NATIONAL INDIAN GAMING COMMISSION

Participant Workbook
Portland Regional Training Course
Track 1

Dear Training Course Participant,

Over twenty five years ago Congress adopted the Indian Gaming Regulatory Act (IGRA) to provide statutory support for gaming by Indian tribes. The National Indian Gaming Commission (NIGC) was created by IGRA to partner with tribal regulators to regulate gaming activities conducted by sovereign Indian tribes on Indian lands. The mission of the NIGC is to fully realize IGRA's goals of: (1) promoting tribal economic development, self-sufficiency and strong tribal governments; (2) maintaining the integrity of the Indian gaming industry; and (3) ensuring that tribes are the primary beneficiaries of their gaming activities.

One of the primary ways the NIGC does this is by providing training and technical assistance to Indian tribes and their gaming regulators.

A properly trained and informed workforce is the most successful key to regulation and the assurance of compliance. Focused, targeted and responsive training and technical assistance programs provide a foundation that maintains the integrity and success of Indian gaming.

Through dedication and hard work, Indian gaming has experienced notable and successful growth thanks to the partnership of dedicated employee's, regulators and tribal governments and the NIGC. Our continued success depends on grabbing the growing momentum and "*Work Together for Success"*, now and into the coming future.

With this backdrop in mind, we encourage you to take advantage of the NIGC training opportunities highlighted by this course. The Commission recognizes your work is essential to the success of Indian gaming and encourages you to use the tools you will receive and knowledge you will gain from this course to further regulatory excellence in Indian gaming.

Jonodev Osceola Chaudhuri
NIGC Chairman

Kathryn Isom-Clause
Associate Commissioner

E. Sequoyah Simermeyer
Associate Commissioner

Course Rationale

The National Indian Gaming Commission (NIGC) Regional Training Course is designed to provide a common foundation of knowledge and skills to prepare Tribes to work together to effectively understand and meet requirements to ensure compliance and provide a successful basis for economic development.

NIGC Training is built around adult learning principles, with knowledge delivery for understanding and everywhere possible, application level exercises, workshops and opportunities to collaborate in or for each attendee to have an opportunity to achieve understanding, doing and getting feedback on results – and doing again! Working together and using the skills and knowledge applicable to improve processes as soon as they return to work.

The 6 key benefits to the NIGC Training Model:

1. Provides real focus on issues and concerns important to attendees for meeting compliance.
2. Builds a sense of shared experience and language around the tools and methodologies.
3. Develops an understanding of the trends and concerns impacting Tribes and Indian Country in gaming.
4. Provides a safe environment for query, experimentation and failure.
5. Encourages application and testing in a true problem solving focus.
6. Provides a venue to develop relationships that improve communication, commitment and productivity.

Course Descriptions

The Regional Training Course is designed around information and knowledge sharing dealing with current and ongoing issues and concerns in Indian Gaming, critical learning areas for compliance, and new and trending changes in regulation. Infused with real time information, current opportunities and ground breaking tools, the course provides all attendees flexible and relevant learning options. The course is designed for novice and veteran staff. The course will offer instruction in the following content areas:

Portland Region Guidance on the Issues

The course is a panel discussion of the issues within the region. Participants will gain an understanding and discuss solutions surrounding issues they face in their region. It will highlight regional performance with comparative statistics to better gain an understanding of trends in the region. Topics will include the following: compliance issues with recommendations, legal issues with recommendations and audit issues with recommendations.

The Power of Observation: What Pre-Criminal Behavior Looks Like

No course description available at time of print.

Human Trafficking

Subject matter experts from the Bureau of Indian Affairs, U.S. Department of the Interior will provide the latest information on what Human Trafficking is and how to detect and combat this pervasive criminal activity.

Active Shooter Training

Law Enforcement personnel from the Federal Protective Services, U.S. Department of Homeland Security will provide expert advice in developing policies and procedures for an active shooter situation.

TRACK 1

AUD-120 Internal Audit: A to Z Approach

Internal Audit is an integral component toward protecting the assets of the gaming operation by examining policies and procedures, testing internal controls and monitoring compliance with policies and regulations. The Internal Audit function can provide information to improve your operation's internal controls. 25 CFR Part 543.23 provides guidance; however, it was never intended to define the Internal Audit function. This is a 2-day course that will discuss the role internal audit plays along with the Tribal Gaming Regulatory Agency (TGRA) and Gaming Operation Management in the protection of assets. Additionally, the importance of planning, testing, documenting and reporting of the internal audit work will be examined to further the understanding of how each element enhances the usefulness of the final product.

TRACK 2

OGC-104 Requirements of IGRA and Pitfalls of Non-Compliance

Participants will learn how to avoid enforcement actions through compliance. The course will give participants an overview of the requirements of IGRA and how non-compliance with one or more of these requirements can be a violation of IGRA.

Participants will learn what happens when an IGRA violation is identified by the NIGC. The course provides an overview of the NIGC's enforcement process; the remedies available to the NIGC for a violation of IGRA; and the steps that can be taken by a tribe or 3rd party to overcome an IGRA violation and avoid an enforcement action.

IT-109 How to Audit to 543.20

The NIGC Information Technology (IT) division is pleased to offer this new and exciting course Auditing 543.20. This instructor led course will review all sections of CFR543.20 and explore some of the problems identified during an NIGC IT Audit. The class provides real world examples of vulnerabilities documented by the IT Audit team and offers best practices to utilize as a guideline for assuring your operations and IT security. Audience participation is vital in working through class exercises and engaging individual views while reigniting IT awareness within casino operations.

OGC-103 Legal Opinions

This course describes the three most common legal opinions requested of, and issued by, the NIGC's Office of General Counsel (OGC): declination letters, Indian lands opinions and gaming opinions It also describes the process for obtaining a legal opinion from OGC: from submitting a written request, to receiving a written opinion, and everything that happens in between.

CMP-106 Detecting Gamesmanship: A Practical Approach

This course builds on the initiative training provided during FY2016: "Preventing Gamesmanship on the Backs of Tribes". The focus of this course is to provide TGRAs with tools to determine if Gamesmanship is occurring, to identify additional steps to be taken and documents to request, and to understand what steps can be taken to prevent gamesmanship at their properties. Attendees will learn how to review their gaming ordinance and regulations to identify sections that provide the needed authority to request and review contracts and agreements for violations of the Indian Gaming Regulatory Act (IGRA). Practical exercises will be conducted that will assist the attendee identify problematic language in contracts that indicate unapproved management, violations of the tribe's sole propriety interest and/or misuse of gaming revenue. At the end of this interactive course, the attendee will have tools necessary to identify Gamesmanship and know what actions can be taken to remedy or prevent instances of Gamesmanship and violations of IGRA.

AUD-108 Drop and Count – Class II

During this presentation, discussion will revolve around 543.17 MICS specific to the drop and count process. Topics will include, but are not limited to: card game drop, count room controls, key control standards, emergency drop and count procedures and player interface and financial instrument storage drop and count procedures. Attendees will gain an enhanced understanding of the inherent risks associated with the drop and count process and how the 543.17 MICS are intended to mitigate those risks.

AUD-118 Auditing Revenue – Class II

Participants will discuss 25 CFR part 543.24, MICS, specific to auditing revenue for Class II facilities. Topics will include, but not limited to: supervision, independence requirements of auditors, and documentation requirements across the various cash relevant areas of 543.

How to Get the Most Out of This Course

- **Take the right approach to learning.** To meet each attendee's needs, we provide a number of different learning tools. These include well-researched and professionally prepared materials and presentations by skilled and experienced subject matter experts. Although you'll have a preferred style of learning, we hope you'll take advantage of *all* the tools we offer.

- **Make a note of this.** This workbook and related materials will enable you to take notes, and have access to needed information. Instead of trying to take notes word-for-word, it is recommended that you list key points for later memory jogging. We will try and ensure you have as much information as you need to lessen the need for lengthy notes.

- **Don't hesitate, participate.** The course will be more interesting and productive when everyone participates. If you don't understand something, there is a good chance someone else does not either, so do everyone a favor and ask questions. Additionally, don't hesitate to answer our questions and share your relevant knowledge and experience with all of us.

- **Take a break.** Everyone has a limit to how much they can sit still and absorb. So use the break, network, share ideas, and get some fresh air. You can help keep us running smoothly by coming back on time.

- **Join in with the group.** Stay enthusiastic and involved.

- **Attendance.** You must fully attend the course, and where applicable, pass a final exam for full credit and to receive a training certificate. Please do your best to be on time for class and try to be here for the entire course.

- **Cell phones, PDA's and iPad's.** In an effort to minimize disruptions to class, please turn off all cell phones and PDA's. If they are your only emergency contact, please set them to vibrate. IPad's may be used, but should be for note taking.

Please note: This course is conducted in English with instruction facilitated by verbal and written communications.

Course Structure

The Regional Training Course is a 3 day course developed to provide an encompassing event surrounding current, trending and critical knowledge areas in Indian gaming. Providing full staff learning opportunities, as well as focus area learning tracks, the course is designed to give tribal gaming regulators and operations personnel, commissions and staff a wide variety of subject needs to meet concerns and relevant areas of interest in Indian gaming.

Each instruction topic is focused around identified concern areas, new content and regulations and a variety of mechanisms for change, improvement and compliance for success. Each block focuses on various staff roles and responsibilities, focusing on similarities, differences, and opportunities for collaboration and sharing of practices and improvements. Most topic areas will pair an equal amount of time to facilitated lecture and action based learning.

The primary training methodologies will be interactive lecture, small group discussion, and case study. Action based learning will be facilitated through small groups and case study. Final learning will be measured through exercise completion and observation.

