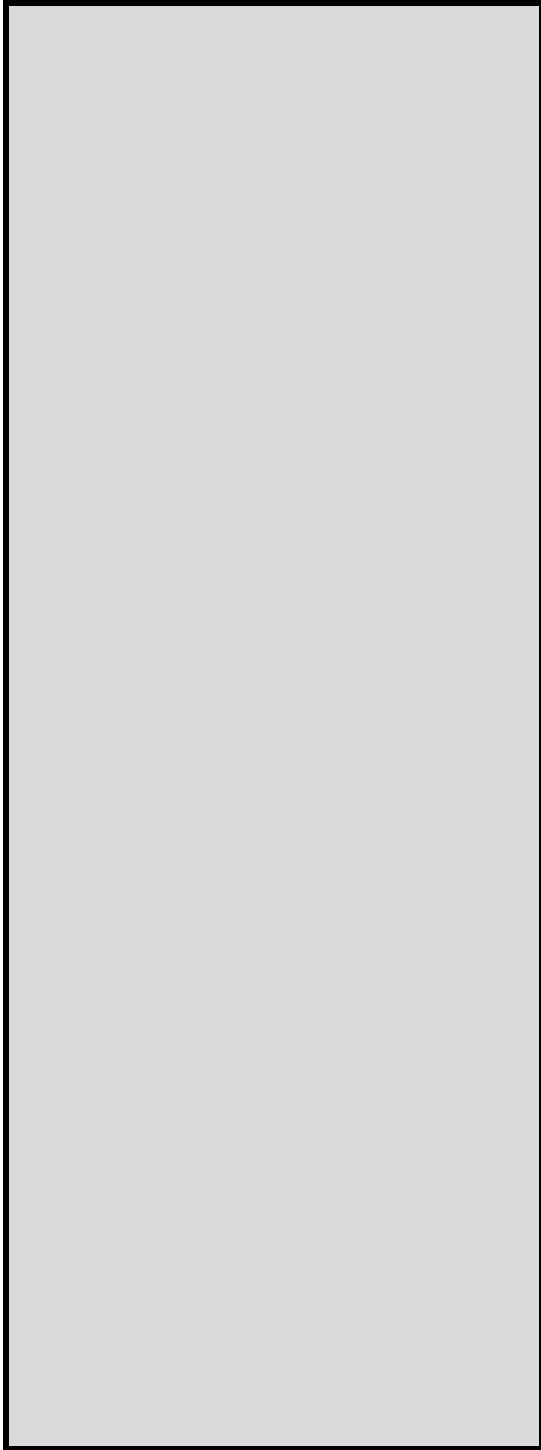
## CONCLUSION

The Bionutrition Dietary Coordinator misused the P-Card and violated UAP 7205: Dishonest or Activities by intentionally altering and excluding food and beverage purchases from Smith's Food and Drug Store (Smith's) receipts submitted for management and P-Card office review.

Internal Audit also noted findings of internal control deficiencies pertaining to the operation of the Bionutrition program. The following is a summary of recommendations.

1. The UNM HSC Clinical and Translational Science Center should:
  - a. Transfer unallowable costs of \$13,295 from the CTSC grant.
  - b. File a report with the UNM Police Department for intentionally excluded and altered receipts for food and beverage purchases totaling \$7,590.
  - c. Work with the UNM Human Resources department to place the former Dietary Coordinator on the UNM employee "Do Not Hire" list.
2. CTSC management should initiate a thorough review of monthly P-Card reconciliations to ensure documentation submitted for purchases is complete and accurate, and all purchases made on the P-Card are allowable and reasonable.

CTSC management should also increase oversight of the Bionutrition program to mitigate risks related to the limited segregation of duties for food



and beverage purchases, P-Card reconciliation, and inventory control.

3. The P-Card Manager should:
  - a. Strengthen the P-Card reconciliation review process to ensure documentation submitted for purchases is complete and accurate.
  - b. Provide P-Card training for Department P-Card reviewers and approvers.
  
4. Inventory control procedures should be implemented to ensure food and beverages purchased are allowable and accounted for. Procedures should include:
  - a. Preparation of shopping lists by Bionutrition staff, which are reviewed by CTSC management.
  - b. Tracking and review of meal and beverage distribution by patient study/research protocol.
  - c. Cross-check of itemized receipts purchased with food and beverages transported to the Bionutrition kitchen.
  - d. Periodic inspections of the Bionutrition kitchen to ensure food and beverage inventory levels are sufficient for meal and snack distributions.

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## **INTRODUCTION**

### **BACKGROUND**

#### **Clinical and Translational Science Center**

The Clinical and Translational Science Center (CTSC) is a department within the UNM Health Sciences Center. CTSC is committed to accelerating the pace of discovery, innovation and excellence in health care research and practice by supporting investigators at all stages of the research process.

