

PERFORMANCE AUDIT REPORT

Humanity Gifts Registry

2016-2020

December 2021



Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General

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Commonwealth of Pennsylvania
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TIMOTHY L. DEFOOR
AUDITOR GENERAL

December 23, 2021

Dr. Michael McGuinness
President
Humanity Gifts Registry
1015 Chestnut Street
Suite 221
Philadelphia, PA 19107

Dear Dr. McGuinness:

This report contains the results of the Department of the Auditor General's performance audit of the Humanity Gifts Registry (HGR) for the period of July 1, 2016, through June 30, 2020, including follow-up procedures performed through the report date. The audit was conducted pursuant to 35. P.S. § 1091 (relating to the "Humanity gifts registry..."). The audit was not conducted, nor was it required to be conducted, in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. However, we did plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our finding and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our finding and conclusions based on our audit objective.

We performed our audit to determine whether HGR's receipts and disbursements are proper and in compliance with applicable laws and policies. We found that HGR's receipts and disbursements comply with applicable laws and policies and no significant errors in recording financial transactions were identified. However, we identified that HGR needs to strengthen management controls, it continues to lack written standard operating procedures, and it continues to lack segregation of duties and supervisory review. We offer seven recommendations to improve management controls and increase HGR's use of its accounting software. HGR management indicated that it is generally in agreement with our finding and most recommendations.

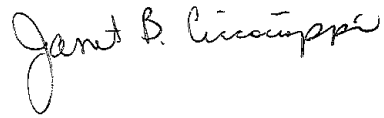
Dr. Michael McGuinness

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In closing, I want to thank the HGR staff and Executive Committee for their cooperation and assistance during the audit. We reserve the right to follow up at an appropriate time to determine whether and to what extent our recommendations have been implemented.

Sincerely,

A handwritten signature in black ink that reads "Janet B. Ciccocioppo". The signature is written in a cursive style with a large initial 'J'.

Janet B. Ciccocioppo, CPA
Deputy Auditor General for Audits

A Performance Audit

**Humanity Gifts Registry
2016-2020**

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Humanity Gifts Registry 2016-2020

Background

The Humanity Gifts Registry (HGR) is a non-profit commonwealth agency concerned primarily with the receipt and distribution of bodies donated to all medical and dental schools in the state for teaching purposes. The registry receives approximately 80-85 percent of its funding from the schools in exchange for cadavers, while the source of the remaining 15-20 percent is comprised mostly of transportation reimbursements.¹ The money received goes towards operating the program and the price per cadaver is determined by yearly operating costs. HGR, formerly called the Anatomical Board, has been in existence since being created in 1883 by an act of the General Assembly.²

HGR is comprised of all medical and dental schools in the commonwealth. The member schools pay only for the actual expenses involved in obtaining and distributing the donated bodies. Representative faculty members from the departments that teach anatomy at these schools form an executive committee which serves without pay. Three faculty are elected to serve as officers for four-year terms for nominal salaries. An office staffed by three employees manages the day-to-day affairs of HGR and interacts with potential donors and their families.

HGR receives cadavers through donations or when cadavers are not claimed by family or friends. It coordinates the distribution of these cadavers among all medical and dental schools throughout the commonwealth for medical education and research. HGR is the only organization in Pennsylvania that operates by specific legislative authority to receive bodies for education and research.

The following is a list of member schools:³

- Drexel University College of Medicine
- Lake Erie College of Osteopathic Medicine (LECOM)
- Penn State College of Medicine (Hershey)
- Philadelphia College of Osteopathic Medicine (PCOM)
- Temple University
- Sidney Kimmel Medical College at Thomas Jefferson University
- Geisinger Commonwealth School of Medicine (Scranton)
- University of Pennsylvania Perelman School of Medicine
- University of Pittsburgh

¹ Percentages determined per review of HGR "Custom Summary Report" financial documents provided for the fiscal years ended June 30, 2017, 2018, 2019, and 2020. Note that HGR receipts also include insignificant amounts of donations and interest earned.

² 35 P.S. § 1091 (Act 106 of 1883, as amended by various acts – the last of which was Act 127 of 1971).

