



Mike DeWine, Governor

Jim Tressel, Lt. Governor

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Michelle Gillcrist, Director

## **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**

**June 18, 2026  
11:05am**

### **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  
Daniel Carter, Deputy Chief Legal Counsel, 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  
Marisol Halligan, Office of Product Innovation, Ohio Lottery Commission  
Jimmie Hicks, Deputy Director of Responsible Gambling, Ohio Lottery Commission  
Susan Diamond, Office of Responsible Gambling, Ohio Lottery Commission  
Raymond Durant, Deputy Director of Investigations and Security, Ohio Lottery Commission  
Kelly Salomone, Internal Audit Section, Office of Budget and Management

### **CALL TO ORDER**

- The Ohio Lottery Commission's (the "Lottery") Audit Committee Meeting of June 18, 2026, was called to order by Madam Chair Angela Mingo at 11:05am. 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 March 11, 2026. A voice vote was called, and all Audit Committee Members present affirmatively voted. The motion passed 2-0.



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## **DEPUTY DIRECTOR OF INTERNAL AUDIT REPORT**

- Deputy Director Beyer began with the final forms of the Governance Documents for fiscal year 2027, the Audit Committee Charter, the Internal Audit Charter, the Internal Audit Policy Procedure Manual, and the Internal Audit Plan. He stated that all the documents have been reviewed at the previous meeting, and the approved edits and changes have been incorporated. He also recognized the Graphics Director Michael Byeko for his work on all the Governance Documents every year, as well as including the new branding and logo colors in the recent documents.
- Commissioner Szollosi joined the meeting at 11:07 am.
- Deputy Director Beyer discussed the Internal Audit Plan for fiscal year 2027. He stated that the Plan outlined the Internal Audit principles for developing the Plan, and estimated financial activities for the current year, the Internal Audit budget, and upcoming initiatives for the Lottery.
- Deputy Director Beyer highlighted three of the big initiatives taking place at the Lottery:
  - Central Gaming System: testing is expected to begin this summer with new Lottery equipment being delivered to retailers later in the fall, and a tentative switch over date in late March 2027
  - Digital Services Contract: will benefit staff and players through updates to the Lottery's E-Applications system for retailers, the mobile cashing and MyLotto Rewards app for players, as well as the Lottery's official website.
  - Draw Game Studio: which is currently located on West 6th St., in Cleveland, will be relocating, and daily draw games will be moving by late Summer.
- Deputy Director Beyer stated that the Risk Assessment process that was conducted this year was done as a non-baseline year, which means it was started with last year's scores. He also mentioned that the Shareholder's Survey was incorporated into the score rating, and to finalize the score a weight was added to the risk variable categories. Weights were determined by a scoring matrix, and the Internal Audit (IA) Department rated the risk ratings based on their inherent risk. When they were put together a proposed Audit Plan was built out.
- Deputy Director Beyer w the Audit Plan for Fiscal Year 2027:
  - Eight Assurance Engagements
    - Two projects were carried over from FY2026:
      - Payroll; and
      - Records Management and Retention.
    - Three Contract Compliance Audits:



- Central Monitoring Contract;
  - Department of Behavioral Health (Memorandum of Understanding (MOU), and formerly Ohio Department of Mental Health and Addiction Services (ODMHAS); and
  - Facility Leases.
- Three Additional Audits:
  - Call Center (Customer Relations Management (CRM)) Program;
  - Drawing – Pick Games; and
  - Retailer Watchdog
- Two Advisory Engagements:
  - Gaming System Conversion Testing; and
  - Assurance Review – Office of Budget and Management (OBM)
- Two External Audits:
  - Annual Financial Audit – Auditor of the State (AOS); and
  - SOC 1 and SOC 2 Reports – Third Party Vendor (TPV)
- Deputy Director Beyer mentioned that the Lottery coordinated with the Department of Administrative Services (DAS) to negotiate and put leases in place for the nine regional offices and one warehouse.
- Deputy Director Beyer described some of the different areas of focus in this year's Audit Plan. The conversion and testing of the gaming system was the main focus, with hopeful completion by late March 2027. Information Technology (IT) and Finance areas will possibly be viewed next fiscal year after the conversion is completed, along with the new contracts for the conversion, digital services, and mobile cashing.
- Deputy Director Beyer explained the difference between an Advisory Engagement and an Assurance Engagement by stating that with an Assurance Engagement, the controls and processes that a department has are tested and evaluated for compliance and conformance with those processes. For an Advisory Engagement, it is viewed from a higher level to give oversight and observation on how they can improve processes and procedures.
- Madam Chair Mingo requested a motion for approval of the FY 2027 Governance Documents, the Audit Committee Charter, the Internal Audit Charter, the Internal Audit Policy, and the Internal Audit Plan. Commissioner Sweeney made the motion and Commissioner Szollosi seconded the motion. A voice vote was called, and all Audit Committee Members present affirmatively voted. The motion passed 3-0.
- Deputy Director Beyer discussed the FY2026 Audit Plan:



