

Special Review

**Department of Information Technology
Follow-up Review**

March 2025

Public Notice

In compliance with the requirements of the State Government Article Section 2-1224(i), of the Annotated Code of Maryland, the Office of Legislative Audits has redacted cybersecurity findings and related auditee responses from this public report.



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Office of Legislative Audits

The Warehouse at Camden Yards

351 West Camden Street, Suite 400

Baltimore, Maryland 21201

Phone: 410-946-5900

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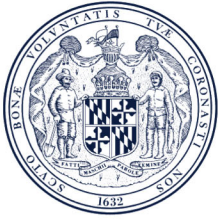
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DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF LEGISLATIVE AUDITS
MARYLAND GENERAL ASSEMBLY

Victoria L. Gruber
Executive Director

Brian S. Tanen, CPA, CFE
Legislative Auditor

March 25, 2025

Senator Shelly L. Hettleman, Senate Chair, Joint Audit and Evaluation Committee
Delegate Jared Solomon, House Chair, Joint Audit and Evaluation Committee
Members of Joint Audit and Evaluation Committee
Annapolis, Maryland

Ladies and Gentlemen:

We have conducted a follow-up review of actions taken by the Department of Information Technology (DoIT) to address the findings in our March 29, 2024 audit report. In that report, we concluded that DoIT's accountability and compliance rating was unsatisfactory.

DoIT provided a status report, as of August 15, 2024, indicating the implementation status of each of the 16 findings as well as its corrective action plan, including timelines and processes to monitor the implementation of the plan. For the 12 non-cybersecurity-related findings, DoIT's status report indicated that all recommendations were fully implemented for 4 findings and that additional corrective actions were required to fully implement some or all of the recommendations for 5 findings. For the remaining 3 non-cybersecurity-related findings, DoIT did not provide a status and advised us that it did not plan to implement the recommendations since it disagreed with the findings.

Based on our assessment of the relative significance of the 16 findings, we performed certain procedures to evaluate the appropriateness of actions taken by DoIT for 10 non-cybersecurity-related findings, including the 4 findings DoIT had reported as being corrected and the 3 findings that DoIT disagreed with and did not provide a status. Our review, which was performed during the period from November 2024 to January 2025, disclosed that DoIT had made progress, but had not resolved some or all of the recommendations in the 10 non-cybersecurity-related findings.

Exhibit 1 identifies DoIT's assessed implementation status for the 12 non-cybersecurity-related findings, according to the status report, as well as the results of our review for 10 non-cybersecurity-related findings. Exhibit 2 describes, in detail, the results of our review of the status of DoIT's efforts to implement the recommendations for the 10 non-cybersecurity-related findings that we determined DoIT had not fully resolved (fully corrected). To obtain a thorough understanding of the audit findings, recommendations, and the follow-up status described in Exhibit 2, the original March 29, 2024 audit report should be consulted due to the technical nature of some of these findings.

Appendix A includes DoIT's status report as of August 15, 2024. DoIT's response to our assessment of the status is included in Appendix B. Consistent with State law, we have redacted any cybersecurity-related elements in these appendices.

DoIT's response notes pervasive disagreement with our conclusions and several assertions that our comments were factually inaccurate. We reviewed DoIT's responses and stand by the facts presented in Exhibit 2 which were factually accurate based upon documentation DoIT was able to provide during our fieldwork.

The status of all of the audit findings will be subject to review during our next audit of DoIT. Furthermore, DoIT will be required to submit quarterly status reports to this Office for all 16 findings as required by State Government Article, Section 2-1224 of the Annotated Code of Maryland. We wish to acknowledge the cooperation extended to us during the review by DoIT.

Respectfully submitted,

Brian S. Tanen

Brian S. Tanen, CPA, CFE
Legislative Auditor

Exhibit 1

Implementation Status of Findings in the March 2024 DoIT Audit Report

Prior Finding	Status as Determined by DoIT as of August 2024 ¹	Status Based on Auditor's Review
Major Information Technology Development Projects (MITDPs) <ol style="list-style-type: none"> (Policy Issue) The Department of Information Technology (DoIT) should assume greater oversight responsibility to ensure that MITDPs were completed on time and on budget. DoIT did not effectively monitor MITDPs to ensure they were on budget and on schedule and that changes to the scope and cost of the project were appropriate. DoIT did not have an effective process to evaluate oversight project managers (OPMs) hired through vendors to oversee MITDPs. DoIT could not support cost data and conclusions included in its annual report submitted to the Governor, Department of Budget and Management, and General Assembly; and did not always include changes in schedule, cost, and other identified problems with MITDPs, as required by State law. MD THINK <ol style="list-style-type: none"> DoIT could not adequately explain or justify the increase in MD THINK costs from the initial \$166.4 million to \$588.8 million and delays in the system implementation, which as of November 2023 was estimated to be approximately three years behind the initial project completion date. DoIT did not ensure that Independent Verification and Validation assessments findings were resolved timely by the Department of Human Services and the MD THINK Executive Committee. 	In Progress	In Progress (see Exhibit 2)
	Corrected	In Progress (see Exhibit 2)
	Corrected	In Progress (see Exhibit 2)
	Corrected	In Progress (see Exhibit 2)
	Not Provided ²	In Progress (see Exhibit 2)
	Not Provided ²	In Progress (see Exhibit 2)

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¹ DoIT's implementation status for each finding is based upon DoIT's status report, as of August 15, 2024, as shown in Appendix A.

² DoIT did not provide a current status for the finding. See additional comments in Exhibit 2.

Exhibit 1

Implementation Status of Findings in the March 2024 DoIT Audit Report

Prior Finding	Status as Determined by DoIT as of August 2024 ³	Status Based on Auditor's Review
<i>eMaryland Marketplace Advantage (eMMA)</i>		
7. DoIT did not provide effective oversight during the development and implementation of <i>eMMA</i> resulting in significant delays and changes to the cost and scope of the project.	Not Provided ⁴	In Progress (see Exhibit 2)
networkMaryland		
8. (Policy Issue) DoIT used the networkMaryland contract to award significant work unrelated to networkMaryland without considering a competitive procurement process.	Not Provided/In Progress ⁵	In Progress (see Exhibit 2)
9. DoIT did not adequately monitor work orders for agency staff augmentation services under the networkMaryland contract and documentation of certain work orders could not be provided.	In Progress	In Progress (see Exhibit 2)
10. DoIT issued work orders to the networkMaryland vendor for cybersecurity remediation services totaling approximately \$25 million that were not sufficiently detailed and did not adequately ensure that all \$11.5 million invoiced by the vendor was related to work performed on behalf of DoIT work orders.	Corrected	In Progress (see Exhibit 2)
Information Systems Security and Control and Enterprise Services⁶		
11. Redacted cybersecurity-related finding.	Status Redacted	Status Redacted
12. Redacted cybersecurity-related finding.	Status Redacted	Status Redacted
13. Redacted cybersecurity-related finding.	Status Redacted	Status Redacted

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³ DoIT's implementation status for each finding is based upon DoIT's status report, as of August 15, 2024, as shown in Appendix A.

⁴ DoIT did not provide a current status for the finding. See additional comments in Exhibit 2.

⁵ DoIT's status did not provide a response for recommendation a and b and indicated recommendation c was in progress.

⁶ Specific information related to cybersecurity-related findings 11 through 14 have been redacted for the publicly available report in accordance with State Government Article, Section 2-1224(i) of the Annotated Code of Maryland.

