# LOTTERY AND CHARITABLE BINGO DIVISION

# Internal Audit Services

AN INTERNAL AUDIT OF
FY2026 Q3 Network Access Testing

Report No. 26-007-02

Final

May 12, 2026

*This report provides management with information about the condition of risks and internal controls as a specific point in time. Future changes in environmental factors and actions by personnel may impact these risks and internal controls in ways that this report cannot anticipate.*

# Internal Audit Report Summary

**Audit Report #:** 26-007
**Audit Name:** Lottery and Charitable Bingo Division Network Access Testing
**Audit Report Date:** May 12, 2026
**Internal Control Assessment Rating** Generally Effective
**Business Objective:** To establish management controls and processes that ensure only authorized individuals have access to the Agency's information technology network.

**Conclusion:**

Internal Controls over Lottery and Charitable Bingo Division's network access is effective and working as designed. We did not identify any individuals or accounts that have active access that did not have a valid business reason for their access.

**Total Number of Recommendations by Risk:**

| High | Medium | Low | Total |
|---|---|---|---|
| 0 | 0 | 0 | 0 |

**Total Recommendations by Root Cause:**

| Governance | People / Staffing | Processes | Technology | Total |
|---|---|---|---|---|
| 0 | 0 | 0 | 0 | 0 |

**Why This Review Was Conducted:**

McConnell & Jones LLP (MJ) serving as the outsourced internal audit function (Internal Audit) for the Lottery and Charitable Bingo Division performed this internal audit as part of the approved FY 2026 Annual Internal Audit Plan.

**Acknowledgement:**

*We wish to acknowledge and thank every person involved in this audit for their openness, responsiveness, and professionalism.*

## Introduction

We performed this audit as part of the approved FY 2026 Annual Internal Audit Plan. This audit was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained accomplishes that requirement.

Pertinent information has not been omitted from this report. This report summarizes the audit objective and scope, our assessment based on our audit objectives and the audit approach.

## Functional Area Responsibilities and Activity Summary

The Texas Department of Licensing and Regulation (TDLR) Chief Information Security Officer is responsible for ensuring that only authorized individuals have access to the Lottery and Charitable Bingo Division's network. This is accomplished with the support of the Security Analyst.

Access to the Lottery and Charitable Bingo Division's is granted through documented requests initiated by the respective individual's manager and approved by various individuals identified in the process. All individuals with access to the network are required to complete information security statements and complete information security training.

To access any of the Lottery and Charitable Bingo Division's software applications, individuals must have an active account in the Agency's active directory (network). Once individuals leave the Agency, Human Resources notifies the Information Security Department and their active directory accounts are disabled. As of April 1, 2026, the following Lottery and Charitable Bingo Division's network accounts exist.

| Status | Employees | Contractors | Total |
|---|---|---|---|
| Active / Enabled | 302 | 14 | 316 |
| Disabled | 46 | 0 | 46 |
| Total | 348 | 14 | 362 |

## Conclusion

Internal Controls over Lottery and Charitable Bingo Division's network access is effective and working as designed. We did not identify any individuals or accounts that have active access that did not have a valid business reason for their access.

## Audit Procedures Performed

We performed the following procedures in assessing internal controls over Lottery and Charitable Bingo Division's network access.

- Obtained a list of the active directory.
- Obtained a list of current Lottery and Charitable Bingo Division employees.
- Verified individuals that are contractors.
- Compared current employee list to active directory list.
- Identified individuals that are new on the active directory list.
- Sampled new individuals to verify that access was authorized according to policies.