



**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 11, 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  
Valerie Murphy, Office 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  
Daniel Carter, Acting Chief Legal Counsel, Ohio Lottery Commission  
Raymond Durant, Deputy Director of Investigations and Security, Ohio Lottery Commission  
Scott Basom, Office of Investigations and Security, Ohio Lottery Commission  
Jason Culek, Office of Sales, Ohio Lottery Commission  
Erin Brown, Internal Audit Section, Office of Budget and Management

**CALL TO ORDER**

- The Ohio Lottery Commission's (The Lottery) Audit Committee Meeting of June 11, 2025, was called to order by Madam Chair Angela Mingo at 10:32am. The meeting was held in person and via Microsoft Teams.

**APPROVAL OF MEETING MINUTES**

- Commissioner Szollosi motioned to approve the Minutes of the prior Audit Committee Meeting, dated March 12, 2025, which was seconded by Commissioner Sweeney, and all Audit Committee Members present affirmatively voted. The motion passed 3-0.



## FY2026 GOVERNANCE DOCUMENTS

- Deputy Director Gregory Beyer began with the four Governance Documents that needed to be reviewed and approved, which included:
  - The Audit Committee Charter;
  - The Internal Audit Charter;
  - The Internal Audit Policy Manual; and
  - The Fiscal Year 2026 Audit Plan
  
- Deputy Director Beyer stated that the documents were approved in December 2024, and there have been a few updates to reflect FY2026 for the Charter Documents. There was also an update to the Policy Manual regarding the topical requirements from the Institute of Internal Auditors (IIA), which is a new requirement from the Global Standards.
  
- Deputy Director Beyer mentioned that the first topical requirement was issued February 2025 and goes into effect February 2026, regarding cybersecurity, and an updated document was made to include the notation. Deputy Director Beyer also stated that another topical requirement will be released later this year regarding third parties, and the policy will be updated accordingly and incorporated into testing as applicable.
  
- Deputy Director Beyer stated that the Audit Plan gives some background on the purpose, the history of the Internal Audit (IA) Function, the development of the IA department audit plan for fiscal year 2026, the audit environment for the past year, upcoming budget and some key lottery initiatives.
  
- Deputy Director Beyer mentioned that some Lottery notable initiatives coming within the next two years are:
  - The conversion to the new gaming system, which is in the development stages;
  - The Lottery has released a Request for Proposal (RFP) for a new Digital Service contract that will oversee;
  - The lottery's website, the MyLottoRewards Players Club, the E Licensing for Retailers and Mobile Cashing App, and other digital services;
  - Also, some new EZPLAY games that were said to be released later this year;
  - One is tied to Keno, a \$10 EZPLAY game and a \$5 version is coming later this year; and
  - A new Multi-State Progressive EZPLAY game called Jackpot USA will be added later in this fiscal year.



- Deputy Director Beyer stated that the IA department was putting together their Audit Plan, and the annual risk assessment has been completed. Previously there were 13 categories that were scored across each business process area, it has been reduced to 10 categories.
  
- Deputy Director Beyer mentioned that he received positive comments with a better understanding regarding the updates to the risk variables. He also stated that it was somewhat of a challenge putting the audit plan together considering the undertakings with the Information Technology (IT) team with the conversion as well as other initiatives going on at the Lottery.
  
- Deputy Director Beyer gave an update on the audit plan for fiscal year 2026, which includes:
  - 10 Assurance Audits;
  - Two Advisory Engagements; and
  - Annual Auditor of State (AOS) Financial Reporting and IT Controls Audit.
  
- Deputy Director Beyer stated that he wanted to identify process areas that have had significant operational changes to provide assurance that the new changes are working and that controls were in place. Those projects include:
  - The Field Staff Accountability Investigators; and
  - The Payroll Project (Records Management Processes) - OBM
  - Two Contract Compliance Audits
    - Paper products and Office services; and
    - Persona Contract – Provides identity verification for the Voluntary Exclusion Program for the Responsible Gambling (RG) department
  - Two Financial Projects
    - Electronic Funds Transfer (EFT); and
    - Retailer Payments and Adjustments
  
- Deputy Director Beyer mentioned that a project was added regarding lottery equipment, to look at the usage of cell phones and tablets with cellular data plans, overall performance, efficiency and cost savings.
  
