

**State of Illinois
Department of
Innovation and
Technology**

**STATE COMPLIANCE
EXAMINATION**

**FOR THE TWO YEARS ENDED
JUNE 30, 2022**

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

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2022**

TABLE OF CONTENTS

<i>State Compliance Examination Report</i>	<u>Page</u>
Department Officials	1
Management Assertion Letter	2
State Compliance Report	
Summary	3
Independent Accountant's Report on State Compliance and on Internal Control over Compliance	8
Schedule of Findings	
Current Findings	11
Prior Findings Not Repeated	70

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2022**

DEPARTMENT OFFICIALS

Secretary (Acting) (01/09/23 – Present)	Brandon Ragle
Secretary (04/09/22 – 01/08/23)	Jennifer Ricker
Secretary (Acting) (09/05/20 – 04/08/22)	Jennifer Ricker
Secretary (07/01/20 – 09/04/20)	Ron Guerrier
Assistant Secretary (01/09/23 – Present)	Vacant
Assistant Secretary (07/08/22 – 01/08/23)	Brandon Ragle
Assistant Secretary (03/16/21 – 07/07/22)	Vacant
Assistant Secretary (Acting) (07/01/20 – 03/15/21)	Jennifer Ricker
Chief Administrative Officer (01/01/23 – Present)	Albert Coll
Chief Administrative Officer (11/01/22 – 12/31/22)	Vacant
Chief Administrative Officer (04/01/21 – 10/31/22)	Nina Harris
Chief Administrative Officer (07/01/20 – 03/31/21)	Vacant
Chief of Staff (07/01/20 – Present)	Jenifer Johnson
Chief Fiscal Officer (09/15/22 – Present)	Mary Feagans
Chief Fiscal Officer (06/16/22 – 09/14/22)	Vacant
Chief Fiscal Officer (Acting) (07/01/20 – 06/15/22)	Brian Turner
General Counsel (01/01/23 – Present)	Margaret van Dijk
General Counsel (11/01/22 – 12/31/22)	Vacant
General Counsel (03/16/21 – 10/31/22)	Matthew Runyen
General Counsel (07/01/20 – 03/15/21)	Margaret van Dijk
Chief Internal Auditor (02/16/21 - Present)	John Valtierra
Chief Internal Auditor (09/29/20 – 02/15/21)	Vacant
Chief Internal Auditor (07/01/20 – 09/28/20)	Douglas Tinch

The Department of Innovation and Technology’s primary administrative office is located at:

120 West Jefferson Street
Springfield, Illinois 62702



JB Pritzker, Governor
Brandon Ragle, Acting Secretary

MANAGEMENT ASSERTION LETTER

March 6, 2023

Roth & Company, LLP
815 West Van Buren Street, Suite 500
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 State of Illinois, Department of Innovation and Technology (Department). 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 Department’s compliance with the following specified requirements during the two-year period ended June 30, 2022. Based on this evaluation, we assert that during the years ended June 30, 2021 and June 30, 2022, the Department has materially complied with the specified requirements listed below.

- A. The Department has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. Other than what has been previously disclosed and reported in the Schedule of Findings, the Department has obligated, expended, received, and used public 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. Other than what has been previously disclosed and reported in the Schedule of Findings, the Department has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Department 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.

Yours truly,
State of Illinois, Department of Innovation and Technology

SIGNED ORIGINAL ON FILE

Brandon Ragle
Acting Secretary

SIGNED ORIGINAL ON FILE

Mary Feagans
Chief Fiscal Officer

SIGNED ORIGINAL ON FILE

Margaret van Dijk
General Counsel

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2022**

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 or disclaimers, but does contain a modified opinion on compliance and identifies material weaknesses over internal control over compliance.

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Report</u>
Findings	26	28
Repeated Findings	23	23
Prior Recommendations Implemented or Not Repeated	5	7

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2022-001	11	2020/2018	Failure to Comply with Executive Order 2016-01	Material Weakness and Material Noncompliance
2022-002	13	2020/2018	Failure to Maintain Controls over Property	Material Weakness and Material Noncompliance
2022-003	20	New	Failure to Conduct Risk Assessments for All State Agencies	Material Weakness and Material Noncompliance

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2022**

SCHEDULE OF FINDINGS (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
2022-004	21	New	Inadequate Controls over Remote Access	Material Weakness and Material Noncompliance
2022-005	23	2020/2018	Lack of Review of Billing Rates	Material Weakness and Material Noncompliance
2022-006	25	2020/2018	Inadequate Security and Control over Midrange Environment	Material Weakness and Material Noncompliance
2022-007	27	2020/2020	Weaknesses over System Access	Material Weakness and Material Noncompliance
2022-008	29	2020/2018	Voucher Processing Weakness	Material Weakness and Material Noncompliance
2022-009	31	2020/2018	Failure to Adopt Formal Departmental Rules	Material Weakness and Material Noncompliance
2022-010	32	2020/2018	Failure to Comply with the Fiscal Control and Internal Auditing Act	Material Weakness and Material Noncompliance
2022-011	34	2020/2018	Failure to Control and Monitor Software Licensing	Material Weakness and Material Noncompliance
2022-012	36	2020/2018	Weaknesses in the IT Internal Control Environment	Material Weakness and Material Noncompliance
2022-013	41	New	Trainings not Completed within the Required Timeframe	Significant Deficiency and Noncompliance
2022-014	43	2020/2018	Failure to Timely Approve or Submit Overtime Requests	Significant Deficiency and Noncompliance

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2022**

SCHEDULE OF FINDINGS (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
2022-015	45	2020/2020	Inadequate Controls over the Maintenance of I-9 Forms	Significant Deficiency and Noncompliance
2022-016	46	2020/2020	Weakness in Cybersecurity Programs and Practices	Significant Deficiency and Noncompliance
2022-017	48	2020/2018	Lack of Adequate Controls over the Review of Internal Controls over Service Providers	Significant Deficiency and Noncompliance
2022-018	50	2020/2018	Inadequate Controls over Monthly Reconciliations	Significant Deficiency and Noncompliance
2022-019	52	2020/2018	Inadequate Controls over Collection Efforts	Significant Deficiency and Noncompliance
2022-020	54	2020/2018	Inadequate Controls over State Vehicles	Significant Deficiency and Noncompliance
2022-021	58	2020/2018	Employee Performance Evaluations Not Conducted Timely	Significant Deficiency and Noncompliance
2022-022	60	2020/2018	Inadequate Controls over Contractual Agreements	Significant Deficiency and Noncompliance
2022-023	63	2020/2018	Employee Time Reports Not Timely Completed	Significant Deficiency and Noncompliance
2022-024	64	2020/2018	Lack of a Comprehensive and Accurate Description of IT Internal Controls	Significant Deficiency and Noncompliance
2022-025	66	2020/2018	Inadequate Disaster Contingency Planning	Significant Deficiency and Noncompliance

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2022**

SCHEDULE OF FINDINGS (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
2022-026	68	2020/2018	Lack of Agreements to Ensure Compliance with IT Security Requirements	Significant Deficiency and Noncompliance

Prior Findings not Repeated

A	70	2020/2020	Noncompliance with the Department of Innovation and Technology Act	
B	70	2020/2018	Emergency Purchases Weaknesses	
C	70	2020/2018	Failure to Submit and Accurately File Required Reports	
D	70	2020/2018	Inadequate Controls over Telecommunication Devices	
E	71	2020/2020	Failure to Demonstrate the Completeness and Accuracy of Report Components	

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2022**

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Department personnel at an exit conference on February 23, 2023.

Attending were:

Department of Innovation and Technology

Brandon Ragle, Secretary (Acting)
Jenifer Johnson, Chief of Staff
Albert Coll, Chief Administrative Officer
Margaret van Dijk, General Counsel
Lori Sorenson, Chief Technology Officer
Adam Ford, Chief Information Security Officer
Mary Feagans, Chief Fiscal Officer
John Valtierra, Chief Internal Auditor

Office of the Auditor General

Kathy Lovejoy, Principal of IS Audits

Roth & Co., LLP

Elda Arriola, Partner
Dandred Solano, Manager
Lou Jonathan Cabrera, Manager

The responses to the recommendations were provided by John Valtierra, Chief Internal Auditor, in a correspondence dated February 28, 2023.



INDEPENDENT ACCOUNTANT’S REPORT
ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

Honorable Frank J. Mautino
Auditor General
State of Illinois

Report on State Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by the State of Illinois, Department of Innovation and Technology (Department) 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, 2022. Management of the Department is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Department’s compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Department has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Department has obligated, expended, received, and used public 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 Department has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Department 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.

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 Department complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Department 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 modified 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 Department's compliance with the specified requirements.

Our examination disclosed material noncompliance with the following specified requirements applicable to the Department during the two years ended June 30, 2022.

Specified Requirement B

As described in the accompanying Schedule of Findings as item 2022-008, the Department had not obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.

Specified Requirement C

As described in the accompanying Schedule of Findings as items 2022-001 through 2022-007 and 2022-009 through 2022-012, the Department had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

In our opinion, except for the material noncompliance with the specified requirements described in the preceding paragraph, the Department complied with the specified requirements during the two years ended June 30, 2022, 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 2022-013 through 2022-026.

The Department's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Department'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 Department 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 Department’s internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Department’s compliance with the specified requirements and to test and report on the Department’s internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Department’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Department’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2022-001 through 2022-012 to be material weaknesses.

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. We consider the deficiencies described in the accompanying Schedule of Findings as items 2022-013 through 2022-026 to be significant deficiencies.

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

The Department’s responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Department’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
March 6, 2023



STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

2022-001. **FINDING** (Failure to Comply with Executive Order 2016-01)

The Department of Innovation and Technology (Department) failed to comply with the provisions of Executive Order 2016-01: Executive Order Consolidating Multiple Information Technology Functions Into A Single Department of Innovation and Technology.

During our testing, we noted 42 agencies had transferred their Information Technology (IT) functions to the Department. However, we noted the Department had not entered into Intergovernmental Agreements (IGA) with six (14%) and seven (17%) agencies for Fiscal Years 2021 and 2022, respectively.

