

Nevada Gaming Control Board  
CPA MICS Compliance Checklist

<b>Auditor's Name and Date</b>

**KENO**

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 keno operation is in compliance with the Keno MICS.

Date of Inquiry	Person Interviewed	Position

Checklist Completion Notes:

- 1) Unless otherwise instructed, examine a completed document for compliance for those questions referring to records/documentation as indicated and recalculate 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 the Board Chairman has granted a MICS variation 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 Keno, Version 8.

Minimum Internal Control Standard Notes

- Note 1: A shift is any time period, designated by management, up to 24 hours.
- Note 2: For any Board-authorized computer applications, alternate documentation and/or procedures which provide at least the level of control described by these MICS as determined by the Audit Division will be acceptable, and a MICS variation pursuant to Regulation 6.090 will be unnecessary.
- Note 3: These MICS apply to any Board-authorized inter-casino linked system. However, the operator of the inter-casino linked system and the licensee may share the responsibility for compliance, with some procedures performed by the licensee and other procedures performed by the operator of the inter-casino linked system. The procedures which the operator of the inter-casino linked system will perform are to be delineated as such within the keno section of the written system of internal control pursuant to Regulation 6.090.
- Note 4: A “signature” on a document provides evidence of the person’s involvement and/or authorization of the intentions reflected in this document. It is typically in the form of a stylized script associated with a person. The stylized script “signature” may include the first letter of the person’s first name along with the person’s full last name. The “initials” of the person would not meet the requirement of a “signature”.
- Note 5: As used in these MICS, the term “WAT” means wagering account transfer. “WAT in” means amounts wagered by the patron and/or transfers to a game/gaming device pursuant to Regulation 5.225(12) and “WAT out” means amounts won by the patron and/or transfers from a game/gaming device pursuant to Regulation 5.225(11).
- Note 6: If the keno department utilizes wagering accounts and is the designated area of accountability, compliance with cage and credit MICS for wagering accounts is required. Such procedures are delineated within the written system of internal control pursuant to Regulation 6.090.

Verified per representation  
Verified per observation/examination

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Note 7: If the keno department utilizes wagering accounts, the written system of internal control pursuant to Regulation 6.090 must delineate procedures describing how WAT in and WAT out transactions in the wagering account system are integrated and recorded by the keno system.

Questions	Yes	No	N/A	Comments, W/P Reference
1. Has the licensee's written system of internal control for keno been read prior to the completion of this checklist to obtain an understanding of the licensee's keno operation and does the system of internal control delineate the procedures as may be required by any of the Keno Notes #1 - #7?				
<b>Game Play Standards</b>				
2. Does the computerized customer ticket include the casino name, city, state, date, game number(s), ticket number, station number or writer identification number, and conditioning (including multi-race if applicable)? <b>(1) Verify by examination.</b>				
3. For sales of keno tickets made using wagering accounts, is WAT in processed through the wagering account system and are the following procedures performed prior to writing the ticket:				
a) Verification of the patron's identity via a secured personal identification? <b>(2a)</b>				
b) Verification of the availability of funds? <b>(2b)</b>				
c) Confirmed receipt of the WAT in? <b>(2c)</b>				
4. Concurrently with the generation of the ticket, is the information on the ticket recorded on a restricted transaction log or computer storage media? <b>(3) Verify by examination.</b>				
5. Are keno personnel precluded from having unrestricted access to the restricted transaction log or computer storage media? <b>(4)</b>				
6. When it is necessary to void a ticket:				
a) For computer voids:				
i) Is the void information input in the computer and does the computer document, at a minimum, the ticket number, date/time of the void and the name or other identifier of the employee completing the void (e.g., void slip is issued or equivalent documentation is generated)? <b>(5a)</b>				
b) For not-in-computer voids:				