Regional Training Course Agenda

	START TIME	PORTLAND REGIONAL TRAINING COURSE June 6- 8, 2017 Sprit Mountain Casino 27100 Salmon River Hwy Grand Ronde, OR 97347	
Day One	09:00	Course Opening/Welcome	
	09:15	Regional Guidance on the Issues	
	10:45	The Power of Observation: What Pre-Criminal Behavior Looks Like Presented by Abe Martin	
	12:00	*Lunch (On Your Own)*	
	1:00	Human Trafficking - BIA	
	2:30	Active Shooter Training - FPS	
	4:00	**Day Wrap up, Q&A, Next Day Prep**	
Day Two		**DAY TWO- TRACKS**	
	9:00	Internal Audit: A to Z Approach	OGC-104 Requirements of IGRA and Pitfalls of Non-Compliance
	11:00		How to Audit to 543.20
	12:00	*Lunch (On Your Own)*	*Lunch (On Your Own)*
	1:00	Internal Audit: A to Z Approach	How to Audit to 543.20
	2:00		
	3:00		OGC-103 Legal Opinions
	4:00	**Q&A**	**Q&A**
Day Three		**DAY THREE- TRACKS**	
	9:00	Internal Audit: A to Z Approach	Detecting Gamesmanship
	10:00		
	11:00		Drop and Count
	12:00	*Lunch (On Your Own)*	*Lunch (On Your Own)*
	1:00	Internal Audit: A to Z Approach	Drop and Count
	2:00		Auditing Revenue
	3:00		
	4:00	**Course Close**	

National Indian Gaming Commission

Portland:

Regional Guidance on the Issues

Panel Discussion

18 Apr 2017

Commission's Initiatives

- Rural Outreach
- Staying ahead of the Technology Curve
- Supporting a strong workforce both in-house and among our regulatory partners
- Protect against anything that amounts to gamesmanship on the back of tribes

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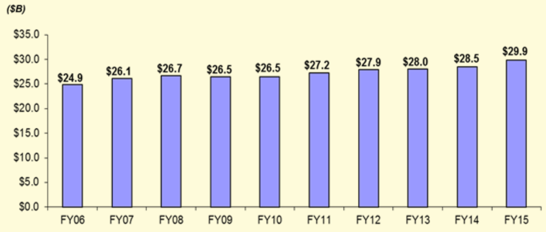
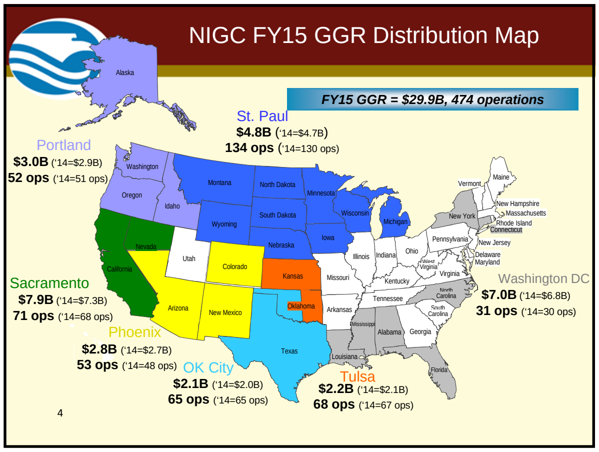
FY2015 GGR

FY15: **Indian gaming industry's largest year-over-year GGR increase during past 10 years.**



NIGC FY15 GGR Distribution Map

FY15 GGR = $29.9B, 474 operations


Alaska
St. Paul
$4.8B ('14=$4.7B)
134 ops ('14=130 ops)
Portland
$3.0B ('14=$2.9B)
52 ops ('14=51 ops)
Washington
Oregon
Idaho
Montana
North Dakota
South Dakota
Minnesota
Wisconsin
Michigan
Wyoming
Nebraska
Iowa
Nevada
California
Utah
Colorado
Kansas
Missouri
Illinois
Indiana
Ohio
Kentucky
West Virginia
Virginia
Pennsylvania
New York
Vermont
Maine
New Hampshire
Massachusetts
Rhode Island
Connecticut
New Jersey
Delaware
Maryland
Washington DC
$7.0B ('14=$6.8B)
31 ops ('14=30 ops)
Sacramento
$7.9B ('14=$7.3B)
71 ops ('14=68 ops)
Arizona
New Mexico
Oklahoma
Arkansas
Tennessee
North Carolina
South Carolina
Mississippi
Alabama
Georgia
Phoenix
$2.8B ('14=$2.7B)
53 ops ('14=48 ops)
Texas
Louisiana
Florida
OK City
$2.1B ('14=$2.0B)
65 ops ('14=65 ops)
Tulsa
$2.2B ('14=$2.1B)
68 ops ('14=67 ops)

Portland Region

- **Oregon, Washington, Idaho and Alaska**
- 48 Tribes- Operating 53 gaming facilities:

Class II (only)	**10**
Class III (only)	**20**
Class II and III	**23**

Portland Region

- **Backgrounds & Licensing**

October 2015 to September 2016:

Fingerprints Processed – 2,770
NORs Received – 3,811
NGLI Received – 3,055

October 2016 to March 2017:

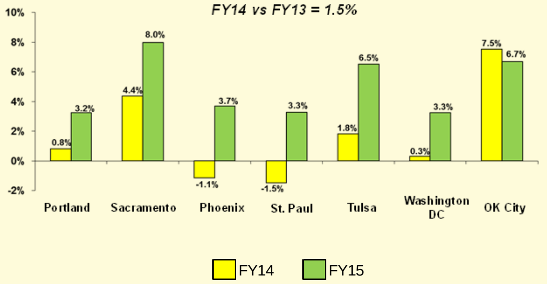
Fingerprints Processed – 2,860
NORs Received – 3,178
NGLI Received – 2,808

GGR Growth Rate By Region

Overall Growth Rate

FY15 vs FY14 = 5.0%

FY14 vs FY13 = 1.5%



Regional Compliance Issues/Guidance

ISSUE:

- Submissions of Facility License/Attestation
- Submission of NOR/NGLI
- Submission of AFS, Fees & Worksheets
- Internal control compliance
- TGRA/Management/Govt. relationship
- Gamesmanship

GUIDANCE:

- Expiration/Renewal
- Timeliness/Systemic review, Reminders and offer of Assistance
- IA, CPA, Compliance Staff-543 testing, identify, remedy, follow-up
- NIGC assistance/Site Specific Training
- Review the contracts

Office of General Counsel

Requesting OGC Opinions:

www.nigc.gov/images/uploads/game-opinions/SubmittingRequestforLegalOpinionDec112013.pdf

- Indian Lands
- Game Opinions
- Declination Letters

Office of General Counsel

OGC Technical Assistance

- Informal Gaming Ordinance Review
- Regional Training Courses
- Other Questions or Concerns

Technology Division

ITVA's 2016

Requests – 1
Completed - 0

Common ITVA Issues Identified

- Microsoft Patches not updated
- Virtual Network Computers unsecured
- Remote username/passwords unencrypted

2016 Regulating Gaming Trainings (RGT's) Questions

1. Forensics
2. Class II Systems
3. IT Threats

Common Compliance Assessments (ICA's) Issues Encountered

1. Remote Access
2. Policy and Procedures
3. Logical Security – proper username/passwords in place

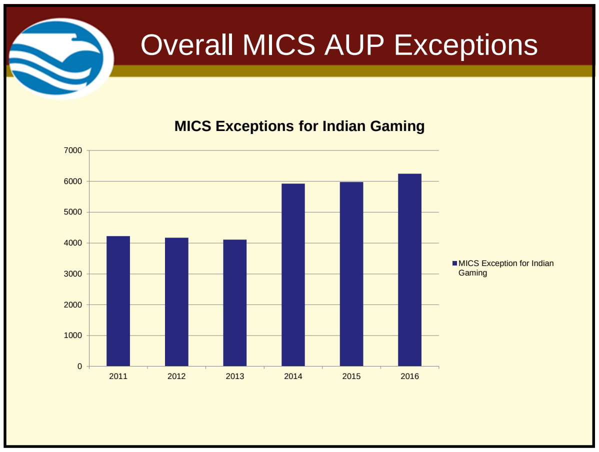
2016 IT General Interactions

1. Remote Access
2. Network Security
3. Vendor Issues

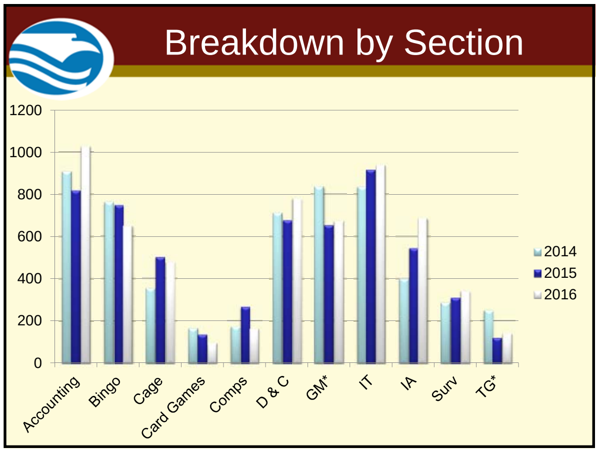
Technology Division provides free IT Vulnerability Assessments that assist with identifying IT Network deficiencies sign up at http://www.nigc.gov

Audit

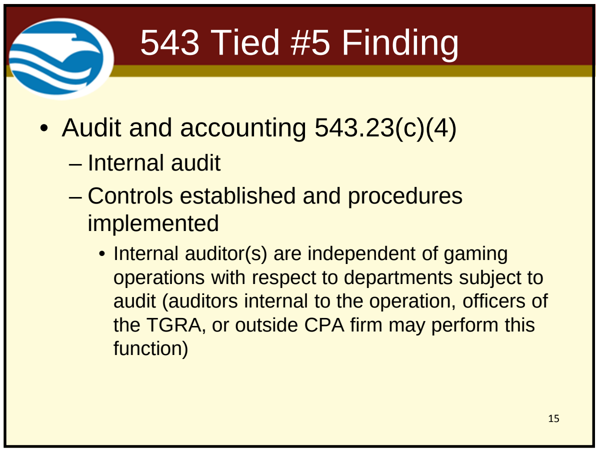
- Internal Control Assessments
  - Limited Scope review of specific areas



Overall MICS AUP Exceptions

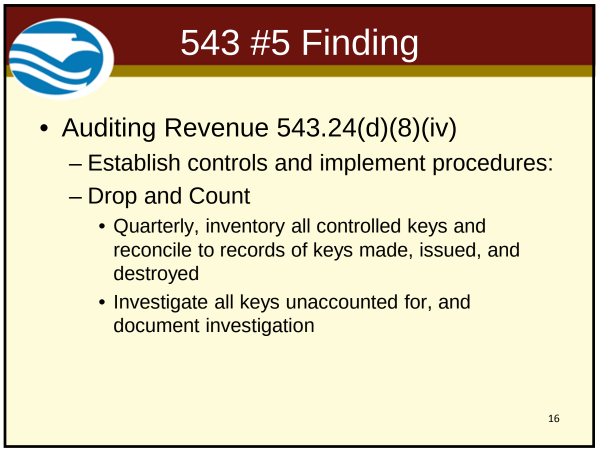


Breakdown by Section



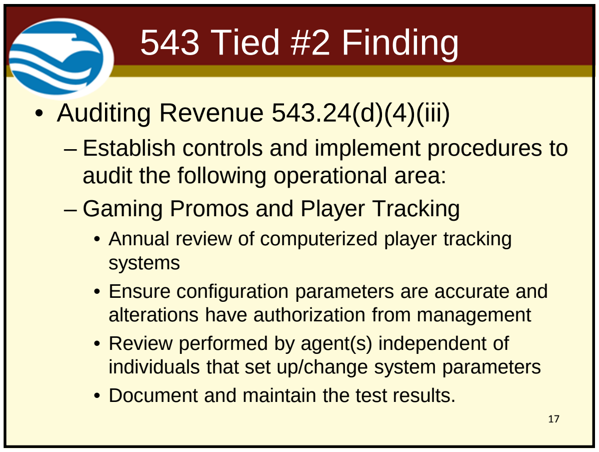
543 Tied #5 Finding

- Audit and accounting 543.23(c)(4)
  - Internal audit
  - Controls established and procedures implemented
    - Internal auditor(s) are independent of gaming operations with respect to departments subject to audit (auditors internal to the operation, officers of the TGRA, or outside CPA firm may perform this function)



