

RON DESANTIS
Governor



JOHN F. DAVIS
Secretary

September 26, 2022

Melinda Miguel, Chief Inspector General
Executive Office of the Governor
400 S. Monroe Street
Tallahassee, Florida 32399

Re: OIG Annual Report for Fiscal Year 2021-22

Dear Chief Inspector General Miguel:

In accordance with Section 20.055(8), Florida Statutes, I am pleased to submit our Annual Report for the Florida Lottery, Office of Inspector General (OIG). The report reflects the activities and accomplishments of the OIG for fiscal year 2021-22.

We remain committed to the goals of the Florida Lottery and to our work to provide a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency. Thank you for your continued support of our efforts.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "A. Mompeller", written over the "Respectfully submitted," text.

Andy Mompeller
Inspector General

cc: Sherrill Norman, Florida Auditor General



September 26, 2022

Office of Inspector General

Annual Report for Fiscal Year 2021-22



Andy Mompeller
Inspector General

FLORIDA DEPARTMENT OF LOTTERY
OFFICE OF INSPECTOR GENERAL
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INTRODUCTION

OVERVIEW

In 1986, Florida voters approved a lottery through a constitutional amendment. The Florida Legislature established the Florida Lottery with the mission of maximizing revenues for education to allow the people of Florida to benefit from significant additional monies while providing the best lottery games available. Over the history of the Florida Lottery, both goals have been accomplished. Consistent with this, the Florida Lottery's mission is to maximize revenues for the enhancement of public education while upholding the highest standards of integrity and public trust.

The Office of Inspector General (OIG) provides support to the Lottery's mission through its function. Section 20.055 of Florida Statutes (F.S.) defines the duties and responsibilities of the Inspectors General and requires the OIG to submit an annual report each year, summarizing the activities performed by the OIG during the preceding fiscal year. This annual report is presented to the Secretary of the Florida Lottery and the Governor's Chief Inspector General to comply with statutory requirements and to provide departmental staff and interested parties with information on the OIG's progress in accomplishing its mission.

MISSION STATEMENT

The mission of the Florida Lottery OIG is to protect and promote public integrity and accountability within the Lottery through audits and investigations that detect fraud, waste, abuse, and administrative violations. The goal of the OIG is to prevent and decrease the reoccurrence of such violations through employee awareness and cooperation, while providing the Lottery with timely, accurate, objective, and useful work products that promote confidence and provide transparency for the citizens of the State of Florida.

OIG RESPONSIBILITIES

Section 20.055, F.S., establishes the Office of Inspector General within each state agency to provide a central point for coordination of, and responsibility for, activities that promote accountability, integrity, and efficiency in government. The OIG has full, free, and unrestricted access to all Lottery activities, records, data, properties, functions, and personnel necessary to effectively carry out its responsibilities. The OIG's responsibilities include:

