



STATE OF OKLAHOMA
OFFICE OF THE STATE AUDITOR & INSPECTOR

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**STATE BOARD OF
PHARMACY**

JULY 1, 2002 THROUGH JUNE 30, 2003
JULY 1, 2003 THROUGH JUNE 30, 2004



JEFF A. McMAHAN, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR

State Board of Pharmacy
Statutory Examination Report
For the Periods
July 1, 2002 to June 30, 2003
July 1, 2003 to June 30, 2004

This publication is printed and issued by the State Auditor and Inspector, as required by 74 O.S. §212. Pursuant to 74 O.S. §3105, 5 copies have been prepared and distributed at a cost of \$4.35. Copies have been deposited with the Publications Clearinghouse of the Oklahoma Department of Libraries.



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

June 14, 2005

TO THE BOARD OF DIRECTORS OF THE STATE BOARD OF PHARMACY

Transmitted herewith is the Statutory Examination Report for State Board of Pharmacy. The procedures we performed were conducted pursuant to 74 O.S. § 212.

The Office of the State Auditor and Inspector is committed to serve the public interest by providing independent oversight and by issuing reports that serve as a management tool to the State. Our goal is to ensure a government that is accountable to the people of the State of Oklahoma.

We wish to take this opportunity to express our appreciation to the agency's staff for the assistance and cooperation extended to our office during the course of our engagement.

Sincerely,

A handwritten signature in blue ink that reads "Jeff A. McMahan".

JEFF A. McMAHAN
State Auditor and Inspector

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Background

The mission of Oklahoma State Board of Pharmacy is to protect the health, safety, and welfare of the citizens of Oklahoma by regulating and enforcing the laws regarding to the practice of pharmacy and the manufacturing, sales, distribution and storage of drugs, medicines, chemicals and poisons.

Board Members

MR. JAMES O. SPOON, D.PH. PRESIDENT
MR. WILLIAM "BILL" OSBORN, D.PH. VICE-PRESIDENT
MR. JERRY ALLEN, D.PH. MEMBER
MR. GORDON RICHARDS, D.PH. MEMBER
MR. JOHN LASSITER, D.PH. MEMBER
DR. DIANA HAMPTON MEMBER

Key Staff

BRYAN POTTER, D.PH. EXECUTIVE DIRECTOR
MARY ANN TERRAL BUSINESS MANAGER
SUSAN DOZAL ADMINISTRATIVE PROGRAM OFFICER
RHONDA JENKINS REGISTRATION SECRETARY



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

TO THE BOARD OF DIRECTORS OF THE STATE BOARD OF PHARMACY

For the purpose of complying with 74 O.S. § 212, we have performed the following procedures for fiscal years 2003 and 2004:

1. We reviewed internal controls over cash, revenues and expenditures.
2. We tested a sample of deposits to determine they were properly posted to the financial records and had adequate supporting documentation.
3. We tested a sample of disbursements to determine they were properly posted to the financial records and had adequate supporting documentation.
4. We performed analytical procedures to test the reasonableness of payroll disbursements;

For each fiscal year, we also prepared a Schedule of Receipts, Disbursements and Changes in Cash from information obtained from the statewide accounting system maintained by the Office of State Finance. These schedules have been included for informational purposes only.

Our procedures were limited to those defined above and were less in scope than would be necessary to express an opinion on any of the items referred to above or to express an opinion on the effectiveness of Oklahoma State Board of Pharmacy's internal control or any part thereof. Accordingly, we do not express such opinions. Alternatively, we have identified the procedures we performed and there were no findings resulting from those procedures.

Sincerely,

A handwritten signature in blue ink that reads "Jeff A. McMahon".

