

**Illinois  
Conservation  
Foundation**

A COMPONENT UNIT OF THE STATE  
OF ILLINOIS

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**STATE COMPLIANCE  
EXAMINATION**

FOR THE TWO YEARS ENDED  
JUNE 30, 2023

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PERFORMED AS SPECIAL  
ASSISTANT AUDITORS FOR THE  
AUDITOR GENERAL,  
STATE OF ILLINOIS

**ILLINOIS CONSERVATION FOUNDATION**  
(A Component Unit of the State of Illinois)  
**STATE COMPLIANCE EXAMINATION**  
For the Two Years Ended June 30, 2023

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**ILLINOIS CONSERVATION FOUNDATION**  
(A Component Unit of the State of Illinois)  
**STATE COMPLIANCE EXAMINATION**  
For the Two Years Ended June 30, 2023

**FOUNDATION OFFICIALS**

Executive Director (07/01/21 – Present)	Mr. Steve Ettinger
Operations Director (08/01/22 – Present)	Ms. Jenny Vaughn
Operations Director (07/01/22 – 07/31/22)	Vacant
Operations Director (07/01/21 – 06/30/22)	Ms. Cindy Timmerman
Marketing Director (07/01/21 – Present)	Mr. Justin Greaves

**GOVERNING BOARD OFFICER**

Chair of the Board (01/23/23 – Present)	Ms. Natalie Finnie
Chair of the Board (01/17/23 – 01/22/23)	Vacant
Chair of the Board (07/01/21 – 01/16/23)	Ms. Colleen Callahan

**GOVERNING BOARD MEMBERS**

Member - Secretary	Mr. Ryan Anderson
Member - Treasurer	Mr. William Cullerton Jr.
Member	Mr. Mike Ruffolo
Member	Mr. Tom Bennett
Member	Mr. Trip Banks
Member	Mr. Mike Hillstrom
Member	Mr. Mick Wanless
Member	Mr. Robert Russell
Member	Vacant
Member	Vacant
Member	Vacant

**FOUNDATION OFFICE**

The Foundation's primary administrative office is located at:

Illinois Department of Natural Resources  
1 Natural Resources Way  
Springfield, IL 62702-1271



## MANAGEMENT ASSERTION LETTER

January 11, 2024

Roth & Co., LLP  
815 W Van Buren St.  
Chicago, Illinois 60607

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Illinois Conservation Foundation (Foundation). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Foundation's compliance with the following specified requirements during the two-year period ended June 30, 2023. Based on this evaluation, we assert that during the years ended June 30, 2022 and June 30, 2023, the Foundation has materially complied with the specified requirements listed below.

- A. The Foundation has obligated, expended, received, and used funds in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Foundation has obligated, expended, received, and used funds in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Foundation has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. Revenues and receipts collected by the Foundation are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.

- E. Money or negotiable securities or similar assets handled by the Foundation on behalf of the State or held in trust by the Foundation have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

Illinois Conservation Foundation

**SIGNED ORIGINAL ON FILE**

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Steve Ettinger, Executive Director

**SIGNED ORIGINAL ON FILE**

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Jenny Vaughn, Operations Director

**ILLINOIS CONSERVATION FOUNDATION**  
 (A Component Unit of the State of Illinois)  
**STATE COMPLIANCE EXAMINATION**  
 For the Two Years Ended June 30, 2023

**STATE COMPLIANCE REPORT**

**SUMMARY**

The State compliance testing performed during this examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide*.

**ACCOUNTANT’S REPORT**

The Independent Accountant’s Report on State Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers, or other significant non-standard language.