CTSC provides educational programs and training opportunities for faculty, students and research staff. The CTSC is part of a prestigious national consortium funded through the National Institutes of Health Clinical and Translational Science Award program. The center also offers a wide range of services and programs. Bionutrition is one of the programs within the CTSC.

#### **Bionutrition Program**

The CTSC Bionutrition program is funded by a federal grant from the National Institutes of Health (NIH). The CTSC Bionutrition program provides a comprehensive set of services for conducting clinical research that involves nutritional, body composition and exercise components. Certain services provided by the Bionutrition program include:

- Dietary intake assessment
- Specialized meals, including nutrient-controlled and weighed meals, which are freshly prepared in the metabolic kitchen
- Body composition analysis through anthropometry and bioelectrical impedance
- Exercise testing for VO<sub>2</sub> max (maximal oxygen consumption)
- Assistance in study design, methods and analysis

Food servings vary from a simple snack, to a carefully prepared study-meal with well-defined caloric composition. Food and beverages needed for the Bionutrition program are purchased on an employee-issued departmental purchasing card (P-Card) at Smith's. Food and beverage purchases at Smith's totaled approximately \$7,800 in FY 2015.

#### **Allegations**

On November 18, 2015, UNM Internal Audit received a complaint from CTSC management regarding suspicion of misuse of a P-Card by a Bionutrition employee (Dietary Coordinator). Internal Audit initiated an audit to perform procedures over P-Card activity, assess internal controls over the Bionutrition program, and determine if the Bionutrition employee violated



## University Administrative Policies and Procedures Manual (UAP) #7205: Dishonest or Fraudulent Activities.

UAP 7205: Dishonest or Fraudulent Activities states, *“An employee found to have committed a dishonest or fraudulent act in relation to the University's financial affairs is subject to disciplinary action by the University and investigation by law enforcement agencies when warranted. Described herein are the steps to be taken when fraud, misappropriation, and similar dishonest activities are suspected. This policy also includes the procedures to follow in accounting for any missing funds, restitutions, and recoveries.”*

Dishonest or fraudulent activities include the following:

1. Forgery or alteration of documents (checks, promissory notes, time sheets, independent contractor agreements, purchase orders, budgets, etc.)
2. Misrepresentation of information on documents
3. Misappropriation of funds, securities, supplies, or any other asset (including furniture, fixtures, or equipment)
4. Improprieties in the handling or reporting of money transactions
5. Authorizing or receiving payments for goods not received or services not performed
6. Authorizing or receiving payments for hours not worked
7. Any apparent violation of Federal, State, or local laws
8. Any similar or related activity

The Bionutrition Dietary Coordinator resigned from the position in October 2015, and is currently employed at University of New Mexico Hospitals (UNMH).

## **PURPOSE AND OBJECTIVES**

The audit was initiated due to a complaint from CTSC management regarding suspicion of misuse of a P-Card by a Bionutrition employee. The purpose of our audit was to perform audit procedures over P-Card activity, assess internal controls over the Bionutrition program, and determine if the Bionutrition Dietary Coordinator violated University Administrative Policies and Procedures Manual (UAP) #7205: Dishonest or Fraudulent Activities.

## **SCOPE AND PROCEDURES PERFORMED**

Our audit focused on the Bionutrition Dietary Coordinator's P-Card activity for FYs 2012-2016 through monthly P-Card reconciliations. Procedures performed are as follows:

- Discussions with CTSC management
- Interviews with the former CTSC Clinical Trials Manager and Dietary Coordinator

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INTRODUCTION

- Review of P-Card reconciliations and Smith's receipts from July 2011 through October 2015
- Assessment of P-Card food and beverage purchases for Bionutrition program
- Assessment of internal controls over the Bionutrition program

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## OBSERVATIONS, RECOMMENDATIONS AND RESPONSES

### VIOLATIONS OF UAP 7205: DISHONEST OR FRAUDULENT ACTIVITIES

Internal Audit performed audit procedures to determine if the former Bionutrition Dietary Coordinator's P-Card use was in violation of UAP #7205: Dishonest or Fraudulent Activities.

#### Initial Review of P-Card Misuse Allegations

Internal Audit's initial review of scanned Smith's receipts submitted to the UNM P-Card office during FY 2015 indicated several purchases of steaks, ground beef, sodas, potato chips, canned food, frozen dinners, coffee, creamer, etc., which did not appear to be allowable items for a nutritional program.

Further review of the receipts submitted to the UNM P-Card office during FY 2015 indicated the receipts submitted were not complete, as itemized purchases did not equal the total purchase amounts indicated on the receipts. Internal Audit selected Smith's receipts from monthly P-Card reconciliations submitted to the P-Card office for December 2014, February 2015, and May 2015 to review and recalculate itemized purchases compared to total purchase indicated on each receipt. The following variances were noted during this review.