JEFF A. McMAHAN
State Auditor and Inspector

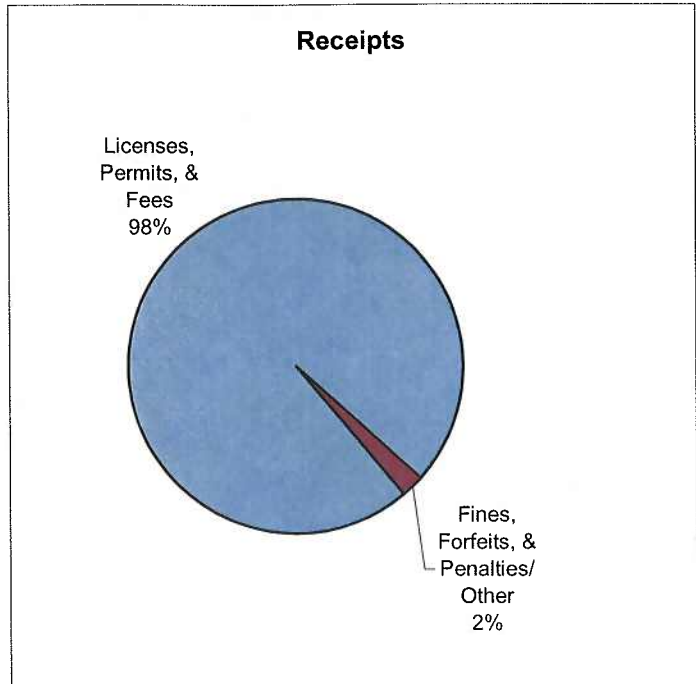
May 17, 2005

State Board of Pharmacy

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH FOR THE YEAR ENDED JUNE 30, 2003

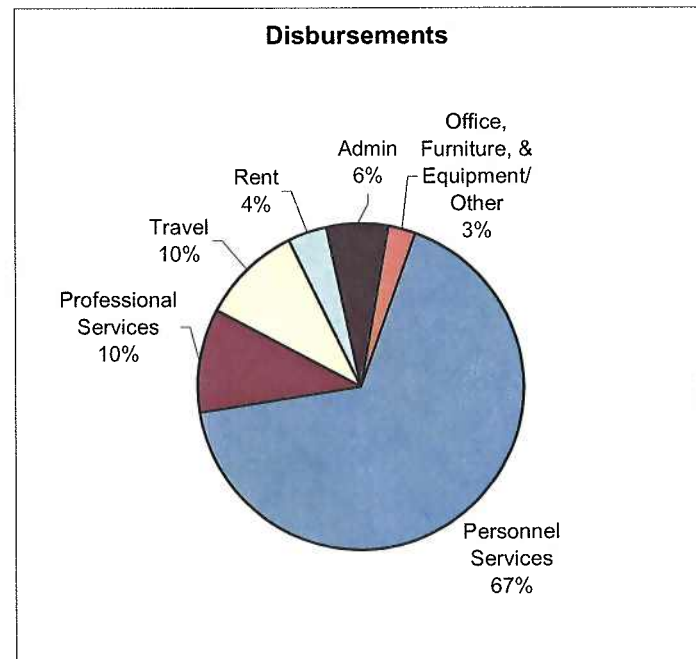
RECEIPTS:

Licenses, Permits, & Fees	923,312
Fines, Forfeits, & Penalties	21,285
Refunds & Reimbursements	234
Total Receipts	944,831



DISBURSEMENTS:

Personnel Services	514,853
Professional Services	78,516
Travel	77,873
Rent	29,336
Administrative Expense	46,566
Office, Furniture, & Equipment	16,192
Other	6,179
Total Disbursements	769,515



**RECEIPTS OVER (UNDER)
DISBURSEMENTS**

175,316

CASH - Beginning of year

901,023

CASH - End of year

1,076,339

State Board of Pharmacy

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
FOR THE YEAR ENDED JUNE 30, 2004**

RECEIPTS:

Licenses, Permits, & Fees	993,755
Fines, Forfeits, & Penalties	46,058
Other	<u>36</u>
Total Receipts	<u>1,039,849</u>

DISBURSEMENTS:

Personnel Services	522,404
Professional Services	97,186
Travel	55,327
Rent	44,491
Administrative Expense	40,958
Office, Furniture, & Equipment	27,714
Other	<u>9,140</u>
Total Disbursements	<u>797,220</u>