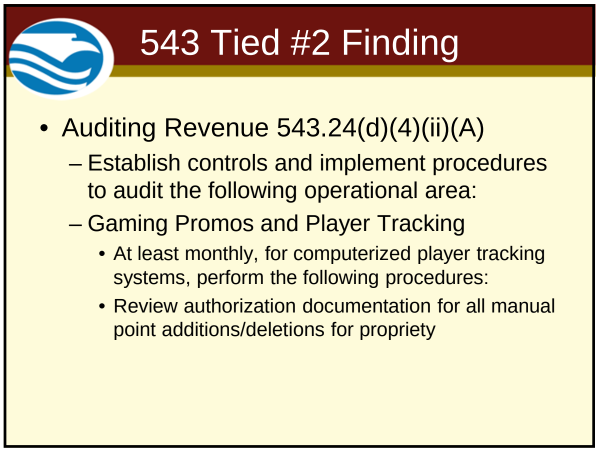
543 #5 Finding

- Auditing Revenue 543.24(d)(8)(iv)
  - – Establish controls and implement procedures:
  - – Drop and Count
    - Quarterly, inventory all controlled keys and reconcile to records of keys made, issued, and destroyed
    - Investigate all keys unaccounted for, and document investigation



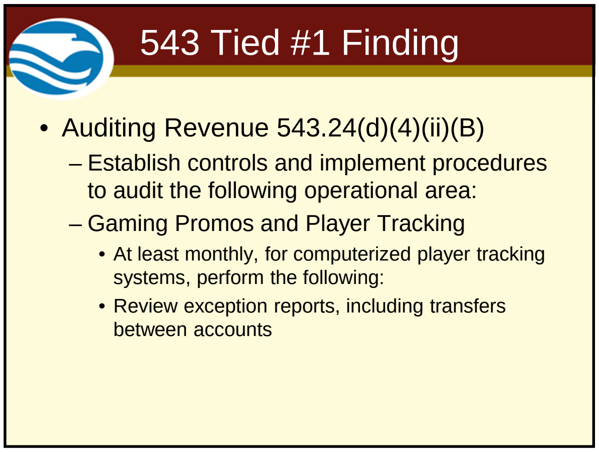
543 Tied #2 Finding

- Auditing Revenue 543.24(d)(4)(iii)
  - – Establish controls and implement procedures to audit the following operational area:
  - – Gaming Promos and Player Tracking
    - Annual review of computerized player tracking systems
    - Ensure configuration parameters are accurate and alterations have authorization from management
    - Review performed by agent(s) independent of individuals that set up/change system parameters
    - Document and maintain the test results.



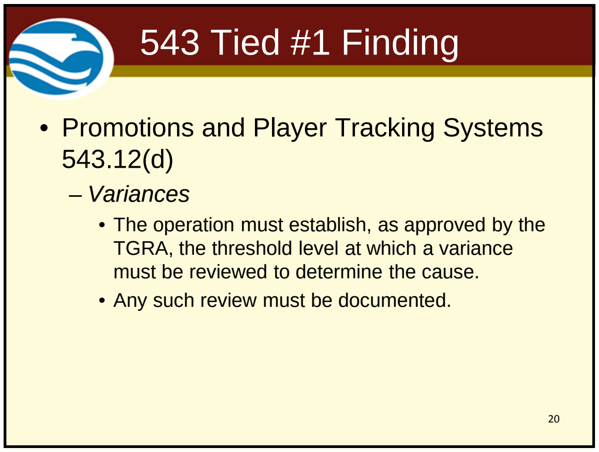
543 Tied #2 Finding

- Auditing Revenue 543.24(d)(4)(ii)(A)
  - – Establish controls and implement procedures to audit the following operational area:
  - – Gaming Promos and Player Tracking
    - At least monthly, for computerized player tracking systems, perform the following procedures:
    - Review authorization documentation for all manual point additions/deletions for propriety



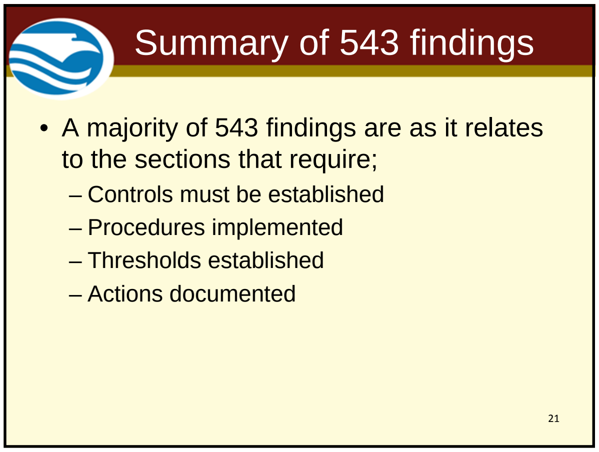
543 Tied #1 Finding

- Auditing Revenue 543.24(d)(4)(ii)(B)
  - Establish controls and implement procedures to audit the following operational area:
  - Gaming Promos and Player Tracking
    - At least monthly, for computerized player tracking systems, perform the following:
    - Review exception reports, including transfers between accounts



543 Tied #1 Finding

- Promotions and Player Tracking Systems 543.12(d)
  - *Variances*
    - The operation must establish, as approved by the TGRA, the threshold level at which a variance must be reviewed to determine the cause.
    - Any such review must be documented.



Summary of 543 findings

- A majority of 543 findings are as it relates to the sections that require;
  - Controls must be established
  - Procedures implemented
  - Thresholds established
  - Actions documented

NIGC Training Program

- Revising training approach to be more process driven.
  - “How To” instead of “How Come”
- New workshops Internal Audit (16hr training) TICS/SICS
- In the future Learning Management System
- A call for suggestions!

Questions

Regional Offices

WASHINGTON NATIONAL OFFICE
WASHINGTON, DC 20005
PHONE: (202) 632-7003

PORTLAND REGIONAL OFFICE
PORTLAND, OR 97205
PHONE: (503) 326-5095

SACRAMENTO REGIONAL OFFICE
SACRAMENTO, CA 95814
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OK CITY REGIONAL OFFICE
OKLAHOMA CITY, OK 73102
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PHOENIX REGIONAL OFFICE
PHOENIX, AZ 85012
PHONE: (602) 640-2951

TULSA REGIONAL OFFICE
TULSA, OK 74103
PHONE: (918) 581-7925

ST. PAUL REGIONAL OFFICE
ST. PAUL, MN 55101
PHONE: (651) 290-4004

Training Course Evaluation Form

	Course	**Regional Guidance on the Issues**
	Instructor	

Instructor	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
1. The instructor was knowledgeable and well prepared.					
2. The instructor engaged participants and they responded well to questions.					
Please provide specific suggestions or recommendations for the instructor in the space below:					

Course Materials	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
3. The course content, topics and activities were engaging and met my expectations.					
4. I found the information provided in the course to be valuable and I should be able to apply it to my job.					
Please provide specific suggestions or recommendations for the course content in the space below:					

Course Pacing	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
5. The course was well paced and there were adequate breaks throughout.					
Please provide specific suggestions or recommendations for the course pacing in the space below:					

Overall Course Rating	Excellent	Good	Fair
How would you rate this course overall?			

Overall Course Impression

Please provide any comments, suggestions or ideas to help improve this training course.

Training Course Evaluation Form

	Course	The Power of Observation: What Pre-Criminal Behavior Looks Like
	Instructor	

Instructor	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
1. The instructor was knowledgeable and well prepared.					
2. The instructor engaged participants and they responded well to questions.					
Please provide specific suggestions or recommendations for the instructor in the space below:					

Course Materials	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
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Please provide specific suggestions or recommendations for the course pacing in the space below:					

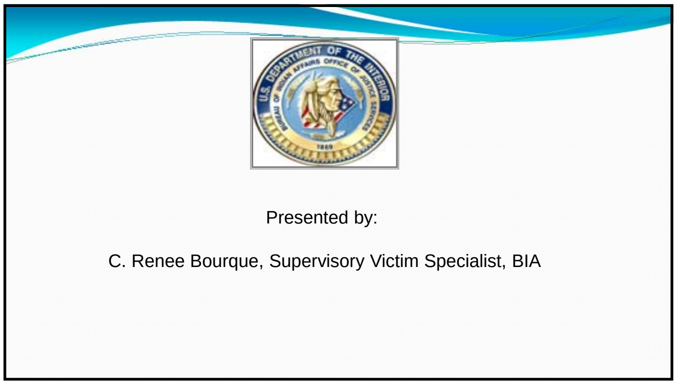
Overall Course Rating	Excellent	Good	Fair
How would you rate this course overall?			

Overall Course Impression

Please provide any comments, suggestions or ideas to help improve this training course.