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i) Is a void designation, date, and time written/stamped on the original ticket? <b>(5b)</b>				
ii) Do two individuals, a supervisor and the writer of the ticket, sign the ticket at the time of voiding? <b>(5b)</b>				
7. Do controls exist to prevent the writing and voiding of tickets after a game has been closed and after the number selection process for that game has begun? <b>(6)</b>				
8. Are the controls in effect for tickets prepared in outstations (if applicable) identical to those in effect for the primary keno game? <b>(7) Indicate the location of the outstation(s).</b>				
<b>Number Selection – Rabbit Ear System</b>				
9. Is a dedicated camera utilized to record the empty rabbit ears, date and time, game number and full rabbit ears both prior to, and subsequent to, the calling of a game? <b>(8) Verify by observation.</b>				
10. Does the recording of the rabbit ears provide a legible identification of the numbers on the balls drawn? <b>(9) Verify by observation.</b>				
11. Are the selected numbers immediately input into the keno computer system which creates a record indicating the date, game number, the time the game was closed, and the numbers drawn? <b>(10) Verify by observation.</b>				
12. Are procedures in effect which prevent access by one individual to the keno balls in play? <b>(11) Verify by observation.</b>				
13. Are the back-up keno ball inventories secured in a manner to prevent access by one individual? <b>(12)</b>				
14. Are keno balls inventoried and inspected prior to being placed into play to ensure that all numbers are accounted for and that each ball has an equal chance of being selected during the calling of the game? <b>(13)</b>				
15. Is the inspection mentioned in the preceding question performed by a minimum of two individuals and is it documented? <b>(13) Verify by examination.</b>				

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16. Does the documentation mentioned in the preceding question include the date and time of inspection, the inspection results, the investigation of noted exceptions (if applicable), and the signatures of the individuals completing the inspection? <b>(13) Verify by examination.</b>				
<b><u>Number Selection - Random Number Generator (if applicable)</u></b>				
17. If the keno game has a random number generator that determines win or loss, has it received Commission approval as a gaming device? <b>(Note after Number Selection - Random Number Generator heading)</b>				
18. Are the numbers selected by the random number generator directly relayed to, and automatically recorded in, the keno computer system which creates a record indicating the date, game number, the time the game was closed, and the numbers drawn? <b>(14)</b>				
<b><u>Winning Ticket Verification and Payment</u></b>				
19. Is the ticket number of the ticket presented for payment input/scanned into the computer for payment through the computer system, and the payment amount indicated by the computer paid to the patron? <b>(15) Verify by observation.</b>				
20. Are procedures established to preclude payment on tickets previously presented for payment, unclaimed winning tickets (late pays) after a period of time specified by management, voided tickets, and tickets that have not yet been issued? <b>(16)</b>				
<b>Testing of payout documentation is required, as applicable. Select ten payouts from one day within the last seven days and all payouts from a day in a prior month. Indicate test dates selected and results of testing.</b>				
21. Are all payouts supported by the customer (computer-generated) copy of the winning ticket and the payout amount is either indicated on the customer ticket or a payment slip is issued? <b>(17)</b>				
22. Do payouts issued to a wagering account as WAT out require the following:				
a) Verification of the patron's identity via a secured personal identification? <b>(18a)</b>				
b) Confirmed receipt of the WAT out? <b>(18b)</b>				

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c) Is documentation created evidencing that the payout was made as a WAT out to the wagering account? <b>(18c)</b>				
23. Is a manual report produced and maintained documenting any payment made on tickets which are not authorized by the computer, including payments exceeding the aggregate payout limit? <b>(19)</b>				
24. For payments made on winning tickets which are not paid through the computer system, do supervisory personnel authorize the payment and sign the ticket at the time of payment? <b>(20)</b>  <b>Note:</b> Appeasement payments (e.g., nonwinning ticket payouts resulting from a customer complaint or writer error) are not deductible from gross gaming revenue. <b>(20, Note)</b>				
25. Do winning tickets in excess of a specified dollar amount (not to exceed \$10,000 for locations with more than \$5 million in annual keno write and \$3,000 for all other locations), including such payout on a winning game contained within a multi-race ticket, also require the following:  <b>State the dollar amount:</b> _____				
a) Approval of management personnel independent of the keno department evidenced by their signature? <b>(21a)</b>				
b) For rabbit ear systems, review of the recording of the rabbit ears to verify the legitimacy of the draw and the accuracy of the ball draw results? <b>(21b)</b>				
c) Comparison of the winning customer copy to the computer reports? <b>(21c)</b>				
d) Regrading of the customer copy using the payout schedule and ball draw results? <b>(21d)</b>				
e) Documentation and maintenance of all the above procedures? <b>(21e)</b>				

