

## 19-107 Texas Higher Education Coordinating Board

We have completed our audit of the Family Practice Residency Program Fiscal Year 2018 Annual Financial Report (AFR). This annual audit is required by the Texas Higher Education Coordinating Board (THECB). This audit was performed at the request of the UTHealth Audit Committee and was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

### BACKGROUND

THECB provides appropriated funds to help operate and maintain Family Practice Residency Programs in Texas. The purpose of the funds is to educate and train family practice residents and encourage them to locate their practices in underserved urban and rural areas of the state, which may ultimately lead to improved medical care for citizens in those areas. The total funding received by the Family Practice Residency Program for FY 2018 was \$222,599. The intent of these funds is to directly support the education and training of 36 full-time family practice residents.

### OBJECTIVE

The objective of this audit was to provide an opinion regarding revenue and expenditures related to THECB funds awarded during FY 2018 and report on the Family Practice Residency Program FY 2018 AFR.

### SCOPE PERIOD

The scope period was FY 2018.

### METHODOLOGY

Audit procedures included a review of the agreement and test of transactions.

### AUDIT RESULTS

**Agreement with General Ledger:** Auditing and Advisory Services (A&AS) traced amounts reported on the FY 2018 AFR to the general ledger and noted no exceptions.

**Capital Expenditures:** Our audit work indicated there were no equipment purchases during FY 2018.

**Non-Payroll Expenditures:** A&AS reviewed a random sample of five non-payroll expenses paid from these funds during FY 2018 to determine whether they are consistent with the program guidelines/contract provisions and noted no exceptions.

**Payroll Expenditures:** A&AS reviewed a random sample of five employees paid from these funds during FY 2018 to determine whether the employees worked on the project and noted no exceptions. The individuals paid from the project's funds worked on the project, and their time and effort reports were certified and approved.

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**Unexpended Funds:** A&AS reviewed the FY2017 AFR and noted funds totaling \$20,829 were identified as unexpended. This total comprises unexpended funds from FY 2016 totaling \$1,929 and FY 2017 totaling \$18,900. The \$20,829 was returned to THECB on September 24, 2018, after the FY 2018 agreement ended on August 31, 2018. Since the funds were returned after August 31, 2018, the \$20,829 was reported as unexpended funds on the FY 2018 AFR as required by THECB.


**CONCLUSION**

In our opinion, the AFR reported to the THECB fairly represents revenues and expenditures related to FY 2018 THECB award.

**NUMBER OF PRIORITY & HIGH FINDINGS REPORTED TO UT SYSTEM**

None

We would like to thank the staff and management within the Family & Community Medicine who assisted us during our review.

  
Daniel G. Sherman, MBA, CPA, CIA  
Assistant Vice President

**MAPPING TO FY 2019 RISK ASSESSMENT**

<b>Risk (Rating)</b>	N/A - This audit is not risk based. This is annual audit required by THECB to provide an opinion on revenue and expenditure reporting of program funds.
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**DATA ANALYTICS UTILIZED**

<b>Data Analytic #1</b>	None
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**AUDITING & ADVISORY SERVICES ENGAGEMENT TEAM**

<b>Assistant Vice President</b>	Daniel G. Sherman, MBA, CPA, CIA
<b>Audit Manager</b>	Nathaniel Gruesen, MBA, CIA, CISA, CFE
<b>Auditor Assigned</b>	Kathy Tran, CIA, CFE
<b>End of Fieldwork Date</b>	December 6, 2018
<b>Issue Date</b>	December 7, 2018

**Copies to:**

Audit Committee  
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