



McCONNELL & JONES LLP
CERTIFIED PUBLIC ACCOUNTANTS

INTERNAL AUDIT SERVICES



INTERNAL AUDIT REPORTS

APRIL 8, 2021

Informational Items Only



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Agency Monitoring of Vendor Software Changes Audit

Audit	Audit Rating	Number of Recommendations
20-006 TLC Vendor Software Changes	Generally Effective with Some Improvement Needed	3

TLC's management control structure over the complementary controls for IGT software changes provides adequate, appropriate, and effective controls to provide reasonable assurance that risks related to changes made to International Game Technology's (IGT) software are being managed and objectives should be met.

Audit Objective:

We performed this audit to assess management's internal control structure in place to ensure complementary controls are in place to assure changes to International Game Technology's (IGT) software are monitored, authorized, and tested by the Texas Lottery Commission.

Audit Focus:

- ✓ Complementary controls for software changes listed on IGT's System and Organization Controls (SOC) Report FY2020.
- ✓ IGT Database changes.



CBOD Ledger Account Reconciliation Update

Purpose:

To ensure ledger accounts reflect complete and accurate balances.

	# Licenses to Reconcile	License Reconciliation Assigned - Pending Initial Review	Initial Review Completed - Pending Additional Info.	1st QC Review - Pending	2nd QC Review - Pending	Final	Unassigned
Manufacturer	51	-	-	-	34	17	-
Distributor	68	-	-	-	67	1	-
Lessor	1,369	15	4	17	30	5	1,298
Conductor	3,491	15	15	59	72	6	3,324
Total	4,979	30	19	76	203	29	4,622
Percent		1%	0%	2%	4%	1%	93%

Reconciliation Activities:

- ✓ Review Transactions and Support Documents.
- ✓ Identify Adjustments Required.
- ✓ Determine Bond Requirements and Status.

*License Status Numbers are Based Upon Reports Provided by TLC from Data in the Bingo Operating Service System (BOSS)
Revised Estimated Project Completion Date: April 30, 2021.*



FY 2021 Internal Audit Plan Status

FY 2021 Audit Plan Status

Schedule

Overall Status:

Green

Percentage Complete

75%

Approved Audits and Activities

Audit #	Description	Percent Completed	Status
20-005	Background Investigations of Vendor Staff	90%	Reporting
20-002	Bingo Enforcement Orders	100%	Completed
20-003	CBOD Implementation of HB 914	100%	Completed
20-004	Records Retention	100%	Completed
20-008	TLC Warehouse	100%	Completed
20-009	Review and Monitoring of Vendor Software Changes	100%	Completed
21-001	Claims Center Operations	20%	On-Hold
21-002	Workforce Management	5%	On-Hold
21-003	Payroll Processes	100%	Completed
21-004	Agency Travel and Expense	0%	On-Hold
21-005	Claims and Prize Payment Management	0%	On-Hold
21-006	Ticket and Game Management	0%	On-Hold

Approved Audits and Activities

21-007	Drawings Studio Operations	5%	On-Hold
General Procedures - No Report	Information System User Access Monitoring	50%	In-Progress
General Procedures - No Report	Follow-Up On Prior Audit Findings	25%	In-Progress
General Procedures - No Report	Monitor Fraud/Complaint Hotlines Lines	30%	In-Progress
General Procedures - No Report	External Audit / Review Assistance	0%	Not Started
FY 2022 Annual Internal Audit Plan	Update Risk Assessment & Develop Audit Plan	0%	Not Started
FY 2021 Annual Internal Audit Report	Annual Audit Report	0%	Not Started
General Procedures - No Report	Audit Communications	40%	In-Progress
21-008	Charitable Bingo Operations Division Ledger Account Reconciliations - Newly Approved Addition to FY 2021 Annual Internal Audit Plan	35%	In-Progress

March 28, 2021

Budget Balance:

- 685 Hours (31% of approved budget)
- \$138,094 (46% of approved budget)



Internal Audit Activities

Internal Audit Activities Completed This period:

- Continued Charitable Bingo Operations Division Ledger Account Reconciliations
- Monitored CBOD implementation of prior audit recommendations.
- Finalized the Agency Records Retention Program audit report.

Internal Audit Activities Anticipated Next Period:

- Continue working on the Charitable Bingo Operations Division Ledger Account Reconciliations.
- Complete annual risk assessment.