Exhibit 1
Implementation Status of Findings in the March 2024
DoIT Audit Report

Prior Finding	Status as Determined by DoIT as of August 2024 ⁷	Status Based on Auditor's Review
14. Redacted cybersecurity-related finding.	Status Redacted	Status Redacted
Enterprise Technology Support Services (ETSS)		
15. DoIT did not have formal written agreements with 57 of the 130 State and local entities receiving ETSS and did not recover \$4.8 million from nine entities with agreements for services provided.	In Progress	N/A
Equipment		
16. DoIT did not adequately control its equipment inventory and did not maintain accurate detail records.	In Progress	N/A
Page 3 of 3		

N/A – Not applicable since we did not review the implementation status of this finding.

⁷ DoIT's implementation status for each finding is based upon DoIT's status report, as of August 15, 2024, as shown in Appendix A.

Exhibit 2
Detailed Comments on the March 2024 Audit Report Findings
for Which the Office of Legislative Audits Deemed the
Implementation Status to be “In Progress”

Major Information Technology Development Projects (MITDPs)

Prior Finding 1 (Policy Issue)

The Department of Information Technology (DoIT) should assume greater oversight responsibility to ensure that MITDPs were completed on time and on budget.

Prior Report Recommendation 1

We recommended that DoIT take the necessary steps to establish adequate safeguards to ensure the successful implementation of MITDPs, especially when delegating key aspects of MITDP oversight. For example, DoIT should verify that State agencies have appropriate qualified personnel with sufficient technical knowledge, assist with MITDP contract procurements and subsequent contract modifications, and periodically review MITDP expenditures for compliance with contract terms.

Status as Determined by DoIT – In Progress

Office of Legislative Audits (OLA) Assessment of Status – In Progress

DoIT did not fully implement the recommendation. In response to our recommendation, DoIT enhanced agency monthly status updates presented to DoIT to include detailed information and risks for all MITDPs and help identify projects that require DoIT’s intervention. However, our review disclosed that DoIT did not develop a process to verify that State agencies have appropriate qualified personnel with sufficient technical knowledge and did not establish a process to review MITDP expenditures for compliance with contract terms.

In regard to assisting with MITDP contract procurements and subsequent contract modifications, DoIT advised that it now requires State agencies to obtain approval from DoIT’s procurement officers for all information technology (IT) services, including contracts related to MITDPs. However, our review disclosed that the employees approving these contracts were not the employees responsible for monitoring these projects. As a result, there was a lack of assurance that the contracts were appropriate for the successful implementation of MITDPs.

Prior Finding 2

DoIT did not effectively monitor MITDPs to ensure they were on budget and on schedule and that changes to the scope and cost of the project were appropriate.

Prior Report Recommendation 2

We recommended that DoIT

- a. ensure annual Information Technology Project Requests (ITPRs) are submitted by State agencies, and that DoIT reviews and approves them prior to submitting it to the Department of Budget and Management (DBM) and the Department of Legislative Services for budget analysis purposes (repeat);
- b. review the methodology and basis for estimated costs and schedules on ITPRs to ensure these estimates appear reasonable and are supported;
- c. obtain and review explanations for significant changes, such as increases in project costs;
- d. require the oversight project managers (OPMs) to ensure monthly health assessments are provided by State agencies, verify the accuracy of information reported, and provide justifications for the risk ratings (repeat); and
- e. review and approve changes in scope, cost, and schedule, as required by its policy.

Status as Determined by DoIT – Corrected**OLA Assessment of Status – In Progress**

DoIT implemented recommendation a, but did not fully implement recommendations b and d, and did not make any progress on recommendations c and e. Specifically, our review disclosed the following:

For recommendation b, our test of five Information Technology Project Requests (ITPRs)⁸ with an estimated project cost totaling \$452 million, disclosed that DoIT did not review three projects, with estimated project costs totaling \$67 million, for the methodology and basis for estimated costs and schedules to ensure these estimates appeared reasonable and are supported.

For recommendation c, our test of two of the aforementioned projects⁹ for which the estimated project costs increased by \$82 million from the preceding year

⁸ The five ITPRs we tested were *eMaryland Marketplace Advantage (eMMA)*, Child Support Management System (CSMS), Child, Juvenile, and Adult Management Application (CJAMS), Eligibility and Enrollment (E&E), and Financial Management Information System Modernization (FMIS).

⁹ The two MITDPs we tested were FMIS and *eMMA*.

disclosed that DoIT did not obtain and review explanations for significant increases.

For recommendation d, in June 2024 DoIT developed written guidance for evaluating monthly health assessments. However, this guidance only provides instructions on how to rate the project, it did not indicate the actions DoIT should take if monthly health assessments are not submitted or if DoIT cannot verify the accuracy of information reported. Our test of monthly health assessments for four MITDPs¹⁰ for the period between July and November 2024, disclosed that DoIT did not receive any health assessments for three MITDPs administered by the Department of Human Services (DHS) totaling \$67 million. In January 2025, DoIT advised that DHS and the project teams have been unresponsive. However, DoIT did not take any corrective action, such as restricting funding, as its policy did not include guidance for non-compliant agencies.

For recommendation e, our aforementioned test of the two MITDPs with price increases disclosed that DoIT did not review and approve changes in scope, cost, and schedule, as required by its policy.

Prior Finding 3

DoIT did not have an effective process to evaluate OPMs hired through vendors to oversee MITDPs.

Prior Report Recommendation 3

We recommended that DoIT

- a. ensure performance evaluations adequately demonstrate that OPMs were satisfactorily performing their job duties (such as including specific comments that justify the ratings) and meeting expectations;
- b. develop written definitions and criteria, similar to DBM *Performance Planning and Evaluation Program Guidelines* noted above, that define each performance area and rating category to ensure evaluations are an effective tool to monitor the OPMs in an observable, measurable, and objective manner; and
- c. retain the performance evaluations and take corrective action when OPMs performance is unsatisfactory.

Status as Determined by DoIT – Corrected

¹⁰ We tested three MITDPs administered by DHS (CSMS, CJAMS, E&E), and one administered by the Comptroller of Maryland (FMIS Modernization).

OLA Assessment of Status – In Progress

DoIT implemented recommendations b and c, but did not fully implement recommendation a. While DoIT enhanced the performance evaluation form to include detailed questions about job performance, they did not adequately document OPMs¹¹ were satisfactorily performing their job duties and meeting expectations. Specifically, our test of 15 performance evaluations for 5 OPMs in calendar year 2024 disclosed that none had any comments by the DoIT supervisor to justify the rating.

Prior Finding 4

DoIT could not support cost data and conclusions included in its annual report submitted to the Governor, DBM, and General Assembly; and did not always include changes in schedule, cost, and other identified problems with MITDPs, as required by State law.

Prior Report Recommendation 4

We recommended that DoIT

- a. ensure that its annual reports include accurate estimated costs to complete (repeat) and retain documentation to support the amounts reported; and
- b. accurately report known or anticipated changes in schedule, cost, and scope and provide a summary of problems identified by an external review, as required by State law.

Status as Determined by DoIT – Corrected

OLA Assessment of Status – In Progress

DoIT did not fully implement the recommendations. Specifically, our review of four MITDPs¹² in the fiscal year 2024 annual report disclosed the following:

For recommendation a, DoIT was unable to provide documentation to support the estimated costs to complete reported in its annual report for two projects totaling \$341.3 million.

