

Auditor's Name and Date

RACE AND SPORTS

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 race and sports book operation is in compliance with the Race and Sports Book 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 Race and Sports Book, Version 8.

Minimum Internal Control Standard Notes

- Note 1: The term “voucher” as used in these MICS refers to a printed wagering instrument, usually issued for use in a betting kiosk, with a fixed dollar wagering value and is redeemable for cash or cash equivalents. Unredeemed vouchers that were issued as payment for winning wagers are treated the same as unpaid winning wagers for revenue purposes (i.e., purged vouchers are included in gross revenue).
- Note 2: The term “betting kiosk” as used in these MICS refers to a “self activated machine” that patrons use to place wagers, open accounts, make account deposits and/or withdrawals and is considered a writer/cashier station. MICS applicable to writers/cashiers (or writer/cashier stations) are also applicable to a betting kiosk unless otherwise stated within the MICS.
- Note 3: A book licensed to accept pari-mutuel wagers must also comply with the Pari-Mutuel MICS. A pari-mutuel book, including pari-mutuel only books, must comply with the Race and Sports MICS, as applicable.
- Note 4: 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 5: These MICS apply to satellite and outstation books (as defined in Regulation 22) unless otherwise stated within the MICS.
- Note 6: 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 race and sports section of the written system of internal control pursuant to Regulation 6.090.
- Note 7: 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”.

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- Note 8: 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 9: If the race and sports 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.
- Note 10: For Board approved computerized systems that are used solely for race and sports wagering accounts, compliance with race and sports MICS #57(i) and #58 for wagering account reports may be used in lieu of the reports required by cage and credit MICS #47 - #49. However, compliance with cage and credit MICS #34 - #44 is required.
- Note 11: If the race and sports 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 (including the handling of canceled events) in the wagering account system are integrated and recorded by the race and sports system.
- Note 12: If wagering accounts are limited to race and sports books only, then, in lieu of the requirements of cage and credit MICS #37a, verification of a patron's identification may be performed at central site books, at an outstation, satellite or affiliated book.

Questions	Yes	No	N/A	Comments, W/P Reference
1. Has the licensee's written system of internal control for race and sports been read prior to the completion of this checklist to obtain an understanding of the licensee's race and sports operation and does the system of internal control delineate the procedures as may be required by any of the Race and Sports Notes #1 - #12?				
<u>Equipment Standards</u>				
2. Is the date and time generated by the race and sports computer system during ticket writing tested each day by a supervisor independent of the ticket writing and cashiering function (this person may also be independent of the book)? (1)				
3. For outstation and satellite books, is the test referred to in the preceding question performed at the location where the administrative function is performed? (1)				
4. Is the Naval Observatory Master Clock contacted to verify the correct time each day events are held and wagers are accepted with the race and sports computer system being adjusted as required? (2) Note 1: The telephone number for the Naval Observatory Master Clock is (202) 762-1401. (2, Note 1) Note 2: This MICS does not apply to outstation and satellite books if the time cannot be changed by employees of such books. (2, Note 2) Note 3: This MICS does not apply when the time within the race and sports computer system is kept accurate through the use of an independent automated update process. (2, Note 3)				

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5. When the time is tested pursuant to MICS #1, and/or adjustments are necessary due to discrepancies, is a record of the station number, date, time of test, time per race and sports computer system, name or signature of the employee performing the test, and any other relevant information created? (3) Verify by examination.				
6. For outstation and satellite books are the logs referred to in the preceding question available at each licensed location upon request? (3)				
7. Are all date and time stamping machines used by the book for voided tickets and manual payouts directly and permanently wired to the electrical supply system or do they have a back-up power source to ensure an accurate time in the event of power loss to the machines? (4) Indicate the method used. Note: For the machines to be considered permanently wired to the electrical supply system, they should not be able to be unplugged by pulling on a cord.				
8. In relation to the date and time stamping machines mentioned in the preceding question, do the following also apply:				
a) Do only personnel independent of the book have access to fuses or other similar power control mechanisms used in connection with the stamping machines? (5)				
b) Does someone independent of the ticket writing function examine and test the stamping machines once each day to ensure that the date and time are accurate to the nearest minute? (6) Note: For satellite books this test can be performed by the ticket writer. (6) Note: If the stamping machine is interfaced with a time clock such that the time on the stamping machine is kept accurate through the use of an independent automated update process, then this procedure is not required. (6, Note)				
c) In addition to performing the test pursuant to MICS #6, is the above test performed at least weekly by someone independent of the book? (7) Note: MICS #7 does not apply to satellite books. (7, Note)				

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d) When the tests referred to in “b” and “c” above are performed, are the test and any adjustments necessary due to discrepancies documented in a log (or in another equivalent manner) which includes the station number, date, time of test, time on machine, name or signature of employee performing the test, and any other relevant information? (8) Verify by examination.				
e) Are the keys (originals and duplicates) to the date and time stamping machines maintained and used by a department or personnel who are independent of the ticket writing and cashiering functions? (9)				
<u>Wagering Standards</u>				
9. Whenever a betting station is opened/closed for wagering or turned over to a new writer/cashier, does the writer/cashier sign on/off and does the race and sports computer system create a record indicating the writer's/cashier's identity, the date and time, station number, and the fact that the station was opened/closed? (10) Verify by examination.				
10. Upon accepting a wager, is a record of the wager created in the race and sports computer system which contains: Verify by examination.				
a) Ticket number? (11)				
b) Date and time? (11)				
c) Terms of the wager (“ticket description”) which include event/racing meet (or race track), event/race number, event/race date, wager selection (e.g., horse number, team name and number), type of wager (e.g., money line bet; point spreads; over/under amounts; win, place and show; etc.) and dollar amount wagered? (11)				
11. Is the above record of wager documented as follows: Verify by examination.				
a) An original betting ticket that includes the book's name and address and is printed and given to the patron? (11a) Note: This MICS does not apply if a wager is placed using communications technology. However, see “c” below for the requirement relating to these types of wagers. (11a, Note)				
b) A restricted computer system record which is created concurrently with the generation of the original betting ticket and is accessible to authorized book employees with access restricted to inquiry only functions? (11b)				