Additionally, of the agencies statutorily required to transfer their IT functions to the Department, the IGAs were not executed in a timely manner during the examination period. Specifically,

- 35 of 36 (97%) Fiscal Year 2021 IGAs were not executed timely.
- 35 of 35 (100%) Fiscal Year 2022 IGAs were not executed timely.

The IGAs were executed 168 to 998 days after the effective date of the agreement.

This finding was first reported during the period ended June 30, 2018. In the subsequent years, the Department has been unsuccessful in implementing appropriate corrective action or procedures to remedy this deficiency.

The Executive Order, effective March 27, 2016, and subsequently the Department of Innovation and Technology Act (20 ILCS 1370/1-10), effective July 20, 2018, required the Department and transferring agencies to transfer identified employees, and personnel records, books, correspondence and other property; both real and personal to the Department.

Department management indicated the lack of resources has delayed the transfers and the execution of the IGAs.

Failure to timely and fully consolidate IT functions, employees, assets, and funds is a violation of the Executive Order and the Act. (Finding Code No. 2022-001, 2020-001, 2018-001)

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022**

RECOMMENDATION

We recommend the Department work with the agencies to ensure IGAs are timely executed and IGAs are entered into with all transferring agencies.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department has not completed the transfer of all personnel and property for agencies identified in the statute and continues to work with agencies to complete the transfer of personnel and property as required by the Executive Order and Department of Innovation and Technology Act (20 ILCS 1370). The Department has provided IGAs for client agency signature to all transferring agencies and follows up with the agencies to have agreements in place. The Department is funded via charging back agencies for costs. The significant delay in both the payment cycle and the deposit of cash into the Department's Technology Management Revolving Fund has prevented the full transfer of the remaining personnel to Department payroll.

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022**

2022-002. **FINDING** (Failure to Maintain Controls over Property)

The Department of Innovation and Technology (Department) failed to maintain controls over its property and related records.

Agency Report of State Property

During our testing of the Agency Report of State Property (Form C-15) filed with the Office of Comptroller, we noted:

- The Department did not provide evidence of review for 16 of 16 (100%) quarterly C-15 Reports required to be filed during Fiscal Years 2021 and 2022. As such, we were not able to determine whether these reports were reviewed prior to submission. The Statewide Accounting Management System (SAMS) Manual (Procedure 29.10.10) requires the C-15 Report to be submitted to the agency official responsible for approving it for review and signature before it is submitted to the Office of Comptroller for processing.
- The Department did not consistently classify equipment subject to theft. Equipment totaling \$5,627,655 and \$4,829,016 was not classified as subject to theft and not reported in the C-15 and Annual Inventory Certification reports in Fiscal Years 2021 and 2022, respectively. Additionally, equipment totaling \$128,915 and \$87,089 was not classified as subject to theft in Fiscal Years 2021 and 2022, respectively, although these properties were within the scope of the Department's high-theft property definition under Section 2.1b of the property control procedure. The Illinois Administrative Code (Code) (44 Ill. Adm. Code 5010.220) requires the Department to report to the Department of Central Management Services (DCMS) all equipment with an acquisition value greater than the nominal value and equipment that is subject to theft with a value less than that nominal value.
- For the Fiscal Year 2021 C-15 Reports:
 - Equipment, totaling \$558,393,343 at June 30, 2021, did not agree with the Department's property listing. The discrepancy totaled \$6,526.
 - Property additions did not agree with the detailed list of additions provided by the Department. The discrepancies totaled \$1,586,204. Additionally, properties added to the ERP were overstated by \$186,051 and \$219,040 for the Technology Management Revolving Fund (Fund 0304) and Government Funds (General Fund (Funds 0001) and Capital Development Fund (Fund 0141)), respectively.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

- Property deletions did not agree with the detailed listing of deletions provided by the Department. The discrepancies totaled \$2,033,000. Additionally, properties removed from the ERP were understated by \$21,540.
- Net transfers did not agree with the detailed list of net transfers provided by the Department. The discrepancies totaled \$1,709,947.

- For the Fiscal Year 2022 C-15 Reports:
 - Equipment, totaling \$402,731,172 at June 30, 2022, did not agree with the Department’s property listing. The discrepancy totaled \$8,195.
 - Property additions did not agree with the detailed list of additions provided by the Department. The discrepancies totaled \$4,112,081. Additionally, properties added to the ERP were overstated by \$315,884 for the Technology Management Revolving Fund (Fund 304).
 - Net transfers did not agree with the detailed list of net transfers provided by the Department. The discrepancies totaled \$4,112,571.
 - Property deletions totaling \$146,840,965 were incorrectly reported as adjustment to additions.

The SAMS Manual (Procedure 29.10.10) requires the Department’s asset records to be reconciled to the results of inventory and updated accordingly. Additionally, the SAMS Manual (Procedure 29.20.10) requires property additions, deletions, and net transfers to be reported separately depending on the transaction type.

Annual Certification of Inventory

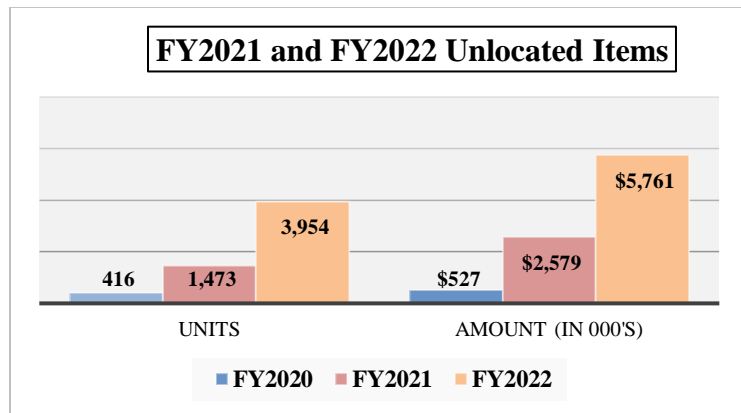
During our testing of the Annual Inventory Certification Reconciliation filed with DCMS, we noted:

- Properties totaling \$211,651,503 and \$46,845,799 were not reported in the Annual Inventory Certification submitted to DCMS during Fiscal Years 2021 and 2022, respectively. The SAMS Manual (Procedure 29.10.10) requires the Department to maintain a permanent record of all property. A listing of the permanent record is required to be submitted to DCMS annually.

- 544 and 520 property items reported to DCMS during Fiscal Years 2021 and 2022 did not have a reported cost. The SAMS Manual (Procedure 03.30.20) requires capital assets be reported at actual or estimated cost or, if donated, at their estimated fair value at the time of acquisition.

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022**

- The Department reported an astronomical increase in the number and value of unlocated items during Fiscal Year 2021 and Fiscal Year 2022. The number of the unlocated items increased by 1,057 or 254% and 2,481 or 168%, during Fiscal Year 2021 and Fiscal Year 2022, respectively. The value of the unlocated items increased by \$2,051,683 or 389% and \$3,181,792 or 123%, during Fiscal Year 2021 and Fiscal Year 2022, respectively. The chart below documents the increase over the past three fiscal years.



The State Property Control Act (30 ILCS 605/4) requires the Agency to be accountable for the supervision, control, and inventory of all items under its jurisdiction and control. Additionally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal and fiscal control to provide assurance that funds, property, and other assets are safeguarded against waste, loss, unauthorized use, and misappropriation.

- During Fiscal Year 2022, one Department location code understated the value of the missing properties in the Annual Inventory Certification by \$302,171. During Fiscal Year 2021, three Department location codes overstated the value of the missing properties in the Annual Inventory Certification by \$32,557. The Code (44 Ill. Adm. Code 5010.490 (a)) requires the Department to report all discrepancies between the previous inventory certification and the current inventory to DCMS.

Population Completeness

We requested the Department to provide the population of its property in order to determine if property had been properly recorded. In response to the request, the Department provided a population; however, given the noted exceptions above we

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

were unable to conclude the Department's population records were sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.36).

Even given the population limitations noted above, we performed testing on a sample of the property population.

Detailed Testing

Property Additions

- Four of 60 (7%) property additions, totaling \$1,054,583, were recorded 344 to 753 days late. The Code (44 Ill. Adm. Code 5010.400) requires the Department to adjust their property records within 90 days of acquisition, change, or deletion of equipment items.
- The Department did not record on its property listing and did not report on the Department's annual inventory report submitted to DCMS a voucher for the purchase of equipment totaling \$1,929,406. The Code (44 Ill. Admin. Code 5010.400) requires the Department to adjust its property records within 90 days of acquisition, change, or deletion of equipment items.
- Three of 60 (5%) property additions, totaling \$142,036,908, were not properly recorded in the ERP, resulting in an overstatement of \$26,339,417. The State Property Control Act (30 ILCS 605/4) requires every responsible officer to be accountable to the administration for the supervision, control, and inventory of all property under its jurisdiction.

Property Deletions and Unlocated Computers

- Eleven of 60 (18%) property deletions, totaling \$11,925, were recorded 32 to 1,815 days late. The Code (44 Ill. Adm. Code 5010.400) requires the Department to adjust their property records within 90 days of acquisition, change, or deletion of equipment items.
- Three of 60 (5%) property deletions, totaling \$75,417, were recorded with improper transaction codes. The Code (44 Adm. Code Section 5010.310) requires specific transaction codes to be used to record a transaction that removes equipment from the Department's inventory.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

- Thirteen of 60 (22%) unlocated computers, totaling \$28,660, were reported as missing items in the Annual Inventory Certification, although these items were still active and in use.
- Six of 60 (10%) Certificates of Media Sanitization (Certificates) tested were not properly completed. The Certificates had incorrect tag numbers, serial numbers, and were not dated.
- The Department did not provide documentations to determine if:
 - Six of 60 (10%) property deletions totaling \$10,417, were properly processed, approved, supported, and timely recorded;
 - Nine of 60 (15%) computers disposed of, totaling \$10,488, had confidential data and were properly wiped; and
 - Forty-five of 60 (75%) unlocated computers, totaling \$76,165, had confidential information stored and were properly wiped.

