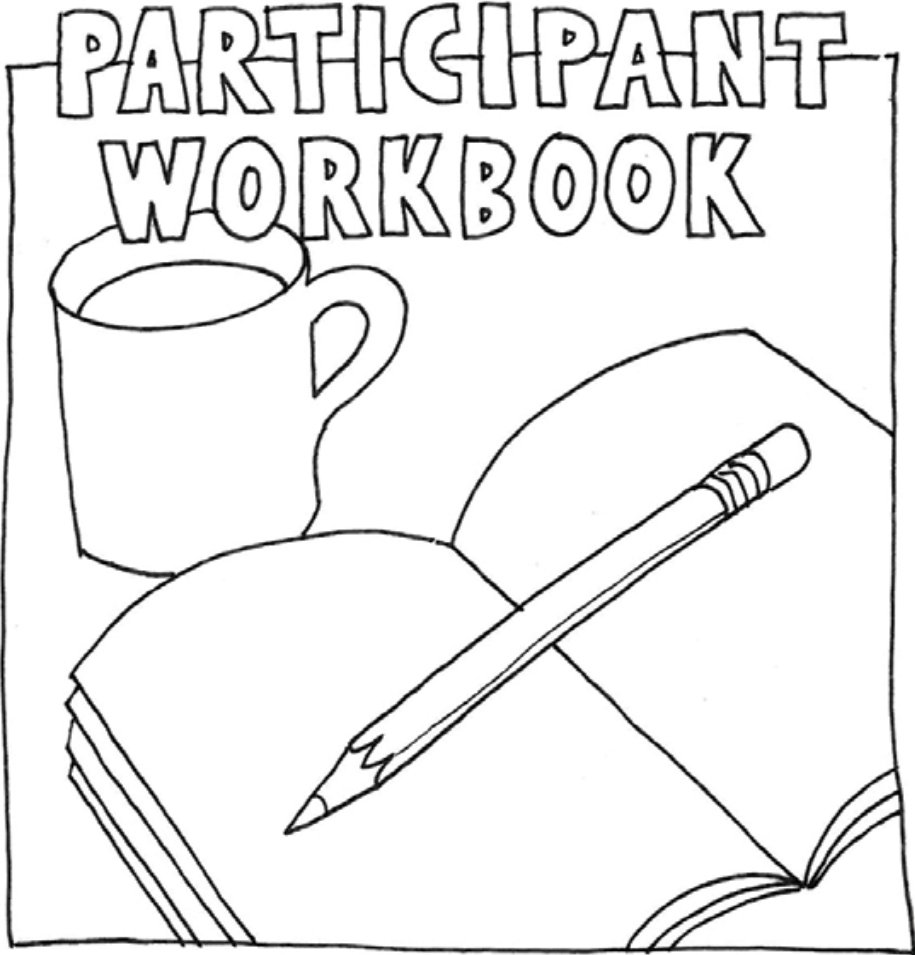




IA Boot Camp




Introduction to Internal Audit

Internal Audit Boot Camp – Introduction to Internal Audit



NOTES

Training Overview



- What is the purpose of Internal Audit?
- Authority & Reporting Structures
- Policies and Procedures
- How can we plan better?

NOTES

Internal Audit Purpose



The Institute of Internal Auditors definition of Internal Audit:

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations.

It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

543.23(c) *Internal audit*. Controls must be established and procedures implemented to ensure that:

- (1) Internal auditor(s) perform audits of each department of a gaming operation, at least annually, to review compliance with TICS, SICS, and these MICS, ...

NOTES

Independence



- 543.23(c)(2)
 - independent of departments being audited
- 543.23(c)(3)
 - independent reporting structure

§543.23(c) *Internal audit*

(2) Internal auditor(s) are independent of gaming operations with respect to the departments subject to audit (auditors internal to the operation, officers of the TGRA, or outside CPA firm may perform this function).

(3) Internal auditor(s) report directly to the Tribe, TGRA, audit committee, or other entity designated by the Tribe.

