

**STATE OF ILLINOIS  
DEPARTMENT OF INNOVATION AND TECHNOLOGY**

**COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2020**

Performed as Special Assistant Auditors for  
the Auditor General, State of Illinois

**STATE OF ILLINOIS  
DEPARTMENT OF INNOVATION AND TECHNOLOGY  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2020**

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**AGENCY OFFICIALS**

Secretary (Acting) (09/05/20 – Present)	Jennifer Ricker
Secretary (02/18/20 – 09/04/20)	Ron Guerrier
Secretary (Acting) (03/04/19 – 02/17/20)	Ron Guerrier
Secretary (Acting) (02/12/19 – 03/03/19)	Jennifer Ricker
Secretary (Interim) (01/01/19 – 02/11/19)	Jack T. King
Secretary (Acting) (07/01/18 – 12/31/18)	Kirk Lonbom
Assistant Secretary (Acting) (02/10/20 – Present)	Jennifer Ricker
Assistant Secretary (07/01/18 – 02/09/20)	Vacant
Chief Administrative Officer (04/01/21 – Present)	Nina Harris
Chief Administrative Officer (03/02/20 – 03/31/21)	Vacant
Chief Administrative Officer (06/01/19 – 03/01/20)	Jenifer Johnson
Chief Administrative Officer (01/01/19 – 05/31/19)	Vacant
Chief Administrative Officer (07/01/18 – 12/31/18)	Clark Kaericher
Chief of Staff (03/02/20 – Present)	Jenifer Johnson
Chief of Staff (02/11/19 - 03/01/20)	Jennifer Ricker
Chief of Staff (07/01/18 - 02/15/19)	Tyler Clark
Chief Fiscal Officer (Acting) (11/16/18 – Present)	Brian Turner
Chief Fiscal Officer (07/01/18 – 11/15/18)	Kiersten Neswick
General Counsel (03/16/21 – Present)	Matthew Runyen
General Counsel (04/16/19 – 03/15/21)	Margaret L. van Dijk
General Counsel (04/01/19 – 04/15/19)	Vacant
General Counsel (07/01/18 – 03/31/19)	Michael Delcomyn
Chief Internal Auditor (02/16/21 – Present)	John Valtierra
Chief Internal Auditor (09/29/20 – 02/15/21)	Vacant
Chief Internal Auditor (07/01/18 – 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

MANAGEMENT ASSERTION LETTER

May 10, 2021

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 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, 2020. Based on this evaluation, we assert that during the years ended June 30, 2019 and June 30, 2020, 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,

Illinois Department of Innovation and Technology

**SIGNED ORIGINAL ON FILE**

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Jennifer Ricker  
Acting Secretary

**SIGNED ORIGINAL ON FILE**

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Brian Turner  
Acting Chief Fiscal Officer

**SIGNED ORIGINAL ON FILE**

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Matthew Runyen  
General Counsel

**STATE OF ILLINOIS  
DEPARTMENT OF INNOVATION AND TECHNOLOGY  
COMPLIANCE EXAMINATION  
For the Two Years ended June 30, 2020**

**COMPLIANCE REPORT**

**SUMMARY**

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and the Illinois State Auditing Act.

**ACCOUNTANT’S REPORT**

The Independent Accountant’s Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes 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**

<u>Number of</u>	<u>Current Report</u>	<u>Prior Report</u>
Findings	28	30
Repeated findings	23	N/A*
Prior recommendations implemented or not repeated	7	N/A*

\*The first State Compliance Examination of the Department of Innovation and Technology was for the two years ended June 30, 2018.

**SCHEDULE OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)				
2020-001	13	2018/2018	Failure to Comply with Executive Order 2016-01	Material Weakness and Material Noncompliance
2020-002	15	2018/2018	Failure to Maintain Controls over Property	Material Weakness and Material Noncompliance
2020-003	20	New	Noncompliance with the Department of Innovation and Technology Act	Material Weakness and Material Noncompliance

**STATE OF ILLINOIS  
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**SCHEDULE OF FINDINGS (Continued)**

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
2020-004	21	2018/2018	Emergency Purchases Weaknesses	Material Weakness and Material Noncompliance
2020-005	23	2018/2018	Lack of Review of Billing Rates	Material Weakness and Material Noncompliance
2020-006	26	2018/2018	Inadequate Security and Control over Midrange Environment	Material Weakness and Material Noncompliance
2020-007	28	New	Weaknesses over System Access	Material Weakness and Material Noncompliance
2020-008	30	2018/2018	Inadequate Controls over Collection Efforts	Material Weakness and Material Noncompliance
2020-009	32	2018/2018	Inadequate Controls over Voucher Processing	Material Weakness and Material Noncompliance
2020-010	34	2018/2018	Failure to Adopt Formal Departmental Rules	Material Weakness and Material Noncompliance
2020-011	35	2018/2018	Failure to Comply with the Fiscal Control and Internal Auditing Act	Material Weakness and Material Noncompliance
2020-012	37	2018/2018	Failure to Control and Monitor Software Licensing	Material Weakness and Material Noncompliance
2020-013	39	2018/2018	Weaknesses in the IT Internal Control Environment	Material Weakness and Material Noncompliance
2020-014	43	New	Inadequate Controls over the Maintenance of I-9 Forms	Significant Deficiency and Noncompliance

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**SCHEDULE OF FINDINGS (Continued)**

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
2020-015	45	New	Weakness in Cybersecurity Programs and Practices	Significant Deficiency and Noncompliance
2020-016	47	2018/2018	Lack of Adequate Controls over the Review of Internal Controls over External Service Providers	Significant Deficiency and Noncompliance
2020-017	49	2018/2018	Inadequate Controls over Monthly Reconciliations	Significant Deficiency and Noncompliance
2020-018	52	2018/2018	Failure to Timely Approve or Submit Overtime Requests	Significant Deficiency and Noncompliance
2020-019	53	2018/2018	Inadequate Controls over State Vehicles	Significant Deficiency and Noncompliance
2020-020	58	2018/2018	Employee Performance Evaluations Not Conducted Timely	Significant Deficiency and Noncompliance
2020-021	60	2018/2018	Failure to Submit and Accurately File Required Reports	Significant Deficiency and Noncompliance
2020-022	62	2018/2018	Inadequate Controls over Contractual Agreements	Significant Deficiency and Noncompliance
2020-023	65	2018/2018	Inadequate Controls over Telecommunication Devices	Significant Deficiency and Noncompliance
2020-024	68	2018/2018	Employee Time Reports Not Timely Completed	Significant Deficiency and Noncompliance

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**SCHEDULE OF FINDINGS (Continued)**

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
2020-025	69	2018/2018	Lack of a Comprehensive and Accurate Description of IT Internal Controls	Significant Deficiency and Noncompliance
2020-026	71	New	Failure to Demonstrate the Completeness and Accuracy of the Report Components	Significant Deficiency and Noncompliance
2020-027	73	2018/2018	Inadequate Disaster Contingency Planning	Significant Deficiency and Noncompliance
2020-028	74	2018/2018	Lack of Agreements to Ensure Compliance with IT Security Requirements	Significant Deficiency and Noncompliance

**PRIOR FINDINGS NOT REPEATED**

A	76	2018/2018	Failure to Comply with Office of the Comptroller Request
B	76	2018/2018	Held Vouchers
C	76	2018/2018	Violation of the State Finance Act
D	76	2018/2018	Inadequate Controls over Approval of Accounts Receivable Credit Memorandums
E	77	2018/2018	Inadequate Controls Over Project Management of the Enterprise Resource Planning System
F	77	2018/2018	Inadequate Records for Refund
G	77	2018/2018	Inadequate Control over Employee Exit Procedures

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**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Department personnel at an exit conference on April 19, 2021.

Attending were:

Illinois Department of Innovation and Technology

Jennifer Ricker, Secretary (Acting)  
Jenifer Johnson, Chief of Staff  
Nina Harris, Chief Administrative Officer  
Matthew Runyen, General Counsel  
Kristen Sweat, Deputy General Counsel  
Barbara Piwowski, ERP Program Manager  
John Valtierra, Chief Internal Auditor

Office of the Auditor General

Kathy Lovejoy, Principal of IS Audits

Roth & Co., LLP

Elda Arriola, Partner  
Marites Sy, Partner  
Dandred Solano, Manager  
Lou Jonathan Cabrera, Supervisor

The responses to the recommendations were provided by Barbara Piwowski, ERP Program Manager, and Jenifer Johnson, Chief of Staff, in correspondences dated April 23, 2021 and May 10, 2021, respectively.



**INDEPENDENT ACCOUNTANT'S REPORT ON STATE COMPLIANCE,  
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON  
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

**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, 2020. 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.

- 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.

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

As described in the accompanying Schedule of Findings as item 2020-009, 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.

As described in the accompanying Schedule of Findings as items 2020-001 through 2020-008 and 2020-010 through 2020-013, 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 deviations from the specified requirements described in the preceding paragraph, the Department complied with the specified requirements during the two years ended June 30, 2020, 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 2020-014 through 2020-028.

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 compliance examination and, accordingly, we express no opinion on the responses.

The purpose of this report on compliance 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.

### **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 2020-001 through 2020-013 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 2020-014 through 2020-028 to be significant deficiencies.

There were no immaterial findings that have been excluded from this report.

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.

### **Supplementary Information for State Compliance Purposes**

Our examination was conducted for the purpose of forming an opinion on the Department's compliance with the specified requirements. The accompanying supplementary information for the years ended June 30, 2020 and June 30, 2019 in Schedules 1 through 5 and the Analysis of Operations section are presented for purposes of additional analysis. Such information is the responsibility of Department management. We have applied certain limited procedures as prescribed by the *Audit Guide* to the accompanying supplementary information for the years ended June 30, 2020 and June 30, 2019 in Schedules 1 through 5. We have not applied procedures to the accompanying supplementary information for the year ended June 30, 2018, in Schedules 3 through 5 and in the

Analysis of Operations Section. We do not express an opinion, a conclusion, nor provide any assurance on the accompanying supplementary information in Schedules 1 through 5 or the Analysis of Operations Section.

**SIGNED ORIGINAL ON FILE**

Chicago, Illinois  
May 10, 2021

**STATE OF ILLINOIS**  
**DEPARTMENT OF INNOVATION AND TECHNOLOGY**  
**CURRENT FINDINGS – STATE COMPLIANCE**  
**For the Two Years Ended June 30, 2020**

2020-001. **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.

The Executive Order, effective March 27, 2016, and subsequently the Department of Innovation and Technology Act (Act) (20 ILCS 1370/1-10), effective July 20, 2018, required the Department and 38 agencies (agencies) to transfer identified employees, and personnel records, books, correspondence and other property; both real and personal to the Department as of July 1, 2016.

During our testing, as of June 30, 2020, the Department and the agencies had not transferred:

- 12 agencies personnel, and
- 6 agencies real and personal property.

The Department had entered into Intergovernmental Agreements (IGAs) with the agencies documenting the rights and duties of each party as they relate to personnel, assets, contracts, and funding during the transition period. However, we noted the Department had not entered into IGAs with 24 and 12 agencies for Fiscal Years 2019 and 2020, respectively.

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

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

**RECOMMENDATION**

We recommend the Department work with the agencies to complete the transfer of personnel and real and personal property as required by the Executive Order and the Act.

**STATE OF ILLINOIS  
DEPARTMENT OF INNOVATION AND TECHNOLOGY  
CURRENT FINDINGS – STATE COMPLIANCE  
For the Two Years Ended June 30, 2020**

**DEPARTMENT RESPONSE**

The Department agrees with the finding that it has not completed the transfer of personnel and property for agencies identified in the statute and agrees it should work with agencies to complete the transfer of personnel and property as required by the Executive Order and Public Act 20 ILCS 1370. The Department has provided IGAs for signature to all transferring agencies and will follow up to ensure these agreements are 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 transfer of the remaining personnel to Department payroll.

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**DEPARTMENT OF INNOVATION AND TECHNOLOGY**  
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2020-002. **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:

- Two of eight (25%) quarterly C-15 Reports required to be filed during Fiscal Years 2020 and 2019 were submitted four and five days late. The Statewide Accounting Management System (SAMS) Manual (Procedure 29.20.10) requires the C-15 Report be submitted to the Office of Comptroller no later than the last day of the month following the last day of the quarter.
  
- For the Fiscal Year 2019 C-15 Reports:
  - The Capital Development Fund's (Fund 0141) Construction in Progress (CIP) was understated by \$60,998,718 on the C-15 Report. The CIP pertained to the Enterprise Resource Planning (ERP) Implementation. The Department corrected the CIP on the first quarter of Fiscal Year 2020's C-15 Report.
  - Equipment, totaling \$230,564,777 at June 30, 2019, did not agree with the Department's property listing. The discrepancy totaled \$35,811,746.
  - Property additions did not agree with the detailed list of additions provided by the Department. The discrepancies totaled \$19,639,030.
  - Property deletions did not agree with the detailed list of deletions provided by the Department. The discrepancies totaled \$854.
  - Net transfers did not agree with the detailed list of net transfers provided by the Department. The discrepancies totaled \$23,893.
  - The Department did not maintain supporting documentation for equipment deletions recorded on the Department's fixed asset transaction summary totaling \$61,862,248.
  - The CIP additions totaling \$90,741,342 were incorrectly reported as adjustment to deletions.
  
- For the Fiscal Year 2020 C-15 Reports:
  - Equipment, totaling \$228,896,401 at June 30, 2020, did not agree with the Department's property listing. The discrepancy totaled \$9,411,705.
  - Property additions did not agree with the detailed list of additions provided by the Department. The discrepancies totaled \$2,038,753.

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**DEPARTMENT OF INNOVATION AND TECHNOLOGY**  
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**For the Two Years Ended June 30, 2020**

- Property deletions did not agree with the detailed list of deletions provided by the Department. The discrepancies totaled \$20,665.
- Net transfers did not agree with the detailed list of net transfers provided by the Department. The discrepancies totaled \$13,395,352.
- The Department did not maintain supporting documentation for additions reported on the C-15 Reports for the Technology Management Revolving Fund (Fund 0304) and Government Funds (General Revenue Fund (Fund 0001) and Capital Development Fund (Fund 0141)), totaling \$3,117,823 and \$53,721,522, respectively. Additionally, supporting documentation was not maintained for Fund 0304 net transfers totaling \$97,044,004.

The SAMS Manual (Procedure 29.10.10) requires the Department’s asset records be reconciled to the results of inventory and updated accordingly. Additionally, the SAMS Manual (Procedure 29.20.10) requires transfers in and out be recorded independently from additions and deletions.