³ <http://www.hgrpa.org/> (accessed May 19, 2021).

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By law, bodies and body parts donated must remain in Pennsylvania.⁴ No tissues are sold to researchers or commercial firms. After studies are completed, the bodies are cremated and the remains are interred in cemetery plots maintained by HGR and family members can visit their relatives' graves. Alternatively, when requested by the next of kin, the cremated remains can be returned to the family.

Each year, the students who study anatomy at the member schools hold memorial celebrations of remembrance in Philadelphia, Pittsburgh, and Hershey. The families and friends of those who died and donated their bodies to education and science are invited to join the students in honoring their memories and thanking them for making such a selfless gift.

⁴ 35 P.S. § 1093.

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Audit Procedures and Results – Humanity Gifts Registry receipts and disbursements comply with laws and policies and no significant errors in recording financial transactions were identified.

To determine whether HGR’s receipts and disbursements were proper and in compliance with the applicable laws and policies, we performed procedures on the receipts and disbursements for the fiscal years ended June 30, 2017, 2018, 2019, and 2020.⁵ Our audit included analytical procedures to analyze accounts, an evaluation of management controls, and tests of selected receipts and disbursements.

The balances audited were as follows:

Fiscal Year Ended	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Receipts	\$480,621	\$475,816	\$518,935	\$462,432
Disbursements	\$508,305	\$543,426	\$528,473	\$518,261

We selected and reviewed 50 of the 529 receipts for charges to schools and 10 of the 628 receipts for transportation reimbursements, totaling \$177,772 and \$11,265, respectively, over the four-year audit period. Additionally, we selected and reviewed 40 of the 1,148 transportation disbursements, totaling \$125,924 over the four-year audit period.⁶ Based on our audit procedures, we did not identify any noncompliance with applicable laws and policies. We also did not identify any significant errors in recording financial transactions by HGR.

We also concluded that weaknesses reported in our prior audit issued in February 2017 continue to exist, and improvements in management controls and additional training in HGR’s accounting software is still needed. The management control weaknesses are described in detail in the finding in this report.

⁵ 35 P.S. § 1091. See also: “The Humanity Gifts Registry is a non-profit agency of the Commonwealth of Pennsylvania concerned primarily with the receipt and distribution of bodies donated to all medical and dental schools in the state for teaching purposes.” <http://www.hgrpa.org/> (accessed May 19, 2021).

⁶ Refer to our test selection methodology and audit procedures described in *Appendix A* of this report.

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Finding – The Humanity Gifts Registry needs to continue to strengthen its management controls and provide additional training for staff to fully understand and utilize its accounting software. Weaknesses reported in the prior audit finding remain unresolved.

Our prior audit of HGR issued in February 2017 identified management control weaknesses including: (1) a lack of written standard operating procedures; (2) a lack of segregation of duties and supervisory review; (3) the need for additional accounting software training for HGR staff; and (4) that HGR staff did not fully understand and utilize the accounting software that was upgraded during the audit period. As part of our current performance audit, we evaluated these areas and determined that although HGR staff were provided with training, management control weaknesses persist.

Having management controls in place, including written operating procedures, proper segregation of duties, supervisory review, and adequate training of staff is an essential business practice to ensure receipts and disbursements are proper and in compliance with the applicable laws and policies. Having these controls will reduce the risk of potential misstatements, errors, waste, fraud, and/or abuse.

These weaknesses, including HGR staff not fully understanding and utilizing the accounting software, led to posting errors being made in various accounts. While not significant, these weaknesses were not detected, nor were they corrected. It also places HGR at greater risk of errors or irregularities going undetected which could potentially be significant in future years. The following describes these concerns in more detail.

