TICS/SICS Course
Day 1

Shawnna Ellis, NIGC Compliance

NATIONAL INDIAN GAMING COMMISSION

KEY POINTS	**My Notes**

Welcome and Classroom Norms

- Time
- Phones
- Participation

2

KEY POINTS

Classroom Norms:

1. Start and end on time with regular breaks.
2. Silence cell phones and take necessary calls outside of the classroom.
3. Be prepared to participate by:
   - asking and answering questions
   - brain storming
   - working in groups.

My Notes

Knowledge Reviews & Course Evaluations

Knowledge Review Purpose
- Check for immediate understanding and retention
- Used to improve courses
- Provide your name & email address
- Completed twice:
  - at the end of the course
  - 90 days after course via email

Evaluation Purpose
- Allow participants to provide immediate feedback on their experience
- Encouraged to include ideas and recommendations
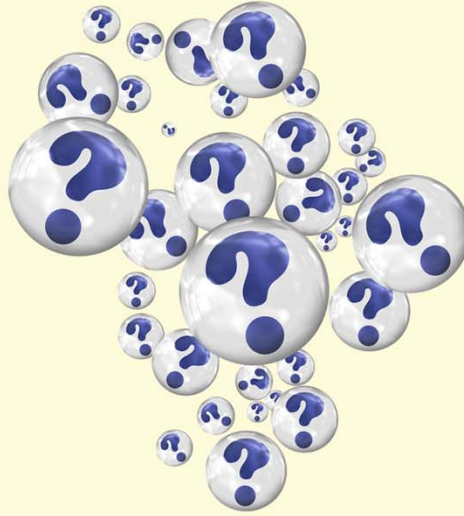- Will be used to improve the course

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KEY POINTS

My Notes

Activity – Why are you here?

4

KEY POINTS
Why are you here?

The need for this training was determined based on the number of inquiries related to TICS/and SICS development for operations along with the increasing findings related to external reporting in the AUP with respect to a lack of controls being established and procedures being implemented.

<u>**My Notes**</u>

KEY POINTS

At the end of the presentation we will be asking you a poll question and we would like to practice using the Poll Everywhere.

Your participation is voluntary and your responses are anonymous.

My Notes

Using Your Phone to Participate

1. Text NIGC to 22333 to join the session.
2. Then text your response to the question: **How did you travel to the conference?**
A. Plane
B. Train
C. Car
D. Foot/Bicycle

KEY POINTS

We're going to have a practice poll question so you get used to using Poll Everywhere.

1. Text **NIGC** to **22333** to join the session.
2. Then text your response to the question:

How did you travel to the conference?

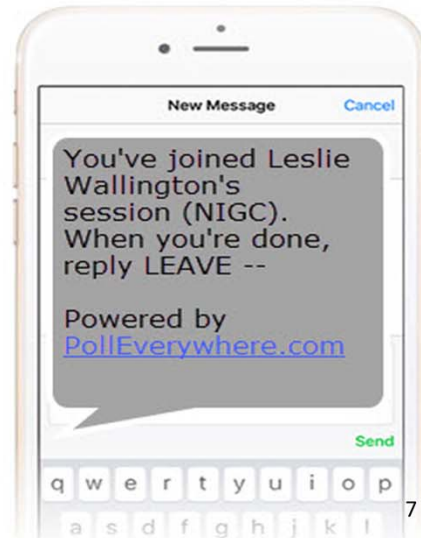A.   Plane
B.   Train
C.   Car
D.   Foot/Bicycle

Response from Poll Everywhere

1. You will receive a text message confirming that you are in the polling session.
2. Do **NOT** select the PollEverywere.com link.
3. Now you can enter your response to the poll as a text message.

KEY POINTS
After your first text sent to 22333 you will receive a confirmation message.
Do NOT select the link included here.
Simply respond to the poll listed on the powerpoint.

My Notes

I am a ___ person.

