

MISSISSIPPI



SHAD WHITE STATE AUDITOR

*Compliance Analysis of the Mississippi
Board of Pharmacy*

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Executive Summary

The Mississippi Board of Pharmacy was established in 1920 and is governed by Miss. Code Ann. § 73-21-75.¹ The Board regulates and controls the practice of pharmacy and the distribution of prescription drugs throughout the state. In FY 2025, the Board administered over 29,000 active licensees in the state, including license types such as pharmacists, technicians, pharmacies, medical wholesalers, manufacturers, and distributors. The Board consists of seven members and employed 19 staff in FY 2025.

In accordance with Miss. Code Ann. § 7-7-211(b), the Office of the State Auditor has completed this limited compliance and internal control analysis of the Mississippi Board of Pharmacy for the period July 1, 2024 to June 30, 2025. In this analysis, auditors developed an understanding of the Board's internal controls, assessed control risk, and performed tests of compliance with applicable laws, regulations, contracts and agreements related to contractual services, commodities, travel, surety, bonds, bank accounts, and procurement. In this finding, OSA recommends the Mississippi Board of Pharmacy:

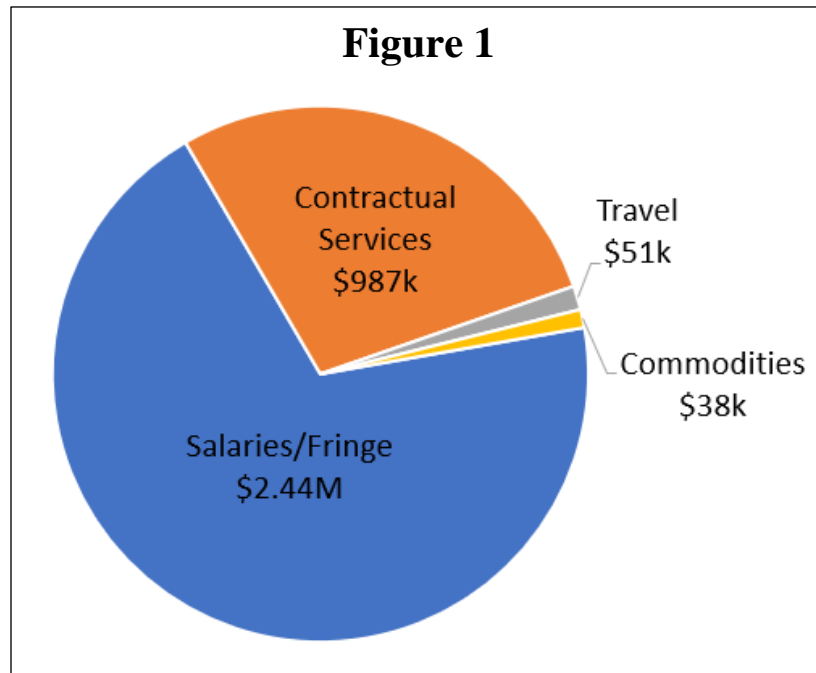
- 1. Ensure surety bonds are obtained for all public officers or employees who regularly handle or have custody of public funds.**

Additionally, auditors performed operational analyses of the Board's total expenditures, travel expenditures, the breakdown of vendors used from with procurement cards, and the Board's usage of state vehicles in FY 2025.

¹ See Miss. Code Ann. [§ 73-21-75](#).

Analysis

In FY 2025, the Mississippi Board of Pharmacy was appropriated \$3,943,666, all of which came from special funds generated from licensing fees and regulatory fines.² However, it only spent approximately \$3.5 million and had an accumulated cash balance of nearly \$6 million by the end of FY 2025.³ Of its expenditures in FY 2025, 69% of reported spending was on salaries and fringe benefits, 28% on contractual services (e.g. accounting, software maintenance, and rent), and 2% on travel and commodities.⁴ Figure 1 shows the Board's reported expenditures breakdown.⁵



² See [SB 3035](#) (2024).

³ See [resource](#).

⁴ Ibid.

⁵ See [resource](#).