*Annual Certification of Inventory*

- The Department submitted the annual certification of inventory for 2019 to the Department of Central Management Services (DCMS) two days late from the approved extension date. Additionally, the Department was not able to provide the listing of property per location code as reported in the annual certification of inventory for 2019. 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.

*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 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 § 205.35).

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CURRENT FINDINGS – STATE COMPLIANCE  
For the Two Years Ended June 30, 2020**

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

*Detailed Testing*

Property Additions

- Three of 60 (5%) property additions received after May 3, 2019, totaling \$279,090, were recorded 100 to 305 days late. Effective May 3, 2019, the Illinois Administrative Code (Code) (44 Ill. Adm. Code 5010.400) required the Department to adjust their property records within 90 days of acquisition, change, or deletion of equipment items.

Property Deletions and Unlocated Computers

- Eight of 60 (13%) property deletions completed after May 3, 2019, totaling \$564,295, were recorded 168 to 1,023 days late. The Illinois Administrative Code (Code) (44 Ill. Adm. Code 5010.400), effective May 3, 2019, required the Department to adjust their property records within 90 days of acquisition, change, or deletion of equipment items.
- The Department did not provide documentation to determine if:
  - 43 of 60 (72%) property deletions totaling \$7,325,678, were properly processed, approved, supported, and timely recorded;
  - 28 of 28 (100%) deleted computers, totaling \$2,989,345, had confidential data and were properly wiped; and
  - 23 of 32 (72%) unlocated computers, totaling \$70,854, had confidential information stored and were properly wiped out.

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

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Department had the responsibility to ensure that confidential information was 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:

- 21 of 60 (35%) items, totaling \$131,621, were not found at the location indicated on the Department's property listing.
- One of 60 (2%) items, totaling \$2,047, was reported as a deletion on the Fiscal Year 2019 C-15 report but was still included in the Department's property listing as of June 30, 2020.

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.

- Two of 60 (3%) items were not recorded in the property records. The Department did not provide documentation to determine the cost of the items. The State Property Control Act (30 ILCS 605/6.02) requires the Department to maintain a permanent record of all items of property under their jurisdiction and control.

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 were due to lack of resources and competing priorities.

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

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CURRENT FINDINGS – STATE COMPLIANCE  
For the Two Years Ended June 30, 2020**

**RECOMMENDATION**

We recommend the Department implement controls to ensure all property is accounted for in accordance with the Illinois Administrative Code and the 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 agrees with the finding. The Department began using a new accounting system and asset management system at the start of FY19 and continues to gain experience using the new system to complete the quarterly reports and maintain support. Also, certain support documentation was not provided to the auditors by the deadline due to an unexpected retirement in the audit division.

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2020-003. **FINDING** (Noncompliance with the Department of Innovation and Technology Act)

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.

The Department did not provide documents supporting the Department has developed and implemented a comprehensive plan to coordinate or centralize communications among State agencies with offices at different locations.

The Act (20 ILCS 1370/1-35(a)) requires the Department to develop and implement a comprehensive plan to coordinate or centralize communications among State agencies with offices at different locations. The Act also requires the plan to be updated based on a continuing study of communications problems of State government and include any information technology-related equipment or service used for communication purposes including digital, analog, or future transmission medium, whether for voice, data, or any combination thereof. Lastly, the Act requires the plan to take into consideration systems that might affect economies, including, but not limited to, quantity discount services and may include provision of telecommunications service to local and federal government entities located within this State if State interests can be served by so doing.

Department management indicated competing priorities caused the Department's failure to provide the requested information.

Failure to carry out mandated duties and to maintain information supporting compliance does not achieve the legislative intent of the State law. (Finding Code No. 2020-003)

**RECOMMENDATION**

We recommend the Department ensure it complies with all provisions of the Act and maintain supporting documentation of its compliance.

**DEPARTMENT RESPONSE**

The Department agrees with the finding. The Department will continue efforts to develop and implement a comprehensive communications plan.

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2020-004. **FINDING** (Emergency Purchases Weaknesses)

The Department of Innovation and Technology (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.

*Population*

As part of our testing, we requested the Department provide a population of emergency purchases in order to determine if the Department complied with the requirements of the Illinois Procurement Code. In response to our request, the Department provided a listing of all contracts including emergency purchases and instructed the auditors to extract from this list the emergency purchases. However, our reconciliation of the Department's listing with the emergency purchases filed with the Office of the Auditor General (OAG), noted emergency purchases filed with the OAG which were not in the Department's population and vice versa.

Due to these conditions, we were unable to conclude the Department's population of emergency purchases were sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.35). **Even given the population limitations noted above, we performed testing on a sample of emergency purchases.**

*Testing*

During our testing, we noted:

- Four of 17 (24%) emergency purchase contracts had no documentation of the actual cost statements published in the Illinois Procurement Bulletin.
- Two of 17 (12%) emergency purchase contracts were published on the Illinois Procurement Bulletin more than five calendar days after the contracts were awarded. The contracts were published from seven to 14 days after the award date.
- One of 17 (6%) emergency purchase contract notice of hearing to extend the emergency purchase contract was not published at least 14 calendar days before the hearing.

The Illinois Procurement Code (Code) (30 ILCS 500/20-30(b)) requires the purchasing agency to publish in the Illinois Procurement Bulletin the total cost of each emergency procurement made during the previous month. When the actual total cost is determined, it shall be published before the 10th day of the next succeeding month.

The Code also requires notice of all emergency procurements be provided to the

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Procurement Policy Board and published in the online electronic Bulletin no later than five calendar days after the contract is awarded. The notice of intent to extend an emergency purchase contract shall be provided to the Procurement Policy Board and published in the online electronic Bulletin at least 14 calendar days before the public hearing. The notice shall include at least a description of the need for the emergency purchase, the contractor, and if applicable, the date, time, and location of the public hearing.

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

Department management indicated the issues noted were due to oversight.

Failure to maintain accurate records, publish the costs incurred for emergency purchases, and provide notice of emergency procurements in a timely manner is noncompliance with State law. (Finding Code No. 2020-004, 2018-015)

**RECOMMENDATION**

We recommend the Department ensure compliance with the requirements of the Procurement Code and maintain an accurate and complete listing of emergency purchases.

**DEPARTMENT RESPONSE**

The Department agrees with the finding that the list of emergency purchases provided did not contain the entirety of the amount of emergency purchases actually entered into by the Department. The Department is developing a formal process to ensure the accuracy of lists of emergency purchases.

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2020-005. **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 added an administrative mark up to the telecommunication rate; however, the Department did not have a methodology to determine the administrative mark up.
- The Department had not developed a methodology to determine the monthly rate to be charged to agencies who utilize the State's Enterprise Resource Planning System (ERP). Additionally, the Department did not provide documentation of the approved budgeted cost or the actual expenditures for the ERP project as of June 30, 2020.
- The Department did not bill for specific server usages in a timely manner. The specific server usage was billed annually instead of a monthly basis. In addition, the rate charged for the specific server usage was incorrect.
- There were several IT and telecommunication service rates posted on the Department's website which were not on the Department's list of approved rates. In addition, several rates posted on the Department's website differed from the Department approved rates. Further, the list of IT and telecommunication rates posted on the Department's website included services no longer being offered.
- The Department had not reviewed the billing rates since 2018. The latest rate structure available on the Department website was effective September 1, 2018.

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.

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The Department of Innovation and Technology Act (20 ILCS 1370/1-25) requires the Department, in establishing charges, to consult with client agencies to make charges transparent and clear and seek to minimize or avoid charges for costs for which the Department has other funding sources available.

Department management indicated the telecommunication rates review and the methodology had not been sufficiently documented and indicated the Governor's Office of Management and Budget would determine how the agencies would be charged for the ERP usage and cost budget.

As a result of not reviewing the various rates, establishing a methodology for determining rates and untimely billing, the Department may be under or over charging agencies for the usage of their services. (Finding Code No. 2020-005, 2018-005)

**RECOMMENDATION**

We recommend the Department develop a methodology for determining the rates to be charged for the usage of the ERP and the telecommunication administrative mark up. Additionally, we recommend the Department review all rates at least annually to ensure the appropriateness of the charges. The Department should also ensure approved rates are published for the services provided.

Further, the Department should establish and approve a cost budget for the ERP.

**DEPARTMENT RESPONSE**

The Department agrees with the finding. A complete rate review is performed annually in the spring in conjunction with the annual Statewide Cost Allocation Plan (SWCAP) submission. The administrative mark-up to the telecommunication rate has historically been a cost-plus cost methodology. The mark-up is reviewed and evaluated through the annual SWCAP to determine if there are large over- or under-recovery occurrences. The Department continues to work with the Governor's Office of Management & Budget on establishing the rate and accounting for the costs incurred.

When the new rates were established, the website update inadvertently omitted the new individual rates. The website will be updated to reflect the rates currently in place.

Regarding the monthly billing, due to rapid growth, it was known that the final

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effective rate would be much lower than had been established. It was determined it would be less of a detriment to user agencies by delaying the billing at a lower rate than to overcharge throughout the year and issue a large credit at the end of the year. When it came time to bill for the year, FY20 estimated costs were used instead of the FY19 SWCAP numbers to prevent an over-recovery. The estimated FY20 costs were significantly lower than the FY19 SWCAP Forecasted Revenues. The purpose is to recover accurate costs and not over-recover based upon a rate that was set using inaccurate usage projections. Charging a lower rate (either directly or via credits later) prevents the State from potential federal payback.

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2020-006. **FINDING** (Inadequate Security and Control over Midrange Environment)

The Department of Innovation and Technology 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 Department did not provide documentation demonstrating the population of servers were complete and accurate. 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 § 205.35).

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

- Servers' operating system update log files were not provided for review;
- Servers running unsupported and outdated operating systems;
- Servers without anti-virus software; and
- Servers were not being backed up.

The National Institute of Standards and Technology, System and Information Integrity section, sanctions entities to maintain systems at the highest level. Additionally, the Contingency Planning section endorses entities to conduct backup of systems.

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 noted weaknesses were due to the lack of resources.

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

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**RECOMMENDATION**

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

- Update servers to the current vendor recommended patch or service pack levels;
- Ensure all servers are running antivirus software, with current definition files; and
- Ensure all servers are backed up.

**DEPARTMENT RESPONSE**

The Department agrees with the finding. The Department will update current procedures to address deficiencies related to service level patches, anti-virus, and back-ups. The Department is currently in communication with agencies to remove unsupported resources, which would then facilitate installing current anti-virus signatures.

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2020-007. **FINDING** (Weaknesses over System Access)

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

During our testing, we noted:

- The Department was unable to provide documentation demonstrating the timely termination of individuals' access to the Department's resources.
- New employees' and contractors' access request were not submitted by an authorized Agency Technology Service Requestor or Department IT Coordinator.
- A new employee did not have an access request submitted to obtain access to the Department's resources.
- The annual technical account review controls did not include a defined timeframe for the disabling/deletion.
- Instances occurred where:
  - Security software violation reports were not reviewed,
  - Separation reports were not reviewed,
  - Mainframe administrator accounts were not revoked,
  - Terminated individuals' access was not revoked,
  - Terminated individuals' access was not timely revoked, and
  - HANA access requests were not completed.

The Department's IT Resource Access Policy requires the Department to revoke user access when a user is no longer authorized such as separation, discipline, or change of business need. It is the responsibility of the data custodian and/or employee manager to submit the revocation requests.

The National Institute of Standards and Technology, Access Control section, endorses entities to remove accounts upon termination. In addition, access rights are to be periodically reviewed to ensure appropriateness.

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 they did not assign specific individuals to verify user access to application systems and to ensure termination of access due to oversight.

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Failure to perform reviews of user accounts on a periodic basis, inappropriate of access requests, and timely removal of access 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. 2020-007)

**RECOMMENDATION**

We recommend the Department ensure access rights are periodically reviewed, access of terminated, transferred, and/or retired individuals are timely removed, and access requests are properly authorized.

**DEPARTMENT RESPONSE**

The Department agrees with the finding. The Department has developed procedures to provide artifacts regarding system access. In addition, the Department is actively implementing a new identity and access control solution that will result in more timely system access revocation. Finally, security software violation reports are now reviewed by the appropriate staff.

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2020-008. **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, we noted:

- For 55 (92%) delinquent accounts receivables, the Department did not send collection letters to State agencies in a timely manner. The collection letters were sent from 11 to 321 days late.
- For five (8%) delinquent accounts receivables, the Department did not send collection letters to State agencies.

The Department's Fiscal Operations Policy stated State entities are 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 first wave of notices contained mathematical errors and therefore, were not sent to the State agencies. During this time, the State agencies were sent quarterly aging reports and catch-up billing statements per 30 ILCS 105 to ensure State agencies were properly informed of their account balances.

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

**RECOMMENDATION**

We recommend the Department strengthen its controls over the collection of delinquent accounts and ensure collection letters are sent timely.

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**DEPARTMENT RESPONSE**

The Department agrees with the finding. The Department is now utilizing the Enterprise Resource Planning system (ERP) to maintain a record of all collection reports. All collection reports are saved in the central repository. Prior issues with delinquency reports have been resolved.

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2020-009. **FINDING** (Inadequate Controls over Voucher Processing)

The Department of Innovation and Technology (Department) did not have adequate controls over voucher processing.

During testing, we noted:

- 61 of 180 (34%) vouchers, totaling \$9,723,925 were approved from two to 1,248 days late.

The Illinois Administrative Code (Code) (74 Ill. Admin. Code 900.70 (b)) requires an agency to approve or deny, in whole or in part, a vendor's bills within 30 days after receipt.

- Two of nine (22%) out-of-State travel requests, totaling \$3,927, were not submitted in a timely manner. The Department submitted the requests to the Governor's Office of Management and Budget (Office) for approval from 19 to 29 days late.

The Code (80 Ill. Admin. Code 2800.700) requires, for travel outside of Illinois, all requests be submitted to the Office's on-line system (eTravel) at least 30 days in advance of the departure date.

- One of 10 (10%) top travelers received a duplicate travel reimbursement totaling \$100.

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 that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation. Good internal controls over voucher processing include ensuring procedures are in place and functioning to prevent duplicate payments.

Department management indicated the delay in approving vouchers was caused by several reasons such as transitioning to the Enterprise Resource Planning (ERP) at the start of Fiscal Year 2019 and turnover of staff. Further, Department management indicated processing time for voucher approval was delayed due to remote working.

Failure to establish adequate internal controls over voucher processing resulted in

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noncompliance with State laws, rules and regulations. Additionally, it increases the probability errors could occur and not be detected in a timely manner. (Finding Code No. 2020-009, 2018-009)

**RECOMMENDATION**

We recommend the Department implement adequate controls over voucher processing to ensure:

- vouchers are timely and properly processed and approved,
- travel requests are timely submitted, and
- duplicate payments and invalid claims are not processed.