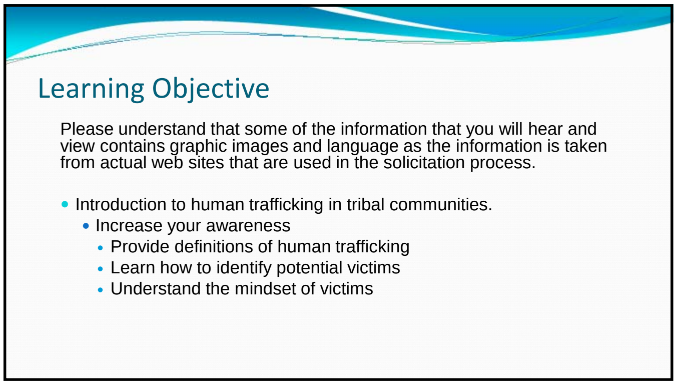
Human Trafficking

National Indian Gaming Commission
Grand Ronde, OR
June 6, 2017



Presented by:

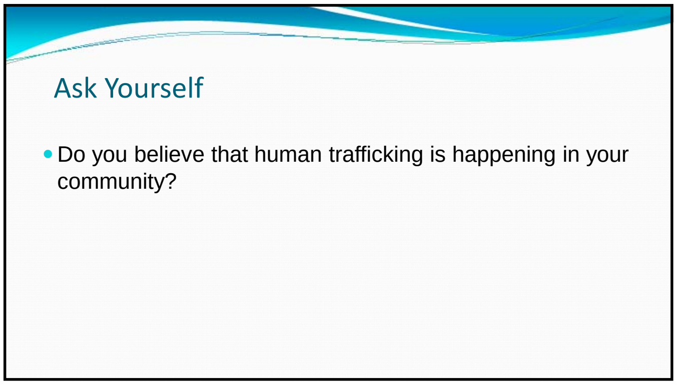
C. Renee Bourque, Supervisory Victim Specialist, BIA



Learning Objective

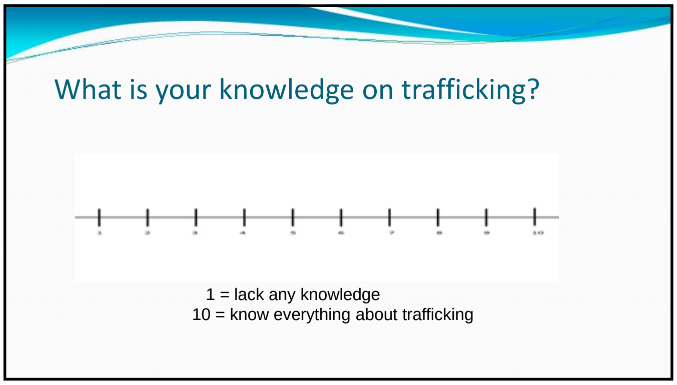
Please understand that some of the information that you will hear and view contains graphic images and language as the information is taken from actual web sites that are used in the solicitation process.

- Introduction to human trafficking in tribal communities.
  - Increase your awareness
    - Provide definitions of human trafficking
    - Learn how to identify potential victims
    - Understand the mindset of victims



Ask Yourself

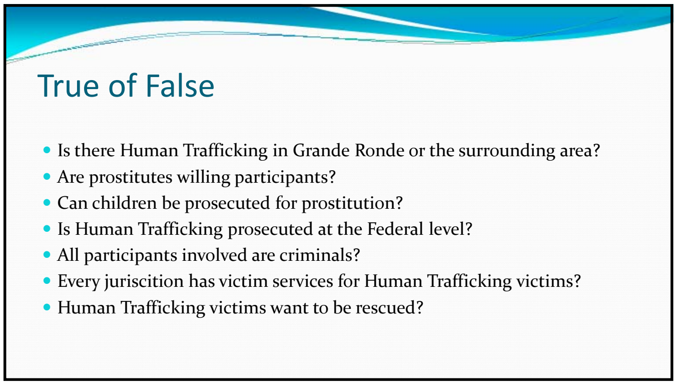
- Do you believe that human trafficking is happening in your community?



What is your knowledge on trafficking?

1
2
3
4
5
6
7
8
9
10

1 = lack any knowledge
10 = know everything about trafficking



True of False

- Is there Human Trafficking in Grande Ronde or the surrounding area?
- Are prostitutes willing participants?
- Can children be prosecuted for prostitution?
- Is Human Trafficking prosecuted at the Federal level?
- All participants involved are criminals?
- Every jurisicition has victim services for Human Trafficking victims?
- Human Trafficking victims want to be rescued?

Language

- **Pimp**: (Gorilla Pimp / Romeo Pimp) A person who controls and financially benefits from the commercial sexual exploitation of another person.
- **Bottom Bitch:** A female appointed by the trafficker/pimp to supervise the others and report rule violations.
- **Branding:** A tattoo or carving on a victim that indicates ownership by a trafficker/pimp/gang.
- **Daddy:** The term a pimp will often require his victim to call him.
- **Date:** The exchange when prostitution takes place, or the activity of prostitution. A victim is said to be "with a date" or "dating." (John, Trick)

Language continued

- **The LIFE:** The subculture of prostitution, complete with rules, a hierarchy of authority, and language. Women and girls will say they've been "in the life" if they've been involved in prostitution for a while.
- **Turn Out:** To be forced into prostitution or a person newly involved in prostitution.
- **Wifey's/Wife-in-Law/Sister Wife**: What women and girls under the control of the same pimp call each other

Native American Trafficking – Video (8:16)

Statistics

- Trafficking is a continuation of a lengthy history for Native people, with colonization of America through wars, forced removal from homelands to reservations, boarding schools and forced urban relocation.

Commercial Sex Trade Data

- A review of community impact data taken from four formal studies demonstrates the disproportionate impact the commercial sex trade has on indigenous communities in both the U.S. and Canada.
  - In Hennepin County, Minnesota, roughly 25 percent of the women arrested for prostitution identified as American Indian while American Indians comprise only 2.2 percent of the total populations.
  - In Anchorage, Alaska, 33 percent of the women arrested for prostitution were Alaska Native, but Alaska Natives make up only 7.9 percent of the population.

Statistics (cont.)

- Canadian studies show similar results.
- In Winnipeg, 50 percent of adult sex workers were defined as Aboriginal, while Aboriginal peoples comprise only 10 percent of the population and 52 percent of the women involved in the commercial sex trade in Vancouver were identified as First Nations, while First Nations people comprise only 7 percent of the general population.
- Although many individuals involved in prostitution are not victims of sex trafficking, it is telling that Native women are so disproportionately represented among the population. It is necessary to examine what leads these women to this work and whether they have any other viable opportunities for economic advancement within their communities.

Source: Human Trafficking Center Blog 2/14/17, Victoria Sweet, JD

22 U.S. Code Chapter 78
Trafficking Victims Protection Act (TVPA)

- The Trafficking Victims Protection Act is the most important anti-trafficking law ever passed. The TVPA, criminalized human trafficking with its passage in 2000 and establishes victim protection for men, and women, adults and children, citizens, and non-citizens alike.
- Establishes a three-prong approach prevention, protection and prosecution.
  - §7101. Purposes and findings
    - (a) The purposes of this chapter are to combat trafficking in persons, a contemporary manifestation of slavery whose victims are predominantly women and children, to ensure just and effective punishment of traffickers, and to protect their victims.

Definitions

Sex Trafficking

The recruitment, harboring, transportation, provision, obtaining, patronizing, soliciting, or advertising of a person for a commercial sex act induced by **force, fraud, or coercion**, or in which the person induced to perform such an act has not attained 18 years of age.

- Under 18 years of age it is a crime, and law enforcement does not have to prove force, fraud or coercion.

Labor trafficking

The recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of **force, fraud, or coercion** for the purpose of subjection to **involuntary** servitude, peonage, debt bondage, or slavery.

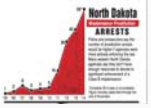
Examples of Sex and Labor Trafficking

SEX TRAFFICKING:

Child sex tourism, massage parlors, street prostitution, recruitment of tribal members from casinos into city limits; parents trading children for food, drugs, alcohol, wood, utilities, runaway or homeless youth (aging out of foster care) "man camps".

LABOR TRAFFICKING:

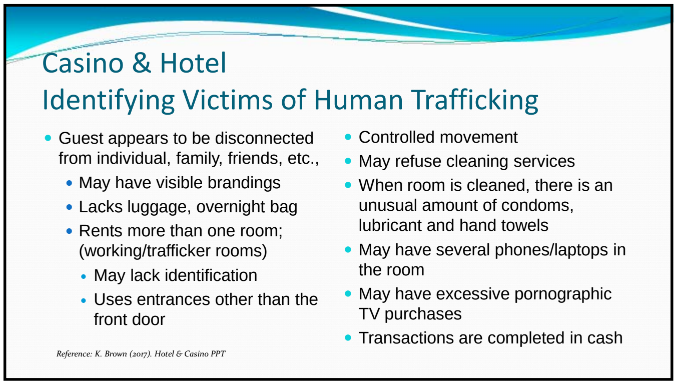
Agriculture, begging/street peddling, beauty salons, construction, custodial work, elder care, exotic dancing, food industry/restaurant work, traveling sales crews, oil fields, etc.



A-M-P Model

Action*	Means **	Purpose
RECRUITS	**FORCE** Physical assault, sexual assault, confinement	A Commercial
HARBORS	**FRAUD** False promises about work/living conditions, withholding promised wages	Sex Act
TRANSPORTS		Labor or
PROVIDES	**COERCION** Threats of harm or deportation, debt bondage, psychological manipulation, confiscation of documents	Services
OBTAINS		

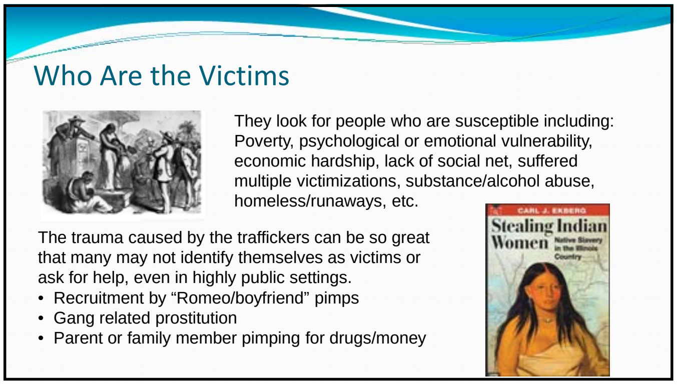
- ** Additional actions that constitute sex trafficking, but not labor trafficking, include patronizes, solicits, and knowingly advertises.*
- *** Neither force, nor fraud, nor coercion are required to be shown for minors under the age of 18 induced into commercial sex acts.*



Casino & Hotel
Identifying Victims of Human Trafficking

- Guest appears to be disconnected from individual, family, friends, etc.,
  - May have visible brandings
  - Lacks luggage, overnight bag
  - Rents more than one room; (working/trafficker rooms)
    - May lack identification
    - Uses entrances other than the front door
- Controlled movement
- May refuse cleaning services
- When room is cleaned, there is an unusual amount of condoms, lubricant and hand towels
- May have several phones/laptops in the room
- May have excessive pornographic TV purchases
- Transactions are completed in cash

Reference: K. Brown (2017). Hotel & Casino PPT



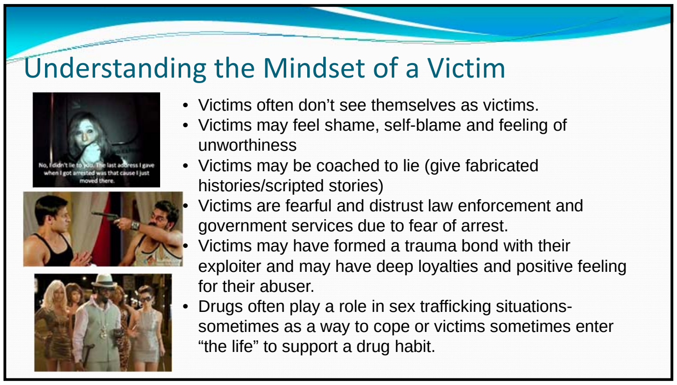
Who Are the Victims

They look for people who are susceptible including: Poverty, psychological or emotional vulnerability, economic hardship, lack of social net, suffered multiple victimizations, substance/alcohol abuse, homeless/runaways, etc.