The Code (44 Ill. Adm. Code 5010.310) requires the Department to report to the DCMS, a detailed list of inventory deletions including the transaction code, the tag number, description, purchase price, and purchase date, on a monthly basis. Documentation supporting each deletion is to be maintained in the Department's files. The Data Security on State Computers Act (20 ILCS 450/10) requires the DCMS or any other authorized agency that disposes of surplus electronic data processing equipment by sale, donation, or transfer to implement a policy mandating that computer hardware be cleared of all data and software before disposal by sale, donation, or transfer and (ii) require the head of each Agency to establish a system for the protection and preservation of State data on State-owned electronic data processing equipment necessary for the continuity of government functions upon relinquishment of the equipment to a successor executive administration. Additionally, the State Property Control Act (30 ILCS 605/4 and 6.02) requires the Agency to be accountable for the supervision, control and inventory of all items under its jurisdiction and control. In addition, the Department had the responsibility to ensure that confidential information is protected from disclosure and that provisions in the Personal Information Protection Act (815 ILCS 530) are followed.

Physical observation of equipment

During testing, we noted:

- Twenty eight of 60 (47%) items, totaling \$92,742, were not found at the location indicated on the Department's property listing.
- Thirteen of 60 (22%) items, totaling \$55,924, were assigned an incorrect location code.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

- Sixty of 60 (100%) surplus items had not been recycled, issued, or reported as transferable property to DCMS.

The Code (44 Ill. Admin. Code 5010.620) requires all agencies to regularly survey their inventories for transferable equipment and report any such equipment on proper forms to the Property Control Division of DCMS.

- Ten of 61 (16%) items were not recorded in the property records as well as in the Annual Inventory Certification submitted to DCMS. The State Property Control Act (30 ILCS 605/6.02) requires the Department to maintain a permanent record of all items of property under his jurisdiction and control. The SAMS Manual (Procedure 29.10.10) requires the Department to maintain a permanent record of all property and a listing of the permanent record is required to be submitted to DCMS annually.

This finding was first reported during the period ended June 30, 2018. In the subsequent years, the Department has been unsuccessful in implementing appropriate corrective action or procedures to remedy this deficiency.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation; and revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

Department management indicated the exceptions noted were due to lack of resources, lack of staff preventing the Department's ability to be more proactive, and conflicting priorities.

Failure to maintain controls over the property and related records has resulted in the Department's property records and subsequent reporting to DCMS and the Office of Comptroller being inaccurately reported. (Finding Code No. 2022-002, 2020-002, 2018-002)

RECOMMENDATION

We recommend the Department implement controls to ensure all property is accounted for in accordance with the Illinois Administrative Code and the

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022**

Statewide Accounting Management System Manual. In addition, the Department should ensure the reporting to DCMS and the Office of Comptroller is accurate and reconciled to the Department's records.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. Both the accounting and property control departments are working independently and together to streamline processes. The Department is also planning to utilize additional technology to help with property control discrepancies.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

2022-003. **FINDING** (Failure to Conduct Risk Assessments for All State Agencies)

The Department of Innovation and Technology (Department) failed to conduct risk assessments for all State agencies as required by the Illinois Information Security Improvement Act (Act).

Our testing of the Department’s risk assessment documentation noted:

- Five of eight (63%) risk assessments identified as completed in fact had not been completed during Fiscal Year 2021.
- The Department did not provide documentation demonstrating the population of risk assessments conducted during Fiscal Year 2022 was complete and accurate. Therefore, we were unable to conduct detailed testing.

The Act (20 ILCS 1375/5-15(b)(4)) requires the Department to identify information security risks to each State agency, including an assessment of the extent to which information resources or processes are vulnerable to unauthorized access or harm and recommend risk mitigation strategies, methods, and procedures to reduce the risks.

Department management indicated the lack of resources has delayed completion of the risk assessments for all State agencies and resulted in the inability to provide documentation demonstrating the Fiscal Year 2022 population was complete.

Failure to conduct risk assessments for all State agencies is a violation of the Act. (Finding Code No. 2022-003)

RECOMMENDATION

We recommend the Department work with the agencies to ensure risk assessments are conducted for all State agencies to comply with the Act and maintain documentation demonstrating the population of risk assessments is complete.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department is working to add more resources to the Information Security Division to address capacity constraints.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

2022-004. **FINDING** (Inadequate Controls over Remote Access)

The Department of Innovation and Technology (Department) had not documented and implemented adequate procedures governing remote access to the Department's information systems.

The Department grants employees and third-party users' remote access to the Department's information system resources. While the Department established a remote access policy, we noted the policy did not address:

- User responsibilities;
- Acceptable use of remote access;
- Detailed procedures to manage authorization for each type of remote access allowed;
- Process regarding configuration or connection requirements;
- Compliance to laws, rules, and regulations applicable to the Department;
- Incident and/or breach notification requirements;
- Process to monitor the activities of remote users;
- Periodic reviews of users' remote access;
- Usage restrictions; and
- Sanctions for improper usage

During testing of four remote access users, we noted:

- Remote users' access requests did not document the details of the request, such as the reason and duration of remote access.
- Remote access users did not have a documented access request on file and did not acknowledge receipt and understanding of the security policies.

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, Access Control and System and Communication Protection sections, requires entities to implement adequate internal controls over access to their environments, applications and data.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the Department's resources.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

The Department's Access Control Policy, Section 4.11- Remote Access, requires the Department to establish implementation guidance for any remote access to information systems for each type of remote access allowed. Also, it requires entities to establish usage restrictions and configuration/connection requirements for any planned or in-place remote access to the information system.

Department management indicated the issues were due to oversight.

Failure to establish and implement adequate procedures related to security and control of remote access increases the risk of unauthorized access and inappropriate usage of Department resources. (Finding Code 2022-004)

RECOMMENDATION

We recommend the Department:

- Update the policy to:
 - establish implementation guidance or detailed procedures to manage user responsibilities,
 - acceptable use of remote access,
 - authorization for each type of remote access allowed,
 - configuration or connection requirements,
 - compliance to laws, rules and regulations applicable to the Department,
 - incident/breach notification requirements,
 - monitor the activities of remote access users, and
 - perform periodic reviews of users' remote access.
- Ensure remote access requests are properly documented and authorized.
- Perform periodic review of remote access users and ensure timely deactivation of users no longer needing access.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department will develop appropriate standards and documentation related to remote access.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

2022-005. **FINDING** (Lack of Review of Billing Rates)

The Department of Innovation and Technology (Department) did not review the billing rates utilized to bill agencies for Information Technology (IT) and telecommunication services.

During our testing, we noted:

- The Department adds an administrative mark up to the telecommunication rate; however, we noted the Department had not developed a methodology to determine the administrative mark up.
- The Department did not bill for server and the State's Enterprise Resource Planning System (ERP) usages in a timely manner. The server usage was billed annually in Fiscal Year 2021 and quarterly in Fiscal Year 2022 and the ERP usage was billed semi-annually instead of monthly.
- There were several IT service rates posted on the Department's website which differed from the Department's approved rates. Additionally, the list of IT service rates on the Department's website included a service no longer being offered.

This finding was first reported during the period ended June 30, 2018. In the subsequent years, the Department has been unsuccessful in correcting this deficiency.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that obligations and costs are in compliance with applicable law and revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

Department management indicated the methodology had not been sufficiently documented due to lack of staff and the other issues were due to oversight.

Failure to review the various rates, establish a methodology for determining rates, and timely bill the agencies, the Department may be under or over charging agencies for the usage of their services. (Finding Code No. 2022-005, 2020-005, 2018-005)

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022**

RECOMMENDATION

We recommend the Department develop a methodology for determining the administrative markup. Additionally, we recommend the Department post the current rates on its website and bill for services monthly.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The administrative mark-up to the telecommunication rate has historically been a cost-plus cost methodology, which has been implemented for many years. The mark-up is reviewed and evaluated through the annual SWCAP to determine if there are large over- or under-recovery occurring. To date, there has not been significant overcharges or undercharges occurring in that category. The Department occasionally bills agencies for some specific charges on a quarterly or annual basis instead of monthly but will review the feasibility of switching to monthly billing for all types of charges. The Department is in the process of updating the approved website rates.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

2022-006. **FINDING** (Inadequate Security and Control over Midrange Environment)

The Department of Innovation and Technology (Department) had not implemented adequate security and controls over the midrange environment.

We requested the Department provide a population of servers utilized in order to determine the controls over the midrange servers. In response, the Department provided a population; however, the population of servers was incomplete. Due to these conditions, we were unable to conclude the Department's population records were complete and accurate under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.36).

Even given the population limitations noted above, we performed testing on the population of servers identified. During our testing, we noted:

- Servers running unsupported and outdated operating systems, and;
- Servers without anti-virus software.

In addition, we noted two of 223 (1%) terminated individuals continued to have high level access to the environment.

This finding was first reported in Fiscal Year 2018. In subsequent years, the Department has been unsuccessful in implementing appropriate procedures to improve its controls over midrange security.

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), System and Services Acquisition section, requires a properly secured infrastructure.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation.

Department management indicated the issues were due to competing priorities.

Failure to implement adequate security and controls over the midrange environment increases the risk of unauthorized access and heightens the vulnerability to existing or emerging threats. (Finding Code No. 2022-006, 2020-006, 2018-016)

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022**

RECOMMENDATION

We recommend the Department ensure complete, accurate, and detailed records are maintained to substantiate its midrange environment. Additionally, we recommend the Department:

- Upgrade or update servers to current vendor recommended patch or service pack levels;
- Ensure all servers are running antivirus software, with current definition files; and
- Ensure separated individuals' access is timely terminated.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department will continue to address outdated legacy systems. Efforts to implement identity and access automation are also underway.

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022**

2022-007. **FINDING** (Weaknesses over System Access)

The Illinois Department of Innovation and Technology (Department) had not established adequate controls over system access.

During our testing of the system access controls over the domain, remote access, and the Enterprise Resource Planning (ERP) system, we noted:

- Two of 223 (1%) terminated individuals' access to the Department's domain and remote access system was not revoked, and
- Four of 223 (2%) terminated individuals' access to the Department's ERP was not timely revoked. The terminated individuals' access were revoked 3 to 164 days after separation.

