



MINUTES OF THE MEETING OF THE OHIO LOTTERY COMMISSION'S AUDIT COMMITTEE

Ohio Lottery General Services Conference Room/Microsoft Teams
615 West Superior Avenue, Cleveland, Ohio 44113

December 10, 2025
10:30am

PRESENT AT THE MEETING WERE THE FOLLOWING:

Angela Mingo, Madam Chair and Commissioner, Ohio Lottery Commission
Martin Sweeney, Audit Committee Member and Commissioner, Ohio Lottery Commission
Matthew Szollosi, Audit Committee Member and Commissioner, Ohio Lottery Commission
Michelle Gillcrist, Director, Ohio Lottery Commission
Nicole Kostura, Assistant Director, Ohio Lottery Commission
Gregory Beyer, Deputy Director of Internal Audit, Ohio Lottery Commission
Brent Collier, Office of Internal Audit, Ohio Lottery Commission
Samantha Crites, Office of Internal Audit, Ohio Lottery Commission
Peter McGinty, Office of Internal Audit, Ohio Lottery Commission
Valerie Murphy, Administrative Professional, Ohio Lottery Commission
Charles LoPresti, Chief Legal Counsel, Ohio Lottery Commission
Kassan Bahhur, Office of Finance, Ohio Lottery Commission
Kelly Salomone, Internal Audit Section, Office of Budget and Management
Erin Brown, Internal Audit Section, Office of Budget and Management
Meghan Jenkins, Senior Audit Manager, Auditor of State
Brian Ohl, Audit Manager, Auditor of State

CALL TO ORDER

- The Ohio Lottery Commission's (the "Lottery") Audit Committee Meeting of December 10, 2025, was called to order by Madam Chair Angela Mingo at 10:38am. The meeting was held in person and via Microsoft Teams.

APPROVAL OF MEETING MINUTES

- Madam Chair Mingo motioned to approve the Minutes of the prior Audit Committee Meeting, dated September 17, 2025, a voice vote was called, and all Audit Committee Members present affirmatively voted. The motion passed 2-0

AUDITOR OF STATE REPORT

- Meghan Jenkins, Senior Audit Manager with the Auditor of State (AOS), began with the financial portion of the AOS Report. She stated that the results are similar to previous years, an

unmodified opinion was issued over the financial statements, and no reportable noncompliance was found.

- Meghan stated that she has two reports to review:
 - First, the Independent Auditor's Report, which is the AOS opinion, indicated an audit was done on the financial statements of each major fund of the Lottery. In their opinion, the financial statements of June 30, 2025, were presented fairly. The Report gave the basis for their opinion with Generally Accepted Accounting Principles (GAAP), and the Standards applicable to financial audits contained in government auditing standards. The opinion also discussed the responsibilities of management and the responsibilities that each person has within the audit. Meghan also stated that the Lottery's 2024 financial statements comparative information was included and both years, 2024 and 2025, received an unmodified opinion. Lastly, the Report mentioned AOS does not issue an opinion on the Lottery's internal controls over financial reporting or the compliance over the laws and regulations.
 - Second, the compliance section, AOS does not issue an opinion on the Lottery's internal controls over financial reporting or the compliance over laws and regulations. AOS does use the Lottery's internal controls over financial reporting and their compliance with laws for designing audit procedures that are appropriate for expressing opinions on financial statements.
- Commissioner Matthew Szollosi officially joined the meeting at 10:43am.
- Brian Ohl, Audit Manager with AOS, discussed the Management Letter, and stated that there were four comments repeated from the previous audit:
 - First, annual user account confirmation was not performed in 2025, and periodic reviews should be performed;
 - Second, security administration has four accounts with access to BOS (Back Office System) and iGems (Gaming Enhanced Management System). Three accounts were included in the comment, one iGems user had elevated privileges that were not required of their duties, and one terminated Intralot user's access for iGems and BOS remained enabled after termination; and
 - Third, service organization monitoring control procedures, formal system or service level agreement with Department of Administrative Services (DAS), and Office of Information Technology (OIT) are not in place. Recommendation was to establish controls to review and monitor activities being performed at DAS and OIT over the Lottery's system, which would inform both parties who will be doing what activity and when; and
 - Fourth, employee onboarding and offboarding procedures, which were previously developed were not applicable, and the new procedures were not formally developed, temporary processes were in place.