We further recommend the Department review the accuracy of its reimbursements and determine whether recoupments are warranted.

**DEPARTMENT RESPONSE**

The Department agrees with the finding. The Department had staff turnover and began using a new accounting system at the start of FY19, which caused some processing delays.

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2020-010. **FINDING** (Failure to Adopt Formal Departmental Rules)

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

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

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 Code No. 2020-010, 2018-010)

**RECOMMENDATION**

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

**DEPARTMENT RESPONSE**

The Department agrees with the finding. The Department adopted formal administrative rules regarding the Department organization in FY20 (2 Ill. Admin. Code 1530) and is in the process of establishing necessary policies and procedures. The Department is also working with agency stakeholders and the Illinois State Archives on a records retention policy and schedules.

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2020-011. **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:

- Seven of the 15 (47%) audits proposed to be performed in Fiscal Years 2019 and 2020 were not completed. Additionally, we noted there were no audits relating to internal accounting and administrative controls of major systems.

The Act (30 ILCS 10/2003) requires the internal auditing program to include audits of major systems of internal accounting and administrative controls be conducted on a periodic basis so 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 submitted its Fiscal Year 2020 Fiscal Control and Internal Auditing Act certification (FCIAA certification) to the Office of the Auditor General 102 days late.

The Act (30 ILCS 10/3003) requires the chief executive officer of each State agency to prepare and transmit to the Auditor General by May 1 of each year a certification, on the basis of an evaluation conducted in accordance with guidelines established by the Act, that the systems of internal fiscal and administrative controls of the State agency fully or do not fully comply with the requirements of the Act. If the systems do not fully comply with the requirements of the Act, the certification shall include a report describing any material weaknesses and the plans and schedule for correcting the weaknesses, or a statement of the reasons why the weaknesses cannot be corrected.

- The Department’s Fiscal Year 2020 two year internal audit plan did not have documentation of a 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 ensure the internal auditing program includes a two-year plan, identifying audits scheduled for the pending fiscal year and

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approved by the chief executive officer before the beginning of the fiscal year. Additionally, the International Standards for the Professional Practice of Internal Auditing (Standards) (2020 – Communication and Approval) require the chief audit executive communicate the internal audit activity’s plans and resource requirements, including significant interim changes, to senior management for review and approval.

Department management indicated a lack of resources contributed to the exceptions.

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

**RECOMMENDATION**

We recommend the Department ensure:

- planned audits are completed,
- audits of major systems of internal accounting and administrative controls are performed at least once every two years,
- FCIAA certifications are timely submitted, and
- the two-year internal audit plans are approved by the chief executive officer of the Department to comply with the Act.

**DEPARTMENT RESPONSE**

The Department agrees with the finding. The Department hired a new Chief Internal Auditor in February 2021. Going forward, planned audits will be completed, audits of major systems of internal accounting and administrative controls will be performed at least once every two years, the annual FCIAA certification will be submitted timely, and the two-year internal audit plan will be approved by the Chief Executive Officer of the Department to comply with the Act.

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2020-012. **FINDING** (Failure to Control and Monitor Software Licensing)

The Department of Innovation and Technology (Department) did not have 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 was actually deployed. As a result, we were unable to determine if the Department was in compliance with contractual licensing agreements.

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.

Department management indicated an inventory of software licenses was not maintained and 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 the possibility of additional costs, including fees, penalties and litigation and possibility of the termination of software usage. (Finding Code No. 2020-012, 2018-014)

**RECOMMENDATION**

We recommend the Department develop and implement procedures to control, monitor, and track software licenses. Additionally, we recommend the Department develop a mechanism to track the software licenses purchased and utilized and at least annually reconcile their software license inventory to vendor software inventory to ensure software is deployed in accordance with the terms of procurement.

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**DEPARTMENT RESPONSE**

The Department agrees with the finding. During the audit period, the Department implemented a corrective action plan to address software asset management deficiencies. Progress continues on the corrective action plan with a software asset management tool scheduled for implementation later this year.

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2020-013. **FINDING** (Weaknesses in the IT Internal Control Environment)

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

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

- Individuals authorized to approve physical access to Department facilities,
- Contractors’ access to Department resources,
- Change requests,
- Operating system’s patches, and
- Unplanned outages.

In response to our requests, the Department provided the populations; however, they were unable to demonstrate the completeness and accuracies of the populations to determine if they were sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.35).

**Even given the population limitations noted above, we performed testing. Our testing noted:**

Human Resources

- Did not have a completed Remedy service request for terminated employees.

Application Edits

- Four States’ tax rates were incorrect in the Central Payroll System tax tables during the period of July 1, 2018 through June 30, 2019, and
- One State’s tax rate was incorrect in the Central Payroll System tax tables during the period of July 1, 2019 through June 30, 2020.

Change Management

- Changes related to applications and the infrastructure did not always have Backout Plans or Test Plans,
- Enterprise Resource Planning (ERP) change request forms did not always have all required field completed,
- The Change Management Process Guide did not contain information on the change freeze process,

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- Emergency changes did not always have a post implementation review conducted,
- An emergency change was created and approved by the same individual; thus, creating a segregation of duties weakness,
- Changes were improperly categorized,
- The Mainframe Change Management Procedures did not address the prioritization of requests, required approvals, testing and documentation requirements, and post implementation reviews, and
- The Webservices Change Management Procedures did not address the prioritization of requests, required approvals, testing and documentation requirements and post implementation reviews.

Device Configurations

- Multiple instances where the Department did not provide support demonstrating network hardware and software alerts were reviewed.
- Operating system patches were not tested prior to being pushed to the general population.

Physical Access

- Internal controls had not been implemented related to:
  - Access reviews to the Communication Building during the period of July 1, 2019 to December 31, 2019, and
  - Access reviews to the Department’s Central Computing Facility highly secured area during the period of July 1, 2019 to November 30, 2019.
- The Department was unable to provide a listing of individuals authorized to approve the DOIT Badge Request form,
- The Department was unable to provide documentation demonstrating terminated individuals’ access badge was deactivated,
- Multiple instances where individuals were not properly authorized or should not have had access to one of the Department’s facilities,
- An individual did not have a completed DoIT Badge Request form in order to obtain access to the Department’s facilities,
- Multiple instances where individuals did not have properly completed DoIT Badge Request forms, and
- The Physical Access Door Group Review Procedures did not document the review frequency and the door groups which were reviewed.

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Help Desk

- Multiple instances where stolen or missing laptops did not have a verification completed to determine if encryption was installed, and
- Major Outage Response Team (MORT) incidents which occurred after business hours did not follow the documented process.

Monitoring

- A daily Resource Management Facility Report was not provided,
- Multiple threats did not have a documented incident report,
- Multiple threat incident reports were missing required segments; lessons learned, prevention recommendations, notifications, status updates, and an executive summary, and
- The Department could not provide the Chief Information Officer’s review of Incident Reports for the period from July 1, 2018 through March 31, 2019.

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 State’s resources. Additionally, the National Institute of Standards and Technology (NIST) requires entities to develop and implement controls to protect systems and data.

Department management indicated the lack of resources and system limitations resulted in the weaknesses.

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

**RECOMMENDATION**

We recommend the Department ensure controls are suitably designed and implemented to protect computer systems and data. Specifically, we recommend the Department:

- Maintain complete and accurate listing of contractors’ access, change requests, and unplanned outages.
- Ensure physical access rights are reviewed, properly authorized and

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documentation is maintained.

- Ensure physical access rights are timely terminated.
- Update the Physical Access Door Group Review Procedures to document the review frequency and the door groups to be reviewed.
- Ensure correct tax rates are incorporated into the Central Payroll System tax tables.
- Ensure all changes follow the requirements of the applicable change management policy and procedure.
- Ensure an analysis is completed on all lost or stolen laptops to determine if encryption had been installed. If it is determined encryption had not been installed, the Department should ensure compliance with the requirements of the Personal Information Protection Act (815 ILCS 530).
- Ensure all MORT incidents follow the process.
- Ensure monitoring is conducted and documentation is maintained.

**DEPARTMENT RESPONSE**

The Department agrees with the finding. The weaknesses in internal controls listed in this finding are summarized from the Department's System and Organization Control reports from FY19 and FY20. Those reports contain the detailed corrective action plans that are being implemented by the Department to strengthen internal controls.

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2020-014. **FINDING** (Inadequate Controls over the Maintenance of I-9 Forms)

The Department of Innovation and Technology (Department) had 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;

- Ten (17%) I-9 forms were not maintained in the employees' personnel files.
- One (2%) I-9 form did not contain the employer's signature. The Department subsequently affixed the employer's signature after the auditors notified the Department of the missing information.

The U.S. Citizenship and Immigration Services Instructions (USCIS Instructions) for I-9 forms require both employers and employees complete their respective sections of the I-9 form. The USCIS Instructions require the employee to complete, sign, and date the I-9 form no later than the first day of employment. The employer is required to examine evidence of identity and employment authorization of each new employee no later than three business days after the employee's first day of employment. The employer is required to document the hire date, their signature, and date of review of the I-9 form. Additionally, the employer is required to retain each employee's completed I-9 form for as long as the individual works for the employer and for specified period after employment has ended. Employers are required to retain the pages of the form on which the employee and employer entered data. If copies of documentation presented by the employee are made, those copies must also be retained. Once the individual's employment ends, the employer must retain I-9 form attachments for either three years after the date of hire or one year after the date employment ended; whichever is later.

Further, 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. Effective internal controls should ensure the I-9 forms are properly completed and maintained in employee personnel files.

Department management indicated the personnel files from the transferring agencies were forwarded to the Department upon transfer of these employees and the files did not include the I-9 forms.

Failure to properly complete and maintain I-9 forms within the required timeframe is a violation of USCIS requirements and could expose the Department to penalties. (Finding Code No. 2020-014)

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**RECOMMENDATION**

We recommend the Department ensure the I-9 form is properly completed and personnel records are properly maintained.

**DEPARTMENT RESPONSE**

The Department agrees with the finding. Personnel files from the transferring agencies were forwarded to the Department upon legislative transfer of these employees, and the files did not include the I-9 forms. The Department will include I-9 forms on the Transformation Checklist to ensure all I-9 forms are properly completed and personnel records are properly maintained in the event they had not been properly maintained by the transferring agency.

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2020-015. **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 classified its data to establish the types of information most susceptible to attack.
- Had not ensured all employees and contractors completed cybersecurity training, Safeguard Disclosure training, or Security Awareness training.
- Had not ensured all employees and contractors completed the annual acknowledgment of compliance with security policies.

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. Additionally, the Data Security on State Computers Act (20 ILCS 450/25) requires every employee to annually undergo the cybersecurity awareness and training established by the Department.

Furthermore, generally accepted information technology guidance, including the National Institute of Standards and Technology, endorses the development of well-designed and well-managed controls to protect computer systems and data.

Department management indicated the exception was due to the lack of resources.

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. 2020-015)

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**RECOMMENDATION**

We recommend the Department:

- Classify its data to establish the types of information most susceptible to attack,
- Ensure all employees and contractors complete all training, and
- Ensure all employees and contractors complete the annual acknowledgment of compliance with security policies.

**DEPARTMENT RESPONSE**

The Department agrees with the finding. The Department has begun efforts to classify systems and, as part of its corrective action plan, has now completed classification of 95% of department systems. The Department will continue efforts to increase participation in Security Awareness Training above the current 99% compliance level.

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2020-016. **FINDING** (Lack of Adequate Controls over the Review of Internal Controls over External Service Providers)

The Department of Innovation and Technology (Department) did not obtain or conduct timely independent internal control reviews over all of its external service providers.

During our testing of ten service providers, we noted:

- The Department did not obtain System and Organization Controls (SOC) Reports or conduct independent internal control examinations for each of the service providers for the complete examination period.
- The Department did not conduct an analysis to determine the impact of the noted deviations within the SOC report on their environment.
- The Department did not monitor and document the operation of the Complementary User Entity Controls (CUECs) relevant to the Department's operations.
- The Department did not obtain or review SOC reports for subservice organizations or perform alternative procedures to determine the impact on its internal control environment.

In addition, it was noted the contracts between the Department and the service providers did not contain a requirement for an independent review to be completed.

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 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.

The National Institute of Standards and Technology (NIST), Maintenance and System and Service Acquisition sections, requires entities outsourcing their IT environment or operations to obtain assurance over the entities internal controls related to the services provided. Such assurance may be obtained via System and Organization Control reports or independent reviews.

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

Without having obtained and reviewed a SOC Report or another form of

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independent internal control review, the Department does not have assurance the service providers' internal controls are adequate. (Finding Code No. 2020-016, 2018-017)

**RECOMMENDATION**

We recommend the Department determine and document if a review of controls is required. If required, the Department should:

- Obtain SOC reports or (perform independent reviews) of internal controls associated with outsourced systems at least annually.
- Monitor and document the operation of the CUECs relevant to the Department's operations.
- Either obtain and review SOC reports for subservice organizations or perform alternative procedures to satisfy itself that the existence of the subservice organization would not impact its internal control environment.
- Document its review of the SOC reports and review all significant issues with subservice organizations to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the Department, and any compensating controls.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

**DEPARTMENT RESPONSE**

The Department agrees with the finding. The Department has established procedures for SOC or other independent control reviews. In addition, the Department will ensure that contract boilerplate language continues to contain independent review (audit) language.

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2020-017. **FINDING** (Inadequate Controls over Monthly Reconciliations)

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

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

- Twenty-four of 24 (100%) required reconciliations of the Department's internal records to the Agency Contract Report (SC14) were not performed during the engagement period.
- Twenty-four of 24 (100%) required reconciliations of the Department's internal records to the Obligations Activity Report (SC15) were not performed during the engagement period.
- For the Monthly Appropriation Status Reports (SB01):
  - Fifteen of 27 (56%) reconciliations did not contain documentation of an independent review.
  - Seven of 27 (26%) reconciliations did not contain documentation of the preparer and preparation date, therefore, the timeliness of preparation could not be determined.
  - Five of 27 (19%) reconciliations were not prepared timely. The reconciliations were completed 17 to 139 days late.
  - Five of 32 (16%) required monthly reconciliations were not performed during the engagement period.
- For the Monthly Revenue Status Reports (SBO4):
  - For 24 of 24 (100%) reconciliations, there were noted unreconciled differences that were not addressed, totaling \$483,260 as of June 30, 2019 and \$132,372 as of June 30, 2020.
  - Eleven of 24 (46%) reconciliations did not include the date the reconciliations were completed, the preparer, and the independent review, therefore, the timeliness of preparation could not be determined.
  - Six of 24 (25%) reconciliations were not prepared timely. The reconciliations were completed 26 to 179 days late.
  - One of 24 (4%) reconciliations was not reviewed in a timely manner. The supervisory review was completed 25 days late.
  - One of 24 (4%) reconciliations did not contain documentation of an

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independent review.