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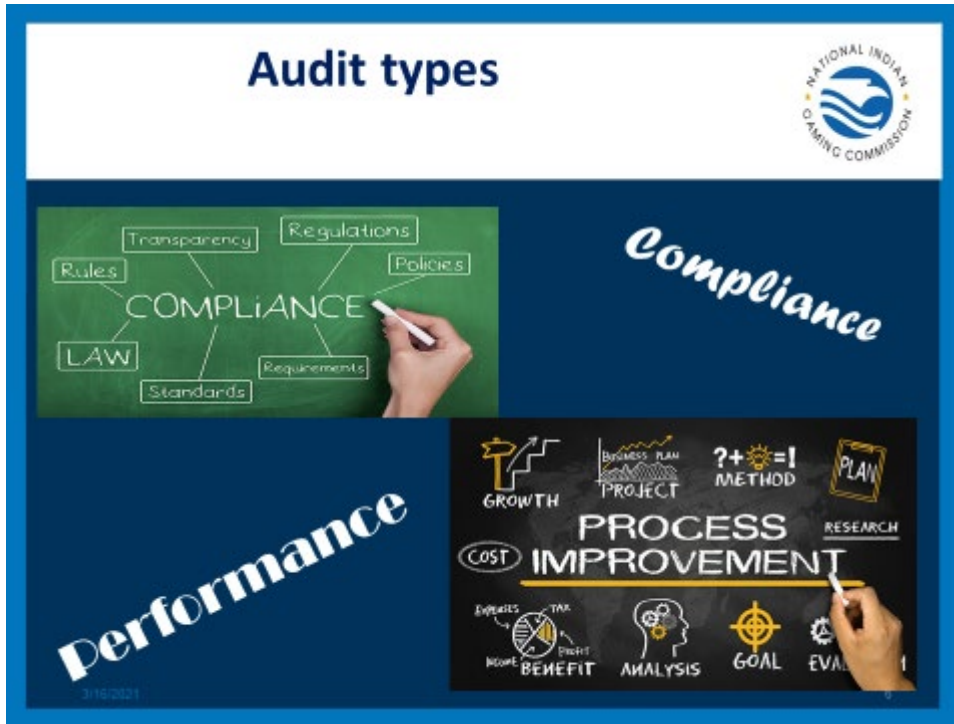


The gaming ordinance may list the requirements of internal audits to be performed.

The charter defines the Internal Audit Department’s purpose, authority and responsibility.

The Policies and Procedures directs the auditors responsibilities within the internal Audit function

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Compliance audits are performed to ensure that you are in compliance with a regulation or standard.

Performance audit is an audit that is meant to determine if programs or processes are working as intended.

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543.23(c)(xi)(4) Documentation such as checklists, programs, reports, etc. is prepared to evidence all internal audit work and follow-up performed as it relates to compliance with TICS, SICS, and these MICS, including all instances of noncompliance.

NOTES



The process of an internal audit can be neatly placed into 6 categories:

1. Audit Planning
2. Audit Prep
3. Audit
4. Reporting
5. Management Responses
6. Follow-up

NOTES

INTEGRITY IS DOING THE RIGHT THING EVEN WHEN NOBODY IS WATCHING.

OBJECTIVITY, SIMPLY PUT IS TO UNCOVER TRUTHS BY ELIMINATING PERSONAL BIASES, EMOTIONS, AND FALSE BELIEFS.

CONFIDENTIALITY, PROTECT INFORMATION ACQUIRED IN COURSE OF DUTIES

COMPETENCY, MAINTAIN OR OBTAIN NECESSARY KNOWLEDGE, SKILLS, AND EXPERIENCE



NOTES

Time Management

Challenges

Compliance

Performance

Operational

NOTES

POLL

How many employees does your internal audit department have?

- Only 1
- 2 to 5
- More than 5

Answer the Poll Question.

A good audit schedule will ensure all required audits are scheduled and can be completed by the end of the year



NOTES



NOTES




What to consider when building a schedule

- Holidays
- Vacation
- Sick Leave
- Other items?


