

**NATIONAL INDIAN GAMING COMMISSION
MICS AUDIT CHECKLIST
PARI-MUTUEL (PM)**

#	MICS QUESTION	YES	NO	W/P REF	MICS	COMMENT
(a) Exemptions.						
1.	Whenever the gaming operation houses pari-mutuel wagering operations conducted entirely by a state licensed simulcast service provider pursuant to an approved tribal-state compact: Are the following requirements for exemption from this section met: (Review other-Tribal/ State compact and simulcast agreement/ contract) (YES answers results in questions 6-86 as N/A)	_____	_____	_____	542.11(a)(1)(i)
	Does the simulcast service provider utilize its own employees for all aspects of the pari-mutuel wagering operation? (Inquiry)					
2.	Whenever the gaming operation houses pari-mutuel wagering operations conducted entirely by a state licensed simulcast service provider pursuant to an approved tribal-state compact: Are the following requirements for exemption from this section met: (Review other-Tribal/ State compact and simulcast agreement/ contract) (YES answers results in questions 6-86 as N/A)	_____	_____	_____	542.11(a)(1)(ii)
	Is signage posted in a location visible to the public, that informs the public that the simulcast service provider and its employees are wholly responsible for the conduct of pari-mutuel wagering offered at that location? (Observation)					
3.	Whenever the gaming operation houses pari-mutuel wagering operations conducted entirely by a state licensed simulcast service provider pursuant to an approved tribal-state compact: Are the following requirements for exemption from this section met: (Review other-Tribal/ State compact and simulcast agreement/ contract) (YES answers results in questions 6-86 as N/A)	_____	_____	_____	542.11(a)(1)(ii i)
	Does the gaming operation receive a predetermined fee from the simulcast service provider (or race tracks)? (Review supporting documentation)					

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4.	<p>Whenever the gaming operation houses pari-mutuel wagering operations conducted entirely by a state licensed simulcast service provider pursuant to an approved tribal-state compact: Are the following requirements for exemption from this section met: (Review other-Tribal/ State compact and simulcast agreement/ contract) (YES answers results in questions 6-86 as N/A)</p> <p style="padding-left: 40px;">Has the gaming operation established and do they comply with standards that ensure that the gaming operation receives its contractually guaranteed percentage of the handle from the racetrack (or service provider)? (Examination of records)</p>	_____	_____	_____	542.11(a)(1)(iv)	
5.	<p>Whenever the gaming operation houses pari-mutuel wagering operations conducted entirely by a state licensed simulcast service provider pursuant to an approved tribal-state compact: Are the following requirements for exemption from this section met: (Review other-Tribal/ State compact and simulcast agreement/ contract) (YES answers results in questions 6-86 as N/A)</p> <p style="padding-left: 40px;">Has the gaming operation received approval for the procedures that ensure contractually guaranteed percentage? (Review TGRA approval)</p>	_____	_____	_____	542.11(a)(1)(iv)	
6.	<p>Gaming operations that contract directly with a state regulated racetrack as a simulcast service provider, but whose on-site pari-mutuel operations are conducted wholly or in part by tribal gaming operation employees, shall not be required to comply with questions 69-84. (Review other-Tribal/ State compact and simulcast agreement/ contract)</p> <p style="padding-left: 40px;">If any standard contained within this section conflicts with state law, a tribal-state compact, or a contract, does the gaming operation document the basis for non-compliance and maintain the documentation for inspection by the Tribal gaming regulatory authority and the Commission (A conflict is a state law,</p>	_____	_____	_____	542.11(a)(2)(i)	

