



THE UNIVERSITY OF TEXAS SYSTEM AUDIT OFFICE
Joint Admission Medical Program (JAMP) Audit
Fiscal Year 2025

SUMMARY

BACKGROUND: The Joint Admission Medical Program (JAMP) was created in May 2001 by Senate Bill 940 of the 77th Texas Legislature to provide funding and services that support and encourage highly qualified, economically disadvantaged students to pursue a medical education. JAMP is governed by the JAMP Council (Council) which consists of representatives from each medical school in Texas and is administratively managed by The University of Texas (UT) System Administration.

Biennially, the Texas Legislature provides state appropriations for JAMP to the Texas Higher Education Coordinating Board (Coordinating Board). The Coordinating Board entered into an agreement with the Council to outline terms and conditions for the transfer of appropriated funds. The Council then entered into an agreement with UT System Administration to establish the terms and conditions for the use and distribution of the funds and to distribute funds to participating schools. The agreement between the Coordinating Board and the Council further requires that the Council provide the Coordinating Board, “not later than December 31 of each even-numbered year, a financial statement detailing Fiscal Year revenues and expenditures by purposes and amounts, along with an internal or independent auditor’s opinion.” The System Audit Office’s Financial Statement Opinion Letter and JAMP’s Statement of Revenues, Expenses, and Fund Balance (financial statement) for Fiscal Years (FY) 2023 and 2024 are included in *Appendix A*.

OBJECTIVE: To determine the reliability and integrity of key financial information reported on the JAMP financial statement.

CONCLUSION: The JAMP financial statement fairly represents JAMP activity in all material respects for the two fiscal years ending August 31, 2024. However, participating institutions did not always provide the required financial reporting documentation with their annual expenditure reports mandated by the Academic and Medical School Agreements.

OBSERVATIONS

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Medium

Incomplete or inaccurate financial reporting from the participating institutions could lead to a misstated financial statement, which may result in the Council making decisions based on incorrect information. Ensuring complete and accurate financial reporting documentation is crucial for maintaining the integrity and effectiveness of the JAMP program.

Management developed an action plan that incorporated the System Audit Office recommendation to address the observation and anticipates implementation by May 1, 2025.



Annual Expenditure Reports:

Ensure participating institutions provide all required financial reporting documentation for proper oversight and monitoring of the grant funds

Incomplete or inaccurate financial reporting from the participating institutions could lead to a misstated financial statement, which may result in the Council making decisions based on incorrect information. Ensuring complete and accurate financial reporting documentation is crucial for maintaining the integrity and effectiveness of the JAMP program.

JAMP Academic and Medical School Agreements require that participating institutions provide reports as requested by the Council and follow the standards developed by the Council, including a financial report detailing FY revenues and expenses by purpose and amounts no later than October 31 each year. To further enhance financial oversight and maintain accurate reporting, the JAMP Office requires participating institutions to provide specific supporting documentation with their annual expenditure reports, including a statement of account for the applicable grant period. However, seven of 24 (29%) of the participating institutions tested did not provide a statement of account, or the statement did not reflect the full grant period.

In addition, there were two instances in which the participating institutions returned more funds than required based on their reported unexpended balances. While the JAMP Office effectively monitored the timely submission of the expenditure reports, additional review of the supporting documentation received and returned funds will ensure completeness and accuracy for financial reporting purposes.

ACTION PLAN

The JAMP Office has consistently monitored and enforced timely expenditure report submissions and recognizes the opportunity to further strengthen the consistency and accuracy of institutional financial documentation. The JAMP Office remains committed to ensuring comprehensive financial oversight and compliance, and steps are already underway to enhance reporting processes and provide additional guidance to participating institutions.

To further reinforce best practices in financial documentation and compliance, the JAMP Office has begun implementing the following steps:

- **Enhanced Financial Tracking** – systematically tracking the unused funds returned by participating institutions and cross-referencing them with the expenditure reports.
- **Clarification of Reporting Guidelines** – providing updated guidance to clarify statement of account requirements to ensure institutions submit documentation that fully aligns with grant periods.
- **Institutional Accountability Measures** – beginning with the FY 2025 expenditure reports, implementing a structured review and feedback process, ensuring that any reports not fully adhering to guidelines are flagged for timely correction.
- **Proactive Engagement with Institutions** – continuing to work collaboratively with participating institutions to address discrepancies early and ensure alignment with reporting standards.

Anticipated Implementation Date: May 1, 2025



The System Audit Office conducted this engagement in accordance with the *International Standards for the Professional Practice of Internal Auditing* and generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the engagement to obtain sufficient, appropriate evidence to provide a reasonable basis for our observations and conclusions based on our objectives. We believe that the evidence obtained provides a reasonable basis for our observations and conclusions based on our objectives. The System Audit Office is independent per GAGAS requirements for internal auditors.

SCOPE AND PROCEDURES

The scope of this engagement included revenue and expense activities of the JAMP program in FYs 2023 and 2024 (September 1, 2022 – August 31, 2024) and control practices currently in place. We assessed the overall risk of a material misstatement on the financial statement as low. Audit procedures were conducted between November 2024 and January 2025.