<u>P-Card Statement</u>	<u># Receipts</u>	<u>Recalculated Total</u>	<u>Receipt Totals</u>	<u>Variance</u>
December 2014	1	\$ 247.63	\$ 540.25	\$ 292.62
February 2015	2	505.81	1,147.60	641.79
May 2015	1	354.58	593.96	239.38

The selected receipts appeared to have been altered, and significant portions of the receipts were missing for each purchase. See incomplete and altered receipts at **Exhibit 1**.

#### Review of Smith's Original Receipts

As a result of variances and altered receipts identified during the initial audit review process, Internal Audit requested original receipts from Smith's to identify purchases that were missing from receipts submitted to the UNM P-Card office. Smith's indicated it could not generate original receipts prior to December 2014.

Internal Audit performed audit procedures to identify specific purchases related to the missing portions of Smith's receipts from December 2014 through June 2015. Audit procedures indicated that food and beverage purchases missing from original receipts consistently included Red Bull energy drinks, steaks, ground beef, potato chips, sodas, cookie and cake treats, frozen dinners, etc. CTSC management indicated that such items are not allowable for the Bionutrition program.

The total dollar amount of purchases that were missing from receipts submitted to the P-Card office for review from December 2014 through June 2015 was \$2,337.

Internal Audit provided CTSC management detailed listings of items submitted on Smith's receipts during the same time period and asked management to identify other food and beverage purchases allowable for the Bionutrition program. CTSC management determined the amount of unallowable purchases was \$1,549.

### **Review of Previous P-Card Activity**

Based on a review of P-Card activity noted on the Bionutrition's P-Card reconciliations from December 2014 through September 2015, Internal Audit obtained P-Card reconciliations from July 2011 (FY 2012) to determine when the Dietary Coordinator intentionally began altering/excluding portions of receipts from Smith's purchases. Considering food and beverage purchases made for the Bionutrition program are funded by a federal NIH grant, unallowable expenses charged to the grant require reimbursement from CTSC's unrestricted funds.

The first Smith's receipt that appeared to be altered and had missing purchases from the receipt was for purchases made on November 10, 2012. For these purchases, \$125 of the \$425 in purchases were missing from the receipt submitted for management review and approval.

Internal Audit determined that a consistent pattern of missing portions of purchases from Smith's receipts began with the July 18, 2013 purchase. Smith's receipts submitted each month on the Dietary Coordinator's P-Card reconciliations appeared to be intentionally altered and were missing purchases. Based on review of all receipts for FYs 2012-2016, Internal Audit determined that \$7,590 of Smith's purchases were missing and/or the receipts submitted for review and approval appeared to have been intentionally altered.

Internal Audit prepared and provided CTSC management detailed listings of food purchases included on receipts submitted to the P-Card office. CTSC management reviewed the detailed listings to identify unallowable food and beverage purchases for FYs 2012-2016. CTSC management's review of the listing identified \$5,706 of food and beverage purchases as unallowable.

Missing/altered receipts and unallowable purchases charged to the NIH grant totaled \$13,295. Internal Audit also performed a trend analysis to compare missing/altered portions of Smith's receipts submitted to the P-Card office for review versus the total purchase on the receipts. The variance indicates the amount of purchases missing and/or altered from receipts steadily increased each year from FY 2012 to the four month period in FY 2016.

The following table presents Smith's P-Card purchases reported on the Bionutrition Dietary Coordinator's July 2011 – October 2015 P-Card reconciliations, by fiscal year.

	<b>FY 2016 (July 2015-Oct. 2015)</b>	<b>FY 2015</b>	<b>FY 2014</b>	<b>FY 2013</b>	<b>FY 2012</b>	<b>Total</b>
Missing/Altered Receipts	\$ 2,174	\$ 3,552	\$ 1,552	\$ 312	\$ -	\$ <b>7,590</b>
Unallowable	539	2,069	827	1,269	1,002	<b>5,706</b>
<b>Sub Total</b>	<b>\$ 2,713</b>	<b>\$ 5,621</b>	<b>\$ 2,379</b>	<b>\$ 1,581</b>	<b>\$ 1,002</b>	<b>\$ 13,295</b>
Allowable	\$ 597	\$ 2,185	\$ 3,376	\$ 2,065	\$ 3,953	\$ <b>12,178</b>
<b>Total Purchases</b>	<b>\$ 3,310</b>	<b>\$ 7,806</b>	<b>\$ 5,755</b>	<b>\$ 3,646</b>	<b>\$ 4,955</b>	<b>\$ 25,473</b>
<b>% Missing/Altered</b>	65.68%	45.50%	26.97%	8.55%	0.00%	29.79%