A. Cat

B. Dog

C. Neither

D. Both

Start the presentation to activate live content

If you see this message in presentation mode, install the add-in or get help at PollEv.com/app

Poll Title: I am a ___ person.
https://www.polleverywhere.com/multiple_choice_polls/mekUHZ8SwBgBLJ4

My Notes

Main Ideas

Acronyms

Risk

Internal Controls

Regulations

Fraud

SICS & TICS Writing

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KEY POINTS
The NIGC MICS was written with the intent of allowing tribes the autonomy to create standards specific to their operations. Where previous MICS were regulatory driven the intent was to allow tribes the flexibility to create something that works for them. This workshop is designed to give you the tools to take back to your properties and review, develop and implement a quality set of controls to help ensure regulatory compliance of your operation and ultimately protection for the assets of your operations

My Notes

/ˈakrəˌnim/.. WAIT.. WHAT?!!

ac·ro·nym

an abbreviation formed from the initial letters of other words and pronounced as a word.

Google — MICS

All   Shopping   News   Images   Videos

About 47,700,000 results (0.71 seconds)

Shop for MICS on Google

Neumann M 149 Tube Large Diaphragm ...
$5,049.95
Full Compass Systems
Free shipping

VocoPro UHF5800 Plus H Wireless ...
$299.00
AmericanMusical.com
Free shipping

UNICEF MICS: Home
mics.unicef.org/ ▾
'ICS ' 'tiple Indic   r Sun   Household

KEY POINTS

Acronyms are used in every organization but are not always universal. Let's talk about what acronyms are used in your organization. Google MICS once. You will find your results are microphones for statistics "Multiple Indicator Cluster Surveys". Ask about other examples .

My Notes

Who writes the Tribal Internal Control Standards (TICS)?

Start the presentation to activate live content

If you see this message in presentation mode, install the add-in or get help at PollEv.com/app

KEY POINTS

Poll Title: Who writes the Tribal Internal Control Standards (TICS)?
https://www.polleverywhere.com/free_text_polls/J1lxQBY9X5VHBUL

Who write the System of Internal Controls Standards (SICS)?

Start the presentation to activate live content

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KEY POINTS

Poll Title: Who write the System of Internal Controls Standards (SICS)?
https://www.polleverywhere.com/free_text_polls/jO2dqIx6XvvhiPm

My Notes

Who promulgates the Minimum Internal Control Standards (MICS?) (NIGC, DOI, Code of Regulators, FBI or BIA)

Start the presentation to activate live content

If you see this message in presentation mode, install the add-in or get help at PollEv.com/app

KEY POINTS

Poll Title: Who promulgates the Minimum Internal Control Standards (MICS?)
(NIGC, DOI, Code of Regulators, FBI or BIA)
https://www.polleverywhere.com/free_text_polls/FzWASHa5xXVQcok

My Notes

TICS/SICS 2-Day Course Participant Guide

542 versus 543

542
- Written to be very prescriptive & procedural
- Details what to do to achieve compliance

543
- Flexible & allows autonomy for Tribes
- Tribes adopt additional controls & detailed procedures

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KEY POINTS
- Enhances the TGRA's authority and autonomy
- Streamlines the regulations and eliminates redundancies in the process
- Updates the information technology requirements for the evolution of gaming systems
- Consolidates various accounting sections into a single section
- Consolidates revenue audit functions into a single section

My Notes

Regulation Pyramid – How do they stack up?

SICS
TICS
NIGC MICS
Laws and Ordinances

KEY POINTS
Laws and ordinance include state, tribal, and federal laws including the Tribal Ordinance.
More detail is then added to the **NIGC MICS** to create a system of minimum internal controls. This document is used by many operations and is written to be expanded upon based on the needs of each unique facility.
The **TICS** should be a little more specific and add controls specific to the operation.
The **SICS** are the most specific document. They usually have enough detail included so a new employee could perform the task.
Main point: understanding why regulations are written with specific language and why. Why NIGC MICS was written using flexible language.

My Notes

What are some reasons for a person to co fraud?

