

National Virtual Training Conference



Top Recurring Audit Findings

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Key Points:

Internal audit and agreed upon procedures related to recurring findings.

My Notes:

Objectives



- What are recurring findings?
- Overview of AUP findings for past fiscal years
- Identify areas of recurring AUP findings
- Why are recurring findings problematic?
- Tools and techniques to help identify repeat findings
- Who, what, when, and how to correct recurring findings

2

Key Points:

- Define what a recurring finding is
- Review Part 543 AUP data as national totals for past fiscal years to identify trends and recurring finding items
- Discuss why recurring findings are problematic
- Provide examples of tools and techniques that can be used to identify and track recurring findings
- Discuss strategies for addressing recurring findings

My Notes:

What are recurring findings?



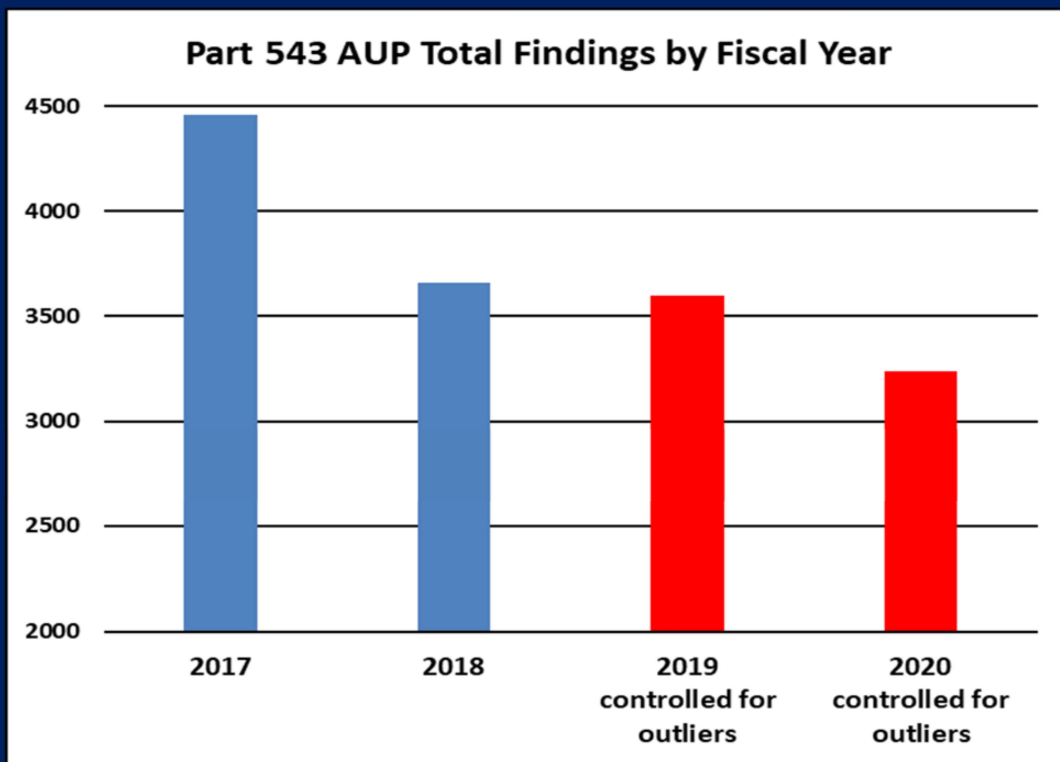
Recurring findings are non-compliance issues, findings, or occurrences that repeat from audit to audit.



Key Points:

Recurring findings are findings that repeat from one year's audit report to the next. These also may be called repeat findings.

