



JIM GIBBONS
Governor

STATE OF NEVADA
GAMING CONTROL BOARD

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October 31, 2007

Las Vegas
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TO: ALL NONRESTRICTED LICENSEES, LICENSED MANUFACTURERS AND INTERESTED PERSONS

RE: AUDIT AND CONTROL OF MOBILE GAMING SYSTEMS (MGS), SYSTEM BASED GAMES (SBG) AND SYSTEM SUPPORTED GAMES (SSG)

In 2006 an advisory group consisting of representatives from 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, revenue reporting process, and audit procedures relating to these systems. As a result of these discussions, proposed revisions to the Regulation 14 Technical Standards and proposed Minimum Internal Control Standards (MICS) were drafted.

On August 28, 2007, the State Gaming Control Board held a public workshop to discuss the preliminary conclusions and proposed revisions to the MICS and the Technical Standards associated with MGS, SBG and SSG. Most of the proposed revisions to the MICS were to the Slots MICS and Information Technology MICS.

After considering and responding to industry comments, the proposed MICS and Technical Standards revisions have been accepted as interim policy for the audit and control of MGS, SBG and SSG. It is anticipated the formal adoption of these MICS and Technical Standards will occur in 2008, along with proposed, unrelated revisions for other sections of the MICS.

The conclusions of the advisory group are contained in a report entitled "*Audit and Control of Mobile Gaming Systems, System Based Games, and System Supported Games*", which is provided on the Board's website at <http://gaming.state.nv.us/>. This report provides background information, along with detailed information, relating to developing a regulatory process to audit and control these new technologies. The interim policy changes denoted in the Technical Standards and MICS are included as Attachments D and E, respectively.

The Board anticipates publishing additional guidance regarding the application and approval process for manufacturers and casino users of these systems, and also for submitting internal control systems describing how these systems will be used and controlled.

If you have any questions, please call Audit Manager Shirley Springer of the Audit Division's Las Vegas office at (702) 486-2060 or Chief Travis Foley of the Technology Division's Las Vegas office at (702) 486-2043.

Sincerely,

Mark A. Clayton
Board Member

MAC/SS

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