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c) If a wager is placed using communications technology, are all wagering communications electronically recorded (separate from the race and sports computer system) and retained for a period of 60 days? [Regulation 22.140(8) and MICS #11a Note]				
12. If a book voids a betting ticket are the following procedures performed:				
a) Is a void designation immediately branded by the race and sports computer system on the ticket with the computer system updated to reflect the void transaction or is the ticket voided manually in the race and sports computer system by entering or scanning the ticket number to update the computer system to reflect the void transaction and immediately writing/stamping a void designation on the original ticket? (12a) Indicate the method used.				
b) For not-in-computer voids, is the date and time when the ticket was voided stamped on the original? (12b)				
c) Are all voids signed by the writer/cashier and a supervisor (who did not write the ticket) at the time of the void? (12c) Note: The supervisor may be from another gaming department. For satellite books the second signature can be a supervisor of the host property. (12c)				
Note: If the original ticket is unavailable (e.g., printer malfunction) a document is created to reflect the void transaction. (12, Note)				
13. Are sporting event wagers not accepted after the start of the event unless "in progress" or a similar notation is indicated on the original and each copy of the betting ticket, and the race and sports computer system creates and maintains a record that documents the supervisor's approval? (13) Note: The second half of a football game, for example, is considered a separate event when set up in the race and sports computer system as an independent event for accepting wagers; accordingly supervisor approval does not need to be recorded as long as the wager is accepted before the start of the second half. (13, Note)				
14. Are race wagers not accepted after the occurrence of post time, as defined in Regulation 22? (14)				

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15. Is race event documentation created daily that includes, at a minimum, the race date, name of track, race number, and field of horses scheduled to run by horse number and name for each race? (15) Verify by examination.				
16. Is the above race event document updated to indicate any horses subsequently scratched? (15)				
17. Is the above race event document forwarded to the accounting/audit department at the end of the day? (15)				
18. Are the wagering cutoff times established in accordance with the provisions of Regulation 22 and entered into the race and sports computer system? (16) Note: Dissemination interface software is available which allows a disseminator to enter the cut-off times for licensees taking its broadcasts. If this is used, determine that the licensee has instituted procedures to monitor the cut-off time entered by the disseminator and that the licensee continues to enter appropriate cut-off times for events not covered by the interface.				
19. Is the race and sports computer system either incapable of transacting/accepting a wager subsequent to the above cutoff times or does it produce a report which specifically identifies such wagers? (17)				
20. Is the race and sports computer system either incapable of voiding a ticket subsequent to the cutoff time or does it produce a report which specifically identifies such voided tickets? (18)				
21. Is the race and sports computer system incapable of allowing a cutoff/starting time to be entered into the race and sports computer system (including changes to cutoff/starting times) that is a time earlier than the current time of day? (19)				
22. Are tickets not written or voided after the outcome of an event is known? (20)				
23. If the licensee is only licensed for a sports pool (and not a race book), do they not accept wagers on horse or other animal races? (21)				
Book Wagering Report				
24. Are the wagering multiple transaction logs created pursuant to Regulation 22.062 submitted to the accounting department within 24 hours after the end of a designated 24-hour period? (22)				

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25. If the book wagering reports are prepared by the race and sports personnel pursuant to Regulation 22.061, are the completed book wagering reports submitted to the accounting department by no later than 24 hours after month end? (23)				
<u>Payout Standards</u>				
26. Do vouchers issued by the race and sports computer system (including through betting kiosks) include the voucher number, the book's name and address, the date/time and dollar amount? (24) Verify by examination. Note: Applies to vouchers issued as payment for winning wagers, "change due" from a wager transaction, and as a result of a purchase of a voucher. (24, Note)				
27. Prior to patrons receiving payouts on winning tickets, are event/race results entered into the race and sports computer system for computerized grading of all wagers? (25) Verify by observation.				
28. Are unpaid winning ticket and voucher reports restricted to authorized personnel independent of the race and sports book? (25)				
29. Prior to making a payment on a ticket/voucher or crediting the winnings to the patron's wagering account:				
a) Does the writer/cashier enter or scan the ticket/voucher number into the race and sports computer system to authorize the payment; (26a) or				
b) For wagering account wagers, does the computer system automatically authorize payment of winning wagers and update the patron's wagering account when the event results are posted in the race and sports computer system? (26b)				
30. Does the race and sports computer system brand winning tickets/vouchers with a paid designation, the amount of the payment and date, or if a writer/cashier manually enters or scans the ticket/voucher number into the race and sports computer system, does the writer/cashier either immediately write or stamp the date, amount of payment and a paid designation on the patron's ticket/voucher or attach to the patron's copy a computer system "paid" ticket which indicates a paid designation, ticket/voucher number, the amount of payment and date? (27) Verify by examination.				

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Questions	Yes	No	N/A	Comments, W/P Reference
31. In the case of race and sports computer system failure, tickets may be paid. In those instances where a system failure has occurred and tickets are manually paid, is a log maintained which includes: <ul style="list-style-type: none"> • the date and time of the system failure; • the reason for the failure; and • the date and time the system is restored? (28a-c) Verify by examination.				
32. For all payouts which are made without race and sports computer system authorization, after the manual grading of the ticket, is the date and time stamped on the patron's copy and the amount of the payment and a paid designation written (or stamped) on the patron's copy of the ticket/voucher? (29)				
33. For those payouts, including payouts for contest/tournament winners, that are made without race and sports computer system authorization (i.e., system inoperative) are the following procedures performed:				
a) Before completing the payout, does the book manager or other authorized supervisory personnel review the documentation supporting and explaining the payouts, as evidenced by signature on the ticket/voucher? (30a) Verify by examination.				
b) Once the race and sports computer system is operative, does an individual immediately enter all manually paid tickets/vouchers into the system to verify the accuracy of the amount paid for the tickets/vouchers and the manual grading of the tickets? (30b) Note: Any manually paid tickets that had been previously purged from the race and sports computer system do not need to be entered into the system. (30b, Note)				
34. Is the race and sports computer system incapable of authorizing payment on a ticket/voucher which has been previously paid, a voided ticket/voucher, a losing ticket, or an unissued ticket/voucher? (31) Note: If possible, this should be verified by testing the system.				
35. If a progressive pool is used for wagers, is adequate documentation retained regarding the rules? (32)				
Betting Kiosks				
36. Does the licensee have betting kiosks that are used for in-person wagering account registration for sports and nonpari-mutuel race wagering? (33) If the answer is yes, answer the next three questions. If the answer is no, N/A the next three questions.				

