



McCONNELL & JONES LLP
CERTIFIED PUBLIC ACCOUNTANTS

INTERNAL AUDIT SERVICES



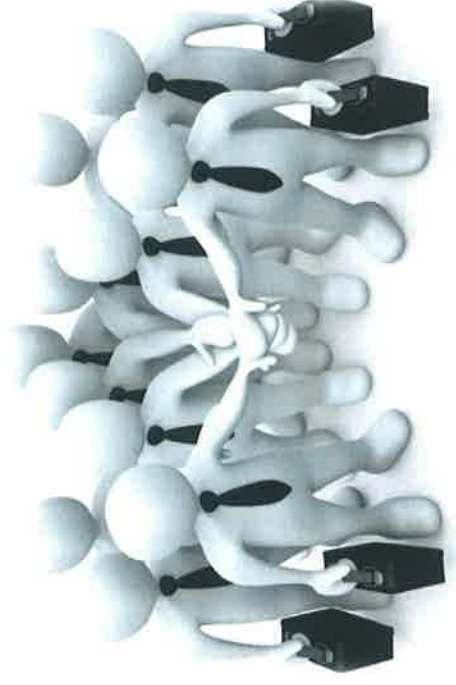
**STATUS REPORT
TO THE COMMISSIONERS
FEBRUARY 4, 2016**

INFORMATION ITEM – NO ACTION REQUIRED



Table of Contents

- Internal Audit Activities This Period
- FY2016 Internal Audit Plan Status
- Anticipated Activities Next Period
- Questions & Answers





Internal Audit Activities This Period

Internal Audit Services' activities during this period (December 1, 2015 through January 22, 2016) include:

- Charitable Bingo ledger account reconciliation project
- Continued the Procure-to-Pay Audit
- Continued Entity-Wide Performance Measure Audit
- Began Jackpot Estimations Audit
- Began Lottery Drawings Audit



FY2016 Internal Audit Plan Status

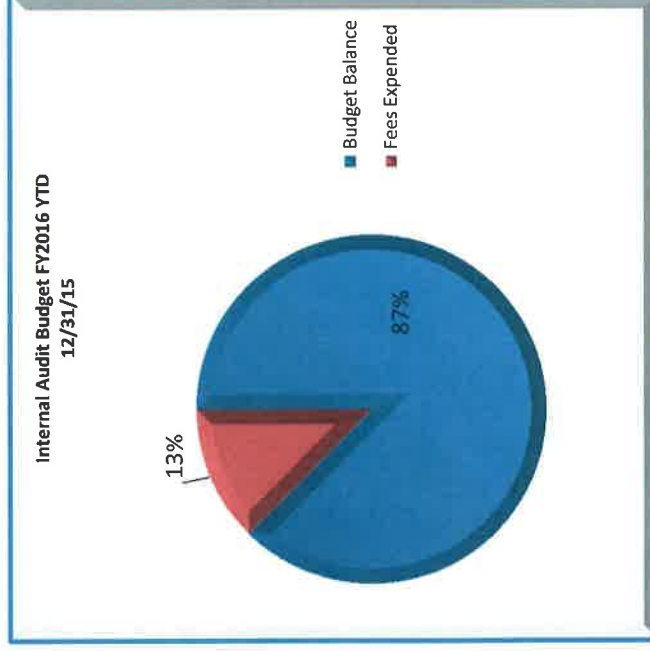
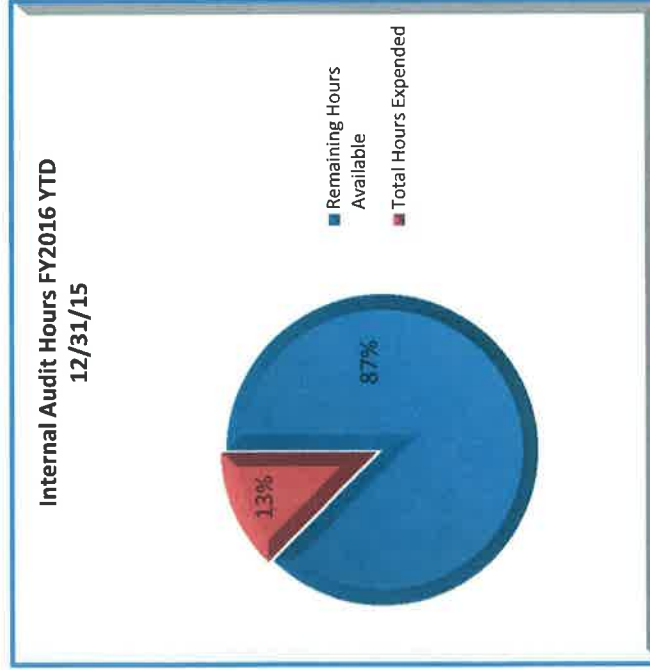
Activity #	Audit	Planning	Fieldwork	Draft Report	Mgmt Comments	Final Report	Issued
1	Procure – To – Pay Cycle	✓	✓	🔍			
2	Jackpot Estimations	✓	🔍				
3	Drawing Process	✓	🔍				
4	Entity-Wide Performance Measure	✓	🔍				
5	Retailer Management	⊘					
6	Bingo Restructure and BOSS Implementation Follow-Up	⊘					
7	Human Resources Life Cycle	⊘					
8	Follow-Up On Prior Audit Findings	⊘					
9	Management of Fraud/Complaint Hotlines Lines	🔍					
10	External Audit / Review Assistance	⊘					
11	Update Risk Assessment & Develop 2016 Audit Plan	⊘					
12	Annual Audit Report	⊘					

Legend: ⊘ Not Started 🔍 In-Progress ✓ Completed



2016 Internal Audit Budget as of December 31, 2015

MJ is cognizant of the importance of managing the approved hours and budget. As such we are diligent about staying within the estimated hours per audit and activity. There may be instances where audits/activities are over or under estimated hours and we will adjust the audit plan budget accordingly to stay within the total approved budget.



The audit hours expended are in-line with the budgeted fees. The expended hours and fees are on target with the approved internal audit plan.



Anticipated Activities Next Period

- **Begin:**
 - Entity-Wide Risk Assessment
- **Continue:**
 - CBOD Ledger Reconciliation Reviews
 - Jackpot Estimations Audit
 - Lottery Drawings Audit
 - Monitoring of Complaint Lines
- **Finalize:**
 - Issue Procure-to-Pay Audit Report
 - Issue Entity-Wide Performance Measures Audit Report

