

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
INFORMATION TECHNOLOGY HOSTING SERVICES SYSTEM

Report Required Under
Government Auditing Standards

FOR THE PERIOD
JULY 1, 2023 – JUNE 30, 2024

**STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
INFORMATION TECHNOLOGY HOSTING SERVICES**

For the Year Ended June 30, 2024

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, 2024

DEPARTMENT OFFICIALS

Secretary (5/24/24 – present)	Sanjay Gupta
Secretary (Acting) (7/1/23– 5/23/24)	Sanjay Gupta
Deputy Secretary (5/24/24 - present)	Brandon Ragle
Deputy Secretary (Acting) (7/1/23 – 5/23/24)	Brandon Ragle
Acting Assistant Secretary (7/1/23 – present)	Vacant
Chief of Staff	Jenifer Johnson
Chief Administrative Officer (7/1/23 – present)	Albert Coll
Chief Technology Officer	Lori Sorenson
Chief Data Officer (6/18/24 – present)	Vacant
Chief Data Officer (7/1/23 – 6/17/24)	Dessa Gypalo
Chief Information Security Officer (5/16/24 – present)	Jason Bowen
Chief Information Security Officer (1/8/24 – 5/15/24)	Vacant
Chief Information Security Officer (7/1/23 – 1/7/24)	Adam Ford
Chief Enterprise Architect (2/1/24 – present)	William Downing
Chief Enterprise Architect (7/1/23 – 1/31/24)	Vacant
ERP Program Director	Tara Kessler
Chief Internal Auditor	John Valtierra
Affirmative Action/Equal Employment Opportunity Officer	Vickie Simpson
Chief of Supplier Diversity	Aliceber Rivera
Chief Information Accessibility Officer	Michael Scott
Chief Fiscal Officer	Mary Feagans
General Counsel (12/1/23 – present)	Radhika Lakhani
General Counsel (7/1/23 – 11/30/23)	Margaret Van Dijk
Group Chief Information Officers	
Health & Human Services	Stephen “Troy” Horton
Government & Public Employees	Sultan Raziuddin

Business & Workforce

Lora McDonald

Natural & Cultural Resources (6/17/24 – present)

Andrew Martin

Natural & Cultural Resources (2/1/24 – 6/16/24)

Vacant

Natural & Cultural Resources (7/1/23 – 1/31/24)

William Downing

Public Safety

Christopher 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 Standards Report Summary

The examination of the “State of Illinois, Department of Innovation and Technology’s Description of Its Information Technology Hosting Services System” (System and Organization Controls Report) was performed by CliftonLarsonAllen LLP 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 “State of Illinois, Department of Innovation and Technology’s Description of Its Information Technology Hosting Services System.” The System and Organization Controls Report was issued under separate cover dated October 23, 2024.

Summary of Findings

The Service Auditors identified certain deficiencies in internal controls over the “State of Illinois, Department of Innovation and Technology’s Description of Its Information Technology Hosting Services 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				
2024-001	8	2024/2024	Controls Were Not Suitably Designed	Material Weakness
Prior Findings Not Repeated				
A	9	2023/2022	Controls Were Not Suitably Designed	
B	9	2023/2021	Controls Did Not Operate Effectively	

Exit Conference

This report was discussed with Department personnel at an exit conference on October 8, 2024.
Attending were:

Representing the Department of Innovation and Technology

Mr. Sanjay Gupta, Secretary
Mr. Brandon Ragle, Deputy Secretary
Ms. Jenifer Johnson, Chief of Staff
Mr. Albert Coll, Chief Administrative Officer
Mr. Markus Veile, Deputy Chief Information Security Officer
Mr. Jason Bowen, Chief Information Security Officer
Ms. Lori Sorenson, Chief Technology Officer
Mr. Dale Walters, Chief of Network Operations
Mr. William Roth, Chief of Enterprise Applications
Mr. John Valtierra, Chief Internal Auditor
Ms. Jessica Micenheimer, External Audit Coordinator
Ms. Kelly Guerrero, Internal Auditor

Office of the Auditor General

Ms. Sara Metzger, Assistant Director, Financial/Compliance Division
Mr. Reddy Bommareddi, Senior Audit Manager

CliftonLarsonAllen LLP

Mr. James Kreiser, Principal – Business Risk Services / SOC
Mr. Joel Eshleman, Principal – Business Risk Services / SOC
Ms. Nancy Kaplan, Director – Business Risk Services / SOC
Mr. Brian Boguski, Director – Business Risk Services / SOC
Mr. Joseph Chaves, Director – Business Risk Services / SOC
Mr. Patrick Sullivan, Senior – Business Risk Services / SOC

The responses to the recommendations were provided by Kelly Guerrero, Internal Auditor on October 11, 2024.