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	compact or contract requirement that causes non-compliance with a specific MICS)? (Inquiry and review supporting documentation)					
7.	Gaming operations that contract directly with a state regulated racetrack as a simulcast service provider, but whose on-site pari-mutuel operations are conducted wholly or in part by tribal gaming operation employees, shall not be required to comply with questions 69-84. (Review other-Tribal/ State compact and simulcast agreement/ contract)	_____	_____	_____	542.11(a)(2)(ii)	
	Has the gaming operation established and comply with standards that ensure that the gaming operation receives its contractually guaranteed percentage of the handle from the racetrack (or service provider)? (Examination of records)					
8.	Gaming operations that contract directly with a state regulated racetrack as a simulcast service provider, but whose on-site pari-mutuel operations are conducted wholly or in part by tribal gaming operation employees, shall not be required to comply with questions 69-84. (Review other-Tribal/ State compact and simulcast agreement/ contract)	_____	_____	_____	542.11(a)(2)(ii)	
	Has the gaming operation received approval for the procedures that ensures the gaming operation receives its contractually guaranteed percentage? (Review TGRA approval)					
(c) Betting ticket and equipment standards.						
9.	Are all pari-mutuel wagers transacted through the pari-mutuel satellite system? (Observation and inquiry)	_____	_____	_____	542.11(c)(1)	
10.	In the case of computer failure between the pari-mutuel book and the hub, are no tickets allowed to be manually written? (Inquiry)	_____	_____	_____	542.11(c)(1)	

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11.	Whenever a betting station is opened for wagering or turned over to a new writer/cashier, does the writer/cashier sign on and the computer documents the following: (Inquiry and review supporting documentation) Gaming operation name?	_____	_____	_____	542.11(c)(2)	
12.	Whenever a betting station is opened for wagering or turned over to a new writer/cashier, does the writer/cashier sign on and the computer documents the following: (Inquiry and review supporting documentation) Station number?	_____	_____	_____	542.11(c)(2)	
13.	Whenever a betting station is opened for wagering or turned over to a new writer/cashier, does the writer/cashier sign on and the computer documents the following: (Inquiry and review supporting documentation) The writer/cashier identifier?	_____	_____	_____	542.11(c)(2)	
14.	Whenever a betting station is opened for wagering or turned over to a new writer/cashier, does the writer/cashier sign on and the computer documents the following: (Inquiry and review supporting documentation) The date and time?	_____	_____	_____	542.11(c)(2)	
15.	Does the betting ticket consist of at least the following two parts: (Inquiry and review supporting documentation) An original, which is transacted and issued through a printer and given to the customer?	_____	_____	_____	542.11(c)(3)(i)	
16.	Does the betting ticket consist of at least the following two parts: (Inquiry and review supporting documentation) A copy, which is recorded concurrently with the generation of the original ticket either on paper or other storage media (e.g. tape or diskette)?	_____	_____	_____	542.11(c)(3)(ii)	

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17.	Upon accepting a wager, does the betting ticket which is created contain the following; (Inquiry and review supporting documentation) A unique transaction identifier?	_____	_____	_____	542.11(c)(4)(i)	
18.	Upon accepting a wager, does the betting ticket which is created contain the following; (Inquiry and review supporting documentation) Gaming operation name or identification number and station number?	_____	_____	_____	542.11(c)(4)(ii)	
19.	Upon accepting a wager, does the betting ticket which is created contain the following; (Inquiry and review supporting documentation) Race track, race number, horse identification or event identification, as applicable?	_____	_____	_____	542.11(c)(4)(ii)	
20.	Upon accepting a wager, does the betting ticket which is created contain the following; (Inquiry and review supporting documentation) Types of bet(s), each bet amount, total number of bets, and total take?	_____	_____	_____	542.11(c)(4)(iv)	
21.	Upon accepting a wager, does the betting ticket which is created contain the following; (Inquiry and review supporting documentation) Date and time?	_____	_____	_____	542.11(c)(4)(v)	
22.	Are all tickets considered final at post time? (Inquiry and review supporting documentation, attempt to place a bet after post time at one track)	_____	_____	_____	542.11(c)(5)	
23.	If a gaming operation voids a betting tickets written prior to post time, is it immediately entered into the system? (Observation and inquiry)	_____	_____	_____	542.11(c)(6)	
24.	Are future wagers accepted and processed in the same manner as regular wagers? (Inquiry)	_____	_____	_____	542.11(c)(7)	