For recommendation b, while DoIT accurately reported known or anticipated changes in schedule, cost, and scope, it did not always provide a summary of problems identified by an external review. Specifically, one annual report did not include 5 high risk issues included in an April 2024 Independent Verification and

¹¹ Subsequent to our March 2024 audit, DoIT changed the name of OPMs to Oversight Administrators (OAs).

¹² The four MITDPs we reviewed were MD THINK, Medicaid Management Information System II, *eMMA*, and FMIS Modernization.

Validation (IV&V) assessment for the MD THINK project, which as of December 2024, had remained open from 8 to 37 months.

MD THINK

Prior Finding 5

DoIT could not adequately explain or justify the increase in MD THINK costs from the initial \$166.4 million to \$588.8 million and delays in the system implementation, which as of November 2023 was estimated to be approximately three years behind the initial project completion date.

Prior Report Recommendation 5

We recommended that DoIT, in accordance with State law, and in conjunction with the MD THINK Executive Committee,

- a. monitor the project to ensure that costs, functionality, and delivery dates are consistent with the terms of the contracts or adequately justified if significant variances are necessary; and
- b. ensure the project is fully implemented or take immediate corrective actions.

Status as Determined by DoIT – Status Not Provided

OLA Assessment of Status – In Progress

DoIT did not make any progress on recommendation a and did not fully implement recommendation b.

For recommendation a, DoIT did not monitor the project to ensure that costs, functionality, and delivery dates are consistent with the terms of the contracts or adequately justified if significant variances are necessary. For example, DoIT could not provide an explanation for the increase in MD THINK costs which increased by \$138.7 million (24 percent) since the fiscal year 2022 annual report. DoIT also did not provide an explanation for why the completion date for the project was not consistent with the terms of the contracts.

In response to recommendation b, in fiscal year 2025, DoIT closed the MD THINK project and created three separate MITDPs.¹³ These MITDPs represent the three major systems that are hosted on the MD THINK platform. We were advised that DoIT is still assessing these projects to determine if development is complete as all three systems have been in operation since September 2022.

¹³ The three MITDPs that replaced the MD THINK project are: CJAMS, E&E; and CSMS.

Despite the ongoing assessment, in September 2024, DoIT approved an additional \$67.1 million for further development on these projects.

Prior Finding 6

DoIT did not ensure that IV&V findings were resolved timely by DHS and the MD THINK Executive Committee.

Prior Report Recommendation 6

We recommended that DoIT ensure critical findings from IV&V project assessment reports for MD THINK are resolved timely, including those noted above.

Status as Determined by DoIT – Status Not Provided

OLA Assessment of Status – In Progress

DoIT advised us that it continues to disagree with the recommendation as it does not believe it has statutory authority to ensure DHS timely resolves IV&V findings. Despite this disagreement, DoIT reported that it ensures that IV&V findings are communicated and continuously reviews IV&V results and implementation of recommended actions to assess project changes and continuation.

According to the most recent IV&V assessment, which was completed in April 2024, 17 of 269 issues were open, including 5 high-risk issues that as of December 2024, had remained open from 8 to 37 months. This is an improvement from the results in our March 2024 report, which noted that as of May 2022, 33 of 251 issues were considered open, including 15 high-risk issues, 14 of which had remained open from 3 to 27 months. DoIT needs to continue to work with the agencies to ensure IV&V findings are resolved timely, including the aforementioned 5 long-standing high-risk issues.

eMaryland Marketplace Advantage (eMMA)

Prior Finding 7

DoIT did not provide effective oversight during the development and implementation of *eMMA* resulting in significant delays and changes to the cost and scope of the project.

Prior Report Recommendation 7

We recommended that DoIT provide significant oversight and direction over *eMMA*. In particular DoIT should ensure

- a. *eMMA* is completed in accordance with the most recently approved schedule and budget;
- b. issues identified by the monthly health assessments and the IV&Vs are resolved, including developing an overall project schedule with defined tasks and a standardized method of tracking percentage of completion is used; and
- c. based on its own IT project expertise, proactively identify other actions intended to encourage vendor resolution of the current *eMMA* issues and ensure the Department of General Services (DGS) complies with the terms of its contract.

Status as Determined by DoIT – Status Not Provided

OLA Assessment of Status – In Progress

DoIT advised us that it continues to disagree with the recommendations to provide oversight and direction for the *eMMA* project, as it does not believe it has statutory authority to provide significant oversight and direction. Despite this position, DoIT advised us that in March 2023, it paused the development of *eMMA*. In addition, in April 2024, DoIT officially placed the project on hold and is working with the DGS to determine the next steps.

networkMaryland

Prior Finding 8

DoIT used the networkMaryland contract to award significant work unrelated to networkMaryland without considering a competitive procurement process.

Prior Report Recommendation 8

We recommended that DoIT

- a. modify the networkMaryland contract to clearly define the scope and extent of all services provided;
- b. obtain retroactive approval from the Board of Public Works (BPW) for the current staff augmentation and cybersecurity remediation work orders;
- c. for any additional work and in the spirit of its counsel's legal advice, solicit secondary competition amongst approved CATS+ contractors for staff augmentation and cybersecurity remediation services to maximize competition and help ensure it receives the most advantageous contract terms.

Status as Determined by DoIT – Status Not Provided for recommendations a and b and In Progress for recommendation c

OLA Assessment of Status – In Progress

DoIT implemented recommendation c, but did not make any progress on recommendations a and b. DoIT continues to disagree with recommendations a and b, and does not plan to implement either recommendation. Although DoIT stated that its contract has been evaluated by its Assistant Attorney General (AAG), we determined that the services identified in the March 2024 audit report were outside the scope of the contract. Specifically, DoIT did not modify the networkMaryland contract to clearly define the scope and extent of all services provided. Since the issuance of our report in March 2024, DoIT had not issued any cybersecurity remediation work orders and issued one staff augmentation work order totaling \$316,680. Our review further disclosed that DoIT did not obtain retroactive approval from BPW for staff augmentation and cybersecurity remediation work orders.

Prior Finding 9

DoIT did not adequately monitor work orders for agency staff augmentation services under the networkMaryland contract and documentation of certain work orders could not be provided.

Prior Report Recommendation 9

We recommended that DoIT

- a. ensure labor hours billed for staff augmentation work orders for other State agencies are accurate prior to approving invoices for payment,
- b. ensure approved work order documentation is maintained, and
- c. ensure subcontractors are approved and qualified.

Status as Determined by DoIT – In Progress

OLA Assessment of Status – In Progress

DoIT implemented recommendations a and b, but did not fully implement recommendation c. Specifically, DoIT established a process to identify subcontractors associated with the networkMaryland contract and ensure they are qualified. However, as of December 2024, DoIT advised it was still in the process of identifying subcontractors currently being used for this contract.

Prior Finding 10

DoIT issued work orders to the networkMaryland vendor for cybersecurity remediation services totaling approximately \$25 million that were not sufficiently detailed and did not adequately ensure that all \$11.5 million invoiced by the vendor was related to work performed on behalf of DoIT work orders.

Prior Report Recommendation 10

We recommended that DoIT

- a. ensure all future cybersecurity remediation work orders and deliverables are clearly defined and estimated costs correlate to deliverables;
- b. ensure labor hours billed are accurate for work completed and properly supported; and
- c. in conjunction with legal counsel, consider the recovery of funds previously paid for inadequate work product, to the extent practicable.