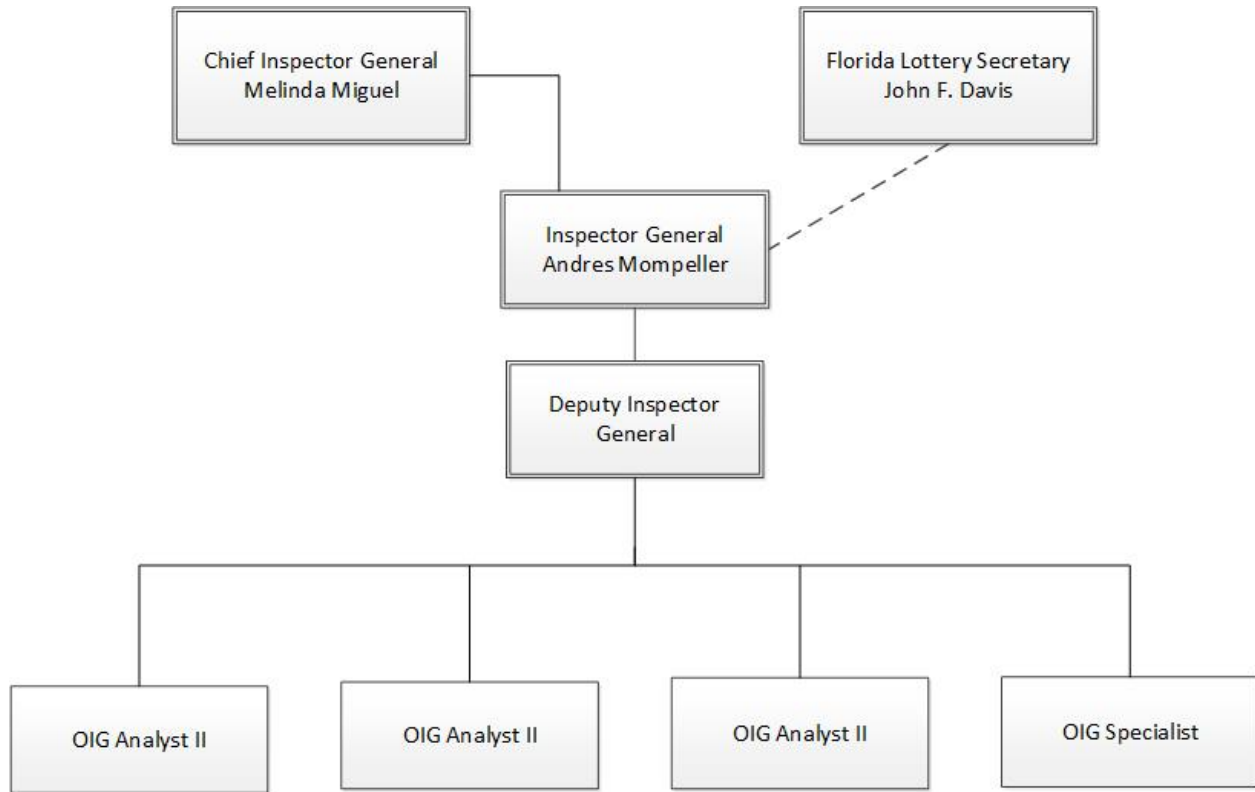
- Conducting audits, investigations, and management reviews relating to the programs and operations of the Lottery;
- Reviewing and evaluating internal controls necessary to ensure the fiscal accountability of the Lottery;
- Keeping the Secretary and Chief Inspector General informed concerning fraud, abuse,

and deficiencies relating to programs and operations administered or financed by the Lottery;

- Recommending corrective action and reporting on the progress made in implementing corrective action;
- Advising in the development of performance measures, standards, and policies and procedures for Lottery programs;
- Conducting or coordinating other activities carried out or financed by the Lottery for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations;
- Coordinating and monitoring the implementation of the Lottery's response to recommendations made by the Auditor General, the Office of Program Policy Analysis and Government Accountability (OPPAGA), the Florida Department of Financial Services, and other external agencies; and
- Ensuring that an appropriate balance is maintained between audit, investigative, and other accountability activities.

ORGANIZATION AND STAFF

The Lottery Inspector General falls under the administrative supervision of the Lottery Secretary but reports directly to the Governor's Chief Inspector General. The OIG consists of six professional positions that perform internal audit and investigative functions, as shown below.



OIG STAFF QUALIFICATIONS AND CERTIFICATIONS

OIG personnel are highly qualified and bring various backgrounds and expertise to the Lottery. The collective experience spans a variety of disciplines including auditing, accounting, process improvement, investigations, and information systems.

The *International Standards for the Professional Practice of Internal Auditing* as published by the Institute of Internal Auditors, and the *Principles and Standards for Offices of Inspector General* as published by the Association of Inspectors General, require internal audit and investigative staff to maintain their professional proficiency through continuing education and training. In addition, the OIG has received accreditation by the Commission for Law Enforcement Accreditation, Inc., and must meet minimum training standards to maintain accreditation.