Start the presentation to activate live content

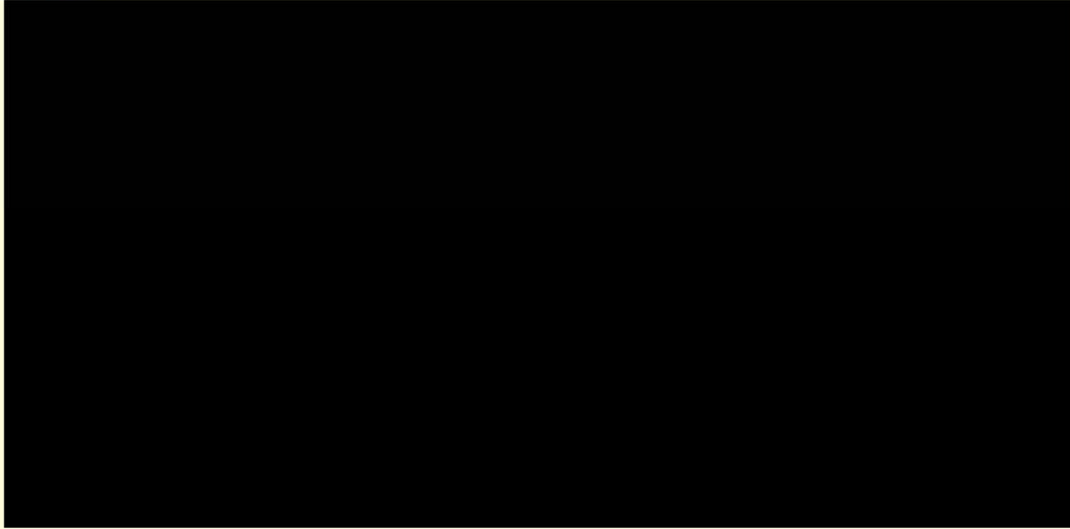If you see this message in presentation mode, install the add-in or get help at PollEv.com/app

KEY POINTS

Poll Title: What are some reasons for a person to commit fraud?
https://www.polleverywhere.com/free_text_polls/8OCDI0X8NuDFH0p

Introduction to Fraud

KEY POINTS
Video URL: https://www.youtube.com/watch?v=Mbk-p266Et4
Embed Code: <iframe width="560" height="315" src="https://www.youtube.com/embed/Mbk-p266Et4" frameborder="0" allowfullscreen></iframe>

Class III disclaimer, "Although we understand that this video is as it relates to Class III gaming and we understand that due to the CRIT decision and the NIGC lack the authority to promulgate Class III MICS" we are using this video as an example of the importance of TICS/SICS.

My Notes

What is the Fraud Triangle?

KEY POINTS
Video URL: https://www.youtube.com/watch?v=2bpLMkP5P0s
Embed Code: <iframe width="560" height="315"
src="https://www.youtube.com/embed/2bpLMkP5P0s" frameborder="0"
allowfullscreen></iframe>

My Notes

Fraud Triangle

OPPORTUNITY

RATIONALIZATION

PRESSURE

https://www.procurious.com/procurement-news/throwback-thursday-fraud-triangle

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KEY POINTS
- Internal controls provide reasonable assurances for asset protection, risk mitigation and reduction in opportunities.

My Notes

AFCE Fraud Infographic

THE STAGGERING
COST OF FRAUD

CFES ESTIMATE THE TYPICAL ORGANIZATION
LOSES 5% OF ANNUAL REVENUES TO FRAUD

20

KEY POINTS

Fraud is one of the reasons a business loses money.

The Association of Certified Fraud Examiners "2016 Report to the Nation" showed a positive correlation between the strength of controls and the loss of revenue through fraud.

Hyperlink to the Cost of Fraud Infographic located here:
http://www.acfe.com/rttn2016/docs/Staggering-Cost-of-Fraud-infographic.pdf

My Notes

Internal Controls

What do they do?

- **Provide reasonable assurance.**
- **Helps mitigate risk.**
- **Helps management achieve organizational goals.**
- **You can add preventive controls or detective controls.**

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KEY POINTS
So what do we do? How do we protect against fraud?