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37. Have procedures been established for in-person wagering account registration at a betting kiosk for sports and nonpari-mutuel race wagering? (33)				
38. Regarding the previous question, are the procedures delineated within the race and sports section of the written system of internal control? (33) Verify by examination.				
39. Do the procedures established ensure that:				
a. For sports and nonpari-mutuel wagering account withdrawals transacted at a betting kiosk is each patron limited to a daily maximum withdrawal amount of \$500? (33a) Verify by observation.				
b. For any sports and nonpari-mutuel wager account withdrawals initiated at a betting kiosk is compliance with the procedures of Cage and Credit Standard #41 met if the requested withdrawal exceeds the daily maximum limit of \$500? (33b) Verify by observation.				
Checkout Standards				
40. Does the race and sports computer system indicate the amount of net cash that should be in each writer/cashier station and is a supervisor required to access this information? (43) Verify by examination.				
Testing of the summary report is required, as applicable. Select one summary report per day for 2 days. Test days must be in non-consecutive months. Indicate test dates selected and results of testing.				
41. For each writer/cashier station, is a summary report completed at the conclusion of each shift that includes:				
a) The computation of cash turned in for the shift and any variances between the cash turn-in and the amount of net cash that the race and sports computer system indicates should be in each station? (44a)				
b) Signatures of two employees who have verified the cash proceeds turned in for the shift? (44b)				
42. Are the above procedures in MICS #44 also performed whenever there is a change of writer/cashier at a station during a shift? (44 Note 1)				

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Questions	Yes	No	N/A	Comments, W/P Reference
43. In the case above, when there is a change of writer/cashier at a station during a shift, does the cash summary report for the shift reflect for each writer/cashier 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 race and sports computer system indicates should be in each writer/cashier station? (44, Note 1)				
Note 2: MICS #44 does not apply to areas outside the race and sports book area (e.g., casino cage) that cash tickets. (44, Note 2)				
Note 3: MICS #44 does not apply to betting kiosks. (44, Note 3)				
Note 4: Alternatively, MICS #43 and #44 may be performed for each writer/cashier rather than each writer/cashier station. (44, Note 4)				
44. For each betting kiosk:				
a) At least weekly, are all winning tickets and vouchers in the kiosk removed by a minimum of two employees? (45a)				
b) At least weekly, do a minimum of two employees remove all cash from the kiosk, count the cash and document the count? (45b)				
c) Whenever employees remove winning tickets or vouchers from a kiosk, or cash is removed from or inserted into a kiosk, are kiosk reports generated from the kiosk regarding kiosk transactions and accountability? (45c)				
d) At least weekly and whenever employees remove winning tickets, vouchers or cash from a kiosk, are the kiosk transactions reconciled by race and sports book or accounting employees as follows: all the cash remaining in each kiosk is reconciled to the cash loaded into the kiosk plus/minus cash transactions? (45d)				
e) Are kiosk reports compared to the transactions recorded by the race and sports computer system with variances documented and investigated? (45d)				
f) Are winning tickets and vouchers ultimately delivered to the accounting department? (45e)				
<u>Employee Segregation</u>				
Note: Administrative functions include setting up events, changing event data, and entering results at any time. (Note before 46)				
45. If employees who perform the supervisory function of approving void tickets also write tickets:				
a) Is the supervisory function allowed to be performed limited to approval of void tickets prior to post-time? (46a)				

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Questions	Yes	No	N/A	Comments, W/P Reference
b) Is a supervisor, acting as a writer, not allowed to authorize a void for a ticket that he wrote? (46b)				
c) Are all tickets written by a supervisor which are subsequently voided and all not-in-computer voids recorded in a log, used specifically for that purpose, which indicates the supervisor's/writer's name and the name of the person authorizing the void? (46c)				
d) Is the log mentioned in the preceding question forwarded to a department independent of the book (i.e., accounting/auditing) on a daily basis for a 100% audit of void tickets (using the log and the tickets) for the proper signatures on the ticket, a void designation on the ticket, date and time of the void on the ticket (for not-in-computer voids), any indications of past-post voiding, and other appropriate regulation compliance? (46d)				
e) Are any discrepancies noted and investigations performed as a result of the procedure in the preceding question documented in writing and maintained? (46d)				
f) Does a department independent of the book (i.e., accounting/auditing) perform a 100% audit of the exception report for any inappropriate use of the supervisory password? (46e)				
g) Are any discrepancies noted and investigations performed as a result of the procedure in the preceding question documented in writing and maintained? (46e)				
46. Are employees, including supervisors, who write or cash tickets prohibited from accessing the administrative terminal or performing administrative functions? (47) Note: An employee assigned writer/cashier functions is not allowed to switch for certain shifts or days to having administrative functions. Conversely, an employee assigned administrative functions is not allowed to switch for certain shifts or days to having writer/cashier functions. (47, Note)				
Promotional Payouts, Drawings and Giveaway Programs				
47. Are the conditions for participating in promotional payouts, including drawings and giveaway programs, prominently displayed or available for patron review at the licensed location? (34) Verify by observation.				

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Testing of promotional payouts is required, as applicable. Select one promotional payout form per day for 2 days. Test days must be in non-consecutive months. Indicate test dates selected and results of testing.				
48. Are 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 payout to include the following:				
a) Date and time? (35a)				
b) Dollar amount of payout or description of personal property (e.g., car)? (35b)				
c) Reason for payout (e.g., promotion name)? (35c)				
d) Signature(s) of the following number of employees verifying, authorizing, and completing the transaction with the patron: i) two employee signatures for payouts of \$100 or more that are deducted from gross gaming 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); ii) one employee signature for payouts less than \$100 that are deducted from gross revenue; or iii) one employee signature for payouts of \$500 or more that are not deducted from gross revenue? (35d)				
e) Patron's name (for drawings only)? (35e)				
Note: MICS #35 documentation may be prepared by an individual who is not a race and sports book department employee as long as the required signatures are those of the employees completing the payout with the patron. (35, Note)				
49. If promotional cash (or cash equivalent) payouts, including those as a result of drawings and giveaway programs, is less than \$500 and are not deducted from gross gaming revenue, is documentation created to support the bank accountability? (36) Note: Required documentation may consist of a line item on a cage or race and sports accountability document (e.g., "43 \$10 race and sports cash giveaway coupons = \$430") (36, Note)				

