



## Auditing and Advisory Services

P.O. Box 20036 | Houston, TX | 713-500-3160

### Texas Higher Education Coordinating Board

#HSC25RQ0005

#### EXECUTIVE SUMMARY

Auditing & Advisory Services (A&AS) has completed an assurance engagement of the Family Practice Residency Program Fiscal Year (FY) 2024. This engagement was performed at the request of the UTHealth Houston (UTHealth) Audit Committee and was conducted in accordance with the Global Internal Audit Standards.

#### Background

The Texas Higher Education Coordinating Board (THECB) provides appropriated funds to help operate and maintain Family Practice Residency Programs in Texas. The purpose of these funds is to educate and train family practice residents and encourage them to locate their practices to 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 2024 was \$292,649. The intent of these funds is to directly support the education and training of family practice residents.

#### Objectives/Scope

Our objective was to provide an opinion regarding revenue and expenditures related to THECB funds awarded during FY 2024 and report on the Family Practice Residency Program FY 2024 Annual Financial Report (AFR).

#### Scope Period

September 1, 2023 – August 31, 2024

#### Results

**Agreement with General Ledger:** A&AS traced amounts reported on the FY 2024 AFR to the general ledger and noted no exceptions.

**Equipment Expenditures:** Our review indicated there was one office equipment & furniture purchase (electric standing desk converter) made during FY 2024 where \$132.23 was paid using THECB funds. Equipment purchases of less than \$2,500 is allowed by THECB but the department is required to tag and dispose the equipment in accordance with the guidelines. As of December 13, 2024, the Department of Family and Community Medicine is currently working with Capital Assets Management to tag the equipment as required by THECB.

**Non-Payroll Expenditures:** Our review indicated there were no other non-payroll purchases made during FY 2024.

**Payroll Expenditures:** A&AS reviewed a random sample of five employees paid from these funds during FY 2024 to determine whether the employees worked on the project and noted no exceptions.

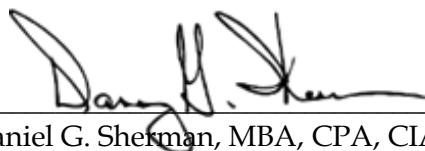
## THECB

**Unexpended Funds:** A&AS reviewed the treatment of unexpended funds from FY 2023 and found the Department of Family and Community Medicine had returned the unspent funds to THECB. There were no unexpended funds for FY 2024.

### Conclusion

In our opinion, the AFR reported to the THECB fairly represents revenues and expenditures related to FY 2024 THECB award.

We would like to thank the Family and Community Medicine staff and management who assisted us during the engagement.



Daniel G. Sherman, MBA, CPA, CIA  
Vice President & Chief Audit Officer

### OBSERVATION RATINGS

<b>Priority</b>	An issue that, if not addressed timely, has a high probability to directly impact achievement of a strategic or important operational objective of UTHealth Houston or the UT System as a whole.
<b>High</b>	An issue considered to have a medium to high probability of adverse effects to a significant office or business process or to UTHealth Houston as a whole.
<b>Medium</b>	An issue considered to have a low to medium probability of adverse effects to an office or business process or to UTHealth Houston as a whole.
<b>Low</b>	An issue considered to have minimal probability of adverse effects to an office or business process or to UTHealth Houston as a whole.

### NUMBER OF PRIORITY OBSERVATIONS REPORTED TO UT SYSTEM

None

### MAPPING TO A&AS FY 2025 RISK ASSESSMENT

Reference	Risk
Required Engagements	Not Applicable - This engagement is not risk-based. This is an annual engagement required by THECB to provide an opinion on revenue and expenditure reporting of program funds.

### DATA ANALYTICS UTILIZED

Not Applicable

### ENGAGEMENT TEAM

VP/CAO - Daniel G. Sherman, MBA, CPA, CIA

Supervisor - Kathy Tran, CIA, CISA, CISSP, CFE, CGAP

Lead - Ricky Phan

**THECB**

**END OF FIELDWORK DATE**

December 18, 2024

**ISSUE DATE**

December 19, 2024

**REPORT DISTRIBUTION**

Audit Committee

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