

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
ENTERPRISE RESOURCE PLANNING SYSTEM

Report Required Under
Government Auditing Standards

FOR THE PERIOD
JULY 1, 2022 – JUNE 30, 2023

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
ENTERPRISE RESOURCE PLANNING SYSTEM**

For the Year Ended June 30, 2023

TABLE OF CONTENTS

| | |
|---|---|
| Department Officials | 1 |
| Summary..... | 3 |
| Independent Service Auditor’s Report on Internal Control Over Reporting and on Compliance and Other Matters Based on an Examination Of A Service Organization Performed in Accordance with <i>Government Auditing Standards</i> | 5 |
| Schedule of Findings | 8 |
| Prior Year Findings Not Repeated | 9 |

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
For the Year Ended June 30, 2023

DEPARTMENT OFFICIALS

| | |
|---|-------------------|
| Acting Secretary (6/1/23 – present) | Sanjay Gupta |
| Acting Secretary (1/9/23 – 5/31/23) | Brandon Ragle |
| Secretary (7/1/22 – 1/8/23) | Jennifer Ricker |
| | |
| Acting Deputy Director (6/7/23 – present) (Established June 7, 2023) | Brandon Ragle |
| | |
| Acting Assistant Secretary (6/6/23 – present) | Vacant |
| Acting Assistant Secretary (6/1/23 – 6/6/23) | Brandon Ragle |
| Acting Assistant Secretary (1/9/23 – 5/31/23) | Vacant |
| Acting Assistant Secretary (7/8/22 – 1/8/23) | Brandon Ragle |
| Acting Assistant Secretary (7/1/22 – 7/7/22) | Vacant |
| | |
| Chief of Staff | Jenifer Johnson |
| | |
| Chief Administrative Officer (1/1/23 – present) | Albert Coll |
| Chief Administrative Officer (11/1/22 – 12/31/22) | Vacant |
| Chief Administrative Officer (7/1/22 – 10/31/22) | Nina Harris |
| | |
| Chief Technology Officer | Lori Sorenson |
| | |
| Chief Data Officer | Dessa Gypalo |
| | |
| Chief Information Security Officer | Adam Ford |
| | |
| Chief Enterprise Architect | Brad Long |
| | |
| ERP Program Director | Tara Kessler |
| | |
| Chief Internal Auditor | John Valtierra |
| | |
| Affirmative Action/Equal Employment Opportunity Officer | Vickie Simpson |
| | |
| Chief of Supplier Diversity (7/18/22 – present) | Alexandria Wilson |
| Chief of Supplier Diversity (7/1/22 – 7/17/22) | Vacant |
| | |
| Chief Information Accessibility Officer | Michael Scott |

Group Chief Information Officers

Health and Human Services (1/16/23 – present)
Health and Human Services (7/1/22 – 1/15/23)

Stephen Horton
Vacant

Government & Public Employees

Sultan Raziuddin

Business & Workforce (2/16/23 – present)
Business & Workforce (7/1/22 – 2/15/23)

Lora McDonald
Vacant

Natural & Cultural Resources (1/17/23 – present)
Natural & Cultural Resources (7/1/22 – 1/16/23)

William Downing
Troy Horton

Public Safety

Chris Britten

Education

Mary Reynolds

DEPARTMENT OFFICES

The Department's primary administrative offices are located at:

120 W. Jefferson Street

201 W. Adams Street

Springfield, IL 62702-5170

Springfield, IL 62702-5170

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
GOVERNMENT AUDITING STANDARDS REPORT**

Government Auditing Report Summary

The examination of the “Description of the State of Illinois, Enterprise Resource Planning System for the IT General Controls and Application Controls” system (System and Organization Control Report) was performed by the Office of the Auditor General in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

Based on their examination, the Service Auditors expressed a qualified opinion on the Department’s “Description of the State of Illinois, Enterprise Resource Planning System for the IT General Controls and Application Controls” system. The System and Organization Control Report was issued under separate cover dated August 21, 2023.

