

**Meeting Minutes**  
**Audit Committee of the**  
**South Carolina Education Lottery Board of Commissioners**  
**August 13, 2014**  
**9 a.m.**

The Audit Committee of the South Carolina Education Lottery Board of Commissioners met on Wednesday, August 13, 2014, at 9 a.m., Room #407, located at 1333 Main Street, Columbia, South Carolina, with the following members participating.

Peter Bristow, Chairman  
Dr. Edward Keith  
Nancy Cannon (via phone)  
Otis Morris  
Tim Madden, Ex Officio

The Chair called the meeting to order.

**Financial Statements Report**

The Chair recognized Tom McNeish, Government Practice Leader, and shareholder of Elliot Davis, to present a report on the FY14 audited Financial Statements. He provided an overview of the auditing standards under SAS 15. The audit is complete with no material misstatements and no issues noted concerning conformity of the SCEL financial statements with applicable accounting standards. The full report will be provided to the Office of the State Auditor by October 1, 2014. He also explained that unfunded pension liability will be addressed in the FY15 financial statements in accordance with new reporting standards.

Mr. McNeish also stated that SCEL contracted with an independent group from Elliot Davis to perform a SOC 2 report of Intralot and SCEL system processing integrity. Because the lottery relies heavily on automated processes and internal controls, he emphasized diligence in monitoring IT controls to protect against internal misconduct and cyber breaches. No material system security or processing issues were noted in this report.

Mr. McNeish thanked SCEL's Internal Auditor, Bethany Allen Parler, and the Finance Department staff for their assistance and cooperation in completing the audit.

There being no further business, the meeting was adjourned.

\_\_\_\_\_/s/\_\_\_\_\_  
Peter Bristow, Chair

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November 12, 2014  
Date

As required by § 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.