OIG staff members continually seek to enhance their abilities and contributions to the OIG and the Lottery. Many staff members have obtained certifications that demonstrate their knowledge, motivation, and commitment to the profession. The accomplishments of the staff in obtaining professional certifications represent significant time and effort by each staff member, reflecting positively on the individual as well as the Lottery. During fiscal year 2021-22, professional certifications held by OIG staff members include:

- Certified Inspector General (CIG)
- Certified Internal Auditor (CIA)
- Certified Information Systems Auditor (CISA)
- Certified Inspector General Investigator (CIGI)
- Certified Governmental Auditing Professional (CGAP)
- Florida Certified Contract Manager (FCCM)
- Notary Public



AFFILIATIONS

OIG staff members participate in a number of professional organizations to maintain proficiency in their areas of expertise and certification. These associations allow them to establish and advance professional networks and participate in professional development activities. OIG staff members are affiliated with the following professional organizations that support audit and investigation activities:

- Association of Inspectors General (AIG)
- Institute of Internal Auditors (IIA)
- Association of Government Accountants (AGA)
- ISACA

INTERNAL AUDIT



The purpose of internal auditing is to provide independent, objective assurance and consulting activities designed to add value and improve the Lottery's operations. Our vision is to help the Lottery by facilitating change directed toward improving efficiency, effectiveness, accountability, and teamwork.

Audit responsibilities of the OIG include:

- Conduct compliance, information technology, performance, operational, and financial audits of the Lottery to identify and recommend corrective action for deficiencies or matters of noncompliance;
- Conduct consulting activities in order to provide independent advisory services to Lottery management;
- Assess the reliability and validity of Lottery performance measures;
- Ensure effective coordination and cooperation with the Office of the Auditor General, OPPAGA, and other governmental bodies to ensure proper coverage and minimize duplication of effort;
- Conduct risk assessments of the Lottery annually, taking into consideration the input of senior management;
- Develop annual and long-term audit plans outlining the audits to be conducted during each year and related resources to be devoted to the respective audits;
- Monitor the implementation of the Lottery's response to audit reports issued by the Inspector General, Office of the Auditor General, OPPAGA, or other oversight agencies;
- Develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity, with an external assessment conducted every three years; and
- Participate in enterprise projects and provide assistance as requested by the Chief Inspector General.

The OIG conducts assurance and consulting activities in accordance with the *International Standards for the Professional Practice of Internal Auditing*, published by the Institute of Internal Auditors, Inc. Audit reports are distributed internally to the Secretary of the Florida Lottery and affected Lottery managers, the Executive Office of the Governor's Chief Inspector General, and the Office of the Auditor General.

INTERNAL AUDIT ACCOMPLISHMENTS

During fiscal year 2021-22, the OIG completed five internal audits and five management reviews. Additionally, the OIG conducted follow-up activities to review the status of seven internal engagements. The results of those engagements are summarized below.

20-1003, Agency Travel

The Lottery's Financial Transactions unit is responsible for auditing and processing travel reimbursements for Lottery employees and vendors in compliance with applicable laws, rules, and regulations. The Statewide Travel Management System (STMS) was introduced in 2018. Financial Transactions began training Lottery units separately to ensure proficiency, with the STMS being fully implemented at the Lottery in August of 2021.

The OIG conducted an audit of Agency Travel to determine if there are sufficient internal controls to ensure travel expenses occur and are reimbursed in accordance with rules and regulations. During this audit, we found that overall, the Lottery has sufficient controls in place. We noted one minor deficiency relating to the submission of programs/agendas, and we recommended that management develop a process to ensure programs or agendas are submitted by travelers who attend a convention or conference prior to issuing the reimbursement for such travel.

21-1003, Prize Payment Process

The Lottery's most important business function, after selling tickets, is paying prizes. The Lottery has paid more than \$73.2 billion in prizes since 1988. Lottery retailers are authorized to pay prizes valued at less than \$600. Prizes \$600 and greater must be claimed at one of the Lottery's nine district offices or at Lottery headquarters. Claims Processing is responsible for processing the prize payments of tickets submitted to Lottery headquarters and assisting district offices with the payment of prizes presented at those offices.