HGR continues to lack written standard operating procedures

HGR management acknowledged they are working on creating standard operating procedures which were in various stages of completion at the end of our audit procedures. As a result, there continues to be limited guidelines in place for HGR staff to refer to when processing transactions, such as: (1) when and how to write-off transportation reimbursement amounts billed by HGR to family members and estates of the deceased when they are unable to pay; (2) when and how to follow-up on stale-dated checks; (3) how to ensure payroll stipends are authorized prior to payment; and (4) how to determine whether rent payments are in accordance with lease agreements.⁷

⁷ A stale-dated check is “a document that is a promise to pay money that is held for too long a period of time before being presented for payment. A check is considered to be stale when it is outstanding for a period of six months or more. A bank is not obligated to pay a stale check.” <http://legal-dictionary.thefreedictionary.com/Stale+Check> (accessed October 27, 2021).

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The lack of written procedures regarding stale-dated checks contributed to nine outstanding checks totaling \$900 remaining as reconciling items on the bank reconciliation for the bank statement dated July 8, 2020, even though the oldest of the nine checks was issued in April 2017.⁸ The issue of stale-dated checks was noted in our two prior audits of HGR. When the auditors brought this same issue to management's attention during the current audit, HGR staff stated they do not issue replacement checks for stale-dated checks to funeral homes of \$100.⁹ HGR staff did not add any further explanation for not issuing replacement checks, but technically these amounts are still owed to the funeral homes in question.

Up-to-date written standard operating procedures are an integral part of management controls to provide specific guidance to staff to ensure that processes are properly designed and operating effectively. HGR's failure to have written operating procedures increases the risk of staff improperly processing transactions, especially in the event of a sudden absence of current staff or if new staff is hired. HGR encountered turnover during the audit period in two of its three staff positions.

Continued lack of segregation of duties and supervisory review

There are only three staff members running the day-to-day HGR operations. As a result, one individual is responsible for processing and posting all HGR receipt and disbursement transactions to the accounting system with only a minimal amount of supervisory review performed. Supporting documents are provided to the Treasurer of the HGR Executive Committee to review prior to signing checks, but this review does not verify disbursement transactions were posted to the correct accounts. Additionally, there is no detailed review of receipts posted to the accounting system. Although a list of transactions for both receipts and disbursements from the prior month are provided monthly to the HGR Executive Committee for review, without reviewing the supporting documentation, posting errors can go undetected and/or uncorrected.

For instance, we found payroll stipend payments were made without supporting stipend agreements on file. Although the stipend payments appeared reasonable, documentation was not available to support that the amounts had been properly authorized. Additionally, rent payments were consistently made for different amounts than agreed upon in the lease agreement, although the differences were insignificant. Having a supervisory review process to include comparing these transactions to the lease agreement should have detected these errors.

Additionally, as noted in the prior audit and continued through our current audit, the staff member that processes and posts receipts and disbursement transactions also reconciles the

⁸ HGR's bank statements do not have an end of month cut-off; therefore, we reviewed the reconciliation for the bank statement dated July 8, 2020, since it covered the fiscal year end date of June 30, 2020.

⁹ Each of the nine checks were payable to funeral homes for \$100.

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monthly bank statements.¹⁰ This is considered a segregation of duties control weakness. Without a separate person performing the bank reconciliations, irregularities in banking activities, including possible theft, may go undetected. Further, the bank reconciliation performed should be reviewed and approved by a supervisor to ensure that the bank reconciliation was performed accurately and in accordance with HGR procedures, but this management control is also not being performed. Although HGR's staff size is small, a separate individual should perform the bank reconciliations and another staff member or someone on the executive committee should review and approve the bank reconciliations.

HGR staff continues to need additional accounting software training

During this audit, as well as noted in the prior two audits, we identified several situations where staff either did not fully utilize or did not know how to perform certain functions of its accounting software as described in the following examples:

- 1) Although staff utilizes accounting software to generate invoices with simple calculations, such as for member schools who have received donated bodies, they continued to manually prepare the transportation reimbursement invoices because these reimbursement amounts vary. As a result, staff maintain a record of amounts due to HGR with a handwritten log rather than through the accounting software. If staff utilized the accounting software to invoice for transportation reimbursements, they would also be able to generate reports to track the amounts and age of unpaid invoices.
- 2) Staff made various posting errors which, although not significant overall, related to both receipts and disbursements. Staff were uncertain how to make the corrections when these errors were brought to their attention during the audit. Staff indicated this was due to lack of experience with using the accounting software and planned to consult with its contracted accounting firm to determine how to correct the postings.
- 3) Although staff utilized the accounting software to perform monthly bank reconciliations, they failed to identify errors in posting interest resulting in an understatement of \$26 in the savings account balance and a duplicate posting of a deposit resulting in an overstatement of \$1,100 in the checking account balance.

