



KENNY C. GUINN  
Governor

STATE OF NEVADA  
**GAMING CONTROL BOARD**

1919 E. College Parkway, P.O. Box 8003, Carson City, Nevada 89702  
555 E. Washington Ave., Suite 2600, Las Vegas, Nevada 89101  
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495 Apple St., Reno, Nevada 89502

STEVE DuCHARME, *Chairman*  
DENNIS K. NEILANDER, *Member*  
BOBBY L. SILLER, *Member*

October 2, 2000

Carson City  
(775) 687-6500

**TO: ALL GROUP I NONRESTRICTED LICENSEES, GROUP I LICENSEES' CPA FIRMS AND INTERESTED PERSONS**

**RE: INTERNAL AUDIT COMPLIANCE CHECKLISTS AND GAMING AUDIT PROCEDURES MANUAL**

On July 5, 2000 the Gaming Control Board distributed a notice to all Group I nonrestricted licensees requesting comments regarding the proposed Internal Audit Compliance Checklists and Gaming Audit Procedures Manual (GAP manual), and announcing two industry workshop meetings to discuss these materials. Public workshops were subsequently held in Las Vegas on July 25<sup>th</sup> and in Carson City on August 2<sup>nd</sup> during which industry comments were taken. Based on the oral and written comments received, the Board has made several changes to the draft Internal Audit Compliance Checklists and the associated Guidelines. Significant revisions that were made include:

**Guidelines**

- Additional guidance regarding unannounced observations has been provided.
- Clarified that observations may be performed on a real-time basis using surveillance equipment.
- Clarified that two copies of the internal auditor's report summarizing noncompliance must be submitted. The report must denote the regulation or MICS for which noncompliance was noted, and must also include the gaming revenue test dates.

**Checklists**

- In all walk-through procedures checklists, a "scope" section has been added.
- In the testing procedures for the slot and table games departments, footing requirements for computerized reports have been reduced to once per fiscal year.
- In the race and sports department's testing procedures, specific criteria for Regulations 22.061(6) and 22.062(3) have been added.

A number of other, less significant wording changes have been made throughout the checklists. Please review the checklists in their entirety to familiarize yourself with the final requirements.

In that the industry comment process is complete and all necessary changes have been made, the Board is adopting the Internal Audit Compliance Checklists for use by all Group I nonrestricted licensees. The authority for the adoption of these supplemental internal audit programs, checklists and guidelines may be found in the Internal Audit Standards (Version 4) and the Currency Transaction Reporting Standards (Version 3) of the MICS adopted pursuant to Regulations 6.090 and 6A.060 and effective January 1, 1997 and March 15, 1997, respectively. Internal auditors will be required to complete these Checklists and submit the compliance reports, in accordance with the Guidelines, for those licensees with business years ending April 30, 2001 and thereafter. Use of these checklists for earlier business years is encouraged.

The final versions of the Internal Audit Compliance Checklists and the Gaming Audit Procedures Manual are available on the Board's website at <http://www.state.nv.us/gaming/>. For those licensees who are unable to obtain the Checklists or GAP manual from our website, please contact the Audit Division in Reno or Las Vegas for floppy disks or hard copies.

Attached you will find an acknowledgement form which is to be completed by the controller or other company official of each Group I licensee. The form must be mailed by October 31, 2000 to the following address:

Nevada Gaming Control Board  
Audit Division  
555 East Washington Avenue, Suite 2600  
Las Vegas, Nevada 89101

Please call the Audit Division's Las Vegas office at (702) 486-2060 if you have any questions.

Sincerely,

Dennis K. Neilander  
Board Member

DKN/MK

Attachment

cc: Steve DuCharme, Chairman  
Bobby L. Siller, Board Member  
Central Files

**INTERNAL AUDIT COMPLIANCE CHECKLISTS  
ACKNOWLEDGEMENT FORM**

Nevada Gaming Control Board  
Audit Division  
555 East Washington Avenue, Suite 2600  
Las Vegas, Nevada 89101

I have received notification that the final version of the Internal Audit Compliance Checklists has been adopted and is available on the Board's website or by contacting the Board for floppy disks or hard copies. I understand that the Checklists must be used by internal auditors for those Group I licensees with business years ending April 30, 2001 and thereafter, and will forward a copy of the adoption letter to those individuals responsible for the internal audit function at this property.

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Licensee name

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Printed name and title of company official

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Signature of company official

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Date