



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

ROSELAND COMMUNITY MEDICAL DISTRICT COMMISSION

Compliance Examination
 For the Two Years Ended December 31, 2018

Release Date: September 11, 2019

FINDINGS THIS AUDIT: 1	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	1	1	2016	18-01		
Category 2:	0	0	0				
Category 3:	0	0	0				
TOTAL	0	1	1				
FINDINGS LAST AUDIT: 1							

INTRODUCTION

Because of the significance and pervasiveness of the matters described within the finding included within the report, we expressed an **adverse opinion** on the Commission’s compliance with the assertions which comprise a State compliance examination. The Codification of Statements on Standards for Attestation Engagements (AT-C § 205.72) states a practitioner “should express an adverse opinion when the practitioner, having obtained sufficient appropriate evidence, concludes that misstatements, individually or in the aggregate, are both material and pervasive to the subject matter.”

SYNOPSIS

- **(18-01)** The Commission failed to establish a control environment.

OTHER MATTER

As disclosed by management to us on page 16 of the report, due to the nature of the Commission’s operations, the Commission’s continuance is dependent on the continuance of the Roseland Community Hospital (Hospital). In recent years, the Hospital has experienced financial hardship. If the Hospital ceases operations, the Commission will, consequently, cease operations as well.

- Category 1:** Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).
- Category 2:** Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.
- Category 3:** Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

{Expenditures and Activity Measures have been excluded due to the adverse opinion. }

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

FAILURE TO ESTABLISH A CONTROL ENVIRONMENT

The Commission failed to establish a control environment.

During testing, we noted the following:

Noncompliance with the Roseland Community Medical District Act

- | | |
|---|---|
| Oaths of office not taken | <ul style="list-style-type: none">• Nine of nine (100%) appointed Commissioners failed to take an oath of office upon appointment to the Commission. |
| Biennial report not submitted | <ul style="list-style-type: none">• The Commission did not submit its Calendar Year 2015 – Calendar Year 2016 biennial report to the General Assembly. The report was due on March 1, 2017. |
| Comprehensive master plan not prepared | <ul style="list-style-type: none">• The Commission did not prepare and approve a comprehensive master plan during Calendar Year 2017 and Calendar Year 2018. |

Economic Interest Statements

- | | |
|---|---|
| Listing of required economic interest statements not filed | <ul style="list-style-type: none">• The Commission did not submit a listing of Commissioners required to file a statement of economic interest to the Secretary of State and Cook County Clerk by February 1, 2017, and February 1, 2018. |
| Economic interest statements not filed | <ul style="list-style-type: none">• Nine of nine (100%) appointed Commissioners failed to file a statement of economic interest with the Secretary of State or Cook County Clerk during Calendar Year 2017 or Calendar Year 2018. |

Locally-Held Fund

- | | |
|--|--|
| Inadequate receipts documentation | <ul style="list-style-type: none">• The Commission was unable to provide proper supporting documentation for one of one (100%) receipts, totaling \$2,500. Therefore, we were unable to determine whether the receipt was for the correct amount, deposited timely, properly approved, mathematically correct and accurately recorded. |
| Failure to revoke signature authority | <ul style="list-style-type: none">• The Commission failed to revoke signature authority for a Commissioner who is no longer active. (Finding 1, pages 11-13) |

We recommended the Commission take action to establish a control environment to provide assurance it complies with the Act, the Illinois Governmental Ethics Act, the State Records Act, and the Fiscal Control and Internal Auditing Act. Further, we recommended the Commission ensure its accounting records are prepared and maintained to adequately support its transactions and reporting.

Commission officials agree

The Commission agreed with the recommendation.

ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of the Commission for the two years ended December 31, 2018, as required by the Illinois State Auditing Act. Because of the effect of the noncompliance described in Finding 2018-001, the accountants stated the Commission did not comply with the requirements described in the report.

This compliance examination was conducted by the Office of the Auditor General's staff.

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

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