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(d) Payout standards.						
25.	Prior to making payment on a ticket, does the writer/cashier input the ticket for verification and payment authorization? (Observation and inquiry)	___	___	___	542.11(d)(1)	
26.	Is the computer incapable of authorizing payment on a ticket which has been: (Inquiry) Previously paid?	___	___	___	542.11(d)(2)	
27.	Is the computer incapable of authorizing payment on a ticket which has been: (Inquiry) A voided ticket?	___	___	___	542.11(d)(2)	
28.	Is the computer incapable of authorizing payment on a ticket which has been: (Inquiry) A losing ticket?	___	___	___	542.11(d)(2)	
29.	Is the computer incapable of authorizing payment on a ticket which has been: (Inquiry) An un-issued ticket?	___	___	___	542.11(d)(2)	
(e) Checkout standards.						
30.	Whenever the betting station is closed or the writer/cashier is replaced, does the writer/cashier sign off and the computer documents: (Examination of records) The gaming operation name or identification number?	___	___	___	542.11(e)(1)	
31.	Whenever the betting station is closed or the writer/cashier is replaced, does the writer/cashier sign off and the computer documents: (Examination of records) The station number?	___	___	___	542.11(e)(1)	

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32.	Whenever the betting station is closed or the writer/cashier is replaced, does the writer/cashier sign off and the computer documents: (Examination of records) The writer/cashier identifier?	_____	_____	_____	542.11(e)(1)	
33.	Whenever the betting station is closed or the writer/cashier is replaced, does the writer/cashier sign off and the computer documents: (Examination of records) The date and time?	_____	_____	_____	542.11(e)(1)	
34.	Whenever the betting station is closed or the writer/cashier is replaced, does the writer/cashier sign off and the computer documents: (Examination of records) The cash balance?	_____	_____	_____	542.11(e)(1)	
35.	For each writer/cashier station is a summary report completed at the conclusion of each shift including: (Examination of records-complete OTB Summary worksheet) Computation of cash turned in for the shift?	_____	_____	_____	542.11(e)(2)(i)	
36.	For each writer/cashier station is a summary report completed at the conclusion of each shift including: (Examination of records-complete OTB Summary worksheet at question 35 above) Signatures of two employees who have verified the cash turned in for the shift? (Note: Unverified transfers of cash and/or cash equivalents are prohibited)(Revised 8/12/2005)	_____	_____	_____	542.11(e)(2)(ii)	
(f) Employee wagering.						
37.	Are pari-mutuel employees prohibited from wagering on race/sporting events while on duty, including during break periods? (Inquiry)	_____	_____	_____	542.11(f)	
(g) Computer reports standards.						
38.	Is adequate documentation of all pertinent pari-mutuel information generated by the computer	_____	_____	_____	542.11(g)(1)	

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#	MICS QUESTION	YES	NO	W/P REF	MICS	COMMENT
	system? (Inquiry)					
39.	Is this documentation restricted to authorized personnel? (Inquiry)	—	—	—	542.11(g)(2)	
40.	Is the documentation created daily and does it include, at a minimum the following: (Examination of records) Unique transaction identifier?	—	—	—	542.11(g)(3)(i)	
41.	Is the documentation created daily and does it include, at a minimum the following: (Examination of records) Date and time of transaction?	—	—	—	542.11(g)(3)(ii)	
42.	Is the documentation created daily and does it include, at a minimum the following: (Examination of records) Type of wager?	—	—	—	542.11(g)(3)(ii)	
43.	Is the documentation created daily and does it include, at a minimum the following: (Examination of records) Animal identification or event identification?	—	—	—	542.11(g)(3)(iv)	
44.	Is the documentation created daily and does it include, at a minimum the following: (Examination of records) Amount of wagers (by ticket, writer/SAM, track/event and total)?	—	—	—	542.11(g)(3)(v)	
45.	Is the documentation created daily and does it include, at a minimum the following: (Examination of records) Amount of payouts (by ticket, writer/SAM, track/event, and total)?	—	—	—	542.11(g)(3)(vi)	
46.	Is the documentation created daily and does it include, at a minimum the following: (Examination of records) Tickets refunded (by ticket, writer, track/event and total)?	—	—	—	542.11(g)(3)(vii)	