Status as Determined by DoIT – Corrected

OLA Assessment of Status – In Progress

DoIT did not fully implement recommendations a and b and did not make any progress on recommendation c.

In regard to recommendation a and b, in May 2023, DoIT ceased cybersecurity related work with its networkMaryland contractor in order to develop clearer specifications and defined deliverables. As of November 2024, DoIT was in the process of procuring a cybersecurity assessment and remediation contract and has not approved any additional cybersecurity remediation work orders.

In regard to recommendation c, DoIT did not work with its legal counsel to consider the recovery of funds previously paid for an inadequate work product.

Scope, Objectives, and Methodology

We conducted a follow-up review of the actions taken by the Department of Information Technology (DoIT) to address the findings in our March 29, 2024 audit report. In that report, we concluded that DoIT's fiscal accountability and compliance rating was unsatisfactory.

The purpose of our review was to determine the status of DoIT's corrective actions to address certain of our audit findings and recommendations. As customary, our review did not include all prior report findings and recommendations, but a number judgmentally selected based on our assessment of significance. This review was conducted under the authority of Section 2-1220(a)(4) of the State Government Article of the Annotated Code of Maryland and was based on our long-standing practice of performing a follow-up review whenever an agency receives an unsatisfactory rating in its fiscal compliance audit report. The rating system was established, in accordance with State Government Article, Section 2-1221, of the Annotated Code of Maryland, for the purpose of determining an overall evaluation of an agency's fiscal accountability and compliance with State laws and regulations.

Our review consisted of obtaining a status report from DoIT as of August 15, 2024, which described the level of implementation of each prior audit report finding, as well as obtaining additional clarifications from DoIT of the actions taken to resolve the selected findings. Our review also consisted of performing tests and analyses of certain information and holding discussions with DoIT personnel, as we deemed necessary, to determine the status of DoIT's corrective actions to address the selected findings, including the related recommendations, from our March 29, 2024 audit report.

State Government Article Section 2-1224(i) requires that we redact in a manner consistent with auditing best practices any cybersecurity findings before a report is made available to the public. This results in the issuance of two different versions of a report that contains cybersecurity findings – a redacted version for the public and an unredacted version for government officials responsible for acting on our audit recommendations.

The State Finance and Procurement Article, Section 3A-301(b), states that cybersecurity is defined as “processes or capabilities wherein systems, communications, and information are protected and defended against damage, unauthorized use or modification, and exploitation”. Based on that definition, and in our professional judgment, we concluded that findings in this report fall under that definition. Consequently, for the publicly available report all specifics as to

the nature of the cybersecurity findings and required corrective actions have been redacted. We have determined that such aforementioned practices, and government auditing standards, support the redaction of this information from the public report. The specifics of the cybersecurity findings have been communicated to DoIT and those parties responsible for acting on our recommendations in an unredacted report.

This review did not constitute an audit conducted in accordance with generally accepted government auditing standards. Had we conducted an audit in accordance with generally accepted government auditing standards, other matters may have come to our attention that would have been reported.

Our review was conducted primarily during the period from November 2024 to January 2025, and our assessment of the status of DoIT's corrective actions was performed at the time of our review.

DoIT's response to our follow-up review is included as an appendix to this report. Depending on the version of the report, responses to any cybersecurity findings may be redacted in accordance with State law. As prescribed in the State Government Article, Section 2-1224 of the Annotated Code of Maryland, we will advise DoIT regarding the results of our review of its response.

APPENDIX A

Department of Information Technology (DoIT) – Report Dated March 29, 2024 Status as of August 15, 2024

Finding / Recommendation	Current Status	Actions Taken / To Be Taken to Address the Recommendation	Estimated Completion Date	Primary Contact Information ¹⁴
Major Information Technology Development Projects (MITDPs)				
Finding 1 – (Policy Issue) DoIT should assume greater oversight responsibility to ensure that MITDPs were completed on time and on budget.				
We recommend that DoIT take the necessary steps to establish adequate safeguards to ensure the successful implementation of MITDPs, especially when delegating key aspects of MITDP oversight. For example, DoIT should verify that State agencies have appropriate qualified personnel with sufficient technical knowledge, assist with MITDP contract procurements and subsequent contract modifications, and periodically review MITDP expenditures for compliance with contract terms.	In Progress	<p>To date, DoIT has taken the following corrective actions:</p> <ul style="list-style-type: none">● Restarted monthly health check meetings with DoIT leadership in January 2024● Hired a new Senior Director of Strategic Investments in June 2024● Implemented regular status updates to leadership of MITDP-owning agencies with specific needed actions in June 2024 <p>Based on the learnings from these mitigations, and the new leadership team, DoIT is undertaking a broader effort to restructure DoIT's oversight processes, including providing enhanced communication of projects' status, to help MITDPs deliver their intended value and use state funds responsibly.</p> <p>DoIT is continuing to pursue legislation to give DoIT more authority and resources to validate technical skills of agency personnel.</p>	12/31/25	

¹⁴ Auditor's Comment – Contact Information has been removed.

APPENDIX A

Department of Information Technology (DoIT) – Report Dated March 29, 2024 Status as of August 15, 2024

Finding / Recommendation	Current Status	Actions Taken / To Be Taken to Address the Recommendation	Estimated Completion Date	Primary Contact Information¹⁴
Finding 2 – DoIT did not effectively monitor MITDPs to ensure they were on budget and on schedule and that changes to the scope and cost of the project were appropriate.				
We recommend that DoIT a. ensure annual ITPRs are submitted by State agencies, and that DoIT reviews and approves them prior to submitting it to DBM and DLS for budget analysis purposes (repeat);	Complete	The current process allows for DoIT review and approval of annual ITPRs to be performed in a timely manner, as long as State agencies are submitting these reports on time, prior to DBM and DLS reviews for budget analysis purposes. DoIT is also pursuing legislation to give DoIT more authority to hold agencies accountable when they do not meet oversight requirements, as defined and set forth in DoIT policy and procedures, including missing deadlines.	Complete as of 06/30/24	
b. review the methodology and basis for estimated costs and schedules on ITPRs to ensure these estimates appear reasonable and are supported;	Complete	The estimated costs submitted by agencies on their ITPRs are validated as much as possible by comparing the estimates to the projects' contracts and known ongoing expenses. Projects are required to share their contracts and invoices with DoIT on an ongoing basis to enable this analysis.	Complete as of 06/30/24	
c. obtain and review explanations for significant changes, such as increases in project costs;	Complete	DoIT has a defined process for reviewing and approving any substantial project changes, including to scope, cost, or timeline, when informed of those changes by agencies.	Complete as of 06/30/24	

¹⁴ Auditor's Comment – Contact Information has been removed.