Having additional training on the accounting software would provide processing efficiencies and additional reporting functions for use by staff and the executive committee.

¹⁰ Note that the HGR staff person assigned changed from the prior audit through our current audit period, but the lack of segregation of duties continued to exist throughout the majority of our audit period.

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Recommendations for Finding

We recommend that HGR:

1. Develop and complete written standard operating procedures that include, but are not limited to, the following:
 - Creating invoices, including what rates to bill for transportation costs and rates charged to member schools.
 - Processing and posting receipt transactions.
 - Processing and posting disbursement transactions.
 - What records/reports are sent to the Treasurer for signing checks.
 - Preparing monthly bank reconciliations, including how to handle stale-dated checks.
 - How long records should be retained.
 - What records/reports are sent to the HGR Executive Committee and when they are to be sent.
 - Processing rent payments in accordance with lease agreement.
 - Processing payroll and ensuring payments are authorized.
2. Obtain additional training to assist all staff to fully understand and utilize the accounting software.
3. Consider having other staff or a member of the executive committee perform a more detailed review of financial transactions to include reviewing supporting documentation for receipts and disbursements and ensuring transactions were properly posted for the correct account, amount, and period.
4. Utilize the automated accounting system to prepare and monitor billings regarding reimbursement of transportation costs.
5. Monitor the age of checks issued by HGR to determine if checks are stale-dated and conduct necessary follow-up.
6. Implement review procedures to ensure the accuracy of bank reconciliations. The individual assigned responsibility of these reviews should be independent of the person posting information into the accounting system and performing the monthly bank reconciliations.
7. Once written, monitor to ensure that standard operating procedures are followed by staff.

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2016-2020**

Humanity Gifts Registry's Response and Auditor's Conclusion

We provided copies of our draft audit finding and related recommendations to the Humanity Gifts Registry (HGR) for its review. On the pages that follow, we included HGR's response in its entirety. Following HGR's response is our auditor's conclusion.

A Performance Audit

Humanity Gifts Registry 2016-2020

Audit Response from the Humanity Gifts Registry

Commonwealth of Pennsylvania

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HUMANITY GIFTS REGISTRY

December 8, 2021

Response to Audit

The HGR employs 3 full-time staff to run the daily operations. Oversight for all operations is managed by faculty representatives appointed by the member institutions. They form the Executive Committee. These individuals are all full-time employees of the member institution. The Executive Committee elects 3 officers, President, Executive Secretary and Treasurer. The Staff and Executive Committee are responsible for creating and implementing policies and practices that meet the needs of our donors, the community we serve and the students and institutions we serve. In order to train future healthcare workers, most of whom will provide care in the Commonwealth of Pennsylvania, the HGR operates at a level that minimizes the financial impact that body donation has on the cost to educate health care professionals.

Recently the HGR has undergone staffing changes. In 2018, 2 of the staff members retired. One of the new hires left the HGR for another position in July of 2021. Given the small number of employees, this has stretched the resources of the staff to maintain the daily operations. It should be noted that our staff transitioned operations to their home locations during the COVID-19 pandemic with minimal interruption to operations. They should be commended for their professionalism and continued service to the Commonwealth of Pennsylvania.

1. Develop and complete written standard operating procedures that include but are not limited to the following:

- Creating invoices, including what rates to bill for transportation costs and rates charged to member schools.
- Processing and posting receipt transactions
- Processing and posting disbursement transactions
- What records/reports are sent to the Treasurer for signing checks
- Preparing monthly bank reconciliations including how to handle stale-dated checks
- How long records should be retained
- What records/reports are sent to the HGR Executive Committee and when they are to be sent
- Processing rent payments in accordance with lease agreement
- Processing payroll and ensuring payments are authorized.

