

INTERNAL AUDIT SERVICES



INTERNAL AUDIT REPORTS DECEMBER 12, 2022

Information Items



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Drawings Studio Audit

Audit	Audit Rating	Number of Recommendations
22-008 Drawings Studio Processes and Controls	Best Practices for Access Controls and Generally Effective Overall	1

TLC has implemented numerous best practice controls to ensure integrity of lottery game drawings.

TLC moved their operations from a leased building which they were the only tenants and had full control over physical security and infrastructure. Their new location is in a state-owned building that is still under construction and managed by the Texas Facilities Commission (TFC). Because of this, there are many impacts to the draw studio operations, including mission critical stability of internet and power to ensure game drawings occur on-time.

TFC controls the badge access system. The finding we have is that TFC has not granted TLC access to generate badge access reports nor do they provide the reports on a regular basis to monitor who is entering the draw studio.

A copy of the full report was provided to Commissioners via email.



FY 2023 Internal Audit Plan Status

FY 2023 Annual Internal Audit Plan Status			
Schedule			
Overall Status:	Green	Percentage Complete	12%
FY 2022 Approved Audits and Activities			
Audit #	Description	Percent Completed	Status
22-001	Retailer Survey Process	100%	Completed
22-002	Confidential Data	100%	Completed
22-003	Ticket and Game Management	100%	Completed
22-004	Agency Performance Measures	100%	Completed
22-007	Drawings Studio Operations	100%	Completed
FY 2023 Annual Internal Audit Plan Status			
23-006	CBOD Licensing - (Consulting/Advisory)	0%	Not Started
23-002	Key Vendor SOC User Control Considerations (UCCs)	5%	Planning
23-003	Ticket Warehouse Operations and Ticket Destruction	0%	Not Started
23-004	Business Continuity Plan	0%	Not Started
23-005	Jackpot Estimation System	0%	Not Started
23-007	Claims and Prize Management	0%	Not Started
23-001	Physical Security - New Office Operations	10%	Planning
23-008	Gaming System Changes	0%	
Approved Audits and Activities			
General Procedures - No Report	Information System User Access Monitoring	20%	In-Progress
General Procedures - No Report	Follow-Up On Prior Audit Findings	0%	Not Started
General Procedures - No Report	Monitor Ethics Line	20%	In-Progress
General Procedures - No Report	External Audit / Review Assistance	0%	Not Started
FY 2023 Annual Internal Audit Plan	Update Risk Assessment & Develop Audit Plan	0%	Not Started
FY 202 Annual Internal Audit Report	Annual Audit Report	0%	Not Started
General Procedures - No Report	Audit Communications	20%	In-Progress
21-008	Charitable Bingo Operations Division Ledger Account Reconciliations - Newly Approved Addition to FY 2021 Annual Internal Audit Plan	99%	In-Progress

November 24, 2022 Budget Balance:

- 1,371 Hours (62% of approved budget)
- \$ 229,989 (77% of approved budget)



Internal Audit Activities

Internal Audit Activities Completed This period:

- Issued Drawings Studio Audit Report.
- Continued Charitable Bingo Operations Division Ledger Account Reconciliations (inactive accounts).
- Began New Facilities Operations and Security Audit.
- Began Key Vendor SOC User Control Considerations (UCC) audit.

Internal Audit Activities Anticipated Next Period:

- Complete New Facilities Operations and Security Audit.
- Complete Key Vendor SOC User Control Considerations (UCC) audit.