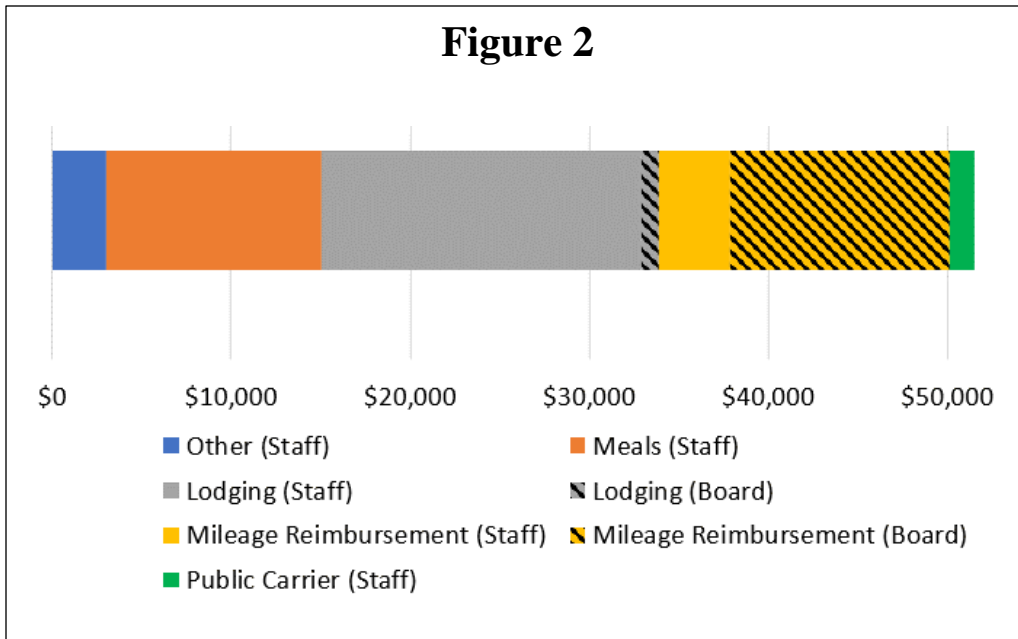
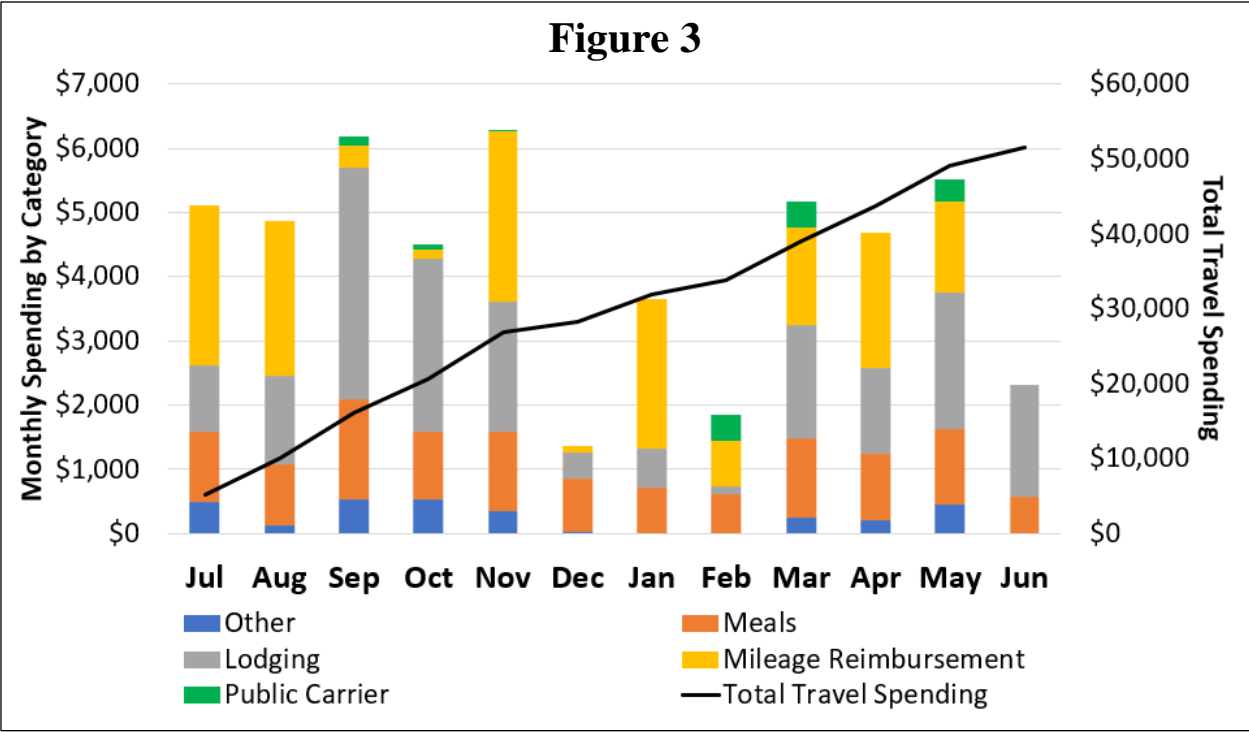