The Staff and Executive committee will continue to create, review, and approve written documentation of our operating procedures including the specifics outlined above.

FORMERLY ANATOMICAL BOARD OF THE STATE OF PENNSYLVANIA

A Performance Audit

Humanity Gifts Registry 2016-2020

Commonwealth of Pennsylvania

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HUMANITY GIFTS REGISTRY

2. Obtain additional training to assist all staff to fully understand and utilize the accounting software.

The HGR will continue to support training to advance our use of accounting software.

3. Consider having other staff or a member of the executive committee perform a more detailed review of financial transactions to include reviewing supporting documentation for receipts and disbursements and ensuring transactions were properly posted for the correct account, amount, and period.

The HGR operates under policies which also consider how the cost of our services impact on the cost of training healthcare professionals. Our staff has multiple responsibilities. Our officers have primary responsibilities to the institutions that they represent. Monthly and annual financial reports are posted to the executive committee which allows for transparency.

New practices have been implemented since the beginning of the audit (Oct 2019) to review incoming payments. The Manager, Clariza Murray, handles incoming mail. She compiles an ongoing list of checks receives that are compared to the monthly income stated on reports. In addition, she also reviews all the invoices received from the funeral homes to assess accuracy of billing. Both the checks and invoices are then forwarded to staff accountant, Diane Nabried, for deposits or payments.

The new Treasurer, Dr. Ying Ju Sung, has also implemented new procedures to assess accuracy of transactions. She routinely reviews her records of payments against the monthly reports to assess accuracy and transparency.

4. Utilize the automated accounting system to prepare and monitor billing regarding reimbursement of transportation costs.

We can target this goal by accessing specific training on the automated feature as in the accounting software.

5. Monitor the age of checks issued by the HGR to determine if checks are stale-dated and conduct necessary follow-ups.

Many of the stale-dated checks were from the dates prior to switch to accounting software. The switch was made after our previous financial officer retired. Our current processes have been updated to identify old checks.

FORMERLY ANATOMICAL BOARD OF THE STATE OF PENNSYLVANIA

A Performance Audit

Humanity Gifts Registry 2016-2020

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HUMANITY GIFTS REGISTRY

6. Implement review procedures to ensure the accuracy of bank reconciliations. The individual assigned responsibility of these reviews should be independent of the person posting information into the accounting system and performing the monthly bank reconciliation.

The HGR does not have the operating budget to hire additional employees to accommodate such a review process. We rely on the representatives of the 9 member institutions to review the financial records and raise questions at our executive committee meetings.

7. Once written, monitor to ensure that standard operating procedures are followed by staff.

The HGR staff has an annual performance review with the officers of the executive committee. The office manager is in charge of overseeing that the staff is in compliance with operating procedures. The officers of the executive committee are responsible for assuring that the office manager follows procedures. Any concerns that the staff have regarding another employee including the office manager, or any officer or member of the executive committee can be brought to the attention of President, Executive Secretary, or Treasurer of the HGR for review.

Please contact us if you have any questions.

Sincerely

A handwritten signature in cursive script that reads "Carolyn L. Cambor, MD".

Carolyn L. Cambor, MD
Executive Secretary
Humanity Gifts Registry

FORMERLY ANATOMICAL BOARD OF THE STATE OF PENNSYLVANIA

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Auditor's Conclusion to Humanity Gifts Registry's Response

The Humanity Gifts Registry (HGR) is in general agreement with the finding and recommendations. We are encouraged by HGR's response in which management indicates that it has already implemented, or continues the process of implementing, procedures that address some of the recommendations. HGR indicated that it will continue to develop and approve written standard operating procedures and will perform monitoring to ensure that procedures are followed by staff. Additionally, it will continue to support appropriate training to advance the use of the accounting software including utilizing it to prepare and monitor billing for reimbursement of transportation costs. HGR also indicated that it has implemented new practices and procedures regarding reviewing financial transactions and identifying stale-dated checks. We will review these procedures noted by HGR during our next audit.