The Department's Access Control Policy requires the Department to revoke user access when a user is no longer authorized such as user termination, user transfer, or changes to user job responsibilities.

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, Personnel Security section, requires entities to timely disable access to system resources after an employee is terminated.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation.

Department management indicated the issues were due to oversight.

Failure to timely remove access of terminated individuals increases the risk of unauthorized access to Department resources and the risk that confidentiality, integrity, and availability of systems and data will be compromised. (Finding Code No. 2022-007, 2020-007)

RECOMMENDATION

We recommend the Department ensure timely deactivation of users no longer needing access.

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022**

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department will be automating additional identity and access controls in coordination with the implementation of the Human Capital Management solution.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

2022-008. **FINDING** (Voucher Processing Weakness)

The Department of Innovation and Technology (Department) did not timely submit its vouchers for payment to the Comptroller's Office and ensure vouchers were properly supported and recorded during the examination period.

Due to our ability to rely upon the processing integrity of the Enterprise Resource Planning System (ERP), we were able to limit our voucher testing at the Department to determine whether certain key attributes were properly entered by the Department's staff into ERP. In order to determine the operating effectiveness of the Department's internal controls related to voucher processing and subsequent payment of interest, we selected a sample of key attributes (attributes) to determine if the attributes were properly entered into the ERP based on supporting documentation. The attributes tested were 1) vendor information, 2) expenditure amount, 3) object(s) of expenditure, and 4) the later of the receipt date of the proper bill or the receipt date of the goods and/or services.

We then conducted an analysis of the Department's expenditures data for fiscal years 2021 and 2022 to determine compliance with the State Prompt Payment Act (Act) (30 ILCS 540) and the Illinois Administrative Code (Code) (74 Ill. Admin. Code 900.70). We noted the following noncompliance:

- The Department did not timely approve 6,267 of 23,709 (26%) vouchers processed during the examination period, totaling \$576,052,039. We noted these late vouchers were approved between 1 and 383 days late.

The Code (74 Ill. Admin. Code 900.70) requires the Department to timely review each vendor's invoice and approve proper bills within 30 days after receipt.

- One of 25 (4%) travel vouchers, totaling \$234, was not properly supported.

The Code (80 Ill. Adm. Code 2800.240) requires all travel vouchers to be supported by receipts in all instances for railroad and airplane transportation, lodging, taxis, and all other items in excess, individually, of \$10.00 except for meals.

This finding was first reported during the period ended June 30, 2018. In the subsequent years, the Department has been unsuccessful in implementing appropriate corrective action or procedures to remedy this deficiency.

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022**

Department management indicated the delay in approving vouchers was due to the layered approval process prior to vouchering. The Department management also indicated the other issue were due to oversight.

Failure to timely process bills and ensure vouchers are properly recorded and supported represents noncompliance with the Code. (Finding Code No. 2022-008, 2020-009, 2018-009)

RECOMMENDATION

We recommend the Department process proper bills within 30 days of receipt and ensure vouchers are properly supported.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department will work to approve invoices quicker to enable timely voucher processing. The Department will also strive to minimize the human error that resulted in insufficient supporting documentation for one travel voucher.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

2022-009. **FINDING** (Failure to Adopt Formal Departmental Rules)

The Department of Innovation and Technology (Department) had not adopted formal Departmental rules for the operation, administration, and accounting of the Department.

During our examination, we noted the Department had not drafted or adopted formal rules related to accounting and personnel.

This finding was first reported during the period ended June 30, 2018. In the subsequent years, the Department has been unsuccessful in implementing appropriate corrective action or procedures to remedy this deficiency.

The Illinois Administrative Procedure Act (5 ILCS 100/5 et seq.) requires each agency to maintain and file organizational rules, including a current description of the agency’s organization, current procedures for information requests, and a current description of the agency’s rulemaking procedures.

In addition, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable law.

Department management indicated they utilized the Department of Central Management Services’ policies and procedures due to limited resources available to establish Departmental rules.

Failure to establish Departmental rules is a violation of State law. (Finding No. 2022-009, 2020-010, 2018-010)

RECOMMENDATION

We recommend the Department adopt formal rules for the operation, administration, and accounting of the Department.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department adopted formal administrative rules regarding the Department organization in FY20 (2 Ill. Admin. Code 1530) and is in the process of establishing additional policies and procedures.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

2022-010. **FINDING** (Failure to Comply with the Fiscal Control and Internal Auditing Act)

The Department of Innovation and Technology (Department) failed to comply with the Fiscal Control and Internal Auditing Act (Act).

During our testing of the Department’s internal auditing activities, we noted the following:

- Four of eight (50%) audits proposed to be performed in Fiscal Year 2021 were not completed. Additionally, we noted reviews of all major systems of internal accounting and administrative control were not conducted on a periodic basis so all major systems were reviewed at least once every two years.

The Act (30 ILCS 10/2003) requires the internal auditing program to include audits of major systems of internal accounting and administrative control conducted on a periodic basis so that all major systems are reviewed at least once every two years. The audits must include testing of the obligation, expenditure, receipt, and use of public funds of the State and of funds held in trust to determine whether those activities are in accordance with applicable laws and regulations.

- The Department’s Fiscal Year 2021 two-year internal audit plan did not have documentation of the submission date and approval by the chief executive officer of the Department.

The Act (30 ILCS 10/2003) requires the chief executive officer of each designated State agency to ensure that the internal auditing program includes a two-year plan, identifying audits scheduled for the pending fiscal year and approved by the chief executive officer before the beginning of the fiscal year. Additionally, the International Standards for the Professional Practice of Internal Auditing (2020 – Communication and Approval) (Standards) requires the chief audit executive to communicate the internal audit activity’s plans and resource requirements, including significant interim changes, to senior management for review and approval.

This finding was first reported during the period ended June 30, 2018. In the subsequent years, the Department has been unsuccessful in implementing appropriate corrective action or procedures to remedy this deficiency.

Department management indicated lack of resources contributed to the exceptions.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

Failure to ensure audits are conducted and internal audit plans are approved is a violation of the Act and Standards. (Finding Code No. 2022-010, 2020-011, 2018-011)

RECOMMENDATION

We recommend the Department ensure planned audits are completed and the two-year internal audit plans are approved by the chief executive officer of the Department to comply with the Act and Standards.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department will continue to ensure that audit plans are approved by the Department Secretary and completed.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

2022-011. **FINDING** (Failure to Control and Monitor Software Licensing)

The Department of Innovation and Technology (Department) failed to implement controls in place to control, track, and monitor end-user software use.

The Department had not developed procedures for controlling, monitoring, and tracking the use of software licenses. In addition, the Department could not provide an inventory of software licenses purchased and the number of software licenses that were actually deployed. As a result, we were unable to determine if the Department was in compliance with contractual licensing agreements.

This finding was first reported in Fiscal Year 2018. In subsequent years, the Department has failed to implement appropriate procedures to improve its controls over software licensing.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized used and misappropriation.

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, Configuration Management section, requires entities to maintain documentation the entity complies with the requirements of the contract and to maintain tracking of software and the quantity of licenses purchased and utilized.

Department management indicated procedures for monitoring and tracking software licenses were not formalized in writing due to the lack of resources.

Failure to track, control, and monitor software license usage leaves the Department, and user agencies exposed to possibility of additional costs, including fees, penalties, litigation and possibility of the termination of software usage. (Finding Code No. 2022-011, 2020-012, 2018-014)

RECOMMENDATION

We recommend the Department develop and implement procedures and a tracking mechanism to control, monitor, and track software licenses and its utilization. Furthermore, the Department should at least annually reconcile their software

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022**

license inventory to vendor software inventory to ensure software is deployed in accordance with the terms of procurement.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department is making progress on the corrective action plan with a software asset management tool now in place and formal procedures and processes being developed.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

2022-012. **FINDING** (Weaknesses in the IT Internal Control Environment)

The Department of Innovation and Technology (Department) Information Technology (IT) had weaknesses in the implementation and documentation of IT internal controls.

During the review of the Department's IT internal controls during the examination period, we requested the Department to provide populations related to:

- Modifications to employees' and contractors' access to the Department's resources,
- New administrator logical access requests,
- Active Directory access modifications,
- Security Software accounts created, modified, and revoked,
- Agency Application Administrator changes,
- Changes to an antivirus tool,
- Physical access requests for non-State employees,
- Changes made to applications and the environment, including emergency changes, and
- Incident tickets.

However, the Department did not provide complete and accurate populations.

Due to these conditions, we were unable to conclude the Department's population records were sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.36). As such, we could not perform testing.

In addition, our testing of the Department's IT controls, noted:

Policies and Procedures

- The Department did not have a policy or procedure documenting the frequency in which policies and procedures published on its website were to be reviewed during fiscal year 2021.
- The Department did not ensure the Department's compliance with all of the enterprise information security policies.
- The Change Management Guide and the Change Management Process did not document:
 - Change prioritization requirements;
 - Required fields to be completed for each type of change;
 - Documentation requirements for Post Implementation Reviews;

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

- Documentation requirements for testing, implementation and backout plans; and
- The approval process in place.
- The Department’s change management guides and process documents contradicted one another.
- The Application Lifecycle Management Manual did not document the responsibilities of the Change Management Team and the Change Advisory board.
- The Department did not document the access provisioning requirements in order for staff and vendors to gain access to network devices.
- The Department had not documented the internal controls over modification and revocation of mainframe access.
- The Department did not have a policy documenting the required timeframe for revocation of logical access upon termination.

Change Management

- Changes did not have completed change request forms.
- Defects did not have support for testing in the various environments.
- Changes did not always have test plans, backout plans, or implementation plans.
- Changes were not properly approved.
- Not all changes were reviewed monthly.
- Emergency changes did not always have a Post Implementation Review conducted.
- Mainframe application changes were not always properly authorized prior to moving to the code management system.
- Mainframe application changes were not always approved prior to releasing to Library Services.
- eTime changes were not properly approved prior to deploying to the production environment.
- The Endpoint Protection Group did not follow the Department’s Change Management Process.