The OIG conducted a review of the Prize Payment Process utilized by Claims Processing. The purpose of the review was to assess the adequacy of controls over prize payments and identify opportunities for increased efficiency and effectiveness in the prize payment process. During this review, we noted that Claims Processing has adequate controls in place. Although we did not note any deficiencies that rise to the level of a finding, we made recommendations that will further strengthen the internal control structure and improve process efficiencies within Claims Processing. Recommendations included updating procedures, inactivating multiple player identifications, creating systematically generated letters, increasing the thresholds for retailer payment and state-owed debt analysis, and researching technological advances in prize payments.

21-1006, Tallahassee District Office

The Tallahassee district functions as a Lottery retailer and prize redemption center, which includes selling scratch-off and terminal game tickets and redeeming winning tickets with a value of less than \$1 million for Lottery games that do not offer an annual payment option. The Tallahassee district office serves as an operations center for Lottery sales representatives, and operates a warehouse that receives, stores, and distributes items needed to support the nearly 400 Lottery retailers located within the district.

The OIG conducted an audit of the Tallahassee district office to determine whether the Tallahassee district operates in compliance with the direction of Lottery management and demonstrates an adequate system of internal controls that appropriately safeguard the assets and integrity of the Lottery. Our audit disclosed opportunities for improvement in the areas of opening and closing procedures, cash management, fleet management, ADA evaluations, scratch-off ticket accountability, Merchandise Inventory Control System inventory, physical security, and prize payments. To address the noted deficiencies, we made sixteen recommendations that, if implemented, will strengthen the internal control structure of the Tallahassee district.

22-1003, Contract Compliance

The state's purchasing laws are designed to promote fair and open competition in the public procurement process. The goal is to reduce the appearance and opportunity for favoritism and foster public confidence that contracts are awarded equitably and economically. House Bill 1079, passed during the 2020-21 Legislative Session, amended section 287.136, F.S., to require a periodic risk-based compliance audit of all contracts executed by a state agency to identify any trends in vendor preferences.



The OIG conducted a risk-based compliance audit of contracts procured and executed by the Lottery during the 2018-19, 2019-20, and 2020-21 fiscal years. In accordance with section 287.136(2), F.S., the audit included an evaluation and identification of any trends in vendor preference. We found no evidence of trends in vendor preference by the Lottery. We also determined that while the procurement function has not implemented formal procurement procedures, internal processes are in place to ensure compliance with state purchasing laws. However, we did note three areas of non-compliance relating to governance, data recorded in the Florida Accountability Contract Tracking System (FACTS), and procurement regulations. The OIG made four recommendations that included formalizing procurement policies and procedures, developing a process to ensure information is timely and accurately entered into FACTS, identifying the position responsible for FACTS entries, and formalizing processes to ensure procurement files contain the appropriate documentation prior to contract execution.

22-1004, Lottery Funding

Within the United States, a lottery has been established in 45 states and the federal district of Washington, D.C. While all of these lotteries offer traditional lottery tickets, some state lotteries offer services in addition to traditional lottery, to include sports betting, keno, table games, video lottery, bingo, and coin operated amusement machines. Some lotteries are created as a state agency or within a state agency, whereas other lotteries operate as corporations or are governed by a commission.

At the request of executive management, the OIG conducted a review that included a comparison of the funding methodologies of state lotteries. We noted that lotteries are self-supporting and funded through ticket sales, with the funding for the majority of lotteries being approved by the legislature either through a maximum allowed percentage of annual revenues or more commonly through annual approved appropriations. Several lotteries offer incentives or bonuses to their employees that are based on increasing sales, meeting or exceeding goals, or increasing transfers. The operating expenses (vendor fees, marketing expenses, personnel expenses, retailer commissions) as percentages of sales revenue were disparate between lotteries, differing as much as 11.5% within expense types. The Florida Lottery is one of the most efficient lotteries in the nation, operating on just one percent of total annual revenue.