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47.	Is the documentation created daily and does it include, at a minimum the following: (Examination of records) Unpaid winners/vouchers ("outs") (by ticket/voucher, track/event, and total)?	_____	_____	_____	542.11(g)(3)(v iii)	
48.	Is the documentation created daily and does it include, at a minimum the following: (Examination of records) Voucher sales/payments (by ticket, writer/SAM, and track/event)?	_____	_____	_____	542.11(g)(3)(i x)	
49.	Is the documentation created daily and does it include, at a minimum the following: (Examination of records) Voids (by ticket, writer, and total)?	_____	_____	_____	542.11(g)(3)(x)	
50.	Is the documentation created daily and does it include, at a minimum the following: (Examination of records) Future wagers (by ticket, date of event, total by day and total at the time of revenue recognition)?	_____	_____	_____	542.11(g)(3)(x i)	
51.	Is the documentation created daily and does it include, at a minimum the following: (Examination of records) Results (winners and payout data)?	_____	_____	_____	542.11(g)(3)(x ii)	
52.	Is the documentation created daily and does it include, at a minimum the following: (Examination of records) Breakage data (by race and track/event)?	_____	_____	_____	542.11(g)(3)(x iii)	
53.	Is the documentation created daily and does it include, at a minimum the following: (Examination of records) Commission data (by race and track/event)?	_____	_____	_____	542.11(g)(3)(x iv)	

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54.	Is the documentation created daily and does it include, at a minimum the following: (Examination of records) Purged data (by ticket and total)?	_____	_____	_____	542.11(g)(3)(x v)	
55.	Does the system generate the following reports (on a daily basis): (Examination of records and inquiry) A reconciliation report that summarizes totals by track/event and includes the following: Write?	_____	_____	_____	542.11(g)(4)(i)	
56.	Does the system generate the following reports (on a daily basis): (Examination of records and inquiry) A reconciliation report that summarizes totals by track event and includes the following: The day's winning ticket total?	_____	_____	_____	542.11(g)(4)(i)	
57.	Does the system generate the following reports (on a daily basis): (Examination of records and inquiry) A reconciliation report that summarizes totals by track event and includes the following: Total commission and breakage due the gaming operation?	_____	_____	_____	542.11(g)(4)(i)	
58.	Does the system generate the following reports (on a daily basis): (Examination of records and inquiry) A reconciliation report that summarizes totals by track event and includes the following: Net funds transferred to or from the gaming operation's bank account?	_____	_____	_____	542.11(g)(4)(i)	

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59.	Does the system generate the following reports (on a daily basis): (Examination of records and inquiry) An exception report that contains a listing of all system functions and overrides not involved in the actual writing or cashing of tickets including the following: Sign-on/offers?	_____	_____	_____	542.11(g)(4)(ii)	
60.	Does the system generate the following reports (on a daily basis): (Examination of records) An exception report that contains a listing of all system functions and overrides not involved in the actual writing or cashing of tickets including the following: Voids?	_____	_____	_____	542.11(g)(4)(ii)	
61.	Does the system generate the following reports (on a daily basis): (Examination of records and inquiry) An exception report that contains a listing of all system functions and overrides not involved in the actual writing or cashing of tickets including the following: Manually input paid tickets?	_____	_____	_____	542.11(g)(4)(ii)	
62.	Does the system generate the following reports (on a daily basis): (Examination of records and inquiry) A purged ticket report that contains the following: A listing of the unique transaction identifiers?	_____	_____	_____	542.11(g)(4)(ii)	
63.	Does the system generate the following reports (on a daily basis): (Examination of records and inquiry) A purged ticket report that contains the following: A description?	_____	_____	_____	542.11(g)(4)(ii)	

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64.	Does the system generate the following reports (on a daily basis): (Examination of records and inquiry) A purged ticket report that contains the following: The ticket cost and value?	_____	_____	_____	542.11(g)(4)(ii)	
65.	Does the system generate the following reports (on a daily basis): (Examination of records and inquiry) A purged ticket report that contains the following: The date purged?	_____	_____	_____	542.11(g)(4)(ii)	
(h) Accounting and auditing functions.						
66.	Is the pari-mutuel audit conducted by personnel independent of the pari-mutuel operation? (Inquiry)	_____	_____	_____	542.11(h)(1)	
67.	Is documentation maintained evidencing the performance of all pari-mutuel accounting and auditing procedures? (Examination of records)	_____	_____	_____	542.11(h)(2)	
68.	Does an accounting employee examine the daily reconciliation report, compare it to the revenue summary produced by the system, and recalculate the net amount due to or from the systems operator on a weekly basis? (Examination of records)	_____	_____	_____	542.11(h)(3)	
69.	Does the accounting employee verify actual cash/cash equivalents turned in to the system's summary report for each cashier's drawer (Beginning balance, (+) fills (draws), (+) net write (sold less voids), (-) payouts (net of IRS withholding), (-) cash backs (paid's), (=) cash turn-in)? (Examination of records)	_____	_____	_____	542.11(h)(4)	

