



KENNY C. GUINN  
*Governor*

STATE OF NEVADA  
**GAMING CONTROL BOARD**

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August 18, 2003

Carson City  
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**TO: ALL GROUP I NONRESTRICTED LICENSEES AND INTERESTED PERSONS**

**RE: ADOPTION OF REVISED MINIMUM INTERNAL CONTROL STANDARDS**

On June 27, 2003 the Gaming Control Board distributed to all Group I nonrestricted licensees proposed revisions to the Minimum Internal Control Standards (MICS). Following the distribution of these materials, the Board received and reviewed written comments submitted by licensees and other interested parties. Based on the written comments received, the Board made a few additional changes to the proposed MICS. The "Final Revisions to Proposed Minimum Internal Control Standards (MICS) dated June 27, 2003" schedule provides the final revisions made to the 6/27/03 draft. This schedule can be obtained from the Board's website at <http://gaming.state.nv.us/>, or may be obtained on floppy disk or hard copy at either the Reno or Las Vegas Audit Division offices.

Accordingly, pursuant to Regulation 6.090(5), I am informing you of my decision to adopt the revised versions of the Minimum Internal Control Standards. Please be advised that the Manual Keno MICS are being eliminated and that no revisions have been made to the Currency Transaction Reporting MICS at this time. Additionally, the revised Entertainment MICS will be adopted; however, due to changes in law relating to live entertainment, the Entertainment MICS may require further revisions in 2004. Also be advised that during the adoption of amendments to Regulation 14 and the Technical Standards in May 2003, the Nevada Gaming Commission decided to prohibit the use of debit cards at slot machines until this issue is further studied and appropriate regulations adopted. The Slots MICS addressing electronic funds transfers through the use of a debit card have not been removed in the event the Nevada Gaming Commission allows for these types of transactions in the future.

The sections of the adopted MICS can be obtained from the Board's website, or may be obtained on floppy disk at either the Reno or Las Vegas Audit Division offices beginning on August 25, 2003.

As provided in Regulation 6.090(6), any Group I nonrestricted licensee has thirty days from the date of this letter in which to object to any newly adopted or modified standards. Objections must be submitted in writing to the Nevada Gaming Commission at 1919 East College Parkway, Carson City, Nevada 89706. Objections should contain a reference to the standard, by section and by number, and should identify specific concerns. Detailed descriptions of concerns will be necessary in order for the Commission to evaluate any objections.

If your objections relate to procedures that are unique to your operation and would not benefit all Group I licensees, please consider the provisions of Regulation 6.090(8) as an alternative to the filing of an objection. Regulation 6.090(8) allows a licensee to seek the Board Chairman's approval of variations from the standards when a licensee's alternative procedures satisfy the objectives of internal control described in Regulation 6.090(1).

If no objections are received, it is my intent to have the effective date of the new versions of the standards be October 1, 2003; however, compliance with the new standards will not be required until January 21, 2004. All written systems of internal control must be amended to bring them into compliance with the revised standards. It is suggested that entire internal control systems be submitted unless only a few pages are affected by these standards revisions. Further, licensees must submit a statement with the system of internal control, signed by the licensee's chief financial officer and either the licensee's chief executive officer or a licensed owner, attesting that the revised system satisfies the requirements of the revised MICS. The amended system and the attest letter must be submitted by December 31, 2003. If no amendments are required, please submit a letter by December 31, 2003 stating that your current system is in full compliance with the revised MICS.

Licensees who have received variations from previous versions of the standards should compare those variations to the revised versions of the Minimum Internal Control Standards to determine if the standard number changed, or in some instances, the standard was eliminated. All variations previously granted are still in effect (if applicable), unless specifically notified by the Board. Additionally, all associated equipment approvals granted by the Board in the past that refer to procedures in specific versions of the Minimum Internal Control Standards should now be applied to the current version.

Prior to October 1, 2003 a notice will be sent indicating the official date the adopted MICS are effective and the date compliance with the new standards will be required. Additionally, in that notice information will be provided indicating the requirements for submitting an adequate, complete written system of internal control. That notice and the final version of the MICS, absent of denoted changes, will also be posted on the Board's website.

If you have any questions on the standards adoption process or any of the materials included with this letter, please contact Internal Control Coordinator Shirley Springer at (702) 486-2060.

Sincerely,

Scott Scherer  
Board Member

SS/SS

cc: Dennis K. Neilander, Board Chairman  
Bobby L. Siller, Board Member  
Records and Research Services