My Notes:



4

Key Points:

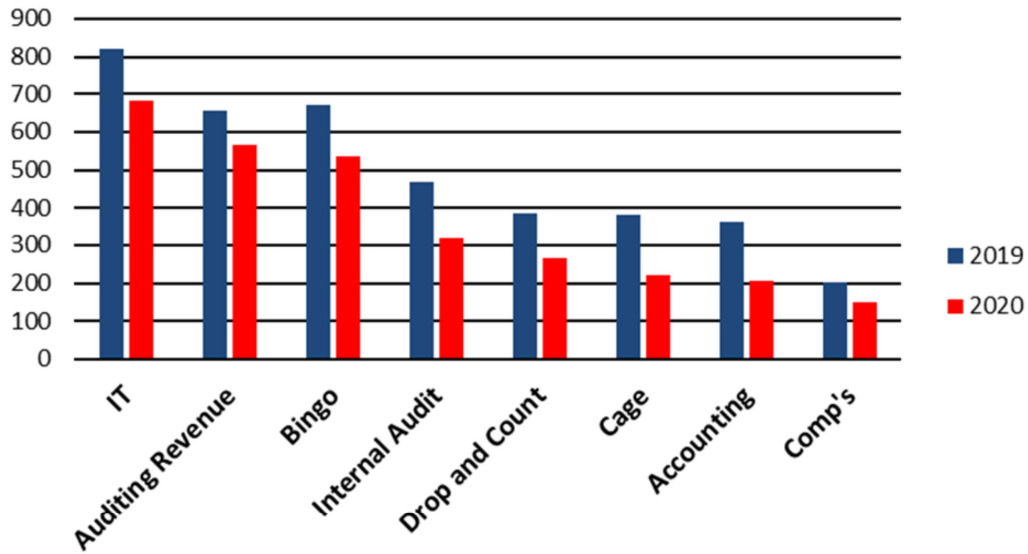
This table shows the total for Part 543 findings from AUP reports for Fiscal Years 2017 through 2020.

NOTE: AUP totals for Fiscal years 2019 and 2020 are in red because they have been edited for this presentation and controlled for outliers.

This table should show an overall view of AUP compliance and findings for the past 4 fiscal years.

My Notes:

**Part 543 AUP Findings by Section
Top 8 Sections for FY2020
Compare FY2020 to FY2019**



5

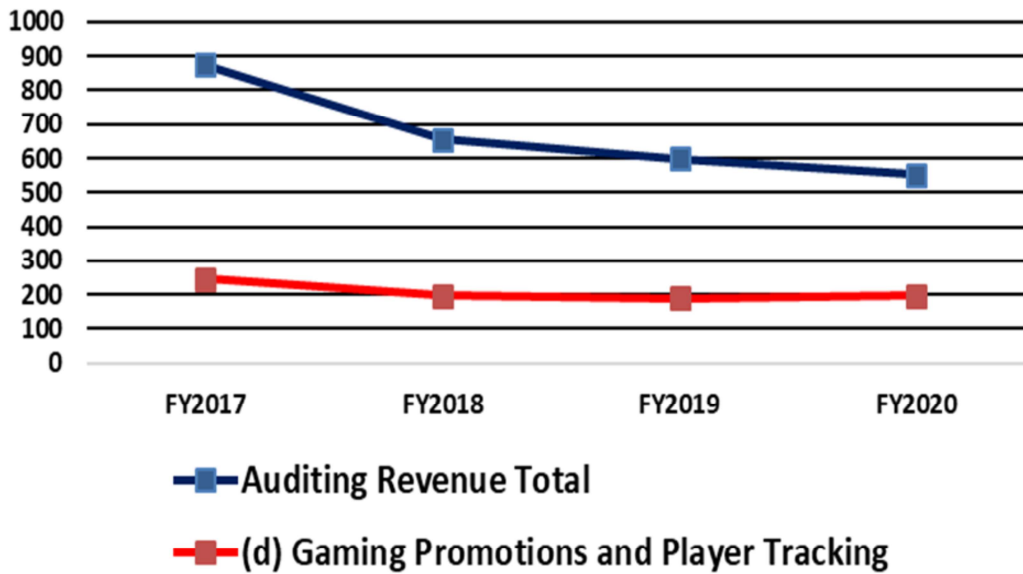
Key Points:

This table breaks down Fiscal Years 2019 and 2020 AUP findings for Part 543 by section and shows the top 8 sections with the most findings.

