

NATIONAL INDIAN GAMING COMMISSION
MICS CLASS II - AUDIT CHECKLIST
AUDITING REVENUE (ARV)

| # | MICS QUESTION | YES | NO | W/P REF | MICS/TIC S/SICS | COMMENT |
|------------------------------------|---|-------|-------|------------|--------------------|---------|
| § 543.24 - Auditing Revenue | | | | | | |
| (a) Supervision | | | | | | |
| 1. | Is supervision provided as needed for revenue audit by an agent(s) with authority equal to or greater than those being supervised? (Observation, inquiry, and review other - e.g. organization chart, department schedules, job description) | _____ | _____ | _____ | 543.24(a) | |
| (b) Independence | | | | | | |
| 2. | Are audits performed by agent(s) independent of the transactions being audited? (Observation, inquiry, and review other - employee list and organizational chart) | _____ | _____ | _____ | 543.24(b) | |
| (c) Documentation | | | | | | |
| 3. | Are the performance of revenue audit procedures, the exceptions noted, and the follow-up of all revenue audit exceptions documented and maintained? (Examination of records) | _____ | _____ | _____ | 543.24(c) | |
| (d) Operational Areas | | | | | | |
| 4. | Are controls established and procedures implemented for the audit of bingo that include: Verification of the accuracy of the ending balance in the bingo control log by reconciling it with the bingo paper inventory at the end of each month, and investigating and documenting any variance noted? (Review SICS and examination of records) | _____ | _____ | _____ | 543.24(d)(1)(i) | |
| 5. | Are controls established and procedures implemented for the audit of bingo that include: Daily reconciliation of supporting records and documents to summarized paperwork or electronic records (e.g. total sales and payouts per shift and/or day)? (Review SICS and examination of records) | _____ | _____ | _____ | 543.24(d)(1)(ii) | |

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| 6. | Are controls established and procedures implemented for the audit of bingo that include: At least monthly, a review of variances related to bingo accounting data in accordance with an established threshold, and investigation and documentation of any variance noted? (Review SICS and examination of records) (Note: The review of variances must include, at a minimum, variance(s) noted by the Class II gaming system for cashless transactions in and out, electronic funds transfer in and out, external bonus payouts, vouchers out, and coupon promotion out.) | _____ | _____ | _____ | 543.24(d) (1)(iii) | |
| 7. | Are controls established and procedures implemented for the audit of bingo that include: At least monthly, a review of statistical reports for any deviations from the mathematical expectations exceeding the threshold established by the TGRA, and investigation and documentation of deviations compared to the mathematical expectations required to be submitted per §547.4? (Review SICS and examination of records) | _____ | _____ | _____ | 543.24(d) (1)(iv) | |
| 8. | Has the gaming operation established a minimum threshold to identify statistical reports with any deviations from the mathematical expectation? (Review SICS | _____ | _____ | _____ | TIC (Section 24(d)(1)(iv)) | |
| 9. | Does Revenue Audit monthly for bingo/class II electronic games generate a report for MTD, YTD and if available LTD actual hold percentage for comparison to each machines theoretical hold percentage? (Inquiry, examination of records) | _____ | _____ | _____ | SICS(secti on 24(d)(1)(iv) (a) | |
| 10. | Does Revenue audit at least monthly variance calculations between actual and theoretical holds exceeding +/- 3%? (Inquiry, examination of records) | _____ | _____ | _____ | SICS(secti on 24(d)(1)(iv) (b) | |
| 11. | Is the deviation from actual to theoretical hold report reviewed by both gaming machine | _____ | _____ | _____ | SICS (section | |

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| | department management and management independent of the gaming machine department at least monthly? (Inquiry and examination of records) | | | | 24(d)(1)(iv)(c) | |
| 12. | | | | | | |
| 12. | Do investigations from actual to theoretical hold completed by management independent of the gaming machine department document their “results” and are these results provided to the revenue audit department for retention? (inquiry, examination of records) | | | | SICS Section 24(d)(1)(iv)(d) | |
| 13. | Do the results of the investigation of management independent of the gaming machine department include documented of who completed the investigation which shall include at a minimum Name, Employee ID, and Date of review? | | | | SICS Section(24) (d)(1)(iv)(e) | |