



The University of Texas Medical Branch
Audit Services

Audit Report

Family Medicine Residency Program Grant Audit

Engagement Number MBG25RQ0002

February 2025

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

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Background

The Texas Higher Education Coordinating Board (THECB) entered into an agreement and provided funds to the University of Texas Medical Branch (UTMB Health) to educate and train residents in an accredited family medicine 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. Per the grant agreement, UTMB Health must adhere to the Family Medicine Residency Program Guidelines for Funding Operational and Optional Rotation Programs ("Guidelines"). The Guidelines provide further information on the qualification for obtaining funding, items that must be reported to the THECB, how funds should be utilized, and on rural and public health rotations. As of Fiscal Year (FY) 2024, the THECB is no longer requiring an annual financial report on the entire FMRP expenses and no longer require an independent audit report. The THECB now requires reporting on the grant expenditures only. For fiscal year 2024 the Family Medicine Residency Program (FMRP) revenues and expenses totaled approximately \$7.6M, which included THECB grant funds of \$292,649 to support 36 Family Medicine residents.

Objective, Scope and Methodology

Objective

The primary objective of the audit was to provide assurance regarding the reliability and integrity of the financial information submitted to THECB and compliance with agreement and expenditure guidelines.

Scope of Work and Methodology

Financial activity reported by the University of Texas Medical Branch Family Medicine Residency Program for fiscal year 2024. Our audit methodology included utilizing data analytics to perform reviews of grant expenditures.

Executive Summary

Overall, the financial information reported in the Family Medicine Residency Program annual expenditure report was materially correct and fairly presented the revenues and expenditures.

Detailed Results

Based on our review, the financial information reported in the University of Texas Medical Branch at Galveston Family Practice Residency Program annual expenditure 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 2024. The THECB funds awarded were accounted for in accordance with the Family Medicine Residency Program Guidelines for Funding

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Operational and Optional Rotation Programs and substantially complied with the Texas Uniform Grant Management Standards.

Conclusion

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

This audit was conducted in conformance with The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. Additionally, we conducted the audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions on our audit objectives.

Observation Ratings

Priority	An issue that, if not addressed timely, has a high probability to directly impact achievement of a strategic or important operational objective of the University or the UT System as a whole.
High	An issue considered to have a medium to high probability of adverse effects to a significant office or business process or to the University as a whole.
Medium	An issue considered to have a low to medium probability of adverse effects to an office or business process or to the University as a whole.
Low	An issue considered to have minimal probability of adverse effects to an office or business process or to the University as a whole.

Report Date:
February 11, 2025

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