- Madam Chair Mingo asked if there were updates regarding the cybersecurity incident from an IT standpoint. Deputy Director Beyer stated that IT has been involved with the implementation of the ServiceNow application that replaced the ManageEngine function that handles user provisioning and onboarding and offboarding tracking, and Assistant Director Kostura stated that there are checklists in place for security and Human Resources to do their part for the onboarding and offboarding.
- Madam Chair Mingo thanked AOS for their time and attention and for their work performed for the Lottery.

DEPUTY DIRECTOR OF INTERNAL AUDIT REPORT

- Deputy Director Beyer stated that two projects were completed, and one was in the reporting phase, and five open issue recommendations have been implemented throughout the Lottery.
- Deputy Director Beyer mentioned that Auditors Samantha Crites and Brent Collier had recently completed the Ohio Data Academy. Their project analyzed data sets from the Lottery's gaming system specifically related to the EZPlay games to continuously monitor the game odds and payouts to ensure they're matching the games matrix throughout the lifecycle. Auditors Samantha and Brent have taken numerous courses on analytics and coding during the research and development for their project. Which will also assist the Sales team in understanding where the sales are to monitor them. Auditors Samantha Crites and Brent Collier are now Bronze Certified for the Data Academy, and account for 8% of the State employees that received the certification. The Lottery accounts for 42% of participants, which was the largest group of employees to complete the Data Academy. Director Gillcrist mentioned that Auditors Samantha and Brent's project would be utilized by the Product Innovation Team and Sales Team.
- Deputy Director Beyer stated that the draft report for the Paper Products Contract Audit had been shared, an exit meeting had been scheduled, and the final report would be shared by the end of the Calendar Year 2025, or no later than the first week of January 2026.
- Deputy Director Beyer gave an overview of the Internal Audit Plan:
 - Two projects are in the Planning Phase:
 - Contract – Persona – Identity verification
 - Field Staff Accountability – Investigators – Review processes and controls in managerial oversight for the Investigators at the Racino locations.
 - Two projects were combined and completed:
 - EFT and Retailer Payments and Adjustments were combined because they were interconnected. (EFT – Electronically Transferring Funds – Retailer invoice, VLT Racino

invoice, Super Retailer tax and intercepts and withholdings, and Intralot cashless invoice.)

- Four key objectives:
 - First, evaluate the design and effectiveness of controls to ensure EFTs are processed and accurately, completely, and timely;
 - Second, evaluate the sign and effectiveness of controls to ensure manual retailer adjustments are processed accurately, timely and completely;
 - Third, determine if user access to key systems and confidential information is accurately and appropriately restricted to EFTs and retailer adjustments processes; and
 - Fourth, review policies and procedures to ensure they align.
- Deputy Director Beyer stated that the combined audit took about three months to be completed. Auditor Brent Collier added that having two auditors on the project helped reduce time, and that one audit could take anywhere from three to four months from start to finish. Madam Chair Mingo inquired on the process and time frame of completing recommendations. Deputy Director Beyer stated that during the exit meeting, the audience is presented with a policy and procedure on how to respond to an issue recommendation and it provides expectations. The audit team checks in throughout the process to check the progress.
- Deputy Director Beyer also stated that there were seven projects that have not been started:
 - Merchandising
 - Racino VLT Game Development
 - Records Management and Retention
 - Scratch-off Ticket Administration
 - Payroll
 - Lottery Equipment
 - Assurance Review – Office of Budget and Management (OBM)
- Deputy Director Beyer stated that there were 23 open issues being tracked. The Finance Department currently has 13 of the 23 open issues that came from the recently completed combined projects. Five open issues have been verified and closed. To date there are three open issues remaining from completed projects in Fiscal Year 2024.
- Deputy Director Beyer stated that the Internal Audit Department must report annually to the Audit Committee on the department's conformance or nonconformance with the Global Internal Audit Standards (the Standards), and he reviewed Domains I and II. The Standards have changed the rating scale to include Full Conformance, General Conformance, Partial Conformance, and Nonconformance.

