

INFORMATION SYSTEMS AUDIT
 Montana Lottery Security
 Montana Lottery

MAY 2013

13DP-01

REPORT SUMMARY

Strong security controls are essential to ensure the safety and integrity of the Montana Lottery and its games, employees and contractors. Security controls are in place in the areas outlined by statute; however, we identified areas where controls can be strengthened, and where adherence to existing controls can be improved.

Context

The Montana Lottery was created in 1987. In its first quarter-century the Montana Lottery has transferred nearly \$200 million to various state programs and to the general fund, where its net revenues are currently deposited. Its operations are funded by the sale of Montana Lottery tickets, which include scratch tickets; online tickets for drawing games such as Powerball and Montana Cash; and online instant-play games, a relatively new form of game for the Montana Lottery. Tickets are sold by licensed sales agents across the state, either in person as traditional retail counter transactions, or increasingly via vending-style self-service machines. These machines are typically located in supermarkets and taverns.

Montana law requires the Legislative Audit Division to perform a comprehensive security audit of the Montana Lottery every two years. Auditors reviewed the 18 security areas as defined in §23-7-411, MCA. Testing included evaluating Montana Lottery against Montana statute, Multi State Montana Lottery Association (MUSL) regulations, Montana Lottery internal security procedures, and industry best practices.

Results

Overall, security controls are in place in the areas outlined by statute; however, we identified areas where controls can be strengthened, and where adherence to existing controls can be improved. Areas for improvement include:

- ◆ Enhancing and adhering to the Montana Lottery’s Employment of Relatives Policy,
- ◆ Increasing familiarity with and efficient utilization of existing security systems, and
- ◆ Collecting and analyzing data related to prize claims by licensed sales agents and their employees.

Recommendation Concurrence	
Concur	3
Partially Concur	0
Do Not Concur	0
Source: Agency audit response included in final report.	

For a complete copy of the report (13DP-01) or for further information, contact the Legislative Audit Division at 406-444-3122; e-mail to lad@mt.gov; or check the web site at <http://leg.mt.gov/audit>
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