HGR did, however, express concern regarding the segregation of duties pertaining to bank reconciliations. HGR cited its small staff and budget constraints as to why it cannot perform the recommended bank reconciliation procedures. We understand HGR has limited resources and staff, along with executive committee members having full-time responsibilities at their member schools; however, we believe by implementing our recommendations, it will strengthen controls and help reduce errors which could become significant. Implementing, at a minimum, periodic reviews of the monthly bank reconciliation by a member of the executive committee, such as the Treasurer, will help to strengthen controls.

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Appendix A

Objective, Scope, Methodology, and Data Reliability

The Department of the Auditor General conducted this performance audit pursuant to 35. P.S. § 1091 which provides for a periodic independent assessment of the Humanity Gifts Registry (HGR).

The audit was not conducted, nor was it required to be conducted, in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. However, we did plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our finding and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our finding and conclusions based on our audit objective.

Objective

Our audit objective was to determine whether receipts and disbursements are proper and in compliance with applicable laws and policies.

Scope

Our audit focused on HGR's receipts and disbursements from July 1, 2016, through June 30, 2020, with follow-up procedures performed through the report date. HGR's executive committee and staff are responsible for establishing and maintaining effective internal controls to provide reasonable assurance that HGR is in compliance with applicable laws, regulations, contracts, and administrative policies and procedures.

In conducting our audit, we obtained an understanding of HGR's internal controls, including any information systems controls, if applicable, that we considered to be significant within the context of our audit objective.

For those internal controls that we determined to be significant within the context of our audit objective, we also assessed the effectiveness of the design and implementation of those controls. Any deficiencies in internal controls that were identified during the conduct of our audit – and determined to be significant within the context of our audit objective – are included in this report.

Methodology

Items selected for testing within this audit were based on auditor's professional judgment. The results of our testing, therefore, cannot be projected to, and are not representative of, the corresponding populations.

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To address our audit objective, we performed the following:

- Obtained and reviewed appropriate laws and policies; prior audit report released February 2017 by the Department of the Auditor General; and program and related information on HGR's website.¹¹
- Interviewed and corresponded with HGR staff and Executive Committee Officers as well as conducted a walkthrough to assess controls and gain an understanding of the procedures related to HGR's receipts and disbursements.
- For the fiscal years ended June 30, 2017, 2018, 2019, and 2020, obtained the following:
 - Financial reports summarizing receipts and disbursements and cash balances.
 - Reports listing HGR receipts and disbursements transactions (detailed account information) from its accounting system.
 - Cash receipt and disbursement transaction summaries of every deposit and check issued through the HGR checking and savings accounts with running balances.
- Performed general analytical procedures on all receipt and disbursement account balances.
- Performed analytical procedures on school charges (assessment for cadavers) that included comparing total receipts to the number of cadavers billed to the schools and the fee assessed to member schools during the audit period.
- Performed analytical procedures on salaries, employee-related taxes and benefits, and rent and recalculated amounts recorded in HGR records to ensure the accuracy of those disbursements. These procedures included obtaining evidence of pay and benefit rates authorized for all HGR employees and comparing rent payments recorded in HGR records to amounts due per the rental contract.
- We selected 50 of the 529 school charges or \$177,772 of the total \$1,589,550 receipts from the fiscal years ended June 30, 2017, 2018, 2019, and 2020, and reviewed source documents to test the propriety of the transactions to ensure compliance with laws and policies. We judgmentally selected 18 of the 50 transactions from the first two fiscal years from nine of the 11 member schools that, at the time the test selections were made, we did not have independent reports of expenditures (discussed in detail later in the *Data Reliability* section) to confirm amounts posted to HGR receipts. For the latter two fiscal years, we judgmentally selected 32 of the 50 transactions from all 11 participating member schools from various months to obtain coverage throughout the entire period.

¹¹ <http://www.hgrpa.org/>.

