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| **NATIONAL INDIAN GAMING COMMISSION**  **SELF-REGULATION CERTIFICATION AUDIT**  **CRITERIA MEASUREMENT CHECKLIST** | | | |
| **Tribe:** |  | **Fiscal Year End:** |  |
| **Prepared**  **By:** |  |  |  |

**Identify gaming facility(ies):**

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| **Name** | **Address** | Class II Class III | |
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**Identify tribal, gaming commission, and/or gaming operation personnel contacted:**

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| **Date of Inquiry/**  **Observation** | **Person Interviewed** | **Position** | **Years of Service** |
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| **This evaluation is used to determine whether the petition for a certificate of self-regulation meets the approval criteria. This section will be used in conjunction with the onsite self-regulation audit.** | | | | | | | | |
| 1. | For the previous three years, has the tribe conducted its gaming activity that has resulted in an effective and honest accounting of all revenues? *(Review the tribe’s system for accounting of all gaming revenues.)* Factors to consider: | | |  |  |  | (a)(1)(i) |  |
| a. | | Does the tribe have a tribal gaming regulatory body (TGRB) that routinely receives and reviews gaming revenue accounting information from the gaming operation(s)? *(Review supporting documentation for the previous three years including: annual review of audited financial statements; periodic revenue reports: gaming variance reports: budget reports; revenue audit reports; interim financial statements, etc. Documents should be from one randomly selected month per year for the applicable three-year period.)* | |  |  |  | (b)(5)(iv) |  |
| b. | | Did the gaming operation(s) receive unqualified audit opinions for the previous three years? *(Review audited financials and management letters for previous three years.)* | |  |  |  |  |  |
| c. | | Were there any significant AUP findings or material adjustments to the gaming revenues? *(Review audited financials, management letters and AUP reports for previous three years and review revenue adjustments, if any.)* | |  |  |  |  |  |
| d. | | Are all licensed gaming operations subject to annual independent audits? *(Review audited financials for previous three years and compare to tribal facility listing in TIMS database.)* | |  |  |  |  |  |
| e. | | Did the gaming operation(s) account for and report all gaming revenues in their NIGC fee worksheets in accordance with 25 CFR part 514? *(Review audited financials for previous three years and compare to NIGC fee worksheets, request and review reconciliations in accordance with § 571.14.)* | |  |  |  |  |  |
| 2. | For the previous three years, has the tribe conducted its gaming activity in a manner that has resulted in a reputation for safe, fair, and honest operation of the activity? Factors to consider: | | |  |  |  | (a)(1)(ii) |  |
| a. | | Does the tribe demonstrate that the operation is being conducted in a manner that adequately protects the environment and the public health and safety? *(Review previous three years of facility license and EPH&S attestation submission(s) and review testing in support of attestation submission(s) for reasonableness. If license is perpetual, reasonable compliance testing of tribal EPH&S rules and regulations would be at least every three years.)* | |  |  |  | (b)(9) |  |
| b. | | Does the tribe have a dispute resolution process for gaming operation customers and has taken steps to ensure that the process is adequately implemented? *(Review tribal gaming ordinance and/or gaming regulations for dispute resolution process. Inquire of TGRA for process. Select at least one dispute from each of the prior three years to review to determine if process was followed.)* | |  |  |  | (b)(4) |  |
| c. | | Does the tribe have a TGRB that establishes or approves the rules governing class II games, and requires their posting? *(Review class II game rules to verify TGRB approval of rules and posting requirement, and that TGRB tests for compliance of posting.)* | |  |  |  | (b)(5)(x) |  |
| 3. | For the previous three years, has the tribe conducted its gaming activity in a manner that has been generally free of evidence of criminal or dishonest people? *(Refer to indicators tested under questions 8 & 9.)* | | |  |  |  | (a)(1)(iii) |  |
| 4. | For the previous three years, has the tribe conducted its gaming operation on a fiscally and economically sound basis? *(Review previous three years of audited financial statements, management letters, and AUP reports.)* Factors to consider: | | |  |  |  | (a)(2) |  |
| a. | | Does the tribe allocate and appropriate a sufficient source of permanent and stable funding for the TGRB? *(Review supporting documentation including: proof of source of funding, i.e., tribe/gaming operation; TGRB-approved budgets and funding; audits of TGRB, if any; minutes of TGRB budget meetings, if any; etc.)* | |  |  |  | (b)(6) |  |
| b. | | Additional evidence that the gaming operation(s) is fiscally and economically sound; | |  |  |  |  |  |