Internal Controls in Your Everyday Life

There have been several break-ins in your neighborhood and you want to make sure your home is protected.

What can you do?

22

KEY POINTS
Think about how you would protect your home from a burglar?

My Notes

Activity – Internal Controls Brainstorming

What are some internal controls that can limit or minimize the opportunity for fraud in your organization?

23

KEY POINTS
Instructor will provide activity instructions.

My Notes

Internal Control Examples

- _____
- _____
- _____
- _____
- _____
- _____

- _____
- _____
- _____
- _____
- _____

24

KEY POINTS

These are our defenses which are used to help limit or mitigate the opportunity for fraud or loss. We can add them into processes to assist in prevention or after the fact in reviews or audits as detection. Keep this list of internal controls handy. You will use this throughout the training session and when you return to your operations. These controls are not new. They are part of processes that you use in your operations every day.

Main point: once you have a list of internal controls, you can apply them to any situation or process to mitigate risk. Understanding and applying internal controls will help you mitigate risks over any new process. Remember these controls are not unique to Gaming. They are business practices used in any business to help mitigate risks.

My Notes

Types of Controls

Preventive	Designed to deter undesirable events **from occurring**.
Detective	Designed to detect and correct undesirable events **which have occurred**.
Directive	Designed to cause or encourage a **future** desirable event to occur.

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KEY POINTS

Here are some examples of internal controls. Discussion what did everyone come up with?

- **Preventive controls** are built into, not onto, the system. **Examples:** separation of duties, passwords, authorization requirements, and physical safeguards.
- **Detective controls** are deferred to the end of the process. **Examples:** output reviews, exception reports, reconciliations, physical inventories and audits.
- **Directive Control examples:** policy statements, performance guidelines, training programs, and incentive compensation plans.
- **Mitigating controls** which are designed to compensate for missing or excessively costly controls. **Examples:** supervisory review where separation of duties is impractical, and monitoring budget variances in lieu of transaction processing controls.

My Notes

Activity – Abbreviated MICS

- Use your copy of the MICS
- Working in your groups, identify internal controls as one or more of the following:
  - **Preventative**
  - **Directive**
  - **Detective**

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KEY POINTS
Activity: Abbreviated MICS
Group Work
TIME: 20 minutes
Supplies: (per group)
- Markers
- Handout: ACTIVITY – Abbreviated MICS

Instructions
1. Break up into small groups.
2. Create a key using the highlighters for each type of controls: Preventative, Directive and Detective
3. Discuss and classify each control using the appropriate color highlighter.
4. Participate in class discussion.

My Notes

Supervision must be provided as needed…

A. Preventive

B. Directive

C. Detective

Start the presentation to activate live content
If you see this message in presentation mode, install the add-in or get help at PollEv.com/app

KEY POINTS

Poll Title: Supervision must be provided as needed….
https://www.polleverywhere.com/multiple_choice_polls/kleV1qS0iCpvcBa

My Notes

Documentation must be retained for at least ___ hours.

A. Preventive

B. Directive

C. Detective

Start the presentation to activate live content

If you see this message in presentation mode, install the add-in or get help at PollEv.com/app

Poll Title: Documentation must be retained for at least 24 hours.
https://www.polleverywhere.com/multiple_choice_polls/t92UobSdaZ7XkA9

What is risk?

- Processes or areas that if not controlled could result in loss or abuse.

- Risk tolerance.

- Accepting risk operations vs. regulatory
  - Operations can't "accept the risk" if there is a NIGC "MINIMUM", compact or Tribal ordinance provision.

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KEY POINTS

My Notes

Provide an example of a risk in your opera

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KEY POINTS

Poll Title: Provide an example of a risk in your operation.
https://www.polleverywhere.com/free_text_polls/Y82SOFJRQoo8Zin

My Notes

Activity – Why Expand the NIGC MICS?