- For the Monthly Cash Report (SB05):
  - Twelve of 18 (67%) reconciliations did not include the date the reconciliations were completed, the preparer, and the independent review, therefore, the timeliness of preparation could not be determined.
  - Six of 24 (25%) required monthly reconciliations were not performed during the engagement period.

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 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 the lack of staffing and conflicting priorities.

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. 2020-017, 2018-018)

**RECOMMENDATION**

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

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**DEPARTMENT RESPONSE**

The Department agrees with the finding. The Department is now utilizing the Enterprise Resource Planning system for the reconciliation process. Future implementation of an automated reconciliation process will help expedite the reconciliations as system functionality becomes available.

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2020-018. **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 \$5,398,043 for approximately 77,794 hours of overtime during Fiscal Years 2019 and 2020. Based on our testing of a sample of 60 employee overtime pre-approval requests and time report details, we noted:

- Eight (13%) employees did not submit overtime pre-approval requests in advance of the time to be worked. These requests were submitted one to ten days after the overtime was worked.
- For three (5%) employees, the overtime pre-approval requests, totaling 17 hours, were not pre-approved by the supervisors. These requests were approved one to four days after the overtime had been worked.

According to the Department of Central Management Services' Policy Manual, Chapter 2, Section 6, 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 operational requirements and the lack of workforce resources caused the exceptions noted.

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

**RECOMMENDATION**

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

**DEPARTMENT RESPONSE**

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

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2020-019. **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 34 vehicles at June 30, 2019 and 40 vehicles at June 30, 2020.

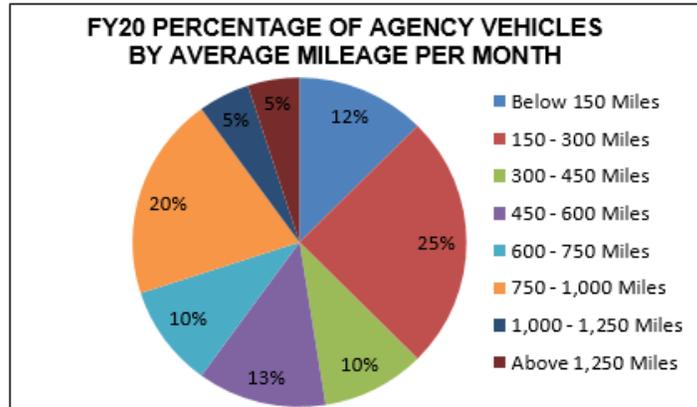
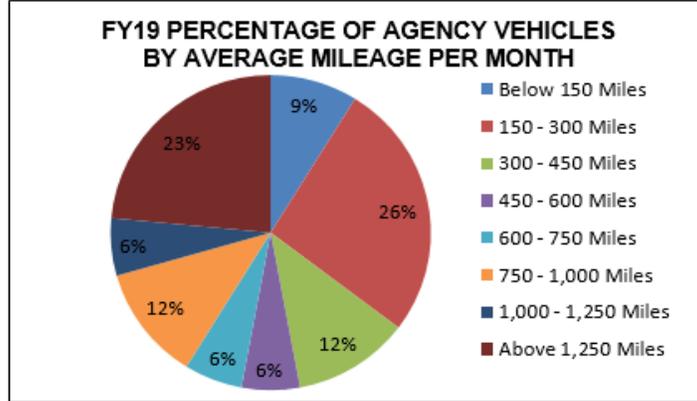
The Department did not ensure its vehicles were properly maintained during the engagement period. During our testing of a sample of nine vehicle maintenance records, we noted:

- Three (33%) vehicles received oil changes 320 to 3,190 miles past the allowed oil change interval; and
- One (11%) 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 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.

In addition, the Department has not performed an analysis of its automobiles to determine whether maintaining each vehicle can be justified as the most cost-effective solution for the specific operational needs of the Department. We analyzed the total activity of the Department's vehicles used during Fiscal Years 2019 and 2020. The Department's vehicles traveled between 393 and 29,476 miles during Fiscal Year 2019 and 70 and 24,294 miles during Fiscal Year 2020, with the following charts showing the average monthly vehicle utilization:

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Further, we noted the following underutilized vehicles during Fiscal Years 2019 and 2020:

Fiscal Year	Year	Make	Odometer at Yearend	Total Usage	Average Monthly Usage
FY2019	2006	Ford	97,599	634	53
FY2019	2008	Ford	17,658	1,695	141
FY2020	2006	Ford	52,137	1,247	104

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

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is necessary because there is no other alternative available to carry out the Department's mission.

*Accident Reports*

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

- Five of eight (63%) vehicle accident reports were not properly completed. One report was not dated therefore, timeliness of completion could not be determined. Four of the reports did not disclose the driver's policy number and details of the insurance carrier.
- Two of eight (25%) vehicle accident reports were submitted one to eight days late.

The Code (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 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.

*Individually Assigned Vehicle*

The Department only had one vehicle assigned to an employee during Fiscal Years 2019 and 2020. During our testing, we noted:

- The employee assigned the State vehicle did not file the required certifications of license and automobile liability coverage form during Fiscal Years 2019 and 2020.
- The Department was not able to provide details of the commuting mileage of the employee during Fiscal Year 2020. As a result, the associated testing could not be completed.

The Illinois Vehicle Code (625 ILCS 5/7-601(c)) requires every employee of a State agency who is assigned a specific State-owned or leased vehicle on an ongoing basis to provide annual certification to the chief executive officer of the agency affirming the employee is duly licensed to drive and the employee has liability insurance coverage extending to the employee when the assigned vehicle is used for other than official State business. The certification is required to be provided during the period July 1 through July 31 of each calendar year or within 30 days of any new vehicle assignment of a vehicle, whichever is later.

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The Internal Revenue Services' Employer's Tax Guide to Fringe Benefits (Publication 15-B) states any commute an individual makes in an assigned vehicle is considered a fringe benefit and is to be valued at \$1.50 per one-way commute. Fringe benefits are to be included in the employee's wages for tax purposes.

*Vehicle Use Policy*

We reviewed the vehicle use policy noting:

- The Department has been utilizing 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.

Department management indicated the issues noted were due to competing priorities.

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. Failure to timely submit the annual certifications of license and automobile liability is noncompliance with the Illinois Vehicle Code. (Finding Code No. 2020-019, 2018-020)

**RECOMMENDATION**

We recommend the Department ensure:

- Vehicle maintenance is completed as required by the Illinois Administrative Code;
- An analysis is conducted to determine the need for vehicles;
- Accident reports are properly completed and filed timely;
- The annual certifications of license and automobile liability coverage forms are completed timely;
- Obtain commuting mileage for individuals assigned vehicles; and
- Prepare, maintain and submit to DCMS its vehicle use policy which cover procedures concerning take-home vehicles and daily vehicle use logs and mileage recording.

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**DEPARTMENT RESPONSE**

The Department agrees with the finding. The Department will continue efforts to ensure timely vehicle maintenance and accident reports and will undertake corrective actions to address the recommendations. The Department no longer has individually assigned vehicles.

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2020-020. **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 for testing of the performance evaluations conducted during the examination period. A total of 89 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 41 of 89 (46%) employees' performance evaluations had not been timely completed, ranging from 4 to 341 days late.

The Illinois Administrative Code (80 Ill. Adm. Code 302.270) requires performance records 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 and enforcement deficiencies 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 should serve as a foundation for salary adjustments, promotions, demotions, discharge, layoff, recall, or reinstatement decisions. (Finding Code No. 2020-020, 2018-021)

**RECOMMENDATION**

We recommend the Department provide employee performance evaluations in a timely manner.

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**DEPARTMENT RESPONSE**

The Department agrees with the finding and will continue to enforce efforts to ensure that managers complete evaluations on a timely basis.

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2020-021. **FINDING** (Failure to Submit and Accurately File Required Reports)

The Department of Innovation and Technology (Department) failed to file reports timely and accurately.

During our testing, we noted:

- The Department did not provide and deposit with the State Library sufficient copies of all publications issued, including electronic publications, for its collection and exchange purposes. Additionally, the Department had not identified a specific person or persons responsible for the distribution of the publications.

The State Library Act (Act) (15 ILCS 320/21) requires the Department to provide and deposit with the Illinois State Library sufficient copies of all publications issued by the Department for its collection and for exchange purposes. The Act defines publications as any document, report, directory, bibliography, rule, regulation, newsletter, pamphlet, brochure, periodical or other printed material paid for in whole or in part by funds appropriated by the General Assembly or issued at the request of a State agency, excepting however, correspondence, inter-office memoranda, and confidential publications.

Additionally, the Illinois Administrative Code (23 Ill. Admin. Code 3020.150) requires, by July 15 of each year, for the Department to inform the Government Documents Section of the State Library in writing of the person or persons responsible for the distribution of publications and within two weeks after any changes to the annual filing.

- The number of employees in the total females, total minorities, males and females Caucasian, contractual minorities, and new hires-females with disabilities categories reported on the Fiscal Year 2018 Agency Workforce Report and contractual minorities category in the Fiscal Year 2019 Report did not agree to the supporting documentation provided by the Department. Upon communication by the auditors of the exceptions to Department management, the Department filed the amended Fiscal Years 2018 and 2019 Agency Workforce Reports with the Secretary of State on September 2, 2020.

The State Employment Records Act (5 ILCS 410/15(a)(v)) requires the Department to report its total number of professional employees, and the number and percentage of minorities, women, and physically disabled

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persons employed.

- The Department submitted the Fiscal Year 2019 second quarter Summary of Accounts Receivable Report to the Office of Comptroller five days late.

The Statewide Accounting Management System (SAMS) Manual (Procedure 26.30.10) requires the Department to file the quarterly Summary of Accounts Receivable Report with the Comptroller no later than the last day of the month following the end of the quarter.

Department management indicated the failure to file timely and accurate reports was due to the lack of staffing and oversight.

Failure to submit and accurately report information on statutorily required reports prevents the appropriate oversight authorities from receiving relevant feedback and monitoring of programs and can decrease effectiveness of future decisions when accurate information is not available. (Finding Code No. 2020-021, 2018-022)

**RECOMMENDATION**

We recommend the Department implement controls to ensure required reports are filed timely and accurately. We further recommend the Department file corrected Agency Workforce Reports with the Office of the Governor per the Illinois State Auditing Act (30 ILCS 5/3-2.2) within 30 days of the examination release.

**DEPARTMENT RESPONSE**

The Department agrees with the finding. The Department's lone publication, its annual report, was not deposited with the State Library, but was posted on the Department's public website. The Department will file its annual report with the State Library in future years and designate the responsible departmental contact. In addition, the Department will work to minimize the human error in the Agency Workforce Report creation to alleviate the need to file amended reports. Finally, the Department has filled a critical vacancy in its Fiscal Office which will minimize the risk of a late report filing.

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2020-022. **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:

- Twenty-six (43%) contractual agreements, totaling \$94,225,908, were not timely filed with the Office of Comptroller (Comptroller). The contractual agreements were filed three to 301 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 nine (15%) contracts, the Contract Obligation Documents (CODs) were not properly completed. Specifically:
  - Two CODs totaling \$183,315, did not indicate the publication dates.
  - Four CODs totaling \$933,200, included incorrect Illinois Procurement Bulletin/Bidbuy publication dates. One of the CODs also had an incorrect procurement reference number.
  - Three CODs did not state the correct maximum contract amounts. The maximum amount entered on the first COD was \$159,600, however, the total contract amount was \$78,900. For the second COD, the maximum amount entered was \$19,050,000, however, the contract award was \$22,050,000. The third COD had a maximum contract amount entered as \$25,778,097, however, the total contract amount was \$30,210,251. This same COD also had an incorrect publication date.

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, in addition to other applicable information.

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- The Department did not provide eight (13%) CODs. As a result, we were not able to determine if the CODs were completed appropriately.

The Illinois State Auditing Act (30 ILCS 5/3-12) requires each State agency, without delay, make available to the Auditor General or his or her designated representative any record or information requested.

- Two (3%) contractual agreements, totaling \$5,986,773, did not contain the required standard vendor certifications. Additionally, one (2%) contractual agreement, totaling \$5,864,600, did not have the required disclosure of financial interest statement.

The Code (30 ILCS 500/50-35(a)) requires all bids and offers from responsive bidders, offerors, vendors, or contractors with an annual value of more than \$50,000, and all submissions to a vendor portal, shall 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 should become part of the publicly available contract or procurement file.

- One (2%) contractual agreement, totaling \$37,800, was not signed by the Department.

The Code (30 ILCS 500/20-80(d)) requires contracts be reduced to writing and signed by all necessary parties before any supplies are received or services rendered and filed with the Comptroller.

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. Failure to fully execute a contract prior to

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commencement of services and contain the material terms of the contract leaves the Department exposed to liabilities and potential legal issues. (Finding Code No. 2020-022, 2018-026)

**RECOMMENDATION**

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

**DEPARTMENT RESPONSE**

The Department agrees with the finding. The Department is now utilizing the Enterprise Resource Planning system, which minimizes the amount of manual entry, and strengthens control to ensure the proper review of the required information on contract obligation documents before filing with the Office of Comptroller.

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2020-023. **FINDING** (Inadequate Controls over Telecommunication Devices)

The Department of Innovation and Technology (Department) did not maintain adequate controls over its telecommunication devices.

*Test of Assignment*

The Department assigned a total of 177 wireless communication devices (WCD) to newly hired and existing employees during Fiscal Years 2019 and 2020. During our testing of the assignment of 15 WCDs, we noted:

- The Department failed to provide documents demonstrating the request of a WCD for six (40%) employees. Additionally, the Department was not able to provide the Telecommunication Service Request (TSR) for one (7%) employee. Therefore, we were unable to determine if the WCDs were properly approved.
- For two (13%) employees, the TSR did not include the justification for the WCD.
- For five (33%) employees, the WCD number on the entrance form differed from the Department records.

The Department's Employee Guide for Requesting Telecom Services requires a new employee entrance form be sent to the supervisor which includes information about the telecommunications and Information Technology needs for the new employee. This information will be forwarded to the appropriate Telecommunications Coordinator to initiate a new Telecom Service Request. For existing employees, an email to the supervisor should be sent describing the telecom service or equipment needed.