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26. When the keno game is operated by one person, are all winning tickets in excess of an amount to be determined by management (not to exceed \$1,500) reviewed, authorized and signed by a keno supervisor (who did not write the ticket), or by someone independent of keno prior to payment? <b>(22)</b>  <b>State the dollar amount:</b> _____				
<b><u>Multi-Race</u></b>				
27. Are procedures established to notify keno personnel immediately of large multi-race winners to ensure compliance with MICS #21? <b>(65)</b>				
28. Do controls exist to ensure that keno personnel are aware of multi-race tickets still in process at the end of a shift? <b>(66)</b>				
29. Are all games encompassed by a multi-race keno ticket completed within 14 days of the wager being placed? <b>(67)</b>				
<b><u>Check Out Standards</u></b>				
30. Does the computer system indicate the amount of net cash that should be in each writer station and is a supervisor required to access this information? <b>(23) Verify by examination.</b>				
<b>Testing of the cash summary report (count sheet) is required, as applicable. Select one cash summary report (count sheet) for 2 days. Test days must be in non-consecutive months. Indicate test dates selected and results of testing.</b>				
31. For each writer station is a cash summary report (count sheet) prepared at the conclusion of each shift that includes:				
a) Computation of the cash turned in for the shift and any variances between the cash turn-in and the amount of net cash that the computer system indicates should be in each writer station? <b>(24a)</b>				
b) Signatures of two employees who have verified the cash proceeds turned in for the shift? <b>(24b)</b>				
32. Are the above procedures in MICS #24 also performed whenever there is a change of writer at a station during a shift? <b>(24, Note 1)</b>				

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33. In the case above, when there is a change of writer at a station during a shift and the cash is transferred from one writer to the next writer, does the cash summary report for the shift reflect for each writer and each station the amount of cash turn-in and any variances between the cash turn-in and the amount of net cash that the computer system indicates should be in each writer station? <b>(24, Note 1)</b>				
34. If the cash remains with the writer, are the procedures in MICS #23 and #24 performed for each writer rather than each writer station? <b>(24, Note 2)</b>				
<b>Promotional Payouts, Drawings and Giveaway Programs</b>				
35. Are the conditions for participating in promotional payouts, including drawings and giveaway programs, prominently displayed or available for patron review at the licensed location? <b>(25) Verify by observation.</b>				
<b>Testing of promotional payout documentation is required, as applicable. Select one promotional payout form per day for 2 days. Test days should be in non-consecutive months. Indicate test dates selected and results of testing.</b>				
36. For promotional payouts, including those as a result of drawings and giveaway programs, that are either deducted from gross revenue, or are greater than or equal to \$500 and not deducted from gross gaming revenue, documented at the time of the payout to include the following:				
a) Date and time? <b>(26a)</b>				
b) Dollar amount of payout or description of personal property (e.g., car)? <b>(26b)</b>				
c) Reason for payout (e.g., promotion name)? <b>(26c)</b>				