Logical Security

- Documentation demonstrating separated employees’ and contractors’ midrange logical access was revoked was not provided for all of the instances selected.
- Separated employees and contractors did not have a completed service request in order to remove their logical access, or the service request was completed late.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

- Documentation demonstrating access with powerful privileges, high-level access and access to sensitive system functions was restricted to authorized personnel was not provided.
- Documentation demonstrating separated employees' and contractors' mainframe accounts had been revoked was not provided for all of the instances selected.
- Service requests or exit forms were not always completed for separated employees and contractors.
- New requests for access to the Department's resources were not always properly approved.
- New employees and contractors did not have a completed service request and/or Mainframe Access Request Form in order to request their logical access.
- The Department did not conduct the Security Software Annual Reconciliation.
- Security settings did not always conform to the Department's or vendor's standards.

Physical Security

- Physical security controls were not always properly implemented.
- Documentation demonstrating separated or terminated individuals' physical access had been deactivated was not provided.
- New employee and contractor badge request forms were not always properly completed or did not contain documentation of proof of identity.
- New employees' and contractors' access to the data center's secured location was not always approved.
- Individuals were provided inappropriate access to the Department's buildings.
- The Building Admittance Registers were not always maintained.
- Monitoring of cameras at a Department facility was not conducted.

Security Violations

- Thresholds had not been established to determine which violations were followed up on.
- Mainframe monitoring reports were not always completed and distributed monthly.
- The Incident Management Response Process Guide had not been updated to reflect the transition of service management tools and processes.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

- Security incidents did not always contain notification to the agency, documentation the Executive Summary or Incident Report was provided to the affected agency, and status updates.

Backups

- Documentation demonstrating the replication between the Department’s data center and alternate data center occurred and the Enterprise Storage and Backup group received an alert if the data was out of sync for a defined period of time was not provided.
- Midrange server backup reports were not provided for all of the instances selected.
- Remediation efforts for specific midrange backups were not documented.

Human Resources

- The specified required background checks were not always completed.

Risk

- Vulnerability scans were not communicated to all Group Chief Information Officers and Agency Chief Information Officers.
- Upon notification of the closure of medium and high priority threats, Executive Summaries were not sent to the Chief Information Security Officer or the Deputy Chief Information Security Officer.
- An agency was not notified of a medium threat in order to determine the impact to users.
- Guidance was not provided to the agencies related to the remediation of identified vulnerabilities.

Network

- Multiple instances where operating system patches were not tested or did not have documentation of testing prior to being pushed to the general population.
- A Network Administrator did not require administrative rights to the environment.
- Device configurations were not backed up for the period of April 5 to April 23, 2021.

Application Edits

- One states’ tax rate was incorrect in the CPS tax tables.
- The federal rate for head of household filers was incorrect.

This finding was first reported in the Fiscal Year 2018 Compliance Examination

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

Report. The Department has failed to implement corrective actions to remedy the weaknesses.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance the resources and funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

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) requires entities to establish internal control over their IT environment and processes.

Department management indicated the weaknesses were due to lack of resources and system limitations.

Failure to provide internal controls that were suitably designed and operating effectively may result in security weaknesses and data integrity concerns. (Finding No. 2022-012, 2020-013, 2018-029)

RECOMMENDATION

We recommend the Department ensure controls are suitably designed and implemented to protect computer systems and data. In addition, we recommend the Department maintain complete and accurate populations and implement general IT controls.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The weaknesses in internal controls in this finding are summarized in the Department's SOC reports from FY21 and FY22. Those reports contain the detailed corrective action plans that are being implemented by the Department to strengthen internal controls.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

2022-013. **FINDING** (Trainings Not Completed Within the Required Timeframe)

The Department of Innovation and Technology’s (Department) employees did not complete all mandatory trainings within the required timeframe.

We reviewed the Department’s training reports for all employees to determine if they had complied with training requirements, noting:

- Two employees did not complete the annual ethics training during the CY 2020 and 2021 training period. Additionally, one employee completed the CY 2020 ethics training five days late. Further, one of 14 (7%) new hires tested completed the initial ethics training 23 days late during the CY 2020 training period.

The State Officials and Employees Act (Act) (5 ILCS 430/5-10(a)) requires each officer, member, and employee to complete an ethics training annually. The Act (5 ILCS 430/5-10(c)) requires new employees entering a position requiring ethics training to complete an initial ethics training course within 30 days after commencement of employment.

- One employee did not complete the sexual harassment training during the CY 2021 training period.

The State Officials and Employees Act (Act) (5 ILCS 430/5-10.5(a-5)) requires each officer, member, and employee to complete, at least annually, a harassment and discrimination prevention training.

- Three employees did not complete the training for employees handling social security numbers during the CY 2021 training period.

The Identity Protection Act (5 ILCS 179/37(a)(2)) requires all employees having access to social security numbers in the course of performing their duties to be trained to protect the confidentiality of social security numbers.

Department management indicated the lack of workforce resources resulted in the exceptions.

Failure to complete trainings within the required timeframe may lead to employees being unaware of specific requirements for State employees and Department and State policies regarding cybersecurity, ethics, sexual harassment, and safeguard of confidential information. As a result, there is a risk the Department could be

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022**

exposed to legal and financial risks due to noncompliance with the Act. (Finding Code No. 2022-013)

RECOMMENDATION

We recommend the Department strengthen its internal controls to monitor employees to ensure all employees complete the required trainings and in a timely manner.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department will continue efforts to ensure that mandatory trainings are completed in a timely manner.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

2022-014. **FINDING** (Failure to Timely Approve or Submit Overtime Requests)

The Department of Innovation and Technology (Department) failed to timely approve or submit overtime requests.

The Department paid \$14,054,296 for approximately 116,048 hours of overtime during Fiscal Years 2021 and 2022. Based on our testing of a sample of 60 employee overtime pre-approval requests and time report details, we noted:

- Four (7%) employees did not submit overtime pre-approval requests in advance of the time to be worked. These requests were submitted one to seven days after the overtime was worked.
- For four (7%) employees, the overtime pre-approval requests totaling 38 hours were not pre-approved by the supervisors. These requests were approved one to four days after the overtime had been worked.
- For one (2%) employee, the actual overtime worked exceeded the approved overtime request by 6.50 hours.

This finding was first reported during the period ended June 30, 2018. In the subsequent years, the Department has been unsuccessful in implementing appropriate corrective action or procedures to remedy this deficiency.

The Department of Central Management Services' Policy Manual, Chapter 2, Section 6, states employees must complete overtime request in advance and the employee's immediate supervisor must review and approve the employee's request in advance of the time to be worked. Additionally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to ensure resources are utilized efficiently and effectively.

Department management indicated the exceptions were due to employee oversight.

Failure to ensure pre-approved overtime requests are timely submitted and properly approved in advance undermines accountability controls and may result in unnecessary expenditures. (Finding Code No. 2022-014, 2020-018, 2018-013)

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022**

RECOMMENDATION

We recommend the Department ensure overtime pre-approval requests are timely submitted, approved in advance, and properly completed.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department will continue efforts to ensure that overtime pre-approval requests are timely submitted by employees and properly approved in advance by supervisors.

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022**

2022-015. **FINDING** (Inadequate Controls over the Maintenance of I-9 Forms)

The Department of Innovation and Technology (Department) has not established adequate controls over the maintenance of Employment Eligibility Verification (I-9) forms for employees hired by the Department.

During our testing of 60 employees' personnel files, we noted eight (13%) I-9 forms were not maintained in the employees' personnel files.

Federal law (8 U.S.C. § 1324a) requires an employer to complete and maintain an I-9 form to verify an individual's eligibility for employment in the United States.

Department management indicated the referenced I-9 forms were not included in the employee personnel files forwarded to the Department by the transferring agencies.

Failure to maintain I-9 forms is a violation of federal laws and could expose the Department to penalties. (Finding Code 2022-015, 2020-014)

RECOMMENDATION

We recommend the Department ensure the I-9 forms are maintained in the personnel records to comply with federal laws.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. Personnel files from transferring agencies were forwarded to the Department upon legislative transfer of these employees, and some files did not include the I-9 forms. The Department has included a verification check of I-9 completion in its Transformation Checklist to ensure all forms are properly completed and personnel records are properly maintained in the event they had not been properly maintained by the transferring agency.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

2022-016. **FINDING** (Weakness in Cybersecurity Programs and Practices)

The Department of Innovation and Technology (Department) had not implemented adequate internal controls related to cybersecurity programs and practices.

As a result of the Department’s responsibility to provide State agencies with information technology, large volumes of confidential and personal information, such as names, addresses, Social Security numbers, health information, etc, reside at the Department.

The Illinois State Auditing Act (30 ILCS 5/3-2.4) requires the Auditor General to review State agencies and their cybersecurity programs and practices. During our examination of the Department’s cybersecurity program, practices, and control of confidential information, we noted the Department:

- Had not ensured formal risk assessments were performed to identify and ensure adequate protection of information (i.e., confidential, or personal information) most susceptible to attack.
- Had not prioritized, evaluated, and implemented appropriate risk-reducing controls for the environment.
- Had not ensured all types of data were identified and classified to ensure proper safeguards.
- Five employees did not complete the annual cybersecurity training timely during the Calendar Year (CY) 2020 training period. These employees completed the training from six to 62 days late. Additionally, two employees did not complete the annual cybersecurity training during the CY 2021 training period.

The *Framework for Improving Critical Infrastructure Cybersecurity and 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 require entities to consider risk management practices, threat environments, legal and regulatory requirements, mission objectives and constraints in order to ensure the security of their applications, data, and continued business mission.

The Data Security on State Computers Act (20 ILCS 450/25) requires every employee to annually undergo the online cybersecurity training established by the Department which included detecting phishing scams, preventing spyware infections and identity theft, and preventing and responding to data breaches.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation and maintain accountability over the State's resources.

Department management indicated the issues were due to competing priorities and oversight.