| i. | | | Perform a current ratio analysis for the previous three years of audited financial statements. (A ratio of less than 1 indicates financial instability.) |  |  |  |  |  |
| ii. | | | Perform a quick ratio analysis for the previous three years of audited financial statements. (A ratio of less than 1 indicates financial instability.) |  |  |  |  |  |
| iii. | | | Perform a debt-to-equity analysis for the previous three years of audited financial statements. (A ratio of 2 or more would indicate financial instability.) |  |  |  |  |  |
| iv. | | | Perform a return-on-equity analysis for the previous three years of audited financial statements. (A ratio of 100% or less would indicate financial instability.) |  |  |  |  |  |
| 5. | For the previous three years, has the tribe conducted its gaming activity in compliance with IGRA, NIGC regulations, the tribe’s gaming ordinance, and its gaming regulations? Factors to consider: | | |  |  |  | (a)(3) |  |
| a. | | Has the tribe adopted and is implementing minimum internal control standards (TICS) that are at least as stringent as those promulgated by the Commission? *(Review: TICS and compare to NIGC MICS; documentation of adoption of TICS; and documentation for implementation of TICS.)* | |  |  |  | (b)(1) |  |
| i. | | | Perform the internal audit section of the NIGC MICS compliance checklist and review all internal audit reports for the applicable three-year period. Based on the work performed, has the gaming operation effectively implemented its TICS? |  |  |  |  |  |
| ii. | | | Attach work paper describing the education and experience of the internal audit department staff and consider the criteria contained within the NIGC CPA Guidelines in evaluating the reliance that can be attached to the internal auditor’s work product. |  |  |  |  |  |
| b. | | Does the tribe’s TGRB monitor compliance with minimum internal control standards for the gaming operation? *(Review supporting documentation of TGRB performing routine monitoring and inspections. Documents should be from one randomly selected month per year for the applicable three-year period.)* | |  |  |  | (b)(5)(vi) |  |
| c. | | Does the tribe’s TGRB perform routine operational or other audits of the class II gaming activities*? (Review supporting documentation of TGRB performing routine operational or other audits. Documents should be from one randomly selected month per year for the applicable three-year period.)* | |  |  |  | (b)(5)(iii) |  |
| d. | | Does the tribe’s TGRB monitor gaming activities to ensure compliance with federal and tribal laws and regulations? *(Review supporting documentation of TGRB monitoring compliance of, e.g., Title 31, IRS Taxable Reporting, NIGC compliance report, etc. Documents should be from one randomly selected month per year for the applicable three-year period.)* | |  |  |  | (b)(5)(i) |  |
| e. | | Does the tribe’s TGRB have access to and may inspect, examine, photocopy, and audit all papers, books, and records of the gaming operation(s) and class II gaming activities? *(Review TGRB gaming regulations.)* | |  |  |  | (b)(5)(v) |  |
| f. | | Based on interviews with the appropriate TGRB members, does the TGRB and any designated agents have unrestricted access to all papers, books, and records of the gaming operation? *(Inquire of TGRB personnel.)* | |  |  |  |  |  |
| 6. | For the previous three years, has the tribe adopted, implemented, and utilized an adequate system for the accounting of all gaming revenues from the class II gaming activities? *(Refer to questions #1(a), (b), (c), (d) and (e) above.)* Other factors to consider: | | |  |  |  | (a)(4)(i); (b)(3). |  |
| a. | | Does the TGRB receive and review the gaming operation’s fiscal year audited financial statements, inclusive of management letters and management responses? *(Review supporting documentation of TGRB’s review of annual financial statements for the previous three years.)* | |  |  |  |  |  |
| b. | | Does the tribe have a TGRB that monitors the gaming revenues accounting system for continued effectiveness? *(Review supporting documentation of monitoring by TGRB. Documents should be from one randomly selected month per year for the applicable three-year period.)* | |  |  |  | (b)(5)(ii) |  |
| i. | | | Does the TGRB review the accounting procedures and revenue audit process? *(Review supporting documentation of TGRB’s review for the previous three year period.)* |  |  |  |  |  |
| ii. | | | Does the TGRB receive internal interim financial statements from the gaming operation? If so, how often are these documents received? *(Review documentation of TGRB receiving interim financial statements for the previous three-year period.)* |  |  |  |  |  |
| 7. | For the previous three years, has the tribe adopted and implemented an adequate system for investigating, licensing, and monitoring all employees of the gaming activities? Factors to consider: | | |  |  |  | (a)(4)(ii) |  |
| a. | | Does the tribe have a TGRB that has adopted and is implementing an adequate system for investigating, licensing, and monitoring all employees of the gaming activities? | |  |  |  | (b)(5)(vii) |  |
