



STATE OF ILLINOIS
**OFFICE OF THE
 AUDITOR GENERAL**

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

DEPARTMENT OF THE LOTTERY

State Compliance Examination
 For the Two Years Ended June 30, 2025

Release Date: March 5, 2026

FINDINGS THIS AUDIT: 12	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	2023		25-02, 25-03	
Category 2:	4	7	11	2021		25-06	25-12
Category 3:	0	1	1	2019		25-01, 25-04, 25-07	
TOTAL	4	8	12	2013		25-05	
FINDINGS LAST AUDIT: 8							

INTRODUCTION

This digest covers the Department of the Lottery’s (Department) State Compliance Examination for the two years ended June 30, 2025. A digest covering the financial audit of the Department’s State Lottery Fund as of and for the year ended June 30, 2025, was previously issued on January 13, 2026. In total, this report contains 12 findings, none of which were reported in the Financial Audit.

SYNOPSIS

- (25-04) The Department did not exercise adequate controls over its State vehicles.
- (25-07) The Department had not implemented adequate internal controls related to cybersecurity programs, practices, and control of confidential information.
- (25-08) The Department failed to maintain adequate general information technology controls related to its applications and data.

Category 1: Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).

Category 2: Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.

Category 3: Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

INADEQUATE CONTROLS OVER STATE VEHICLES

The Department of the Lottery (Department) did not exercise adequate controls over its State vehicles.

Vehicle listing not maintained

During our testing, we requested the Department's vehicle listing to be used throughout our operation of automotive equipment testing. We were provided with invoices from the Department of Central Management Services (CMS) to the Department that listed the Department's vehicles in lieu of an internally developed and maintained listing of vehicles.

Due to these conditions, we were unable to conclude the Department's population of vehicles was sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.36).

Untimely oil change

Even given the limitations noted above, we performed testing over vehicle maintenance records for a sample of vehicles identified by the Department and noted one of eight (13%) vehicles tested received an untimely oil change during the examination period. The oil change was performed 4,738 miles beyond the required oil change interval.

Untimely Form SR-1 submissions

In addition, while examining the Department's documentation for five accidents, we noted the Illinois Motorist Report forms (Form SR-1) for two accidents (40%) were not timely submitted to CMS. The Form SR-1s were submitted one and 671 days late, respectively.

Untimely IAV Form submission

We also noted the Department did not timely submit the Fiscal Year 2023 CMS Division of Vehicles Individually Assigned Vehicle form (IAV Form). The IAV Form should have been submitted to CMS by November 14, 2024; however, it was not submitted until November 22, 2024, eight days late (Finding 4, pages 15-17). **This finding has been reported since 2019.**

We recommended the Department implement controls to ensure:

- 1) an internal listing of all vehicles owned by the Department is created and maintained;
- 2) all required maintenance on State vehicles is performed timely;
- 3) Form SR-1s are completed and submitted timely; and,
- 4) information regarding individually assigned vehicles is timely reported to CMS.

Department agreed

Department management accepted the finding and noted they will develop a comprehensive vehicle listing going forward and

will continue their efforts to train drivers and supervisors on the maintenance and reporting requirements.

WEAKNESSES IN CYBERSECURITY PROGRAMS AND PRACTICES

The Department of the Lottery (Department) had not implemented adequate internal controls related to cybersecurity programs, practices, and control of confidential information.

As part of its mission, the Department utilizes several environments, applications, and databases which contain volumes of confidential and personal information of citizens.

The Illinois State Auditing Act (30 ILCS 5/3-2.4) requires the Auditor General to review State agencies and their cybersecurity programs and practices. During our examination of the Department's cybersecurity program, practices, and control of confidential information, we noted the Department had not:

No off-site storage or configuration management policies

- addressed off-site storage and configuration management within the Department's Information Technology (IT) policy;

Data retention and destruction not included in data classification

- ensured that data classification documentation included information related to data retention and destruction;

Inadequate Risk Management Methodology

- ensured its Risk Management Methodology addressed specific processes on the selection of security controls, how those controls are implemented or assessed, or how they're monitored; or,

Lack of prioritization, evaluation, and implementation of risk reducing controls included in risk assessments

- included adequate documentation within the two risk assessments performed during the period pertaining to the prioritization, evaluation, and implementation of risk-reducing controls for the environment (Finding 7, pages 23-24). **This finding has been reported since 2019.**

We recommended the Department:

- document off-site storage and configuration management within the Department's IT policy;
- include information related to data retention and destruction in its data classification documentation;
- ensure its Risk Management Methodology addresses specific processes on the selection of security controls, how those controls are implemented or assessed, and how they're monitored; and,

- include adequate documentation within any risk assessments performed pertaining to the prioritization, evaluation, and implementation of risk-reducing controls for the environment.

Department agreed

Department management accepted the finding and noted they will continue to evaluate and implement additional controls as necessary to address the deficiencies.

INADEQUATE CONTROLS OVER ACCESS TO APPLICATIONS AND DATA

The Department of the Lottery (Department) failed to maintain adequate general information technology controls related to its applications and data.

We tested information technology general controls (ITGCs) for six Department applications assessed to have a material impact on the Department’s financial information and/or operations. ITGCs help prevent unauthorized access, data breaches, and operational disruptions and include software implementation, user account creation, and data management. Strong ITGCs increase the integrity and reliability of information.

We tested the Department’s access provisioning procedures for a sample of 114 users across six applications. Our sample of 114 users was comprised of 90 existing users, 13 new-hired users, and 11 terminated users. We noted the following exceptions:

Untimely removal of user access to application for separated employees

- Five of 11 (45%) terminated users tested had separated from the Department but were still defined as authorized users in the tested application as of June 30, 2025. The days past separation for these four employees ranged from 181 to 516. However, four (80%) of these terminated users were removed from the authorized user listing on July 1, 2025, while one terminated user remained on the authorized user listing.

Failure to disable user access to application for inactive contractors

- Four of 11 (36%) terminated users tested were inactive contractors but were still defined with access to the Enterprise Resource Planning System (ERP) per the Governance, Risk, and Compliance (GRC) Security Report for the application as of June 30, 2025.

Annual user access review not performed

We also noted the Department did not perform annual reviews of user access to one of six (17%) applications tested. (Finding 8, pages 25-26)

We recommended the Department promptly terminate inappropriate and unnecessary user access and maintain documentation to support the timeliness of changes to user

access. Lastly, we recommended the Department ensure user access reviews for all applications are conducted on, at least, an annual basis.

Department agreed

Department management accepted the finding and noted they will strengthen their controls over the timely removal of relevant application access for terminated users, including contracted external auditors.

OTHER FINDINGS

The remaining findings pertain to inadequate controls over or weaknesses in personal services, voucher processing, reporting requirements, disaster recovery planning, service providers, and receipt processing; failure to incorporate a required contractual provision in the *Private Manager Agreement*; noncompliance with the Illinois Lottery Law; and insufficient number of Lottery Control Board Members. We will review the Department's progress towards the implementation of our recommendations in our next State compliance examination.

AUDITOR'S OPINION

The auditors stated the financial statements of the State Lottery Fund as of and for the year ended June 30, 2025, are fairly stated in all material respects.

ACCOUNTANT'S OPINION

The accountants conducted a State compliance examination of the Department for the two years ended June 30, 2025, as required by the Illinois State Auditing Act. The accountants stated the Department complied, in all material respects, with the requirements described in the report.

This State compliance examination was conducted by Sikich CPA LLC.

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COURTNEY DZIERWA
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

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