

State of Nevada  
Gaming Control Board

Auditor's Name and Date

CPA MICS Compliance Checklist

**INFORMATION TECHNOLOGY**  
**MICS #29 - #55**

Licensee \_\_\_\_\_ Review Period \_\_\_\_\_

NGC Regulation 6.090(9) requires the CPA to use "criteria established by the chairman" in determining whether a Group I licensee is in compliance with the Minimum Internal Control Standards (MICS). This checklist is to be used by the CPA in determining whether the licensee's information technology operation is in compliance with the Information Technology MICS.

Date of Inquiry	Persons Interviewed	Positions

Manufacturer and Model Type of System in Use	Period in Use

Checklist Completion Notes:

- 1) Unless otherwise instructed, examine a completed document for compliance for those questions referring to records/documentation and recalculating where appropriate. Indicate (by tickmark) whether the procedures were confirmed via examination/review of documentation, through inquiry of licensee personnel or via observation of procedures. Tickmarks used are to be defined at the bottom of each page.
- 2) All "no" answers require referencing and/or comment, and should be cited as regulation violations, unless adequate alternative procedures exist (i.e., approval of alternative procedure granted by the Board Chairman, including computerized applications) or the question requires a "no" answer for acceptability. All "N/A" answers require referencing and/or comment, as to the reason the MICS is not applicable.
- 3) "(#)" refers to the Minimum Internal Control Standards for Information Technology, Version 6.
- 4) Entertainment tax related application and pari-mutuel system - This checklist is not required to be completed for licensees (including another person affording the entertainment at a leased facility of the licensee's gaming establishment) not performing the system's administrative function (includes the maintenance of the system). "Administrative access" is defined above IT MICS #22. In this situation, the licensee has installed only user terminals and printers allowing for the recording of transactions processed by the licensee and for the printing of applicable reports. The user terminals and printers are connected directly to a system physically maintained at an unaffiliated person's or entity's place of business.
- 5) The checklist may be completed by an information technology (IT) specialist. Alternatively, the work of an IT specialist may be utilized. The procedures performed through the use of an IT specialist is identified as such by documenting in the checklist.
- 6) This checklist may be completed for multiple affiliated licensees sharing one system maintained by one of the licensees. The applicable licensees are indicated on the checklist for which the procedures are being performed.

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Minimum Internal Control Standard Notes (paraphrased from the standards)

- Note 1: Unless otherwise specified, all Information Technology (IT) MICS apply to gaming and entertainment tax related applications, and the underlying databases and operating systems. Entertainment tax related applications include systems used to record admission ticket sales and point-of-sale systems used to record food, beverage, merchandise, admission and any other sales subject to live entertainment tax. If a person or entity other than the licensee offers entertainment subject to the entertainment tax on the licensee's premises, the entertainment tax related application being used shall be compliant with the IT MICS.
- Note 2: The IT MICS do not apply when a person or entity other than the licensee operates a box office system for handling and recording live entertainment taxable admission sales (e.g., Ticket Master box office system). The IT MICS do apply when a licensee operates a box office system (for in-person sales or sales made through the Internet) for handling and recording live entertainment taxable admission sales.
- Note 3: The types of gaming and entertainment tax related applications (including version numbers used) and the procedures and records used to comply with IT MICS #1 - #28, as applicable, must be addressed in detail in each applicable section, including the entertainment section, of the written system of internal control pursuant to Regulation 6.090. The Information Technology section of the written system of internal control pursuant to Regulation 6.090 includes the procedures and records used to comply with IT MICS #29 - #55, as applicable.
- Note 4: Definitions. The following terminology and respective definitions are used in these MICS unless the context requires otherwise:

**Backup system log** is an event, a job log or an activity file created by the program or batch process that performs backups of application and data files. These event logs, job logs or activity files usually provide detail on the type of backup performed, success or failure of the operation, and a list of errors.