*Test of Cancellation*

The Department disabled 96 WCDs during Fiscal Years 2019 and 2020. During our testing of nine cancelled WCDs, we noted:

- The Department did not provide the TSR for two (22%) employees. Additionally, the Department did not provide the Expense Management System Inventory Report (EMS 11) for two (22%) employees. As such, we were unable to determine if the WCDs were timely terminated.
- Three (33%) separated employees telecommunications services were not timely cancelled. The services were disabled 191 to 384 days after separation of the employee. The Department incurred a total of \$1,244 in

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telecommunication service charges from the separation date to the date the telecommunication services were disabled.

The Department of Central Management Services Wireless Communication Policy requires the Agency Telecommunications Coordinator to be responsible for securing the return of the WCD issued to an employee who no longer has a need for the WCD.

*Test of Calls*

- The Department did not provide documents on the details of calls for two of 14 (14%) telecommunications vouchers. As a result, we were unable to determine if the calls and associated expenditure were proper.

The Wireless Communication Device Policy requires the Agency to review billing invoices, usage records, and ensure WCD are being utilized for official State business purposes. Additionally, the Illinois Administrative Code (Code) (44 Ill. Adm. Code 5030.130) requires employees to reimburse the State for any personal use of State telephones based on the actual amount of Department of Central Management Services (DCMS) billed charges. If the employee fails to reimburse the State voluntarily for personal calls within 30 days of receipt of a statement of itemized telephone calls, the employee shall be charged actual DCMS billed charges plus \$1 per minute for long distance calls and \$0.50 per minute for local calls.

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.

The Illinois State Auditing Act (30 ILCS 5/3-12) requires each State agency, without delay, make available to the Auditor General or his or her designated representative any record or information requested.

Department management indicated poor communication between Department functional business units caused the issues noted. Department management also indicated competing priorities caused their failure to provide requested information.

Failure to properly support the request of WCD could result in the State paying for telephone services which might be unnecessary for the Department's operations.

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Failure to cancel WCD at the time of employee separation or termination exposes the Department to the risk of the unauthorized use of State property. Failure to review telephone billings and call usage records could result in the State paying for telephone charges which are personal and unauthorized. Without the requested documents to support the testing, the auditors were unable to determine if the Department was able to comply with the policies, procedures, and State regulations. (Finding Code No. 2020-023, 2018-027)

**RECOMMENDATION**

We recommend the Department implement internal controls to ensure TSRs are properly accomplished and telecommunication services are timely cancelled. We also recommend the Department ensure requested documentation is adequately and timely provided as required by the Illinois State Auditing Act.

**DEPARTMENT RESPONSE**

The Department agrees with the finding. The Department has hired a Telecommunications Coordinator who will assist in submitting and tracking TSRs.

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2020-024. **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 113 employees Daily Time Reports, noting 18 (16%) were not completed timely and two (2%) were still not approved by the supervisor as of fieldwork testing. Completion of the Daily Time Reports was three to 28 days late. The Department had expended \$113,695,088 and \$122,838,907 for payroll during Fiscal Years 2019 and 2020, respectively.

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 the lack of workforce resources caused the exceptions.

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. 2020-024, 2018-025)

**RECOMMENDATION**

We recommend the Department strengthen controls to ensure employees' time reports are completed, submitted in a timely manner, and approved by their supervisor.

**DEPARTMENT RESPONSE**

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

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2020-025. **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 FY19 Description, we noted:

- It contained inaccurate statements. Specifically, we noted:
  - Technical accounts were not reviewed annually,
  - The Enterprise Resource Planning (ERP) Production Support did not communicate through a dedicated email address,
  - The Illinois Tollway did not go live with the ERP on July 1, 2017,
  - The Incident Management Process Guide did not reflect the changes in the Major Outage Response Team (MORT) process,
  - The Department did not publish the monthly, quarterly, or annual metric of incident statistics or provide to management,
  - The Lost or Stolen Equipment Policy did not reflect the actual processes followed,
  - Services and performance statistics were not communicated at the DoIT Daily meeting until September 12, 2018,
  - Antivirus definition files were not pushed out to servers beginning eight hours after availability,
  - The System Management Facility violation record reports were not reviewed by the Manager of Mainframe Support Services,
  - The Department was not responsible for the scheduling and backup of agencies' applications and data,
  - The Department did not utilize Secure File Transfer Protocol (SFTP) to secure the transfer of mainframe data,
  - The Department did not utilize security experts and vendor subscription services to assist in determining risk from potential and newly discovered vulnerabilities, and
  - Vulnerability scans were not conducted within the defined frequencies.
  
- It contained omitted internal controls. Specifically, the description did not include:
  - Complementary subservice organization controls for the subservice providers utilized,
  - Controls to comply with Complementary User Entities Controls documented in subservice providers' System and Organization Control Reports,

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- Control for monitoring services provided by the Department of Central Management Services,
- Controls over the maintenance and patching of the mainframe operating systems,
- The frequency for which backups were missed prior to the team being notified, and
- A statement describing how the System Administrator ran the systems programmer and high profile user ID report and provided to the Manager of Mainframe Support Services.

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.

Department management indicated the errors were due to a lack of dedicated staff to ensure the description was complete and accurate.

Without an accurate depiction of its 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 Code No. 2020-025, 2018-028)

**RECOMMENDATION**

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

**DEPARTMENT RESPONSE**

The Department agrees with the finding. The lack of a comprehensive and accurate description of IT internal controls in FY19 was documented in the Department's FY19 System and Organization Control (SOC) report. Since that time, the Department has corrected those deficiencies in its description of controls, and the Department's FY20 SOC audit report found that overall, the FY20 description accurately described the Department's controls.

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2020-026. **FINDING** (Failure to Demonstrate the Completeness and Accuracy of the Report Components)

The Department of Innovation and Technology (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.

Due to changes in independence requirements effective June 30, 2020, the Office of the Auditor General (OAG) now requires auditees, without auditor assistance, to prepare the report components comprising the Supplementary Information for State Compliance Purposes usually found within the OAG's compliance reports. To help facilitate this change, the OAG published guidance on its website for auditees to follow in preparing these report components. While we do not express an opinion, a conclusion, or provide any assurance on these report components, we read them to identify potential errors based on our knowledge of the auditee and, where possible, compare or reconcile the information to the auditee's records examined during the compliance examination. If we identify any potential errors, we bring the matter to the attention of the auditee's management to, ideally, either correct the error or demonstrate why the disclosure is complete and accurate.

During the course of this examination, we noted the Department's internal controls were inadequate to both (1) prepare the report components and (2) demonstrate the report components Department management prepared were complete and accurate. Specifically, we noted the *Schedule of Changes in Property* was prepared by Department management from their own records. However, our review of the Department's property records noted significant differences.

As a result, the report component was excluded from the Department's *Compliance Examination Report*.

Good internal controls over compliance facilitate the preparation of complete and accurate report components and allow for the resolution, where necessary, of any potential errors presented to management by independent accountants examining the Department.

Department management indicated the deficiency in the report components was due to oversight.

Compliance examinations stress the fundamentals of governmental accountability, including providing transparency about the Department's fiscal and administrative controls and whether the Department's resource utilization was efficient, effective,

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and in compliance with applicable law. Failure to prepare accurate and complete report components hinders the ability of users of the Department’s *Compliance Examination Report* to obtain additional analysis of the Department’s operations. (Finding Code No. 2020-026)

**RECOMMENDATION**

We recommend the Department implement controls to ensure report components are accurately and completely prepared in future compliance examinations.

**DEPARTMENT RESPONSE**

The Department agrees with the finding. The Department will ensure that all required report components are accurate and complete in future years.

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2020-027. **FINDING** (Inadequate Disaster Contingency Planning)

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

During the examination period, the Department had not developed detailed disaster recovery plans for the mainframe and midrange environments. In addition, the Department had not conducted recovery testing during the examination period.

The Department provides information technology services to over 100 agencies and is the primary provider for over 35 agencies. As a result, the Department and agencies have a shared responsibility over disaster contingency planning; however, the Department has the fundamental duty to ensure recovery resources are available and tested.

The National Institute of Standards and Technology (NIST), Contingency Planning section, sanctions entities to develop and document detailed disaster recovery plans and test such plans.

Department management indicated the lack of disaster recovery plan and testing was due to staffing constraints.

Failure to have tested comprehensive plans could result in agencies not being able to process critical transactions for an extended period of time in the event of a disaster. (Finding Code No. 2020-027, 2018-023)

**RECOMMENDATION**

We recommend the Department develop detailed disaster recovery plans for the mainframe and midrange environments. Additionally, the Department should conduct annual testing of the recovery plans.

**DEPARTMENT RESPONSE**

The Department agrees with the finding. The Department was unable to conduct mainframe disaster recovery testing during FY19 due to storage system upgrades during the testing period. The Department did conduct a tabletop mainframe disaster recovery test during FY20 and is continuing efforts to improve resiliency.

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2020-028. **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.

On January 25, 2016, the Governor signed Executive Order 2016-01, which created the Department of Innovation and Technology. Under the Executive Order, the Department assumed responsibilities for the State’s IT decisions and spending, including the Information Technology infrastructure and functions. Commencing on July 1, 2016, the Department and user agencies were to work together in order to “transfer all relevant functions, employees, property, and funds” to the Department.

The Department and user agencies entered into Intergovernmental Agreements (Agreements) that outlined the transfer of assets and staff. However, the Department has not entered into Agreements which document each agencies roles and responsibilities and address the security, processing integrity, availability and confidentiality of the user agencies systems and data. As a service provider, the Department has the responsibility to ensure critical and confidential systems and data are adequately secured.

The National Institute of Standards and Technology sanctions the development of agreements documenting the parties’ roles and responsibilities, along with the requirements related to security, processing integrity, availability and confidentiality.

Department management indicated a clearer articulation of delineated roles and responsibilities between the Department and other state agencies is needed.

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 Code No. 2020-028, 2018-030)

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**RECOMMENDATION**

We recommend the Department enter into detailed Agreements with the user agencies documenting each parties' roles and responsibilities. Additionally, the Agreements should document requirements and available security mechanisms in order to protect the security, processing integrity, availability and confidentiality of user agencies systems and data.

**DEPARTMENT RESPONSE**

The Department agrees with the finding. 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. For its FY20 Intergovernmental Agreements (IGAs) with client agencies, the Department included 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.

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**PRIOR FINDINGS NOT REPEATED**  
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A. **FINDING** (Failure to Comply with Office of the Comptroller Request)

During the prior engagement period, the Department of Innovation and Technology (Department) failed to comply with request for documentation from the Office of the Comptroller.

During the current engagement period, the Department submitted documentation to the Office of the Comptroller in response to their request for documentation supporting vouchers presented for payment related to the development of the State's Enterprise Resource Planning (ERP) system. (Finding Code No. 2018-003)

B. **FINDING** (Held Vouchers)

During the prior engagement period, the Department did not timely submit vouchers for payment.

During the current engagement period, the Department submitted vouchers for payment in a timely manner. (Finding Code No. 2018-004)

C. **FINDING** (Violation of the State Finance Act)

During the prior engagement period, the Department violated the State Finance Act by allowing other agencies to pay telecommunication and Information Technology vendor invoices.

During the current engagement period, our sample testing of Accounts Receivable Credit Memorandums (ARCMs) disclosed there were no credits to the agencies monthly service billings that were due to the agency paying a vendor invoice on behalf of the Department. (Finding Code No. 2018-006)

D. **FINDING** (Inadequate Controls Over Approval of Accounts Receivable Credit Memorandums)

During the prior engagement period, the Department did not maintain adequate controls over the approval of Accounts Receivable Credit Memorandums (ARCM).

During the current engagement period, our sample testing disclosed ARCMs contained documentation of review and approval of the responsible Bureau and Accounting Division management. (Finding Code No. 2018-007)

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- E. **FINDING** (Inadequate Controls over Project Management of the Enterprise Resource Planning System)

During the prior engagement period, the Department did not establish adequate controls to ensure project management over the State's Enterprise Resource Planning System (ERP).

During the current examination, our testing noted the Department had updated the ERP Change Management Policy and Procedures (Policy). Additionally, our sampling testing noted approvals were maintained and change requests complied with the requirements of the Policy. However, the Department did not maintain documentation of an approved budget for the cost of the ERP project. This exception is reported in the *Compliance Examination Report* Finding 2020-005. (Finding Code No. 2018-012)

- F. **FINDING** (Inadequate Records for Refund)

During the prior engagement period, the Department did not maintain adequate records for cash refunds.

During the current engagement period, our sample testing disclosed refunds were accurately recorded, timely deposited, and adequately supported. (Finding Code No. 2018-019)

- G. **FINDING** (Inadequate Control Over Employee Exit Procedures)

During the prior engagement period, the Department did not have adequate controls over timely submission of employee exit forms.

During the current examination period, our sample testing disclosed exit forms were completed, reviewed, and timely submitted. (Finding Code No. 2018-024)

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**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
 Expenditure Authority for Fiscal Year 2020

Schedule 1

For the Sixteen Months Ended October 31, 2020

Public Act 101-0007	Expenditure Authority (Net of Transfers)	Expenditures Through June 30, 2020	Lapse Period Expenditures July 1 to October 31, 2020	Total Expenditures 16 Months Ended October 31, 2020	Balances Reappropriated July 1, 2020	Balances Lapsed October 31, 2020
<b>APPROPRIATED FUNDS</b>						
<b>General Revenue Fund - 0001</b>						
Lump Sums and Other Purposes Expenses	\$ 10,000,000	\$ 4,274,912	\$ 3,748,669	\$ 8,023,581	\$ -	\$ 1,976,419
Subtotal - Fund 0001	<u>\$ 10,000,000</u>	<u>\$ 4,274,912</u>	<u>\$ 3,748,669</u>	<u>\$ 8,023,581</u>	<u>\$ -</u>	<u>\$ 1,976,419</u>
<b>Capital Development Fund - 0141</b>						
Information Technology, including Enterprise Resource Planning	\$ 413,942,296	\$ 99,854,715	\$ (4,018,069)	\$ 95,836,646	\$ 318,105,650	\$ -
Subtotal - Fund 0141	<u>\$ 413,942,296</u>	<u>\$ 99,854,715</u>	<u>\$ (4,018,069)</u>	<u>\$ 95,836,646</u>	<u>\$ 318,105,650</u>	<u>\$ -</u>
<b>Technology Management Revolving Fund - 0304</b>						
Administration and Program Expenses	\$ 650,000,000	\$ 309,572,750	\$ 77,464,191	\$ 387,036,941	\$ -	\$ 262,963,059
Subtotal - Fund 0304	<u>\$ 650,000,000</u>	<u>\$ 309,572,750</u>	<u>\$ 77,464,191</u>	<u>\$ 387,036,941</u>	<u>\$ -</u>	<u>\$ 262,963,059</u>
Total Appropriated Funds	<u>\$ 1,073,942,296</u>	<u>\$ 413,702,377</u>	<u>\$ 77,194,791</u>	<u>\$ 490,897,168</u>	<u>\$ 318,105,650</u>	<u>\$ 264,939,478</u>

Note 1: Expenditure authority, appropriations, expenditures, reappropriations, and lapsed balances were obtained from the Department's records and have been reconciled to the State Comptroller's records as of October 31, 2020.