The lack of adequate cybersecurity programs and practices could result in unidentified risk and vulnerabilities and ultimately lead to the Department's volumes of confidential and personal information being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2022-016, 2020-015)

RECOMMENDATION

We recommend the Department:

- Ensure formal risk assessments are performed to identify and ensure adequate protection of information (i.e., confidential, or personal information) most susceptible to attack,
- Prioritize, evaluate, and implement appropriate risk-reducing controls for the environment,
- Ensure all types of data are identified and classified to ensure proper safeguards, and
- Ensure all employees complete the required annual cybersecurity training.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department's data and system classification efforts are in progress, and the Department will continue efforts to increase participation in the Security Awareness Training above the current 99% compliance level. Also, the Department is in the process of implementing an integrated risk management tool that will better enable matching controls to identified risks.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

2022-017. **FINDING** (Lack of Adequate Controls over the Review of Internal Controls over Service Providers)

The Department of Innovation and Technology (Department) lacked adequate controls over the review of internal controls over service providers.

The Department utilizes service providers for a variety of services; software-as-a-service, hosting services, identity as a services, etc. During our review of the Department’s controls over the service providers, we noted:

- System and Organization Control (SOC) reports and bridge letters were not obtained in a timely manner.
- SOC reports were not obtained or independent review were not conducted.
- Bridge letters were not obtained.
- SOC reports were not timely reviewed.

In addition, it was noted the service providers’ contracts did not contain requirements for the service provider to notify the Department in the event of a security incident or information breach. Further, although 2 of 15 (13%) service providers continued to provide services, the contracts had expired.

This finding was first reported in the Fiscal Year 2018 Compliance Examination Report. The Department has failed to implement corrective actions to remedy the weaknesses.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance the resources and funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State’s resources.

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 via System and

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022**

Organization Control reports or independent reviews.

Department management indicated the exceptions were due to the lack of resources.

Without obtaining and timely reviewing SOC reports, bridge letter, or another form of independent internal control reviews, the Department does not have assurance the service providers' internal controls are adequate. (Finding No. 2022-017, 2020-016, 2018-017)

RECOMMENDATION

We recommend the Department obtain SOC reports and bridge letters or conduct an independent review in a timely manner. Additionally, we recommend the Department ensure contracts with service providers are not expired and contain requirements for the service provider to notify the Department in the event of a security incident or information breach.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department has established procedures for SOC or other independent control reviews. In addition, the Department will ensure that contracts continue to contain independent review (audit) language.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

2022-018. **FINDING** (Inadequate Controls over Monthly Reconciliations)

The Department of Innovation and Technology (Department) did not maintain adequate controls over monthly obligations, expenditures, revenue status, and cash balance reconciliations.

During our testing of the monthly reconciliations between the Office of Comptroller’s (Comptroller) records and the Department records, we noted:

- For the Agency Contract Reports (SC14)
 - Twenty-two of 24 (92%) reconciliations did not contain documentation of the preparer and preparation date, therefore, the timeliness of preparation could not be determined.
 - Twenty-four of 24 (100%) reconciliations did not contain documentation of independent review.
- For the Monthly Appropriation Status Reports (SB01):
 - Six of 32 (19%) reconciliations were not reviewed timely. The reconciliations were reviewed 23 to 162 days late.
- For the Monthly Revenues Status Reports (SB04):
 - Five of 24 (21%) reconciliations did not contain documentation of the preparer and preparation date, therefore, the timeliness of preparation could not be determined.
 - Twenty-four of 24 (100%) reconciliations did not contain documentation of independent review.
- For the Monthly Cash Reports (SB05):
 - Nine of 24 (38%) reconciliations were not prepared timely. The reconciliations were completed in 9 to 252 days late.
 - Twenty-four of 24 (100%) reconciliations did not contain documentation of independent review.

The finding was first reported during the period ended June 30, 2018. In the subsequent years, the Department has been unsuccessful in implementing appropriate corrective action or procedures to remedy this deficiency.

The Statewide Accounting Management System (SAMS) Manual (Procedure 07.30.20) states “the effectiveness of any accounting and financial information system is very much dependent on the accuracy of data submitted and the confidence of its users that the system handled that data properly. Agency reconciliation is the primary

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

control that ensures these requirements are being satisfied. Agencies must reconcile their records to the SAMS system on a monthly basis. This reconciliation must be completed within 60 days of the month end.” Additionally, the SAMS Manual (Procedures 9.40.30, 11.40.20, and 25.40.20) requires the Department to perform a monthly reconciliation of appropriations, receipt account and cash balances within 60 days of the month end and notify the Comptroller of any unreconcilable differences so necessary corrective action can be taken to locate the differences and correct the accounting records. Furthermore, the SAMS Manual (Procedure 02.50.10) requires supervisors to review and approve the assigned work of their staff to minimize errors.

Department management indicated the exceptions were due to lack of staffing and conflicting priorities. The SB04 and SB05 reconciliations were prepared and reviewed by an outside accounting consulting firm during the examination period and the review process was not formally documented.

Failure to timely prepare and review reconciliations increases the risk of undetected loss or theft and could lead to unresolved differences between Department and Comptroller records and inaccurate financial reporting. (Finding Code No. 2022-018, 2020-017, 2018-018)

RECOMMENDATION

We recommend the Department implement adequate controls to ensure reconciliations are completed timely and contain documentation of independent review.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. Going forward the Department will more formally document the draft and review process.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

2022-019. **FINDING** (Inadequate Controls over Collection Efforts)

The Department of Innovation and Technology (Department) did not maintain adequate controls over collection efforts of delinquent accounts.

During our testing of 60 delinquent accounts receivable, the Department did not provide collection letters to State agencies for 8 (13%) delinquent accounts. Therefore, we could not determine if collection letter had in fact been sent.

This finding was first reported during the period ended June 30, 2018. In the subsequent years, the Department has been unsuccessful in correcting this deficiency.

The Department follows the Department of Central Management Services' (DCMS) Fiscal Operations Policy which requires State entities to send first, second, and third/final notices of delinquency for accounts receivable which are 90, 120, and 150 days past due, respectively.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable law, and revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

Department management indicated the issues were due to errors within the Enterprise Resource Planning System (ERP) causing certain State collection letters to not be sent when there were sufficient unused credits on the account to cover past due balances.

Failure to make collection efforts increases the risk of loss of revenues. In addition, failure to establish and maintain adequate controls over accounts receivable is noncompliance with State laws and regulations. (Finding Code No. 2022-019, 2020-008, 2018-008)

RECOMMENDATION

We recommend the Department ensure collection letters are sent timely.

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022**

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. A unique programming situation in ERP caused certain State collection letters not to be sent in limited situations. The Department became aware of this combination and has submitted two Change Request (CR) tickets to correct the ERP programming to prevent these limited circumstance situations from occurring again, and one ticket has been completed. As always, State agencies continue to be informed of their outstanding balances via the monthly catch up billings statements and the quarterly aging reports, in addition to the collection letters.

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022**

2022-020. **FINDING** (Inadequate Controls over State Vehicles)

The Department of Innovation and Technology (Department) did not exercise adequate controls over State vehicles.

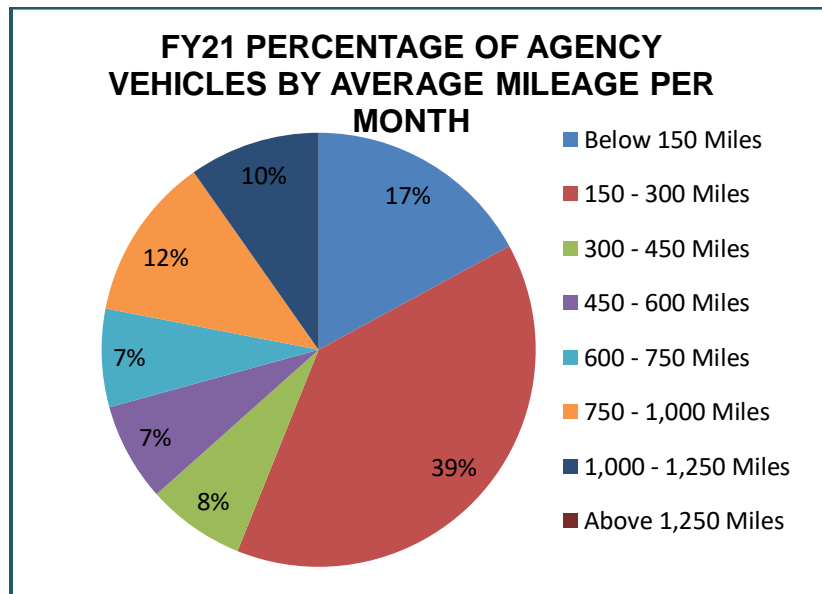
Maintenance

The Department’s fleet consisted of 41 vehicles at June 30, 2022 and 2021.

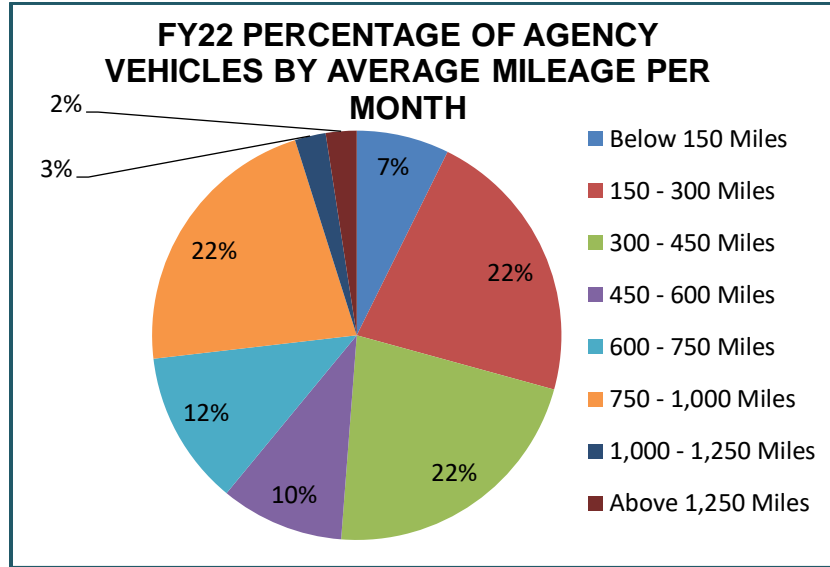
The Department did not ensure its vehicles were properly maintained during the engagement period. During our testing of ten vehicle maintenance records, we noted one (10%) vehicle did not undergo an annual inspection and oil change.

