



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS CONSERVATION FOUNDATION

Compliance Examination
 For the Year Ended June 30, 2019

Release Date: February 11, 2020

FINDINGS THIS AUDIT: 5	AGING SCHEDULE OF REPEATED FINDINGS			
	Repeated Since	Category 1	Category 2	Category 3
Category 1:	2018		2019-003	
Category 2:				
Category 3:				
TOTAL				
FINDINGS LAST AUDIT: 2				

INTRODUCTION

This digest covers our compliance examination of the Illinois Conservation Foundation (Foundation) for the year ended June 30, 2019. A separate financial audit as of and for the year ending June 30, 2019 will be released under a separate cover. In total, this report contains five findings, two of which were reported in the Financial Audit.

SYNOPSIS

- (19-3) The Foundation did not have adequate planning and monitoring procedures.

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.

**ILLINOIS CONSERVATION FOUNDATION
COMPLIANCE EXAMINATION
For the Year Ended June 30, 2019**

EXPENDITURE STATISTICS	2019	2018
Cash and cash equivalents, beginning.....	\$ 452,251	\$ 404,557
Receipts.....	\$ 1,139,169	\$ 836,366
Donations.....	862,888	747,554
Merchandise sales.....	23,860	23,347
Net investment earnings.....	252,421	65,465
Disbursements.....	\$ (863,900)	\$ (788,672)
General administrative.....	(291,761)	(285,183)
Programs.....	(572,139)	(503,489)
Cash and cash equivalents, ending.....	\$ 727,520	\$ 452,251
Average Number of Board Members.....	11	11
Average Number of Employees.....	3	3

FOUNDATION CHIEF EXECUTIVE
During Examination Period: Eric Schenck, Executive Director
Currently: Crystal Curfman, Executive Director (effective 8-1-19)

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

INADEQUATE PLANNING AND MONITORING PROGRAM

The Foundation did not have adequate planning and monitoring procedures. During testing, we noted the following:

Unestablished monitoring procedures

- The Foundation had not established procedures and processes for program monitoring, key measurement criteria, or performance measures to assess progress toward objectives. Further, the Foundation did not have a budgeting process to assist in the evaluation of its progress towards its objectives and assign priorities and resources.

Unestablished budgeting process

- The Foundation's current policies and procedures were last updated in 1995 and have not been updated after this date to reflect changes of current procedures and practices.

Outdated policies and procedures

- The Foundation's Board of Directors (Board) is currently composed of 12 instead of 13 members as required by the Illinois Conservation Act. (Finding 3, pages 18-19)

Board vacancy

We recommended management establish and implement a planning and monitoring program of its activities and measurement criteria and processes to determine progress towards its objectives. In addition, we recommended management updates its policies and procedures to reflect current practices and continue its efforts to fill the vacancy in the Board.

Foundation agrees with auditors

The Foundation agreed with the auditor's recommendation.

OTHER FINDINGS

The remaining findings pertain to noncompliance with training standards and employee timesheets not submitted. We will review the Foundation's progress towards the implementation of our recommendations in our next compliance examination.

AUDITOR'S OPINION

The financial audit report was released under a separate cover. The auditors stated the financial statements of the Foundation as of and for the year ended June 30, 2019, are fairly stated in all material respects.

ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of the Foundation for the year ended June 30, 2019, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Finding 2019-001. Except for the noncompliance described in this finding, the accountants stated the Foundation complied, in all material respects, with the requirements described in the report.

This compliance examination was conducted by E.C. Ortiz & Company, LLP.

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JANE CLARK
Division Director

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

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FRANK J. MAUTINO
Auditor General

FJM:JMR