





McCONNELL & JONES LLP  
CERTIFIED PUBLIC ACCOUNTANTS

# INTERNAL AUDIT SERVICES



## INTERNAL AUDIT REPORTS AUGUST 12, 2021

Informational and Action Items



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# CBOD Ledger Account Reconciliation Update

## **Purpose:**

To ensure ledger accounts reflect complete and accurate balances.

## **Reconciliation Activities:**

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

	# Licenses to Reconcile	License Reconciliation Assigned - Pending Initial Review	Initial Review Completed - Pending Additional Info.	1st QC Review - Pending	2nd QC Review - Pending	Final
Manufacturer	51	-	-	-	19	32
Distributor	68	-	-	-	66	2
Lessor	1,369	-	4	59	56	6
Conductor	3,491	14	11	658	198	7
<b>Total</b>	<b>4,979</b>	<b>14</b>	<b>15</b>	<b>717</b>	<b>339</b>	<b>47</b>
Percent		0%	0%	14%	7%	1%

*1,103 Accounts Reconciled as of July 29, 2021*

*License Status Numbers are Based Upon Reports Provided by TLC from Data in the Bingo Operating Service System (BOSS).*



# FY 2021 Internal Audit Plan Status

## FY 2021 Audit Plan Status

### Schedule

Overall Status: **Green** Percentage Complete 80%

### 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	75%	In-Progress
General Procedures - No Report	Follow-Up On Prior Audit Findings	50%	In-Progress
General Procedures - No Report	Monitor Fraud/Complaint Hotlines Lines	90%	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	100%	Completed
FY 2021 Annual Internal Audit Report	Annual Audit Report	100%	Completed
General Procedures - No Report	Audit Communications	90%	In-Progress
21-008	Charitable Bingo Operations Division Ledger Account Reconciliations - Newly Approved Addition to FY 2021 Annual Internal Audit Plan	60%	In-Progress

July 30, 2021 Budget Balance:

- 3,562 Hours (161% of approved budget)
- \$274,547 (92% of approved budget)



# Internal Audit Activities

## Internal Audit Activities Completed This period:

- Continued Charitable Bingo Operations Division Ledger Account Reconciliations
- Performed Risk Assessment and Prepared Proposed FY 2022 Annual Internal Audit Plan
- Prepared FY 2021 Annual Internal Audit Report

## Internal Audit Activities Anticipated Next Period:

- Continue working on the Charitable Bingo Operations Division Ledger Account Reconciliations.
- Begin Planning for FY 2022 Internal Audits



# Proposed FY 2022 Annual Internal Audit Plan

The detailed proposed FY 2022 Internal Audit Plan will be distributed prior to the Commission Meeting. We propose to perform nine audits for a total of 2,174 hours with total fee of \$299,029.

**Action Item**



# FY 2021 Annual Internal Audit Report

- Required by the Texas Internal Auditing Act Approved by the Commission
- Issued by November 1<sup>st</sup> Each Year
- Mandated Contents
  - *Publication of internal audit reports on TLC's website*
  - *FY 2021 Annual Internal Audit Plan status*
  - *Peer review outcome*
  - *FY 2022 Annual Internal Audit Plan*
  - *External audit service procured in FY 2021*
  - *TLC's policies for reporting suspected fraud and abuse*

- External Distribution:
  - *Governor's Office of Budget Planning Policy*
  - *Legislative Budget Board*
  - *State Auditor's Office*

**Action Item**