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*Governor*

STATE OF NEVADA  
**GAMING CONTROL BOARD**

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July 12, 2007

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**TO: ALL NONRESTRICTED LICENSEES, LICENSED MANUFACTURERS AND INTERESTED PERSONS**

**RE: MOBILE GAMING SYSTEMS, SYSTEM BASED GAMES AND SYSTEM SUPPORTED GAMES MINIMUM INTERNAL CONTROL STANDARDS AND TECHNICAL STANDARDS– REQUEST FOR PUBLIC COMMENT ON PROPOSED REVISIONS AND NOTICE OF INDUSTRY PUBLIC WORKSHOP TO DISCUSS THE PROPOSED REVISIONS AND TO CONSIDER INDUSTRY COMMENTS**

**RE: MINIMUM INTERNAL CONTROL STANDARDS – REQUEST FOR SUGGESTED REVISIONS**

The State Gaming Control Board is in the process of revising the current version of the Minimum Internal Control Standards (MICS), which became effective on October 1, 2003. Technical Standards have been adopted for system based and system supported gaming devices on November 17, 2005 (Technical Standards 1 through 3), and for mobile gaming systems (Technical Standard 4) on March 23, 2006 which is an extension of system based and system supported gaming. Due to such technological changes in slot operations, significant revisions to the MICS are necessary.

**Mobile Gaming Systems (MGS), System Based Games (SBG) and System Supported Games (SSG)**

An advisory group of the Board's Audit and Technology Divisions, licensed slot machine manufacturers, licensed operators of a mobile gaming system, casino operators including slot department, accounting and internal audit personnel and CPA firm personnel was formed to discuss mobile gaming systems ("MGS"), system based games ("SBG") and system supported games ("SSG"). Various topics were discussed involving the operation, documentation requirements, the revenue reporting process, and audit procedures relating to these systems.

As a result of these discussions, a document entitled *Draft Report on Audit and Control of Mobile Gaming Systems, System Based Games and System Supported Games* was prepared and is on the Board's website at <http://gaming.nv.gov> summarizing to date the conclusions reached by the advisory group. The proposed revisions to the Technical Standards and general areas that will require revisions to the MICS are also included in this document for public comment.

The Board is conducting a public workshop on August 28, 2007 at 10:00 a.m. in the Gaming Control Board Las Vegas meeting room to discuss the preliminary conclusions and proposed revisions, and to consider industry comments. Prior to the public workshop, an industry notification will be sent regarding the specific language for the proposed MICS revisions for MGS, SBG and SSG. Most of the revisions will be to the Slots MICS and Information Technology MICS.

After considering industry comments, final revisions, if any, will be made to the proposed MICS for MGS, SBG and SSG and the proposed Technical Standards. In October 2007, a letter regarding interim policy for MGS, SBG and SSG will be issued in advance of the proposed MICS and Technical Standards revisions being formally adopted in 2008. This letter will indicate the standards to be used with MGS, SBG and SSG and the procedures to include in the written system of internal control to comply with the proposed MICS for licensees operating MGS, SBG and/or SSG. A licensee is to comply with these procedures established in their written system of internal control when operating a MGS, SBG and/or SSG.

**Minimum Internal Control Standards in Slots, Information  
Technology and Other Areas**

It is anticipated that the formal adoption process for the proposed revisions for slots, information technology and all other sections of the MICS will begin in 2008. The Board anticipates that the proposed MICS revisions will include all global MICS variations granted within the last couple of years and guidance provided in the MICS Frequently Asked Questions on the Board's website. As such, it is not necessary to submit comments on these issues previously addressed by the Board; however, the Board is interested in receiving other industry MICS comments.

Please submit written suggestions for MICS revisions by:

| <b><u>Area</u></b>      | <b><u>Due Date</u></b> |
|-------------------------|------------------------|
| MGS/SBG/SSG             | July 24, 2007          |
| All other MICS sections | August 7, 2007         |

Written suggestions should address the specific MICS number, the reason for the change, and preferably suggested wording. Comments can be submitted by e-mail to Internal Control Coordinator Kathleen Gannon at [kgannon@gcb.nv.gov](mailto:kgannon@gcb.nv.gov). Alternatively, suggestions may be mailed to Kathleen Gannon at the following address:

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

Due to the ongoing nature of the MICS revision process, it is recommended that you periodically check the Board's website at <http://gaming.nv.gov> for new developments and information, including public workshop dates, times, and locations. Please call the Audit Division's Las Vegas office at (702) 486-2060 if you have any questions.

Sincerely,

Mark A. Clayton  
Board Member

MAC/KG

cc: Dennis K. Neilander, Board Chairman  
Randall E. Sayre, Board Member  
Audit Division – Las Vegas  
Audit Division – Reno  
Records and Research Services