Procedures performed included identifying any changes to the JAMP program since the prior audit, validating key financial information reported on the JAMP financial statement, and verifying that required institutional audit reports were received and any findings would not impact the JAMP financial statement. We selected a judgmental sample of 11 revenue transactions (totaling \$12,030,428 or 96% of total revenues) and 10 expense transactions (totaling \$4,486,551 or 38% of total expenses) across both FYs to test whether the transactions were properly approved, adequately supported, and accurately recorded in the financial system.

We will follow up on the action plan in this report to determine its implementation status. We review and rely on written affirmation from the responsible department to track completion of action plans for Medium- and Low-level observations. Responsible departments may request an extension to implement their action plans. This process will help enhance accountability and ensure that timely action is taken to address the observations.

OBSERVATION RATINGS

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

CRITERIA

- Texas Higher Education Coordinating Board and JAMP Council Interagency Cooperation Contract (FY 2024-2025)
- Agreement Between the JAMP Council and the University of Texas System Administration (FY 2024-2025)
- Agreements Between the JAMP Council and Public Academic Institutions (FY 2024-2027)
- Agreements Between the JAMP Council and Private Academic Institutions (FY 2024-2027)
- Agreements Between the JAMP Council and Medical Schools (FY 2024-2027)
- JAMP Expenditure Guidelines

REPORT DATE

February 21, 2025

REPORT DISTRIBUTION

To: Matthew Meeks, Ed.D., Executive Director, Texas Health Education Services
Cc: Nina Gonzalez, Ed.D., Director of JAMP and Strategic Initiatives, JAMP/Texas Health Education Services
UT System Administration Internal Audit Committee
External Agencies (State Auditor, Legislative Budget Board, Governor’s Office)



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Fiscal Year 2025

APPENDIX A



**The University of
Texas System**

SYSTEM AUDIT OFFICE
 210 WEST SEVENTH STREET
 AUSTIN, TX 78701
 512.499.4390
UTSYSTEM.EDU

December 9, 2024

Matthew Meeks
 Executive Director, Texas Health Education Service
 The University of Texas System Administration
 P.O. Box 2175
 Austin, Texas 78768

Dear Mr. Meeks:

The University of Texas (UT) System Audit Office has reviewed the Joint Admission Medical Program (JAMP) Statement of Revenues, Expenses, and Fund Balance (financial statement), prepared on a cash basis, for the two fiscal year period ended August 31, 2024.

Our engagement consisted of verifying that revenues and expenses were compiled and classified accurately in the financial statement. Our work relied on the accuracy of expenditure reports submitted by participating institutions and did not include testing for appropriateness. Per their agreements with the JAMP Council, participating institutions were required to provide an auditor's opinion on the appropriateness of their expenditures on a risk basis, as determined by your office.

In our opinion, the accompanying JAMP financial statement fairly represents, in all material respects, JAMP activity for the two fiscal year period ended August 31, 2024.

Our examination was conducted in accordance with the guidelines set forth in the *International Standards for the Professional Practice of Internal Auditing* and generally accepted government auditing standards.

We appreciate the assistance provided by you and your staff.

Sincerely,

J. Michael Peppers, CPA, CIA, QIAL, CRMA
 Chief Audit Executive

cc: David L. Lakey, M.D., Vice Chancellor for Health Affairs and Chief Medical Officer
 Cynthia Perry, Ph.D., JAMP Council Chair
 Nina Gonzalez, Ed.D., Director of JAMP and Strategic Initiatives, JAMP/Texas Health Education Service



**JOINT ADMISSION MEDICAL PROGRAM
 FINANCIAL REPORT
 FISCAL YEARS 2023 and 2024**

	<u>FY 2023</u>	<u>FY 2024</u>
INCOME		
BEGINNING BALANCE	\$7,748,043	\$2,670,054
THECB PROGRAM DISTRIBUTION	\$0	\$11,696,794
RETURNED FUNDS FROM PRIOR PERIOD	\$446,595	\$366,176
TOTAL FUNDS AVAILABLE	<u>\$8,194,638</u>	<u>\$14,733,024</u>
EXPENSES		
UNDERGRADUATE STUDENT SUMMER STIPENDS	\$298,500	\$498,500
UNDERGRADUATE STUDENT SCHOLARSHIPS	\$286,000	\$398,500
MEDICAL SCHOOL SCHOLARSHIPS	\$1,120,000	\$1,192,000
MEDICAL SCHOOL INTERVIEW STIPENDS	\$156,000	\$219,000
UNDERGRADUATE SCHOOLS PROGRAM COSTS	\$523,295	\$521,479
MEDICAL SCHOOLS PROGRAM COSTS	\$780,000	\$840,000
MEDICAL SCHOOLS SUMMER INTERNSHIP PROGRAM COSTS	\$1,612,150	\$1,656,080
PRE-JAMP OUTREACH PROGRAM COSTS	\$200,000	\$340,347
GRADUATE MEDICAL EDUCATION PROGRAM COSTS*	\$0	\$0
EVALUATION, ACCOUNTABILITY & DEVELOPMENT	\$60,000	\$60,000
ADMINISTRATIVE COSTS	\$488,640	\$571,228
TOTAL EXPENSES	<u>\$5,524,585</u>	<u>\$6,297,134</u>
ENDING BALANCE	<u>\$2,670,053</u>	<u>\$8,435,890</u>

* Graduate Medical Education Program Costs were not funded during the biennium but may be in future periods.