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- We selected 10 of the 628 transportation reimbursements or \$11,265 of the \$329,705 total reimbursements during the period July 1, 2016, to June 30, 2020, and reviewed source documents to test the accuracy of the amount billed based on HGR established fees and the propriety of the transactions to ensure compliance with laws and policies. The 10 transportation reimbursement transactions were judgmentally selected for even coverage over the period.
- We selected 40 of the 1,148 transportation disbursements or \$125,924 of the \$920,834 total disbursements made during the period July 1, 2016, to June 30, 2020, and reviewed source documents to test the propriety and approval of the transactions to ensure compliance with laws and policies. The 40 transactions were judgmentally selected to obtain coverage throughout the entire audit period and to ensure coverage of two vendors receiving the largest amount of payments.
- Obtained bank confirmations for the bank account balances as of June 30, 2017, 2018, 2019, and 2020, and compared the amounts to HGR records.
- Reviewed bank account reconciliation procedures and the checking account reconciliation for the bank statement dates ending July 11, 2017; July 10, 2018; July 9, 2019; and July 8, 2020; to determine adequate procedures were in place and functioning.

Data Reliability

In performing this audit, we obtained from HGR cash receipts and disbursements data generated by QuickBooks Pro accounting software. We utilized the receipts and disbursements reports for the fiscal years ended June 30, 2017, 2018, 2019, and 2020, to test whether HGR's reported receipts and disbursements were proper and in compliance with applicable laws and policies.

We performed an assessment of the sufficiency and appropriateness of computer-processed information that we use to support our finding, conclusions, and recommendations. The assessment included considerations regarding the completeness and accuracy of the data for the intended purposes.

To assess the completeness and accuracy of HGR's receipts and disbursements reports, we conducted the following audit procedures:

- We obtained HGR's monthly bank statements for the months of July 2016 through July 2020 to determine the amount of deposits and checks processed and confirmed for each fiscal year the totals in HGR's receipts and disbursement reports.

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- We obtained annual reports of expenditures for the two publicly owned member schools, available for the fiscal years ended June 30, 2017, through June 30, 2020. For each school, we confirmed the totals reported as paid to HGR were the same amounts reported in HGR's receipts reports as being received from the schools.
- We interviewed HGR staff with knowledge about the data and specifically the processes used for data entry and/or input.
- We performed direct tests of the receipts and disbursement data and tested manual controls outside of the accounting software by confirming the accuracy of the selection of receipts and disbursement amounts to source documents.
- We performed a review of transportation reimbursement accounting transactions by entity to ensure entities are reasonable.

Based on the above, with the exception of posting errors noted in *Finding 1*, we concluded that HGR's computer-processed data was sufficiently reliable for the purposes of this engagement.

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Appendix B

Distribution List

This report was distributed to the following Commonwealth officials:

The Honorable Tom Wolf
Governor

Dr. Michael McGuinness

Philadelphia College of Osteopathic
Medicine
President
Humanity Gifts Registry

Dr. Carolyn Cambor

University of Pennsylvania Perelman School
of Medicine
Executive Secretary
Humanity Gifts Registry

Dr. Ying-Ju Sung

Geisinger Commonwealth School of
Medicine (Scranton)
Treasurer
Humanity Gifts Registry

Dr. Barry Timothy Himes

Drexel University College of Medicine
Board Member
Humanity Gifts Registry

Dr. John Kalmey

Lake Erie College of Osteopathic Medicine
Board Member
Humanity Gifts Registry

Dr. Evan Goldman

Penn State College of Medicine (Hershey)
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Dr. Brett Oxberry

Temple University (Dental)
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Humanity Gifts Registry

Dr. Art Washburn

Temple University (Podiatry)
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Humanity Gifts Registry

Dr. Steven Popoff

Temple University (Medical)
Board Member
Humanity Gifts Registry

Dr. Paul Howard

Sidney Kimmel Medical College at Thomas
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Humanity Gifts Registry

Dr. Michael Speirs

University of Pennsylvania School of Dental
Medicine
Board Member
Humanity Gifts Registry

Dr. Tanner Bartholow

University of Pittsburgh Medical School
Board Member
Humanity Gifts Registry

A Performance Audit

Humanity Gifts Registry 2016-2020

Ms. Clariza Murray
Manager and Outreach Specialist
Humanity Gifts Registry

The Honorable Alison Beam
Acting Secretary
Pennsylvania Department of Health

The Honorable Gregory Thall
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