22-1005, Performance Measures

Section 20.055, F.S., requires the OIG in each state agency to advise in the development of performance measures, standards, and procedures for the evaluation of state agency programs; assess the reliability and validity of the information provided by the state agency on performance measures and standards; and make recommendations for improvement, if necessary. The OIG conducted a review of the Lottery's performance measures found in the Long-Range Program Plan. We assessed the reliability and validity of the five performance measures and found them to be reliable and valid in all material respects.



22-1006, Security Evidence Vault

The Lottery Division of Security (Security) evidence vault is used to store evidence and property that is taken into custody by Security employees. Security is responsible for providing a secure storage facility and maintaining a system of documentation to track property from its receipt to its eventual disposition. In response to a request by Security management, the OIG conducted a review of the evidence vault located in Security's forensic laboratory. The purpose of our review was to verify the accuracy of property records against the property stored in the evidence vault. We found all items to be appropriately preserved and properly reconciled to the property records.

22-1007, Orlando District Office

The Orlando district functions as a Lottery retailer and prize redemption center, which includes selling scratch-off and draw game tickets and redeeming winning tickets with a value of less than \$1 million for Lottery games that do not offer an annual payment option. The Orlando district office serves as an operations center for Lottery sales representatives, and operates a warehouse that receives, stores, and distributes items needed to support the approximately 2,200 Lottery retailers located within the district.



The OIG conducted an audit of the Orlando district office to determine if the Orlando district operates in compliance with established policies and procedures and the direction of Lottery management. Our audit disclosed opportunities for improvement in the areas of opening and closing procedures, cash management, fleet management, ADA evaluations, scratch-off ticket accountability, Merchandise Inventory Control System inventory, physical security, and prize payments. To address the noted deficiencies, we made fifteen recommendations that, if implemented, will strengthen the internal control structure of the Orlando district.

22-4004, Jackpot Triple Play Draw

One of the essential functions of Security is to provide draw management services for the Florida Lottery and Powerball®. Florida Lottery drawings are conducted under the strictest security guidelines and procedures in the industry. The Lottery applies an extensive system of internal controls and procedures to ensure the integrity of Lottery draw games, to include secure storage of draw machines and ball sets, a monitored storage vault with strict access procedures, and multiple recordings of every drawing.

The OIG conducted a review of the events surrounding a draw incident that occurred on the evening of January 7, 2022. The purpose of the review was to determine the cause(s) leading to this incident, evaluate the controls surrounding the draw process, and identify areas where improvements could be made to ensure the integrity, security, and fairness of each draw game in accordance with applicable rules and regulations. We found that deficiencies in several control points contributed to the draw incident. The OIG identified potential improvements that could be made to the Draw Management Standard Operating Procedures and in the training of Draw Managers. We made 12 recommendations to address these areas.

22-8002, Cybersecurity Continuous Monitoring



Chapter 60GG-2 of Florida Administrative Code (F.A.C.) is known as the Florida Cybersecurity Standards, thereby establishing cybersecurity standards for information technology (IT) resources. The OIG conducted an audit to evaluate Lottery controls and compliance with Rule 60GG-2.004(2), F.A.C., *Security Continuous Monitoring*, regarding IT resource monitoring to identify cybersecurity events. The scope of this audit included Lottery cybersecurity continuous monitoring policies, procedures, activities, and processes.

Due to the nature of the audit, the results of this audit are confidential and exempt from public disclosure pursuant to section 282.318(4)(g), F.S.

22-2001, Internal Follow-Up

Internal audit standards require the establishment and maintenance of a system to monitor the disposition of results communicated to management to ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action. The OIG conducted an internal follow-up review during the first half of the 2021-22 fiscal year that included the review of the status of corrective actions from seven internal audits and reviews. Our review included follow-up of 23 findings and 44 recommendations. We verified the completion of 23 recommendations, which resulted in the closure of 7 findings.

