

**MINUTES OF THE MEETING OF  
THE OHIO LOTTERY COMMISSION'S AUDIT COMMITTEE**

**Via Microsoft Teams  
615 West Superior Avenue, Cleveland, Ohio 44113**

**June 24, 2024  
2:00 P.M.**

**Present at the meeting were the following:**

Angela Mingo, Madam Chair and Commissioner, Ohio Lottery Commission  
Martin Sweeney, Audit Committee Member and Commissioner, Ohio Lottery Commission  
Matthew Szollosi, Audit Committee Member and Commissioner, Ohio Lottery Commission  
Michelle Gillcrist, Executive Director, Ohio Lottery Commission  
Charles LoPresti, Chief Legal Counsel, Ohio Lottery Commission  
Gregory Beyer, Deputy Director of Internal Audit, Ohio Lottery Commission  
Valerie Murphy, Office of Internal Audit, Ohio Lottery Commission  
Samantha Crites, Office of Internal Audit, Ohio Lottery Commission  
Brent Collier, Office of Internal Audit, Ohio Lottery Commission  
Kelly Salomone, Chief Audit Executive, Office of Budget and Management  
Erin Brown, Audit Management, Office of Budget and Management

**CALL TO ORDER**

- The Ohio Lottery Commission's Audit Committee Meeting of June 24, 2024, was called to order by Madam Chair Angela Mingo at 2:01pm. The meeting was held via Microsoft Teams.

**APPROVAL OF MINUTES OF**

- Madam Chair Mingo motioned to approve the Minutes of the prior Audit Committee Meeting, dated March 13, 2024, which was seconded by Commissioner Sweeney. Valerie took a voice vote, and all Audit Committee Members present affirmatively voted. The motion passed 3-0.

**DEPUTY DIRECTOR, INTERNAL AUDIT REPORT**

- Deputy Director Beyer began with the risk assessment process that began earlier this year with a full review of the entire audit universe. Each department identified applicable audit areas under primary and secondary responsibilities, as well as processes that are no longer applicable. This helped to restructure the audit universe within the new software Teammate+ to better utilize the software application. The new structure of the audit universe is based on the business process area and not a specific department.
- Deputy Director Beyer gave an overview of the FY 2025 proposed audit plan:
  - Two projects are being carried over:
    - The Proprietor Oversight Audit
    - Complimentary User Entity Controls (CUEC's)
  - Five Internal Audit Projects:

- Contract – Mills James Drawing Transmission
- Cash Explosion Contestant Drawings
- Payment Card Program
- Responsible Gambling Message
- Software Licensing
- Two Consulting Engagements:
  - Business Continuity Plan
  - Data Access and CPI
- Two Regularly Scheduled External Audits
  - Assurance Review - Office of Budget and Management (OBM)
  - Annual Financial Audit – Auditor of State (AOS)

• Deputy Director Beyer stated that the Software Licensing and the Data Access and CPI audits will be conducted by OBM and the remaining audits will be conducted by the Internal Audit (IA) Department.

• Madam Chair Mingo moved for a motion to vote in support of the Internal Audit Report for Fiscal Year 2025, which was seconded by Commissioner Szollosi, and Valerie took a voice vote, and all Audit Committee Members affirmatively voted. The motion passed 3-0.

• Deputy Director Beyer gave an update to the Committee on the projects undertaken since the March 2024 Audit Committee Meeting.

- Four completed projects:
  - Couriers Project
  - Claims - Excluded Players
  - Liability Deposit Program
  - Annual Assurance Review – Completed by OBM
- Two cancelled projects:
  - Voluntary Exclusion Program
  - Complimentary User Entity Controls
- Two projects are in planning:
  - Proprietor Oversight – Sports Gaming
  - Payroll

• Deputy Director Beyer added that the Data Analytics Department had access to the database within Teammate+ to export this information into the innovative Ohio platform to allow for more robust reporting.