**Source:** Smith's Receipts and CTSC Management

Based on audit procedures performed, the former Dietary Coordinator appeared to have purchased a significant amount of unallowable food and beverage items on the Bionutrition P-Card, and intentionally altered and excluded food and beverage purchases from Smith's receipts submitted for management and P-Card office review. The Dietary Coordinator appears to have violated UAP 7205: Dishonest or Fraudulent Activities by committing the following dishonest and fraudulent activities:

1. Forgery or alteration of documents – Smith's receipts appear to have been consistently altered and/or destroyed since July 2013
2. Misrepresentation of information on documents – Smith's receipts submitted with monthly P-Card reconciliations were not complete, therefore misrepresenting the total number and dollar amount of items purchased
3. Improprieties in the handling or reporting of money transactions – Misuse of P-Card and false reporting of purchases
4. Authorizing or receiving payments for goods not received or services not performed – The Bionutrition program may not have received all items that were purchased on the Bionutrition P-Card

### **Recommendation 1:**

The UNM HSC Clinical and Translational Science Center should:

- a. Transfer unallowable costs of \$13,295 from the CTSC grant.
- b. File a report with the UNM Police Department for their investigation of intentionally excluded and altered receipts for food and beverage purchases totaling \$7,590.
- c. Work with the UNM Human Resources department to place former Dietary Coordinator on the UNM employee "Do Not Hire" list.

**Response from the CTSC Chief Administrative Officer:**

<b>Action Items</b>
<b>Completion Date:</b> February 24, 2016
<b>Assigned to:</b> HSC Chief Financial Services Officer, CTSC Clinical Trials Operations Manager
<p><b>Corrective Action Planned:</b></p> <ol style="list-style-type: none"> <li>1. \$13,295 was transferred from the CTSC grant on January 28, 2016.</li> <li>2. A police report was filed with UNM Campus Police on February 24, 2016 to conduct an investigation of intentionally excluded and altered receipts for food and beverage purchases.</li> <li>3. CTSC will work with the UNM Human Resource department to place the former Bionutrition Dietary Coordinator on the “Do Not Hire” list.</li> </ol>

**INTERNAL CONTROLS OVER BIONUTITION PROGRAM**Management Review and Oversight

Fundamental elements of internal controls to prevent P-Card misuse include adequate review and approval procedures. Detailed reviews of the Dietary Coordinator’s Smith’s purchases and P-Card reconciliations were not performed at the department level to detect missing/altered receipts and unallowable food purchases. For example, two receipts submitted with the February 2015 reconciliation did not even include the “Smith’s” store logo which should have raised a “red flag” during the review and approval process. See noted receipts at **Exhibit 1**.

Segregation of duties is one of the most effective internal controls in combating employee fraud, theft, and misappropriation of assets. Management oversight of a small organization, such as the Bionutrition program, is a key internal control to prevent misappropriation of program assets and P-Card misuse. Internal Audit noted that CTSC management’s oversight of the Bionutrition program was limited during the period under review.

The Bionutrition Dietary Coordinator was responsible for preparing meal and snack menus, purchasing and transporting groceries, managing the program’s kitchen, preparing and serving meals and snacks, etc. This Dietary Coordinator also prepared and submitted P-Card reconciliations without a detailed independent review.

**Recommendation 2:**

CTSC management should initiate a thorough review of monthly P-Card reconciliations and supporting documentation to ensure documentation submitted for purchases is complete and accurate, and all purchases made on the P-Card are allowable and reasonable.

CTSC management should also increase oversight of the Bionutrition program to mitigate risks related to the limited segregation of duties for food and beverage purchases, P-Card reconciliation, and inventory control.

**Response from the CTSC Chief Administrative Officer:**

<b>Action Items</b>
<b><i>Targeted Completion Date:</i></b> June 30, 2016
<b><i>Assigned to:</i></b> CTSC Clinical Trials Operations Manager
<p><b><i>Corrective Action Planned:</i></b></p> <ol style="list-style-type: none"> <li>1. Clinical Research Operations Manager and BioNutrition Supervisor meet biweekly to go over protocols and participants for next two weeks, number of participants will be determined.</li> <li>2. BioNutrition Supervisors reviews menus and recipes of active protocols for upcoming weeks and order form for produce and proteins will be determined.</li> <li>3. Clinical Research Operations Manager reviews order form prior to purchase and provides approval with documentation on order form.</li> <li>4. After items are purchased by BioNutrition Supervisor, the items are checked-in the inventory control system by the Laboratory Technician matching the items on the receipt to the order form. Documenting items on Check-In Log and Inventory Database.</li> <li>5. Clinical Research Operations Manager reviews Check-In log, receipt and order and verifies that all allowable items were purchased. Documenting this process on the order form.</li> <li>6. Order form and receipt with Clinical Research Operations Manager's approval and final signature will be turned in with P-Card documents for review by CTSC accounting department for final reconciliation.</li> <li>7. Clinical Research Operations Manager or designee will review all Quality Control documents and logs monthly. Standard Operation Procedures will be written describing these processes in detail and staff will be formally trained annually on the processes. Technical competencies of the procedures will be directly observed of staff monthly as well as Kaizen events will be held annually for process improvements.</li> </ol>

P-Card Office Review

The UNM P-Card Office performs a 100% post audit of each cardholder's P-Card activity on a monthly basis. The post audits should entail a detailed review of purchases made and documentation submitted for purchases. Similar to CTSC management, the UNM P-Card office did not detect missing and altered portions of receipts submitted with the Bionutrition Dietary Coordinator's monthly reconciliations.