APPENDIX A

Department of Information Technology (DoIT) – Report Dated March 29, 2024 Status as of August 15, 2024

Finding / Recommendation	Current Status	Actions Taken / To Be Taken to Address the Recommendation	Estimated Completion Date	Primary Contact Information ¹⁴
d. require the OPMs to ensure monthly health assessments are provided by State agencies, verify the accuracy of information reported, and provide justifications for the risk ratings (repeat); and	Complete	The monthly health assessment process has been enhanced to provide a green / yellow / red rating on defined criteria. Additionally, OAs are independently providing an assessment of the rating to ensure the information provided by agencies is justified and accurate to our knowledge. These changes were implemented in spring 2024.	Complete as of 06/30/24	
e. review and approve changes in scope, cost, and schedule, as required by its policy.	Complete	See 2(c)	Complete as of 06/30/24	
Finding 3 – DoIT did not have an effective process to evaluate oversight project managers (OPMs) hired through vendors to oversee MITDPs.				
We recommend that DoIT a. ensure performance evaluations adequately demonstrate that OPMs were satisfactorily performing their job duties (such as including specific comments that justify the ratings) and meeting expectations; b. develop written definitions and criteria, similar to DBM Guidelines noted above, that define each performance area and rating category to ensure evaluations are an effective tool to monitor the OPMs in an observable, measurable, and	Complete	A new OA (previously OPM) performance management program was implemented as of March 2024. This program was modeled after the State's Performance Evaluation Program. Quarterly evaluations now include: <ul style="list-style-type: none">Assessment of each OA's performance of their critical job duties, which have been defined and documentedAssessment of each OA's performance against certain behavioral elements, which have likewise been defined and documented These quarterly assessments are retained to measure performance over time.	Complete as of 04/30/24	

¹⁴ Auditor's Comment – Contact Information has been removed.

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objective manner; and c. retain the performance evaluations and take corrective action when OPMs performance is unsatisfactory.		Unsatisfactory performance results in corrective action up to and including termination of the contractor.		
Finding 4 – DoIT could not support cost data and conclusions included in its annual report submitted to the Governor, DBM, and General Assembly; and did not always include changes in schedule, cost, and other identified problems with MITDPs, as required by State law.				
We recommend that DoIT a. ensure that its annual reports include accurate estimated costs to complete (repeat) and retain documentation to support the amounts reported; and	Complete	<p>DoIT has implemented new review steps of mid-year and end-of-year reports to ensure that they reflect the latest information DoIT has received on projects.</p> <p>DoIT has taken the following corrective actions:</p> <ul style="list-style-type: none">• Require agencies to include expenditure data in monthly health checks• DoIT implemented a monthly review of FMIS GENT reports of MITDP expenditures to the agency reported amounts <p>These new procedures help to ensure actual costs incurred are reported correctly. This, along with additional enhancements to processes, as noted in response to Finding 2, help ensure estimated costs to complete projects are as accurate as reasonably possible.</p> <p>All information used to develop and that support information in the annual report will be retained for future reference. In the future, much of this information will be stored in the new PMIS.</p>	Complete	

¹⁴ Auditor's Comment – Contact Information has been removed.

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b. accurately report known or anticipated changes in schedule, cost, and scope and provide a summary of problems identified by an external review, as required by State law.	Complete	DoIT will continue to report all changes in schedule, cost, and scope of projects as conveyed by agencies through our defined policy. In addition, we will continue to report on the findings of all external reviews.	Complete	
Finding 5 – DoIT could not adequately explain or justify the increase in MD THINK costs from the initial \$166.4 million to \$588.8 million and delays in the system implementation, which as of November 2023 was estimated to be approximately three years behind the initial project completion date.				
We recommend that DoIT, in accordance with State law, and in conjunction with the MD THINK Executive Committee, a. monitor the project to ensure that costs, functionality, and delivery dates are consistent with the terms of the contracts or adequately justified if significant variances are necessary; and b. ensure the project is fully implemented or take immediate corrective actions.	N/A	DoIT has implemented actions noted in the responses provided for Finding 1 and Finding 2. Additionally, regular, standing meetings between DoIT Secretary and MD THINK Executive Director are held to ensure transparency, open communication, and to determine best next steps	N/A	
Finding 6 – DoIT did not ensure that Independent Verification and Validation assessments (IV&V) findings were resolved timely by DHS and the MD THINK Executive Committee.				
We recommend that DoIT ensure critical findings from IV&V project assessment reports for MD THINK are resolved timely, including those noted above.	N/A	DoIT ensures that IV&V findings are communicated and continuously reviews IV&V results and implementation of recommended actions to assess project changes and continuation per policy.	N/A	

¹⁴ Auditor's Comment – Contact Information has been removed.

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Finding / Recommendation	Current Status	Actions Taken / To Be Taken to Address the Recommendation	Estimated Completion Date	Primary Contact Information ¹⁴
<i>eMaryland Marketplace Advantage</i>				
Finding 7 – DoIT did not provide effective oversight during the development and implementation of <i>eMMA</i> resulting in significant delays and changes to the cost and scope of the project.				
<p>We recommend that DoIT provide significant oversight and direction over <i>eMMA</i>. In particular, DoIT should ensure</p> <ul style="list-style-type: none"> a. <i>eMMA</i> is completed in accordance with the most recently approved schedule and budget; b. issues identified by the monthly health assessments and the IV&Vs are resolved, including developing an overall project schedule with defined tasks and a standardized method of tracking percentage of completion is used; and c. based on its own IT project expertise, proactively identify other actions intended to encourage vendor resolution of the current <i>eMMA</i> issues and ensure DGS complies with the terms of its contract. 	N/A	DoIT has implemented actions noted in the responses provided for Finding 1 and Finding 2. Additionally, regular, standing meetings between DoIT and DGS Executive leadership are held to ensure transparency, open communication, and to determine best next steps.	N/A	
networkMaryland				
Finding 8 (policy Issue) – DoIT used the networkMaryland contract to award significant work unrelated to networkMaryland without considering a competitive procurement process.				
We recommend that DoIT				

¹⁴ Auditor's Comment – Contact Information has been removed.

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Finding / Recommendation	Current Status	Actions Taken / To Be Taken to Address the Recommendation	Estimated Completion Date	Primary Contact Information ¹⁴
a. modify the networkMaryland contract to clearly define the scope and extent of all services provided;	N/A	DoIT disagreed with this recommendation. The Network Managed Services contract (“networkMaryland”) clearly defines the scope and extent of all services provided. None of the work orders issued off the contract were considered out of scope. This has been evaluated by DoIT’s AAG.	N/A	
b. obtain retroactive approval from BPW for the current staff augmentation and cybersecurity remediation work orders; and	N/A	DoIT disagreed with this recommendation. Retroactive approval from BPW for the current staff augmentation and cybersecurity remediation work orders issued off of the NMS contract is not required by law or BPW regulations, as none of the work orders issued off the contract were considered out of scope. Furthermore, when the ceiling modification for the NMS contract was submitted and approved by the BPW in June 2023, the justification for the ceiling increase included the cyber remediation and MDH cyber incident response	N/A	
c. or any additional work and in the spirit of its counsel’s legal advice, solicit secondary competition amongst approved CATS+ contractors for staff augmentation and cybersecurity remediation services to maximize competition and help ensure it receives the most advantageous contract terms.	In Progress	To maximize competition and ensure the State receives the most advantageous contract terms, an assessment was done of all work orders issued under the networkMaryland contract to determine if the work order services should be procured as a separate, stand alone contract or if there was an existing statewide contract that appeared to be a better fit for the services being provided for under the work order. A plan was established to transition each work order identified, effective July 1, 2024, to either a new stand alone contract or under a different statewide contract. All new work orders requested under the networkMaryland contract are evaluated using this criteria to determine the best solution for the State in procuring services needed. Additionally, all work	10/31/2024	

¹⁴ Auditor’s Comment – Contact Information has been removed.