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d) Signature(s) of the following number of employees verifying, authorizing, and completing the transaction with the patron: 1) two employee signatures for payouts of \$100 or more that are deducted from gross revenue (Note: For approved computerized systems that validate and print the dollar amount of the payout on a computer-generated form, only one employee signature is required on the payout form); 2) one employee signature for payouts less than \$100 that are deducted from gross gaming revenue; or 3) one employee signature for payouts of \$500 or more that are not deducted from gross revenue? <b>(26d)</b>				
e) Patron's name (for drawings only)? <b>(26e)</b>				
<b>Note:</b> MICS #26 documentation may be prepared by an individual who is not a keno department employee as long as the required signatures are those of the employees completing the payout with the patron. <b>(26, Note)</b>				
37. If the promotional cash (or cash equivalent) payout is less than \$500 and is not deducted from gross gaming revenue, is documentation created to support the bank accountability? <b>(27)</b>  <b>Note:</b> Required documentation may consist of a line item on a cage or keno accountability document (e.g., "43 \$10 keno cash giveaway coupons = \$430"). <b>(27, Note)</b>				
<b>Contests/Tournaments</b>				
<b>Testing two contests/tournaments is required, as applicable. Contests/tournaments are in non-consecutive months. Indicate contests/tournaments selected and results of testing.</b>				
38. Are all contest/tournament entry fees and prize payouts (including mail transactions) summarized on a cash accountability document on a daily basis? <b>(34)</b>				
39. When contest/tournament entry fees and payouts are transacted, are the transactions recorded on a document which contains:				
a) Patron's name? <b>(35a)</b>				
b) Date of entry/payout? <b>(35b)</b>				
c) Dollar amount of entry fee/payout (both alpha and numeric, or unalterable numeric) and/or nature and dollar value of any noncash payout? <b>(35c)</b>				

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d) Signature of the individual completing the transaction attesting to the receipt or disbursement of the entry fee/payout with the patron? <b>(35d)</b>				
e) Name of contest/tournament? <b>(35e)</b>				
40. Are the contest/tournament entry fees and payouts summarized and posted to the accounting records on at least a monthly basis? <b>(36)</b>				
41. Are contest/tournament rules included on all entry forms/brochures and prominently displayed or available for patron review at the licensed location? <b>(37)</b>				
42. Do the rules mentioned in the preceding question contain at least the following:				
a) All conditions that patrons must meet to qualify for entry into, and advancement through, the contest/tournament? <b>(37a)</b>				
b) Specific information pertaining to any single contest/tournament, including the dollar amount of money placed into the prize pool? <b>(37b)</b>				
c) The distribution of funds based on specific outcomes? <b>(37c)</b>				
d) The name of the organizations (or persons) registered pursuant to NRS 463.169 that conducted the contest/tournament on behalf of, or in conjunction with, the licensee if applicable? <b>(37d)</b>				
43. Are the results, including the name of the event, date(s) of the event, total number of entries, dollar amount of entry fees, total prize pool, and the dollar amount paid for each winning category, of each contest/tournament recorded and available for patrons to review? <b>(38)</b>				
44. Is the name of each winner recorded and maintained, but not made available to the participants unless authorized by management personnel? <b>(38)</b>				
45. For free tournaments (i.e., patron does not pay an entry fee), is the information required by the above MICS recorded except for the number of entries, dollar amount of entry fees and total prize pool? <b>(38, Note)</b>				

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Questions	Yes	No	N/A	Comments, W/P Reference
46. Are the contest/tournament records required by standards 34 – 38, which are addressed above, maintained for each event? <b>(39)</b>				
<b><u>Computerized Player Tracking Systems</u></b>				
<p><b>Note 1:</b> Compliance with MICS #40 - #45 is required for all computerized keno player tracking systems. <b>(Note 1 after Computerized Player Tracking Systems heading)</b></p> <p><b>Note 2:</b> As used in these Keno MICS, the term “point” or “points” is a generic term and refers to a representative of value awarded to a patron based upon specific criterion established by the licensee. Commonly, points are earned by patrons placing wagers or purchasing room, food, beverage or entertainment admissions. Patron accounts in a player tracking system are used to track points earned/awarded to patrons. <b>(Note 2 after Computerized Player Tracking Systems heading)</b></p>				
47. Is the addition/deletion of points to player tracking accounts other than through an automated process related to actual play sufficiently documented (including substantiation of reasons for increases) and authorized/performed by supervisory personnel of the player tracking, promotions, or keno departments? <b>(40)</b> <b>Verify by examination.</b>				
48. Is the supervisory authorization described in the preceding question documented and randomly verified by accounting/audit personnel on a quarterly basis? <b>(40)</b>				
<b>Note:</b> MICS #40 does not apply to the deletion of points related to inactive or closed accounts through an automated process. <b>(40)</b>				
49. Do employees who redeem points for patrons have access to inactive or closed accounts <b>only</b> with authorization from supervisory personnel? <b>(41)</b>				
50. Is the above access and approval to the inactive or closed accounts documented and maintained? <b>(41)</b>				
51. Is patron identification required when redeeming points without a player tracking card? <b>(42)</b>				
52. Are changes to the player tracking system parameters, such as point structures and employee access, performed in one of the two following methods:				
a) Are they performed by supervisory personnel independent of the keno department? <b>(43)</b>				