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Contests/Tournaments				
Note: MICS #37 - #42 apply to contests/tournaments conducted at a single book, and also to those conducted at multiple, affiliated books. (Note before 37)				
Testing two contests/tournaments is required, as applicable. Select two contests/tournaments in non-consecutive months. Indicate contests/tournaments selected and results of testing.				
50. Are all contest/tournament entry fees, prize payouts, participant's wagering selections and contest/tournament results recorded in the race and sports computer system? (37) Note 1: This MICS does not apply to contests/tournaments that are free to enter (i.e., no entry fees or other prerequisites such as a minimum amount of wagers to qualify). (37, Note 1) Note 2: Noncash prize payouts from contests/tournaments are to be completed in accordance with MICS #34 - #36. Such payouts are not required to be recorded in the race and sports computer system. (37, Note 2)				
51. When contest/tournament entry fees and payouts are transacted, are the transactions recorded on a document which contains:				
a) Patron's name? (38a)				
b) Date of entry/payout? (38b)				
c) Dollar amount of entry fee/payout (both alpha and numeric, or unalterable numeric) and/or nature and dollar value of any noncash payout? (38c)				
d) Signature of the individual completing the transaction attesting to receipt or disbursement of the entry fee/payout with the patron and, for contest/tournament winners, the verification through the race and sports computer system of the winner? (38d)				
e) Name of contest/tournament? (38e)				
52. Are the contest/tournament entry fees and payouts summarized and posted to the accounting records on at least a monthly basis? (39)				
53. Are contest contest/tournament rules included on all entry forms/brochures and prominently displayed or available for patron review at the licensed location? (40)				

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54. 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? (40a)				
b) Specific information pertaining to any single contest/tournament, including the dollar amount of money placed into the prize pool? (40b)				
c) The distribution of funds based on specific outcomes? (40c)				
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? (40d)				
55. 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? (41)				
56. Is the name of each winner recorded and maintained, but not made available to the participants unless authorized by management personnel? (41)				
57. 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? (41, Note)				
58. Are the contest/tournament records required by standards 37 – 41, which are addressed above, maintained for each event? (42)				

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Computerized Player Tracking Systems				
Note 1: Compliance with MICS #49 - #54 is required for all computerized race and sports player tracking systems. (Note 1 before 49)				
Note 2: As used in these Race and Sports 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. (Note 2 before 49)				
59. 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)? (49)				
60. Is the addition/deletion of points to player tracking accounts authorized/performed by supervisory personnel of the player tracking, promotions, or race and sports book departments documented? (49)				
61. Do accounting/audit personnel randomly verify the documentation for the addition/deletion of points to player tracking accounts authorized by supervisory personnel on a quarterly basis? (49)				
Note: MICS #49 does not apply to the deletion of points related to inactive or closed accounts through an automated process. (49, Note)				
62. Do employees who redeem points for patrons have access to inactive or closed accounts only with authorization from supervisory personnel? (50)				
63. Is the above access and approval to the inactive or closed accounts documented and maintained for Board review? (50)				
64. Is patron identification required when redeeming points without a player tracking card? (51)				
65. 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 race and sports department? (52)				

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Verified per observation/examination

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b) Are they performed by race and sports supervisory personnel if sufficient documentation is generated and the propriety of the changes is randomly verified by personnel independent of the race and sports department on a quarterly basis? (52)				
66. Are all other changes to the player tracking system appropriately documented? (53)				
67. 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? (54)				
Generic Passwords for Casino Cage Cashiers				
Note: MICS #48 does not apply when a supervisor signs onto a common terminal with his or her individual password and the supervisor takes responsibility for the race and sports payouts. (Note before 48)				
68. If generic passwords are used in the casino cage for the race and sports computer system, are the following procedures performed:				
a) Does each cashier redeem tickets from their assigned window bank? (48a)				
b) After verifying the winning ticket in the race and sports computer system, does the cashier sign the patron's copy of the ticket, immediately date/time stamp the ticket at their assigned window, and then maintain the ticket in their cash drawer? (48b) Verify by examination.				
c) Is each cashier assigned a unique date/time stamp which is used solely at their assigned window? (48c) Verify by examination.				
d) Do payouts of \$2,000 or more require a supervisor to enter their approval code and to sign the ticket? (48d)				
e) Do payouts of \$10,000 or more require supervisory personnel independent of the cage department to enter their approval code and to sign the ticket? (48e)				
f) Is a summary sheet prepared which lists all of the cashiers working that shift, their assigned windows, the date/time stamp identification, and the total tickets cashed per cashier? (48f) Verify by examination.				

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g) Is the total of the report mentioned in the preceding question then balanced to the total tickets cashed per the race and sports book end-of-shift report? (48f)				
h) Are any discrepancies noted and investigations performed as a result of the procedure mentioned in the preceding question documented in writing and maintained? (48g) Verify by examination.				
Computer Reports				
Note 1: Documentation equivalent to the following must be prepared for satellite books on a "per book" basis. (Note 1 before 55)				
Note 2: Wagers placed using communications technology can be included in the documentation of the central site book that accepted and recorded the patron's wager. Such procedures are to be delineated within the race and sports section of the internal control system. (Note 2 before 55)				
69. Is adequate documentation of all pertinent race and sports book information generated by the race and sports computer system? (55) Verify by examination.				
70. Is the documentation mentioned in the preceding question restricted to authorized personnel? (56)				
71. Is the generation of end-of-day race and sports computer system reports performed by or observed by an employee from a department independent of the race and sports book department? (56)				
72. Does each report indicate the date, book's name (or other identifier), and title of report? (56)				
Note: As used in MICS #57 and #58 race and sports computer system report descriptions, the term "ticket description" refers to the terms of the wager as described in MICS #11. (Note before 57)				
73. Is the race and sports computer system documentation created daily and does it include at a minimum the following reports: Verify by examination.				
a) Transaction report which lists, by writer/cashier, for each write, payout, and void transaction:				
i) Ticket number? (57a)				
ii) Transaction date and time? (57a)				
iii) Writer/cashier station number? (57a)				
iv) Writer/cashier number? (57a)				
v) Transaction type? (57a)				
vi) Ticket description? (57a)				