22-2002, Internal Follow-Up

The OIG conducted an internal follow-up review during the second half of the 2021-22 fiscal year that included the review of the status of corrective actions from six internal audits and reviews. Our review included follow-up of 14 findings and 21 recommendations. We verified the completion of 13 recommendations, which resulted in the closure of 7 findings. We will continue to follow up on the outstanding recommendations until all corrective actions have been completed.

AUDIT RESPONSE COORDINATION AND FOLLOW-UP

The OIG provides a single point of contact for external agencies that audit the Lottery. This is done to ensure effective coordination and cooperation between the Lottery and the Office of the Auditor General, OPPAGA, and other governmental bodies, and to minimize duplication of effort. We coordinate information requests and responses and assist in scheduling meetings for these entities. We provide coordination of the Lottery's formal responses to preliminary and tentative findings issued by the Office



of the Auditor General, OPPAGA, Department of Financial Services, and other oversight agencies. We also coordinate the six-month response on the status of corrective actions taken by the Lottery on any audit findings and recommendations issued by the Office of the Auditor General or OPPAGA. A written report on the status is provided to the Chief Inspector General and the Joint Legislative Auditing Committee. During the 2021-22 fiscal year, we coordinated the following external engagements:

OFFICE OF THE AUDITOR GENERAL
QUALITY ASSESSMENT REVIEW
FINANCIAL AUDIT FOR THE FISCAL YEARS ENDED JUNE 30, 2021, AND 2020
GAMES ADMINISTRATION AND SELECTED ADMINISTRATIVE ACTIVITIES
OFFICE OF PROGRAM POLICY ANALYSIS AND GOVERNMENT ACCOUNTABILITY
REVIEW OF THE FLORIDA LOTTERY, 2021
BULLETPROOF SOLUTIONS, INC.
COMPREHENSIVE STUDY AND EVALUATION OF LOTTERY SECURITY (2022)

REVIEW OF CORRECTIVE ACTIONS FOR PRIOR YEAR AUDITS

Section 20.055(8)(c), F.S., requires the identification of each significant recommendation described in previous annual reports on which corrective action has not yet been completed. There are no corrective actions that remain open for significant recommendations reported in previous annual reports.

RISK ASSESSMENT AND AUDIT PLAN

Section 20.055, F.S., requires the Inspector General to develop long-term and annual audit plans based on periodic risk assessments of the Lottery. This helps ensure the OIG is responsive to management concerns and that those activities judged to have the greatest risks are identified and scheduled for review.

The risk assessment included identifying programs and activities administered by the Lottery and evaluating each activity based on indicators of risk exposure, or risk factors. Each program or activity was given a score for seven risk factors: control environment, financial impact, operation complexity, public perception, change in operations/systems, audit coverage, and management concerns. The risk assessment included administration of a risk assessment survey to Lottery

management and meetings with executive management to discuss enterprise risk exposures and internal controls.

Using the results from these efforts and our professional judgment, we developed the audit plan for the 2022-23 fiscal year. The audit plan provides the most effective coverage of the Lottery's programs and processes, while optimizing the use of internal audit resources. At the request of the Chief Inspector General, we have dedicated audit hours to enterprise projects, which address administrative issues common to most agencies. The annual audit plan was approved by the Lottery Secretary and submitted to the Office of the Chief Inspector General and the Auditor General. The audit plan is subject to change as Lottery priorities change and new risks are identified. During the 2022-23 fiscal year, audit resources will be allocated to the following engagements:

2022-23 Audit Plan

Division/Office	Project
Support Services	Fleet Management - carryover
Retailer Contracting/Security	Retailer Contract Applications - carryover
Software Quality Assurance	Change Control – carryover
Information Resources	Disaster Recovery Plan – carryover
Security	Evidence Vault
ISM	Cybersecurity Audit
Sales	District Offices
Department-wide	Performance Measures
Finance	Internal Control Assessment
Security	Background Screening
Department-wide	Agency-Wide Conduct Documentation Review
Chief Inspector General	Enterprise Projects

INVESTIGATIONS

The OIG works to deter, detect, and investigate allegations of fraud, waste, abuse, or employee misconduct impacting the Lottery. The OIG receives inquiries or complaints regarding Departmental activity from many sources, including the Whistle-blower's Hotline, the Florida Department of Financial Services' Get Lean Hotline, the Chief Inspector General's Office, an online complaint form on the OIG's website, the Executive Office of the Governor, letters, telephone calls, and e-mails.