The Illinois Administrative Code (Code) (44 Ill. Adm. Code 5040.410(a)) requires agencies to have vehicles inspected at least once per year and maintain vehicles in accordance with the Department of Central Management Services (DCMS) schedules for proper care and maintenance of vehicles. In addition, the Code (Ill. Adm. Code 5040.400) requires all State-owned or leased vehicles to undergo regular service and/or repair in order to maintain the vehicles in road worthy, safe, operating condition and appropriate cosmetic condition.

We analyzed the total activity of the Department’s vehicles used during Fiscal Years 2021 and 2022. The Department’s vehicles traveled between 468 and 14,509 miles during Fiscal Year 2021 and 910 and 32,391 miles during Fiscal Year 2022, with the following charts showing the average monthly vehicle utilization:



**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022**



We noted the following underutilized vehicles during Fiscal Years 2021 and 2022:

Fiscal Year	Year	Make	Odometer at Yearend	Total Usage	Average Monthly Usage
FY2021	2006	Ford	74,197	1,694	141
FY2021	2006	Ford	53,519	1,382	115
FY2021	2006	Ford	79,409	659	55
FY2021	2007	Ford	52,137	1,247	104
FY2021	2015	Ford	77,168	468	39
FY2021	2014	Dodge Caravan	40,002	1,349	112
FY2022	2006	Ford	182,868	1,240	103
FY2022	2006	Ford	80,420	910	76
FY2022	2006	Ford	95,021	1,507	126

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance resources are utilized efficiently and effectively. Good internal control over vehicles includes performing an economic break-even analysis and keeping vehicles when the vehicle can be used at or beyond that level or when the Department can justify why a less than economic break-even is necessary because there is no other alternative available to carry out the Department's mission.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

Accident Reports

During our testing of accidents involving State vehicles, we noted:

- Two of seven (29%) vehicle accident reports were not properly completed. One report was not dated therefore, timeliness of completion cannot be determined. The other report did not disclose the driver's policy number and details of the insurance carrier.
- One of seven (14%) vehicle accident report was completed 4 days late.
- One of seven (14%) vehicle accident report was submitted to DCMS' Auto Liability Unit 12 days late.

The Code (44 Ill. Admin. Code 5040.520) requires vehicle accidents to be reported through the SR-1 Form and be completed no later than three days following an accident. Upon completion, the related form shall be reported to law enforcement, the DCMS Auto Liability Unit, and the Department within seven calendar days or the driver and agency risk forfeiture of coverage under the State's auto liability plan. Further, the Administrative Code also requires the disclosure of the driver's policy number and details of the insurance carrier (i.e., name, address and contract number) on the SR-1 Form.

Vehicle Use Policy

We reviewed the Department's vehicle use policy, noting:

- The Department utilized DCMS' Vehicle Guide and policies, therefore, the Department has not prepared, maintained, and submitted to DCMS its own vehicle use policy.
- The Vehicle Guide and policies used by the Department did not include requirements and procedures concerning take-home vehicles and daily vehicle use logs and mileage recording.

The Code (44 Ill. Admin. Code 5040.300(b)) requires each State agency to draft a vehicle use policy and to submit to DCMS Division of Vehicles. The vehicle use policy shall include requirements and procedures concerning take-home vehicles and daily vehicle use logs and mileage recording.

This finding was first reported during the period ended June 30, 2018. In the subsequent years, the Department has been unsuccessful in implementing appropriate corrective action or procedures to remedy these deficiencies.

Department management indicated the issues noted were due to stay at home restrictions and hybrid work schedules implemented within the State as well as

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022**

competing priorities and oversight.

Failure to properly maintain vehicles may result in low fuel economy and exposure to safety issues. Failure to timely file accident reports and to draft the vehicle use policy are violations of the Code. (Finding Code No. 2022-020, 2020-019, 2018-020)

RECOMMENDATION

We recommend the Department ensure:

- Vehicle maintenance is completed as required by the Code;
- Vehicle usage is optimized; and
- Accident reports are properly completed and filed timely.

In addition, we recommend the Department prepare, maintain, and submit to DCMS its vehicle use policy which covers procedures concerning take-home vehicles and daily vehicle use logs and mileage recording.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department will continue efforts to ensure timely vehicle maintenance and accident reports to address the recommendations and will undertake corrective actions. The Department no longer has individually assigned vehicles. The Department has finalized and published a Vehicle Policy.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

2022-021. **FINDING** (Employee Performance Evaluations Not Conducted Timely)

The Department of Innovation and Technology (Department) did not conduct employee performance evaluations in a timely manner.

We sampled 60 employees to test the performance evaluations conducted during the examination period. A total of 77 evaluations should have been completed, including three-month new hire evaluations, four-month probationary evaluations, six-month probationary evaluations, and annual evaluations. During our testing, we noted 32 of 77 (42%) employees' performance evaluations were not completed timely, ranging from 1 to 358 days late.

The finding was first reported during the period ended June 30, 2018. In the subsequent years, the Department has been unsuccessful in implementing appropriate corrective action or procedures to remedy this deficiency.

The Illinois Administrative Code (80 Ill. Adm. Code 302.270) requires performance records to include an evaluation of employee performance prepared by each agency on prescribed forms. Additionally, the performance evaluations are to be completed: at the end of the third month of the probationary period and 15 days before the conclusion of the probationary period for employees serving a six-month probationary period; three and half months of the probationary period for employees serving a four-month probationary period; and no less than annually for certified employees.

Department management indicated the lack of workforce resources resulted in the exceptions.

Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Failure to conduct timely employee performance evaluations delays formal feedback on an employee's performance, delays communication of areas for improvement, and delays communication of the next year's performance goals and objectives. In addition, employee performance evaluations serve as a foundation for salary adjustments, promotions, demotions, discharge, layoff, recall, or reinstatement decisions. (Finding Code No. 2022-021, 2020-020, 2018-021)

RECOMMENDATION

We recommend the Department complete employee performance evaluations in a timely manner as required by the Code.

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022**

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department will continue to enforce efforts to ensure the managers complete evaluations on a timely basis.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

2022-022. **FINDING** (Inadequate Controls over Contractual Agreements)

The Department of Innovation and Technology (Department) did not have adequate controls over contractual agreements to ensure they were timely filed, properly completed, and accurately reported.

During our testing of 60 contractual agreements, we noted:

- Eight (13%) contractual agreements, totaling \$9,473,194, were not timely filed with the Office of Comptroller (Comptroller). The contractual agreements were filed four to 271 days late. Additionally, the Department did not file Late Filing Affidavits.

The Illinois Procurement Code (Code) (30 ILCS 500/20-80) requires the Department to file with the Comptroller a copy of a contract, purchase order, grant, lease, cancellation or modification within 30 days of execution. When a contract, purchase order, grant, or lease obligation has not been filed within 30 days of execution, the Department must file an affidavit with the Comptroller. The affidavit must be signed by the chief executive officer of the agency or his or her designee, setting forth an explanation of why the contract liability was not filed within 30 days of execution.

- For twenty-five (42%) contracts, the Contract Obligation Documents (CODs) were not properly completed. Specifically:
 - Nine CODs, totaling \$8,969,127, included incorrect Illinois Procurement Bulletin/Bidbuy publication dates.
 - Five CODS, totaling \$7,709,152, indicated terms that were not consistent with the terms of the contracts.
 - One COD, totaling \$65,000 has an incorrect Bidbuy reference number.
 - Eighteen CODs, totaling \$22,424,854, had vendor addresses different from the addresses stated in the contracts.
 - One COD did not state the correct annual contract amount. The annual amount entered in the COD was \$2,000,000, however, the annual amount reported in the SC-14 Report was \$500,000.

The Statewide Accounting Management System (SAMS) Manual (Procedure 15.20.10) requires the contract obligation document to contain the maximum contract amount, annual contract amount, beginning date of the contract, detailed description of the contract, and other procurement information required by the SAMS Manual.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

- Nine (15%) contractual agreements, totaling \$11,954,122, did not contain the required conflict of interest disclosure. Two of these contractual agreements also did not have the required disclosure of financial interest statement. Further, one contractual agreement did not contain the standard vendor certification and FEIN document requirement.

The Code (30 ILCS 500/50-35(a)) requires all bids and offers from responsive bidders, offerors, vendors, or contractors with an annual value that exceeds the small purchase threshold established under subsection (a) of Section 20-20 of this Code, and all submissions to a vendor portal, to be accompanied by disclosure of the financial interests of the bidder, offeror, potential contractor, or contractor and each subcontractor to be used. The financial disclosure of each successful bidder, offeror, potential contractor, or contractor and its subcontractors should be incorporated as a material term of the contract and shall become part of the publicly available contract or procurement file.

The finding was first reported during the period ended June 30, 2018. In the subsequent years, the Department has been unsuccessful in implementing appropriate corrective action or procedures to remedy this deficiency.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

Department management indicated the issues noted were due to oversight.

Failure to file contractual agreements in a timely manner and submit late filing affidavits as required is noncompliance with the Code. The lack of proper controls over contract obligation documents may result in inaccurate recording and a lack of accountability by the Department. Further, failure to contain the material terms of the contract leaves the Department exposed to liabilities and potential legal issues. (Finding Code No. 2022-022, 2020-022, 2018-026)

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022**

RECOMMENDATION

We recommend the Department strengthen its controls to ensure the proper completion, and accurate and timely filing of contracts and related documents, including ensuring submission of Late Filing Affidavits when necessary.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department is working on coordinating efforts between internal teams to streamline the process for completing required documents, as well as providing training to staff to minimize errors.

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022**

2022-023. **FINDING** (Employee Time Reports Not Timely Completed)

The Department of Innovation and Technology (Department) did not implement adequate controls over employee time reporting.