The P-Card office requires UNM P-Cardholders to complete P-Card training courses; however, there is no training available for Department P-Card reviewers and approvers, thus increasing the risk of inadequate reviews of P-Card activity by the Department.

**Recommendation 3:**

The P-Card Manager should:

- a. Strengthen the P-Card reconciliation review process to ensure documentation submitted for purchases is complete and accurate. Itemized receipts containing multiple item purchases should be scanned and analyzed for accuracy. If needed, itemized purchases on receipts should be recalculated to ensure amounts agree to the total purchase amount noted on the receipt.
- b. Provide a P-Card training for Department P-Card reviewers and approvers to ensure P-Card activity is adequately reviewed to detect P-Card misuse.

**Response from the UNM P-Card Manager:**

<b>Action Items</b>
<b><i>Targeted Completion Date:</i></b> July 1, 2016
<b><i>Assigned to:</i></b> P-Card Manager
<p><b><i>Corrective Action Planned:</i></b> We agree with the audit recommendations.</p> <p>UNM departments are ultimately responsible for submitting properly approved, complete and accurate documentation with their P-Card logs. For this reason, each P-Card log requires the signatures of both the cardholder and Dean/Director/Department Head. Although the P-Card department conducts 100% reviews of PCard transactions, our current resources prohibit us from recalculating the totals of each of the 170,000+ PCard transactions each year. While this could likely be accomplished if significant additional resources were to be provided, the additional cost vs. benefit received would most likely be prohibitive. In response to this recommendation, we have effective immediately, begun to examine and recalculate a portion of receipts that contain elements of higher risk and have an appearance that they have been altered.</p>



In the past, P-Card training has been required for P-Card holders only. As per Internal Audit's recommendation, we now also agree to begin requiring separate training for our departmental reviewers and approvers. This new form of training will focus on preparing P-Card reviewers and approvers to detect P-Card misuse and also to adequately review P-Card transactions. We will roll this new training out concurrent with the Chrome River system go-live for P-Card, currently scheduled for 7/1/16.

### Bionutrition Inventory Control

Inventory control allows departments to track the location of all stock to ensure everything is accounted for at any given time. Internal Audit noted that the Bionutrition program did not have inventory control procedures in place for food and beverage purchases. CTSC management did not perform cross-checks between itemized receipts and food and beverages transported to the Bionutrition kitchen. In addition, management did not perform inspections of the kitchen to ensure the food on hand appeared sufficient to provide the meals and snacks needed for patient study/research protocols. Internal Audit also noted that the Bionutrition program does not prepare an approved shopping list for food and beverage purchases. Finally, the Bionutrition program does not have a process for tracking food and beverage servings by patient study/research protocol. Therefore they are unable to determine number and type of servings on a periodic basis.

### **Recommendation 4:**

Inventory control procedures should be implemented to ensure food and beverages purchased for the Bionutrition program are allowable and accounted for. Procedures should include:

- a. Preparation of shopping lists by Bionutrition staff and review by CTSC management prior to purchasing activity.
- b. Tracking of meal and beverage distribution by patient study/research protocol.
- c. Cross-check of itemized receipts purchased with food and beverages transported to the Bionutrition kitchen.
- d. Inspections of the Bionutrition kitchen to ensure food and beverage inventory levels are sufficient for meal and snack distributions.

