



# Legislative Post Audit Performance Audit Report Highlights

## Kansas Lottery: Security in the Operation of the Kansas Lottery

### Report Highlights

January 2014 • R-14-001

#### Summary of Legal Requirements

State law requires a triennial security audit of the Kansas Lottery. This year's audit was conducted by Delehanty Consulting LLC under contract with the Legislative Division of Post Audit.

#### Background Information

The audit addressed all aspects of security in the operation of the Kansas Lottery. Specific areas examined include:

- Personnel Security
- Instant and Pull-Tab Ticket Security
- Computer Security
- Data Communications Security
- System Security
- Office and Warehouse Security
- Distribution Security
- Unclaimed Prizes Security
- Ticket Counterfeiting
- Business Continuity/Disaster Recovery
- Online Vendor Security
- Retailer Security
- Assessments Related to Casinos
- Review of Previous Findings

**AUDIT OBJECTIVE:** The overall objective was to perform an assessment of the security established by management to ensure the security, integrity, honesty, and fairness of the Kansas Lottery operations and games.

- Overall, the auditors characterized the security of the Kansas Lottery as exceptional.
- The auditors identified fourteen security related issues – no high, two medium, and 12 low-risk issues.
  - Two issues related to personnel security (use of certain office equipment, and security and awareness program)
  - One issue related to instant and pull-tab ticket security (inconsistency between policy and practice)
  - Five issues related to computer security (access to retailer accounts, access to AutoShip global settings, system backup, operating system patch levels, and operating system patching program)
  - One issue related to data communications security (changes on production network)
  - Two issues related to office and warehouse security (battery failures and doors)
  - One issue related to validation and payment security (signature on winning lottery tickets)
  - One issue related to business continuity/disaster recovery (disaster recovery plan)
  - One issue related to retailer security (retailer training)
- Lottery staff did not correct one finding from the 2010 evaluation and did not completely correct one other finding prior to the beginning of the 2013 audit.

#### SUMMARY OF RECOMMENDATIONS

- The auditors made recommendations to address all the issues. However, due to security concerns, those recommendations are not summarized here.

#### AGENCY RESPONSE

Lottery officials generally agreed with the recommendations and have already implemented some.

### HOW DO I REQUEST AN AUDIT?

By law, individual legislators, legislative committees, or the Governor may request an audit, but any audit work conducted by the division must be directed by the Legislative Post Audit Committee. Any legislator who would like to request an audit should contact the division directly at (785) 296-3792.

### Legislative Division of Post Audit

800 SW Jackson Street  
Suite 1200  
Topeka, Kansas 66612-2212  
Telephone (785) 296-3792  
Fax: (785) 296-4482  
Website:

<http://www.kslpa.org/>

Scott Frank  
Legislative Post Auditor

For more information on this  
audit report, please contact

**Julie Pennington**

(785) 296-3792

[julie.pennington@lpa.ks.gov](mailto:julie.pennington@lpa.ks.gov)