

**UT SOUTHWESTERN**  
MEDICAL CENTER

Daniel K. Podolsky, M.D.  
President  
Philip O'Bryan Montgomery, Jr., M.D. Distinguished  
Presidential Chair in Academic Administration

Professor of Internal Medicine  
Doris and Bryan Wildenthal Distinguished  
Chair in Medical Science

January 6, 2014

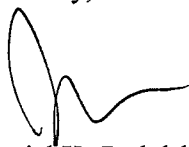
Raymond S. Greenberg, M.D., Ph.D.  
Executive Vice Chancellor for Health Affairs  
The University of Texas System  
O. Henry Hall, 2nd Floor  
601 Colorado Street  
Austin, Texas 78701

Dear Dr. Greenberg:

Enclosed for your information is a copy of The University of Texas Southwestern Medical Center Internal Audit Report - 14:19 Texas Higher Coordinating Board Grants.

The audit had no recommendations. I concur with the audit report.

Sincerely,



Daniel K. Podolsky, M.D.

Enclosure

cc: Arnim E. Dontes, Executive Vice President, Business Affairs  
J. Michael Peppers, System Chief Audit Executive  
Valla Wilson, Assistant Vice President, Office of Internal Audit

**The University of Texas Southwestern Medical Center**

**Internal Audit Report 14:19  
Fiscal Year 2013 Texas Higher Education Coordinating Board Grants**



**January 06, 2014**

Office of Internal Audit  
5323 Harry Hines Boulevard  
Dallas, Texas 75390-9017  
(214) 648-6106



**The University of Texas Southwestern Medical Center  
Internal Audit Report 14:19  
Fiscal Year 2013 Texas Higher Education Coordinating Board Grant  
FY 2014**

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**AUDIT REPORT**  
January 06, 2014

Daniel K. Podolsky, M.D., President  
The University of Texas Southwestern Medical Center  
5323 Harry Hines Boulevard, MC 9002  
Dallas, Texas 75390-9002

Dear Dr. Podolsky:

The University of Texas Southwestern Medical Center (Medical Center) Office of Internal Audit has completed its Fiscal Year 2013 (FY13) Texas Higher Education Coordinating Board (coordinating board) Grants audit. The audit assessed the appropriateness of controls over financial reporting, program administration, and provided an opinion on FMRP coordinating board expenditures during the period of September 1, 2012 to August 31, 2013 (FY13) as required by the grant agreement. This compliance audit is part of Fiscal Year 2014 audit plan and satisfies the audit requirement of the residency program grants.

### **Executive Summary**

#### **Background**

The coordinating board provides trusted funds to medical residency programs as directed by the Texas Legislature. Medical and Graduate Medical Education Program grants awarded to institutions support the education and training of physicians at the graduate or post-doctors of medicine (MD)/doctors of osteopathic medicine (DO) level. The purpose of the Family Medicine Residency Program (FMRP) is to increase the numbers of physicians selecting family practice as their medical specialty and to encourage those physicians to establish practices in rural and underserved communities in Texas.

The Medical Center received FY13 coordinating board funding of \$107,303.21 and \$80,663.52 respectively for its Dallas (St. Paul FMRP) and Austin (Seton/Austin FMRP) locations. These and prior year's carryover of \$248.15 were used to support training of 28 Dallas residents and 21 Austin residents. The level of FMRP grant funding to institutions has been reduced in recent years. Grant monies obtained from the Federal Health Resources and Service Administration (HRSA) helped train two additional family medicine residents for the St. Paul Program, or a total of 30.

#### **Audit Objective/Scope**

The objective of the audit was to provide reasonable assurance of the adequacy and effectiveness of controls related to reporting, utilization and administration of FMRP grant funds conducted for Dallas and Seton/Austin. An independent audit opinion is also required under the contract agreement as to whether funds expended in fiscal year 2013 (FY13) by the Medical Center are in accordance with grant guidelines.

**Conclusion**

The audit determined controls were effective in ensuring financial reporting accuracy and timeliness, appropriate spending and administration of coordinating board grants. Grant funds used to support education and training of family medicine residents complied with program guidelines. One prior audit recommendation to establish dedicated accounts in the Seton/Austin general ledger system for tracking FMRP awards and disbursements was implemented satisfactorily.

We appreciate the assistance and cooperation provided by family medicine residency program personnel during the audit.

Sincerely,



Valla Wilson, Assistant Vice President for Internal Audit

**Audit Team:**

Van Nguyen, Supervisor of Internal Audit (In-charge)

Scot St. Martin, Audit Manager

Valla Wilson, Assistant Vice President for Internal Audit

Cc: Arnim E. Dontes, Executive Vice President for Business Affairs  
Michael Serber, Vice President for Financial Affairs  
Tom Champagne, Interim Head, Sponsored Programs Administration Department  
Bradley Marple, M.D., Associate Dean and Designated Institutional Official for the Dallas and Seton/Austin Graduate Medical Education Programs, Vice Chair and Professor for Department of Otolaryngology - Head and Neck Surgery  
Susan Cox, M.D., Regional Dean for Seton/Austin Graduate Medical Education Program and Professor for Department of Obstetrics and Gynecology  
Amer Shakil, M.D., Interim Chair, Professor for Department of Family and Community Medicine and Director, UT Southwestern- St. Paul Family Medicine Residency Program (St. Paul FMRP)  
Dana Sprute, M.D., Associate Professor for Department of Family and Community Medicine and Director, UT Southwestern- Austin Family Medicine Residency Program (Seton/Austin FMRP)