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Questions	Yes	No	N/A	Comments, W/P Reference
vii) Transaction amount? (57a)				
b) Does the transaction report also list, by writer/cashier, and in total:				
i) Amount of write? (57a)				
ii) Voids? (57a)				
iii) Payouts? (57a)				
iv) Vouchers issued? (57a)				
v) Vouchers redeemed? (57a)				
Note: The transaction report may be a combination of more than one report (e.g., one for write and one for payouts). Wagering account transactions may be in separate wagering account transaction reports. (57a, Note)				
c) Race prices report which lists, for each meet's race:				
i) Race date and time (stop betting time)? (57b)				
ii) Race number? (57b)				
iii) Winners (e.g., horse identification)? (57b)				
iv) Payout amounts for the different types of wagers? (57b)				
d) Sports book results report which lists, for each event:				
i) Event date and cutoff time (as previously entered into the race and sports computer system)? (57c)				
ii) Event (e.g., team names and team identifications)? (57c)				
iii) Event results/winners? (57c)				
e) Futures reconciliation report which lists the amount, by date of event/race for today and future event dates:				
i) Wagers written on previous days (previous write)? (57d)				
ii) Wagers written today on future events (write today or future write)? (57d)				
iii) Wagers written on previous days refunded today (previous canceled today)? (57d)				
iv) Wagers written on previous days for today's event/race (futures back-in)? (57d)				
v) Total remaining wagers written for events/races in the future (net write)? (57d)				
f) Futures back-in ticket detail report which lists the tickets written on previous days for events/races occurring today, by event/race, including:				
i) Ticket number? (57e1)				
ii) Ticket description? (57e1)				
iii) Date of event/race? (57e1)				
iv) Total amount of wagers written on previous days for today's event/race? (57e1)				
g) Future ticket detail report which lists the tickets written on previous days and today for events/races in the future, by date of event/race and by event/race, including:				

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Questions	Yes	No	N/A	Comments, W/P Reference
i) Ticket number? (57e2)				
ii) Ticket description? (57e2)				
iii) Date of event/race? (57e2)				
iv) Total wagers by event/race and by date of event/race for all tickets? (57e2)				
h) Unpaid winners detail ticket report which lists the unexpired winning tickets that have not been paid including:				
i) Event/race date? (57f1)				
ii) Ticket number? (57f1)				
iii) Ticket description? (57f1)				
iv) Payout amount? (57f1)				
v) Total payout amounts? (57f1)				
i) Unredeemed voucher detail report which lists the unexpired vouchers that have not been redeemed including:				
i) Voucher number? (57f2)				
ii) Date of issue? (57f2)				
iii) Voucher amount? (57f2)				
iv) Total vouchers? (57f2)				
Note: Tickets and vouchers expire when the period of time the book will honor winning wagers/vouchers has lapsed. (57f, Note)				
j) Purge detail ticket report which lists the expired winning tickets that have not been paid, by ticket number, including:				
i) Event/race date? (57g1)				
ii) Ticket number? (57g1)				
iii) Ticket description? (57g1)				
iv) Payout amount? (57g1)				
k) Purge detail voucher report which lists the expired vouchers that have not been redeemed, including:				
i) Voucher number? (57g2)				
ii) Date of issue? (57g2)				
iii) Voucher amount? (57g2)				
l) Does the purge detail voucher report also list the total amount of vouchers to be added back into revenue? (57g2)				
Note: Tickets and vouchers expire when the period of time the book will honor winning wagers/vouchers has lapsed. (57g, Note)				
m) Unpays summary report which lists the amount of:				
i) Beginning balance of unpaid tickets? (57h1)				
ii) Previously unpaid tickets paid today? (57h1)				
iii) New unpaid tickets (i.e., unpaid ticket from event/race occurred today)? (57h1)				
iv) Ending balance of unpaid tickets? (57h1)				
n) Voucher summary report which lists the amount of:				
i) Beginning balance of unredeemed vouchers? (57h2)				

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Questions	Yes	No	N/A	Comments, W/P Reference
ii) Previously unredeemed vouchers redeemed today? (57h2)				
iii) New unredeemed vouchers (i.e., vouchers issued today and remained unredeemed)? (57h2)				
iv) Ending balance of unredeemed vouchers? (57h2)				
Note: The beginning balance is not required to be listed on the report as long as the previous day's ending balance of unpaid/unredeemed is available. (57h, Note)				
o) Daily account wagering detail report which lists by writer/cashier station number, each transaction including:				
i) Writer/cashier station number? (57i1)				
ii) Wagering account number? (57i1)				
iii) Transaction (e.g., wager, deposit, withdrawal)? (57i1)				
iv) Transaction amount? (57i1)				
p) Does the daily account wagering detail report also list totals by transaction type? (57i1)				
Note 1: The daily account wagering detail report may be a part of the wagering account transaction reports or a combination of reports. (57i, Note 1)				
Note 2: The writer/cashier station number is not identified when the patron places a wager through a mobile device. (57i, Note 2)				
q) Daily account wagering summary report which lists by writer/cashier station number, for wagering accounts with activity for the day, by wagering account and in total:				
i) Deposits? (57i2)				
ii) Winnings? (57i2)				
iii) Voided wagers? (57i2)				
iv) Wagers? (57i2)				
v) Withdrawals? (57i2)				
vi) Other adjustments? (57i2)				
r) Does the daily account wagering summary report also list totals for:				
i) Write? (57i2)				
ii) Voids/cancelled? (57i2)				
iii) Net write? (57i2)				
iv) Payouts? (57i2)				
v) Net win? (57i2)				
s) Accrual basis recap report which lists:				
i) Tickets written today for today's events/races (current write)? (57j)				
ii) Wagers written today on future events (future write)? (57j)				
iii) Wagers written on previous days for today's event/race (futures back-in)? (57j)				