**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 (Department) “State of Illinois, Department of Innovation and Technology’s Description of Its Information Technology Hosting Services System” (description) for the Information Technology Hosting Services throughout the period from July 1, 2023, through June 30, 2024, and have issued our report thereon under separate cover dated October 23, 2024. That report was modified due to certain matters related to internal control design and monitoring.

Reporting on Internal Control

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 “State of Illinois, Department of Innovation and Technology’s Description of Its Information Technology Hosting Services System” throughout the period from July 1, 2023, through June 30, 2024, and (2) establishing and maintaining effective internal control over the suitable design and operating effectiveness of the controls related to the trust services criteria within the State of Illinois, Department of Innovation and Technology’s “State of Illinois, Department of Innovation and Technology’s Description of Its Information Technology Hosting Services System” throughout the period from July 1, 2023, through June 30, 2024 (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 “State of Illinois, Department of Innovation and Technology’s Description of Its Information Technology Hosting Services System” throughout the period from July 1, 2023, through June 30, 2024, 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 2024-001 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 "State of Illinois, Department of Innovation and Technology's Description of Its Information Technology Hosting Services System" throughout the period from July 1, 2023, through June 30, 2024, is fairly presented and the controls related to the trust services criteria in the State of Illinois, Department of Innovation and Technology's "State of Illinois, Department of Innovation and Technology's Description of Its Information Technology Hosting Services System" throughout the period from July 1, 2023, through June 30, 2024, 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 "State of Illinois, Department of Innovation and Technology's Description of Its Information Technology Hosting Services System" throughout the period from July 1, 2023, through June 30, 2024. 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 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 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

CliftonLarsonAllen LLP

Peoria, Illinois
October 23, 2024

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
CURRENT FINDINGS - *GOVERNMENT AUDITING STANDARDS*
For the Year Ended June 30, 2024

2024-001 Finding Controls Were Not Suitably Designed

The controls related to the trust services criteria stated in the “State of Illinois, Department of Innovation and Technology’s Description of Its Information Technology Hosting Services System” (description of system), as provided by the Department of Innovation and Technology (Department), were not suitably designed to provide reasonable assurance the trust services criteria would be achieved.

As part of our testing to determine if the controls were suitably designed, we requested the Department provide populations related to unsuccessful backups. 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 § 320.30) to test the suitable design of the controls. As such, we could not perform testing.

Additionally, we requested the Department provide evidence that devices were sanitized before disposal. However, the Department did not retain evidence to support the control activity prior to September 11, 2023. Due to this condition, we were unable to conclude on the Department’s compliance with the control activity prior to September 11, 2023.

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 system limitations and oversight.

Failure to provide controls that were suitably designed resulted in a qualified opinion on the Department’s System and Organization Control Report. Also, failure to provide evidence of device sanitization for the period July 1, 2023 through September 11, 2023 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 operating effectiveness of the Department’s controls over the user agencies’ internal controls. (Finding Code No. 2024-001)

Recommendation

We recommend the Department ensure the controls are suitably designed over the services provided to user agencies. Also, we recommend the Department ensure the documentation of device sanitization before disposal, is retained for the entire fiscal year.

Department Response

The Department concurs. The Department is assessing options to capture and retain reports of alerts from the mainframe log files and also now requires that supporting documentation of sanitization be attached to the service ticket.

STATE OF ILLINOIS
DEPARTMENT OF INNOVATION AND TECHNOLOGY
PRIOR YEAR FINDINGS NOT REPEATED
For the Year Ended June 30, 2024

A. **FINDING** (Controls Were Not Suitably Designed)

During the prior examination, the Department of Innovation and Technology (Department) did not ensure its controls over the State's Information Technology Hosting Services System were suitably designed or operated effectively. Specifically, the Department was unable to provide populations related to:

- New hires and Personal Service Contractors;
- Risk assessments completed;
- New Agency Application Administrator logical access requests;
- Active Directory access requests, modifications and terminations;
- Security Software accounts created, modified, and revoked;
- New Security Software Administrator accounts;
- New and terminated physical access request, including non-State employees;
- Major outage incidents; and
- Changes made to applications.

During the current examination, the Department provided such populations. (Finding Code No. 2023-001, 2022-002)

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

During the prior examination, the Department did not ensure its controls over the State's Information Technology Hosting Services System operated effectively. Specifically, the controls related to Human Resources, Change Management, Physical Security, Logical Security, Security Violations, Environments, and Service Providers did not operate effectively.

During the current examination, our testing indicated such controls operated effectively. (Finding Code No. 2023-002, 2022-003, 2021-001)