1. Work in groups
2. Select a note taker and reporter
3. RISKS page – Write down the risks associated with adopting the NIGC MICS word for word.
4. CONTROLS page – Identify the internal controls needed to address these risks
5. Share with everyone

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KEY POINTS
Activity: Why Expand the NIGC MICS?
Group Work
TIME: 20 minutes
Supplies: (per group)
- Large Post It Notes
- Markers
- Handout: ACTIVITY – NIGC MICS

Instructions
1. Break up into small groups.
2. Select a recorder and presenter
3. Use two Post It Note to write down the following:
- **RISKS** page – Write down the risks associated with adopting the NIGC MICS word for word.
- **CONTROLS** page – Identify the internal controls needed to address these risks
4. Present to the class.

<u>**My Notes**</u>

KEY POINTS

TICS/SICS Workshop
Day 2

Shawnna Ellis, NIGC Compliance

KEY POINTS

My Notes

KEY POINTS

NIGC CLUE AND ANSWER

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KEY POINTS

Rules

- Divide into groups.
- Select a team name.
- Each slide contains a description (clues) of a specific internal control.
- Yell out your team name to provide an answer.
- Respond by saying.. What is <u>inventory control</u> ?

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KEY POINTS

My Notes

KEY POINTS

My Notes

Clue 1

When the duties of a given process are assigned to at least two agents.

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My Notes

Clue 2

When a supervisor reviews a transaction and attests to its accuracy at a specific dollar amount.

40

My Notes

Clue 3

The process of ensuring two sets of records are in agreement by comparing account balances.

42

My Notes

Clue 4

When funds are counted separately and independently by two agents.

44

My Notes

Clue 5

When an independent department accounts for all assets at periodic intervals.

46

My Notes

Clue 6

When doors are locked and access is granted only to authorized individuals.

48

My Notes

Clue 7

Recording the amounts counted.

50

My Notes

Clue 8

When more than one person counts and both sign a record indicating they agree on the amount.

52

My Notes

Clue 9

When the purchasing agent differs from the receiving agent.

54

Clue 10

When a bingo payout requires a supervisor's signature before it can be paid.

56

Clue 11

When only security can access a specific location.

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My Notes

Did the TGRA adopt 542 Class III MICS word word into the TICS?

A. Yes

B. Mostly

C. Somewhat

D. No

Start the presentation to activate live content
If you see this message in presentation mode, install the add-in or get help at PollEv.com/app

KEY POINTS

Poll Title: Did the TGRA adopt 542 Class III MICS word for word into the TICS?
https://www.polleverywhere.com/multiple_choice_polls/83AHzyWGKvPWcWR

Did the TGRA adopt 543 Class II MICS word for word into the TICS?

A. Yes

B. Mostly

C. Somewhat

D. No

Start the presentation to activate live content
If you see this message in presentation mode, install the add-in or get help at PollEv.com/app

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Poll Title: Did the TGRA adopt 543 Class II MICS word for word into the TICS?
https://www.polleverywhere.com/multiple_choice_polls/efacOer2nJDiTx6

NIGC TICS/SICS Workshop

Hands on Activities

Applying what you learned

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KEY POINTS

The next activities will apply what we have discussed throughout this presentation.

We will first compare NIGC MICS 542 to 543 identify what controls need to be added to the MICS before adopting into the TICS.

We will when take the same comp MICS and write detailed procedures as if we were management.

Let's begin.

Thinking about your Ordinance, what does require the TGRA to regulate? (gaming, non-gaming, etc.)

Start the presentation to activate live content
If you see this message in presentation mode, install the add-in or get help at PollEv.com/app

KEY POINTS

Poll Title: Thinking about your Ordinance, what does it require the TGRA to regulate? (gaming, non-gaming, etc.)
https://www.polleverywhere.com/free_text_polls/bQHWR45io6mhMVz

My Notes

Ordinance Requirement

What does your Ordinance require?