The trauma caused by the traffickers can be so great that many may not identify themselves as victims or ask for help, even in highly public settings.

- Recruitment by “Romeo/boyfriend” pimps
- Gang related prostitution
- Parent or family member pimping for drugs/money

CARL J. EKBERG
Stealing Indian Women
Native Slavery in the Illinois Country



Understanding the Mindset of a Victim

- Victims often don’t see themselves as victims.
- Victims may feel shame, self-blame and feeling of unworthiness
- Victims may be coached to lie (give fabricated histories/scripted stories)
- Victims are fearful and distrust law enforcement and government services due to fear of arrest.
- Victims may have formed a trauma bond with their exploiter and may have deep loyalties and positive feeling for their abuser.
- Drugs often play a role in sex trafficking situations- sometimes as a way to cope or victims sometimes enter “the life” to support a drug habit.

No, I didn't lie to you. The last address I gave when I got arrested was that cause I just moved there.

Human Trafficking in Montana: Part 2 (4:16)

Source: Completed at ABC FOX Montana, Great Falls, June 7, 2016

What is the Connection

- Intimate partner violence is NOT asked for.
- Human trafficking is NOT voluntary.
- Perpetrators use a relationship of trust to their advantage (e.g. economic gain through a girlfriend or employee).
- Abusers and traffickers can be anyone.
- Victims can be ANYONE (e.g. children, women and men of all nationalities, socio-economic status, rage, age, and faith).
- Perpetrators and traffickers often threaten victims into a life of silence and compliance.
- Intimate partner violence and human trafficking violate a person's freedom.
- Victims may have experienced attacks of violence across their lifespan: street violence; sexual assault, war; political turmoil

Victims/survivors need assistance from various people, agencies, and organizations.

What do you do?

If you believe the person is in imminent danger, contact your local law enforcement or call 911

- If the person is a minor, and child abuse or neglect is suspected:
  - contact your local/tribal/county social services or child protection agency.
- If the person is a minor and human trafficking is suspected:
  - contact your social services/child protection and local/tribal law enforcement.
- If the person is an adult and human trafficking is suspected:
  - contact the appropriate law enforcement agency in your area and victim service organization.

How You Can Help

- Learn the indicators of human trafficking.
- Report suspicions to law enforcement by calling 911 or 24-hour National Human Trafficking Resource Center line at 1-888-373-7888.
- Be a conscientious and informed consumer.
- Volunteer and support anti-trafficking efforts in your community.
- Met with and/or write to your local, state, federal and tribal government representatives.
- Host an event to watch and discuss films about human trafficking.
- Be well-informed.
- Work with local religious communities.
- Businesses: provide jobs, internships, skills training, and other opportunities to trafficking survivors.
- Train Casino Personnel – employee orientation, badge replacement, etc.

Oregon Facts

PORTLAND HAS MORE COMMERCIA
SEX VENUES PER CAPITA THAN A
OTHER CITY IN THE U.S.

Human Trafficking & Native People in Oregon: A Human Rights Report

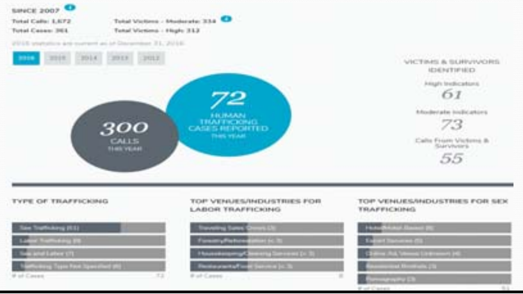
Human Trafficking & Native Peoples in Oregon: A Human Rights Report

May 2014

Prepared by the International Human Rights Clinic at Willamette University College of Law

http://willamette.edu/law/pdf/hrc/human-trafficking-native-peoples.pdf

Oregon Data – Polaris Project



SINCE 2007

Total Calls: 1,672
Total Cases: 361
Total Victims - Moderate: 334
Total Victims - High: 312

300 CALLS THIS YEAR

72 HUMAN TRAFFICKING CASES REPORTED THIS YEAR

VICTIMS & SURVIVORS IDENTIFIED

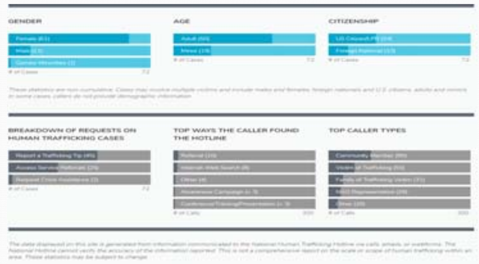
High Indicators 61
Moderate Indicators 73
Calls From Victims & Survivors 55

TYPE OF TRAFFICKING

TOP VENUES/INDUSTRIES FOR LABOR TRAFFICKING

TOP VENUES/INDUSTRIES FOR SEX TRAFFICKING

Oregon Data – Polaris Project



GENDER

AGE

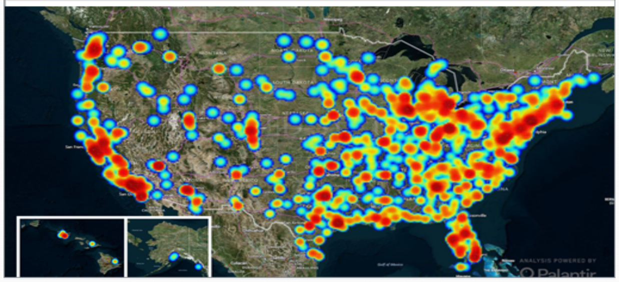
CITIZENSHIP

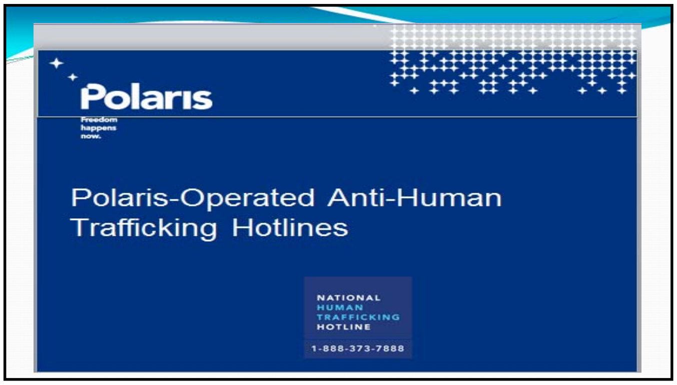
BREAKDOWN OF REQUESTS ON HUMAN TRAFFICKING CASES

TOP WAYS THE CALLER FOUND THE HOTLINE

TOP CALLER TYPES

Over 7,500 Human Trafficking Hotline Cases in 2016 in the U.S.

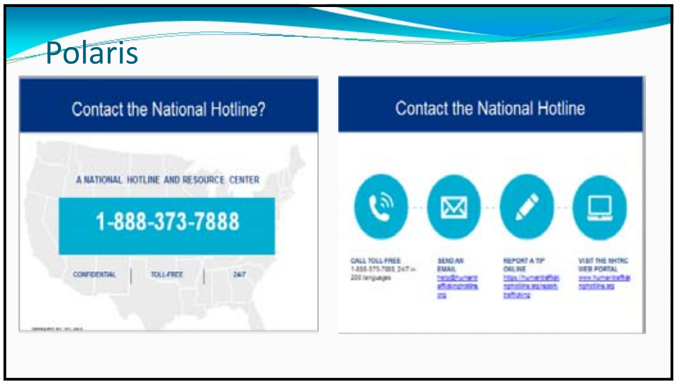




Polaris
Freedom happens now.

Polaris-Operated Anti-Human Trafficking Hotlines

NATIONAL
HUMAN
TRAFFICKING
HOTLINE
1-888-373-7888



Polaris

Contact the National Hotline?

A NATIONAL HOTLINE AND RESOURCE CENTER

1-888-373-7888

CONFIDENTIAL | TOLL-FREE | 24/7

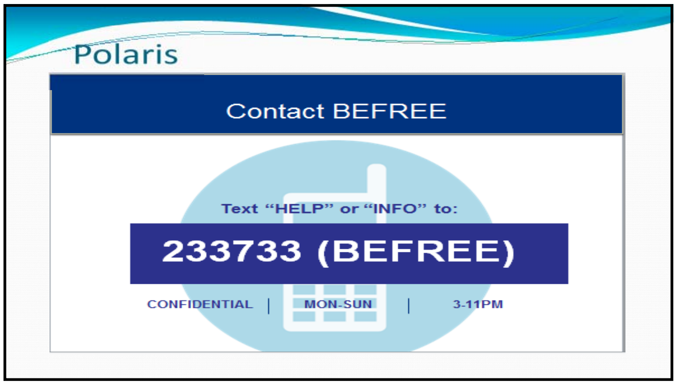
Contact the National Hotline

CALL TOLL-FREE
1-888-373-7888, 24/7 in 200 languages

SEND AN EMAIL
help@humantraffickinghotline.org

REPORT A TIP ONLINE
https://humantraffickinghotline.org/report-trafficking

VISIT THE NHTRC WEB PORTAL
www.humantraffickinghotline.org



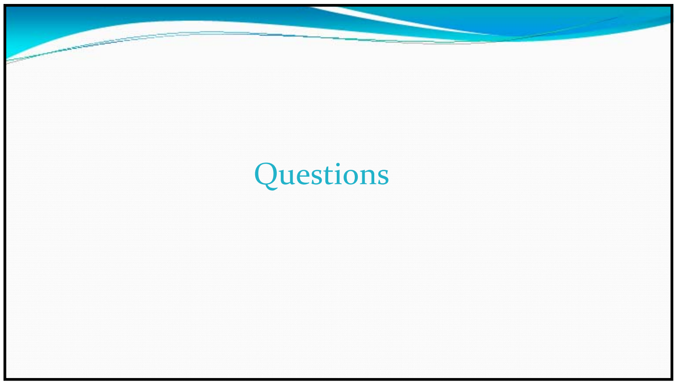
Polaris

Contact BEFREE

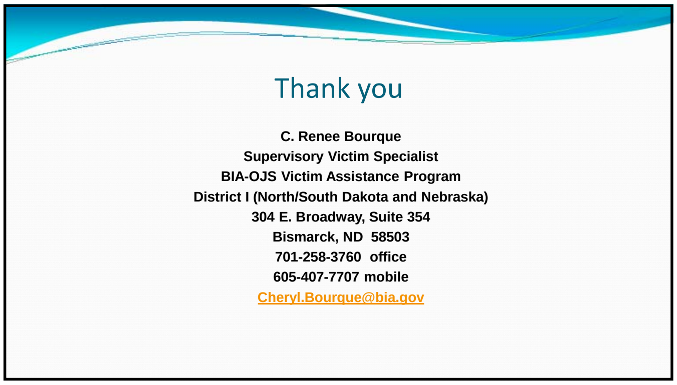
Text "HELP" or "INFO" to:

233733 (BEFREE)

CONFIDENTIAL | MON-SUN | 3-11PM



Questions



Thank you

C. Renee Bourque
Supervisory Victim Specialist
BIA-OJS Victim Assistance Program
District I (North/South Dakota and Nebraska)
304 E. Broadway, Suite 354
Bismarck, ND 58503
701-258-3760 office
605-407-7707 mobile
Cheryl.Bourque@bia.gov

Human Trafficking Resources - Oregon

Name	Address	Phone #	Website	Contact	Description
Go Glam: Stop Traffic					Is a Compassion First Campaign purposed to engage students and professionals of the beauty industry in advocacy and collaboration of child sex trafficking.
In Our Backyard					Raise awareness about human trafficking, and advocate for victims through work with law enforcement and legislation.
Lifework's Northwest – New Options for Women (NOW)	17214 SE Division Portland, OR 97236	503-761-5272 x 6935	http://www.lifeworksnw.org		The NOW Program provides services to women and girls who have been commercially, sexually exploited. Services offered include mental health and addictions treatment, peer mentoring, case management and wrap around services to assist participants in getting their basic needs met.
Oregon Abuse Advocates & Survivors In Service (OAASIS)	P. O. Box 2161, Portland, OR 97208	503-274-1179	http://oaasisoregon.org		Oregon Abuse Advocates and Survivors in Service (OAASIS) is a coalition of individuals and organizations dedicated to increasing public awareness of the realities of childhood sexual abuse to supporting and empowering survivors of such abuse, and to advocating for strong public policies and laws aimed at preventing it.
Oregon Center for Christian Voices (OCCV)	4619 N.Michigan St. Suite 5 Portland, OR 97217	503-222-2072	http://www.occv.org		The OCCV is an advocacy and awareness network that seeks to educate and empower the churches, schools and civic organizations to lobby for legislation regarding human trafficking and be a voice of the voiceless.

Human Trafficking Resources - Oregon

Name	Address	Phone #	Website	Contact	Description
Oregonians Against the Trafficking of Humans (OATH)	12240 NE Glisan St. Portland, OR 97230		www.oregonoath.org	oregonoath@gmail.c om	OATH is a statewide campaign that promotes public awareness regarding the realities of human trafficking within the state of Oregon. It provides training and education to Oregon citizens, coordinates victim resources, investigates trafficking cases to assist in the aggressive prosecution of human traffickers within Oregon and attempts to quantify, for statistical research, the scope of human trafficking that exists within the state of Oregon.
Transformation Network	P.O. Box 8561, Portland, OR 97207	503-933-9418		mailto:tinafitz@transformationpdx.net	Mission is to build a proven intervention and prevention program that reaches the young people most at risk of falling into the sex trade and guides them into becoming productive and empowered individuals.
Door to Grace	P.O. Box 12049 Portland, OR 97212	503-747-5474	www.doortograce.org	info@doortograce.org	The vision of Door to Grace is to “restore life to children” rescued from sex trafficking in Oregon. DTG is providing daytime support services for minor sex trafficking victim in Oregon, primarily in the Willamette Valley.
Hope Ranch Ministries	P. O. Box 595, Springfield, OR 97477	541-255-2151	http://www.hoperanchministries.com/story	info@hoperanchministries.com	Is a faith-based fellowship committed to providing safety, healing and hope for survivors of human trafficking and intensive sexual trauma. This ministry endeavors to provide a voice for those rendered mute by the horror of sexual exploitation.
Janus Youth Programs	707 NE Couch Street Portland, OR 97232	503-233-6090	www.janusyouth.org	feedback@janusyouth.org	Serves runaway and homeless youth ages 9 to 17, provides comprehensive 24-hour crisis intervention line (503-233-8111), emergency shelter for runaway and homeless youth and individual and family counseling.

Human Trafficking Resources - Oregon

Name	Address	Phone #	Website	Contact	Description
Redemption Ridge	711 Medford Center #264, Medford, OR 97504-6772	888-256-7921	http://www.redemptionridge.com	info@redemptionridge.com	Committed to helping young female survivors of sex trafficking redeem their dignity, hope and purpose as well as their emotional, physical and spiritual health.
Safety Compass			http://www.safetycompass.org	safetycompassoregon@gmail.com	Offers support for survivors of commercial sexual exploitation and sex trafficking, navigating the criminal and social justice systems in the mid-Willamette Valley.
Sexual Assault Resource Center	4900 SW Griffith Dr., Suite 100, Beaverton, OR 97005		www.sarcoregon.org	volunteer@sarcoreon.org	Promotes social justice by eliminating sexual violence through advocacy, education and support.
The Genesis Project	P.O. Box 6449 Kent WA 98064	206-592-2362	http://gpsseattle.net	info@gpseattle.net	shelter, restoration (education and rehabilitation) Release (safe homes)
Fight Against Sex Trafficking (FAST)	P.O. Box 998, Beaverton, OR 97075		http://fastnw.org	Wynne.fast@gmail.com	Promotes and networks organizations who are working directly with victims, and spreads awareness. All volunteer basis.
Called to Rescue	1400 NE 136th Avenue, Vancouver, WA 98684		http://www.calledtorescue.org	Ino.calledtorescue@gmail.com	Mission is to prevent the abduction of children into sex trafficking through training, safe houses and education, as well as the rescue of those already held prisoner, by all means available.
New Avenues for Youth	The Joyce N. Furman Building, 1220 SW Columbia Street, Portland, OR 97201	503-224-4339 or 800-995-7936	www.newavenues.org	info@newavenues.org	Provides a variety of outcome- based programs and services designed to empower youth to exit street life and lead healthy, independent lives.
Rehab's Sisters					Offers "radical hospitality" to vulnerable and exploited women in the Portland metro area, especially those that have been impacted by the sex industry, domestic violence, substance abuse and homelessness .

Human Trafficking Resources - Oregon

Name	Address	Phone #	Website	Contact	Description
Tomorrow's Hope	P.O. Box 8561, Portland, OR 97207	503-933-9418	http://www.tomorrows-hope.net/	info@tomorrows-hope.net	Sex trafficking intervention and prevention ministry of the Transformation Network, a 501 (c)(3) ministry focused on bringing transformation through payer and acts of justice.
Transitional Youth	14945 SW Sequoia Parkway #150, Portland, OR 97224	503-350-7268	www.transitionalyouth.org		Brings meaningful assistance to local, homeless youth.

Training Course Evaluation Form

	Course	Human Trafficking
	Instructor	

Instructor	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
1. The instructor was knowledgeable and well prepared.					
2. The instructor engaged participants and they responded well to questions.					
Please provide specific suggestions or recommendations for the instructor in the space below:					
Course Materials	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
3. The course content, topics and activities were engaging and met my expectations.					
4. I found the information provided in the course to be valuable and I should be able to apply it to my job.					
Please provide specific suggestions or recommendations for the course content in the space below:					
Course Pacing	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
5. The course was well paced and there were adequate breaks throughout.					
Please provide specific suggestions or recommendations for the course pacing in the space below:					

Overall Course Rating	Excellent	Good	Fair
How would you rate this course overall?			

Overall Course Impression

Please provide any comments, suggestions or ideas to help improve this training course.

ACTIVE SHOOTER AWARENESS

National Indian Gaming Commission

Portland Regional Training Course

Spirit Mountain Casino

June 2017

SPIRIT MOUNTAIN
CASINO

Homeland Security

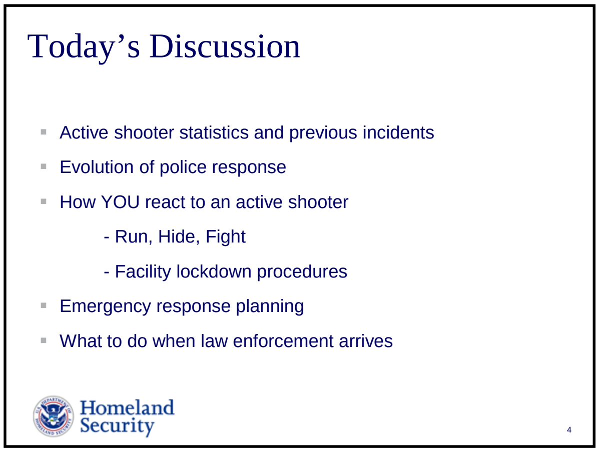
Homeland Security

Federal Protective Service HQ
Specialized and Advanced Training
Weapons and Tactics Branch
Consolidated Training Facility
(703) 235-6170

CHRIS YINGLING
Weapons & Tactics Branch / Chief
christopher.s.yingling@hq.dhs.gov

RUN > HIDE > FIGHT Video

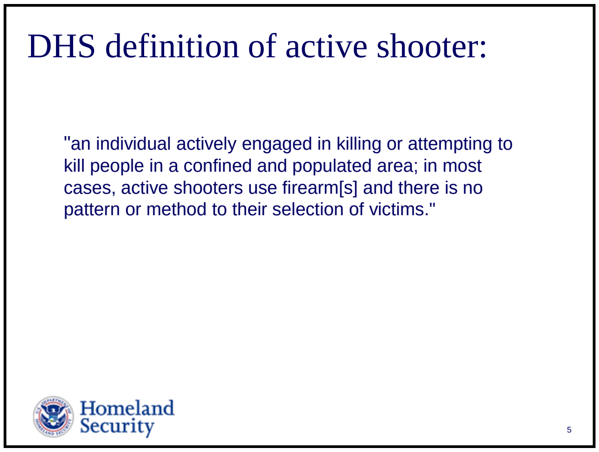
Homeland Security



Today's Discussion

- Active shooter statistics and previous incidents
- Evolution of police response
- How YOU react to an active shooter
  - Run, Hide, Fight
  - Facility lockdown procedures
- Emergency response planning
- What to do when law enforcement arrives

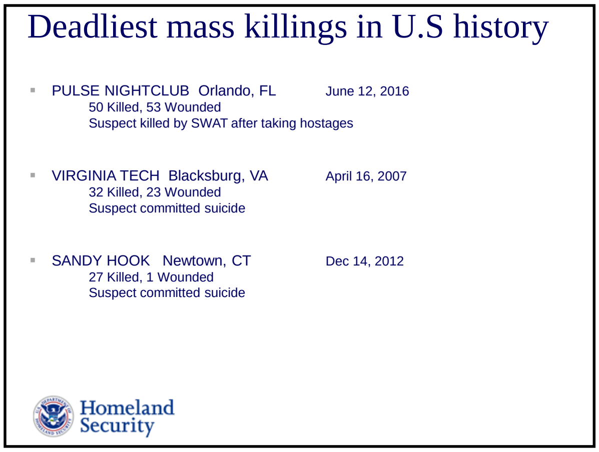
Homeland Security



DHS definition of active shooter:

"an individual actively engaged in killing or attempting to kill people in a confined and populated area; in most cases, active shooters use firearm[s] and there is no pattern or method to their selection of victims."