Investigation Responsibilities of the OIG include:

- Receive complaints and coordinate all activities of the agency as required by the Whistle-blower's Act pursuant to Section 112.3187 – 112.31895, F.S.;
- Receive and consider complaints that do not meet the criteria for an investigation under the Whistle-blower's Act and conduct, supervise, or coordinate such inquiries, investigations, or reviews as the Inspector General deems appropriate;
- Report expeditiously to the Florida Department of Law Enforcement or other law enforcement agencies, as appropriate, whenever the Inspector General has reasonable grounds to believe there has been a violation of criminal law;
- Conduct investigations and other inquiries free of actual or perceived impairment to the independence of the Inspector General or the Inspector General's office. This shall include freedom from any interference with investigations and timely access to records and other sources of information; and
- Submit in a timely fashion, final reports on investigations conducted by the Inspector General to the agency head, except for Whistle-blower's investigations, which shall be conducted and reported pursuant to Section 112.3189, F.S.



Investigations are conducted in accordance with quality and quantitative standards as set forth in the *Principles and Standards for Offices of Inspector General*, published by the Association of Inspectors General, and the *Florida Inspectors General Standards Manual*, published by the Commission for Florida Law Enforcement Accreditation. If suspicion of potential criminal activity is discovered, it is referred to the appropriate law enforcement agency. The OIG coordinates with law enforcement on any criminal investigation, while ensuring that issues of an internal nature are addressed administratively.

During fiscal year 2021-22, the OIG completed three internal investigations, processed 241 complaints, and conducted activities related to maintaining the Commission for Law Enforcement Accreditation.

COMPLAINTS

The OIG received 241 complaints during fiscal year 2021-22. OIG staff responded to each complainant as appropriate and referred 183 complaints to Lottery management for proper handling. Two complaints resulted in the OIG initiating an investigation. The remaining 56 complaints were addressed by OIG staff.

COMPLETED INVESTIGATIONS

During the 2021-22 fiscal year, the OIG completed three investigations. A synopsis of those investigations is provided below.

21-4003

The OIG received a complaint from a Lottery employee who alleged she was subjected to disrespectful behavior and possible violation of Employee Assistance Program (EAP) policy and Health Insurance Portability and Accountability Act (HIPAA) protection. As a result of analysis and interviews with the complainant, witnesses, and subject, the allegation of Violation of EAP Policy and HIPAA protection was determined to be *Unfounded*. Through interviews and review of surveillance video, the allegation of Unwanted Touching (pushing) was determined to be *Unsubstantiated*. As a result of interviews and the subject's own statements, the allegation of Discourteous Behavior was *Substantiated*. The investigation also resulted in an incidental finding of Disruptive Behavior by one of the subjects. We recommended management take appropriate action as they deemed necessary.

22-4003

The OIG received a complaint from a Lottery employee alleging sexual harassment and unwelcome or offensive behavior by a co-worker. The allegations of Sexual Harassment and Unwelcome or Offensive Behavior were *Unsubstantiated*. The OIG recommended management take appropriate action as they deemed necessary.

22-4005

The OIG received a complaint from a Lottery retailer employee who alleged she was subjected to unwelcome or offensive behavior by a Sales Representative. Through interviews and review of surveillance video, the allegation of Unwelcome or Offensive Behavior was *Substantiated*. We recommended management take appropriate action as they deemed necessary.

