



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, 2022

Release Date: November 16, 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>
<b>Category 1:</b>	<b>0</b>	<b>4</b>	<b>4</b>	2019	<b>22-3</b>		
<b>Category 2:</b>	<b>0</b>	<b>1</b>	<b>1</b>	2018	<b>22-1, 22-5</b>		
<b>Category 3:</b>	<b>0</b>	<b>0</b>	<b>0</b>	2016	<b>22-2</b>	22-4	
<b>TOTAL</b>	<b>0</b>	<b>5</b>	<b>5</b>				
<b>FINDINGS LAST AUDIT: 5</b>							

**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, 2022. The Foundation’s financial audit covering the year ended June 30, 2022, will be released under separate cover. In total, this report includes five findings, four of which were reported in the financial audit.

**SYNOPSIS**

- **(22-5)** The Foundation failed to comply with certain statutory requirements.

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

**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 26 of 26 (100%) receipts, totaling \$467,195. 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 2022**

- The Foundation's officers and directors were not indemnified during the entirety of Fiscal Year 2022. We determined the Foundation's insurance policy expired prior to the examination period, and was not renewed until July 9, 2021.

**Annual report filed 89 days late**

- The Foundation did not timely file its Calendar Year 2021 General Not for Profit Corporation Act Annual Report with the Office of the Secretary of State. The report was filed 89 days late.

**No responses provided to inquiries about loans**

- The Foundation failed to respond to our inquiries about whether any loans were made to Foundation directors or officers during Fiscal Year 2022. As such, we were unable to determine whether such loans were made.

**Annual report not provided**

- The Foundation failed to provide a copy of its Calendar Year 2022 General Not for Profit Corporation Act Annual Report submitted to the Office of the Secretary of State. As such, we were unable to determine whether the Foundation's registered agent and address were accurately reported. (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 retain documentation that it obtained 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 it had developed processes to improve the retention and maintenance of documentation. The Foundation stated it does have evidence of a surety bond. The Foundation stated it would continue to strengthen its processes of responding to audit requests to ensure that findings are accurate and not a result of failure to respond.

**Accountant's comment on Foundation's response**

In an accountant's comment, we stated that we did not agree with the Foundation's apparent position that this finding was inaccurate in any way. As enumerated within the finding, the Foundation failed to provide specific documentation we requested during the examination, and as a result, we were unable to perform certain procedures which are part of a compliance examination. The Foundation did not provide this documentation to us either earlier during the engagement when these matters were first brought to its attention or in the formal finding stage of the engagement.

**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, 2022, 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, 2022, as required by the Illinois State Auditing Act. Because of the noncompliance described in Findings 2022-001 through 2022-003, and Finding 2022-005, 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**

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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**

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FRANK J. MAUTINO  
Auditor General

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