

MEMORANDUM

TO: Barbara L. Thompson, MD
Chair, Department of Family Medicine

FROM: Kimberly K. Hagara, CPA, CIA, CISA, CRMA
Vice President, Audit Services



DATE: January 18, 2017

SUBJECT: Family Medicine Residency Program
Engagement Number 2017-016

Attached is the final audit report regarding the Family Medicine Residency Program audit. This audit will be presented at the next Institutional Audit Committee meeting.

Thank you for your cooperation and assistance during the course of this review. If you have any questions or comments regarding the audit or the follow-up process, please feel free to contact me at (409) 747-3277.

c: Danny O. Jacobs, MD
Ashlyn M. Baker
Deidra J. Walters
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The University of Texas Medical Branch
Audit Services

Audit Report

Family Medicine Residency Program

Engagement Number 2017-016

January 2017

The University of Texas Medical Branch
Audit Services
301 University Boulevard, Suite 4.100
Galveston, Texas 77555-0150

Family Medicine Residency Program Engagement Number: 2017-016

Background

The Texas Higher Education Coordinating Board (THECB) entered into an agreement with and provided funds to the University of Texas Medical Branch (UTMB Health) to educate and train residents in an accredited family practice residency program. The purpose of the funding is to encourage residents to locate their practices in medically underserved urban and rural areas, which may ultimately lead to improved medical care for citizens in these areas.

For fiscal year 2016, the THECB awarded the UTMB Health Family Medicine Residency Program (FMRP) one operational grant for \$326,903.00 to support 30 family medicine residents.

Audit Objective

The primary objective of this audit is to provide assurance regarding the reliability and integrity of financial information and compliance with agreement requirements and expenditure guidelines.

Scope of Work and Methodology

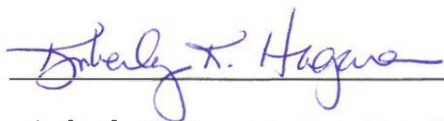
The scope of the audit included reviewing the financial activity reported by the FMRP for fiscal year 2016. The scope was limited to the FMRP funds awarded by the THECB and did not include tests of the revenues or expenditures related to the "all other funds" as reported on the annual financial report. The audit included obtaining an understanding of the financial reporting processes and reviewing the documentation supporting the activity recorded in the financial system.

The audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* as promulgated by the Institute of Internal Auditors.

Audit Results

Based on our review, the financial information reported in the accompanying University of Texas Medical Branch at Galveston Family Medicine Residency Program annual financial report is materially correct and fairly presents the revenues and expenditures of the funds received from the Texas Higher Education Coordinating Board for fiscal year 2016. The funds awarded by the Coordinating Board were accounted for in accordance with the Family Practice Residency Program Guidelines for Funding Operational and Support Programs and substantially complied with the Texas Uniform Grant Management Standards.

We greatly appreciate the assistance provided by Family Medicine Residency Program staff and hope that the information presented in our report is beneficial.



Imberly K. Hagara, CPA, CIA, CISA,
CRMA
Vice President, Audit Services



Barbara L. Winburn, RHIA, CIA, CRMA
Senior Audit Services Manager