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		orders issued under the networkMaryland contract will be reviewed and reevaluated to ensure they are within scope and that it is in the State's best interest to continue services under the networkMaryland contract. The Request for Proposal (RFP) for both cybersecurity assessments and remediation activities is currently in evaluation. Anticipated award is October 2024.		
Finding 9 – DoIT did not adequately monitor work orders for agency staff augmentation services under the networkMaryland contract and documentation of certain work orders could not be provided.				
We recommend that DoIT				
a. ensure labor hours billed for staff augmentation work orders for other State agencies are accurate prior to approving invoices for payment,	Complete	Effective July 1, 2023, DoIT implemented a new procedure. While work orders issued under the networkMaryland contract still require appropriate DoIT approval, agencies receiving the services will issue the related purchase orders (referencing the prime contract). Thus, all invoices related to work orders for other State agencies are now reviewed, approved and processed by the respective agencies. Since they are directly receiving services, it is their responsibility to ensure labor hours billed for staff augmentation are accurate prior to approving invoices for payment.	Completed	
b. ensure approved work order documentation is maintained, and	Complete	DoIT has put a dedicated contract manager in place for the networkMaryland contract, who put procedures in place July 2024 to ensure that approved work order documentation is maintained. Work Orders are requested through the DoIT Intake process. A weekly meeting with DoIT legal and appropriate contract managers is held to discuss	Completed	

¹⁴ Auditor's Comment – Contact Information has been removed.

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		approval of such requests. Items discussed and action taken (i.e., approvals) are documented for each meeting		
c. ensure subcontractors are approved and qualified.	In Progress	DoIT has put a dedicated contract manager in place for this contract, who is finalizing procedures to ensure that all subcontractors are approved and qualified per the terms of the contract.	09/30/24	
Finding 10 – DoIT issued work orders to the networkMaryland vendor for cybersecurity remediation services totaling approximately \$25 million that were not sufficiently detailed and did not adequately ensure that all \$11.5 million invoiced by the vendor was related to work performed on behalf of DoIT work orders.				
We recommend that DoIT				
a. ensure all future cybersecurity remediation work orders and deliverables are clearly defined and estimated costs correlate to deliverables;	Complete	All cybersecurity remediation work orders and deliverables will be clearly defined under the new contract, and with estimated costs correlated to deliverables. The contract manager for the new contract will approve all work orders to verify this.	Completed	
b. ensure labor hours billed are accurate for work completed and properly supported; and	Complete	For all contracts, DoIT ensures that labor hours billed are accurate for work completed and properly supported. All work orders require clearly defined specifications and deliverables, reviewed by DoIT stakeholders, which will help to ensure that the appropriate level of detail is provided related to work performed by contractor staff.	Completed	
c. in conjunction with legal counsel, consider the recovery of funds previously paid for inadequate work product, to the extent practicable.	Complete	No further action is required to be taken, as DoIT is not aware of inadequate work products received as related to the work orders referenced in the auditor’s analysis. All work/deliverables were previously reviewed and approved by DoIT Executive leadership.	Completed	

¹⁴ Auditor's Comment – Contact Information has been removed.

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Information Systems Security and Control and Enterprise Services The Office of Legislative Audits (OLA) has determined that the Information Systems Security and Control and Enterprise Services section, including Findings 11 through 14 related to “cybersecurity,” as defined by the State Finance and Procurement Article, Section 3.5-301(b) of the Annotated Code of Maryland, and therefore are subject to redaction from the publicly available report in accordance with the State Government Article 2-1224(i).				
Finding 11 Redacted cybersecurity-related finding.				
Finding 12 Redacted cybersecurity-related finding.				
Finding 13 Redacted cybersecurity-related finding.				
Finding 14 Redacted cybersecurity-related finding.				
Enterprise Technology Support Services (ETSS)				
Finding 15 – DoIT did not have formal written agreements with 57 of the 130 State and local entities receiving ETSS and did not recover \$4.8 million from nine entities with agreements for services provided.				
We recommend that DoIT				
a. enter into formal MOUs with all agencies for which it provides ETSS. The MOU should clarify DoIT and agency responsibilities, specific services to be provided by each, and a mechanism to provide for the cost of these services (repeat); and	In Progress	DoIT has created a revised enterprise services MOU, that addresses the areas noted by the auditors, and is in the process of getting signatures from all 80 units of government that have a legislative appropriation for DoIT services. To date, DoIT has signatures from 44 out of the 80 agreements.	09/30/24	
b. ensure amounts due from agencies are timely recovered, including those noted above.	Complete	DoIT Fiscal has implemented policies relating to outstanding accounts receivable to provide for appropriate escalation of past due balances to enforce the timely recovery of accounts receivables. To date, DoIT has \$373K in outstanding receivables that are over 90 days past due.	Complete	

¹⁴ Auditor’s Comment – Contact Information has been removed.

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Equipment				
Finding 16 – DoIT did not adequately control its equipment inventory and did not maintain accurate detail records.				
We recommend that DoIT comply with the requirements of the DGS <i>Inventory Control Manual</i> by				
a. conducting annual independent physical inventories (repeat), and	In Progress	DoIT is in the process of conducting a physical inventory, as well as working with DGS to update the existing <i>Inventory Control Manual</i> to allow for automated processes for the inventory of IT equipment.	06/30/25	
b. ensuring property is properly reported to DGS on the annual report of fixed assets and investigating the aforementioned difference and submitting a corrected annual report to DGS.	In Progress	DoIT has investigated the differences noted by the auditors, reconciled financial records to the equipment records, and prepared corrected Annual Reports for 2021, 2022 and 2023. These corrected Annual Reports will submit to DGS with the 2024 Annual Report.	09/30/24	

¹⁴ Auditor's Comment – Contact Information has been removed.

APPENDIX B



Wes Moore | Governor
Aruna Miller | Lt. Governor
Katie Savage | Secretary

March 21, 2025

Mr. Brian S. Tanen, CPA, CFE
Legislative Auditor
Office of Legislative Audits
State Office Building, Room 1202
301 West Preston Street
Baltimore, Maryland 21201

Dear Mr. Tanen:

The Department of Information Technology (DoIT) has received the draft report on the Follow-up Review of DoIT to address the findings in the Office of Legislative Audits (OLA) March 29, 2024 audit report.

DoIT acknowledges the efforts of the legislative auditors during this audit; however, there are many factual inaccuracies in the draft report that we hope are addressed prior to OLA finalizing the report. Responses to OLA's review of the audit findings are attached to this cover letter.

Sincerely,

A handwritten signature in black ink that reads "Melissa S. Leaman".

Melissa S. Leaman
Acting Secretary
Department of Information Technology

Auditor's Comment:

DoIT states that there are many factual inaccuracies in OLA's report. We reviewed DoIT's responses and stand by the facts presented which were factually accurate based upon documentation DoIT was able to provide during our fieldwork.

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Major Information Technology Development Projects (MITDPs)

Prior Finding 1 (Policy Issue)

The Department of Information Technology (DoIT) should assume greater oversight responsibility to ensure that MITDPs were completed on time and on budget.

Prior Report Recommendation 1

We recommended that DoIT take the necessary steps to establish adequate safeguards to ensure the successful implementation of MITDPs, especially when delegating key aspects of MITDP oversight. For example, DoIT should verify that State agencies have appropriate qualified personnel with sufficient technical knowledge, assist with MITDP contract procurements and subsequent contract modifications, and periodically review MITDP expenditures for compliance with contract terms.