**SUMMARY OF FINDINGS**

<b>Number of</b>	<b><u>Current</u></b>	<b><u>Prior</u></b>
<b>Findings</b>	<b><u>Report</u></b>	<b><u>Report</u></b>
Findings	2	2
Repeated Findings	2	0
Prior Recommendations Implemented or Not Repeated	0	1

**SCHEDULE OF FINDINGS**

<b><u>Item No.</u></b>	<b><u>Page</u></b>	<b><u>Last/First</u></b>	<b><u>Description</u></b>	<b><u>Finding Type</u></b>
<b>Current Findings</b>				
2023-001	9	2022/2021	Lack of Adequate Controls over the Review of Internal Controls over Service Providers	Significant Deficiency and Noncompliance
2023-002	11	2021/2021	Noncompliance with Payment Card Industry Data Security Standards	Significant Deficiency and Noncompliance

**Prior Year Findings Not Repeated**

None.

**ILLINOIS CONSERVATION FOUNDATION**  
(A Component Unit of the State of Illinois)  
**STATE COMPLIANCE EXAMINATION**  
For the Two Years Ended June 30, 2023

**EXIT CONFERENCE**

The Illinois Conservation Foundation waived an exit conference in a correspondence from Mr. Steve Ettinger, Executive Director, on December 5, 2023. The responses to the recommendations were provided by Mr. Steve Ettinger, Executive Director, in a correspondence dated December 14, 2023.



**INDEPENDENT ACCOUNTANT'S REPORT**  
**ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE**

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

and

Board of Directors  
Illinois Conservation Foundation

**Report on State Compliance**

As Special Assistant Auditors for the Auditor General, we have examined compliance by the Illinois Conservation Foundation (Foundation) (A Component Unit of the State of Illinois) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the two years ended June 30, 2023. Management of the Foundation is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Foundation's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Foundation has obligated, expended, received, and used funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Foundation has obligated, expended, received, and used funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Foundation has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. Revenues and receipts collected by the Foundation are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.

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- E. Money or negotiable securities or similar assets handled by the Foundation on behalf of the State or held in trust by the Foundation have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Foundation complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Foundation complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Foundation's compliance with the specified requirements.

In our opinion, the Foundation complied with the specified requirements during the two years ended June 30, 2023, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as items 2023-001 and 2023-002.

The Foundation's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Foundation's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

### **Report on Internal Control Over Compliance**

Management of the Foundation is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the Foundation's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Foundation's compliance with the specified requirements and to test and report



on the Foundation’s internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Foundation’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. A material weakness in internal control is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2023-001 and 2023-002 that we consider to be significant deficiencies.

As required by the *Audit Guide*, immaterial findings excluded from this report have been reported in a separate letter.

The Foundation’s responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Foundation’s responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

**SIGNED ORIGINAL ON FILE**

Chicago, Illinois  
January 11, 2024



**ILLINOIS CONSERVATION FOUNDATION**  
(A Component Unit of the State of Illinois)  
**SCHEDULE OF FINDINGS – CURRENT FINDINGS**  
For the Two Years Ended June 30, 2023

2023-001. **FINDING** (Lack of Adequate Controls over the Review of Internal Controls over Service Providers)

The Illinois Conservation Foundation (Foundation) did not have adequate controls over the review of internal controls over its service providers.

The Foundation entered into agreements with various service providers to assist with significant processes such as: (1) constituent relationship management, (2) credit card and online payments processing, (3) investment advisory, (4) website maintenance, and (5) virtual fundraising.

During testing of four service providers, we noted the Foundation had not:

- Obtained and reviewed the System and Organization Control (SOC) report for one (25%) service provider.
- Timely obtained and reviewed SOC reports for subservice providers or performed alternative procedures to determine the impact on its internal control environment. Two service providers' (50%) SOC reports identified subservice providers.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to its operations for three (75%) service providers.
- Ensured a requirement for an independent review was included within the contract between the Foundation and the four (100%) service providers.
- Conducted an analysis to determine the impact of noted deviations within the SOC reports for two (50%) service providers.
- Obtained bridge letters for three (75%) service providers when their SOC reports did not encompass the entire audit period.