NATIONAL INDIAN GAMING COMMISSION
Regulatory Compliance ⭐ Gaming Integrity

GAMING ORDINANCES

Home / General Counsel / Gaming Ordinances

The Indian Gaming Regulatory Act requires that each tribe enact a tribal gaming ordinance that is approved by the National Indian Gaming Commission Chair before opening a gaming operation. The IGRA, 25 U.S.C. § 2710, and NIGC regulations, 25 C.F.R. part 522, require certain provisions to appear in the ordinance. Additional guidance is provided in NIGC Bulletin 2014-2.

Federal Register Notice of Approved Class III Tribal Gaming Ordinances - March 5, 2013

Below are Tribal Gaming Ordinances approved by the NIGC Chair, these reports are presented in PDF format which requires the free Acrobat Reader available from Adobe.

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My Notes

Poll Title: Does your Compact require the tribe to meet or exceed NIGC Class III MICS?
https://www.polleverywhere.com/multiple_choice_polls/R8qnerlF26Re3l6

My Notes

Compact Requirement

Does your Compact require the operation to adopt TICS at least as stringent as the NIGC MICS?

TUESDAY AUGUST 8, 2017

US Department Of The Interior
Indian Affairs

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HOME ▸ WHO WE ARE ▸ AS–IA ▸ OIG ▸ GAMING COMPACTS

GAMING COMPACTS

Policy Letter Class III Tribal State Gaming Compacts– Director, Office of Indian Gaming– June 15, 2012

Here is a list of Tribal–State Gaming Compacts, Amendments and Off–Track Compacts listed by state.

Click on one of the states below to jump to it's section.

Arizona | California | Colorado | Connecticut | Florida | Idaho | Iowa | Kansas | Louisiana | Massachusetts | Michigan | Minnesota | Montana | Nebraska | Nevada | New Mexico | New York | North Carolina | North Dakota | Oklahoma | Oregon | Rhode Island | South Dakota | Washington | Wisconsin | Wyoming

Arizona

Ak-Chin Indian Community Tribal Gaming Compact 012403.pdf

Ak-Chin Indian Community Tribal Gaming Compact 031993.pdf

Ak-Chin Indian Community of the Maricopa Indian Reservation, Mar 25, 2009 Federal Register Notice, Feb 23, 2009 Approval Letter, Agreement to Amend Tribal State Gaming Compact 012403.pdf

Cocopah Indian Tribe Tribal Gaming Compact 073093.pdf

CHOOSE A CATEGORY
– – Click To Change Category – –

REGIONS

Click the map to view our regions and their office contact information and the tribes served by that region

66

My Notes

Which part(s) of the NIGC MICS must be followed? (all of 543, bingo, poker, surveillance etc.)

Start the presentation to activate live content
If you see this message in presentation mode, install the add-in or get help at PollEv.com/app

Poll Title: Which part(s) of the NIGC MICS must be followed? (all of 543, bingo, poker, surveillance, etc.)
https://www.polleverywhere.com/free_text_polls/W19AHcKrF7jBoZm

My Notes

Activity - MICS

1. Work in groups
2. Compare the standards
3. Identify each standard as:
   - new
   - more stringent
4. Share with everyone

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KEY POINTS
Activity: MICS
Group Work
TIME: 1 hour
Supplies: (per group)
Post It Note
Markers
Handout: 543 class II and 542 Class III standards
Instructions:
1. Working in your groups.
2. Select a new recorder and presenter
3. Discuss and write down the standards that are either new or more stringent.
4. Share with the class.

Activity - TICS

1. Work in groups
2. Use handouts
3. Discuss what controls should be added
4. Share with everyone

69

KEY POINTS
Activity: TICS
Group Work
TIME: 1 hour
Supplies: (per group)
Post It Note
Handout: 543 class II checklist
Instructions:
1. Working in your groups.
2. Select a new recorder and presenter
3. Discuss and write down controls that can be added and which ones can be expanded.
4. Share with the class.