Note 2: Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.

Note 3: The Capital Development Fund (0141) has a continuous appropriation pursuant to Public Act 101-0007.

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 Expenditure Authority for Fiscal Year 2019

Schedule 2

For the Seventeen Months Ended November 30, 2019

	Expenditure Authority (Net of Transfers)	Expenditures Through June 30, 2019	Lapse Period Expenditures July 1 to November 30, 2019	Total Expenditures 17 Months Ended November 30, 2019	Balances Reappropriated July 1, 2019	Balances Lapsed November 30, 2019
<b>Public Act 100-0586</b>						
<b>APPROPRIATED FUNDS</b>						
<b>General Revenue Fund - 0001</b>						
Lump Sums and Other Purposes Expenses	\$ 7,349,900	\$ -	\$ 5,672,878	\$ 5,672,878	\$ -	\$ 1,677,022
Subtotal - Fund 0001	<u>\$ 7,349,900</u>	<u>\$ -</u>	<u>\$ 5,672,878</u>	<u>\$ 5,672,878</u>	<u>\$ -</u>	<u>\$ 1,677,022</u>
<b>Capital Development Fund - 0141</b>						
Information Technology, including Enterprise Resource Planning	\$ 400,000,000	\$ 6,057,705	\$ -	\$ 6,057,705	\$ 393,942,295	\$ -
Subtotal - Fund 0141	<u>\$ 400,000,000</u>	<u>\$ 6,057,705</u>	<u>\$ -</u>	<u>\$ 6,057,705</u>	<u>\$ 393,942,295</u>	<u>\$ -</u>
<b>Technology Management Revolving Fund - 0304</b>						
Administration and Program Expenses	\$ 650,000,000	\$ 263,492,514	\$ 39,580,522	\$ 303,073,036	\$ -	\$ 346,926,964
Subtotal - Fund 0304	<u>\$ 650,000,000</u>	<u>\$ 263,492,514</u>	<u>\$ 39,580,522</u>	<u>\$ 303,073,036</u>	<u>\$ -</u>	<u>\$ 346,926,964</u>
Total Appropriated Funds	<u>\$ 1,057,349,900</u>	<u>\$ 269,550,219</u>	<u>\$ 45,253,400</u>	<u>\$ 314,803,619</u>	<u>\$ 393,942,295</u>	<u>\$ 348,603,986</u>

Note 1: Expenditure authority, appropriations, expenditures, reappropriations, and lapsed balances were obtained from the Department's records and have been reconciled to the State Comptroller's records as of November 30, 2019.

Note 2: Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.

Note 3: The Capital Development Fund (0141) has a continuous appropriation pursuant to Public Act 100-0586.

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COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES,  
AND LAPSED BALANCES

Schedule 3

For the Years Ended June 30,

	2020	2019	2018
	P.A. 101-0007	P.A. 100-0586	P.A. 100-0021 and P.A. 100-0586
<b>APPROPRIATED FUNDS</b>			
<b>General Revenue Fund - 0001</b>			
Expenditure Authority	\$ 10,000,000	\$ 7,349,900	\$ -
Expenditures			
Lump Sums and Other Purposes Expenses	\$ 8,023,581	\$ 5,672,878	\$ -
Total Expenditures	\$ 8,023,581	\$ 5,672,878	\$ -
Balances Lapsed	\$ 1,976,419	\$ 1,677,022	\$ -
<b>Capital Development Fund - 0141</b>			
Expenditure Authority	\$ 413,942,296	\$ 400,000,000	\$ 397,680,000
Expenditures			
Information Technology, including Enterprise Resource Planning	\$ 95,836,646	\$ 6,057,705	\$ 52,012,867
Total Expenditures	\$ 95,836,646	\$ 6,057,705	\$ 52,012,867
Balances Reappropriated	\$ 318,105,650	\$ 393,942,295	\$ -
Balances Lapsed	\$ -	\$ -	\$ 345,667,133
<b>Technology Management Revolving Fund - 0304</b>			
Expenditure Authority	\$ 650,000,000	\$ 650,000,000	\$ 350,000,000
Expenditures			
Administration and Program Expenses	\$ 387,036,941	\$ 303,073,036	\$ 267,329,386
Total Expenditures	\$ 387,036,941	\$ 303,073,036	\$ 267,329,386
Balances Lapsed	\$ 262,963,059	\$ 346,926,964	\$ 82,670,614
<b>TOTAL - APPROPRIATED FUNDS</b>			
Expenditure Authority	\$ 1,073,942,296	\$ 1,057,349,900	\$ 747,680,000
Expenditures	\$ 490,897,168	\$ 314,803,619	\$ 319,342,253
Balances Reappropriated	\$ 318,105,650	\$ 393,942,295	\$ -
Balances Lapsed	\$ 264,939,478	\$ 348,603,986	\$ 428,337,747

STATE OF ILLINOIS  
**DEPARTMENT OF INNOVATION AND TECHNOLOGY**  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES**  
**AND LAPSED BALANCES**

Schedule 3  
(continued)

For the Years Ended June 30,

2020	2019	2018
P.A. 101-0007	P.A. 100-0586	P.A. 100-0021 and P.A. 100-0586

**STATE OFFICERS' SALARIES**

**Technology Management Revolving Fund - 0304 (State Comptroller)**

Expenditures:

For the Secretary	\$ 176,908	\$ 141,497	\$ 124,195
Total Expenditures	\$ 176,908	\$ 141,497	\$ 124,195

Note 1: Expenditure authority, appropriations, expenditures, reappropriations, and lapsed balances were obtained from the Department's records and have been reconciled to the State Comptroller's records as of October 31, 2020 and November 30, 2019.

Note 2: Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.

Note 3: The Capital Development Fund (0141) has a continuous appropriation pursuant to Public Act 101-0007 and Public Act 100-0586.

STATE OF ILLINOIS  
**DEPARTMENT OF INNOVATION AND TECHNOLOGY**  
**COMPARATIVE SCHEDULE OF NET EXPENDITURES**  
**BY MAJOR ACTIVITY**

**Schedule 4**

For the Fiscal Years Ended June 30,

	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>EXPENDITURE STATISTICS</b>			
<b>All State Treasury Funds</b>			
Total Operations Expenditures:	\$ 490,880,649	\$ 314,802,725	\$ 311,877,652
Percentage of Total Expenditures:	100.0%	100.0%	97.7%
Personal Services	74,093,916	72,298,213	51,556,181
Other Payroll Costs	55,439,793	52,872,247	36,276,995
All Other Operating Expenditures	361,346,940	189,632,265	224,044,476
Total Refund Expenditures:	\$ 16,519	\$ 894	\$ 7,464,601
Percentage of Total Expenditures:	0.0%	0.0%	2.3%
<b>GRAND TOTAL - ALL EXPENDITURES</b>	<b>\$ 490,897,168</b>	<b>\$ 314,803,619</b>	<b>\$ 319,342,253</b>

Note 1: Expenditures were obtained from the Department's records and have been reconciled to the State Comptroller's records as of October 31, 2020 and November 30, 2019.

Note 2: Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.

STATE OF ILLINOIS  
DEPARTMENT OF INNOVATION AND TECHNOLOGY  
COMPARATIVE SCHEDULE OF CASH RECEIPTS  
AND DEPOSITS INTO THE STATE TREASURY

For the Fiscal Year Ended June 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>STATE TREASURY FUNDS</b>			
<b>Technology Management Revolving Fund - 0304</b>			
Receipt Sources:			
Local Illinois governmental units	\$ 3,167,706	\$ 4,824,667	\$ 4,880,318
Miscellaneous	477,475	947,014	658
Other Illinois State agencies	285,211,786	445,476,887	114,692,530
Private organization or individual	3,439,152	4,278,666	2,054,066
Federal government	375,767	393,138	295,875
Prior year refund/warrant voids	65,153	94,103	89,077
Total Receipts, per the Department's Records	<u>\$ 292,737,039</u>	<u>\$ 456,014,475</u>	<u>\$ 122,012,524</u>
Receipts, per the Department's Records	\$ 292,737,039	\$ 456,014,475	\$ 122,012,524
Deposits in Transit, Beginning of the Fiscal Year	474,380	1,083,396	36
Deposits in Transit, End of the Fiscal Year	389,494	474,380	1,083,396
Due from Other Funds, Beginning of the Fiscal Year	-	77,507,413	2,823,695
Due from Other Funds, End of the Fiscal Year	-	-	77,507,413
Deposits, Recorded by the State Comptroller	<u>\$ 292,821,925</u>	<u>\$ 379,116,078</u>	<u>\$ 195,612,882</u>
<b>Communications Revolving Fund - 0312</b>			
Receipt Sources:			
Local Illinois governmental units	\$ -	\$ -	\$ 1,760,719
Other Illinois State agencies	-	-	27,158,599
Private organization or individual	-	-	1,026,122
Federal government	-	-	104,240
Total Receipts, per the Department's Records	<u>-</u>	<u>-</u>	<u>\$ 30,049,680</u>
Receipts, per the Department's Records	\$ -	\$ -	\$ 30,049,680
Deposits in Transit, Beginning of the Fiscal Year	-	-	226,311
Due from Other Funds, Beginning of the Fiscal Year	-	-	7,710,956
Deposits, Recorded by the State Comptroller	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,565,035</u>
<b>GRAND TOTAL - ALL FUNDS</b>			
Receipts, per the Department's Records	\$ 292,737,039	\$ 456,014,475	\$ 152,062,204
Deposits in Transit, Beginning of the Fiscal Year	474,380	1,083,396	226,347
Deposits in Transit, End of the Fiscal Year	389,494	474,380	1,083,396
Due from Other Funds, Beginning of the Fiscal Year	-	77,507,413	10,534,651
Due from Other Funds, End of the Fiscal Year	-	-	77,507,413
Deposits, Recorded by the State Comptroller	<u>\$ 292,821,925</u>	<u>\$ 379,116,078</u>	<u>\$ 218,177,917</u>

STATE OF ILLINOIS  
DEPARTMENT OF INNOVATION AND TECHNOLOGY  
ANALYSIS OF OPERATIONS

For the Two Years Ended June 30, 2020

(NOT EXAMINED)

**Functions**

The Department of Innovation & Technology (DoIT) was established on July 1, 2016, via Executive Order 2016-01 and codified by Public Act 100-0611 on July 20, 2018. DoIT's mission is to deliver best-in-class innovation and technology to client agencies, fostering collaboration and empowering client agencies to provide better services to residents, businesses, and visitors while maximizing the value of taxpayer resources. The Department is responsible for:

- managing and planning, procurement, maintenance and delivery of voice, data, wireless, video, internet and telecommunication services to all State-government agencies, boards, commissions and State-supported institutions of higher education in Illinois, as well as other governmental and some nongovernmental entities;
- operating the central computer facility, as well as other facilities that provide complete IT environment systems and support for most State agencies, boards and commissions;
- maintaining applications and the related infrastructure that State agencies, boards and commissions may utilize to meet their financial requirements.

The highest-level executive within DoIT is the Secretary, who is a member of the Governor's Cabinet and is the Chief Information Officer for the State and the steward of State data, with respect to those agencies under the jurisdiction of the Governor.

DoIT is organized as follows: Administrative Office, Chief of Staff, Staff, Architecture and Resource Planning, Data, Technology & Service, Information Security, Internal Audits, EEO/Affirmative Action Office, and Group Chief Information Officers (CIO) covering all supported agencies. The Group CIOs are categorized into seven (7) groups reflecting Statewide agency services of (1) health and human services; (2) government and public employees; (3) business and workforce; (4) natural and cultural resources; (5) public safety; (6) education; and (7) transportation.

The Group CIOs enhance agency awareness of DoIT policies, procedures, objectives, and new initiatives as well as providing a channel to communicate agency concerns and recommendations. Reporting to those Group CIOs, CIOs promote quality of service, enhance the effectiveness of DoIT's internal control environment, and contribute to the development and successful implementation of DoIT's long and short range plans through information exchange, general oversight of agency information processing, and strategic planning participation.

STATE OF ILLINOIS  
DEPARTMENT OF INNOVATION AND TECHNOLOGY  
ANALYSIS OF OPERATIONS

For the Two Years Ended June 30, 2020

(NOT EXAMINED)

DoIT's main administrative office is in Springfield with network and telecommunication remote sites spread geographically throughout Illinois. Staff are geographically located in multiple locations across the State to respond effectively and efficiently to networking and telecommunication issues. DoIT's main computer processing facility resides in Springfield. The alternate data center (for resiliency and recovery capabilities) is in the northern part of the State.

DoIT is focused on five foundational pillars in order to deliver on its mission:

- Architecture – to maximize interoperability via service-oriented architecture;
- Service Management – to create best practices for how technology is administered and maintained;
- Program Management – to improve project governance and execution in achieving successful transformation;
- Data & Analytics – to establish robust data practices and environments, turning insights into action; and
- Information Security – to protect the data assets of the agencies and residents we serve.

DoIT's Annual Report contains key milestones achieved each year and sets forth DoIT's mission and strategy. Another publication that communicates DoIT's vision, goals, and objectives is the Cybersecurity Strategy which focuses on specific goals and achievable objectives. The Strategy aligns the State's cybersecurity goals and objectives to the generally accepted best practices published by the National Institute of Standards and Technology.

### **Planning**

DoIT's planning for administration and operations is effectuated through monthly DoIT senior leadership team meetings led by the Secretary and Chief of Staff. At these meetings, the team reviews operational needs, receives updates on fiscal activities, and strategizes about future plans and goals. In addition, the Secretary leads monthly CIO meetings where DoIT CIOs assigned to designated agencies under the jurisdiction of the Governor collaborate and discuss common operational needs and priorities.

DoIT also conducts an enterprise-wide stand-up daily (Mondays through Fridays), which provides for communication and transparency of any issues or planned upgrades/outages providing timely, pertinent, and actionable information to a wide audience of DoIT senior leadership, critical management staff, Group CIOs, and agency CIOs.

