

Audit Committee
Minutes of Special Meeting

Held on
September 16, 2014 at 12:30 p.m.

at the
Connecticut Lottery Corporation
777 Brook Street
Rocky Hill, Connecticut

Committee Members: Robert Morgan, Chair of the Audit Committee; Patrick Birney; Steve Bafundo; Robert Dakers; Michael Thompson (via teleconference).

Board Members: Gale Mattison, Vice Chairman of the Board of Directors.

CLC Staff Members: Anne Noble, President & CEO; Lana Glovach (via teleconference); Paul Granato; Michael Hunter; Diane Patterson; Chelsea Turner; Annmarie Daigle; and Cynthia Hadden.

Invited Guests: David Milkosky, Ernst & Young, LLP (via teleconference); Amy Wong, Ernst & Young, LLP.

Call to Order: Mr. Morgan called the meeting to order at 12:32 p.m.

I. Approval of Minutes

On motion made by Mr. Bafundo, seconded by Mr. Thompson, and unanimously approved, it was:

Resolved, that the minutes of the June 17, 2014 Audit Committee Special Meeting are approved.

II. Executive Session

At 12:33 p.m., Mr. Morgan reviewed the agenda and stated the items to be discussed in Executive Session:

- Review of Draft FY 14 Ernst & Young Year End Audit Report
- Attorney/Client Communications re:
 - Draft FOIA Fee Policy
 - Purchasing Policy
 - Pending Claims and Litigation

On motion made by Mr. Bafundo, seconded by Mr. Thompson, and unanimously approved, the Audit Committee entered into Executive Session. Ms. Noble, Ms. Glovach, Mr. Granato, Mr. Hunter, Ms. Patterson, Ms. Turner, Mr. Milkosky and Ms. Wong were invited to attend the Executive Session.

At 1:15 p.m. Ms. Noble, Ms. Glovach, Mr. Granato, Mr. Hunter, Ms. Patterson and Ms. Turner left Executive Session.

At 1:35 p.m. Ms. Noble, Ms. Glovach, Mr. Granato, Mr. Hunter, Ms. Patterson and Ms. Turner returned to Executive Session. Mr. Milkosky and Ms. Wong then left the meeting.

At 2:14 p.m., the Committee reconvened in regular session. Mr. Morgan stated that no actions or votes had taken place during Executive Session.

III. Old Business

No Old Business was discussed.

IV. New Business

Mr. Granato directed the Committee's attention to the SSAE No. 16 Report which applies to Scientific Games. The SSAE No. 16 covers the period July 1-May 31 and the controls in place. There were no significant issues with the report.

Mr. Morgan asked Mr. Granato to reach out to Scientific Games to find out how long Scientific Games has used Berry Dunn to audit the controls listed in this report. Mr. Granato stated that he would follow up and report back to the Committee.

Ms. Noble briefed the Committee on the biennial audit from the CT Public Auditors. We have not yet received the final report, but management has been apprised of the findings. Two items were noted: 1) A CT Lottery employee commenced work prior to licensing. The Lottery believes this was due to travelling by the employee from out of state; and 2) the SEEC reports due monthly were not all submitted timely due to employee error. The CT Lottery concurred with these findings and has taken corrective action.

On motion made by Mr. Bafundo, seconded by Mr. Birney, and unanimously approved, it was:

Resolved, that, after review and due consideration, the Audit Committee recommends that the Board of Directors adopt the proposed Freedom of Information Act Fee Policy in connection with requests for copies of public records that the Corporation receives on and after September 22, 2014.

V. Adjournment

On motion made by Mr. Birney, seconded by Mr. Bafundo, and unanimously approved, the meeting was adjourned at 2:20 p.m.

Respectfully submitted,

Chelsea E. Turner
Secretary
Connecticut Lottery Corporation