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b) Are they performed by keno supervisory personnel if sufficient documentation is generated and the propriety of the changes is randomly verified by personnel independent of the keno department on a quarterly basis? <b>(43)</b>				
53. Are all other changes to the player tracking system appropriately documented? <b>(44)</b>				
54. Are rules and policies for player tracking accounts including the awarding, redeeming and expiration of points prominently displayed or available for patron review at the licensed location? <b>(45)</b>				
<b><u>Documentation</u></b>				
<b>Testing of documentation is required, as applicable. Select one day per month for two months. Test days should be in non-consecutive months. Indicate test dates selected and results of testing.</b>				
55. Is adequate documentation of all pertinent keno information generated by the keno computer system restricted to authorized personnel and does the documentation include at a minimum the following:				
a) Ticket information including the date, game number, ticket number, station number or writer identification information, and conditioning, including multi-race, if applicable? <b>(28a)</b>				
b) Payout information (e.g., date, time, ticket number, amount, etc.)? <b>(28b)</b>				
c) Game information (e.g., number, ball draw results, time game was closed, etc.)? <b>(28c)</b>				
d) Daily recap information by shift (unless a single shift is utilized for a day) and by day including write, payouts and gross revenue (a.k.a. win)? <b>(28d 1-3)</b>				
e) Exception reports that at least include: i) voids, ii) late pays and iii) configurable parameter alterations (e.g., changes in paytables, changes in ball draw results, payouts over a predetermined amount, etc.)? <b>(28e 1-3)</b>				

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<b><u>Accounting and Statistical Records</u></b>				
<b>Testing of the keno revenue summary is required, as applicable. Select the keno revenue summary for 2 days. Test days should be in non-consecutive months. Indicate test dates selected and results of testing.</b>				
56. Are records maintained which include win and write by individual writer for each day? <b>(29)</b>				
57. Is the daily keno recap information used to prepare a keno revenue summary maintained and does it include (for each keno game operated and total for all keno games operated) the write, payouts, win and win-to-write hold percentage for:				
a) Each day? <b>(30a)</b>				
b) Month-to-date? <b>(30b)</b>				
c) Year-to-date? <b>(30c)</b>				
58. Does management independent of the keno department review the month end keno revenue summary statistical information (prepared prior to the submission of the NGC tax returns for the month in which the activity occurred) at least on a monthly basis and investigate any large or unusual statistical fluctuations? <b>(31)</b>				
59. Are the above investigations completed no later than 30 days after the generation of the month end keno revenue summary? <b>(31)</b>				
60. At a minimum, are investigations performed for statistical percentage fluctuations from the base level for a month in excess of +/- 5%? <b>(32)</b>  <b>Note:</b> The base level is defined as either the win-to-write hold percentage for the most recent calendar or fiscal year, or a rolling average win-to-write hold percentage for the immediately preceding 12 months. If the licensee has been operating for less than 12 full months, base levels for partial years should be used. <b>(32)</b>				
61. Are the results of the above investigations documented and maintained? <b>(33)</b>				

