



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

**HELD via MICROSOFT TEAMS  
615 WEST SUPERIOR AVENUE - CLEVELAND, OHIO 44113**

**June 8, 2022  
10:00 A.M.**

**Present at the meeting were the following:**

Angela Mingo, Madam Chair and Commissioner, Lottery  
Martin Sweeney, Audit Committee Member and Commissioner, Lottery  
Matthew Szollosi, Audit Committee Member and Commissioner, Lottery  
Sean Webster, Assistant Director, Lottery  
Nicole Kostura, Assistant Director, Lottery  
Cindy Klatt, Chief Audit Executive, Office of Budget and Management  
Kelly Salomone, Audit Management, Office of Budget and Management  
Gregory Beyer, Deputy Director of Internal Audit, Lottery  
Carla Reeves, Office of Internal Audit, Lottery  
Jane Parker, Office of Internal Audit, Lottery  
Diane Nagorny, Office of Internal Audit, Lottery

**Not Present:**

Joseph Volpi, Office of Internal Audit, Lottery

**CALL TO ORDER**

- The Ohio Lottery Commission's (the "Lottery") Audit Committee Meeting of June 8, 2022 was called to order by Madam Chair Angela Mingo at 10:03 a.m. via Microsoft Teams.

**APPROVAL OF MINUTES OF THE MARCH 9, 2022 MEETING**

- Madam Chair Mingo asked the Audit Committee Members whether there were any questions regarding the March 9, 2022, Meeting Minutes? There were none. Madam Chair Mingo made a motion to approve the Minutes. Commissioner Sweeney seconded the motion. The motion passed unanimously 3-0.
- Madam Chair Mingo asked Ms. Carla Reeves to take a roll call of all Audit Committee members that were present. Roll call was called, and all Audit Committee members signified that they were present.

**APPROVAL OF FINAL FISCAL YEAR 2023 GOVERNANCE DOCUMENTS**

- Madam Chair Mingo stated she would begin with final approval of the Fiscal Year 2023 Governance Documents. She asked Deputy Director Beyer to update the Committee regarding any additional changes.
- Deputy Director Beyer noted that all Fiscal Year 2023 Governance documents final formatting was updated. He stated that Ms. Carla Reeves collaborated with Mr. Mike Bycko, Visual Communications Manager, to reformat the documents.
- Deputy Director Beyer reiterated there were no content changes, just the change of the layout.
- Deputy Director Beyer directed the Audit Committee to the Audit Plan and provided a high-level overview of how the Department of Internal Audit constructed the Audit Plan.
- Deputy Director Beyer directed the Audit Committee to the proposed Audit Plan for Fiscal Year 2023 and provided a high-level summary of why those projects were chosen.
- Madam Chair Mingo asked how the risk rating was measured? Deputy Director Beyer stated that there were twelve categories, and each category was rated differently.
- Deputy Director Beyer concluded his report regarding the Governance Documents. He asked if there were any questions? There were none.
- Madam Chair Mingo asked for a motion to approve the final Governance Documents. Ms. Reeves took a roll call vote, and all Audit Committee Members present affirmatively voted. The motion passed unanimously 3-0.

**DEPUTY DIRECTOR, OFFICE OF INTERNAL AUDIT COMMENT**

- Deputy Director Beyer noted that since March's Audit Committee meeting, two reports were issued: the Drawings Pick Game Audit and the Consulting Memo on the Complementary User Entity Controls for the Sci-Games Instant Ticket Production.
- Deputy Director Beyer noted that employees returned to work on April 25<sup>th</sup>. Most, if not all, returned on a hybrid schedule. He stated that in the Internal Audit Department there would be one Auditor in the office on Monday, another Auditor in on Tuesday, and three employees in the office on Wednesday.
- Deputy Director Beyer stated that he and Ms. Reeves have attended the Sports Gaming meetings and valuable information has been shared and discussed during those meetings.
- Deputy Director Beyer shared that he was in the process of enhancing our fraud protection controls for the Cashless Program. He stated that, by the end of June, all Cashless transactions would require customers to enter their billing zip code to complete the transaction. Deputy Director Beyer stated that this would help to reduce fraud.
- Deputy Director Beyer moved on to the Dashboard and provided a high-level overview of each project status.
- Deputy Director Beyer moved onto the Aging Accountability Report (AAR) document and stated that he was able to close three audit recommendations since March's Audit Committee meeting.
- Madam Chair Mingo thanked Deputy Director Beyer for his report. She asked whether there were any questions? There were none.