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Questions	Yes	No	N/A	Comments, W/P Reference
iv) Accrual write? (57j)				
v) Payouts from wagers written today and paid today (current payouts)? (57j)				
vi) Payouts paid today for events on previous days (previous payouts)? (57j)				
vii) Unpaid winners from event/race occurred today (current unpaids)? (57j)				
viii) Accrual payout? (57j)				
ix) Unpaid winners and unredeemed vouchers expired today (unpaids to revenue)? (57j)				
x) Taxable revenue? (57j)				
xi) Book revenue? (57j)				
t) Is the accrual basis recap report a daily and month-to-date report? (57j) Note: Daily and month-to-date amounts may be reflected in separate reports rather than one report. (57j)				
Note 1: As used in the above accrual basis recap report: <ul style="list-style-type: none"> • Accrual write is equal to: current write, (+) futures back-in. • Accrual payout is equal to: current payouts, (+) current unpaids. • Book (accounting) revenue is equal to: accrual write, (-) accrual payouts, (+) unpaids to revenue. • For cash basis, taxable revenue on NGC tax returns is equal to: current write, (+) future write, (-) current payouts, (-) previous payouts, (+) expired unredeemed vouchers when vouchers were included in payout amounts. • For modified accrual basis, taxable revenue on NGC tax returns is equal to: accrual write, (-) current payouts, (-) previous payouts, (+) expired unredeemed vouchers when vouchers were included in payout amounts. (57j, Note 1) Note 2: Alternatively, the accrual basis recap report may include “today’s write” and “today’s payouts” rather than “current write” and “current payouts” as follows: <ul style="list-style-type: none"> • Today’s write is equal to: current write, (+) future write. • Today’s payouts is equal to: current payouts, (+) previous payouts. (57j, Note 2) 				
u) Exception information (sorted by exception type), including:				
i) Voids, past-post voids, in-progress voids, past-post write, in-progress write? (57k1)				

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Questions	Yes	No	N/A	Comments, W/P Reference
ii) Changes in odds, cut-off times, results and event data? (57k2)				
iii) All supervisory approvals? (57k3)				
74. Is the race and sports computer system documentation for wagering account activity created on demand, and does it include, at a minimum for a day, month-to-date, year-to-date and two-year cumulative basis:				
a) Customer transaction detail report that lists, by wagering account and in total for all wagering accounts:				
i) Wagering account number? (58a)				
ii) Beginning balance? (58a)				
iii) Each deposit (date and amount)? (58a)				
iv) Wagers and cancelled wagers (ticket number, transaction date and time, and ticket description)? (58a)				
v) Winning wagers (ticket number, transaction date and time, ticket description and payout amount)? (58a)				
vi) Net win? (58a)				
vii) Withdrawals (date and amount)? (58a)				
viii) Adjustments (date and amount)? (58a)				
ix) Ending balance? (58a)				
b) Customer transaction summary report that lists, by wagering account and in total, for all wagering accounts:				
i) Wagering account number? (58b)				
ii) Patron's name? (58b)				
iii) Beginning balance? (58b)				
iv) Deposits? (58b)				
v) Wagers (write and cancelled wagers)? (58b)				
vi) Winning wagers? (58b)				
vii) Net win? (58b)				
viii) Withdrawals? (58b)				

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Questions	Yes	No	N/A	Comments, W/P Reference
ix) Adjustments? (58b)				
x) Ending balance? (58b)				
Note 1: All wagering accounts regardless of account balance must be included on the customer transaction summary report. (58, Note 1)				
Note 2: Daily, month-to-date, year-to-date, and two-year cumulative amounts may be reflected in separate reports rather than one report. (58, Note 2)				
<u>Accounting/Audit Standards</u>				
Review of documentation evidencing the performance of race and sports book accounting/audit standards is required. Select the appropriate documentation to determine that all required procedures are being performed.				
75. Is the race and sports book audit conducted by someone independent of the race, sports, and pari-mutuel operations? (59) Note: Such personnel may also perform the audit function for the outstation book of affiliated properties (and vice versa). (59, Note)				
76. At least once a quarter, for each betting kiosk, do accounting/audit personnel foot the tickets and the vouchers redeemed for a week and trace the totals to the totals recorded in the race and sports computer system and the related accountability document with all variances investigated and documented, by kiosk? (60) Note 1: This procedure may be performed for different kiosks throughout the quarter as long as each kiosk's activity is examined once a quarter. (60) Note 2: This procedure may be performed by non accounting personnel as long as the individual has not performed the reconciliation required by MICS #45. (60, Note)				
77. At least annually, do accounting/audit personnel foot the write on the restricted computer system record of written tickets for a minimum of three writers/cashiers for each race book and three writers/cashiers for each sports pool for one day and trace the total to the total produced by the race and sports computer system? (61)				
78. Do accounting/audit personnel foot the customer copy of paid tickets for a minimum of one writer/cashier station for one day per month and trace the totals to those produced by the race and sports computer system? (62)				

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Questions	Yes	No	N/A	Comments, W/P Reference
79. At least annually, for one day, do accounting/audit personnel foot the redeemed vouchers for one writer/cashier station and trace the totals to those produced by the race and sports system? (63)				
80. Daily, for each writer/cashier station except for betting kiosks, are the write and payouts compared to the cash proceeds/disbursements with a documented investigation being performed on all large variances (i.e., overages or shortages greater than \$100 per writer/cashier)? (64)				
81. Daily, does accounting/audit personnel reconcile the dollar amount of WAT in and WAT out per the WAT By Gaming Area report to the transaction report, and investigate and document any variances noted? (65)				
82. Daily, do accounting/audit personnel select a random sample of 5 paid transactions from the race and sports computer system transaction report and trace the transaction to the customer's copy of the paid ticket? (66)				
83. For all sports book winning tickets and winning parlay card tickets in excess of \$10,000, for all race book winning tickets in excess of \$1,000, and for a random sample of ten of all other winning race and sports book tickets are the following procedures performed daily:				
a) Are the tickets recalculated and regraded using the race and sports computer system record of event results? (67a)				
b) Is the date and starting time of the event/race per the results report compared to the date and time on the ticket and in the race and sports computer system transaction report? (67b)				
c) Are the terms of the wagers (e.g., point spreads, money lines, etc.) per the race and sports computer system transaction report or other report indicating all point spreads and money lines at which wagers were written are reviewed and compared to an independent source for questionable activity (see Regulation 22.125)? (67c)				
Note 1: For sports book winning tickets and parlay card tickets, the terms of the wagers can be compared to an independent source such as a newspaper (or its website), sports league website, a licensed sports information service or other reputable source. (67, Note 1)				
Note 2: The same transactions selected for MICS #68 examination may be used as part of the sample selected for MICS #67. (67, Note 2)				