We tested a sample of 174 employees Daily Time Reports, noting 32 (18%) were not completed timely. Completion of the Daily Time Report was one to 53 days late. The Department expended \$136,122,208 and \$146,220,100 for payroll during Fiscal Years 2021 and 2022, respectively.

This finding was first reported during the period ended June 30, 2018. In the subsequent years, the Department has been unsuccessful in implementing appropriate corrective action or procedures to remedy this deficiency.

The State Officials and Employees Ethics Act (5 ILCS 430/5-5(c)) requires State employees to periodically submit time sheets documenting the time spent for each day on official State business to the nearest quarter hour. Additionally, the Department of Central Management Services' Policy Manual (Chapter 2, Section 2) states all employees are required to complete an accurate, daily timesheet documenting the time spent on official state business to the nearest quarter hour. The daily timesheets are to be submitted to the employee's supervisor for approval on a weekly basis. The Department would consider the daily timesheet to be past due the second week after reporting period.

Department management indicated, barring extenuating circumstances such as vacations, holidays, illness and/or leaves, this is due to employee oversight.

Failure to maintain adequate controls over employee time reporting increases the risk of the Department paying for services not rendered by the employees. (Finding Code No. 2022-023, 2020-024, 2018-025)

RECOMMENDATION

We recommend the Department strengthen its controls to ensure employees' time reports are completed and submitted in a timely manner.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department will continue efforts to ensure the managers enforce that employee time reports are completed, submitted, and approved timely by supervisors.

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022**

2022-024. **FINDING** (Lack of a Comprehensive and Accurate Description of IT Internal Controls)

The Department of Innovation and Technology’s (Department) Description of the IT General Controls and Application Controls (Description) was not comprehensive or accurate.

During our examination of the Department’s Fiscal Year 2022 Description, we noted it contained inaccurate statements. Specifically,

Control stated in the description of system	Actual control in place
The Department conducts risk assessments for customer agencies.	The Department was to conduct risk assessments for all agencies, boards, and commissions under the Governor.
The Department’s Division of Information Security is responsible for ensuring Department’s compliance with enterprise information security policies.	The Department did not ensure the Department’s compliance with all of the enterprise information security policies.
In the event of an emergency, only verbal approval by the appropriate management personnel is required to begin remediation.	The emergency Change Advisory Board (eCAB) approval is required in order for remediation actions to begin.

In addition, the Department’s Description omitted controls related to the Department’s recovery activities associated with the midrange environment.

This finding was first reported in the Fiscal Year 2018 Compliance Examination Report. The Department has failed to implement corrective actions to remedy the weaknesses.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources and funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State’s resources.

The State of Illinois, Department of Innovation and Technology’s Risk Management Program states the Department is to conduct risk assessments on all agencies, boards, and commissions under the Governor. In addition, the September 16, 2016, Directive

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022**

from the Governor’s Office states the Department is to conduct an assessment at every agency, board, and commission that reports to the Governor.

The Department indicated the weaknesses were due to oversight.

Without an accurate description of its IT internal controls, the Department and user agencies may have unidentified deficiencies and may be unable to rely on the internal controls over the services provided. (Finding No. 2022-024, 2020-025, 2018-028)

RECOMMENDATION

We recommend the Department develop a comprehensive and accurate description which outlines its internal controls for its IT environment.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department will provide an accurate description of controls in its annual System and Organization Control (SOC) report.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

2022-025. **FINDING** (Inadequate Disaster Contingency Planning)

The Department of Innovation and Technology (Department) did not have adequate disaster recovery plans and had not conducted comprehensive disaster recovery testing.

The Department provides Information Technology services to over 100 agencies. As a result, the Department, along with the agencies, have a responsibility for the recovery of the environment and applications. During the examination period, we noted:

- Business Impact Assessments had not been completed for 2 of 35 (6%) transferring agencies.
- Disaster recovery plans had not been developed or were draft for enterprise applications recovery plans, business continuity plans, and infrastructure plans.
- The Department was unable to provide the Test, Training & Exercise Plans (TT&Es) conducted.

In addition, the Department was unable to recover all midrange critical applications in the event of a disaster. Further, the mainframe recovery test conducted in April 2022 had to be aborted due to varying issues. The Department was only able to recover 34 of 146 (23%) identified critical applications.

This finding was first reported in the Fiscal Year 2018 Compliance Examination Report. The Department has failed to implement corrective actions to remedy the weaknesses.

The *Contingency Planning Guide for Information Technology Systems* published by the National Institute of Standards and Technology requires entities to have an updated and regularly tested disaster contingency plan to ensure the timely recovery of applications and data.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022**

The Department indicated the lack of resources resulted in the noted weaknesses.

Failure to have disaster recovery plans and conduct testing could result in the Department and agencies inability to process critical transactions for an extended period of time in the event of a disaster. (Finding No. 2022-025, 2020-027, 2018-023)

RECOMMENDATION

We recommend the Department complete Business Impact Assessments for all transferring agencies and develop and approve disaster recovery plans, business continuity plans and infrastructure plans. Additionally, we recommend the Department conduct comprehensive testing and document remediation efforts for all issues identified during testing.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department has completed Business Impact Assessments for all transferring agencies and is implementing an integrated risk management tool to track disaster recovery plans and information system contingency plans.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

2022-026. **FINDING** (Lack of Agreements to Ensure Compliance with IT Security Requirements)

The Department of Innovation and Technology (Department) had not entered into detailed agreements with user agencies to ensure prescribed requirements and available security mechanisms were in place in order to protect the security, processing integrity, availability, and confidentiality of user agencies systems and data.

During the examination period, the Department had not entered into agreements with 13 user agencies. In addition, the Department executed 35 agreements after the effective date of the agreement.

This finding was first reported in the Fiscal Year 2018 Compliance Examination Report. The Department has failed to implement corrective actions to remedy the weaknesses.

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), System and Services Acquisition section, requires entities to establish agreements documenting each entities roles and responsibilities, along with the requirements related to security, processing integrity, availability, and confidentiality.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Department to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance the resources and funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

Department management stated the weaknesses were due to the length of time it takes for each agency to obtain agreement as to the details of the IGAs.

Without detailed agreements, the Department may not have an understanding of each parties' roles and responsibilities, along with the prescribed requirements and available security mechanisms user agencies require in order to ensure the security, processing integrity, availability, and confidentiality of systems and data. (Finding No. 2022-026, 2020-028, 2018-030)

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS – STATE COMPLIANCE
For the Two Years Ended June 30, 2022

RECOMMENDATION

We recommend the Department enter into detailed Agreements with the user agencies documenting each parties' roles and responsibilities. In addition, we recommend the Department timely execute the Agreements.

DEPARTMENT RESPONSE

The Department accepts the finding and recommendation. The Department recognizes its obligation to ensure the responsibilities and roles related to security and interoperability of agency data is clearly articulated and defined with user and client agencies. In Intergovernmental Agreements (IGAs) with client agencies, the Department includes language related to some security obligations, policies, roles, and responsibilities. The Department also provides each agency with a listing of agency information systems operated by the Department to enhance the State's cybersecurity policy and ensure only authorized systems are being operated. These IGAs survive transfer of employees and assets and are used to provide information on some security policies and expectations, as well as outline some of the agencies' ongoing roles and responsibilities post-transfer. The Department will continue to work on expanding its IGAs and other Agreements with user agencies to cover additional security responsibilities and requirements.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
SCHEDULE OF FINDINGS – NOT REPEATED FINDINGS
For the Two Years Ended June 30, 2022

A. **FINDING** (Noncompliance with the Department of Innovation and Technology Act)

During the prior engagement period, the Department of Innovation and Technology (Department) did not comply with the Department of Innovation and Technology Act (Act) in relation to the development and implementation of a comprehensive plan.

During the current engagement period, Public Act 102-870 repealed the requirement of the Act effective January 1, 2023. (Finding Code No. 2020-003)

B. **FINDING** (Emergency Purchases Weaknesses)

During the prior engagement period, the Department did not provide documentation demonstrating the actual cost of emergency purchases and did not file notice of emergency purchases and intention to extend emergency purchases in a timely manner.

During the current engagement period, our sample testing indicated the Department maintained records of the actual cost of emergency purchases and published emergency purchase contracts and notice to extend emergency procurements in a timely manner. (Finding Code 2020-004, 2018-015)

C. **FINDING** (Failure to Submit and Accurately File Required Reports)

During the prior engagement period, the Department failed to file reports timely and accurately. The Department did not provide and deposit with the State Library sufficient copies of all publications issued. Additionally, some categories reported in the Department's Fiscal Years 2019 and 2018 Agency Workforce Reports did not agree with supporting documentation. Further, the Department submitted the Fiscal Year 2019 second quarter Summary of Accounts Receivable Report to the Office of Comptroller late.

During the current engagement period, our testing indicated the Department filed timely and accurate reports, however, the Department still failed to provide and deposit with the State Library sufficient copies of all publications issued during Fiscal Year 2021. This exception is reported in the *Report of Immaterial Findings*. (Finding Code 2020-021, 2018-022)

D. **FINDING** (Inadequate Controls over Telecommunication Devices)

During the prior engagement period, the Department did not maintain adequate controls over its telecommunication devices. Specifically, the Department failed to maintain documentation of telecommunication service requests and support to telecommunication service transactions. Additionally, telecommunication services for separated employees

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
SCHEDULE OF FINDINGS – NOT REPEATED FINDINGS
For the Two Years Ended June 30, 2022

were not timely cancelled.

During the current engagement period, our sample testing indicated the Department properly completed and maintained telecommunication service requests and support to telecommunication service transactions. However, the Department still did not cancel telecommunication services for separated employees in a timely manner. This exception is reported in the *Report of Immaterial Findings*. (Finding Code 2020-023, 2018-027)

E. **FINDING** (Failure to Demonstrate the Completeness and Accuracy of Report Components)

During the prior engagement period, the Department did not have adequate internal controls to demonstrate the schedules and components (report components) within the *Department's Compliance Examination Report* were complete and accurate.

During the current engagement period, report components were no longer required in the *Compliance Examination Report*. (Finding Code 2020-026)