ACCREDITATION

Accreditation programs have long been recognized as a means of maintaining and verifying the highest standards. In 2009, the Commission for Florida Law Enforcement Accreditation (CFA) expanded its program to include Inspectors General offices. The CFA is an accreditation program recognized as a means of maintaining the highest standards of professionalism for independent investigations based on meeting specific requirements and prescribed standards. The Florida Lottery OIG was the fourth IG office in the state to receive this accreditation status and was first accredited by the CFA in 2010.



The accreditation remains in effect for three years, at which point state assessors complete a reaccreditation review of the OIG. The OIG will be reaccredited for the fourth time in October 2022. OIG staff regularly conduct activities to ensure ongoing compliance with accreditation requirements. Activities relating to this effort include:

- Conduct annual reviews to ensure continued compliance with the standards and the Investigations Manual. This includes a full review of all complaints and investigations and supporting documentation.
- Provide assistance to other agencies with their accreditation process.
- Attend Accreditation Manager meetings to discuss current and future issues regarding accreditation requirements.
- Revise the OIG Investigations Manual to comply with changes in CFA standards.
- Ensure OIG staff submit annual independence attestations and meet annual training requirements for CFA standards.
- Complete the CFA Annual Report.

OTHER OIG ACTIVITIES

The OIG participates in numerous other activities, including internal quality assessments, OIG work plans, OIG annual reports, and other internal/external assistance activities. OIG staff proactively monitor certain Lottery activities and review patterns to determine if additional action is warranted. During fiscal year 2021-22, the OIG performed the following activities.

QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

The *International Standards for the Professional Practice of Internal Auditing (Standards)* require that the OIG develop and maintain a quality assurance and improvement program (QAIP) that covers all aspects of the internal audit activity. The QAIP must include both internal and external assessments. In accordance with section 11.45(2)(i), F.S., the Auditor General conducted a

quality assessment review of the Department of Lottery, Office of Inspector General's internal audit activity. This review assists our office in meeting the external assessment requirements.

The overall objectives of the Auditor General's review were to evaluate the extent to which the OIG's internal audit activity's charter, policies and procedures, QAIP, work products, and other selected programs, activities, and functions conform to applicable professional auditing standards, the Code of Ethics issued by The Institute of Internal Auditors, and applicable provisions of section 20.055, F.S. The Auditor General determined that the Lottery OIG's "internal audit activity was adequately designed and complied with during the review period July 2020 through June 2021 to provide reasonable assurance of conformance with applicable professional auditing standards and the Code of Ethics issued by The Institute of Internal Auditors. Also, the Office of Inspector General generally complied with those provisions of Section 20.055, Florida Statutes, governing the operation of State agencies' offices of inspectors general internal audit activities."

COMPUTER SECURITY INCIDENT RESPONSE TEAM

The Computer Security Incident Response Team (CSIRT) responds to suspected computer security incidents by identifying and controlling incidents, notifying designated CSIRT responders, and reporting findings to Lottery management. The Inspector General is a core member of the CSIRT team for the Lottery and attends CSIRT meetings scheduled by the Director of Information Security Management to review and provide input to management on policies and procedures.

RETAILER INTEGRITY PROGRAM

Throughout fiscal year 2021-22, the OIG provided administrative support, research, and consulting activities relating to retailer integrity. The Inspector General serves as an advisor to the Retailer Integrity Program.

LOTTERY DRAWINGS

The facility where Lottery drawings are conducted requires a dual-control environment, necessitating Division of Security staff and audit staff be present during any required maintenance and other activities. OIG staff fulfills this role as needed. Additionally, the OIG is notified of any draw discrepancies. We monitor these discrepancies and perform additional reviews when necessary.

The OIG published semiannual OIG Newsletters in fiscal year 2021-22 to inform Lottery employees of OIG processes and remind them of the importance of recognizing and reporting fraud. The newsletters focused on fraud, to include both facts and theories about fraud. The Fall newsletter addressed best practices to protect against cyber fraud. The newsletters also provided information about complaints received by the OIG and the methods by which a complaint can be filed. The goal of the newsletters is to keep employees better informed and to seek a reduction in fraud, waste, abuse, and irregularities within the Lottery.



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