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70.	Does an accounting employee produce a gross revenue recap report to calculate gross revenue for each day's play and month-to-date basis, including the following totals: (Examination of records) Commission?	_____	_____	_____	542.11(h)(5)(i)	
71.	Does an accounting employee produce a gross revenue recap report to calculate gross revenue for each day's play and month-to-date basis, including the following totals: (Examination of records) Positive breakage?	_____	_____	_____	542.11(h)(5)(ii)	
72.	Does an accounting employee produce a gross revenue recap report to calculate gross revenue for each day's play and month-to-date basis, including the following totals: (Examination of records) Negative breakage?	_____	_____	_____	542.11(h)(5)(ii i)	
73.	Does an accounting employee produce a gross revenue recap report to calculate gross revenue for each day's play and month-to-date basis, including the following totals: (Examination of records) Track/event fees?	_____	_____	_____	542.11(h)(5)(i v)	
74.	Does an accounting employee produce a gross revenue recap report to calculate gross revenue for each day's play and month-to-date basis, including the following totals: (Examination of records) Track/event fee rebates?	_____	_____	_____	542.11(h)(5)(v)	
75.	Does an accounting employee produce a gross revenue recap report to calculate gross revenue for each day's play and month-to-date basis, including the following totals: (Examination of records) Purged tickets?	_____	_____	_____	542.11(h)(5)(v i)	
76.	Are all winning tickets and vouchers removed from the SAM's for each day's play? (Inquiry)	_____	_____	_____	542.11(h)(6)	

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77.	In the event that a SAM does not balance for a day's play, does the auditor perform the following procedures: (Inquiry and review supporting documentation) Foot the winning tickets and vouchers deposited and trace to the totals of SAM activity produced by the system?	_____	_____	_____	542.11(h)(7)(i)	
78.	In the event that a SAM does not balance for a day's play, does the auditor perform the following procedures: (Inquiry and review supporting documentation) Foot the listing of cashed vouchers and trace to the totals produced by the system?	_____	_____	_____	542.11(h)(7)(ii)	
79.	In the event that a SAM does not balance for a day's play, does the auditor perform the following procedures: (Inquiry and review supporting documentation) Review all exceptions for propriety of transactions and unusual occurrences?	_____	_____	_____	542.11(h)(7)(ii)	
80.	In the event that a SAM does not balance for a day's play, does the auditor perform the following procedures: (Inquiry and review supporting documentation) Review all voids for propriety?	_____	_____	_____	542.11(h)(7)(iv)	
81.	In the event that a SAM does not balance for a day's play, does the auditor perform the following procedures: (Inquiry and review supporting documentation) Verify the results as produced by the system to the results provided by an independent source (identify independent source)?	_____	_____	_____	542.11(h)(7)(v)	
82.	In the event that a SAM does not balance for a day's play, does the auditor perform the following procedures: (Inquiry and review supporting documentation) Regrade 1% of paid (cashed) tickets to ensure accuracy and propriety?	_____	_____	_____	542.11(h)(7)(vi)	

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83.	In the event that a SAM does not balance for a day's play, does the auditor perform the following procedures: (Inquiry and review supporting documentation) When applicable, reconcile the daily totals of future tickets written to the totals produced by the system for both unearned and earned take, and review the reports to ascertain that future wagers are properly included on the day of the event?	_____	_____	_____	542.11(h)(7)(vii)	
84.	At least annually does the auditor foot the wagers for one day and trace to the total produced by the system? (Review supporting documentation)	_____	_____	_____	542.11(h)(8)	
85.	At least one day per quarter, does the auditor recalculate and verify the change in the unpaid winners to the total purged tickets? (Review supporting documentation)	_____	_____	_____	542.11(h)(9)	
(b) Computer applications.						
86.	If the gaming operation is utilizing any computer applications with alternative documentation and/or procedures, did the gaming operation receive approval for such procedures? (Review TGRA approval)	_____	_____	_____	542.11(b)	