Summary of Findings

The Service Auditors identified certain deficiencies in internal controls over the “Description of the State of Illinois, Enterprise Resource Planning System for the IT General Controls and Application Controls” system that are considered to be a material weakness.

| <u>Item No.</u> | <u>Page</u> | <u>Last/First Reported</u> | <u>Description</u> | <u>Finding Type</u> |
|-------------------------|-------------|----------------------------|--|---------------------|
| CURRENT FINDINGS | | | | |
| 2023-001 | 8 | 2022/2022 | Controls Were Not Suitably Designed or Did Not Operate Effectively | Material Weakness |

Prior Findings Not Repeated

| | | | |
|---|---|-----------|--------------------------------------|
| A | 9 | 2022/2022 | Inaccurate Description of System |
| B | 9 | 2022/2020 | Controls Did Not Operate Effectively |

Exit Conference

This report was discussed with Department personnel at an exit conference on August 14, 2023. Attending were:

Representing the Department of Innovation and Technology

Mr. Sanjay Gupta, Acting Secretary
Mr. Brandon Ragle, Acting Deputy Secretary
Ms. Jenifer Johnson, Chief of Staff
Ms. Margaret van Dijk, General Counsel

Mr. Adam Ford, Chief Information Security Officer
Mr. Markus Veile, Deputy Chief Information Security Officer, Security Business Alignment & Governance
Mr. Albert Coll, Chief Administrative Officer
Ms. Tara Kessler, ERP Program Director
Ms. Melena Warren, Confidential Assistant
Ms. Jessica Micenheimer, External Audit Coordinator
Ms. Kelly Guerrero, Internal Auditor

Office of the Auditor General

Ms. Kathy Lovejoy, Principal of IS Audits
Ms. Miranda Karger, Manager

The responses to the recommendations were provided by Kelly Guerrero, Internal Auditor on August 21, 2023.

Springfield Office:
Iles Park Plaza
740 East Ash – 62703-3154
Phone: 217/782-6046
Fax: 217/785-8222 TTY (888) 261-2887



Chicago Office:
State of Illinois Building – Suite S900
160 North LaSalle – 60601-3103
Phone: 312/814-4000
Fax: 312/814-4006

Office of the Auditor General
Frank J. Mautino

**INDEPENDENT SERVICE AUDITOR’S REPORT ON INTERNAL CONTROL
OVER REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN EXAMINATION OF A SERVICE ORGANIZATION PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Frank J. Mautino
Auditor General
State of Illinois

We have examined, in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the State of Illinois, Department of Innovation and Technology’s “Description of the State of Illinois, Enterprise Resource Planning System for the IT General Controls and Application Controls” (description) for the State of Illinois, Enterprise Resource Planning System’s information technology general controls and application controls throughout the period from July 1, 2022, through June 30, 2023, and have issued our report thereon under separate cover dated August 21, 2023.

Internal Control over Reporting

Management of the State of Illinois, Department of Innovation and Technology is responsible for establishing and maintaining effective internal control over (1) fairly presenting the State of Illinois, Department of Innovation and Technology’s “Description of the State of Illinois, Enterprise Resource Planning System for the IT General Controls and Application Controls” throughout the period from July 1, 2022, through June 30, 2023, and (2) establishing and maintaining effective internal control over the suitable design and operating effectiveness of the controls related to the control objectives within the State of Illinois, Department of Innovation and Technology’s “Description of the State of Illinois, Enterprise Resource Planning System for the IT General Controls and Application Controls” throughout the period from July 1, 2022, through June 30, 2023 (internal control over reporting).

In planning and performing our examination, we considered the State of Illinois, Department of Innovation and Technology’s internal control over reporting to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the State of Illinois, Department of Innovation and Technology’s “Description of the State of

Illinois, Enterprise Resource Planning System for the IT General Controls and Application Controls” throughout the period from July 1, 2022, through June 30, 2023, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois, Department of Innovation and Technology’s internal control over reporting. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Department of Innovation and Technology’s internal control over reporting.