• Deputy Director Beyer stated that ten projects have been completed to date and the IA department was at 80% of completion for FY2024 Audit Plan versus six projects completed the previous year.

• Deputy Director Beyer mentioned that the Proprietor Oversight - Sports Gaming Project had two identified objectives:

- First, that Sports Gaming Proprietors complete and provide required reports in accordance with the guidelines established by the Lottery and the Ohio Casino Control Commission.
- Second, that reporting requirements are constructed efficiently and effectively for the Lottery and the Proprietors.

- Deputy Director Beyer stated that the purpose of the Couriers project was to review how the Lottery Couriers were operating in Ohio and what, if any, oversight controls should be developed by management.

- Five objectives were identified:
  - Review the Couriers procedures for processing the purchase of draw and scratch off games through mobile app websites and in person;
  - Review the procedures for processing the claims of winning tickets;
  - Review the policies for storage and retention of winning and nonwinning tickets;
  - Review the policies and procedures of velocity controls for players; and
  - Verify geofencing, security and controls.
- All five objectives were met with some improvements needed.
- Two implementation recommendations were made to management for consideration:
  - Protecting the players; and
  - Protecting the integrity of the games.

- Deputy Director Beyer mentioned that he met with the three Couriers, Jackpocket, Jackpot.com and Lotto.com, as well as visited their facilities in the Columbus, Ohio region.

- Recommendations were made for the Courier Project:
  - Responsible gambling velocity controls – limit player spending to \$700 per rolling seven-day period;
  - Courier Terms and Conditions – to establish clearly defined expectations for retailers, including Couriers, to avoid inconsistencies, establish expectations, and define services available to Lottery customers.

- Madam Chair Mingo asked Deputy Director Beyer if there were any best practices for responsible gambling or problem gambling that the Lottery could share with the Couriers? Deputy Director Beyer responded that one of the Couriers had their own responsible gambling initiative through which players were automatically enrolled in their program, which included self-exclusion to opt out. Deputy Director Beyer stated that Deputy Director Jimmie Hicks, Deputy Director of Responsible, suggested that the Lottery's website link to the Responsible Gambling page as an option.

## **OHIO LOTTERY EXECUTIVE OFFICE REPORT**

- Director Gillcrist complimented Deputy Director Beyer and the IA department on the work that they continue to do for the Lottery. Director Gillcrist stated that she appreciated all the hard work and diligence that the IA department provided which continued to improve the Lottery's processes and while making sure that all aspects of the Lottery are as secure as possible. The Audit Committee agreed with Director Gillcrist and thanked the IA department for all their hard work and professionalism.

## **EXECUTIVE SESSION**

- Madam Chair Mingo made a motion to move into Executive Session, for the purpose of considering security and infrastructure records required to be kept confidential by Ohio Revised Code §§149.433 and 117.26, which was seconded by Commissioner Szollosi. Valerie took a voice vote, and all Audit Committee Members affirmatively voted. The motion passed 3-0.
- The Audit Committee moved into Executive Session at 2:27pm.
- The Audit Committee moved out of Executive Session at 2:55pm.

## **NEW BUSINESS**

- Deputy Director Beyer informed the Audit Committee that the IA Department will be updating the governance documents to reflect the changes in the IIA standards to the new GIAS (Global Internal Audit Standards). There will also be an updated IA Charter, Audit Committee Charter, and IA Policy and Procedures Manual which will be ready to be viewed in draft form at the September Audit Committee Meeting. Deputy Director Beyer added that the new GIAS replaced the 2017 Standards.

## **ADJOURNMENT**

- Madam Chair Mingo thanked the Audit Committee and OBM for their support of the Lottery and the meeting was adjourned at 3:01pm.

X *Valerie Murphy*

Valerie Murphy  
Administrative Professional 4

X *Angela Mingo*  
Angela Mingo (Sep 11, 2024 23:00 EDT)

Madame Chair Angela Mingo  
OLC Audit Committee

# Meeting Minutes 06.24.2024

Final Audit Report

2024-09-12

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