



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS JOINING FORCES FOUNDATION

Compliance Examination
 For the Year Ended June 30, 2020

Release Date: March 17, 2022

FINDINGS THIS AUDIT: 5	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	4	4	2019	20-03		
Category 2:	0	1	1	2018	20-01, 20-05		
Category 3:	0	0	0	2016	20-02	20-04	
TOTAL	0	5	5				
FINDINGS LAST AUDIT: 7							

INTRODUCTION

Because of the significance and pervasiveness of the findings described within the report, the accountants expressed an **adverse opinion** on the Foundation’s compliance with the specified requirements which comprise a State Compliance examination. The Codification of Statements on Standards for Attestation Engagements (AT-C § 205.74) states a practitioner “should express an adverse opinion when the practitioner, having obtained sufficient appropriate evidence, concludes the misstatements individually or in the aggregate, are both material and pervasive to the subject matter.”

This digest covers the compliance examination of the Foundation for the year ended June 30, 2020. The Foundation’s financial audit covering the year ended June 30, 2020, will be released under separate cover. In total, this report includes five findings, four of which are reported in the financial audit.

SYNOPSIS

- (20-05) The Foundation failed to comply with certain statutory requirements.

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

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

MANDATE NONCOMPLIANCE

The Illinois Joining Forces Foundation (Foundation) failed to comply with certain statutory requirements.

No fidelity or surety bond

During testing of statutory requirements, we noted the Foundation's Treasurer did not have a fidelity or surety bond during the examination period.

Population limitations with donation letters identified

During testing of statutorily required donation letters, we requested the Foundation provide us with a listing of all donation letters sent during the examination period. In response, Foundation management identified 16 letters, 2 of which did not have a related receipt per the Foundation's records. Further the Foundation's records show an additional 23 receipts, totaling \$254,410, for which letters should have been sent.

Due to these conditions, we were unable to conclude whether the Foundation's population records were sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.35) to test the Foundation's donation letters.

Amount in donation letters did not agree with financial records

Even given the population limitations noted above which hindered the ability of the accountants to conclude whether selected samples were representative of the population as a whole, we performed testing and noted 5 of 16 (31%) donation letters sent by the Foundation during Fiscal Year 2020 do not agree to the Foundation's Fiscal Year 2020 financial records. (Finding 5, pages 31-32)

We recommended the Foundation implement controls to ensure all gifts, grants, donations, and bequests are tracked and a complete listing is maintained. We also recommended the Foundation perform periodic reconciliations between the listing and accounting records. In addition, we recommended the Foundation obtain a fidelity or surety bond for the Treasurer in accordance with the Act.

Foundation agreed

The Foundation agreed with the recommendation.

OTHER FINDINGS

The remaining findings pertain to failure to present adequate financial statements and notes, inadequate internal control structure, inadequate controls over board membership, and lack of documentation to substantiate compliance with grant agreements. We will review the Foundation's progress towards the implementation of our recommendations in our next compliance examination.

ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of the Foundation for the year ended June 30, 2020, as required by the Illinois State Auditing Act. Because of the noncompliance described in Findings 2020-001 through 2020-003, and Finding 2020-005, the accountants stated the Foundation did not materially 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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