Office of Legislative Audits (OLA) Assessment of Status – In Progress

Agency Response	
OLA Assessment of Status	Agree
Please provide additional comments as deemed necessary.	<p>DoIT concurs that remediation of this finding is in progress.</p> <p>We concur with the OLA assessment that DoIT is not assessing the qualifications of agency staff assigned to MITDPs and that oversight staff is not habitually included in the review of IT contracts for their MITDPs, both of which we are in the process of correcting.</p> <p>We do not concur with OLA's assessment that MITDP expenditures are not reviewed for compliance with contract terms; all invoices charged to the ITIF are reviewed by oversight staff to ensure they are legitimate project expenses (i.e., related to a valid contract related to the project, are for legitimate MITDP expenses).</p>

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Prior Finding 2

DoIT did not effectively monitor MITDPs to ensure they were on budget and on schedule and that changes to the scope and cost of the project were appropriate.

Prior Report Recommendation 2

We recommended that DoIT

- a. ensure annual Information Technology Project Requests (ITPRs) are submitted by State agencies, and that DoIT reviews and approves them prior to submitting it to the Department of Budget and Management (DBM) and the Department of Legislative Services for budget analysis purposes (repeat);
- b. review the methodology and basis for estimated costs and schedules on ITPRs to ensure these estimates appear reasonable and are supported;
- c. obtain and review explanations for significant changes, such as increases in project costs;
- d. require the oversight project managers (OPMs) to ensure monthly health assessments are provided by State agencies, verify the accuracy of information reported, and provide justifications for the risk ratings (repeat); and
- e. review and approve changes in scope, cost, and schedule, as required by its policy.

OLA Assessment of Status – In Progress

Agency Response	
OLA Assessment of Status	Disagree
Please provide additional comments as deemed necessary.	<p>DoIT does not concur with the OLA assessment of this finding. We have corrected the issues identified in this finding.</p> <p>a: We concur with OLA’s assessment that this finding has been remediated.</p> <p>b: OLA asserts that “DoIT did not review three projects, with estimated project costs totaling \$67 million, for the methodology and basis for estimated costs and schedules to ensure these estimates appeared reasonable and are supported.” This is factually incorrect as the oversight team did review these</p>

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	<p>estimates, but that review was not clearly documented, a deficiency we are correcting.</p> <p>c: OLA asserts that DoIT “did not obtain and review explanations for the significant increases” in FMIS and eMMA from FY25 to FY26. This is factually incorrect as the oversight team did review these increases, but that review was not clearly documented. This is due to the projects rebaselining through the annual ITPR, which will no longer be allowed as of the launch of our new ITPR tool for FY27. All future rebaselines will follow the standard rebaseline process and all changes will be thoroughly documented.</p> <p>d: OLA correctly states that the DoIT documentation for evaluating monthly health assessments does not include instructions for escalating concerns if the assessments are not completed or accurate, but incorrectly assumes that that means we do not address such concerns. That is factually incorrect; DoIT takes regular action to follow up on missing monthly health assessments and any other issues. The specific example given in OLA’s report was resolved in January 2025 as a result of actions taken by the oversight team and DoIT.</p> <p>e: OLA uses the same example as item c to assert that DoIT does not review and approve changes in scope, cost, and schedule. As stated above, this is incorrect, although in the cases cited, this review was not clearly documented.</p>
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Prior Finding 3

DoIT did not have an effective process to evaluate OPMs hired through vendors to oversee MITDPs.

Prior Report Recommendation 3

We recommended that DoIT

- a. ensure performance evaluations adequately demonstrate that OPMs were satisfactorily performing their job duties (such as including specific comments that justify the ratings) and meeting expectations;
- b. develop written definitions and criteria, similar to DBM *Performance Planning and Evaluation Program Guidelines* noted above, that define each performance area and rating category to ensure evaluations are an effective tool to monitor the OPMs in an observable, measurable, and objective manner; and
- c. retain the performance evaluations and take corrective action when OPMs performance is unsatisfactory.

OLA Assessment of Status – In Progress

Agency Response	
OLA Assessment of Status	Disagree
Please provide additional comments as deemed necessary.	<p>DoIT does not concur with the OLA assessment of this finding. We have corrected the issues identified in this finding.</p> <p>OLA assessed that of the reviewed performance evaluations for oversight staff, none had comments by the DoIT supervisor to justify the rating given. However, comments are optional in the form (and were stated as optional in the findings documented by OLA) and the supervisor's rating serves as the assessment of staff.</p> <p>Please note, the performance evaluation forms were revised to be consistent with the forms used as part of the State's Performance Evaluation Program. The instructions for completing those forms do not require comments to justify ratings for satisfactory performance.</p>

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Prior Finding 4

DoIT could not support cost data and conclusions included in its annual report submitted to the Governor, DBM, and General Assembly; and did not always include changes in schedule, cost, and other identified problems with MITDPs, as required by State law.

Prior Report Recommendation 4

We recommended that DoIT

- a. ensure that its annual reports include accurate estimated costs to complete (repeat) and retain documentation to support the amounts reported; and
- b. accurately report known or anticipated changes in schedule, cost, and scope and provide a summary of problems identified by an external review, as required by State law.

OLA Assessment of Status – In Progress

Agency Response	
OLA Assessment of Status	Disagree
Please provide additional comments as deemed necessary.	<p>DoIT does not concur with the OLA assessment of this finding. We have corrected the issues identified in this finding.</p> <p>a: OLA asserts that “DoIT was unable to provide documentation to support the estimated costs to complete reported in its annual report for two projects totaling \$341.3 million.” However, our practice is to ensure the agency has supporting documentation without storing it ourselves.</p> <p>b: OLA asserts that DoIT “did not always provide a summary of problems identified by an external review” in annual reports. Our annual reports are necessarily summaries, and we highlight the highest priority and / or highest impact items facing each project, regardless of the source (external review or otherwise).</p>

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MD THINK

Prior Finding 5

DoIT could not adequately explain or justify the increase in MD THINK costs from the initial \$166.4 million to \$588.8 million and delays in the system implementation, which as of November 2023 was estimated to be approximately three years behind the initial project completion date.

Prior Report Recommendation 5

We recommended that DoIT, in accordance with State law, and in conjunction with the MD THINK Executive Committee,

- a. monitor the project to ensure that costs, functionality, and delivery dates are consistent with the terms of the contracts or adequately justified if significant variances are necessary; and
- b. ensure the project is fully implemented or take immediate corrective actions.

OLA Assessment of Status – In Progress

Agency Response	
OLA Assessment of Status	Disagree
Please provide additional comments as deemed necessary.	<p>DoIT does not concur with OLA’s assertion that the success or failure of the MD THINK platform is the responsibility of DoIT. At the time in question MD THINK was operated by the Department of Human Services, which is accountable for its performance.</p> <p>Apart from the above, OLA makes several assertions in the report that we do not agree with. OLA asserts that “DoIT could not provide an explanation for the increase in MD THINK costs [since FY22]”. This is not accurate; explanation for the increase in costs is captured in the Advanced Planning Documents DHS submitted to their federal partners, which DoIT encouraged OLA to request.</p> <p>OLA further asserts that DoIT “did not provide an explanation for why the completion date for the project was not consistent with the terms of the contracts” and that DoIT should not have approved additional funding for DHS’s applications (CJAMS,</p>

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	<p>CSMS, and E&E) while assessing whether those applications are post-MVP and should be graduated from the MITDP program. Both of these conclusions represent a misunderstanding of technical system implementation: it is not only acceptable but <i>expected</i> that development of technical systems will continue beyond the period funded by the MITDP program, which only covers early system development. In this particular case, it is expected that contracts may outlast the MITDP time period and that the State will continue to invest in development of systems over time as program requirements and technologies change.</p>
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Prior Finding 6

DoIT did not ensure that IV&V findings were resolved timely by DHS and the MD THINK Executive Committee.

