



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, 2021

Release Date: August 17, 2023

FINDINGS THIS AUDIT: 5				AGING SCHEDULE OF REPEATED FINDINGS			
	<u>New</u>	<u>Repeat</u>	<u>Total</u>	<u>Repeated Since</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
Category 1:	0	4	4	2019	21-3		
Category 2:	0	1	1	2018	21-1, 21-5		
Category 3:	0	0	0	2016	21-2	21-4	
TOTAL	0	5	5				
FINDINGS LAST AUDIT: 5							

INTRODUCTION

Because of the significance and pervasiveness of the findings described within the report, the accountants expressed an **adverse opinion** on the Illinois Joining Forces Foundation’s (Foundation) compliance with the specified requirements which comprise a 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 that 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, 2021. The Foundation’s financial audit covering the year ended June 30, 2021, will be released under separate cover. In total, this report includes five findings, four of which were reported in the financial audit.

SYNOPSIS

- (21-5) 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.

During testing of statutory requirements, we noted the following issues:

Donation letters not provided

- The Foundation failed to provide copies of donation letters for 94 of 94 (100%) receipts, totaling \$596,070. As such, we were unable to determine whether the Foundation provided these letters in accordance with the Department of Veterans' Affairs Act or the Foundation's Financial Controls Policy, or whether the amounts described in the letters agree to the Foundation's general ledger.

Surety bond documentation not provided

- The Foundation failed to provide supporting documentation to substantiate the Foundation's treasurer had obtained a surety bond.

Foundation officers and directors not indemnified during entirety of Fiscal Year 2021

- The Foundation's officers and directors were not indemnified during the entirety of Fiscal Year 2021. We determined the Foundation's insurance policy expired on May 22, 2021, and was not renewed until after the examination period.

Annual report filed 27 days late

- The Foundation did not timely file its Calendar Year 2020 General Not for Profit Corporation Act Annual Report with the Office of the Secretary of State. The report was filed 27 days late. (Finding 5, pages 25-27)

This finding has been reported since 2018.

We recommended the Foundation strengthen its controls over retention and maintenance of documentation supporting its compliance with its statutory responsibilities in accordance with the Department of Veterans' Affairs Act and improve its responsiveness to requests for documentation in accordance with the Illinois State Auditing Act. Additionally, we recommended the Foundation obtain a fidelity or surety bond for the Treasurer in accordance with the Department of Veterans' Affairs Act and maintain indemnification for its Board of Directors. Finally, we recommended the Foundation timely file required reports with the Office of the Secretary of State.

Foundation partially accepted our recommendations

The Foundation stated that if donations are made online, donors receive a thank you email that provides the donor with records of their donation and the required tax information to

support their donation. The Foundation stated it would develop a more effective system of both providing letters to donors and maintaining those letters in an easily retrievable manner. The Foundation stated that it works to keep documentation up to date and that it would develop a tracking system/calendar that supports timely submission of necessary paperwork. The Foundation stated it has obtained a surety bond for its treasurer for several years now.

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.

AUDITOR'S OPINION

The financial audit was separately released. The auditors stated the financial statements of the Foundation as of and for the year ended June 30, 2021, are not fairly stated in all material respects.

ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of the Foundation for the year ended June 30, 2021, as required by the Illinois State Auditing Act. Because of the noncompliance described in Findings 2021-001 through 2021-003, and Finding 2021-005, 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.

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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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