STATE OF ILLINOIS  
**DEPARTMENT OF INNOVATION AND TECHNOLOGY**  
**ANALYSIS OF OPERATIONS**

For the Two Years Ended June 30, 2020

(NOT EXAMINED)

**Significant Challenges**

DoIT faced two significant challenges at the end of the examination period. The Technology Management Revolving Fund (TMRF) was hampered by cash flow issues. If DoIT could collect its current receivables, it would result in a positive cash position. DoIT continues to partner with the Office of Comptroller (IOC) to get priority payments through while maintaining a cash reserve to ensure the payroll obligations are met. This cash flow issue has also contributed to DoIT's inability to complete transformation out and bring DoIT employees who are on their legacy agency payrolls onto DoIT payroll. As of June 30, 2020, 601 personnel equaling 38.7% of DoIT staff were on legacy agency payrolls. DoIT will collaborate with the Governor's Office of Management and Budget (GOMB) to address this issue. The following tables summarize DoIT's cash position and accounts receivable status during this audit period.

**Cash Position**

	FY19 (In Thousands)	FY20 (In Thousands)
Current Liabilities	\$ 273,576	\$ 370,382
IOC Holds	182,580	224,836
Cash	23,068	12,979
Cash Position	\$ (67,928)	\$ (132,567)

**Accounts Receivable**

	FY19 (In Thousands)	FY20 (In Thousands)
0-1 year	\$ 187,813	\$ 208,163
>1 year	121,822	153,503
TOTAL	309,635	361,666
IOC Holds	182,580	224,836
Net Receivables	\$ 127,055	\$ 136,830

STATE OF ILLINOIS  
**DEPARTMENT OF INNOVATION AND TECHNOLOGY**  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

The Illinois Department of Innovation and Technology's (Department) explanations for significant fluctuations in expenditures as presented in the Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances (Schedule 3) are detailed below. For the purpose of this analysis, fluctuations equal to or in excess of \$500,000 and 20% of expenditures were considered to be significant.

**Fiscal Year 2020 Compared to Fiscal Year 2019**

**General Revenue Fund - 0001**

The increase was due to the appropriation for the Illinois Century Network costs related to the K-12 broadband project which was first received in Fiscal Year 2020.

**Capital Development Fund - 0141**

The increase was due to the Fiscal Year 2019 Information Technology expenditure vouchers related to the Statewide implementation of the Enterprise Resource Planning (ERP) System the Office of Comptroller inadvertently deleted and had to be resubmitted in Fiscal Year 2020.

**Technology Management Revolving Fund – 0304**

The increase was due to Information Technology expenditures related to the Statewide implementation of the ERP System as well as COVID-19 related spending. The ERP spending increased in Fiscal Year 2020 due to two clusters of the ERP program went live compared to only one cluster in Fiscal Year 2019. Additionally, remote work due to COVID-19 drove the establishment of an ERP dedicated helpdesk portal to reduce volume of the main DoIT HelpDesk, which supported the work from home transition for many State employees.

**Fiscal Year 2019 Compared to Fiscal Year 2018**

**General Revenue Fund - 0001**

The increase was due to the appropriation for the payment of back wages.

STATE OF ILLINOIS  
DEPARTMENT OF INNOVATION AND TECHNOLOGY  
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES  
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

**Fiscal Year 2019 Compared to Fiscal Year 2018 (continued)**

**Capital Development Fund - 0141**

The decrease was due to the Information Technology expenditure vouchers related to the Statewide implementation of the ERP System the Office of Comptroller inadvertently deleted. The reappropriation was rolled forward prior to their pre-audit approval and the vouchers had to be resubmitted in Fiscal Year 2020.

STATE OF ILLINOIS  
**DEPARTMENT OF INNOVATION AND TECHNOLOGY**  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

The Illinois Department of Innovation and Technology's (Department) explanations for significant fluctuations in receipts as presented in the Comparative Schedule of Cash Receipts and Deposits into the State Treasury (Schedule 5) are detailed below. For the purpose of this analysis, fluctuations equal to or in excess of \$500,000 and 20% in receipts were considered to be significant.

**Fiscal Year 2020 Compared to Fiscal Year 2019**

**Technology Management Revolving Fund – 0304**

The receipts from State agencies returned to the normal receipt level from a significant increase in Fiscal Year 2019 due to the Fiscal Year 2018 supplement for State agencies to catch up on revolving fund payments. Additionally, the local Illinois governmental unit receipts decreased due to the Department stopped billing public schools in Fiscal Year 2020 since the Department received an appropriation into the General Revenue Fund 0001 for K-12 broadband project.

**Fiscal Year 2019 Compared to Fiscal Year 2018**

**Technology Management Revolving Fund – 0304**

The increase was due to a Fiscal Year 2018 supplement issued for State agencies to catch up on revolving fund payments which were processed during the Fiscal Year 2018 lapse period. Additionally, the increase was due to a higher volume of electronic rate payments from miscellaneous receipts in Fiscal Year 2019. Further, private organization or individual receipts increased in Fiscal Year 2019 due to certain receipts being coded to private organizations instead of local government.

**Communications Revolving Fund – 0312**

The decrease was due to the consolidation of this fund into the Technology Management Revolving Fund (Fund 0304) at the end of the second quarter of Fiscal Year 2018. The fund no longer existed nor did the Department receive an appropriation for this fund in Fiscal Year 2018.

STATE OF ILLINOIS  
**DEPARTMENT OF INNOVATION AND TECHNOLOGY**  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

The Illinois Department of Innovation and Technology's (Department) explanations for significant lapse period spending as presented in the Schedule of Appropriations, Expenditures, and Lapsed Balances for Fiscal Years 2020 and 2019 (Schedules 1 and 2) are detailed below. For the purpose of this analysis, lapse period spending of \$500,000 and 20% or more of total expenditures was considered to be significant.

**Fiscal Year 2020**

**General Revenue Fund – 0001**

A significant portion of the vouchers were paid during the lapse period for telecommunications costs due to the timing of receipt of goods, services, and invoices during the lapse period.

**Technology Management Revolving Fund – Fund 0304**

The lapse period spending was due to vouchers for ERP related costs put on hold status by the Office of Comptroller throughout the fiscal year and released during the lapse period. Additionally, the lapse period spending was due to payment of prompt pay interest. Further, the Department was able to pay several original invoices due to the increase in receipts from other State agencies during the lapse period.

**Fiscal Year 2019**

**General Revenue Fund – 0001**

The lapse period spending was due to payments for back wages and related interest.

**STATE OF ILLINOIS  
DEPARTMENT OF INNOVATION AND TECHNOLOGY  
NUMBER OF EMPLOYEES**

(NOT EXAMINED)

For the Two Years Ended June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b><u>FULL-TIME EMPLOYEES</u></b>			
Enterprise Resource Planning	18	17	15
Infrastructure	145	153	141
Network and Telecommunications	87	94	97
Illinois Century Network and Broadband	25	24	24
Service Management	101	122	113
Administration	113	97	87
Information Security	48	46	18
Enterprise Application	185	191	53
Contractual (Fund 304)	10	10	21
Strategy & Planning	17	15	-
Print Shop	8	5	-
Contractual (CMS)	-	2	-
Statewide Data Practice	1	-	-
Total Full-Time Equivalent Employees	<u>758</u>	<u>776</u>	<u>569</u>

Note 1: This schedule presents the number of employees, by function, at the Department.

Note 2: Employees from the Project Management Office Section of Infrastructure and Enterprise Application were re-assigned to Strategy and Planning, a newly created Division.

Note 3: The above number of employees does not take into account the employees located at the various agencies.

STATE OF ILLINOIS  
**DEPARTMENT OF INNOVATION AND TECHNOLOGY**  
**DISCLOSURE OF EMERGENCY PURCHASES**

For the Two Years Ended June 30, 2020

(NOT EXAMINED)

The Department reported the following emergency purchases during the Fiscal Year 2020 and 2019:

Description	Amount
<b><u>Fiscal Year 2020</u></b>	
<b>Prevent or Minimize Disruption to Critical State Services</b>	
To procure technical support and services with International Business Machine Datacap and Infrastructure and Endpoint Services application integration.	\$ 24,267
To procure McAfee anti-virus software, maintenance, and technical support.	300,000
To procure maintenance and support services to the numerous end-of-life servers and applications that reside in the outdated Unix server environment at the State's Central Computing Facility (CCF).	300,000
To procure services to sustain existing data center space.	304,412
To procure 350 Pluralsight Enterprise Plan Subscription Licenses for 90 days.	59,132
To procure products and services available under the Microsoft Select Plus, Enterprise, and Premier Support Agreement.	10,000,000
To procure hardware, support and maintenance services related to State's enterprise VoIP solutions.	14,000,000
To procure products and services required to detect and prevent further spread of malware.	465,000

STATE OF ILLINOIS  
DEPARTMENT OF INNOVATION AND TECHNOLOGY  
DISCLOSURE OF EMERGENCY PURCHASES

For the Two Years Ended June 30, 2020

(NOT EXAMINED)

<u>Description</u>	<u>Amount</u>
<b><u>Fiscal Year 2019</u></b>	
<b>Prevent or Minimize Disruption to Critical State Services</b>	
To procure Oracle Software Maintenance and Support.	\$ 1,125,000
To continue services under JPMC ESRI Geographic Information System Products and Maintenance Contract until a new JPMC is negotiated and executed.	250,000
To procure point of sale terminals, printers, and associated periphery items for support of the Department of Natural Resources licenses and permits sales at point agents across the State.	941,885

STATE OF ILLINOIS  
**DEPARTMENT OF INNOVATION AND TECHNOLOGY**  
**ANALYSIS OF OVERTIME AND COMPENSATORY TIME**

(NOT EXAMINED)

For the Two Years Ended June 30,

<b>OPERATIONAL DIVISION</b>	<u>2020</u>	<u>2019</u>
<b>Administration</b>		
Overtime Hours Paid	11,737	6,979
Compensatory Hours Granted	3,415	1,598
Total	<u>15,152</u>	<u>8,577</u>
Value of Overtime Hours Paid	\$ 803,239	\$ 456,246
Value of Compensatory Hours Granted	251,617	117,267
Total Cost	<u>\$ 1,054,856</u>	<u>\$ 573,513</u>
<b>Enterprise Applications</b>		
Overtime Hours Paid	2,498	2,172
Compensatory Hours Granted	413	405
Total	<u>2,911</u>	<u>2,577</u>
Value of Overtime Hours Paid	\$ 195,673	\$ 158,450
Value of Compensatory Hours Granted	30,961	30,016
Total Cost	<u>\$ 226,634</u>	<u>\$ 188,466</u>
<b>Enterprise Resource Planning</b>		
Overtime Hours Paid	1,207	1,600
Compensatory Hours Granted	85	97
Total	<u>1,292</u>	<u>1,697</u>
Value of Overtime Hours Paid	\$ 74,451	\$ 94,160
Value of Compensatory Hours Granted	5,171	5,646
Total Cost	<u>\$ 79,622</u>	<u>\$ 99,806</u>

STATE OF ILLINOIS  
**DEPARTMENT OF INNOVATION AND TECHNOLOGY**  
**OVERTIME AND COMPENSATORY TIME (CONTINUED)**

(NOT EXAMINED)

For the Two Years Ended June 30,

	<u>2020</u>	<u>2019</u>
<b>Information Security</b>		
Overtime Hours Paid	2,021	1,459
Compensatory Hours Granted	768	392
Total	<u>2,789</u>	<u>1,851</u>
Value of Overtime Hours Paid	\$ 127,897	\$ 94,931
Value of Compensatory Hours Granted	41,890	19,034
Total Cost	<u>\$ 169,787</u>	<u>\$ 113,965</u>
<b>Infrastructure</b>		
Overtime Hours Paid	11,151	9,744
Compensatory Hours Granted	2,921	2,568
Total	<u>14,072</u>	<u>12,312</u>
Value of Overtime Hours Paid	\$ 776,088	\$ 654,981
Value of Compensatory Hours Granted	181,221	161,306
Total Cost	<u>\$ 957,309</u>	<u>\$ 816,287</u>
<b>Network &amp; Telecommunications</b>		
Overtime Hours Paid	7,052	8,255
Compensatory Hours Granted	2,611	2,624
Total	<u>9,663</u>	<u>10,879</u>
Value of Overtime Hours Paid	\$ 561,280	\$ 640,284
Value of Compensatory Hours Granted	213,290	193,038
Total Cost	<u>\$ 774,570</u>	<u>\$ 833,322</u>

STATE OF ILLINOIS  
**DEPARTMENT OF INNOVATION AND TECHNOLOGY**  
**OVERTIME AND COMPENSATORY TIME (CONTINUED)**

(NOT EXAMINED)

For the Two Years Ended June 30,

	<u>2020</u>	<u>2019</u>
<b>Service Management</b>		
Overtime Hours Paid	5,573	5,229
Compensatory Hours Granted	858	966
Total	<u>6,431</u>	<u>6,195</u>
Value of Overtime Hours Paid	\$ 367,081	\$ 308,015
Value of Compensatory Hours Granted	59,845	54,372
Total Cost	<u>\$ 426,926</u>	<u>\$ 362,387</u>
<b>Statewide Data Practice</b>		
Overtime Hours Paid	13	-
Compensatory Hours Granted	-	-
Total	<u>13</u>	<u>-</u>
Value of Overtime Hours Paid	\$ 894	\$ -
Value of Compensatory Hours Granted	-	-
Total Cost	<u>\$ 894</u>	<u>\$ -</u>
<b>Strategy and Planning</b>		
Overtime Hours Paid	643	461
Compensatory Hours Granted	54	24
Total	<u>697</u>	<u>485</u>
Value of Overtime Hours Paid	\$ 48,548	\$ 35,826
Value of Compensatory Hours Granted	4,235	1,896
Total Cost	<u>\$ 52,783</u>	<u>\$ 37,722</u>

STATE OF ILLINOIS  
**DEPARTMENT OF INNOVATION AND TECHNOLOGY**  
**OVERTIME AND COMPENSATORY TIME (CONTINUED)**

(NOT EXAMINED)

For the Two Years Ended June 30,

	<b>2020</b>	<b>2019</b>
<b>GRAND TOTAL – ENTIRE DEPARTMENT</b>		
Overtime Hours Paid	41,895	35,899
Compensatory Hours Granted	11,125	8,674
Total	53,020	44,573
Value of Overtime Hours Paid	\$ 2,955,151	\$ 2,442,893
Value of Compensatory Hours Granted	788,230	582,575
Total Cost	\$ 3,743,381	\$ 3,025,468

STATE OF ILLINOIS  
DEPARTMENT OF INNOVATION AND TECHNOLOGY  
DISCLOSURE OF EMERGENCY PURCHASES  
UNDER THE GUBERNATORIAL COVID-19 DISASTER PROCLAMATIONS  
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

The Governor, in response to the COVID-19 pandemic, issued sequential Gubernatorial Disaster Proclamations from March 12, 2020, through June 30, 2020. These proclamations allowed the State of Illinois Department of Innovation and Technology (“DoIT” or “Agency”) to waive the requirements of the Illinois Procurement Code to the extent the requirement (1) would have, in any way, prevented, hindered, or delayed necessary action to cope with the COVID-19 pandemic and (2) was not required by federal law. The following procurements were all processed under this waiver granted by the Governor.