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Questions	Yes	No	N/A	Comments, W/P Reference
84. Daily, do accounting/audit personnel perform the following procedures for payouts made without race and sports computer system authorization at the time of payment including such payouts for contest/tournament winners:				
a) Trace all payouts to the race and sports computer system transaction report or the purged tickets report to verify authenticity of the initial wager? (68a)				
b) For payouts subsequently entered into the race and sports computer system by race and sports personnel, compare the manual payout amount to the race and sports computer system amount? (68b)				
c) For payouts not entered into the race and sports computer system by race and sports personnel, enter the payout into the race and sports computer system and compare the manual payout amount to the race and sports computer system amount? (68c)				
d) If the system is inoperative, manually regrade the ticket to ensure the proper payout amount was made? (68c)				
Note: Appeasement payments (e.g., nonwinning ticket payouts resulting from a customer complaint or employee error) are not deductible from gross revenue. (68, Note)				
85. Daily, do accounting/audit personnel trace the race and sports computer system's summary of events/results report to an independent source for 5% of all sporting events and 5% of all races to verify the accuracy of starting times (if available from an independent source) and final result? (69) Note: The starting times for sporting events and races that are wagered on in conjunction with a tournament or contest is included in the population from which the 5% sample is chosen. (69, Note)				
86. For all voided tickets, are the following procedures performed daily:				
a) Are the race and sports computer system reports which display voided ticket information examined to verify that the tickets were properly voided in the computer system? (70a)				
b) Are the voided tickets examined for a void designation and proper signatures, and for not-in-computer voids, the date and time stamp on the ticket for the time of the void? (70b)				
c) For a race and sports computer system that prints void tickets, determine that a void ticket is attached to the original ticket? (70c)				

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Questions	Yes	No	N/A	Comments, W/P Reference
<p>87. Are system exception reports reviewed on a daily basis for propriety of transactions and unusual occurrences including, but not limited to: changes in odds, cut-off times, results, and event data (both information input by book employees, and information provided directly by a disseminator), in-progress events and void authorizations? (71)</p> <p>Note: An exception report is defined as a report produced by the computerized system identifying unusual occurrences, changes to system configuration parameters, alteration to initially recorded data, voids, etc. (71, Note)</p>				
<p>88. Are all noted improper transactions or unusual occurrences noted during the review of exception reports investigated with the results documented? (71)</p>				
<p>89. At least one day per calendar quarter, are the race and sports computer system reports (and as applicable the pari-mutuel computer system reports) reviewed, for Regulation 22.040 compliance purposes, for the proper calculation of the following:</p>				
<p>a) Amounts held by the book for patrons' wagering accounts? (72a)</p> <p>Note: Only applicable if wagering accounts are used exclusively for race and sports. (72a, Note)</p>				
<p>b) Amounts accepted by the book as wagers on events whose outcomes have not been determined (futures)? (72b)</p>				
<p>c) Amounts owed but unpaid by the book on winning wagers through the period established by the book for honoring winning wagers (unpaid winners and unredeemed vouchers)? (72c)</p>				
<p>90. For one day per calendar quarter, do accounting/audit personnel perform the following procedures?</p>				
<p>a) Recalculate and verify the change in the unpaid winners and unredeemed vouchers balance to the total purged tickets and vouchers? (73a)</p>				
<p>b) If future wagers are accepted, review the race and sports computer system reports to ascertain that future wagers are properly included in write on the day of the event? (73b)</p>				

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c) Select two nonpari-mutuel race quinella winning tickets (if such tickets exist for the test day), two other nonpari-mutuel race winning tickets and two sports winning tickets to verify that the wager was accepted and payouts were made in accordance with the posted house rules? (73c)				
91. If book wagering reports are prepared by the race and sports book, do accounting/audit personnel review all wagering multiple transaction logs to ensure that book wagering reports have been completed for all reportable transactions or prepares book wagering reports for all reportable transactions? (74)				
92. Is the book wagering report signed by the employee who prepared the report? (75)				
93. Does accounting remit all book wagering reports to the Board in accordance with Regulation 22.061(6)? (76)				
94. Monthly, do accounting/audit personnel review all contests, tournaments, promotional payouts, drawings, and giveaway programs to determine proper accounting treatment and proper race and sports book win/loss computation? (77) Note: For purposes of this MICS, 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.				
95. 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 (i.e., brochures, fliers)? (78a)				
b) Effective dates? (78b)				
c) Accounting treatment, including general ledger accounts, if applicable? (78c)				
d) For tournaments and contests, the dollar amount of the prize pool. Additionally, if applicable, the amount of contributions to the prize pool by patrons and the amount supplemented by the licensee? (78d)				

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e) 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? (78e)				
f) 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 noncash prizes for the winners with the licensee collecting entry fees, operating the tournament and distributing prizes to winners)? (78e)				
96. Monthly, do accounting/audit personnel perform procedures (must include review of documentation along with employee interviews and/or observations) to ensure that promotional payouts, drawings, and giveaway programs are conducted in accordance with the conditions provided to the patrons? (79) Note: For purposes of this MICS, 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.				
97. Daily, do accounting/audit personnel reconcile all contest/tournament entry and payout forms to the dollar amounts recorded in the appropriate accountability document and race and sports computer system report? (80)				
98. 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? (81) Note 1: The purpose of 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. (81) Note 2: 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.				
99. Monthly, do accounting/audit personnel perform the following procedures:				
a) Reconcile the total amount of WAT in and WAT out per the WAT Summary report to the month-end accrual basis recap report? (82)				

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Questions	Yes	No	N/A	Comments, W/P Reference
b) Is the reconciliation mentioned in the previous question documented and maintained with all variances being reviewed, documented and maintained? (82)				
100. Monthly, do accounting/audit personnel reconcile gross revenue from the month-end accrual basis recap report to the general ledger and to the monthly NGC tax return? (83)				
101. Is the reconciliation in the preceding question documented and maintained and are all variances including the variance caused by the reduction of race and sports revenue on the NGC tax return due to an allowable tax deduction supported by inter-casino linked system reports reviewed, documented, and maintained? (83)				
102. Prior to the submission of the NGC tax returns for the month are the reconciliations required by MICS #82 and #83 completed, is any follow-up performed documented and maintained, and are any variances noted resolved prior to the submission of the tax returns? (84) 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.				
103. Monthly, do accounting/audit personnel review the accounting records (including the reconciliation documentation from MICS #82 and #83) and the NGC tax returns to ensure that the write and win have been properly reported according to the appropriate revenue area (i.e., nonpari-mutuel race write and win are listed under race, and pari-mutuel race write and win are included under pari-mutuel race, etc.)? (85) Note: The timing of this procedure is the same as discussed in the questions above that address MICS #82 and #83.				
104. Monthly, do accounting/audit personnel review the NGC-32 form to determine that all nonpari-mutuel race wagers have been reported and broken out by disseminator and by track? (86) Note: The timing of this procedure is the same as discussed in the questions above that address MICS #82 and #83.				

