

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

Report Required Under  
*Government Auditing Standards*

FOR THE PERIOD  
JULY 1, 2021 – JUNE 30, 2022

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

**For the Year Ended June 30, 2022**

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

**For the Year Ended June 30, 2022**

**DEPARTMENT OFFICIALS**

Secretary (4/9/22 – Present)	Ms. Jennifer Ricker
Acting Secretary (7/1/21 – 4/8/22)	Ms. Jennifer Ricker
Assistant Secretary	Vacant
Chief Internal Auditor	Mr. John Valtierra
Affirmative Action/Equal Employment Opportunity Officer	Ms. Vickie Simpson
Chief of Supplier Diversity (3/1/22 – Present) (Established 3/1/22)	Vacant
Chief Information Accessibility Officer (6/1/22-Present)	Mr. Michael Scott
Chief Administrative Officer	Ms. Nina Harris
Chief Service Officer (7/1/21 – 5/19/22) (Position abolished 5/20/22)	Vacant
Chief of Staff	Ms. Jenifer Johnson
ERP Program Director	Ms. Tara Kessler
Chief Data Officer	Ms. Dessa Gypalo
Chief Enterprise Architect	Mr. Brad Long
Chief Information Security Officer	Mr. Adam Ford
Chief Technology Officer	Ms. Lori Sorenson
Group Chief Information Officers	
Health & Human Services (11/13/21 – Present)	Vacant
Health & Human Services (7/1/21 – 11/12/21)	Mr. Stan Hoover
Government & Public Employee (5/16/22 – Present)	Mr. Sultan Raziuddin
Government & Public Employee (4/30/22 – 5/15/22)	Vacant
Government & Public Employee (7/1/21 – 4/29/22)	Ms. Gloria Lasley

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

**For the Year Ended June 30, 2022**

**DEPARTMENT OFFICIALS (continued)**

Business & Workforce (4/23/22 – Present)	Vacant
Business & Workforce (7/1/21 – 4/22/22)	Mr. Sunil Thomas
Natural & Cultural Resources	Mr. Troy Horton
Public Safety (7/16/21 - Present)	Mr. Troy Horton
Public Safety (7/1/21 – 7/15/21)	Vacant
Education	Ms. Mary Reynolds
Transportation (vacant)	Vacant

**DEPARTMENT OFFICES**

The Department's primary administrative offices are located at:

120 W. Jefferson Street  
Springfield, IL 62702-5170

201 W. Adams Street  
Springfield, IL 62702-5170

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

**Government Auditing Report Summary**

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

Based on their examination, the Service Auditors expressed a modified opinion on the Department’s “Description of the State of Illinois, Enterprise Resource Planning System for the IT General Controls and Application Controls” system. The System and Organization Control Report was issued under separate cover dated August 3, 2022.

**Summary of Findings**

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

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
CURRENT FINDINGS				
2022-001	8	New	Inaccurate Description of System	Material Weakness
2022-002	10	New	Controls Were Not Suitably Designed	Material Weakness
2022-003	12	2021/2020	Controls Did Not Operate Effectively	Material Weakness

**Exit Conference**

This report was discussed with Department personnel at an exit conference on July 25, 2022. Attending were:

Representing the Department of Innovation and Technology

Ms. Jennifer Ricker, Secretary  
Mr. John Valtierra, Chief Internal Auditor  
Ms. Nina Harris, Chief Administrative Officer  
Ms. Jenifer Johnson, Chief of Staff  
Mr. Adam Ford, Chief Information Security Officer  
Ms. Lori Sorenson, Chief Technology Officer  
Mr. Matt Runyen, General Counsel

Representing the Office of the Auditor General

Ms. Kathy Lovejoy, Principal of IS Audits

Ms. Miranda Karger, Audit Manager

The responses to the recommendations were provided by John Valtierra, Chief Internal Auditor on August 3, 2022.

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Office of the Auditor General  
**Frank J. Mautino**

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

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

We have examined, in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the State of Illinois, Department of Innovation and Technology’s “Description of the State of Illinois, Enterprise Resource Planning System for the IT General Controls and Application Controls” (description) for the State of Illinois, Enterprise Resource Planning System’s information technology general controls and application controls throughout the period from July 1, 2021, through June 30, 2022, and have issued our report thereon under separate cover dated August 3, 2022.

**Internal Control over Reporting**

Management of the State of Illinois, Department of Innovation and Technology is responsible for establishing and maintaining effective internal control over (1) fairly presenting the State of Illinois, Department of Innovation and Technology’s “Description of the State of Illinois, Enterprise Resource Planning System for the IT General Controls and Application Controls” throughout the period from July 1, 2021, through June 30, 2022, and (2) establishing and maintaining effective internal control over the suitable design and operating effectiveness of the controls related to the control objectives within the State of Illinois, Department of Innovation and Technology’s “Description of the State of Illinois, Enterprise Resource Planning System for the IT General Controls and Application Controls” throughout the period from July 1, 2021, through June 30, 2022 (internal control over reporting).

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

Illinois, Enterprise Resource Planning System for the IT General Controls and Application Controls” throughout the period from July 1, 2021, through June 30, 2022, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois, Department of Innovation and Technology’s internal control over reporting. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Department of Innovation and Technology’s internal control over reporting.