**Critical IT systems and equipment** includes all components of systems hardware and software, application software, and database software that individually or in combination are necessary for the stable operation of gaming and entertainment systems. The term does not include user terminals.

**Default accounts** are user accounts with predefined access levels usually created by default at installation for operating systems, databases, and applications. These accounts tend to be used for training purposes.

**Generic user accounts** are user accounts that are shared by multiple users (using the same password) to gain access to gaming and entertainment systems and applications.

**Group membership (group profile)** is a method of organizing user accounts into a single unit (by job position) whereby access to application functions may be modified at the unit level and the changes take effect for all user accounts assigned to the unit.

**IT personnel** are employees who are independent of the gaming and entertainment department; and have been designated to perform the information technology function for the operation of critical IT systems and equipment.

**Physical and logical segregation of the development and testing from the production environment** is separating the development and testing of new software in an environment that is isolated from the regular production (live) network. The development environment is located on a separate server and developers are precluded from having access to the production environment.

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**Secured repository** is a secured environment that is used to store software source code once it has been approved for introduction into the production (live) environment. The repository is secured such that developers cannot modify code once it has been stored. In this way, the repository provides a history of a given software system order by version.

**Service accounts** are accounts on which automated system functions are dependent to execute. These accounts defined at the operating system level provide a certain level of access necessary for normal operation of applications and/or automated batch processes.

**System administrator** is the individual(s) responsible for maintaining the stable operation of the IT environment (including software and hardware infrastructure and application software).

**Vendor supported system** is one type of critical IT systems and equipment; however, this type of system is supported solely by the manufacturer of such system.

Questions	Yes	No	N/A	Comments, W/P Reference
1. Has the licensee's written system of internal control for information technology been read prior to the completion of this checklist to obtain an understanding of the licensee's information technology procedures?				
<b>Recordkeeping</b>				
2. Is documentation for all in-use versions of applications, databases, network hardware, and operating systems maintained, including descriptions of both hardware and software (including version numbers), operator manuals, etc.? <b>(29) Verify by examination.</b>				
3. Do system administrators maintain a current list of all enabled generic, system, and default accounts? <b>(30) Verify by examination.</b>				
4. Does the documentation mentioned in the preceding question include, at a minimum, the following: <b>Verify by examination.</b>				
a) Name of system (i.e., the application, operating system, or database)? <b>(30a)</b>				
b) The user account login name? <b>(30b)</b>				
c) A description of the account's purpose? <b>(30c)</b>				
d) A record (or reference to a record) of the authorization for the account to remain enabled? <b>(30d)</b>				

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Questions	Yes	No	N/A	Comments, W/P Reference
5. Is the current list required by MICS #30 reviewed by IT management in addition to the system administrator at least once every six months to identify any unauthorized or outdated accounts? <b>(31)</b>				
6. Are user access listings (requirements listed in MICS #12) for all gaming systems retained for at least one day of each month for the most recent 5 years? <b>(32) Verify by examination.</b>  <b>Note 1:</b> The lists may be archived electronically if the listing is written to unalterable media (secured to preclude alteration). <b>(32)</b>  <b>Note 2:</b> If available, the list of users and user access for any given system is in electronic format that can be analyzed by analytical tools (i.e., spreadsheet or database) that may be employed by Board agents. <b>(32)</b>  <b>Note 3:</b> User access listings do not need to be retained for pari-mutuel systems and for any entertainment tax related applications. <b>(32, Note)</b>				
7. Does the IT department maintain current documentation with respect to the network topology (e.g., flowchart/diagram), deployment of servers housing applications and databases, and inventory of software and hardware deployed (available upon request by authorized internal and external auditors and by Board personnel), and is the employee responsible for maintaining the current documentation on the network topology delineated in the written system of internal control? <b>(33) Verify by examination.</b>				
<b><u>Electronic Storage of Documentation</u></b>				
8. If documents are scanned or directly stored to unalterable media (secured to preclude alteration), are the following conditions met:				
a) Does the storage media contain the exact duplicate of the original document? <b>(34a)</b>				
b) Are all documents stored maintained with a detailed index containing the casino department and date in accordance with Regulation 6.040(1) and is the index available upon Board request? <b>(34b)</b>				
c) Upon request by Board agents, is hardware (terminal, printer, etc.) provided in order to perform audit procedures? <b>(34c)</b>				