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<b><u>Miscellaneous</u></b>				
62. Are the following documents, including computer storage media, retained for at least 7 days:				
a) Recording of rabbit ears? <b>(64a)</b>				
b) Computer system generated documentation of ticket information, payout information and game information when the information is not related to winning keno wagers of \$1,500 or more? <b>(64b)</b>				
c) Winning keno tickets that were presented by patrons for payment of less than \$1,500? <b>(64c)</b>				
<b><u>Payout Procedures for Mail-In Winning Tickets</u></b>				
63. Do accounting/audit personnel or personnel independent of the keno department receive the original winning keno ticket? <b>(68)</b>				
64. Do accounting/audit personnel or personnel independent of the keno department record the winning keno ticket on a log as a mail pay? <b>(69)</b>				
65. Does the log mentioned in the preceding question include the date received, patron's name and keno ticket number? <b>(69)</b> <b>Verify by examination.</b>				
66. Are the winning keno tickets entered into the computer system by keno personnel or accounting/audit personnel for validation and cancellation? <b>(70)</b> <b>Note:</b> This procedure can be performed by accounting/audit personnel or keno personnel.				
67. Do accounting personnel compare the "paid" winning keno tickets to the mail pay log and the system report for "paid" winning keno tickets with any discrepancies being documented and reviewed with keno and accounting management personnel? <b>(71)</b>				
68. Do accounting/audit personnel, independent of the individual(s) who processed the mail pay winning ticket, review the patron's correspondence submitted, the winning keno ticket, the mail pay log and the system report for "paid" winning keno tickets for any discrepancies, with any discrepancies being documented and resolved prior to remitting the proper payment amount to the patron? <b>(72)</b>				

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<p><b><u>Accounting/Auditing Standards</u></b></p> <p><b>Note 1:</b> When a multi-race ticket is part of the sample selected in the Accounting/Audit MICS, the procedures can be performed for 10 games or 10% of the games won, whichever is greater.</p> <p><b>Note 2:</b> All auditing procedures outlined in this section must be performed for each licensed keno game.</p> <p><b>Note 3:</b> All auditing procedures must be performed utilizing the restricted keno computer system generated documentation.</p> <p><b>Note 4:</b> For all accounting/auditing standards, if they are performed less frequently than required and/or the scope of the work is less than required, state the frequency and/or scope of the work that is performed. Additionally, if a MICS noncompliance issue is noted, specify the frequency and/or the scope of the work that is performed (i.e., if they perform a procedure, but not as often as they should, state how often they do it instead of just making a blanket statement that they don't do it monthly, quarterly, etc.).</p>				
<p><b>Review of documentation evidencing the performance of keno accounting/audit standards is required. Select the appropriate documentation to determine that all required procedures are being performed.</b></p>				
69. Are the keno audit procedures conducted by someone independent of the keno operation? <b>(46)</b>				
70. At least annually, do keno accounting/audit personnel foot the write on the restricted keno transaction report for a minimum of one shift and compare it to the total that is documented by the computer? <b>(47)</b>				
71. For at least one shift every other month do keno accounting/audit personnel perform the following:				
a) Foot the customer copy of the payouts and trace the total to the payout report? <b>(48a)</b>				
b) Regrade at least 1% of the winning tickets using the payout schedule and ball draw results? <b>(48b)</b>				
72. Do keno accounting/audit personnel also perform the following:				
a) For a rabbit ear system without a direct interface to the computer system, compare the recording of the rabbit ears to the transaction report for a minimum of five games per week? <b>(49a)</b>				

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Questions	Yes	No	N/A	Comments, W/P Reference
b) For rabbit ear systems that are directly interfaced to the computerized keno system, compare the recording of the rabbit ears to the keno transaction report for a minimum of ten games per month? <b>(49a)</b>				
c) When manual ball draw results changes are made to the direct interface, are all changes audited and compared to the rabbit ears recording? <b>(49a)</b>				
d) Compare net cash proceeds to the audited win/loss by shift on a daily basis and investigate any large cash overages or shortages (i.e., in excess of \$25)? <b>(49b)</b>				
e) Reconcile the dollar amount of WAT in and WAT out per the WAT By Gaming Area report daily to the keno revenue summary, and investigate and document any variances noted? <b>(49c)</b>				
f) On a daily basis, review and regrade all winning tickets greater than or equal to \$1,500, including all forms which document that proper authorizations and verifications were obtained and performed? <b>(49d)</b>				
g) For the winning tickets in the previous question, are the customer copies traced to the computer payout report? <b>(49d)</b>				
h) Review the documentation for payout adjustments made outside the computer on a daily basis and investigate large and frequent payments? <b>(49e)</b>				
i) Review exception reports on a daily basis for propriety of transactions and unusual occurrences (e.g., void authorizations, late pays, parameter alterations, etc.) with the results of investigations into improper transactions and unusual occurrences documented? <b>(49f)</b>				
j) If a random number generator is used, then at least weekly is the numerical frequency distribution reviewed for potential patterns, including missing numbers, during the previous four-week period? <b>(49g)</b>				
k) If a rabbit ear system is used and the computerized keno system (or audit software) generates a drawn number frequency report, then at least weekly is the numerical frequency distribution reviewed for potential patterns, including missing numbers, during the previous four-week period? <b>(49h)</b>				