A deficiency in internal control over reporting 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, misstatements on a timely basis. *A material weakness in internal control over reporting* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Department’s description will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over reporting* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over reporting that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings as item 2023-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Illinois, Department of Innovation and Technology’s “Description of the State of Illinois, Enterprise Resource Planning System for the IT General Controls and Application Controls” throughout the period from July 1, 2022, through June 30, 2023, is fairly presented and the controls related to the control objectives in the State of Illinois, Department of Innovation and Technology’s “Description of the State of Illinois, Enterprise Resource Planning System for the IT General Controls and Application Controls” throughout the period from July 1, 2022, through June 30, 2023, were suitably designed and operating effectively, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the State of Illinois, Department of Innovation and Technology’s “Description of the State of Illinois, Enterprise Resource Planning System for the IT General Controls and Application Controls” throughout the period from July 1, 2022, through June 30, 2023. However, providing an opinion on compliance with those provisions was not an objective of our examination and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

State of Illinois, Department of Innovation and Technology’s Response to Finding

The State of Illinois, Department of Innovation and Technology’s response to the internal control finding identified in our examination is described in the accompanying schedule of findings. The State of Illinois, Department of Innovation and Technology’s response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Illinois, Department of Innovation and Technology’s internal control over reporting or on compliance. This report is an integral part of an examination performed in accordance with *Government Auditing Standards* in considering the State of Illinois, Department of Innovation and Technology’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Jane Clark, CPA
Director of Financial and Compliance Audits

August 21, 2023
Springfield, Illinois

SIGNED ORIGINAL ON FILE

Mary Kathryn Lovejoy, CPA, CISA
Principal of IS Audits

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS - *GOVERNMENT AUDITING STANDARDS*
For the Year Ended June 30, 2023

2023-001 **Finding** Controls Were Not Suitably Designed or Did Not Operate Effectively

The controls related to the control objectives stated in the “Description of the State of Illinois, Enterprise Resource Planning System for the IT General Controls and Application Controls” (description of system), provided by the Department of Innovation and Technology (Department), were not suitably designed or did not operate effectively to provide reasonable assurance the control objectives would be achieved.

As part of our testing to determine if the controls were suitably designed, we requested the Department provide populations related to Active Directory access requests, modifications, and terminations. However, the Department was unable to provide the 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 § 320.30) to test the suitable design of the controls. As such, we could not perform testing.

As a result, we were unable to determine if the controls were suitably designed or operated effectively.

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 Department indicated the weaknesses were due to oversight and system limitations.

Failure to provide controls that were suitably designed resulted in a qualified opinion on the Department’s System and Organization Control Report. Additionally, without controls that are suitably designed at the Department, the user agencies’ auditors will be unable to rely on the suitability of the design or the operating effectiveness of the Department’s controls over the user agencies’ internal control over financial reporting. (Finding Code No. 2023-001, 2022-002, 2022-003)

Recommendation

We recommend the Department ensure the controls are suitably designed and operate effectively over the services provided to user agencies.

Department Response

The Department agrees. The Department will work to ensure reports with accurate populations for access requests, modifications, and terminations exist.

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
PRIOR YEAR FINDINGS NOT REPEATED
For the Year Ended June 30, 2023**

A. **FINDING** (Inaccurate Description of System)

During the prior examination, the “Description of the State of Illinois, Enterprise Resource Planning System for the IT General Controls and Application Controls” (description of system), as provided by the Department of Innovation and Technology (Department), contained inaccuracies.

During the current examination, our testing did not note any inaccuracies in the description of system. (Finding Code No. 2022-001)

B. **FINDING** (Controls Did Not Operate Effectively)

During the prior year, the Department of Innovation and Technology did not ensure its controls over the State’s Enterprise Resource Planning (ERP) System operated effectively.

During the current examination, our testing noted the Department was unable to provide certain populations, resulting in the controls not operating effectively. Because the exceptions impacted the suitability of the design of controls, the exceptions were combined into Finding 2023-001. (Finding Code No. 2022-003, 2021-001, 2020-001)