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Questions	Yes	No	N/A	Comments, W/P Reference
d) Do controls exist to ensure the accurate reproduction of records, up to and including the printing of stored documents used for audit purposes? <b>(34d)</b>				
e) At least quarterly, do accounting/audit personnel review a sample of the documents on the storage media to ensure the clarity and completeness of the stored documents? <b>(34e)</b>				
9. If source documents and summary reports are stored on alterable storage media, is the media not relied upon for the performance of any audit procedures and are the original documents and summary reports retained? <b>(35)</b>				
<b><u>Creation of Wagering Instruments Database</u></b>				
<b>Note:</b> MICS #36-39 apply when creating a database of wagering instruments that will be accepted by a cashless wagering system. <b>(Note before 36)</b>				
10. Does an individual independent of the gaming area perform the database creation and, if applicable, the creation of wagering instruments to be accepted in the cashless wagering system? <b>(36)</b>				
11. Is a record maintained detailing the database creation and the wagering instruments to be accepted by the cashless wagering system, and does the record include evidence of user acceptance, date in service, and personnel involved? <b>(37) Verify by examination.</b>				
12. Monthly, is the wagering instrument database reviewed and tested by personnel of the applicable gaming area and accounting/audit personnel for any improprieties? <b>(38)</b>				
13. Are the procedures used and subsequent results relating to the wagering instruments database review and test documented and maintained? <b>(39) Verify by examination.</b>				
<b><u>Network Security</u></b>				
14. If guest networks are offered (such as, networks that provide internet access for patrons, hotel guests, or vendors), is adequate logical segregation provided of the guest network from the network used to serve access to gaming and entertainment tax related applications and devices? <b>(40)</b>				

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Questions	Yes	No	N/A	Comments, W/P Reference
15. Is traffic on guest networks non-routable to the network serving gaming and entertainment tax related applications and devices? <b>(40)</b>				
16. Are production networks serving gaming/entertainment systems secured from outside traffic (e.g., firewall and routers) such that the systems are configured to detect and report security related events? <b>(41)</b>  <b>Note:</b> A suggested method in complying with MICS #41 is to configure the system to log unauthorized logins, failed login attempts, and other security related events; and block all unused ports and any in-bound connections originating from outside the network. <b>(41, Note)</b>				
17. Relating to the previous question, is the employee responsible for the documentation indicating the procedures for detecting and reporting security related events (available upon request by authorized internal and external auditors and by Board personnel) delineated in the written system of internal control? <b>(41) Verify by examination.</b>				
18. Are network shared drives containing application files and data for all gaming and entertainment tax related applications secured such that only authorized personnel may gain access? <b>(42)</b>				
19. Are server consoles, and unattended user terminals in gaming areas, configured to automatically secure themselves after a configurable period of inactivity elapses? <b>(43)</b>				
20. Relating to the previous question, is the period of time determined by management, is it documented in the written system of internal control and are users required to supply proper login credentials to regain access to the terminal or console? <b>(43) Verify by examination.</b>				
21. Are login accounts and passwords required to administer network equipment secured such that only authorized IT personnel may gain access to these devices? <b>(44)</b>				

