

2019-112 AUDIT SCOPE AND OBJECTIVES

California State Lottery

The audit by the California State Auditor will provide independently developed and verified information related to the California State Lottery (Lottery). The audit's scope will include, but not be limited to, the following activities:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. Evaluate Lottery revenues and expenditures for at least the past three fiscal years and determine the following:
 - (a) Whether the Lottery's overall operational and administrative expenditure levels are appropriate.
 - (b) For a selection of operational and administrative expenditures, whether the Lottery properly spent the funds for necessary purposes.
 - (c) Whether the Lottery's staffing levels and expenditures are justifiable.
3. Review and assess the Lottery's process for verifying that prize claimants are actual winners, and determine whether it has properly distributed unclaimed prize winnings to public education.
4. Determine whether Lottery functions are operating efficiently, and identify any potential cost-saving measures.
5. Evaluate the Lottery's contracting practices to determine whether its purchase of goods and services are in compliance with applicable state law and best practices.
6. Assess whether the Lottery considers the impact on education funding when analyzing its business practices and expenditures.
7. Review and assess any other issues that are significant to the audit.