Verified per representation  
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Questions	Yes	No	N/A	Comments, W/P Reference
l) Investigate and document all improper transactions or unusual occurrences? <b>(49i)</b>				
m) On a daily basis, review all not-in-computer voids for void designation and proper supervisory approval? <b>(49j)</b>				
73. In addition to the aforementioned keno audit procedures, for each day when the keno game is operated by one person, do accounting/audit personnel perform the following:				
a) Regrade and trace customer copies to the computer payout report for all winning tickets in excess of \$500 and at least 2 other winning tickets less than or equal to \$500 from that day? <b>(50a)</b>				
b) Randomly compare the recording of the rabbit ears to the keno transaction report for at least 10 of the games during the shift? <b>(50b)</b>  <b>Note:</b> This procedure does not apply to rabbit ear systems that are directly interfaced to the computerized keno system unless a ball draw results change is made manually. All manual changes associated with directly interfaced systems are audited and compared to the rabbit ear recordings. <b>(50b)</b>				
c) Review winning tickets for proper authorization pursuant to MICS #22? <b>(50c)</b>				
74. In the event any person performs the writer and deskman functions on the same shift or day, are the procedures described in MICS #50 (using the sample sizes indicated) performed on tickets written by that person? <b>(51)</b>				
75. Do accounting/audit personnel review all contests, tournaments, promotional payouts, drawings, and giveaway programs monthly to determine proper accounting treatment and proper keno gross revenue win/loss computation? <b>(52)</b>  <b>Note:</b> For purposes of this standard, licensees are required to review any contests, tournaments, promotional payouts, drawings and giveaway programs that occurred any time during the last month, not just any such events that occurred at the time of their review.				

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

Questions	Yes	No	N/A	Comments, W/P Reference
76. For all contests, tournaments, promotional payouts (including payouts from computerized player tracking activity), drawings, and giveaway programs is the following documentation maintained:				
a) Copies of the information provided to the patrons describing the contests, tournaments, promotional payouts, drawings, and giveaway programs (e.g., brochures, flyers)? <b>(53a)</b>				
b) Effective dates? <b>(53b)</b>				
c) Accounting treatment, including general ledger accounts, if applicable? <b>(53c)</b>				
d) For tournaments and contests, the name of the organizations (or persons) registered pursuant to NRS 463.169 that conducted the contest/tournament on behalf of, or in conjunction with, the licensee, if any? <b>(53d)</b>				
e) The extent of responsibilities (including MICS compliance responsibilities) each organization and the licensee had in the contest/tournament (e.g., ABC nonprofit is to receive 100% of the entry fees and provide non cash prizes for the winners with the licensee collecting entry fees, operating the tournament and distributing prizes to winners)? <b>(53d)</b>				
77. Do accounting/audit personnel perform procedures (must include review of documentation along with employee interviews and/or observations) monthly to ensure that promotional payouts, drawings and giveaway programs are conducted in accordance with the conditions provided to the patrons? <b>(54)</b>  <b>Note:</b> For purposes of this standard, licensees are required to examine any promotional payouts, drawings and giveaway programs that occurred any time during the last month, not just any such events that occurred at the time of their examination.				
78. Do accounting/audit personnel reconcile all contest/tournament entry and payout forms to the dollar amounts recorded in the appropriate accountability document daily? <b>(55)</b>				

