

**NATIONAL INDIAN GAMING COMMISSION
MICS AUDIT CHECKLIST
TIER C-INTERNAL AUDIT (CIA)**

#	MICS QUESTION	YES	NO	W/P REF	MICS	COMMENT
(a) Internal audit personnel.						
1.	For Tier C gaming operations, do they maintain a separate internal audit department whose primary function is performing internal audit work and that is independent with respect to the departments subject to audit? (Inquiry)	_____	_____	_____	542.42(a)(1)	
2.	Do the internal audit personnel report directly to the Tribe, Tribal gaming regulatory authority, audit committee, or other entity designated by the Tribe in accordance with the definition of internal audit in Section 542.2? (Reporting to management is prohibited.) (Inquiry and review other-organizational chart)	_____	_____	_____	542.42(a)(2)	
(b) Audits.						
3.	Do the internal audit personnel perform audits of all major gaming areas of the gaming operation by reviewing the following at least annually: (Review supporting documentation) Bingo: Bingo card control, payout procedures and cash reconciliation's process?	_____	_____	_____	542.42(b)(1)(i)	
4.	Do the internal audit personnel perform audits of all major gaming areas of the gaming operation by reviewing the following at least annually: (Review supporting documentation) Pull tabs: Statistical records, winner verification, perpetual inventory and accountability of sales versus inventory?	_____	_____	_____	542.42(b)(1)(ii)	
5.	Do the internal audit personnel perform audits of all major gaming areas of the gaming operation by reviewing the following at least annually: (Review	_____	_____	_____	542.42(b)(1)(i)	

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	supporting documentation) Card games: Card games operation, cash exchange procedures, shill transactions and count procedures?					
6.	Do the internal audit personnel perform audits of all major gaming areas of the gaming operation by reviewing the following at least annually: (Review supporting documentation) Keno: Game write and payout procedures, sensitive key location and control and review of keno auditing procedures?	_____	_____	_____	542.42(b)(1)(i)v)	
7.	Do the internal audit personnel perform audits of all major gaming areas of the gaming operation by reviewing the following at least annually: (Review supporting documentation) Pari-mutuel wagering: Write and payout procedures and pari-mutual auditing procedures?	_____	_____	_____	542.42(b)(1)(v)	
8.	Do the internal audit personnel perform audits of all major gaming areas of the gaming operation by reviewing the following at least annually: (Review supporting documentation) Table games: Fill and credit procedures, pit credit play procedures, rim credit procedures, soft drop/count procedures and the subsequent transfer of funds, unannounced testing of count room currency counters and/or currency interface, location and control over sensitive keys, the tracing of source documents, and reconciliation to restricted copies?	_____	_____	_____	542.42(b)(1)(vi)	
9.	Do the internal audit personnel perform audits of all major gaming areas of the gaming operation by reviewing the following at least annually: (Review supporting documentation)	_____	_____	_____	542.42(b)(1)(vii)	

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	Gaming machines: Jackpot payout/fill procedures, bill and coin drop/count and subsequent transfer of funds, unannounced testing of weigh scale/ interface, unannounced testing of currency counters and/or interface, drop cabinet access, tracing of source documents, reconciliation to restricted copies, location and control over sensitive keys, EPROM duplication procedures, and cash-out ticket and customer account standards?					
10.	Do the internal audit personnel perform audits of all major gaming areas of the gaming operation by reviewing the following at least annually: Cage and credit: Cage, credit, and collection procedures, and the reconciliation of trial balances to physical instruments on a sample basis and reconciliation of the cage accountability to the general ledger?(Review supporting document)	_____	_____	_____	542.42(b)(1)(v iii)	
11.	Do the internal audit personnel perform audits of all major gaming areas of the gaming operation by reviewing the following at least annually: (Review supporting documentation) Information technology: Information technology functions including review for compliance with IT MICS?	_____	_____	_____	542.42(b)(1)(i x)	
12.	Do the internal audit personnel perform audits of all major gaming areas of the gaming operation by reviewing the following at least annually: (Review supporting documentation) Complimentary service or item: Procedures whereby complimentary service items are issued, authorized, and redeemed?	_____	_____	_____	542.42(b)(1)(x)	
13.	Do the internal audit personnel perform audits of all major gaming areas of the gaming operation by reviewing the following at least annually: (Review supporting documentation)	_____	_____	_____	542.42(b)(1)(x i)	

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	Any other internal audits as required by the Tribe, Tribal gaming regulatory authority, audit committee, or other entity designated by the Tribe? (Application of standard is limited to gaming and gaming related activities not previously addressed.)					
14.	In addition to the observation and examinations performed under questions 3-13, are follow-up observations and examinations performed to verify that corrective action has been taken regarding all instances of noncompliance cited by internal audit, the independent accountant, and/or the Commission and is verification performed within six (6) months following the date of notification? (Inquiry and review supporting documentation)	—	—	—	542.42(b)(2)	
15.	Whenever possible, are internal audit observations performed on an unannounced basis (i.e. without the employees being forewarned that their activities will be observed)? (Inquiry)	—	—	—	542.42(b)(3)	
16.	If the independent accountant also performs the internal audit function, does the accountant perform separate observations of the table games/gaming machine drops and counts to satisfy the internal audit observation requirements and independent accountant tests of controls as required by the AICPA Guidelines? (Inquiry)	—	—	—	542.42(b)(3)	
(c) Documentation.						
17.	Is documentation (e.g., checklists, programs, reports, etc.) prepared to evidence all internal audit work performed as it relates to the requirements in this section, including all instances of noncompliance? (Review supporting documentation)	—	—	—	542.42(c)(1)	
18.	Does the internal audit department operate with audit programs, which, at a minimum, address the MICS? (Review supporting documentation)	—	—	—	542.42(c)(2)	

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19.	Does the internal audit department properly document the work performed, the conclusions reached, and the resolution of all exceptions? (Review supporting documentation)	___	___	___	542.42(c)(2)	
(d) Reports.						
20.	Are reports documenting audits performed maintained and made available to the Commission upon request? (Inquiry)	___	___	___	542.42(d)(1)	
21.	Does the audit report contain the following information: (Review supporting documentation) Audit objectives.	___	___	___	542.42(d)(2)(i)	
22.	Does the audit report contain the following information: (Review supporting documentation) Audit procedures and scope.	___	___	___	542.42(d)(2)(ii)	
23.	Does the audit report contain the following information: (Review supporting documentation) Findings and conclusions.	___	___	___	542.42(d)(2)(ii)	
24.	Does the audit report contain the following information: (Review supporting documentation) Recommendations, if applicable.	___	___	___	542.42(d)(2)(iv)	
25.	Does the audit report contain the following information: (Review supporting documentation) Management's response.	___	___	___	542.42(d)(2)(v)	
(e) Material exceptions.						
26.	Are all material exceptions resulting from internal audit work investigated and resolved with the results of such being documented and retained for five years? (Review supporting documentation)	___	___	___	542.42(e)	
(f) Role of management.						
27.	Are internal audit findings reported to management? (Inquiry and review supporting documentation)	___	___	___	542.42(f)(1)	

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28.	Is management required to respond to internal audit findings stating corrective measures to be taken to avoid recurrence of the audit exception? (Inquiry)	---	---	---	542.42(f)(2)	
29.	Are such management responses included in the internal audit report that will be delivered to management, the Tribe, Tribal gaming regulatory authority, audit committee, or other entity designated by the Tribe? (Review supporting documentation)	---	---	---	542.42(f)(3)	