



Internal Audit Department

January 17, 2025

Dr. Julie Philley
President
The University of Texas at Tyler
3900 University Blvd.
Tyler, TX 75799

Dr. Philley,

We completed an audit of the Family Medicine Residency Program (FMRP) Annual Financial Report (AFR) for Fiscal Year Ended (FYE) August 31, 2024. This audit was completed as part of our Fiscal Year (FY) 2025 Annual Audit Plan. The objective of the audit was to determine if Fiscal Year (FY) 2024 Texas Higher Education Coordinating Board (THECB) funds awarded to The University of Texas at Tyler (UT Tyler) Health Science Center (HSC) Family Medicine Residency Program (FMRP) were appropriately expended.

The FY 2024 THECB funds awarded to the UT Tyler HSC FMRP in the amount of \$251,388 were expended appropriately. This audit was conducted in accordance with guidelines set forth in *The Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing* and Generally Accepted Government Auditing Standards. We appreciate the assistance provided by management and other personnel and hope the information presented in our report is helpful.

Sincerely,

Stephen Ford
Vice President, Chief Audit Executive

Enclosure

cc:

Dr. James Menard, Family Medicine Residency Program Director
Mr. Daniel Deslatte, Chief Business Officer
Mr. Dwain Morris, Chief Financial Officer
Dr. Emmanuel Elueze, Associate Dean of Graduate Medical Education and Professional Development
Ms. Tamra McLuen, Assistant Vice President, Graduate Medical Education
Dr. John M. Zerwas, UT System Executive Vice Chancellor for Health Affairs
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**Family Medicine Residency Program Annual Financial Report Audit for
Fiscal Year Ended August 31, 2024**



January 17, 2025

INTERNAL AUDIT DEPARTMENT
3900 UNIVERSITY BOULEVARD
TYLER, TEXAS 75799

The University of Texas at Tyler

Family Medicine Residency Program Annual Financial Report Audit for Fiscal Year Ended August 31, 2024

AUDIT OBJECTIVE and CONCLUSION

The objective of the audit was to determine if Fiscal Year (FY) 2024 Texas Higher Education Coordinating Board (THECB) funds awarded to The University of Texas at Tyler (UT Tyler) Health Science Center (HSC) Family Medicine Residency Program (FMRP) were appropriately expended.

We verified THECB funding per the FY 2024 operational grant agreement award in the sum of \$195,100 for Tyler, \$48,788 for Pittsburg, and \$7,500 for Rural Rotation were expended for Family Medicine Residents, in compliance with grant guidelines. The Internal Audit Department (IAD) did identify opportunities for improvements for Family Medicine Residence expenditure processes and communicated those to UT Tyler Management. Per the Annual Financial Report (AFR) submitted for Tyler and Pittsburgh, there was \$4,317.15 in "Total Unexpended Funds". This was comprised of \$1,588.04 unexpended during FY 2024 and interest accrued on FY 2024 THECB funds in the amount of \$2,729.11. Based on instructions from THECB, the \$4,317.15 will need to be refunded. The FMRP expenditures from THECB funds were appropriate.

BACKGROUND

The FMRP is a program designed to enhance physician training and provide medical care to the underserved urban and rural areas of Texas. UT Tyler HSC receives funding for the FMRP under the provisions of the Texas Education Code, Chapter 61. THECB 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 historically included a requirement for submission of an AFR of FMRP revenues and expenditures, along with an internal or independent auditor's opinion by December 31st or on a date established by THECB staff and communicated to the program directors. For FY 2024, THECB had initially established the due date for the AFR and auditor's opinion as January 15, 2025.

As an important update, IAD notes that THECB communicated to UT Tyler that an internal or independent auditor's opinion is no longer required by THECB and that it no longer is seeking one to be submitted to THECB, effective for FY 2024's submission.

In FY 2024, the FMRP operated on a budget of approximately \$8.5 million, including \$195,100 for the Tyler program, \$48,788 for the Pittsburg program and \$7,500 for Rural Rotation received from THECB. There were 31 residents combined in both programs in FY 2024. The UT Tyler HSC FMRP Program Director for FY 2024 was Dr. James Menard, and the Program Coordinator was Ms. Megan Pazos.

STANDARDS

The audit was conducted in accordance with guidelines set forth in *The Institute of Internal Auditors' Standards for the Professional Practice of Internal Auditing* and Generally Accepted Government Auditing Standards.

SCOPE AND PROCEDURES

The audit period was September 1, 2023, through August 31, 2024. Audit procedures included a review of the THECB agreement, pertinent supporting documents, and assessing whether fund expenditures were appropriate.