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Questions	Yes	No	N/A	Comments, W/P Reference
<p>79. When payment is made to the winners of a contest/tournament, do accounting/audit personnel reconcile the contest/tournament entry fees collected to the actual contest/tournament payouts made? <b>(56)</b></p> <p><b>Note 1:</b> This reconciliation is to determine whether, based on the entry fees collected, the payouts made and the amounts withheld by the gaming establishment, if applicable, were distributed in accordance with the contest/tournament rules. <b>(56)</b></p> <p><b>Note 2:</b> This procedure is not required to be performed at the time the payments are made to the winners. It can be done at some point thereafter, but must be done at least monthly.</p>				
<p>80. Monthly, do accounting/audit personnel perform the following procedures:</p>				
<p>a) Reconcile the total amount of WAT in and WAT out per the WAT Summary report to the month-end keno revenue summary? <b>(57)</b></p>				
<p>b) Is the reconciliation mentioned in the previous question documented and maintained with all variances being reviewed, documented and maintained? <b>(57)</b></p>				
<p>81. Monthly, do accounting/audit personnel reconcile gross revenue from the general ledger and the keno revenue summary to the monthly NGC tax return? <b>(58)</b></p>				
<p>82. Is the above reconciliation documented and maintained with all variances, including the variance caused by the reduction of keno revenue on the NGC tax return due to an allowable tax deduction supported by inter-casino linked system reports, being reviewed, documented and maintained? <b>(58)</b></p>				
<p>83. Prior to the submission of the NGC tax returns for the month are the reconciliations required by MICS #57 and #58 completed, is any follow-up performed documented and maintained, and are any variances noted resolved prior to the submission of the tax returns? <b>(59) For one month, review each reconciliation to verify that the reconciliation has been properly performed and that the amounts have been properly calculated. Indicate the month/year reviewed for each reconciliation and the results of each reconciliation.</b></p>				

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Questions	Yes	No	N/A	Comments, W/P Reference
<p>84. Quarterly, is an inventory of all sensitive keno keys performed and reconciled to records of keys made, issued and destroyed and are investigations performed for all keys unaccounted for with the investigations being documented? <b>(60)</b></p> <p><b>Note:</b> Sensitive keys include, but are not limited to, keys used to access restricted computer storage media and/or restricted equipment used to conduct the keno game (e.g., rabbit ears, back-up keno ball inventories). <b>(60, Note)</b></p>				
<p>85. For computerized player tracking systems, do accounting/audit personnel perform the following procedures at least one day per quarter:</p>				
<p>a) Review all point addition/deletion authorization documentation, other than for point additions/deletions made through an automated process, for propriety? <b>(61a)</b></p>				
<p>b) Review exception reports including transfers between accounts? <b>(61b)</b></p>				
<p>c) Review documentation related to access to inactive and closed accounts? <b>(61c)</b></p>				
<p>86. At least annually, are the following procedures performed for the computerized keno player tracking system (in-house developed and vendor systems):</p>				
<p>a) Is the system reviewed by personnel independent of the individuals that set up or make changes to the system parameters to determine that the configuration parameters are accurate and have not been altered without appropriate management authorization (e.g., verify the accuracy of the awarding of points based on the dollar amount wagered)? <b>(62)</b></p>				
<p>b) If possible, is the system tested to further verify the accuracy of the configuration parameters (e.g., to simulate activity to verify the accuracy of the amount of points awarded)? <b>(62)</b></p>				
<p>c) Are the test results documented and maintained? <b>(62)</b></p>				
<p>87. Is documentation (e.g., checklist, notation on reports, and tapes attached to original documents) maintained evidencing the performance of keno audit procedures, the exceptions noted and follow-up of all keno audit exceptions? <b>(63) Verify by examination.</b></p>				

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Questions	Yes	No	N/A	Comments, W/P Reference
<b><u>Written System of Internal Control</u></b>				
88. Has the licensee's written system of internal control for keno been re-read prior to responding to the following question?				
89. Does the written system of internal control for keno 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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 EFFECTIVE: January 1, 2018