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<p>105. In relation to the previous question, if a single wager is accepted involving more than one track (e.g., a parlay wager off the board), do accounting/audit personnel determine that the wager is apportioned on a pro rata basis to each track? (86)</p> <p>Note: This procedure must be calculated manually when the race and sports computer system does not properly apportion a single wager involving more than on track on a pro rata basis to each track. (86, Note)</p>				
<p>106. Monthly, do accounting/audit personnel reconcile the information on the NGC-32 form to pari-mutuel and nonpari-mutuel write and win information reported on the corresponding NGC-31 report, with the reconciliation being documented and any variances being investigated? (87) For one month review the reconciliation to verify the proper completion of the reconciliation and to determine that the variance amount is accurate. Indicate the month/year reviewed and the results of the review.</p> <p>Note: The timing of this procedure is the same as discussed in the questions above that address MICS #82 and #83.</p>				
<p>107. For race books (including pari-mutuel only books), monthly, is a copy of the original NGC-32 form that was submitted to the Board forwarded to the respective disseminator in accordance with Regulation 20.030? (88)</p> <p>Note: The NGC-32 form must be submitted to the Board and a copy forwarded to a disseminator even if there were no race wagers accepted or payouts made. (88, Note)</p>				
<p>108. Quarterly, is an inventory of all sensitive race and sports keys performed and reconciled to the records of keys made, issued and destroyed? (89)</p> <p>Note: Sensitive keys include, but are not limited to, keys used to access restricted computer storage media and/or restricted equipment used to conduct the race and sports book (i.e., administrative computer terminal) and to access the date and time stamping machines. (89, Note)</p>				
<p>109. Are investigations performed for all unaccounted for keys with the investigations being documented? (89)</p>				

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Questions	Yes	No	N/A	Comments, W/P Reference
110. If a progressive pool is used for wagers, do accounting/audit personnel recalculate the progressive increment based on the wagering activity at least once a week with any variances being reviewed and with the investigation results being documented and maintained? (90)				
111. For race and sports computerized player tracking systems, do accounting/audit personnel perform the following procedures at least one day per quarter:				
a) Review all point addition/deletion authorization documentation, other than for point additions/deletions made through an automated process, for propriety? (91a)				
b) Review exception reports including transfers between accounts? (91b)				
c) Review documentation related to access to inactive and closed accounts? (91c)				
112. At least annually, are the following procedures performed for the race and sports computerized player tracking system (in-house developed and vendor systems):				
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)? (92)				
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)? (92)				
c) Are the test results documented and maintained? (92)				
113. Is documentation (e.g., log, checklist, notation on reports, and tapes attached to original documents) maintained evidencing the performance of race and sports audit procedures, the exceptions noted and follow-up of all race and sports audit exceptions? (93) Verify by examination.				

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Questions	Yes	No	N/A	Comments, W/P Reference
Statistics				
Testing of the statistical report is required, as applicable. Select all statistical reports for 2 days. Test days must be in non-consecutive months. Indicate test dates selected and results of testing.				
114. Are reports maintained for each month and year-to-date which indicate the total amount of wagers accepted, total amount paid out on winning wagers, the net amount won by the book (i.e., taxable win), and the win-to-write percentage for:				
a) Each sport (e.g., baseball, basketball, football, hockey, golf, boxing, etc.)? (94a)				
b) Sports parlay cards? (94b)				
c) Nonpari-mutuel horse/greyhound racing? (94c)				
115. Is a report maintained for each month and year-to-date which indicates, for pari-mutuel horse racing, the total amount of wagers accepted, the net amount won by the book (i.e., pari-mutuel gross revenue), and the win-to-write percentage? (95)				
116. Does management independent of the race and sports book review the month-end race and sports statistical reports required by MICS #93 and #94 (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? (96)				
117. Are the above investigations completed no later than 30 days after the generation of the month-end race and sports statistical report? (96)				
118. Is the above referenced review performed by comparing the current period statistics for each type of event with those of applicable prior periods with investigations performed for statistical fluctuations for a month in excess of +/- 5%? (97) Note: Common comparisons are: <ul style="list-style-type: none"> • The current month to the same month from the previous year. • A rolling year-to-date to the same year-to-date period from the prior year. (97, Note) 				

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Questions	Yes	No	N/A	Comments, W/P Reference
119. Are the results of any investigations performed in relation to MICS #97 mentioned in the previous question documented and maintained? (98) Note: The calculation of the statistics based upon “accounting records (or book) win” is not required and not a substitute for calculating statistics based upon NGC tax return write and win. However, such a calculation may be used as part of an analysis of any statistical fluctuations. (98)				
<u>Payout Procedures for Mail-In Winning Race and Sports Tickets and Vouchers</u>				
120. Do accounting/audit personnel or personnel independent of the race and sports book receive the original winning race/sports tickets and vouchers? (99)				
121. Do accounting/audit personnel or personnel independent of the race and sports book record the winning race/sports tickets and vouchers on a log as a mail pay, which includes the date received, the patron’s name and the race/sports ticket numbers and voucher numbers? (100) Verify by examination.				
122. Are the winning race/sports tickets and vouchers entered into the race and sports computer system by race and sports personnel for validation and cancellation? (101) Note: This procedure can be performed by accounting/audit personnel or race and sports personnel.				
123. Do accounting/audit personnel compare the “paid” winning race/sports tickets and “paid” vouchers to the mail pay log and the race and sports computer system report for paid winning race and sports tickets and vouchers and are any discrepancies documented and reviewed with race and sports and accounting management personnel? (102)				
124. Do accounting/audit personnel, independent of the individual(s) who processed the mail pay winning tickets and vouchers, review the patron’s correspondence submitted, the winning race/sports tickets and vouchers, the mail pay log and the race and sports computer system report for “paid” winning race and sports tickets and “paid” vouchers for any discrepancies? (103)				
125. Are any discrepancies noted through the performance of procedure in the preceding question documented and resolved prior to remitting the proper payment amount to the patron? (103)				

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Questions	Yes	No	N/A	Comments, W/P Reference
<u>Written System of Internal Control</u>				
126. Has the licensee's written system of internal control for race and sports been re-read prior to responding to the following question?				
127. Does the written system of internal control for race and sports 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? [Regulation 6.090(13)]				

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