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- Eight projects were completed:
    - Contract – Paper Products and Office Services;
    - Contract – Persona;
    - Electronic Funds Transfer (EFT) Processes;
    - Field Staff Accountability – Investigators;
    - Retailer Payments and Adjustments;
    - Scratch-Off Ticket Administration;
    - Assurance Review (OBM); and
    - Annual Financial Audit (AOS)
  - One is in the reporting stage:
    - Merchandising
  - One is in Fieldwork and Testing:
    - Racino VLT Game Development
  - Payroll (OBM) – Paused
  - One Advisory Engagement was postponed due to time and resources:
    - Lottery Equipment
- Deputy Director Beyer stated that three of the projects were completed and final reports have been issued:
    - Persona Contract – Responsible Gambling (RG) Operations had three objectives:
      - Evaluate vendor compliance with approved contract;
      - Determine if the RG Department has developed metrics to ensure vendor compliance; and
      - Determine if the RG Department is completing quarterly performance evaluations as required by the Lottery's policies.
    - Two Issue Recommendations:
      - Improve operational efficiency; and
      - Monitoring controls over the contract.
  - Director Gillcrist commented on the Payroll Audit stating that the timekeeping system was switched to Kronos within the last two years, and that the Lottery had been getting used to its functions. Additionally, the person overseeing the payroll function recently resigned which caused the decision to postpone the Payroll Audit.
  - Deputy Director Beyer stated that the Field Staff Accountability Review for the Racino Investigators was also completed with six recommendations and one key objective:
    - Evaluate the design and effectiveness of processes and controls, including management oversight and ensuring the Investigator activities are performed as directed and documented accordingly, completely and timely in accordance with the Lottery's Policies.



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- Deputy Director Durant, Investigations and Security, stated that Auditor Samantha Crites was very thorough and enlightening during the Field Staff Accountability – Investigators audit which gave insight on what was not looked at before. He added that and the program now works better for all the racinos. He also stated that he appreciated the IA Department and the efforts given.
- Director Gillcrist thanked Deputy Director Durant for the initiative that he and his team have taken to put the program together, including standardizing the racinos, not just for the operators of the racinos, but also the customers receiving consistent services. She also acknowledged Deputy Director Beyer and the IA Department.
- Madam Chair Mingo asked Deputy Director Beyer if the Lottery was seeing, in terms of operation efficiencies, any incorporation of Artificial Intelligence (AI) to help streamline or standardize work throughout the agency or even at the racinos? Deputy Director Beyer stated that it has been seen in small portions at the Lottery and he has shared an AI Application (App) with the IA Department called Scribe. The App is like a continuous recommendation working in the background updating procedures from steps A to Z. He also mentioned that the State of Ohio has an AI council that reviews use cases and has a list of approved AI Applications that anyone can use.
- Deputy Director Beyer stated that the last completed project was the Scratch-off Ticket Administration Review and it had three recommendations and one key objective:
  - Assess the effectiveness and efficiency of the process controls, procedures and management oversight including monitoring and internal controls over the life cycle of the scratch game.
- Madam Chair Mingo asked for clarity on the closeout and the destruction of Scratch-off games. Deputy Director Beyer stated that after a game closes from sales there is a 180-day validation period after that then the vend tape report and reconciliation, the final balancing in the close out and then destruction. Records are kept on the balancing and the reconciliation in Product Manager and Product Innovation's Share drive.
- Deputy Director Beyer stated that there were 29 open issues that have been closed and verified, and of the 26 that are currently still open only one is more than two years old which is from the Claims Excluded Players Audit. He also stated that a new process for employee excluded player review has been implemented.



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### **OFFICE OF BUDGET AND MANAGEMENT REPORT**

- Kelly Salomone, OBM Internal Audit Section, stated that her team has begun the planning processes for the Payroll Audit. The scope was to review the Lottery's payroll processes and oversight, including accurate timekeeping and approvals, leave accruals, separation payouts, longevity, and pay rates.
- Commissioner Sweeney motioned for adjournment. Madam Chair Mingo thanked the IA Department for all their accomplishments in the current fiscal year and stated she was looking forward to the upcoming fiscal year. The Meeting adjourned at 11:48am.

X *Valerie Murphy*

Valerie Murphy  
Administrative Professional 4

X *Angela Mingo*  
Angela Mingo (Sep 10, 2026 13:39:37 EDT)

Madam Chair Angela Mingo  
OLC Audit Committee

# Meeting Minutes 06.18.2026

Final Audit Report

2026-09-10

|                 |                                                  |
|-----------------|--------------------------------------------------|
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