



# UTHealth

The University of Texas  
Health Science Center at Tyler

## *Office of Internal Audit*

December 31, 2018

Dr. Kirk A. Calhoun, President  
UT Health Northeast  
11937 U. S. Hwy 271  
Tyler, TX 75708

Dear Dr. Calhoun:

We completed an audit of the Family Medicine Residency Program (FMRP) Annual Financial Report (AFR) for Fiscal Year Ended (FYE) August 31, 2018. This audit was completed as part of our Fiscal Year (FY) 2019 Annual Audit Plan to comply with Texas Higher Education Coordinating Board audit requirements. The objective of the audit was to determine if FY 2018 Texas Higher Education Coordinating Board funds awarded to the UT Health Science Center at Tyler FMRP under the State Grant Agreement were appropriately expended as required by program guidelines.

FY 2018 Texas Higher Education Coordinating Board funds awarded to the UT Health Science Center at Tyler FMRP in the amount of \$162,186 were appropriately spent in accordance with applicable guidelines. This audit was conducted in accordance with guidelines set forth in The Institute of Internal Auditor's *International Standards for the Professional Practice of Internal Auditing*. We appreciate the assistance provided by management and other personnel and hope the information presented in our report is helpful.

Sincerely,

Stephen Ford  
AVP, Chief Audit Executive

Enclosure

cc:

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**UTHealth**

The University of Texas  
Health Science Center at Tyler

**Family Medicine Residency Program Annual  
Financial Report Audit for Fiscal Year  
Ended August 31, 2018**

**December 31, 2018**

**UT HEALTH SCIENCE CENTER AT TYLER  
OFFICE OF INTERNAL AUDIT  
11937 US HIGHWAY 271  
TYLER, TX 75708**

**UT Health Science Center at Tyler  
Family Medicine Residency Program Annual Financial Report Audit  
For Fiscal Year-End August 31, 2018**

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## **Report**

### ***Background***

The Family Medicine Residency Program (FMRP) is a program designed to enhance physician training and provide medical care to the under-served urban and rural areas of Texas. UT Health Science Center at Tyler (UTHSCT) receives funding for the FMRP under the provisions of the Texas Education Code, Chapter 61. The Texas Higher Education Coordinating Board (Coordinating Board) administers the program and pursuant to their responsibility for administration has issued the *Family Medicine Residency Program Guidelines for Funding Operational and Optional Rotation Programs*. These guidelines include a requirement for submission of an annual financial report (AFR) of FMRP revenues and expenditures along with an internal or independent auditor's opinion by December 31<sup>st</sup> or on a date established by the Coordinating Board staff and communicated to the program directors. For Fiscal Year (FY) 2018, the Coordinating Board established the due date for the AFR and auditor's opinion as December 31, 2018.

In FY 2018, the FMRP operated on a budget of approximately \$9.9 million, including \$162,186 in program grant funding provided by the Coordinating Board. There were 27 residents in the program in FY 2018. The UTHSCT FMRP Program Director for FY 2018 was Dr. Robert Tompkins and the Program Administrator was Dr. Jeffrey Levin.

### ***Objective***

The objective of the audit was to determine if FY 2018 Texas Higher Education Coordinating Board funds awarded to the UTHSCT FMRP under the State Grant Agreement were appropriately expended as required by program guidelines.

### ***Scope and Methodology***

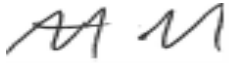
The audit period was September 1, 2017 through August 31, 2018. Audit procedures included review of the Coordinating Board agreement, pertinent supporting documents and testing of transactions.

### ***Audit Results***

We verified that the Coordinating Board funding based on the FY 2018 operational grant agreement and rural rotation awards in the sum of \$149,686 agreed to the amounts that were received and recorded in the general ledger and FMRP AFR for Fiscal Year Ended (FYE) August 31, 2018. The funds awarded to the Institution by the Coordinating Board for FY 2018 accrued interest in the amount of \$471.18, which we verified was accurate. We did note a remaining positive balance in the FMRP State Appropriation account in the amount of \$12,500, which was included as part of the *Unexpended Balance on CBFP Funds* amount. Management will work

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with the Coordinating Board to resolve the remaining balance in the FMRP State Appropriation account. All expenditures from the grant funds were appropriate and made in accordance with program guidelines for FMRP payroll expenses and related costs that totaled \$162,186. We conducted our audit in accordance with the *International Standards for the Professional Practice of Internal Auditing* as promulgated by The Institute of Internal Auditors.



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Stephen Ford  
AVP, Chief Audit Executive