



**UT Tyler**  
THE UNIVERSITY OF TEXAS AT TYLER

## Internal Audit Department

January 9, 2023

Dr. Kirk A. Calhoun  
President  
The University of Texas at Tyler  
3900 University Blvd.  
Tyler, TX 75799

Dr. Calhoun,

We completed an audit of the Family Medicine Residency Program (FMRP) Annual Financial Report (AFR) for Fiscal Year Ended (FYE) August 31, 2022. This audit was completed as part of our Fiscal Year (FY) 2023 Annual Audit Plan to comply with Texas Higher Education Coordinating Board audit requirements. The objective of the audit was to determine if FY 2022 Texas Higher Education Coordinating Board (THECB) funds awarded to The University of Texas at Tyler (UT Tyler) Health Science Center (HSC) Family Medicine Residency Program (FMRP), under the State Grant Agreement, were appropriately expended as required by program guidelines.

FY 2022 THECB funds awarded to the HSC FMRP in the amount of \$155,165 were appropriately spent in accordance with applicable guidelines. This audit was conducted in accordance with guidelines set forth in *The Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing* and *Generally Accepted Government Auditing Standards*. We appreciate the assistance provided by management and other personnel and hope the information presented in our report is helpful.

Sincerely,

Stephen Ford  
Vice President, Chief Audit Executive

Enclosure

cc:

Dr. James Menard, Family Medicine Residency Program Director  
Dr. Robert Tompkins, Associate Professor and Chair of Family Medicine  
Ms. Melissa Covington, Residency Training Program Specialist – Family Medicine and Sports Medicine  
Mr. Dwain Morris, Executive Vice President, Administration, Chief Business Officer  
Dr. Julie Philley, Executive Vice President, Health Affairs, Vice Provost  
Mr. Daniel Deslatte, Senior Vice President, Business Affairs, Chief Operating Officer – Health Affairs  
Ms. Kris Kavasch, Senior Vice President, Finance, Chief Financial Officer  
Dr. Steven Idell, Senior Vice President of Research, Dean of the Graduate School  
Ms. Cindy Scott, Senior Vice President, Human Resources and Chief Human Resources Officer

**The University of Texas at Tyler**  
**Family Medicine Residency Program Annual Financial Report Audit for Fiscal Year Ended August 31,**  
**2022**

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Dr. Emmanuel Elueze, Vice President of Medical Education and Professional Development

Ms. Peggy Pazos, Executive Director of Graduate Medical Education

Ms. Panda Powell, Director of Sponsored Programs

Mr. Bob Armstrong, Senior Accountant

Dr. John M. Zerwas, UT System Executive Vice Chancellor for Health Affairs

Dr. Archie L. Holmes Jr., UT System Executive Vice Chancellor for Academic Affairs

Mr. Patrick Francis, UT System Associate Vice Chancellor for Health Affairs

Mr. J. Michael Peppers, UT System Chief Audit Executive

Legislative Budget Board [audit@lbb.texas.gov](mailto:audit@lbb.texas.gov)

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**Family Medicine Residency Program Annual Financial Report Audit for  
Fiscal Year Ended August 31, 2022**



**UTTyler**  
THE UNIVERSITY OF TEXAS AT TYLER

**January 9, 2023**

INTERNAL AUDIT DEPARTMENT  
3900 UNIVERSITY BOULEVARD  
TYLER, TEXAS 75799

**The University of Texas at Tyler  
Family Medicine Residency Program Annual Financial Report Audit for Fiscal Year Ended August 31,  
2022**

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**AUDIT OBJECTIVE and CONCLUSION**

The objective of the audit was to determine if FY 2022 Texas Higher Education Coordinating Board (THECB) funds awarded to The University of Texas at Tyler (UT Tyler) Health Science Center (HSC) Family Medicine Residency Program (FMRP), under the State Grant Agreement, were appropriately expended as required by program guidelines.

We verified that the Coordinating Board funding based on the FY 2022 operational grant agreement award in the sum of \$120,132 for Tyler, \$30,033 for Pittsburg, and \$5,000 for the Family Practice Rural Rotation, agreed to the amounts that were received and recorded in the general ledger and FMRP Annual Financial Report (AFR) for Fiscal Year Ended (FYE) August 31, 2022. All expenditures from the grant funds were appropriate and made in accordance with program guidelines for FMRP payroll expenses, which totaled \$120,132 for the Tyler program, \$30,033 for the Pittsburg program, and \$5,000 for the Family Practice Rural Rotation.

**BACKGROUND**

The FMRP is a program designed to enhance physician training and provide medical care to the underserved urban and rural areas of Texas. UT Tyler HSC receives funding for the FMRP under the provisions of the Texas Education Code, Chapter 61. THECB administers the program and pursuant to their responsibility for administration has issued the *Family Medicine Residency Program Guidelines for Funding Operational and Optional Rotation Programs*. These guidelines include a requirement for submission of an AFR of FMRP revenues and expenditures, along with an internal or independent auditor's opinion by December 31st or on a date established by THECB staff and communicated to the program directors. For FY 2022, THECB established the due date for the AFR and auditor's opinion as January 13, 2023.

In FY 2022, the FMRP operated on a budget of approximately \$10 million, including \$120,132 for the Tyler program, \$30,033 for the Pittsburg program, and \$5,000 for the Family Practice Rural Rotation in grant funding provided by THECB. There were 30 residents combined in both programs in FY 2022. The UT Tyler HSC FMRP Program Director for FY 2022 was Dr. James Menard and the Program Coordinator was Ms. Melissa Covington.

**STANDARDS**

The audit was conducted in accordance with guidelines set forth in *The Institute of Internal Auditors' Standards for the Professional Practice of Internal Auditing* and *Generally Accepted Government Auditing Standards*.

**SCOPE AND PROCEDURES**

The audit period was September 1, 2021 through August 31, 2022. Audit procedures included a review of the Coordinating Board agreement, pertinent supporting documents, and testing of transactions.