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Questions	Yes	No	N/A	Comments, W/P Reference
22. Do the passwords for the accounts mentioned in the preceding question meet the security parameters of IT MICS #6, and are those accounts immediately disabled when IT personnel are terminated? <b>(44)</b>				
<b><u>Changes to Production Environment</u></b>				
23. Is the employee responsible for the documentation indicating the process for managing changes to the production environment (available upon request by authorized internal and external auditors and by Board personnel) delineated in the written system of internal control? <b>(45) Verify by examination.</b>				
24. Does the process for managing changes to the production environment include, at a minimum, the following: <b>Verify by reviewing the documentation indicating the process. Additionally, confirm compliance with documented procedures.</b>				
a) Are proposed changes to the production environment evaluated sufficiently by management personnel prior to implementation? <b>(45a)</b>				
b) Are proposed changes properly and sufficiently tested prior to implementation into the production environment? <b>(45b)</b>				
c) Is a strategy of reverting back to the last implementation (rollback plan) used if the install is unsuccessful and is the rollback plan tested prior to implementation to the production environment? <b>(45c)</b>				
d) Is sufficient documentation maintained evidencing management approvals, testing procedures and results, rollback plans, and any issues/resolutions encountered during implementation? <b>(45d)</b>				
<b>Note:</b> The process referred to in MICS #45 includes ALL changes to the production environment (operating system, network, databases, and applications) that relate to critical IT systems, and gaming and entertainment applications. <b>(45, Note)</b>				
<b><u>Remote Access</u></b>				

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Questions	Yes	No	N/A	Comments, W/P Reference
25. For each computerized gaming or entertainment tax related application that can be accessed remotely for purposes of obtaining vendor support, does the written system of internal control specifically address remote access procedures? <b>(46)</b> <b>Verify by examination.</b>				
26. Do the written procedures mentioned in the previous question include, at a minimum, the following: <b>Verify compliance with documented procedures in the written system of internal control.</b>				
a) The type of gaming or entertainment tax related application, vendor's name and business address (business address only for cashless wagering systems) and version number, if applicable? <b>(46a)</b>				
b) For cashless wagering systems only, the approved secured connection used so that the system can only be accessed from the vendor's place of business? <b>(46b) Perform a physical inspection of the equipment to determine that the system can only be remotely accessed from the vendor's place of business. Indicate the type of secured connection being used.</b>				
c) For a system based game and a system supported game, the method and procedures used in meeting the requirements of Regulation 14, Technical Standard 1.066? <b>(46c)</b>				
d) The method and procedures used in establishing and using passwords to allow authorized vendor personnel to access the system through remote access? <b>(46d)</b>				
e) The personnel involved and procedures performed to enable the method of establishing remote access connection to the system when the vendor requires access to the system through remote access? <b>(46e) Indicate the personnel involved and procedures performed to enable the physical connection to the system for remote access.</b>				
f) The personnel involved and procedures performed to ensure the method of establishing remote access connection is disabled when the remote access is not in use? <b>(46f) Perform a physical inspection of the equipment to determine that the remote access is disabled when not in use.</b>				

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g) Any additional requirements relating to remote access published by the Board? <b>(46g)</b>				
<b>27. In the event of remote access, is a complete record of the access prepared that includes the following: <u>Verify by examination.</u></b>				
a) The name or identifier of the licensee's employee authorizing access? <b>(47)</b>				
b) The name or identifier of the manufacturer's employee accessing the system? <b>(47)</b>				
c) Name of the user account that the vendor used, the name of the vendor, and the name of the system(s) accessed by the vendor? <b>(47)</b>				
d) The description of the work performed, which must be adequately detailed to include the old and new version numbers of any software that was modified, and details regarding any other changes made to the system? <b>(47)</b>				
e) The date, time and duration of the access? <b>(47)</b>				
<b>28. Do user accounts used by vendors remain disabled on all operating systems, databases, network devices, and applications until needed by such vendor and subsequent to an authorized use by a vendor is the account returned to a disabled state? (48)</b>				
<b>29. Is remote access for all vendors enabled only when approved by authorized IT personnel? (49)</b>				
<b>30. If remote access to the production network (live network) is available, and allows access to gaming and entertainment tax related applications, is such access logged automatically by the device or software where it is established? (50)</b>				
<b><u>Information Technology Department</u></b>  <b>Note:</b> If a separate IT department is maintained or if there are in-house developed systems, MICS #51 through #55 are applicable. <b>(Note before 51)</b>				
<b>31. Is the IT department independent of all gaming departments (e.g., cage, pit, count rooms, etc.) and operational departments subject to live entertainment tax? (51) <u>Verify by observation.</u></b>				