**Response from the CTSC Chief Administrative Officer:**

<b>Action Items</b>
<b>Targeted Completion Date:</b> June 30, 2016
<b>Assigned to:</b> CTSC Clinical Trials Operations Manager
<p><b>Corrective Action Planned:</b> The plan below was implemented in November 2015. Standard Operating Procedure will be completed by June 30, 2016 to document this process in detail.</p> <ol style="list-style-type: none"> <li>1. Clinical Research Operations Manager and BioNutrition Supervisor meet biweekly to go over protocols and participants for next two weeks, number of participants will be determined.</li> <li>2. BioNutrition Supervisors reviews menus and recipes of active protocols for upcoming weeks and order form for produce and proteins will be determined.</li> <li>3. Clinical Research Operations Manager reviews order form prior to purchase and provides approval with documentation on order form.</li> <li>4. After items are purchased by BioNutrition Supervisor, the items are checked-in the inventory control system by the Laboratory Technician matching the items on the receipt to the order form.</li> <li>5. Inventory Control Barcoding system will be implemented by June 30, 2016 to place barcodes on every item in the Metabolic Kitchen (e.g. food, equipment, plates, pots/pans etc.). When each item is used for a specific protocol, the item will be scanned on the date of use as well as the participant the item was used for. In addition, this system will be used when items are disposed of due to expiration dates. This information will be kept in a database system for all protocols (active and inactive) for the duration of the study and 2 years after closure.</li> <li>6. Clinical Research Operations Manager reviews Check-In log, receipt and order and verifies that all allowable items were purchased. Documenting this process on the order form.</li> <li>7. Order form and receipt with Clinical Research Operations Manager's approval and final signature will be turned in with P-Card documents for review by CTSC accounting department for final reconciliation.</li> <li>8. Clinical Research Operations Manager or designee will review all Quality Control documents and logs monthly.</li> <li>9. Standard Operation Procedures will be written describing these processes in detail and staff will be formally trained annually on the processes. Technical competencies of the procedures will be directly observed of staff monthly as well as Kaizen events will be held annually for process improvements.</li> </ol>

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## APPROVALS



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Manu Patel, CPA  
Director, Internal Audit Department

Approved for Publication



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Chair, Audit and Compliance Committee

	WLCH JELLY		2.89
	1 @ 2/3.00		
	CAMP CNDSOUP		1.50
	PSST TOMATO SAUCE		0.29
	MHTMA RICE		6.29
	LACOST JALAPNO		1.49
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	PSST TOMATO SAUCE		0.29 F
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	CAMP CNDSOUP		1.50 F
	1 @ 10/10.00		
	KRO KETCHUP	FV	0.92 F
SC	YOU SAVED	0.08	
	SPAM	FV	2.49 F
SC	YOU SAVED	0.30	
	1 @ 2/3.00		
	CAMP CNDSOUP		1.50 F
	PSST TOMATO SAUCE		0.29 F
	1 @ 2/3.00		
	CAMP CNDSOUP		1.50 F
	KRO CORN		0.69 F
	1 @ 2/3.00		
	CAMP CNDSOUP		1.50 F
	PACE PICANTE SAUCE		3.99 F
	KRO CORN		0.69 F
	CHLA HOT SAUCE	FV	5.29
SC	YOU SAVED	0.40	
	KRO CKN SOUP		1.99
	KR JELLY		2.89
	1 @ 2/3.00		
	SIMPLY JUICE		2.50
	GLPK SWT TEA		2.29
	CRML FRNCH ON DIP		2.99
	MNMD ORNG JC		5.99
	SMTH LRG EGG		3.39
	SMTH LRG EGG		3.39
	WNDR PISTACHIOS		8.99
	WNDR PISTACHIOS		8.99
	WNDR PISTACHIOS		8.99
	FM GRND BEEF		11.07
	FM GRND BEEF		11.07
	FM GRND BEEF		11.07
	PEPSI FRDG M		4.99
SC	Pepsi or 7up 3/\$9		1.99-F
	PEPSI FRDG M		4.99
SC	Pepsi or 7up 3/\$9		1.99-F
	PEPSI FRDG M		4.99
SC	Pepsi or 7up 3/\$9		1.99-F
	6 @ 2/1.00		
	LIMES		3.00 F
	3.20 lb @ 0.59 /lb		1.89 F
WT	BANANAS		4.99 F
	NAVEL ORNGES		4.99 F
	APL FUJI		4.99 F
	NAVEL ORNGES		4.99 F
	APL FUJI		4.99 F
	5.25 lb @ 0.59 /lb		3.10
WT	BANANAS		

	AHMT WATER	<+	3.99
	Mesa Event Savings		1.00-F
SC	LIPTON TEA	<+	4.99 F
	YOU SAVED	0.50	
SC	Mesa Event Savings		1.00-F
SC	MSSN TOSTADA		2.49 F
	ALBQ TORTLLA		4.29 F
	PACE PICANTE SAUCE		3.99 F
	NIAGRA WATER		3.99 F
	NIAGRA WATER		3.99 F
	CCRK MARGRNE		3.49 F
	KRO STRING CHEESE	FV	3.99 F
	YOU SAVED	0.20	
SC	KRO SHRD CHS		7.99 F
	KRO CHEESE		4.99 F
	FRGO STR CHS		6.29 F
	FRGO STR CHS		6.29 F
	JRGNS LOTION		5.99 T
	JRGNS LOTION		5.99 T
	JRGNS LOTION		5.99 T
	JRGNS LOTION		5.99 T
	CFMT CREAMER		3.49
	CFMT CREAMER		3.49
	TRUMOO CHOC		5.79
	MDRY WHL MLK	FV	2.79
	2.10 lb @ 2.49 /lb		5.28
	TOMATOES OTV		2.99
	POTATOES		0.99
	LETTUCE HEAD	FV	2.99
	KRO POTATO		1.00
	YOU SAVED		
SC	0.40 lb @ 1.99 /lb		0.80 F
WT	SQUASH ZUCCH		1.29 F
	FSEL CARROTS		0.79 F
	CUCUMBERS		1.89 F
	PPR BELL RED		0.89 F
	GREEN PEPPER		0.99 F
	LETTUCE LEAF	FV	1.99 F
	GRAPE TOMATO		1.00
SC	YOU SAVED		
	FSEL CARROTS		1.29 F
WT	0.40 lb @ 1.99 /lb		0.80
	BROC CROWNS		