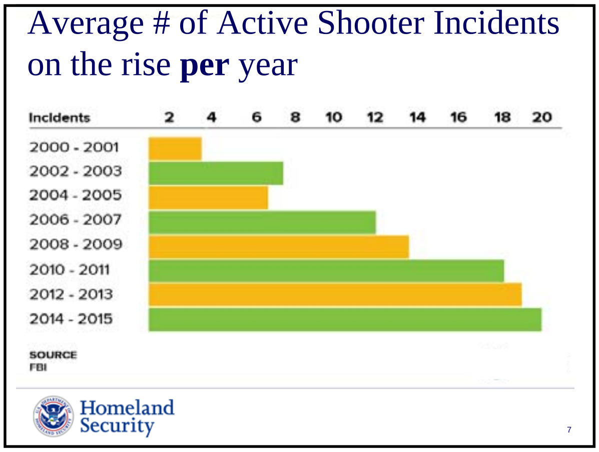
Homeland Security



Deadliest mass killings in U.S history

- PULSE NIGHTCLUB Orlando, FL June 12, 2016
  50 Killed, 53 Wounded
  Suspect killed by SWAT after taking hostages
- VIRGINIA TECH Blacksburg, VA April 16, 2007
  32 Killed, 23 Wounded
  Suspect committed suicide
- SANDY HOOK Newtown, CT Dec 14, 2012
  27 Killed, 1 Wounded
  Suspect committed suicide

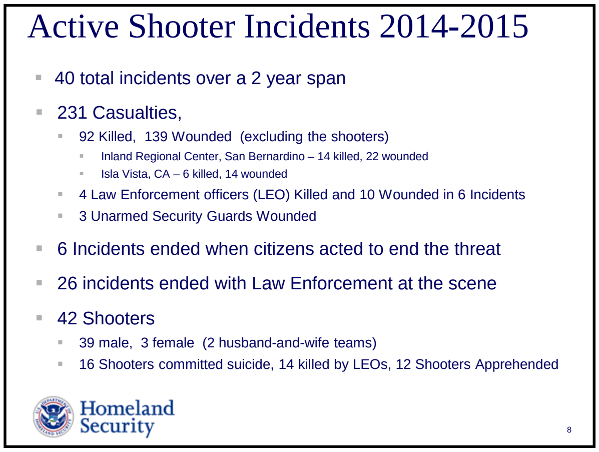
Homeland Security



Average # of Active Shooter Incidents on the rise **per** year

SOURCE
FBI

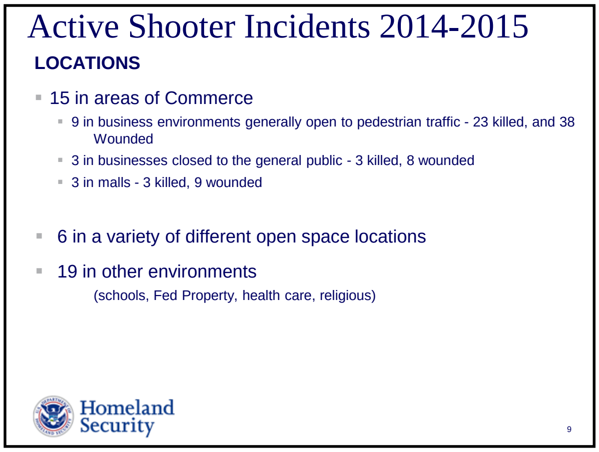
Homeland Security



Active Shooter Incidents 2014-2015

- 40 total incidents over a 2 year span
- 231 Casualties,
  - 92 Killed, 139 Wounded (excluding the shooters)
    - Inland Regional Center, San Bernardino – 14 killed, 22 wounded
    - Isla Vista, CA – 6 killed, 14 wounded
  - 4 Law Enforcement officers (LEO) Killed and 10 Wounded in 6 Incidents
  - 3 Unarmed Security Guards Wounded
- 6 Incidents ended when citizens acted to end the threat
- 26 incidents ended with Law Enforcement at the scene
- 42 Shooters
  - 39 male, 3 female (2 husband-and-wife teams)
  - 16 Shooters committed suicide, 14 killed by LEOs, 12 Shooters Apprehended

Homeland Security



Active Shooter Incidents 2014-2015

LOCATIONS

- 15 in areas of Commerce
  - 9 in business environments generally open to pedestrian traffic - 23 killed, and 38 Wounded
  - 3 in businesses closed to the general public - 3 killed, 8 wounded
  - 3 in malls - 3 killed, 9 wounded
- 6 in a variety of different open space locations
- 19 in other environments

  (schools, Fed Property, health care, religious)

Homeland Security

Previous Casino Shootings Nationwide

- **Sept 2016 – CEASAR'S CASINO, Atlantic City, NJ**
  - One Killed and 2 Police Officers shot and critically wounded investigating "criminal activity" which turned out to be a robbery.
  - 1 suspect killed and 2 taken into custody
- **Apr 2016 – POTAWATOMI HOTEL AND CASINO, Milwaukee, WI**
  - Individual fires shots over what he believed was a stolen vehicle and then inside at the "High Rollers" tables and described patrons as "Snakes" after stealing chips.
  - Suspect taken into custody
- **Mar 2015 – EMERALD QUEEN CASINO, Tacoma, Wash**
  - Suspect was driving around in parking lot confronting people with firearm. When confronted by another driver, suspect shot and killed him and drove away.
  - Suspect later taken into custody

Homeland Security

Previous Casino Shootings Nationwide

- **Oct 2013 – BALLY'S HOTEL and CASINO, Las Vegas, NV**
  - 1 killed and 2 wounded, over an argument of cover charge.
  - Suspect tackled by Security and taken into custody
- **July 2011 – MUCKLESHOOT CASINO – Auburn, Wash**
  - 7 shot and Wounded, after suspect allegedly seeing his wife with another man.
  - Suspect tackled by security and taken into custody
- **Aug 2007 – NEW YORK NEW YORK HOTEL CASINO, Las Vegas, NV**
  - "Distressed" Gunman on balcony opens fire (6 Shots) on gamblers below, Wounding 4.
  - Suspect tackled by military patrons and taken into custody

Homeland Security

The Evolution of Police Response

Homeland Security

What Is Situational Awareness?

Situational awareness involves being aware of your surroundings and the environment.

The ability to identify, process, and comprehend information about what is occurring or about to occur and how one's own actions will impact both immediate and future outcomes.

Homeland Security

Potential Indicators of Violent Behavior:

- Is there any previous behavior or emotional state that raises a "Red Flag"??
- "Watch List"; Disgruntled persons or complaint file

Pre-Attack Indicators

- What are some signs / signals that person presents that are possible out of the ordinary?

Armed Robbery v. Active Shooter

- What are some signals / signs and or differences between the two?
- What are the differences in your actions?

Homeland Security

How do ***YOU*** respond to an active shooter?

Your location and the location of the incident dictate your actions!

- **RUN**
- **HIDE**
  - **Cover v. Concealment**
- **FIGHT**

Homeland Security

Building Lock Down Procedures

- Activate the emergency plan
- Lock doors
- Communicate
- Use signals and/or codes if rehearsed
- Determine a Safe Area
- Account for employees
- Do not open door until police arrive

Homeland Security

Homeland Security

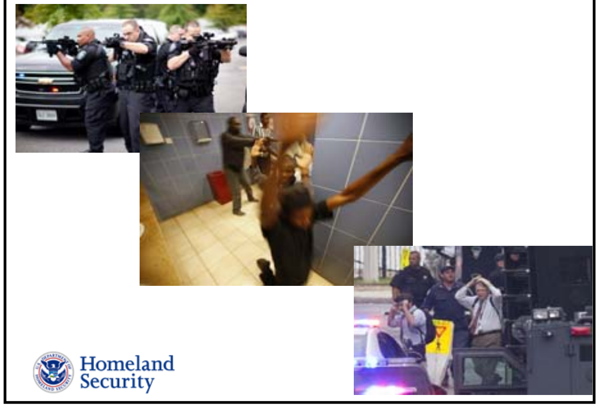
Homeland Security

Homeland Security

SECTION OPEN NOW
Casino
Grand Ronde
POKER ROOM • TABLE GAMES • KENO
PEAK BAR • SLOTS

Homeland Security

When Law Enforcement Arrives



Homeland Security

What are Soft Targets?

- **Typically defined as publicly accessible locations that are not generally “fortified.”**
- **Recognize that any soft target is vulnerable to an act of violence / terrorism**
- **You CAN dramatically reduce your risk profile and provide for a safer, more secure facility by identifying policies and procedures that can effectively address acts of violence and terrorism**

Homeland Security

How can we harden Soft targets?

- Safety, Security and Emergency Plans
- Conduct a comprehensive vulnerability assessment to identify weaknesses in your current facility emergency action plan
- Assess the facilities security and life safety product inventory

Homeland Security

What Is Your Role?

- Be Vigilant (Be Present & Observe)
- Should you Intervene?
- What resources do you have?
  - What are Security forces doing?
  - Camera surveillance
  - Signals, codes
  - Prior training, drills
- Notify and Communicate Information
- Take Control
  - Assist the public in escaping the threat
  - Alert occupants and provide assistance (evacuate or shelter in place)
  - Render aid

Homeland Security

After the Incident?