Figure 2 shows the Board’s reported travel expenditures by board members and staff in FY 2025. Lodging was the largest type of travel expenditure, and mileage reimbursement for private vehicle use was the second-largest travel expenditure. Nearly 75% of the Board’s lodging reimbursements were out-of-state while only 36% of the meal reimbursements were out-of-state. Of the reimbursements for mileage driven in private vehicles, over 75% was reimbursed to Board members, likely due to the staff having access to state-owned vehicles. Of total travel expenditures, 62% was spent on out-of-state travel, and 38% on in-state travel. Most out-of-state travel was spent on staff attending conferences and/or meetings. While only 68% of the Board’s total travel spending was for staff member travel, staff members account for 100% of the Board’s out-of-state travel.⁶

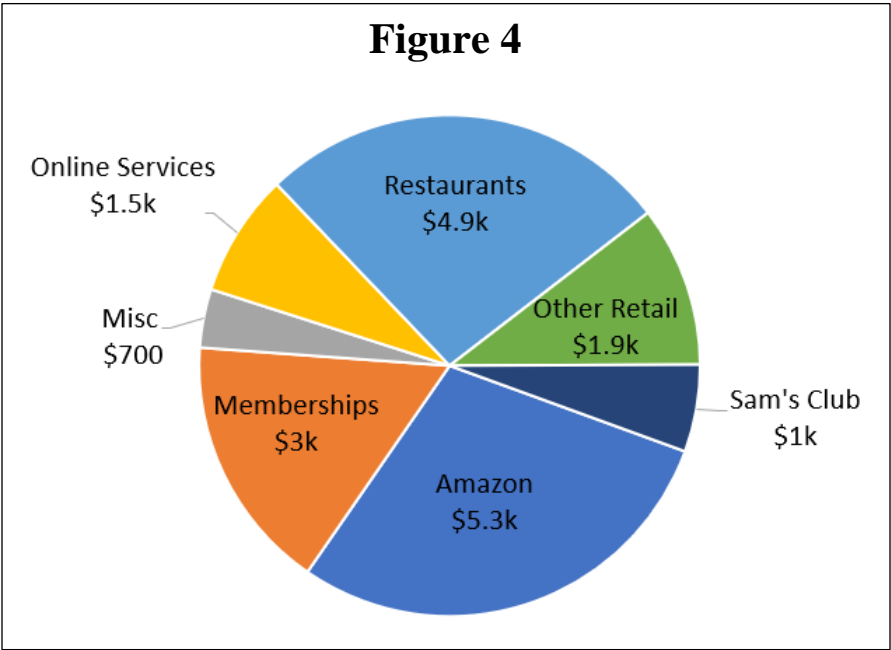
Figure 3 shows the FY 2025 monthly breakdown of travel expenditures by category.⁷ Except for December, February, and June, monthly travel expenditures were roughly \$5,000. Total travel expenditures peaked in November while lodging and mileage reimbursement expenses peaked in September and November, respectively.

⁶ Ibid.

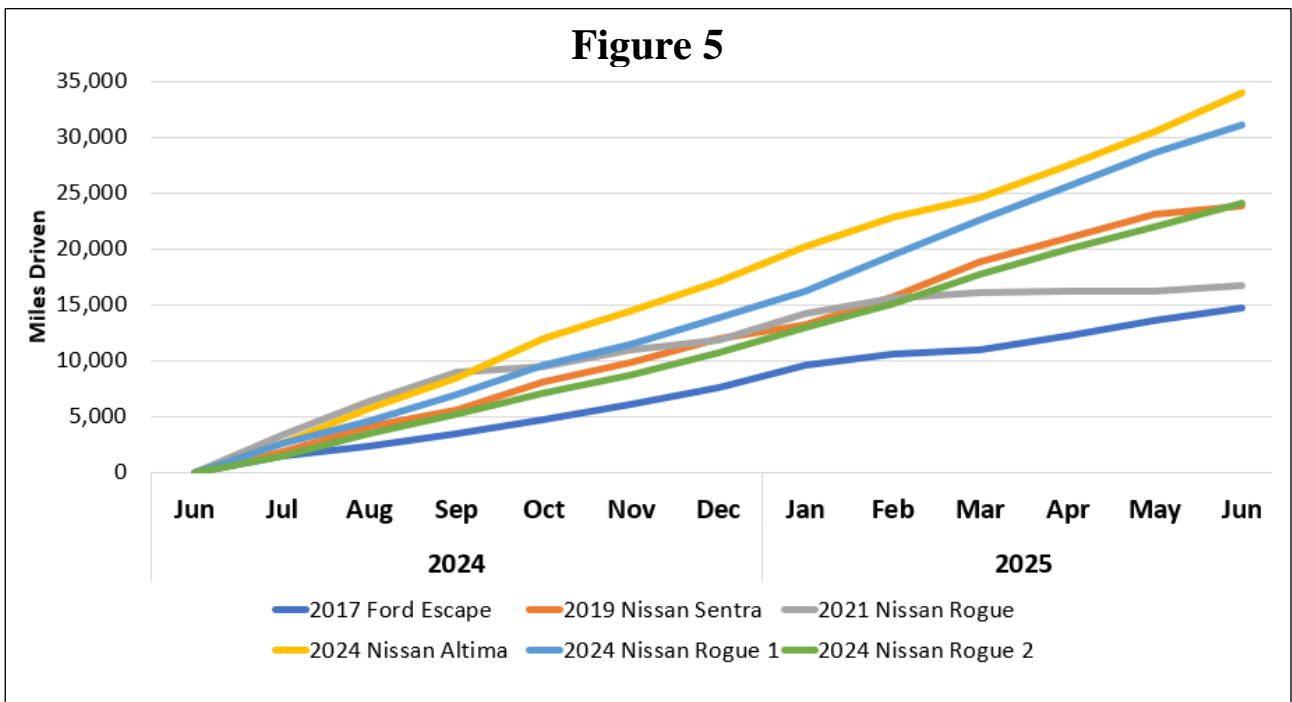
⁷ Ibid. Of the categories used, *Other* includes “other in/state travel costs,” “other out/state travel expense,” “travel o/s prior exp repayment,” “travel out/state advance,” and “travel reimbursable commodities.” *Meals* includes “taxable meals,” “taxable instate meals,” and “travel out/state meals.” *Lodging* includes “travel instate lodging,” “travel o/s, prior exp lodging,” and “travel out/state lodging.” *Mileage Reimbursement* includes “travel instate private vehicle” and “travel out/state private vehicle.” *Public Carrier* includes “travel out/state public carrier.”