**ASSISTANT DIRECTOR NICOLE KOSTURA UPDATES**

- Assistant Director Kostura thanked Deputy Director Beyer for his overview of the Sales Audit and recommendations.
- Assistant Director Kostura said that she appreciated collaborating with Deputy Director Beyer on identifying potential risks and was looking forward to reviewing the outcome of those meetings.
- Assistant Director Kostura concluded her report.

**ASSISTANT DIRECTOR SEAN WEBSTER UPDATES**

- Assistant Director Webster reiterated that Deputy Director Beyer had mentioned the bringing in of a third-party, Gaming Labs International (“GLI”), to review our SOC reports. He provided a high-level explanation of how the process would work and how it would be beneficial to the Lottery.
- Assistant Director Webster also gave kudos to Deputy Director Beyer and his team, and the inclusive and comprehensive planning that went into the Fiscal Year 2023 Audit Plan, which he added would provide significant value to the agency.
- This concluded Assistant Director Webster’s report.
- Madam Chair Mingo asked if we have had previous partnerships with GLI. Assistant Director Webster stated yes, for various other projects. Deputy Director Beyer stated that he would share the GLI final SOC report when it becomes available.

**OFFICE OF BUDGET AND MANAGEMENT UPDATES**

- Kelly Salamone, Office of Budget and Management (“OBM”) Internal Audit provided an update on Internal Audit’s Yearly Quality Assurance Review.
- Ms. Salamone stated that they focused on the Internal Audit activities and the auditors’ work papers during calendar year 2021.
- Ms. Salamone stated that she specifically focused on the audit execution and the remediation process to ensure that we adhere to the Institute of Internal Auditor standards and Internal Audit policies and procedures.
- Ms. Salamone stated that a copy of the report was shared with Madam Chair Mingo and Deputy Director Beyer.
- Ms. Salamone provided a high-level overview of the purpose for the Quality Assurance Review.
- Ms. Salamone selected one audit for year 2021. She stated that the overall audit was principally aligned with the Internal Audit manual and shared the audit with the Director of the Lottery, the Assistant Directors and OBM.
- Ms. Salamone stated that OBM could rely on the assurance of the Lottery Internal Audit Group. She stated that she also shared the results with OLC Management and the State Audit Committee.
- This concluded Ms. Salamone report.

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## EXECUTIVE SESSION

- Madam Chair Mingo stated that, “At this time I would like to move to go into Executive Session to consider security and infrastructure records required to be kept confidential by Ohio Revised Code §§121.22 and 149.433”. Madam Chair Mingo’s motion was seconded by Commissioner Sweeney. Ms. Reeves took a roll call vote, and all Audit Committee Members present affirmatively voted. The motion passed unanimously 3-0.
- The Audit Committee moved into Executive Session at 10:38 a.m.
- The Audit Committee moved out of Executive Session at 10:49 a.m.

## NEW BUSINESS ITEMS

- None.

## ADJOURNMENT

- Madam Chair Mingo called for adjournment of the Meeting at 10:51 a.m.

Prepared by:



Carla Reeves, Lottery IA Administrative Professional

Approved by:

**Angela M. Mingo**

Madam Chair Angela Mingo, Lottery Audit Committee

**Signature:**   
Angela M. Mingo (Sep 23, 2022 10:00 EDT)

**Email:** [angela.mingo@lottery.ohio.gov](mailto:angela.mingo@lottery.ohio.gov)

# FINAL AC Minutes 6.8 with legals edits

Final Audit Report

2022-09-23

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-  Document created by Carla Reeves (carla.reeves@lottery.ohio.gov)  
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-  Signer angela.mingo@lottery.ohio.gov entered name at signing as Angela M. Mingo  
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