



STATE OF ILLINOIS
**OFFICE OF THE
AUDITOR GENERAL**

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

MID-AMERICA MEDICAL DISTRICT COMMISSION

COMPLIANCE EXAMINATION
For the Two Years Ended: June 30, 2012

Release Date: August 6, 2013

Summary of Findings:

Total this audit:	4
Total last audit:	1
Repeated from last audit:	1

INTRODUCTION

The Mid-America Medical District Commission (Commission) was created through the authority of the Mid-America Medical District Act (70 ILCS 930/1 et seq.). The Commission's mission is to attract and retain a medical district within East St. Louis, academic centers of excellence, viable health care facilities, medical research facilities, emerging high technology enterprises, and other facilities and uses as permitted by the Act.

SYNOPSIS

- The Commission had inadequate controls in place to determine whether interest calculated on their behalf by the Southwestern Illinois Development Authority (SWIDA) on funds held in trust was accurate.
- The Commission did not adhere to their By-Laws.

{Expenditures and Activity Measures are summarized on the reverse page.}

**MID-AMERICA MEDICAL DISTRICT COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2012**

EXPENDITURE STATISTICS	2012	2011	2010
Total Disbursements.....	\$ -	\$ 74,100	\$ 184,400
OPERATIONS TOTAL.....	\$ -	\$ 74,100	\$ 184,400
% of Total Expenditures.....		100.0%	100.0%
Total Receipts.....	\$ 50,001	\$ 10,862	\$ -

COMMISSION PRESIDENT	
During Examination Period:	
Through 12/6/10	Mr. Brendan Kelly
12/7/10 through 3/16/11	Ms. Elizabeth Patton-Whiteside (Interim)
3/17/11 through 1/23/12	Mr. Richard Coolbaugh
1/24/12 through 3/21/12	Ms. Marsha Johnson (Interim)
3/22/12 through 4/17/13	Ms. Marsha Johnson
Currently:	Mr. Stanley Franklin

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**LACK OF INTERNAL CONTROLS OVER INTEREST
CALCULATION**

**Interest understated by
approximately \$1,612**

The Commission did not have adequate controls in place to determine whether the interest calculated on their behalf by SWIDA on the funds held in trust was accurate. The interest calculated on behalf of the Commission was understated by approximately \$1,612.

Commission management stated SWIDA was the grantee on these funds and they were not advised by the funds grant manager that they were required to establish additional controls. (Finding #1, pages 9-10)

We recommended the Commission strengthen controls over its State grant funds by maintaining their own documentation related to any funds held in trust and verify the accuracy of any calculations performed on behalf of the Commission. We also recommended the Commission work to have the additional interest amount still held by SWIDA returned to the Illinois Department of Commerce and Economic Opportunity (DCEO).

Commission agrees with auditors

Commission management agreed with the finding and recommendation and stated they will no longer allow an outside entity to hold funds in trust. They also stated the remaining interest has been remitted to DCEO.

**NONCOMPLIANCE WITH THE COMMISSION BY-
LAWS**

**Commission motions not signed by
required members**

The Commission did not adhere to their By-Laws. Specifically, the Commission's Treasurer was not bonded and the Commission's motions were not signed by required members.

Commission management stated the Commission had no funds to carry out the bonding and it was oversight not to have the motions signed by the President and Secretary of the Commission. (Finding #4, page 14)

We recommended the Commission comply with all aspects of their By-Laws.

Commission agrees with auditors

Commission management agreed with the finding and recommendation. The Commission will vote to amend the By-Laws to remove the bonding provision and the requirement of signatures on motions has been put into practice for all future meetings.

OTHER FINDINGS

The remaining findings pertain to noncompliance with the Open Meetings Act and the Commission not being fully seated. We will review the Commission's progress towards the implementation of our recommendations in our next engagement.

AUDITORS' OPINION

We conducted a compliance examination of the Commission as required by the Mid-America Medical District Act in accordance with the Illinois State Auditing Act. We have not audited any financial statements of the Commission for the purpose of expressing an opinion because the Commission does not, nor is it required to, prepare financial statements.



WILLIAM G. HOLLAND
Auditor General

WGH:skm

AUDITORS ASSIGNED

This examination was performed by staff of the Office of the Auditor General.