Prior Report Recommendation 6

We recommended that DoIT ensure critical findings from IV&V project assessment reports for MD THINK are resolved timely, including those noted above.

OLA Assessment of Status – In Progress

Agency Response	
OLA Assessment of Status	Disagree
Please provide additional comments as deemed necessary.	<p>DoIT does not concur with OLA's assertion that the success or failure of the MD THINK platform is the responsibility of DoIT. At the time in question MD THINK was operated by the Department of Human Services, which is accountable for its performance.</p> <p>In projects with IV&V, DoIT ensures that IV&V contractors are in place and that IV&V reports are being reviewed by project leadership. We do not determine the priorities of the project team in addressing known issues.</p>

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eMaryland Marketplace Advantage (eMMA)

Prior Finding 7

DoIT did not provide effective oversight during the development and implementation of eMMA resulting in significant delays and changes to the cost and scope of the project.

Prior Report Recommendation 7

We recommended that DoIT provide significant oversight and direction over eMMA. In particular DoIT should ensure

- a. eMMA is completed in accordance with the most recently approved schedule and budget;
- b. issues identified by the monthly health assessments and the IV&Vs are resolved, including developing an overall project schedule with defined tasks and a standardized method of tracking percentage of completion is used; and
- c. based on its own IT project expertise, proactively identify other actions intended to encourage vendor resolution of the current eMMA issues and ensure the Department of General Services (DGS) complies with the terms of its contract.

OLA Assessment of Status – In Progress

Agency Response	
OLA Assessment of Status	Disagree
Please provide additional comments as deemed necessary.	DoIT does not concur with OLA's assertion that the success or failure of the eMMA project is the responsibility of DoIT. eMMA is a critical business system owned by the Department of General Services, which is accountable for its performance. DoIT has used its oversight authority to pause funding for eMMA while DGS evaluated the path forward and provided experts from the Maryland Digital Service to evaluate the current solution and provide recommendations on how to move forward.

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networkMaryland

Prior Finding 8

DoIT used the networkMaryland contract to award significant work unrelated to networkMaryland without considering a competitive procurement process.

Prior Report Recommendation 8

We recommended that DoIT

- a. modify the networkMaryland contract to clearly define the scope and extent of all services provided;
- b. obtain retroactive approval from the Board of Public Works (BPW) for the current staff augmentation and cybersecurity remediation work orders;
- c. for any additional work and in the spirit of its counsel's legal advice, solicit secondary competition amongst approved CATS+ contractors for staff augmentation and cybersecurity remediation services to maximize competition and help ensure it receives the most advantageous contract terms.

OLA Assessment of Status – In Progress

Agency Response	
OLA Assessment of Status	Disagree (recommendations a and b)
Please provide additional comments as deemed necessary.	<p>Recommendation a: Since DoIT's principal counsel/Assistant Attorney General (AAG) had advised that none of the work orders were out of scope, modifications to the scope of work were not necessary. It is not in the State's best interest, nor is it efficient use of State resources, to request modifications to contracts when a modification is not necessary. Furthermore, a separate procurement for cybersecurity remediation services is currently in progress, eliminating the need to use the NMS contract.</p> <p>Recommendation b: As DoIT states in the audit response and the status report, retroactive approval from BPW for prior staff augmentation and cybersecurity remediation work orders issued off of the NMS contract is not required by law or BPW regulations, as none of the work orders issued off the contract were considered out of scope per DoIT's principal</p>

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	<p>counsel/Assistant Attorney General (AAG). DoIT will not take action that is contradictory to advice from legal counsel.</p> <p>Additionally, the BPW agenda item 6/7/2023 item 72-IT (related to a modification to the networkMaryland contract) specifically noted the cybersecurity remediation work performed under this contract as part of the need to increase funding for the contract. Thus, these work orders (as part of this contract) have already been approved by BPW.</p>
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Prior Finding 9

DoIT did not adequately monitor work orders for agency staff augmentation services under the networkMaryland contract and documentation of certain work orders could not be provided.

Prior Report Recommendation 9

We recommended that DoIT

- a. ensure labor hours billed for staff augmentation work orders for other State agencies are accurate prior to approving invoices for payment,
- b. ensure approved work order documentation is maintained, and
- c. ensure subcontractors are approved and qualified.

OLA Assessment of Status – In Progress

Agency Response	
OLA Assessment of Status	Agree
Please provide additional comments as deemed necessary.	Since the completion of the OLA review, DoIT has completed the implementation of recommendation c.

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Prior Finding 10

DoIT issued work orders to the networkMaryland vendor for cybersecurity remediation services totaling approximately \$25 million that were not sufficiently detailed and did not adequately ensure that all \$11.5 million invoiced by the vendor was related to work performed on behalf of DoIT work orders.

Prior Report Recommendation 10

We recommended that DoIT

- a. ensure all future cybersecurity remediation work orders and deliverables are clearly defined and estimated costs correlate to deliverables;
- b. ensure labor hours billed are accurate for work completed and properly supported; and
- c. in conjunction with legal counsel, consider the recovery of funds previously paid for inadequate work product, to the extent practicable.

OLA Assessment of Status – In Progress

Agency Response	
OLA Assessment of Status	Disagree
Please provide additional comments as deemed necessary.	<p>At this time there are no outstanding corrective actions for DoIT to implement related to Finding 10.</p> <p>Recommendations a and b, as noted by the auditors, have been addressed with the cease of all cybersecurity related work with the networkMaryland contractor. Additionally, DoIT is in process of procuring a new, separate contract for cybersecurity related work. Processes are in place, for all DoIT contracts, that ensure work orders and deliverables are clearly defined and estimated costs correlate to deliverables. Additionally, there are processes in place to ensure labor hours billed are documented and reviewed for work completed. These processes will be applied to the new contract.</p> <p>For recommendation c, OLA states in their report that DoIT did not work with its legal counsel to consider the recovery of funds. As stated in our original response, DoIT, in conjunction with legal counsel, does consider recovery of funds previously paid when it</p>

Department of Information Technology
Follow-up Review

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	<p>is determined that a contractor has produced an inadequate work product.</p> <p>Related to the work orders performed by the networkMaryland vendor that were noted in this audit finding, DoIT <i>did</i> work with its legal counsel, and the review did not disclose inadequate work products. Thus, there were no further actions to be taken.</p>
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AUDIT TEAM

Robert J. Smith, CPA
Audit Manager

R. Brendan Coffey, CPA, CISA
Information Systems Audit Manager

Lauren E. Franchak, CPA
Senior Auditor

Edward O. Kendall, CISA
Information Systems Senior Auditor

Albert S. Kim
Chau D. Mai
Yuvaraj N. Sharma
Staff Auditors