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32. Are IT personnel precluded access to wagering instruments and gaming related forms (e.g., slot jackpot forms, table games fill/credit forms, etc.)? <b>(52)</b>				
<b><u>In-House Software Development</u></b>				
33. If source code for gaming and entertainment tax related software is developed or modified internally, is a process adopted to manage the development and is the employee responsible for the documentation indicating the process in managing the development or modification of source code (available upon request by authorized internal and external auditors an by Board personnel) delineated in the written system of internal control? <b>(53) Verify by examination.</b>				
34. Does the process mentioned in the previous question address, at a minimum, the following: <b>Verify by reviewing the documentation indicating the process. Additionally, confirm compliance with documented procedures.</b>				
a) That requests for new programs or program changes are reviewed by the IT supervisory personnel and the approvals to begin work on the program are documented? <b>(53a)</b>				
b) That a written plan of implementation for new and modified programs is maintained and includes, at a minimum: <ul style="list-style-type: none"> <li>• The date the program is to be placed into service</li> <li>• The nature of the change (if applicable)</li> <li>• A description of the procedures required in order to bring the new or modified program into service (conversion or input of data, installation procedures, etc.)</li> <li>• An indication of who is to perform all such procedures? <b>(53b)</b></li> </ul>				
c) That software development and testing procedures be sufficiently documented? <b>(53c)</b>				
d) Documentation of approvals, development, testing, results of testing, and implementation into production? Is the documentation maintained and does it include a record of the final program or program changes, including evidence of user acceptance, date in service, programmer, and reason for changes? <b>(53d)</b>				

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e) Physical and logical segregation of the development and testing from the production environments? <b>(53e)</b>				
f) Adequate segregation of duties (i.e., those who develop/test code do not have access to introduce new or modified code into the production environment)? <b>(53f)</b>				
<b>Note:</b> For MICS #53(e) and (f) a system administrator is precluded from developing/testing code which will be introduced into the production environment. <b>(53f, Note)</b>				
g) Secured repositories for maintaining code history? <b>(53g)</b>				
h) End-user documentation (guides and manuals)? <b>(53h)</b>				
35. Is a copy of the associated equipment reporting form submitted to the Board pursuant to Regulation 14 for each new program or program change and a record that such software was approved for use maintained? <b>(54)</b>				
<b><u>Purchased Software Programs</u></b>				
36. Are new programs and program changes for purchased systems documented as follows: <b>Verify by examination.</b>				
a) Is documentation maintained that includes the following at a minimum: <ul style="list-style-type: none"> <li>• The date the program was placed into service</li> <li>• The nature of the change (if applicable)</li> <li>• A description of the procedures required in order to bring the new or modified program into service (conversion or input of data, installation procedures, etc.)</li> <li>• An indication of who performed all such procedures?</li> </ul> <b>(55a)</b>				
b) Is a copy of the associated equipment reporting form submitted to the Board pursuant to Regulation 14 for each new program or program change and a record that such software was approved for use maintained? <b>(55b)</b>				
c) Is testing of new and modified programs performed (by the licensee or system manufacturer) and documented prior to full implementation? <b>(55c)</b>				
<b><u>Written System of Internal Control</u></b>				

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37. Has the licensee's written system of internal control for information technology been re-read prior to responding to the following question?				
38. Does the written system of internal control for information technology reflect the actual control procedures in effect for compliance with the MICS, variations from the minimum internal control standards approved pursuant to Regulation 6.090(8), and Regulation 14 associated equipment approvals? <b>[Regulation 6.090(13)]</b>				

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