1/5/15

SC	YOU SAVED	0.20
	KNOR BOUILLN	FV 4.99
SC	YOU SAVED	2.90
	KRO FRT PNCH	2.19 F
	KRTZ PNCH MX	FV 2.50 F
SC	YOU SAVED	0.79
	KRO NDLS	0.69 F
	KRO NDLS	0.69 F
	WRHT BACON	6.99 F
SC	YOU SAVED	1.50
	WRHT BACON	6.99 F
SC	YOU SAVED	1.50
	BAR S HAM	FV 5.19 F
SC	YOU SAVED	0.10
	BAR S HAM	FV 5.19 F
SC	YOU SAVED	0.10
	FRSH BREAD	FV 2.99 F
SC	YOU SAVED	1.00
	NAT DMN BRD	FV 2.50 F
SC	YOU SAVED	0.79
	FRESH VALUE CUSTOMER	*****3504
	TAX	1.68
	TAX EXEMPTION	1.68-
	**** BALANCE	587.20

Recalculated purchases - \$300.58

706 SMITH'S FOOD & DRUG #496  
 3701 Constitution Blvd. NE  
 Albuquerque NM 87110  
 VISA Purchase  
 \*\*\*\*\*6597  
 TOTAL: 587.20  
 REF#: 095854

MO	VISA	587.20
	EXEMPTED SALES AMT	23.96
	CHANGE	0.00
	TOTAL NUMBER OF ITEMS SOLD =	177
	FreshValues Savings	\$ 62.00
	Total Savings (9 Percent)	\$ 62.00

11/15/15 11:07am 496 3 14 15

11/15/15



	SMELI 1KY SDW	2.99 F
	LEMONS	3.16 F
	1 lb @ 3.49 /lb	
WT	GRAPES RED	12.08 F
	3.14 lb @ 0.59 /lb	
WT	BANANAS	1.85 F
	12 @ 0.33	
	LIMES	3.96 F
	APL FUJI	4.99 F
	APL FUJI	4.99 F
	APL FUJI	4.99 F
	NAVELS BAG (KR)	4.99 F
	NAVELS BAG (KR)	4.99 F
	NAVELS BAG (KR)	4.99 F
	1 lb @ 0.59 /lb	
WT	BANANAS	3.16 F
	1 L BREAD	<+ 2.49 F
SC	YOU SAVED	0.50
SC	Mega Event Savings	0.50-F
	1 L BREAD	<+ 2.49 F
SC	YOU SAVED	0.50
SC	Mega Event Savings	0.50-F
	NAT OWN BRD	FV 2.49 F
SC	YOU SAVED	0.80
	NAT OWN BRD	FV 2.49 F
SC	YOU SAVED	0.80
	FRESH VALUE CUSTOMER	*****3504
	TAX	0.77
	TAX EXEMPTION	0.77-
	**** BALANCE	560.40

706 SMITH'S FOOD & DRUG #496  
3701 Constitution Blvd. NE  
Albuquerque NM 87110  
VISA Purchase  
\*\*\*\*\*6597  
TOTAL: 560.40  
REF#: 042631

MO	VISA	560.40	Recalculated purchases - \$205.23
	EXEMPTED SALES AMT	10.98	
	CHANGE	0.00	
	TOTAL NUMBER OF ITEMS SOLD =	205	
	FreshValues Savings	\$ 58.13	
	Total Savings (9 Percent)	\$ 58.13	