| i. | | | During the applicable three-year period, has a formal set of suitability standards been in place that satisfy the criteria set forth in 25 U.S.C. 2710(b)(2)(F)(ii)(II)? |  |  |  |  |  |
| ii. | | | Do PMOs and key employees currently licensed and employed satisfy the tribe’s license eligibility criteria? *(Document testing shall be the greater of two percent or 20 currently employed PMOs and/or key employees, whichever is greater.)* |  |  |  |  |  |
| iii. | | | Are license backgrounds updated periodically based on a formal set of criteria? *(Document testing shall be limited to background and license files pulled above to verify update policy is consistently applied.)* |  |  |  |  |  |
| b. | | Does the tribe require tribal gaming regulators to meet the same suitability requirements as those required for PMOs and key employees of the gaming operation(s)? *(Review tribal gaming ordinance and/or TGRB policy and procedures for regulator eligibility requirements. Document testing shall be the greater of 25% or 2 TGRB backgrounds to verify policy is consistently applied.)* | |  |  |  | (b)(2). |  |
| c. | | Does the tribe have a TGRB that maintains records on licensees and on persons denied licenses, including persons otherwise prohibited from engaging in gaming activities within the tribe’s jurisdiction? Factors to consider: | |  |  |  | (b)(5)(viii) |  |
| i. | | | Does the TGRB maintain records for applicants / employees for no less than three years from the date of denial? *(Document testing shall be the greater of 10% or five license denials for each of the previous three years.)* |  |  |  |  |  |
| ii. | | | Do tribal gaming regulations exist that grant authority to the TGRB to prohibit persons from engaging in gaming activities at the gaming operation? *(Review regulation, this could include licensees, vendors, exclusions, etc.)* |  |  |  |  |  |
| iii. | | | During the applicable three-year period, has the TGRB exercised its authority to exclude persons from the gaming operation? *(Review exclusion list for previous three years.)* |  |  |  |  |  |
| d. | | Does the tribe have a TGRB that takes testimony and conducts hearings on regulatory matters, including matters related to the revocation of PMO, key employee, and/or vendor licenses? | |  |  |  | (b)(5)(xii) |  |
| i. | | | Do the tribal gaming regulations contain provisions governing the conduct of TGRB hearings on regulatory matters, including matters related to the suspension or revocation of PMO and key employee licenses? *(Review regulations and process for previous three years)* |  |  |  |  |  |
| e. | | Does the tribe have a TGRB that has established standards for, and issues, vendor licenses or permits to persons or entities who deal with the gaming operation, such as manufacturers and suppliers of services, equipment, and supplies? | |  |  |  | (b)(5)(ix) |  |
| i. | | | Do the tribal gaming regulations contain provisions for the licensure or approval of vendors (gaming and non-gaming) and the suitability standards required to obtain such licensure or approval? *(Review regulations.)* |  |  |  |  |  |
| ii. | | | Are vendors and persons / entities who deal with the gaming operation licensed in accordance with the TGRB regulations? *(Document testing shall be five licenses for each of the previous three years.)* |  |  |  |  |  |
| f. | | Has the tribe adopted, and is implementing, a conflict of interest policy for the regulatory body and regulatory staff? *(Review TGRB policy, and for the previous three years, any complaints concerning compliance with such policy.)* | |  |  |  | (b)(7) |  |
| 8. | For the applicable three-year period, has the tribe adopted, and is implementing, adequate systems for investigating, enforcing, prosecuting, or referring for prosecution violations of its gaming ordinance and regulations? Factors to consider: | | |  |  |  | (a)(4)(iii) |  |
| a. | | Does the tribe have a system for the adequate prosecution or referrals for prosecution of violations of the tribal gaming ordinance and regulations? *(Describe the system for prosecution of violations of the tribal gaming ordinance and regulations. If the tribe has its own court system, determine whether the tribe has prosecuted any offenders either civilly or criminally in the previous three years. If the tribe refers prosecutions to an outside agency, determine whether there have been any prosecutions in the previous three years)* | |  |  |  | (b)(8) |  |
| b. | | Does the tribe have a TGRB that has adopted, and is implementing, an adequate system for the investigation of possible violations of the tribal gaming ordinance and regulations, and takes appropriate enforcement actions? (*Review investigations and the resulting enforcement actions for the previous three years.)* | |  |  |  | (b)(5)(xi) |  |
| 9. | For the applicable three-year period, has the tribe adopted, and is implementing, adequate systems for prosecuting criminal or dishonest activity, or referring such activity for prosecution? *(Describe procedures for criminal referrals. Review referrals to outside agencies for prosecution for the applicable three-year period.)* | | |  |  |  | (a)(4)(iv) |  |