



# INTERNAL AUDIT SERVICES



## INTERNAL AUDIT REPORT AUGUST 7, 2024

Information and Action Items



# Internal Audit Activities

## Internal Audit Activities Completed This period:

- Continued Procurement and Contracting Audit
- Continued Retailer Incentive & Bonus Program Audit
- Prepared proposed FY2025 Annual Internal Audit Plan

## Internal Audit Activities Anticipated Next Period:

- Complete Procurement and Contracting Audit
- Complete Retailer Incentive & Bonus Program Audit
- Complete Claims and Prize Payment Management Audit



**ACTION ITEM**  
**FY2025 Annual Internal Audit Plan**



# Proposed FY2025 Annual Internal Audit Plan

Audit Activity #	Description	Risk Rating	Estimated Timing	Estimated Hours
1	Advertising Operations <ul style="list-style-type: none"><li>Advertising Budget</li><li>Contract Management</li><li>Branding and Promotion Activities</li><li>Partnerships</li></ul>	High	September 2024–November 2024	230
2	Information Technology Software Systems Development Lifecycle Advisory Engagement <ul style="list-style-type: none"><li>Internally Developed Software</li><li>Lottery Operator Developed Software for Texas</li></ul>	High	October 2024 – December 2024	304
3	Budget Function <ul style="list-style-type: none"><li>Budget Planning</li><li>Budget Development</li><li>Budget Monitoring &amp; Reporting</li><li>Budget Amendments</li></ul>	High	January 2025 – March 2025	304
4	Rule Making Process <ul style="list-style-type: none"><li>Need Identification</li><li>Rule Updates</li><li>Compliance</li><li>Tracking</li></ul>	High	March 2025– April 2025	168



# Proposed FY2025 Annual Internal Audit Plan

Audit Activity #	Description	Risk Rating	Estimated Timing	Estimated Hours
5	Tax Collections and Annuity Payments <ul style="list-style-type: none"> <li>Tax Liability Identification, Collection, and Submission</li> <li>Annuity Payment Reserves, Tracking, and Payment</li> </ul>	High	May 2025– June 2025	212
6	Data Protection <ul style="list-style-type: none"> <li>Personal Identifiable Information (PII) Protection</li> <li>Sensitive Data Protection</li> <li>Winner Anonymity Protection</li> </ul>	High	June 2025 – July 2025	264
7	Drawings Studio <ul style="list-style-type: none"> <li>Drawing Studio Operations</li> <li>Independent Auditor Oversight and Reporting</li> </ul>	High	July 2025	116
8	Enforcement Operations <ul style="list-style-type: none"> <li>Staffing</li> <li>Complaint Intake and Assignment</li> <li>Complaint Tracking</li> <li>Complaint Reporting</li> </ul>	High	July 2025 – August 2025	196



# Proposed FY2025 Annual Internal Audit Plan

Audit Activity #	Description	Risk Rating	Estimated Timing	Estimated Hours
9	Information System User Access <ul style="list-style-type: none"><li>Quarterly Network Access Testing</li></ul>	High	On-Going	87
10	Follow-Up on Prior Audit Findings	High	On-Going	32
11	Monitor Ethics Hotline	Compliance	On-Going	2
12	External Audit / Review Assistance	N/A	On-Going	2
13	Update Risk Assessment & Annual Audit Plan	Compliance	June 2025	44
14	Annual Internal Audit Report	Compliance	August 2025	9
15	Audit Communications, Committee Meetings, Project Management	N/A	On-Going	100
	<b>Total Hours</b>			<b>2,070</b>
	<b>Total Fees</b>			<b>\$295,997</b>