Overall for these top 8 areas, you see overall improvement from FY2019 to FY2020. However, Information Technology, Auditing Revenue, and Bingo continue to have 500 or more total findings within that section.

My Notes:

Part 543 AUP - 543.24 Auditing Revenue Trend FY2017, FY2018, FY2019, FY2020



6

Key Points:

This graph shows a trend for Part 543 AUP findings under 543.24 Auditing Revenue beginning with Fiscal Year 2017 through Fiscal Year 2020. The overall trend for total findings in the Auditing Revenue section is decreasing, however, the total findings under 543.24(d) Gaming Promotions and Player Tracking have remained almost the same each year.

FY2017

- Total 543 AUP Auditing Revenue Findings = 874
- Total for 543.24(d) Gaming Promotions and Player Tracking = 247

FY2018

- Total 543 AUP Auditing Revenue Findings = 656
- Total for 543.24(d) Gaming Promotions and Player Tracking = 197

FY2019

- Total 543 AUP Auditing Revenue Findings = 600
- Total for 543.43(d) Gaming Promotions and Player Tracking = 189

FY2020

- Total 543 AUP Auditing Revenue Findings = 553
- Total for 543.24(d) Gaming Promotions and Player Tracking = 198

My Notes:



7

Poll Question – Recurring findings pose additional risk?

- Yes
- No

My Notes:

What's the big problem?



What's the worst
that could happen?

8

Key Point:

543.24(d)(i) At least monthly, review promotional payments, drawings, and giveaway programs to verify payout accuracy and proper accounting treatment in accordance with the rules provided to patrons.

What risks exist if this is not completed?

My Notes:

Tools and Techniques



Techniques commonly used to identify recurring findings:

- Findings spreadsheets for multiple years
- Annual review of AUP findings compared to Internal Audits
- Compare revenue audit exceptions to Internal Audit reports

Key Points:

Some tools and techniques that can be used to identify and track recurring findings

- Use of spreadsheet to track findings from one year to the next for comparison
- Comparing Internal Audit report findings to AUP report findings
- Review Auditing Revenue exceptions to Internal Audit Reports

My Notes:

Section	XYZ Casino Internal Audits 2019	XYZ Casino Internal Audits 2020	XYZ Casino Internal Audits 2021
Auditing Revenue	18	14	9
543.24(a)	0	0	1
543.24(b)	0	0	1
543.24(c)	1	0	1
543.24(d)(1)(i)	0	0	0
543.24(d)(1)(ii)	1	1	1
543.24(d)(1)(iii)	1	0	1
543.24(d)(1)(iv)	0	0	0
543.24(d)(1)(v)	0	0	0
543.24(d)(10)(i)	1	1	1
543.24(d)(10)(ii)	0	1	0
543.24(d)(2)(i)	0	0	1

Key Points:

Here is an example of how a spreadsheet can be used to track findings from year-to-year and identify recurring findings.

My Notes:



11

Poll Question - Have you written up or received a recurring finding?

- Yes
- No

My Notes:

What Now?



What should happen after a repeat finding is identified?

Key Points:

My Notes:

What, Who, How, & When



- **What** is the recurring finding (what is the control issue)?
- **Who** is responsible for correcting the recurring finding?
- **How** do you correct the finding?
- **When** should it be corrected?

Key Points:

- What** – what is the finding
- Who** – who is responsible
- How** – who will it be corrected
- When** – when should it be completed

My Notes:

Summary



- Defined what a recurring finding is
- Reviewed past AUP data and items of concern as recurring findings
- Why are recurring findings problematic?
- Examples of tools to help track recurring findings and strategies for correcting recurring findings

Key Points:

My Notes:

Questions



Key Points:

Thank you for joining us today and we look forward to seeing you in the next session.

My Notes: