



Department of Legislative Services
Office of Legislative Audits

Department of Information Technology (DoIT)

Report Dated May 1, 2020



Background

- DoIT is responsible for the State's information technology policies, procedures, and standards, and for overseeing the implementation of major information technology development projects (MITDPs) for most of the State's Executive Branch agencies. DoIT also develops the Statewide Information Technology Master Plan; manages the MITDP Fund; and coordinates, purchases, and manages information technology and telecommunications services to State agencies.
- Our audit report covers activity during the period from July 1, 2015, and ending May 6, 2018. The report contains nine findings, including two findings regarding DoIT's oversight of MITDPs that were repeated from our preceding audit report.



Key Findings

- DoIT did not have sufficient procedures to:
 - effectively monitor major information technology development projects,
 - ensure that the vendor for the statewide communications interoperability program complied with the related contract terms,
 - ensure adequate security existed over its information systems, and
 - restrict personally identifiable information (PII) in the State's Financial Management Information System.

- DoIT did not have written agreements with State agencies whose IT services it supported.



MITDPs - Background

- MITDPs are IT development projects that meet one or more the following criteria:
 - has an estimated total cost of at least \$1 million;
 - supports a critical business function associated with the public health, education, safety, or financial well-being of the citizens of Maryland; and/or
 - the DoIT Secretary determines the project requires special attention.

 - DoIT's oversight responsibilities for MITDPs generally include (1) reviewing critical project documents; (2) reviewing agency project status reports; and (3) determining the necessity of Independent Verification and Validation (IV&V) assessments.

 - As of June 30, 2018, there were 47 MITDPs with an estimated cost at completion of approximately \$1.6 billion.
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MITDPs (Finding 1) Repeat Finding

DoIT lacked sufficient documentation that it effectively monitored MITDPs and did not always accurately report estimated project costs.

- There was no documented review and approval process for agencies' annual project status reports (ITPRs). Our test of four projects (\$645 million) disclosed that DoIT did not document the review and approval of ITPRs submitted in fiscal year 2018 for any of these projects.
- Critical information for three of the four projects had not been updated from the prior year. For example, for one project (MD THINK), the fiscal year 2019 estimated cost of completion (\$314.1 million) had increased by \$141.1 million (81.5 percent) from the fiscal year 2018 estimated cost and no explanation was provided for the increase.



MITDPs (Finding 1) - continued

- DoIT did not require its vendor-supplied oversight project managers (OPMs) to document their review and verification of the accuracy of information provided in monthly project monitoring reports.
- Required monthly status reports did not always include actions to be taken to address identified risks (such as project delays) and DoIT did not document that methods to address these risks were discussed in the related meetings.
- DoIT understated the total estimated project costs for the MD THINK and Unemployment Insurance Modernization projects by \$64.4 million in its report to the Governor, Department of Budget and Management (DBM), and the General Assembly budget committees.



MITDPs (Finding 2) Repeat Finding

DoIT had not established a process to independently evaluate the performance of the vendor-supplied oversight project managers (OPMs).

- OPMs are a critical part of the monitoring processes as they are responsible for reviewing and assessing MITDP documentation (such as ITPRs), communicating with project teams and stakeholders, contributing to DoIT's MITDP reports, and attending project status report meetings.
- DoIT did not conduct performance evaluations of the OPMs to independently assess whether they were properly performing their duties and meeting expectations. Consequently, assurance was lacking that the OPMs were effectively monitoring the development and implementation of the MITDPs.



Statewide Communications Interoperability Program - Background

The Maryland First Responders Interoperable Radio System Team (Maryland FiRST), is a statewide radio system designed to allow voice and data communications between State, county, and local users of the system for day-to-day operations and in the event of an emergency. Beginning in November, 2010, DoIT has contracted with a vendor that has been responsible for the design, implementation, maintenance, and operation of Maryland FiRST.

- As of February 2018, the total amended contract value was \$406 million, comprised of a base period through November 2022 (\$331 million), maintenance during the base period (\$55 million), and a one-year option for operations and maintenance (\$20 million).
- As of December 31, 2018, four out of five geographic phases had been completed, and work was in progress for the fifth phase.
- According to State records, Maryland FiRST contract expenditures totaled \$286.3 million as of January 2019.



Statewide Communications Interoperability Program (Findings 3 & 4)

Finding 3

DoIT did not ensure that the Maryland FiRST vendor met certain contractual requirements related to radio coverage nor did it ensure contract milestones regarding radio coverage testing were completed prior to payment. Our test of two vendor payments totaling \$3.9 million disclosed that DoIT accepted coverage testing results at a rate lower than required by the contract. Additionally, DoIT did not document that it received and approved required test plans, and waived certain radio coverage testing.

Finding 4

DoIT did not adequately monitor the construction of a tower and ensure that the related payments totaling \$1.4 million were proper. For example, DoIT did not ensure that the vendor completed the required work in a timely and satisfactory manner prior to approving invoices for payments.



Information Systems Security and Control (Findings 5, 6, & 7)

Finding 5

Network device based intrusion detection and prevention coverage was not adequate, resulting in an increased network security risk.

Finding 6

DoIT could not provide evidence that it had performed reviews of available independent security review reports (SOC 2 audit reports) related to certain of its systems.

Finding 7

DoIT, in conjunction with DBM and the Comptroller of Maryland, did not ensure that access to vendor PII stored in the State's Financial Management Information System (FMIS) was adequately restricted and that this PII was otherwise safeguarded. Specifically, certain PII, available to system users, was displayed in FMIS in plain text on-line or in reports generated by FMIS.



Enterprise Technology Support Services Initiative (Finding 9)

- DoIT began its Enterprise Technology Support Services Initiative in fiscal year 2015. As of February 2019, DoIT was providing services under the Initiative to 29 State agencies. The Initiative supports fundamental day-to-day IT operations, including Internet and Statewide Intranet access, email, computer server operations, and file sharing for Executive Branch agencies authorized in law who have chosen to participate.
- DoIT did not enter into formal memorandums of understanding (MOUs) with participating agencies whose IT services it supported to clarify and obtain agreement regarding each agency's IT responsibilities, including the associated costs.



Other Findings

Contracts (Finding 8)

- DoIT did not adequately monitor a vendor contracted to provide management and operations services for networkMaryland (high-speed data network for public sector use operated by DoIT). DoIT paid the vendor without first verifying deliverables were met, and did not monitor task orders. We identified 14 task orders for which DoIT paid \$159,400 in excess of the approved amounts.

Equipment (Finding 10)

- DoIT did not have adequate procedures and controls over its equipment inventory and did not maintain accurate records.



Conclusions

DoIT should

- effectively monitor MITDPs by improving the documentation of monitoring activities, and conducting performance evaluations of the vendor-supplied oversight project managers;
- improve its monitoring of the vendor for the statewide communications interoperability program;
- ensure adequate security controls exist over its networks and systems, and restrict and safeguard PII in FMIS;
- enter into formal agreements with all agencies for which it provides services;
- ensure compliance with the related contracts for the State's high-speed data network vendors; and
- ensure equipment inventory is appropriately controlled.