

**SOUTH CAROLINA EDUCATION LOTTERY
AUDIT COMMITTEE MEETING MINUTES
February 17, 2021
9:00 a.m.**

The Audit Committee (“Audit Committee”) of the Board of Commissioners of the South Carolina Education Lottery held a meeting on Wednesday, February 17, 2021, in the fourth-floor conference room located at 1333 Main Street, Columbia, South Carolina. The following members, representing a quorum and all of the members of the respective committees, participating:

Dr. Edward Keith, Chair
Sam Litchfield, Chairman (*ex-officio*)

Billy Newsome (via video)
Otis Morris

The Chairman called the meeting to order at 9:07 a.m. He noted that Sonja Erickson, Internal Auditor, has been working diligently to learn all phases of SCEL’s business. He stated that Ms. Erickson has individually interviewed each member of our senior leadership team and she participates in the weekly directors conference calls to learn how SCEL addresses day-to-day operational matters and how staff coordinates efforts across departments. She has also been working closely with Mr. Boyle as she has begun developing audit plans and the charters that the committee would review today. These documents are the foundation for a successful program. He then recognized Ms. Erickson.

Ms. Erickson presented and explained the Internal Audit Charter that helps to define the roles and expectations of the Internal Auditor. At the conclusion of her presentation and hearing no further questions, the Chairman entertained a motion by Commissioner Litchfield, seconded by Commissioner Morris that the committee recommend Board approval of the Audit Committee Charter at the May meeting.

The motion passed unanimously.

Next, Ms. Erickson presented and explained the Audit Committee Charter. She stated that the Audit Committee Charter updates the last version from 2012 and it defines the committee’s role in providing audit information to the Board. At the conclusion of questions and discussion, the Chairman entertained a motion by Commissioner Litchfield, seconded by Commissioner Morris that the committee recommend Board approval of the Internal Audit Charter at the May meeting.

The motion passed unanimously.

Next, Ms. Erickson updated the Board on her recent activities. Ms. Erickson stated that she is currently conducting a review with each department head to audit compliance with the Lottery Act, which has also helped in becoming fully familiar with all aspects of SCEL operations. She stated that SCEL is currently undergoing the second part of a Service Organization Controls Audit (SOC2) and she is assisting SCEL’s outside auditors, Elliot Davis, as they work toward completion. She is also wrapping up two audits started by her predecessor. Lastly, Ms. Erickson stated that the next task would be to develop the FY22 internal audit plan with input from the

Board and management. Ms. Erickson stated her work approach that consisted of building trust with management and staff. She assured the committee that her results would not be a surprise to management because she would get management involved. Mr. Brown stated that he would ensure that Ms. Erickson gets full cooperation from SCEL staff.

After stating that the committee would make its recommendations to the Board at its May 2021 meeting, the Chairman adjourned the meeting at 9:37 a.m.

 /s/

Dr. Edward C. Keith, Chairman