My Notes

Activity - SICS

1. Work in groups
2. Use handouts
3. Write detailed procedures to address each section of the TICS
4. Share with everyone

70

KEY POINTS
Activity: SICS
Group Work
TIME: 1 hour
Supplies: (per group)
Post It Note
Handout: 543 class II checklist
Instructions:
1. Working in your groups.
2. Select a new recorder and presenter
3. Write down detailed procedures to address each section of the TICS.
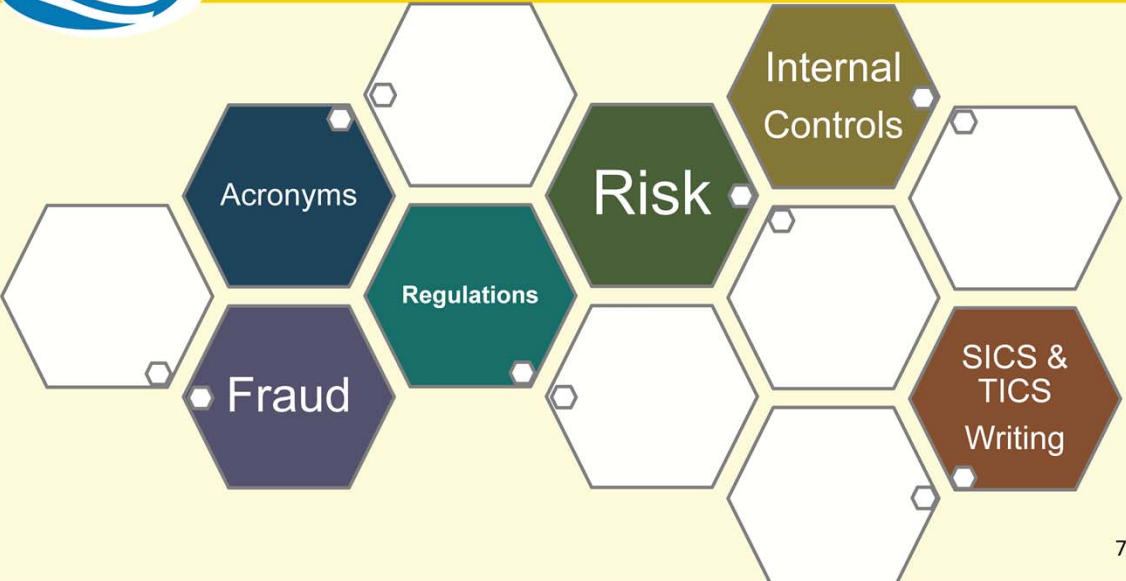4. Share with the class.

Activity. Directions. Using the same 543 comp checklist. Get into a group write detailed procedures to address each section of the TICS. Share. Discussion.

My Notes

Main Ideas

Acronyms

Regulations

Fraud

Risk

Internal Controls

SICS & TICS Writing

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KEY POINTS

KEY POINTS

If you have any questions or would like information about additional topics and training please contact the NIGC training department.

My Notes

KEY POINTS

Our next to last task is to complete the knowledge review.

Do your best.

You can complete this either through Poll Everywhere or you can request a paper copy.

My Notes

Knowledge Review - TICS/SICS 2 Day Course
When survey is active, respond at **PollEv.com/nigc**

Start the presentation to activate live content
If you see this message in presentation mode, install the add-in or get help at PollEv.com/app
↻ 0 surveys underway

Poll Title: Knowledge Review - TICS/SICS 2 Day Course
https://www.polleverywhere.com/surveys/gMd1uRuKU

My Notes

Course Evaluation

- Provide an honest assessment of your experience
- Written suggestions and comments are greatly appreciate and allow us to improve your experience

75

KEY POINTS
Our last task is to complete the course evaluation.
We use the information from both to evaluate the effectiveness of the course and to make improvements so please provide specific written feedback if applicable.

My Notes

Course Eval - TICS/SICS 2-Day Course

When survey is active, respond at **PollEv.com/nigc**

Start the presentation to activate live content

If you see this message in presentation mode, install the add-in or get help at PollEv.com/app

↻ 0 surveys underway

Poll Title: Course Eval - TICS/SICS 2-Day Course
https://www.polleverywhere.com/surveys/dgJUT13ez

My Notes