- Commissioner Szollosi asked if Deputy Director Beyer could give an overview or explain if the IA audits assist in preparation with the State Auditors audits. Deputy Director Beyer explained that the State Auditors Audits are complimentary, and the IA department uses what the AOS found, for example, maybe with the IT controls audit to identify an IT audit to look at or work with the IT department. Also, if there was something in Finance that



was noted the IA department would use those findings to build on but not try to overlap their work. Deputy Director Beyer also stated he has shared annual reports with AOS but not detailed work papers that were not requested but are available if needed.

- Madam Chair Mingo inquired about the volume of assurance engagements this year and how they vary from previous years with the changes in the staff, and Deputy Director Beyer stated that this year's plan is larger in volume, there are a few more projects and it is due to being at full staffing.
- Deputy Director Beyer also stated that there are 90 business process areas within the audit universe.
- Madam Chair Mingo asked for a motion to approve the Governance Documents and this year's Audit Plan. Commissioner Sweeney moved the motion and Commission Szollosi seconded the motion, and the motion passed 3-0.

**DEPUTY DIRECTOR OF INTERNAL AUDIT REPORT**

- Deputy Director Beyer stated that two projects' final report have been issued since the March meeting:
  - Key Card Access Control Audit; and
  - The Lausche DreamTouch Smart Audit
- Deputy Director Beyer also stated that two projects were cancelled:
  - The Advisory Engagement regarding the Business Continuity Plan; and
  - The Software Licensing Project.
- Deputy Director Beyer stated that nine projects were completed this year; one is currently in field work and two more are in the reporting phase that will be completed by the end of the month. Which puts the IA department on schedule to have 12 of the 14 projects, including the 2 cancelled, completed for the fiscal year.
  - Cash Explosion Contestant Drawing – Fieldwork, has 4 Objectives:
    - The drawing process adheres to the Lottery's internal policies and procedures;
    - Games and special promotions and relevant revised code administrative code provisions;

- The certification of the regular number generator is used as current accessible, and procedures exist to ensure the Random Number Generator (RNG) is properly certified for all drawings; and
    - The contestant selection process operates in an efficient and effective manner and ensures gameplay transparency and integrity.
  - Taxes withheld from prizes – Reporting, has 2 Objectives
    - Evaluate the design and effectiveness of controls to determine and distribute State, Federal and Foreign taxes withheld from prizes; and
    - Evaluate the design and effectiveness of controls to generate and distribute new tax forms.
  - The Lausche DreamTouch Smart – Complete, had 5 Objectives
    - The Sales department will adhere to the Lottery’s internal control, as well as policies and procedures;
    - Reconciliations are performed to verify the tickets removed from the DreamTouch Smart (DTS) are disposed of in accordance with the lottery’s policies and standards;
    - Reconciliations of the sales information occur in accordance with industry standards;
    - Their physical control desegregation of duties is documented and adhered to ensure security of the cash obtained with the DTS; and
    - Sales reports generated by the machine are not duplicated in nature relative to the sales reports available in our back-office system.
- Madam Chair Mingo wanted to know the process of how the Lottery accounts for foreign nationals, in regard to the taxes withheld from prizes project. Auditor Samantha Crites explained that the winners had to provide additional documentation on the processing claim, which was processed through a separate batch compared to the normal process, and there are different procedures for foreign taxes withheld.
- Deputy Director Beyer stated that there are currently 29 open issues:
  - 11 are rated as low risks;
  - 17 are rated as moderate risks; and
  - One is a high risk
- Deputy Director Beyer explained to Madam Chair Mingo the accounting for new and active due dates on open issues by stating that he works with the departments to define and update revised dates if he hasn’t received an update as to where they are.



**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 §§149.433 and 117.26.
- The Audit Committee moved into Executive Session at 11:01 am.
- The Audit Committee moved out of Executive Session at 11:11 am.
- Deputy Director Beyer thanked the Audit Committee for their continued support, Madam Chair Mingo thanked the IA team for all their hard work, and Commissioner Szollosi mentioned the professionalism of the IA staff as well as the attention to detail the staff continues to give.

**ADJOURNMENT**

- Madam Chair Mingo called for adjournment of the Meeting at 11:13am.

X Valerie Murphy  
Valerie Murphy (Sep 17, 2025 15:13:55 EDT)

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Valerie Murphy  
Administrative Professional 4

X Angela Mingo  
Angela Mingo (Sep 17, 2025 20:11:25 EDT)

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Madam Chair Angela Mingo  
OLC Audit Committee

# AC Meeting Minutes 06.11.2025

Final Audit Report

2025-09-18

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