LOTTERY SECURITY

Winners happen!

Tyler Julian – Information Technology Auditor

NATURE & PROFILE

Contributes significant funds to the State

Continued popularity

Third-party relationships

§ 23-7-411, MCA

Recurring audit with eighteen areas reviewed as part of our risk assessment

PRIOR AUDIT WORK

Management of Third-party Relationships

Sports Betting Functionality & Legal Requirements

Business Continuity Planning

Page 5, Table 3

OBJECTIVE

Determine if Lottery's risk management process is capable of identifying potential data, third-party service, and compliance risks that could impact Lottery operations.

SCOPE

Lottery's Risk Management
Practices

- Risk assessment, response, & monitoring

- State risk management requirements

- Lottery risk-related information

FINDINGS SUMMARY

Our audits examine controls associated with objectives that are based on specific control risks identified during planning

Ability to Control Risk

	High		Low	
Significant	Critical but Controlled		Highest Priority	1
Moderate	No Major Concern		High Priority	1
Minimal			Moderate Priority	

Impact

RISK MANAGEMENT

Don't gamble with your security & success

PROCESS FOLLOWS CULTURE

Culture is what people do

The habits fostered and performed without having to be told

TRANSPARENT & PARTICIPATORY RISK CULTURE

Lottery has the right risk culture

However...

UNDEFINED RISK APPETITE

Guides risk management policies & practices

INCOMPLETE MONITORING

You cannot monitor for threats not considered

PURPOSE OF AUDIT

Independent review of security control, not risk identification

RECOMMENDATION #1

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We recommend the Montana State Lottery seek the education or training necessary to implement effective risk management and establish an appropriate role for audit within risk management.

Lottery response: **Concur**

ASSESSMENT & IDENTIFICATION

Lottery 's risk management program lacks required processes for the identification of risk

IDENTIFICATION ✗

COLLECT DATA

Establish a holistic view of risk environment

ANALYZE RISK

Develop a substantiated view of actual risk

RISK PROFILE

Actionable information – Inventory of identified risks, attributes, and planned responses

RESPONSE ✓

ARTICULATE RISK

Communication of risk information to all required parties for appropriate response

ACTION PORTFOLIO

Manage opportunities to reduce risk

RESPOND TO RISK

Take action to address risk

CHANGES ON THE HORIZON

Lottery faces significant changes that would benefit from a comprehensive risk management program

RECOMMENDATION #2

We recommend Lottery establish a risk management program that aligns with state policy that includes:

A. Appropriate risk assessment methods for the collection of risk-related data, analysis of this data for risk identification, and maintenance of a risk profile; and

B. An inventory of applicable state policy requirements and a method to track and ensure satisfaction of these requirements.

Lottery response: **Concur**

THANK YOU

Any Questions?