The Board spent over \$18,000 on procurement cards in FY 2025. Some of the vendors with the most purchases were 29% at Amazon on items such as office and printer supplies, and 6% at Sam’s Club on things like food supplies for board meetings. Other expenditures include 27% at restaurants like Char and Walker’s Drive In, 17% on organizational memberships, 10% at other retail stores on items like drinking water and office decor, 8% on online services, and 4% on miscellaneous purchases like firearm range training for the Board’s compliance officers. Figure 4 shows the Board’s procurement card expenditure breakdown by category.



In FY 2025, the Board operated six state vehicles. In total, these vehicles traveled approximately 140,000 miles and consumed over 4,000 gallons of fuel.⁸ The most-used vehicle traveled nearly 34,000 miles and the least-used vehicle traveled less than 15,000 miles—slightly below the minimum usage threshold established by the Department of Finance and Administration (DFA) Bureau of Fleet Management.⁹ Figure 5 shows the utilization rate of each of the Board-owned vehicles in FY 2025. Notably, one vehicle had a low reported monthly mileage during the last several months of the fiscal year. The Board spent approximately \$2,250 in private vehicle mileage reimbursement to staff during that time.



⁸ Total mileage was calculated from travel logs kept for each state-owned vehicle. Fuel consumption was compiled from Fuelman statements.

⁹ See [DFA Fleet Manual Section 3.101.01](#). The least-used vehicle was auctioned off by the state and replaced with a new vehicle in FY 2026.

Findings

Finding 1: State law requires certain public employees to have surety bonds covering employment or work on behalf of taxpayers. Surety bonds are like insurance for taxpayers against fraud and misappropriation. During the review period, analysts determined:

- The Executive Director and Executive Assistant were not appropriately bonded according to state law.
- A new Board member served part of their term before a surety bond was purchased to cover it.

Applicable Law(s) & Regulation(s): *Miss. Code Ann. § 25-1-12 (1972)*, requires "...any public officer or employee handling or having the custody of public funds, by virtue of his or her office or employment, shall give an individual bond or be covered by a blanket bond. The amount of such bonds shall not be less than Twenty-five Thousand Dollars (\$25,000.00) for each public officer or employee, unless a specific amount is otherwise required by law. The provisions of this section shall not apply to any public officer or employee whose activity of handling or having custody of public funds is incidental to his or her employment or job duties, as defined by the regulations of the State Auditor's office."

For the employees whose handling or custody of public funds is incidental to his or her employment or job duties, the governing authority—in this case, the Mississippi Board of Pharmacy—should document why this is incidental and would not require a bond.¹⁰

Recommendation: OSA recommends the Board ensure all Board members and staff are bonded as required by state law. Surety bonds protect public funds by providing the State financial security against theft, fraud, or mismanagement, and ensure state officials faithfully perform their duties as required by law.

Resolution: The Board acknowledged the requirements of *§ 25-1-12* and have purchased surety bonds for its Executive Director, Associate Director, and Executive Assistant.

¹⁰ See [OSA Circular No. 16](#).