The Foundation is responsible for the design, implementation, and maintenance of internal controls related to its operations to assure its critical and confidential data are adequately safeguarded. This responsibility is not limited due to the processes being outsourced.

The *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Maintenance and System and Service Acquisition sections, requires entities outsourcing their information technology environment or operations to obtain assurance over the entities' internal controls related to the services provided. Such assurance may be obtained through SOC reports or independent reviews.

**ILLINOIS CONSERVATION FOUNDATION**  
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**SCHEDULE OF FINDINGS – CURRENT FINDINGS**  
For the Two Years Ended June 30, 2023

2023-001. **FINDING** (Lack of Adequate Controls over the Review of Internal Controls over Service Providers) - Continued

Additionally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Foundation to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance revenues, investments, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

Foundation management stated the issues were due to lack of expertise and experience in reviewing SOC reports.

Without adequate controls over the review of internal controls over its service providers, the Foundation does not have assurance the service providers' internal controls are adequate to ensure its critical and confidential data are secure and available. (Finding Code No. 2023-001, 2022-001, 2021-001)

**RECOMMENDATION**

We recommend the Foundation:

- Obtain and review SOC reports or perform independent reviews of internal controls associated with outsourced systems at least annually.
- Either obtain and review SOC reports for subservice providers or perform alternative procedures to satisfy the use of the subservice providers would not impact the Foundation's internal control environment.
- Monitor and document the operation of CUECs relevant to the Foundation's operations.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.
- Conduct an analysis to determine impact of noted deviations within the SOC reports.
- Obtain bridge letters when SOC reports do not cover the entire audit period.

**FOUNDATION RESPONSE**

The Foundation agrees with the finding.

**ILLINOIS CONSERVATION FOUNDATION**  
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**SCHEDULE OF FINDINGS – CURRENT FINDINGS**  
For the Two Years Ended June 30, 2023

2023-002. **FINDING** (Noncompliance with Payment Card Industry Data Security Standards)

The Illinois Conservation Foundation (Foundation) did not ensure compliance with the Payment Card Industry Data Security Standards (PCI DSS).

The Foundation accepted credit card payments for donations, fundraising activities, program registration fees, and pin sales. The Foundation handled approximately 2,900 and 3,600 transactions, totaling approximately \$71,000 and \$183,000 in Fiscal Year 2022 and Fiscal Year 2023, respectively. During testing, we noted the Foundation had not:

- Formally assessed each program accepting credit card payments, the methods in which payments could be made, matched these methods to the appropriate Self-Assessment Questionnaire (SAQ), and contacted service providers to obtain relevant information and guidance as deemed appropriate.
- Completed a SAQ addressing all elements of its environment utilized to store, process, and transmit cardholder data.

The Foundation is responsible for the design, implementation, and maintenance of internal controls related to its operations to assure its critical and confidential data are adequately safeguarded. This responsibility is not limited due to the processes being outsourced.

PCI DSS was developed to detail security requirements for entities that store, process, or transmit cardholder data. Cardholder data is any personally identifiable data associated with a cardholder. To assist in the assessments of entities' environment, the Payment Card Industry (PCI) Council established SAQs for validating compliance with PCI's core requirements.

In addition, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Foundation to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

Foundation management stated the above issues were due to lack of expertise and experience to complete the requirements.

Failure to ensure compliance with PCI DSS increases the risk of unauthorized disclosure and unintended use of confidential information. (Finding Code No. 2023-002, 2021-002)

**RECOMMENDATION**

We recommend the Foundation assess each program accepting credit card payments, the methods in which payments can be made, match these methods to the appropriate SAQ, work with the service provider to obtain relevant information and complete those SAQs at least annually.

**ILLINOIS CONSERVATION FOUNDATION**  
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**SCHEDULE OF FINDINGS – CURRENT FINDINGS**  
For the Two Years Ended June 30, 2023

**FOUNDATION RESPONSE**

The Foundation agrees with the finding.