

Meeting Minutes
Audit Committee of the
South Carolina Education Lottery Board of Commissioners
May 9, 2012
9:15 A.M.

The Audit Committee of the South Carolina Education Lottery Board of Commissioners held a meeting on Wednesday, May 9, 2012, at 9:15 a.m. in the third-floor conference room (#352), 1333 Main Street, Columbia, South Carolina.

The following committee members participated:

Peter Bristow, Chair
Dr. Edward Keith
Nancy Latham

The Chair called the meeting to order and revised the sequence of the agenda. Peter Bristow confirmed the current Audit Committee structure whereby the full Board elected members currently in attendance at the August 10, 2011 Board meeting and Board Chairman, Tim Madden, appointed Mr. Bristow as Chair of the Audit Committee at the same Board meeting in August 2011. He also introduced Tom McNeish, CPA and shareholder of Elliott Davis, LLC.

Updated Audit Committee Charter

The Chair recognized Bethany Parler, Audit Services Director, to highlight the updates made to the Audit Committee Charter which was distributed to the Committee for review prior to the meeting. The Audit Committee Charter is designed to be a living document as the Audit Committee's duties and responsibilities will evolve with respect to the Audit Services department and communication with external auditors. The Audit Services Director and Audit Committee Chair review the document annually and update it as needed. Current changes include clarifications involving risk management.

Mr. Bristow also reviewed the primary purpose of the Audit Committee which is to assess and support independent evaluations of the Commission's activities. The Audit

Committee will meet formally at least twice a year, with authority to convene additional meetings, as circumstances require. Additionally, the Audit Committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary.

Motion Adopted

Commissioner Latham made a motion to recommend the Board approve the updated Audit Committee Charter as presented. Commissioner Keith seconded the motion, which was unanimously adopted.

Elliott Davis, LLC Presentation: FY 2011-2012 Financial Statement Audit Scope and Timelines

Mr. Bristow asked Mr. McNeish to brief members of the Audit Committee on the planned scope and timing of Elliott Davis’ audit of SCEL’s FY12 financial statements. Mr. McNeish reviewed several areas including, but not limited to: communication, independence, the audit planning process, the concept of materiality in planning and executing the audit, the approach to internal control and compliance relevant to the audit, using the work of internal auditors and the timing of the audit. He also updated the Audit Committee members of a proposed Governmental Accounting Standards Board (GASB) standard.

Other Business

There being no further business, the meeting of the Audit Committee was adjourned.

_____/s/_____
Peter Bristow, Chair

Date

As required by Section 30-4-80, notification for this meeting was posted at SCEL headquarters, 1333 Main Street in Columbia. As provided in the Board Bylaws, the meeting notice and agenda were also posted on the SCEL website, sceducationlottery.com, and sent via facsimile transmission pursuant to requests made by media outlets and other organizations. These notifications included the time, date, place and agenda of the meeting.