21-107 Texas Higher Education Coordinating Board

We have completed our audit of the Family Practice Residency Program Fiscal Year (FY) 2020 Annual Financial Report (AFR). This annual audit is required by the Texas Higher Education Coordinating Board (THECB). This audit was performed at the request of the UTHealth Audit Committee and was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

BACKGROUND
THECB provides appropriated funds to help operate and maintain Family Practice Residency Programs in Texas. The purpose of these funds is to educate and train family practice residents and encourage them to locate their practices to underserved urban and rural areas of the state, which may ultimately lead to improved medical care for citizens in those areas. The total funding received by the Family Practice Residency Program for FY 2020 was $212,019. The intent of these funds is to directly support the education and training of 36 full-time family practice residents.

OBJECTIVES
The objective of this audit was to provide an opinion regarding revenue and expenditures related to THECB funds awarded during FY 2020 and report on the Family Practice Residency Program FY 2020 AFR.

SCOPE PERIOD
The scope period was FY 2020.

METHODOLOGY
Audit procedures included a review of the agreement and test of transactions.

AUDIT RESULTS
Agreement with General Ledger: Auditing and Advisory Services (A&AS) traced amounts reported on the FY 2020 AFR to the general ledger and noted no exceptions.

Capital Expenditures: Our audit work indicated there were no equipment purchases made during FY 2020.

Non-Payroll Expenditures: A&AS reviewed a random sample of five non-payroll expenses paid from these funds during FY 2020 to determine whether they are consistent with the program guidelines/contract provisions and noted no exceptions.

Payroll Expenditures: A&AS reviewed a random sample of five employees paid from these funds during FY 2020 to determine whether the employees worked on the project and noted no exceptions. The individuals paid from the project’s funds worked on the project, and their time and effort reports were certified and approved.
Unexpended Funds: A&AS reviewed the treatment of unexpended funds from the prior year and found the Department of Family and Community Medicine had no unexpended funds carried forward from prior year’s budget to be expended. A&AS reviewed the FY 2020 AFR and noted all funds were expended with no carry forward to the FY2021 budget.

CONCLUSION
In our opinion, the AFR reported to the THECB fairly represents revenues and expenditures related to FY 2020 THECB award.

NUMBER OF PRIORITY FINDINGS REPORTED TO UT SYSTEM
None

We would like to thank the staff and management within the Family & Community Medicine who assisted us during our review.

Daniel G. Sherman, MBA, CPA, CIA
Associate Vice President & Chief Audit Officer

MAPPING TO FY 2021 RISK ASSESSMENT

<table>
<thead>
<tr>
<th>Risk (Rating)</th>
<th>Not Applicable – This audit is not risk based. This is an annual audit required by THECB to provide an opinion on revenue and expenditure reporting of program funds.</th>
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</thead>
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DATA ANALYTICS UTILIZED

<table>
<thead>
<tr>
<th>Data Analytic #1</th>
<th>None</th>
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AUDITING & ADVISORY SERVICES ENGAGEMENT TEAM

<table>
<thead>
<tr>
<th>AVP/CAO</th>
<th>Daniel G. Sherman, MBA, CPA, CIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit Manager</td>
<td>Nathaniel Gruesen, MBA, CIA, CISA, CFE</td>
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<tr>
<td>Auditor Assigned</td>
<td>Chandra Jones, CPA, CHIAP</td>
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<tr>
<td>End of Fieldwork Date</td>
<td>December 2, 2020</td>
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<tr>
<td>Issue Date</td>
<td>December 3, 2020</td>
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</tbody>
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Copies to:
Audit Committee: Phuc Duc Nguyen, M.D., Ernest Jacquez, THECB
Elaine Embody: Carlos Moreno, M.D.
Victoria Briscoe