- **Domain I: Purpose of Internal Auditing** – Internal auditing strengthens the organization’s ability to create, protect and sustain value by providing the board and management with independent risk base and objective assurance advice and insight. This statement is listed in the Audit Committee Charter, the Internal Audit Charter, and the Internal Audit Policy Manual.
 - Internal auditing enhances the organization’s:
 - Successful Achievement of its objectives;
 - Governance, risk management, and control processes;
 - Reputation and credibility with its stakeholders; and
 - Ability to serve the public interest.
 - Internal auditing is most effective when:
 - Performed by competent professionals in conformance with the Global Internal Audit Standards, which are set in the public interest;
 - The internal audit function is independently positioned with direct accountability to the board; and
 - Internal auditors are free from undue influence and committed to making objective assessments.

- **Domain II: Ethics and Professionalism** – Conformance with the principles and standards instills trust in the profession of the internal auditing, creates an ethical culture within the internal audit function, and provides the basis for reliance on internal auditors’ work and judgement.

- **Principle 1 – Demonstrate Integrity** – The foundation of the other principles of ethics and professionalism.
 - **Standard 1.1 - Honesty and Professional Courage** - Internal auditors must be truthful, accurate, clear, open, and respectful in all professional relationships and communications. Internal auditors must exhibit professional courage, communicating truthfully and taking appropriate action.
 - **Evidence of Conformance** – Ethics training is required for annual CPE training for staff. Discussions and feedback from auditees when there’s disagreements from audit findings.
 - **Standard 1.2 - Organization’s Ethical Expectations** – Internal auditors must understand, respect, meet and contribute to the legitimate and ethical expectations of the organization.
 - **Evidence of Conformance** – Internal Audit staff are required to abide by the Lottery Ethics Policy. The Lottery’s Ethics Policy was updated and acknowledged in Spring Fiscal Year 2025.

- **Standard 1.3 – Legal and Ethical Behavior** – Internal auditors must understand and abide by the laws and or regulations to the industry and jurisdictions in which the organization operates.
 - **Evidence of Conformance** – Auditors are required to complete Ethics related CPE training each year and acknowledge Lottery Ethics Policy.
- **Principle 2 Maintain Objectivity** –
 - **Standard 2.1 – Individual Objectivity** - Internal auditors must maintain professional objectivity when performing audit services.
 - **Standard 2.2 – Safeguarding Objectivity** – Internal auditors must recognize and avoid or mitigate actual, potential or perceived impairments to objectivity.
 - **Standard 2.3 – Disclosing Impairments to Objectivity** – If internal auditors become aware of an impairment it must be disclosed.
- **Principle 3 Demonstrate Competency**
 - **Standard 3.1 Competency**
 - **Standard 3.2 Continuing Professional Development** – Internal auditors must possess or obtain competencies to perform their responsibilities successfully including knowledge, skills and abilities suitable for their roles. They must maintain and continue to improve their effectiveness and quality of the internal audit services.
- Deputy Direct Beyer informed the Committee that the Lottery’s IA Department completes 40 Continuing Professional Education (CPE) hours every year, the costs are covered by the department’s budget, and some of the courses are free to attend.
- **Principle 4 Exercise Due Professional Care**
 - **Standard 4.1 Conformance with the Global IA Standards** – The audit methodologies must be established, documented, and maintained in alignment with the standards. Internal auditors must plan and perform services in accordance with the Global Internal Audit Standards (GIAS).
 - **Evidence of Conformance** – Internal auditors have begun completing a Quality Assurance Review (QAR) at the conclusion of each audit engagement for FY2026.
 - **Standard 4.2 Due Professional Care** – Internal Auditors must assess the nature circumstances and requirements of the services being provided.
 - **Evidence of Conformance** – Internal Auditors make notes in the planning documents as well as planning work papers including meeting and walk through notes, the confirmation of the business process narrative by the auditees to ensure completeness and accuracy of the audit area.