NOTES

Example: Audit Time Budgeting




Budgeted Fieldwork Hours:		1,940
Total Working Hour: 3 auditors X 40hrs x 52 weeks	6,240	
Holidays: 12 days X 3 auditors X 8 hrs	(288)	
Vacation Hours: 3 auditors X 80 hrs	(240)	
Training Hours: 3 auditors X 40 hrs	(120)	
"Contingency" Hours: 3 auditors X 40 hrs	(120)	
Total Hours Available for Staff	5,472	
Non-fieldwork hours available		3,532

Example: FY21 Audit Schedule



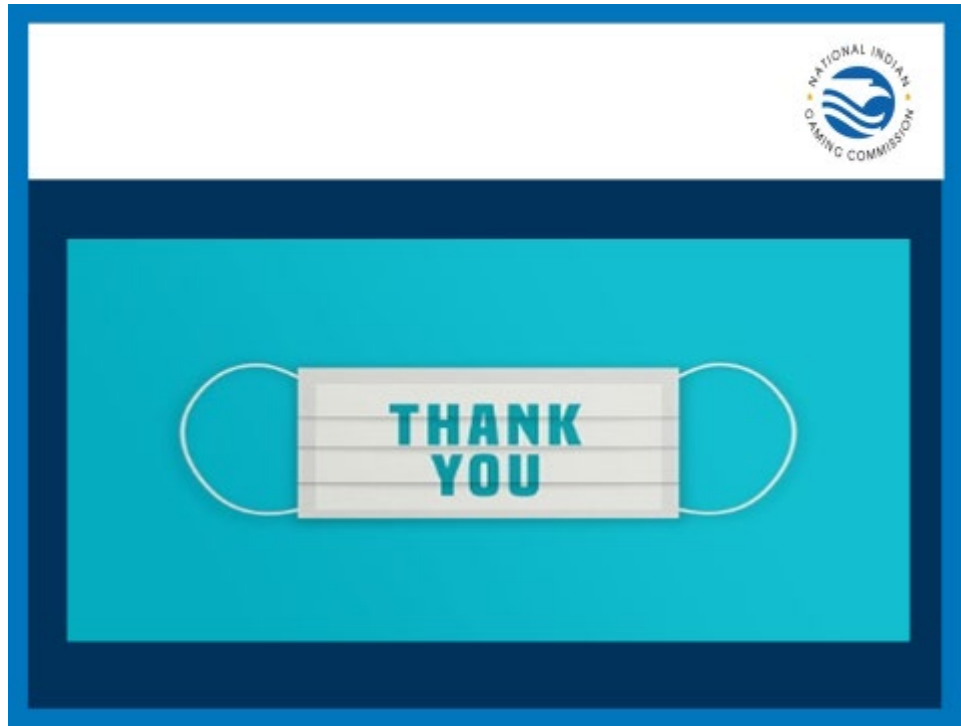
Audit Area	Start Date	End Date	Total Hours	# of Weeks	# Employees	Follow Up Testing
Gaming Machines	1/11/2021	2/19/2021	480	6.00	2	8/16/2021
Table Games	3/1/2021	3/25/2021	300	3.75	2	9/20/2021
Bingo	4/5/2021	4/29/2021	300	3.75	2	10/18/2021
Card Games	5/10/2021	5/19/2021	120	1.50	2	11/15/2021
Cage	5/24/2021	6/4/2021	160	2.00	2	11/15/2021
Drop and Count	6/14/2021	7/2/2021	240	3.00	2	12/6/2021
Revenue Audit	7/12/2021	7/23/2021	80	2.00	1	12/6/2021
IT	7/19/2021	8/4/2021	100	2.50	1	1/24/2022
Player Tracking and Promotions	8/16/2021	8/27/2021	80	2.00	1	2/7/2022
Comps	8/16/2021	8/27/2021	80	2.00	1	2/7/2022
Budgeted Hours			1940	29		

RECAP



- Purpose of Internal Audit
- Authority & Reporting Structures
- Build good Policies and Procedures
- Create a schedule/plan

NOTES



Thank you for your participation and attending this session of the Internal Audit Boot Camp!

After you log out you will receive a Survey. We ask that you complete the survey as the feedback helps us to get better at what we do!

We hope that you will join us for the next session.

NIGC Training can be reached at traininginfo@nigc.gov