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

Our consideration of internal control over reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over reporting that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings as items 2022-001, 2022-002, and 2022-003 that we consider to be material weaknesses.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the State of Illinois, Department of Innovation and Technology’s “Description of the State of Illinois, Enterprise Resource Planning System for the IT General Controls and Application Controls” throughout the period from July 1, 2021, through June 30, 2022, is fairly presented and the controls related to the control objectives in the State of Illinois, Department of Innovation and Technology’s “Description of the State of Illinois, Enterprise Resource Planning System for the IT General Controls and Application Controls” throughout the period from July 1, 2021, through June 30, 2022, were suitably designed and operating effectively, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the State of Illinois, Department of Innovation and Technology’s “Description of the State of Illinois, Enterprise Resource Planning System for the IT General Controls and Application Controls” throughout the period from July 1, 2021, through June 30, 2022. However, providing an opinion on compliance with those provisions was not an objective of our examination and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



## **State of Illinois, Department of Innovation and Technology’s Responses to Findings**

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

### **Purpose of this Report**

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

**SIGNED ORIGINAL ON FILE**

Jane Clark, CPA  
Director of Financial and Compliance Audits

August 3, 2022  
Springfield, Illinois

**SIGNED ORIGINAL ON FILE**

Mary Kathryn Lovejoy, CPA, CISA  
Principal of IS Audits

**STATE OF ILLINOIS  
DEPARTMENT OF INNOVATION AND TECHNOLOGY  
CURRENT FINDINGS - *GOVERNMENT AUDITING STANDARDS*  
For the Year Ended June 30, 2022**

**2022-001**      **Finding**              Inaccurate Description of System

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

The Department provides State agencies with the State’s Enterprise Resource Planning System which is utilized to record their financial transactions. As such, the Department, as a service provider, provides services which are likely relevant to user agencies’ internal control over financial reporting. Therefore, the Department is required to develop an accurate and complete description of system documenting its internal controls over the services provided.

During our examination of the Department’s description of system, we noted it contained inaccuracies. Specifically, we noted:

<b>Control stated in the description of system</b>	<b>Actual control in place</b>
The Department conducts risk assessments for customer agencies.	The Department was to conduct risk assessments for all agencies, boards, and commissions under the Governor.
The Department’s Division of Information Security is responsible for ensuring Department’s compliance with enterprise information security policies.	The Department did not ensure the Department’s compliance with all of the enterprise information security policies.

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

The State of Illinois, Department of Innovation and Technology’s Risk Management Program states the Department is to conduct risk assessments on all agencies, boards, and commissions under the Governor. In addition, the September 16, 2016 Directive from the Governor’s Office states the Department is to conduct an assessment at every agency, board, and commission that reports to the Governor.

The Department indicated the weaknesses were due to oversight.

Failure to provide an accurate description of system resulted in a qualified opinion on the Department’s System and Organization Control Report. Additionally, without an accurate description of system, the user agencies’ internal control over financial reporting may have

unidentified deficiencies and the user agencies' auditors are unable to rely on the internal controls related to the services provided by the Department. (Finding Code No. 2022-001)

**Recommendation**

We recommend the Department review the description of system to ensure it accurately depicts all internal controls over the services provided to user agencies.

**Department Response**

The Department agrees. The Department will review the description of system and make any necessary changes as needed.

**STATE OF ILLINOIS**  
**DEPARTMENT OF INNOVATION AND TECHNOLOGY**  
**CURRENT FINDINGS - *GOVERNMENT AUDITING STANDARDS***  
**For the Year Ended June 30, 2022**

**2022-002**      **Finding**            Controls Were Not Suitably Designed

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

As part of our testing to determine if the controls were suitably designed, we requested the Department provide populations related to:

- New administrator logical access requests; and
- Active Directory access modifications.

However, the Department was unable to provide the populations. As a result of the Department’s inability to provide the populations, we were unable to conduct testing to determine if the controls related to logical access to applications, data, and the environment were restricted to authorized and appropriate users.

Due to this condition, we were unable to conclude the Department’s populations were sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 320.30) to test the operating effectiveness of the control.

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

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

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

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

**Recommendation**

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

**Department Response**

The Department agrees. The Department will review the controls in place to ensure they are effectively designed.

**STATE OF ILLINOIS**  
**DEPARTMENT OF INNOVATION AND TECHNOLOGY**  
**CURRENT FINDINGS - *GOVERNMENT AUDITING STANDARDS***  
**For the Year Ended June 30, 2022**

**2022-003**      **Finding**            Controls Did Not Operate Effectively

The Department of Innovation and Technology (Department) did not ensure its controls over the State’s Enterprise Resource Planning (ERP) System operated effectively. The controls related to the control objectives are stated in the “Description of the State of Illinois’ Enterprise Resource Planning System for the IT General Controls and Application Controls” (description of system), provided by the Department.

During our testing of the controls related to the control objectives stated in the description of system, we noted specific controls which did not operate effectively. Specifically, we noted:

- New employees and contractors did not have a completed service request to request logical access.
- Separated employees and contractors did not have a completed service request in order to remove their logical access, or the service request was completed late.
- Documentation was not provided demonstrating separated employees and contractors’ logical access had been revoked.
- Logical access was not revoked on separated employees and contractors last working day.

This finding was first reported in the Fiscal Year 2020 *Government Auditing Standards* report. The Department has been unsuccessful in implementing a corrective action plan to remediate the deficiencies.

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

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

Failure to ensure controls operated effectively to provide reasonable assurance the control objectives stated in the description were achieved resulted in a qualified opinion on the Department’s System and Organization Control Report related to the State of Illinois, Enterprise Resource Planning System. (Finding Code No. 2022-003, 2021-001, 2020-001)

**Recommendation**

We recommend the Department ensure its controls operate effectively over the services provided to user agencies.

**Department Response**

The Department agrees. The Department will review the controls in place to ensure they are operating effectively.

**STATE OF ILLINOIS  
DEPARTMENT OF INNOVATION AND TECHNOLOGY  
PRIOR YEAR FINDINGS NOT REPEATED  
For the Year Ended June 30, 2022**

All prior year findings were repeated.