- **Standard 4.3 Professional Skepticism** – Internal auditors must maintain an attitude inquisitiveness, critically assess the reliability of information, be straightforward and honest.
 - **Evidence of Conformance** – Workpapers details the internal auditors’ approach and methodologies used during the testing of information gathered during the audit.
- **Principle 5 Maintain Confidentiality**
 - **Standard 5.1 Use of Information**
 - **Standard 5.2 Protection of Information** – Internal auditors must follow relevant policies, procedures, laws and regulations when using information. Auditors must be aware there are responsibilities for protecting information and demonstrating respect for confidentiality, privacy, and ownership.
 - **Evidence of Conformance** – Internal auditors are aware of the sensitivity of information that may be shared during an engagement. The first question asked when meeting with the auditee is, are there any sensitive information?
- Deputy Direct Beyer stated that he felt the IA Department was in minimum conformance if not in full conformance with these principles and standards at the present time, and they will continue to monitor their practices.

Office of Budget and Management Report

- Kelly Salomone, Chief Audit Executive from the Office of Budget and Management (OBM) stated that the annual Assurance review will start by the beginning of Calendar Year 2026, and it will be assigned to Erin Brown. Ms. Salomone stated that the Assurance Review is a review of the procedures of the Lottery’s IA Department that are performed throughout the Lottery to ensure that the procedures are in alignment with OBM’s expectations. Ms. Salomone also stated that the Payroll Audit was tentatively scheduled for Quarter 4. There was one audit observation remaining from the Mills James Audit and Ms. Brown and her team were able to close the outstanding observation.
- Deputy Director Beyer stated that he did not have any new business to share. Madam Chair Mingo welcomed Chief Counsel Charles LoPresti back to the office after 13 months of military leave. Madam Chair Mingo thanked all the participants that attended the Audit Committee Meeting and acknowledged all the work that the IA Department completed between meetings.

Madam Chair Mingo adjourned the meeting at 11:37am.



Mike DeWine, Governor

Jim Tressel, Lt. Governor

ohiolottery.com

Michelle Gillcrist, Director

X Valerie Murphy

Valerie Murphy
Administrative Professional 4

X Angela Mingo

Madam Chair Angela Mingo
OLC Audit Committee

Signature: Valerie Murphy

Valerie Murphy (Apr 7, 2026 11:40:35 EDT)

Email: valerie.murphy@lottery.ohio.gov

Signature: Angela Mingo

Angela Mingo (Apr 7, 2026 12:54:46 EDT)

Email: angela.mingo@nationwidechildrens.org






Meeting Minutes 12.10.2025

Final Audit Report

2026-04-07

Created:	2026-04-07
By:	Valerie Murphy (valerie.murphy@lottery.ohio.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAASI174cBqmHEYyULQwJLRTm7YTkMyDsZv

"Meeting Minutes 12.10.2025" History

-  Document created by Valerie Murphy (valerie.murphy@lottery.ohio.gov)
2026-04-07 - 3:36:59 PM GMT
-  Document emailed to Valerie Murphy (valerie.murphy@lottery.ohio.gov) for signature
2026-04-07 - 3:37:05 PM GMT
-  Email viewed by Valerie Murphy (valerie.murphy@lottery.ohio.gov)
2026-04-07 - 3:38:09 PM GMT
-  Document e-signed by Valerie Murphy (valerie.murphy@lottery.ohio.gov)
Signature Date: 2026-04-07 - 3:40:35 PM GMT - Time Source: server
-  Document emailed to Angela Mingo (angela.mingo@nationwidechildrens.org) for signature
2026-04-07 - 3:40:37 PM GMT
-  Email viewed by Angela Mingo (angela.mingo@nationwidechildrens.org)
2026-04-07 - 3:45:50 PM GMT
-  Document e-signed by Angela Mingo (angela.mingo@nationwidechildrens.org)
Signature Date: 2026-04-07 - 4:54:46 PM GMT - Time Source: server
-  Agreement completed.
2026-04-07 - 4:54:46 PM GMT