RECEIPTS OVER (UNDER)
DISBURSEMENTS

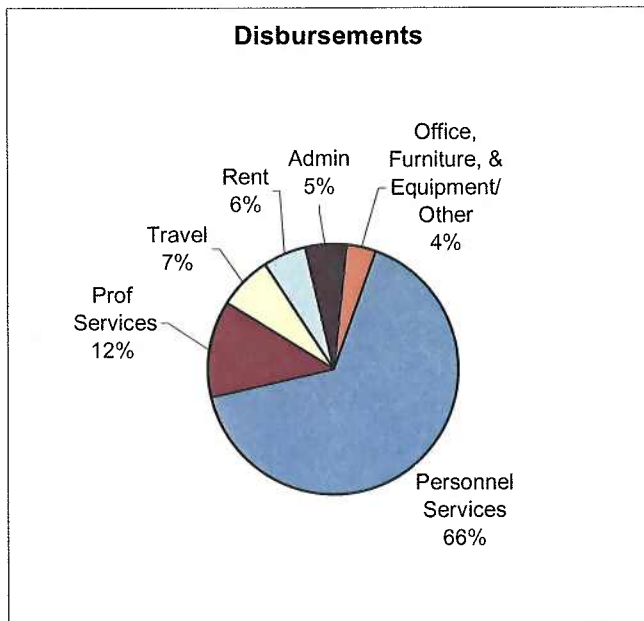
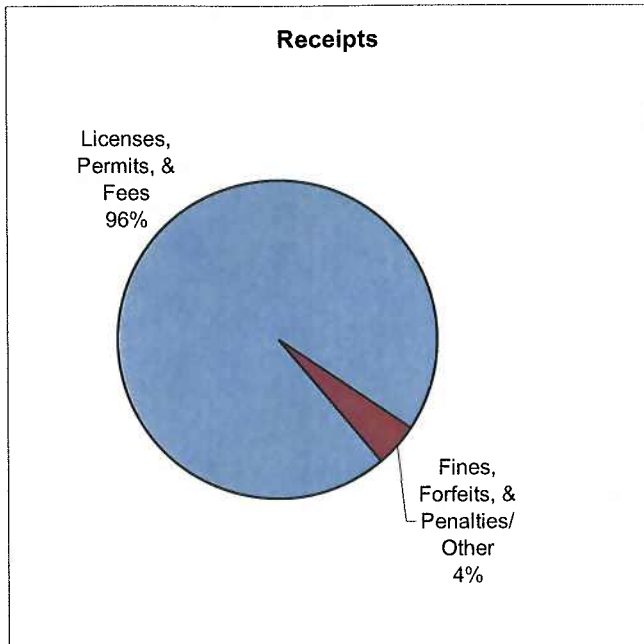
242,629

CASH - Beginning of year

1,076,339

CASH - End of year

1,318,968



Other Information

Clearing Account

Oklahoma State Board of Pharmacy maintains a clearing account to deposit revenues collected on a daily basis. All items deposited into the clearing account are held there until such items have been honored by the paying entity. Once these items have been honored, the revenues are transferred for deposit into the agency's operating fund(s). The agency's clearing account had a cash balance of \$456,464 at June 30, 2003 and \$473,814 at June 30, 2004. As of June 30, 2003 and June 30, 2004 these amounts had not yet been deposited into the agency's operating fund(s) and were not considered to be available to fund the agency's general operations. As a result, the clearing account's cash balance, revenues, and disbursements are not included in the accompanying Schedule of Receipts, Disbursements, and Changes in Cash Balance.

Payments to the State General Revenue Fund

In accordance with 62 O.S. § 211, the Oklahoma State Board of Pharmacy shall remit 10% of all license and fee revenues received to the State of Oklahoma General Revenue Fund. During fiscal year 2003, the agency submitted \$104,957 to the State's General Revenue Fund and \$115,575 during fiscal year 2004. As previously discussed, the agency maintains a clearing account in which receipts are deposited. When the required deposit of monies is made to the State's General Revenue Fund, it is made directly from the agency's clearing account. As a result, these receipts and disbursements are not included in the accompanying Schedule of Receipts, Disbursements, and Changes in Cash.

**OFFICE OF THE STATE AUDITOR & INSPECTOR
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