Please note that any references to the word “paid” may also be read as “vouchered.”

**Fiscal Year 2020**

Cleaning Supplies

The Agency identified a need for gloves and sanitizer due to the COVID-19 pandemic. The Agency ultimately paid Logsdon Stationers \$1,046 to obtain gloves and sanitizers.

Personal Protective Equipment (“PPE”)

The Agency identified a need for PPE for the DoIT warehouse due to the COVID-19 pandemic. The Agency ultimately paid Logsdon Stationers \$1,334 to obtain PPE for the DoIT warehouse.

Information Technology (“IT”)-Related Goods and Services

- a. The Agency identified a need for Citrix licenses to provide remote access and support to employees working remotely related to the COVID-19 pandemic. The Agency paid CDWG \$1,499,500.
- b. The Agency identified a need to purchase laptops on behalf of agencies to enable critical Agency staff to work from home during the pandemic. The Agency paid Dell EMC \$413,718.
- c. During the pandemic, DoIT experienced a significant increase in calls to the service desk from users experiencing trouble connecting remotely to the State’s network. The Agency identified a need for contractual resources related to a remote work service Help Desk in order to resolve user problems. The Agency paid RL Canning \$89,739.

STATE OF ILLINOIS  
DEPARTMENT OF INNOVATION AND TECHNOLOGY  
DISCLOSURE OF EMERGENCY PURCHASES  
UNDER GUBERNATORIAL COVID-19 DISASTER PROCLAMATIONS (CONTINUED)  
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

- d. The Agency identified a need for Citrix Technical Relationship Manager services in order to provide remote access and support to employees working remotely related to the COVID-19 pandemic. The Agency paid CDWG \$500,000.
- e. Due to the influx of web traffic on Illinois websites caused by the COVID-19 pandemic, many State web-based systems were crashing becoming unavailable and/or unusable. As a result, Illinois residents and businesses impacted by COVID-19 were unable to use the web-based systems in a desperate time of need to gain State support (i.e. unemployment benefits, small business emergency loans, lottery claims, etc.). To address these issues, DoIT began efforts of rebuilding and/or re-platforming negatively impacted systems onto the Salesforce platform. The Agency secured Salesforce licenses, Enterprise Salesforce Practice Establishment services and system implementation/support services for re-platforming critical web systems for various agencies, including DoIT, Department of Employment Security (DES), Department of Commerce and Economic Opportunity (DCEO), Department of Children and Family Services (DCFS), Department of Lottery (Lottery), and Department of Public Health (DPH). The Agency paid Carahsoft \$2,175,149.
- f. DoIT's livestreaming capabilities and infrastructure was not sufficient enough to handle the overwhelming demand caused by the joint Office of the Governor and DPH's daily COVID-19 live streamed press conferences. As a result, the digital streaming quality was poor, and viewers experienced frequent disconnects. The Amazon Web Services consumption services secured by the Agency was used to stabilize an American Disability Act ("Act") compliant livestreaming service used to capture and rebroadcast the video signals required by the daily COVID-19 press conferences. The Agency paid Carahsoft \$97,463 for these services.
- g. The Agency identified a need for Splunk cloud subscription and professional services to monitor and secure remote access solutions in use by employees working remotely related to the COVID-19 pandemic. The Agency paid Carahsoft \$1,531,410.
- h. Due to the influx of web traffic on Illinois websites caused by the COVID-19 pandemic, many State web-based systems were crashing becoming unavailable and/or unusable. As a result, Illinois residents and businesses impacted by COVID-19 were unable to use the web-based systems in a desperate time of need to gain State support (i.e. unemployment benefits, small business emergency

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loans, lottery claims, etc.). To address these issues, DoIT began efforts of rebuilding and/or re-platforming negatively impacted systems onto the Salesforce platform. The Agency secured Project Management, Business Analysis, and Quality Assurance resources tasked with facilitating efforts with external Salesforce system integrators and ensuring delivery of quality web-based systems to COVID-19 impacted agencies (including Office of the Governor, DPH, DES, Lottery, DCFS, DoIT). The Agency paid RL Canning \$189,096.

- i. The Agency identified a need for equipment to increase bandwidth and connectivity capabilities for Governor's public briefings related to the COVID-19 pandemic. The Agency paid VSA Inc. \$35,869.
- j. The Agency identified a need for expanded capacity to secure additional MobileIron licenses and maintenance related to the COVID-19 pandemic. The Agency paid AT&T Mobility \$103,775.
- k. DoIT's livestreaming capabilities and infrastructure was not sufficient enough to handle the overwhelming demand caused by the joint Office of the Governor and DPH's daily COVID-19 live streamed press conferences. As a result, the digital streaming quality was poor, and viewers experienced frequent disconnects. The Agency secured Online Multi-Media services from Vimeo allowing the State to host the archived press conferences on the Vimeo platform. The Agency did not make payment during FY20.
- l. The Agency identified a need for Cisco AppDynamics services related to monitoring and troubleshooting of DES' Illinois Benefit Information System (IBIS) unemployment systems, which experienced excessive demand related to the COVID-19 pandemic. The Agency paid CDWG \$319,000.
- m. The Agency identified a need for Informatiq quality control licenses and services for Illinois Health & Human Services Innovation Incubator (HHSi2) related to the COVID-19 pandemic. The Agency paid DLT \$317,200.
- n. The Agency identified a need for IBIS Technical Triage and Edge Delivery services because DES requested support to expand IBIS capabilities and optimization. The Agency paid IBM \$777,296.
- o. The Agency identified a need for data modeling of case and medical data for DPH

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related to the COVID-19 pandemic. The Agency paid Civis Analytics Inc. \$722,834.

- p. Due to the COVID-19 pandemic many State facilities were closed to the general public. As a result, State agencies were moving to an online service model which is driving high user traffic to State websites. To support the shift towards an online service model, DoIT partnered with Google/Quantiphi to develop and implement virtual agents for the DES, DCEO, and Coronavirus websites. These virtual agents provide a self-service model for residents and businesses which provided a better and more efficient user experience while lowering the workloads on the understaffed State agencies. The Agency initially secured free services required to implement the virtual agent for DES. The Agency then purchased Google Suite Enterprise, which is a required technology required to support delivery of the virtual agents, and paid Carahsoft \$2,394.
- q. The Agency identified a need for Cisco Wireless Access Point services for Department of Veterans Affairs (DVA), because the DVA patient facility was being prepared to handle overflow COVID-19 patients if needed. The Agency paid CDWG \$64,638.
- r. The State Data Practice within the Agency identified a need for professional services to help quickly combine, ingest, and display data to the right stakeholders to facilitate decision making during the COVID-19 pandemic. The Agency paid McKinsey \$1,500,000.
- s. The Agency identified the VoIP System work was needed to integrate a Google Voicebot using the Google Contact Center Artificial Intelligence Application Programming Interface to Cisco Customer Voice Portal within the DoIT infrastructure for DES. The Agency paid Presidio Networked Solutions Group \$43,330.
- t. The Agency identified a need to obtain fiber repair services for a 108-bed Department of Human Services (DHS) Mental Health facility to support COVID-19. The Agency did not pay Ficek Electric & Communication Systems in FY20.
- u. The Agency identified a need for Cisco AppDynamics services for the State's Integrated Eligibility System (IES). As a result of COVID-19, the IES system experienced a 600% increase in new applications for social service benefits

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resulting in increased demands on the system. Application Dynamics was secured to provide the information necessary to make hardware configuration changes and software code changes to manage system performance under the increased workload. The Agency paid CDWG \$511,138.

- v. The Agency identified a need for Qradar Event Capacity Software to increase licensed capacity for the DoIT Security Information and Event Management system related to the COVID-19 pandemic. The Agency paid IBM \$201,096.
- w. Until a COVID-19 vaccine or preventive treatment is available, management of the COVID-19 pandemic will rely on a tried and true public health measure called contact tracing. This method has been employed successfully for decades by the DPH and local health departments to prevent the spread of infectious diseases, such as vaccine preventable diseases. Contact tracing for COVID-19 is a bit different because it needs to be executed on a significantly larger scale, adapting to unique challenges of the virus, including its spread by people without symptoms. The legacy contact tracing systems were not adequate to handle the influx in activity, so the State needed to move Contact Tracing to the State's Salesforce platform. Given all this, the Agency identified an initial need to secure "courtesy" Salesforce licenses in support of the Contact Tracing efforts. Because these were "courtesy" licenses, the Agency did not initially need to pay any money related to obtaining these services. Later, the Agency identified a need to secure ongoing Salesforce licenses and implementation services to build the State's Contact Tracing solution. Thus, the Agency paid Carahsoft \$5,357,705.
- x. The Agency identified a need for professional services for a WTX upgrade for DPH's Illinois National Electronic Disease Surveillance System (INEDSS) related to the COVID-19 pandemic. Specifically, the Agency identified these services were needed for the COVID-19 Electronic Laboratory Reporting processing due to increasing the number of labs reporting COVID-19 tests and the additional tests for COVID-19 antibody and serology testing, along with all the COVID-19 rapid testing starting to be performed at drug stores and other chain stores like Walmart and Sam's Club. The Agency needed these services to be able to make changes and because there had been issues with the existing environment corrupting some of the map configurations. The Agency did not make payment to IBM in FY20.
- y. The Agency identified a need for Blade servers for the environment related to the COVID-19 pandemic. This need was identified following a request from DES

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regarding its need to provide additional remote support for its IBIS application and to build out the infrastructure to support additional remote users in the Virtual Desktop Infrastructure (VDI). The VDI growth will enable DES to increase its ability to onboard support staff to aid in submissions, processing, and assistance to Illinois citizens. The Agency paid \$157,215 to Hewlett Packard Enterprise.

- z. The Agency identified a need to secure Cozyroc SSIS related to Contact Tracing and the COVID-19 pandemic. CozyRoc is a required data integration tool the Agency determined was needed to move Coronavirus testing data between DPH's I-NEDSS and the Contact Tracing system. The Agency paid Matrix Systems \$2,997.
- aa. During the pandemic, DoIT experienced a significant increase in requests to deploy laptops and computers to support Agency pandemic response and continuity of operations. Thus, the Agency identified a need to secure contractual resources to perform imaging and installation services. The Agency paid RL Canning \$21,669.
- bb. The Agency identified a need for call center licenses because DCFS requested to add capacity to their Child Abuse Hotline in response to COVID-19 and long-term planning. The Agency paid Presidio Networked Solutions Group \$175,984.
- cc. The Agency identified a need to secure Okta licenses and services to provide identity and access control for DPH' Contact Tracing application for local department of health contact tracers related to the COVID-19 pandemic. The Agency paid Carahsoft \$292,276.
- dd. As part of the emergency COVID-19 response efforts, DoIT identified a need to establish a Salesforce practice to support online applications such as DPH's Contact Tracing, Lottery's Online Claim Processing, DCEO's Regional Economic Development, and DCFS' Advocacy application. The Agency secured Project Management, Salesforce Administration, and Salesforce Development resources/consultants tasked with establishing a sustainable enterprise Salesforce practice including the associated governance and release management processes. This work also included assistance in the development of a support structure, a business user feedback process, and integration services. The Agency paid Levi, Ray, & Shoup \$38,925.

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- ee. The Agency received a request from Illinois Emergency Management Agency (IEMA) for CSG Mobile Command Centers related to COVID-19 response efforts. The Agency paid Connected Solutions Group \$15,799.
- ff. The Agency identified a need during the pandemic for additional Cisco Unified SIP Proxy licensing required for the DoIT VoIP System to enable additional call volume across the VoIP core for the DES contact center. This also provided a higher call volume for the additional DES agents along ensuring the system had the call capacity to enable the Google Voice Bot. The Agency paid Presidio Networked Solutions Group \$29,904.
- gg. During the pandemic, DES' IBIS application experienced a significant increase in claims submitted by citizen applying for unemployment benefits. As a result, the Agency identified a need for IBM Z Operations Analytics product installation and configuration assistance, as well as Operations Analytics licenses, which helped add visibility to monitor mainframe resources for IBIS's mainframe process. The Agency paid IBM \$102,050.
- hh. The Agency identified a need for expanded storage (Pure Storage) to support the Citrix storage environment and to address remote user count and capability needed to meet COVID-19 response/work-from-home needs. The Agency paid Matrix Systems \$399,521.
- ii. During the pandemic, the Agency identified a need for a Business Analyst to plan, conduct assessment, compose documentation, and coordinate resources related to Citrix services to address remote workers. The Agency also identified a need to provide remote VDI Solutions to employees working remotely related to the COVID-19 pandemic. The Agency paid Levi, Ray & Shoup \$3,330.
- jj. During the pandemic, the Agency identified a need to provide relief to the DES Call Center Agents. DES requested DoIT integrate a Google Voicebot using the Google Contact Center Artificial Intelligence Application Programming Interface to Cisco Customer Voice Portal within the DoIT infrastructure. The Agency did not make payment to Presidio Networked Solutions Group in FY20.
- kk. During the pandemic, the Agency identified a need to purchase Twilio services related to texting campaigns used to assist DPH with contract tracing efforts. The Agency paid Presidio \$30.
- ll. During the pandemic, the Agency identified a need to purchase 100 iPads with

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cases and service from AT&T for DHS. The request was COVID-19 related as the Illinois School for the Deaf students needed to be sent home with the iPads in order to participate in distance learning. The Agency paid AT&T \$35,999.

- mm. Due to the COVID-19 pandemic, the Office of the Governor requested a Coronavirus Microsite to be used for quick and transparent COVID-19 communications to the general public. The Agency secured Quantiphi professional services required to implement a virtual agent for the microsite. No payments were required.
- nn. DES requested DoIT process a project under the COVID-19 procurement rules to purchase and implement a product allowing silent monitoring for the Call Center Agents DES has contracted with to assist with call handling. The Agency did not make payment to Presidio Networked Solutions Group in FY20.
- oo. The Agency identified a need to secure Beyond Trust licenses to provide remote access and support to employees working remotely related to the COVID-19 pandemic. The Agency paid CDWG \$1,125,000.

**Fiscal Year 2019**

The Agency did not have any emergency purchases related to COVID-19 pandemic during the Fiscal Year 2019.