



UT Tyler
THE UNIVERSITY OF TEXAS AT TYLER

Internal Audit Department

January 12, 2024

Dr. Kirk A. Calhoun
President
The University of Texas at Tyler
3900 University Blvd.
Tyler, TX 75799

Dr. Calhoun,

We completed an audit of the Family Medicine Residency Program (FMRP) Annual Financial Report (AFR) for Fiscal Year Ended (FYE) August 31, 2023. This audit was completed as part of our Fiscal Year (FY) 2024 Annual Audit Plan to comply with Texas Higher Education Coordinating Board audit requirements. The objective of the audit was to determine if FY 2023 Texas Higher Education Coordinating Board (THECB) funds awarded to The University of Texas at Tyler (UT Tyler) Health Science Center (HSC) FMRP, under the State Grant Agreement, were appropriately expended as required by program guidelines.

FY 2023 THECB funds awarded to the HSC FMRP in the amount of \$142,093 were appropriately spent in accordance with applicable guidelines. 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
Dr. Emmanuel Elueze, Associate Dean of Graduate Medical Education and Professional Development
Ms. Peggy Pazos, Executive Director of Graduate and Undergraduate Medical Education
Mr. Dwain Morris, Executive Vice President, Administration, Chief Business Officer
Dr. Julie Philley, Executive Vice President, Health Affairs, Vice Provost
Mr. Daniel Deslatte, Senior Vice President, Business Affairs, Chief Operating Officer, Health Affairs
Ms. Cindy Scott, Senior Vice President, Human Resources and Chief Human Resources Officer
Ms. Natalie Harms, Vice President, Finance, Interim Chief Financial Officer
Ms. Carrie McMahan, Director of Accounting and Financial Reporting

The University of Texas at Tyler
Family Medicine Residency Program Annual Financial Report Audit for Fiscal Year Ended August 31,
2023

Dr. John M. Zerwas, UT System Executive Vice Chancellor for Health Affairs

Dr. Archie L. Holmes Jr., UT System Executive Vice Chancellor for Academic Affairs

Mr. J. Michael Peppers, UT System Chief Audit Executive

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**Family Medicine Residency Program Annual Financial Report Audit for
Fiscal Year Ended August 31, 2023**



January 12, 2024

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,
2023**

AUDIT OBJECTIVE and CONCLUSION

The objective of the audit was to determine if Fiscal Year (FY) 2023 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), under the State Grant Agreement, were appropriately expended as required by program guidelines.

We verified that the Coordinating Board funding based on the FY 2023 operational grant agreement award in the sum of \$113,674 for Tyler and \$28,419 for Pittsburg agreed to the amounts that were received and recorded in the general ledger and FMRP Annual Financial Report (AFR) for Fiscal Year Ended (FYE) August 31, 2023. The funds awarded to the Institution by the Coordinating Board for FY 2023 accrued interest in the amount of \$1,588.04. Based on instruction from the Coordinating Board, the accrued interest will carryforward to FY 2024, or will need to be refunded. All expenditures from the grant funds were appropriate and made in accordance with program guidelines for FMRP payroll expenses, which totaled \$113,674 for the Tyler program and \$28,419 for the Pittsburg program.

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 include 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 2023, THECB established the due date for the AFR and auditor's opinion as January 15, 2024.

In FY 2023, the FMRP operated on a budget of approximately \$8.6 million, including \$113,674 for the Tyler program and \$28,419 for the Pittsburg program. There were 30 residents combined in both programs in FY 2023. The UT Tyler HSC FMRP Program Director for FY 2023 was Dr. James Menard, and the Program Coordinator was Ms. Melissa Covington.

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, 2022, through August 31, 2023. Audit procedures included a review of the Coordinating Board agreement, pertinent supporting documents, and testing of transactions.