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**DATE:** October 31, 2018  
**TO:** Dr. Diana Natalicio, President  
**FROM:** Lori Wertz, Chief Audit Executive, Office of Auditing and Consulting Services  
**SUBJECT:** Audit 19-205 Joint Admissions Medical Program

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A handwritten signature in blue ink that reads 'Lori Wertz'.

### **Introduction:**

The Office of Auditing and Consulting Services has completed a limited scope audit of the Joint Admissions Medical Program (JAMP) for Fiscal Years (FY) 2017 and 2018. This audit is required for selected institutions each year, and The University of Texas at El Paso was chosen to perform the audit in FY18. According to the agreement, the objective of the audit is to provide assurance that the institution is in compliance with JAMP requirements and JAMP expenditure guidelines.

The audit included financial activity for the period September 1, 2016 to August 31, 2018.

### **Background:**

JAMP is a program created by the Texas Legislature to assist qualified but economically disadvantaged Texas resident students with the pursuit of a medical degree.

JAMP provides support through:

- scholarships and summer stipends,
- summer internships, MCAT preparation,
- monitoring, and
- guaranteed admission into a participating Texas medical school if all criteria are met.

### **Methodology:**

Internal Audit followed the audit program procedures provided by JAMP. The required testing included a review of support documentation for financial transactions and expenditures reports.

## **Results:**

### **A. Analysis of Expenditures**

The expenditure reports for FY17 and FY18 were compared to identify expenditure fluctuations greater than 10%. There were large variations in all expenditure categories, due to the fact that only 2.5% (\$365) of the FY17 funds were utilized.

In March 2018, a new director assumed responsibility for the JAMP program. As a result of the new leadership, renewed efforts have been made to utilize program funds to support JAMP activities. In FY18, 62% (\$9,942) of the distribution was expended.

#### **B.1 Account Reconciliations were Ineffective**

Principle Investigators (PIs), project administrators (Admins), and research administrators utilize the Project Information Center Tool (PIC) to access all transactions for each sponsored project. Expenditures are expected to be reconciled by the Admins and certified by the PIs on a monthly basis.

The account reconciliation process for JAMP transactions was ineffective. One expense report (\$237.34) appeared twice in the PIC download. The Admin did not identify the duplicate expense report as an error. Instead, both instances were verified by the Admin and certified by the PI.

Auditors verified the transaction was not paid twice and the error did not affect the financial report submitted to the agency; however, the failure to correct the error indicates account reconciliations were not performed. This error occurred under the previous Director of the JAMP program.

#### **Recommendation:**

Account reconciliations should be performed to detect potential duplicate payments and errors. Any errors found should be reported and corrected.

#### **B.2 Unexpended JAMP Funds Returned Late**

The Notice of Award (NOA) for the 2016 JAMP distribution states "*All remaining funds must be returned no later than October 31, 2017.*" The final expenditure report was submitted to the agency on November 1, 2017, and the check for the unexpended funds was issued 27 days after the deadline.

**Recommendation:**

Final expenditure reports and refunds of unused JAMP funds should be returned prior to October 31st to ensure compliance with the NOA and JAMP Guidelines.

**Management Response:**

*The late refund was for FY17; however, Contracts and Grants Accounting completed the final financial report and sent the refund for FY18 prior to the October 31<sup>st</sup> deadline.*

**C. Other Procedures Performed**

The JAMP disbursements were reviewed to ensure:

- amounts received matched the amount stated in the JAMP agreement, and
- receipts were deposited timely and properly recorded in the accounting system.

No exceptions were noted.

Additionally, JAMP expenditures were reviewed to determine transactions complied with the institutional guidelines for the use of state funds, and they directly benefited the JAMP program.

- Operating expenditures were in compliance with University policy and supported the JAMP program.
- Travel expenditures were appropriate for the program.
- Payroll transactions were properly approved and documentation of time and effort was in accordance with institutional requirements.

No exceptions were noted.

## **Conclusion:**

Based on the results of audit procedures performed, we conclude the University is in compliance with the JAMP guidelines with the exception of the items reported previously.

We wish to thank the Dr. Gail Arnold, JAMP Faculty Director for UTEP, the staff of Contracts and Grants Accounting and the Office of Research and Sponsored Projects for their assistance and cooperation provided throughout the audit.

**cc:** Mr. Richard Adatao, Executive Vice President  
Dr. Roberto Osegueda, Vice President for Research  
Ms. Manuela Dokie, Assistant Vice President, Office of Research and Sponsored Projects  
Ms. Guadalupe Gomez, Director, Contracts and Grants Accounting  
Mr. Jose Ramirez, Manager, Contracts and Grants Accounting  
Dr. Gail Arnold, Director, Medical Professionals Institute  
Ms. Mary Solis, Director and Chief Compliance and Ethics Officer

## **APPENDIX A: Criteria:**

Reference: <https://www.texasjamp.org/facultyOfficials/homepage.htm>

- JAMP Expenditure Guidelines
- JAMP Suggested Audit Program