





**McCONNELL & JONES LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

# **INTERNAL AUDIT SERVICES**



## **INTERNAL AUDIT REPORTS**

### **AUGUST 6, 2020**



## Internal Audit Activities

Internal Audit Services' activities during this period (June 1, 2020 through July 15, 2020) include:

- Completed the CBOD Implementation of HB 914 requirements audit.
- Continued the CBOD Enforcement processes audit.
- Continued planning the agency's Records Retention audit.
- Began planning the agency's warehouse processes audit. (Note: This is not the ticket warehouse.)
- Began planning the agency's monitoring of vendor software changes audit.
- Completed the annual risk assessment and prepared FY 2021 Annual Internal Audit Plan.

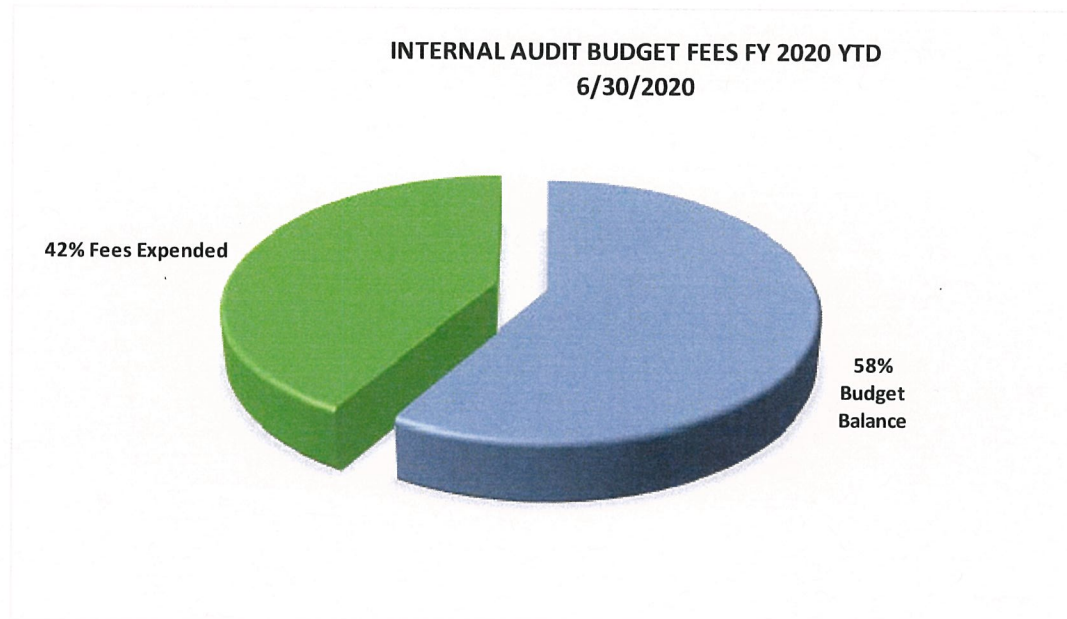
**FY 2020  
Annual  
Internal  
Audit  
Plan  
Status  
July 15,  
2020**

| ACTIVITY # | AUDIT  | PLANNING | FIELDWORK | DRAFT REPORT | MGMT. COMMENTS | FINAL REPORTS | ISSUED | COMPLETE   |
|------------|--|----------|-----------|--------------|----------------|---------------|--------|--|
| 1          | Background Investigations  | ●        | ●         | ●            |                |               |        | 70%     |
| 2          | Bingo Enforcement Orders   | ●        | ●         |              |                |               |        | 50%     |
| 3          | CBOD Implementation of HB 914  | ●        | ●         | ●            |                |               |        | 90%     |
| 4          | Records Retention  | ●        |           |              |                |               |        | 10%     |
| 5          | Agency Travel and Expense  | ◆        |           |              |                |               |        | 5%      |
| 6          | Claim Center and Ticket Validations  | ◆        |           |              |                |               |        | 0%      |
| 7          | Review of TLC Monitoring and Testing of Lottery Vendor Software Changes Activities | ●        |           |              |                |               |        | 10%     |
| 8          | TLC Warehouse and Receiving  | ●        |           |              |                |               |        | 10%     |
| 9          | Ticket Return and Destruction Controls   | ◆        |           |              |                |               |        | 0%      |
| 10         | Information System User Access Monitoring  | ▲        |           |              |                |               |        | 30%     |
| 11         | Follow-Up on Prior Audit Findings  | ▲        |           |              |                |               |        | 10%     |
| 12         | Monitor Fraud/Complaint Hotline  | ▲        |           |              |                |               |        | 80%   |
| 13         | External Audit / Review Assistance   | ●        |           |              |                |               |        | 5%    |
| 14         | Update Risk Assessment & Annual Audit Plan   | ●        | ●         | ●            | ●              | ●             |        | 100%  |
| 15         | Annual Internal Audit Report   | ◆        |           |              |                |               |        | 0%    |
| 16         | Audit Communications, Committee Meetings, Project Management                       | ▲        |           |              |                |               |        | 70%   |
| 17         | CBOD Organization Review   | ●        | ●         | ●            | ●              | ●             | ●      | 100%  |

**LEGEND:** Not Started ◆ In-Progress ● Completed ● Continuous ▲



# FY 2020 Internal Audit Budget as of June 30, 2020



*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.*



## Internal Audit Activities

Anticipated Internal Audit Services' activities next period include:

- Work with Lottery Operations to commence the following audits:
  - Claims Center Ticket Validation Processes
- Complete fieldwork for the following audits:
  - Records Retention Program and Processes
  - TLC Monitoring and Testing of Lottery Vendor Software Changes
  - TLC Warehouse and Receiving
- Finalize the following audits:
  - CBOD Implementation of HB 914
  - CBOD Enforcement Orders



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# FY 2021 ANNUAL INTERNAL AUDIT PLAN

ACTION ITEM



- The FY 2021 Annual Internal Audit Plan will be provided prior to the Commission meeting.