09-09-15 12:49pm 496 3 52 15

2/3/15

# Smith's

Market-Fresh Every Day

3701 Constitution Blvd. NE  
 (505) 256-9423  
 YOUR CASHIER WAS CHRIS

	KELL APL JACKS	<+	3.49 F
SC	<b>YOU SAVED</b>	<b>0.50</b>	
SC	<b>Mesa Event Savings</b>		<b>1.00-F</b>
	GM CIN TST CRNCH		2.99 F
	ALBQ TORTLLA		4.29 F
	GM CEREAL	FV	3.29 F
SC	<b>YOU SAVED</b>	<b>0.50</b>	
	1 @ 3/5.00		
	CAMP CNDSOUP		1.67 F
	GM CEREAL	FV	3.29 F
SC	<b>YOU SAVED</b>	<b>0.50</b>	
	GM CEREAL	FV	3.29 F
SC	<b>YOU SAVED</b>	<b>0.50</b>	
	KRO GRNBARS	FV	2.00 F
SC	<b>YOU SAVED</b>	<b>0.19</b>	
	KRO GRANOLA BARS	FV	2.00
	<b>YOU SAVED</b>	<b>0.19</b>	
	<b>YOU SAVED</b>	<b>0.69</b>	
	ORANGE JUICE		2.99 F
	TEEMATE CREAMER<+		5.99 F
	<b>YOU SAVED</b>	<b>0.50</b>	
	<b>Mesa Event Savings</b>		<b>1.00-F</b>
	1 @ 2/5.00		
	SIMPLY JUICE	FV	2.00 F
SC	<b>YOU SAVED</b>	<b>0.50</b>	
	GLPK SWT TEA		2.29 F
	GLPK SWT TEA		2.29 F
	TROP DRNG JC	FV	4.59 F
SC	<b>YOU SAVED</b>	<b>0.80</b>	
	MDRY WHL MLK	FV	2.50 F
SC	<b>YOU SAVED</b>	<b>0.49</b>	
	MDRY WHL MLK	FV	2.50 F
SC	<b>YOU SAVED</b>	<b>0.49</b>	
	CRML GRN CHILI DIP		2.99 F
	SMTH LRG EGG		2.99 F
	SMTH LRG EGG		2.99 F
	CFMT CREAMER		3.19 F
	SIMPLY JUICE	FV	1.25 F
SC	<b>YOU SAVED</b>	<b>0.34</b>	
	WNR PISTACHIOS		8.99 F
	WNR PISTACHIOS		8.99 F
	WNR PISTACHIOS		8.99 F
	KRO GR BF730	FV	14.95 F
SC	<b>YOU SAVED</b>	<b>1.04</b>	
	KRO GR BF730	FV	14.95 F
SC	<b>YOU SAVED</b>	<b>1.04</b>	
	KRO GR BF730	FV	14.95 F
SC	<b>YOU SAVED</b>	<b>1.04</b>	
	SIRLOIN STK	FV	15.04 F
SC	<b>YOU SAVED</b>	<b>5.48</b>	
	PEPSI FRDG M		4.99 F
SC	<b>3 Pepsi/7UP 3 for\$11</b>		<b>1.32-F</b>
	PEPSI FRDG M		4.99 F
	<b>3 Pepsi/7UP 3 for\$11</b>		
	PEPSI FRDG M		
	<b>3 Pepsi/7UP 3 for\$11</b>		
	ELI TKY SDW		

	PAM CKG SPRY	FV	
	<b>YOU SAVED</b>	<b>0.30</b>	
	@ 10/10.00		
	KNOR NOODLES		1.00
	PACE PICANTE SAUCE		3.99
	CHLA HOT SAUCE		5.69 F
	1 @ 3/5.00		
	CAMP CNDSOUP		1.67 F
	FOLGR COFFEE		9.69 F
	1 @ 3/5.00		
	CAMP CNDSOUP		1.66 F
	1 @ 3/5.00		
	CAMP CNDSOUP		1.67 F
	1 @ 10/10.00		
	DELM CORN		1.00 F
	1 @ 3/5.00		
	CAMP CNDSOUP		1.67 F
	1 @ 3/5.00		
	CAMP CNDSOUP		1.66 F
	1 @ 10/10.00		
	DELM CORN		1.00 F
	1 @ 3/5.00		
	CAMP CNDSOUP		1.67 F
	LACOST JALAPNO		1.49 F
	1 @ 3/5.00		
	CAMP CNDSOUP		1.67 F
	NSTL PURE LIFE		2.99 F
	1 @ 3/5.00		
	CAMP CNDSOUP		1.66 F
	KRO LT GRAPE	FV	1.79 F
SC	<b>YOU SAVED</b>	<b>0.40</b>	
	KRO CKN SOUP		1.99 F
	1 @ 10/10.00		
	KNOR NOODLES		1.00 F
	KRO FRT PNCH	FV	1.79 F
SC	<b>YOU SAVED</b>	<b>0.40</b>	
	LIPTON TEA	<+	4.99 F
SC	<b>YOU SAVED</b>	<b>0.50</b>	
SC	<b>Mesa Event Savings</b>		<b>1.00-F</b>
	LIPTON TEA	<+	4.99 F
SC	<b>YOU SAVED</b>	<b>0.50</b>	
	<b>Mesa Event Savings</b>		<b>1.00-F</b>
	KRO CKN SOUP		1.99
	JAFINA		4.99
	O CKN SOUP		1.99

4/20/15