- Closures? What, and for how long?
  - Remember it is now a Crime Scene
  - Return to Normalcy
- Loss of Business
- Media
- Public Relations
- Counseling
- After Actions / Lessons Learned

Homeland Security

Plan, Plan, Plan!

Chaos, panic and fear can never be eliminated. But they can be minimized and controlled when there is preparation, planning and rehearsal prior to the event that causes them.

Success depends upon previous preparation, and without such preparation there is sure to be failure.”
~ Confucius

Homeland Security

Questions and Answers

Homeland Security

Training Course Evaluation Form

	Course	Active Shooter Training
	Instructor	

Instructor	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
1. The instructor was knowledgeable and well prepared.					
2. The instructor engaged participants and they responded well to questions.					
Please provide specific suggestions or recommendations for the instructor in the space below:					

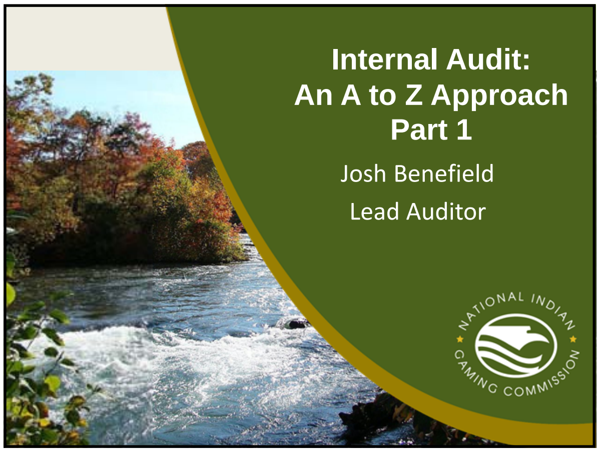
Course Materials	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
3. The course content, topics and activities were engaging and met my expectations.					
4. I found the information provided in the course to be valuable and I should be able to apply it to my job.					
Please provide specific suggestions or recommendations for the course content in the space below:					

Course Pacing	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
5. The course was well paced and there were adequate breaks throughout.					
Please provide specific suggestions or recommendations for the course pacing in the space below:					

Overall Course Rating	Excellent	Good	Fair
How would you rate this course overall?			

Overall Course Impression

Please provide any comments, suggestions or ideas to help improve this training course.



Internal Audit: An A to Z Approach Part 1

Josh Benefield

Lead Auditor

Course Outline

First Day

- Fundamentals
- Ethics
- Understanding the Regs
- Independence
- Charter
- Audit types
- Audit P&Ps
- Audit Schedule
- Audit Program

Second Day

- Sampling
- Gathering Data
- Performing Audit Procedures
- Testing and Exceptions
- Report Writing
- Exit Meeting and Management Response
- Final Report
- Follow- up

Session Outline

- Fundamentals
- Purpose of Internal Audit
- Ethics
- Understanding the Regulations
- Independence
- Charter
- Audit types

Fundamentals

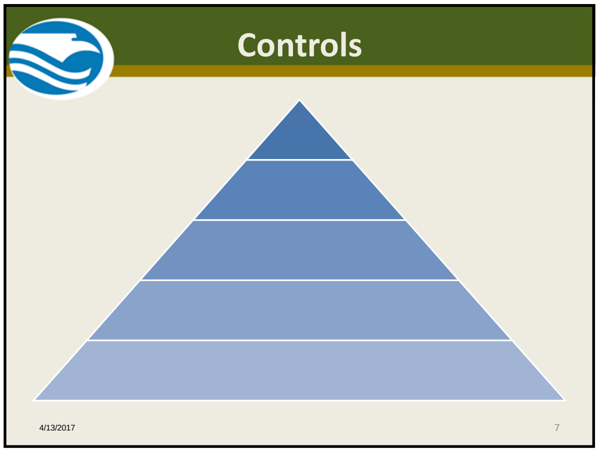
- Internal Audit (IA):
  - Independent & objective
  - Adds value and improves organization's operations
  - Helps accomplish objectives
  - Systematic, disciplined evaluation
  - Improve effectiveness of risk management, control, and governance
- The Institute of Internal Auditors (IIA): an international professional association

Purpose

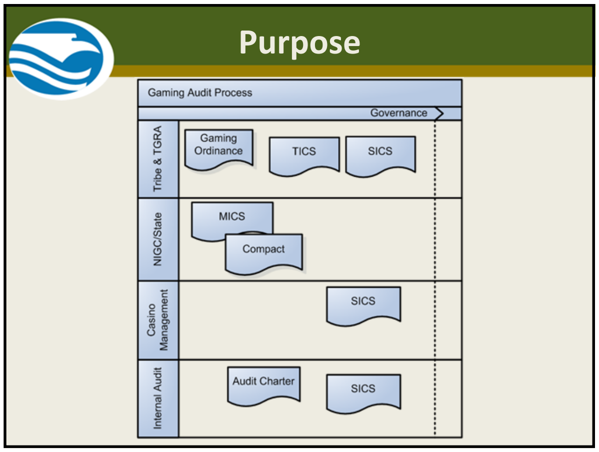
- Internal audit
  - “To enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.” (Mission, IIA)
  - Well performed IAs identify areas of risk

Exercise

What controls govern the gaming operation?



Controls



Purpose

Gaming Audit Process

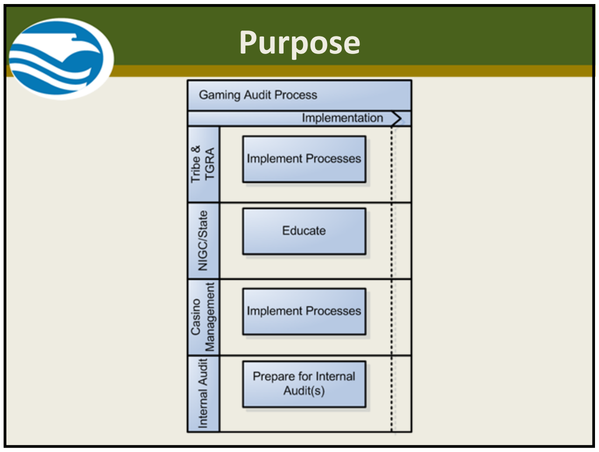
Governance

Tribe & TGRA: Gaming Ordinance, TICS, SICS

NIGC/State: MICS, Compact

Casino Management: SICS

Internal Audit: Audit Charter, SICS



Purpose

Gaming Audit Process

Implementation

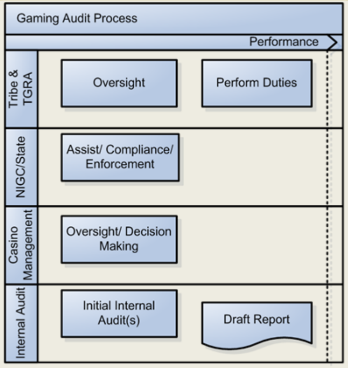
Tribe & TGRA: Implement Processes

NIGC/State: Educate

Casino Management: Implement Processes

Internal Audit: Prepare for Internal Audit(s)

Purpose



Gaming Audit Process

Performance

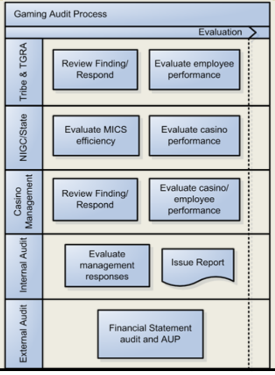
Tribe & TGRA: Oversight; Perform Duties

NIGC/State: Assist/ Compliance/ Enforcement

Casino Management: Oversight/ Decision Making

Internal Audit: Initial Internal Audit(s); Draft Report

Purpose



Gaming Audit Process

Evaluation

Tribe & TGRA: Review Finding/ Respond; Evaluate employee performance

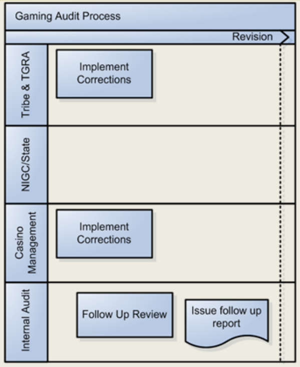
NIGC/State: Evaluate MICS efficiency; Evaluate casino performance

Casino Management: Review Finding/ Respond; Evaluate casino/ employee performance

Internal Audit: Evaluate management responses; Issue Report

External Audit: Financial Statement audit and AUP

Purpose



Gaming Audit Process

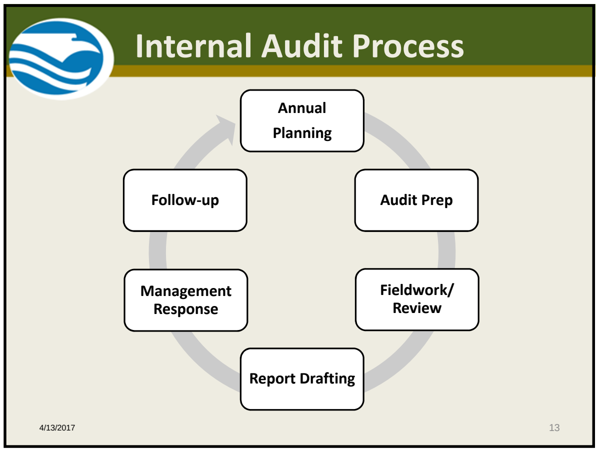
Revision

Tribe & TGRA: Implement Corrections

NIGC/State

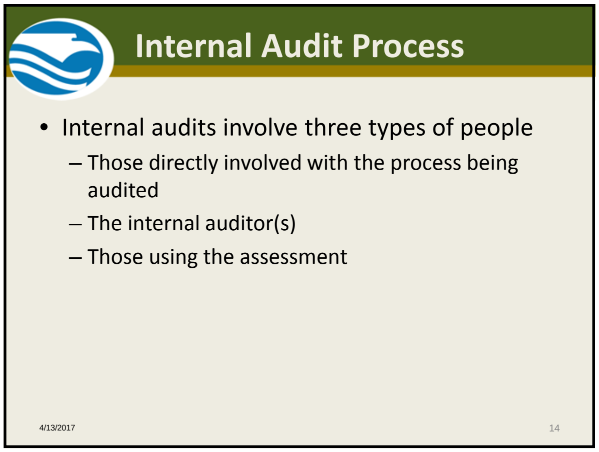
Casino Management: Implement Corrections

Internal Audit: Follow Up Review; Issue follow up report



Internal Audit Process

Annual Planning
Audit Prep
Fieldwork/ Review
Report Drafting
Management Response
Follow-up

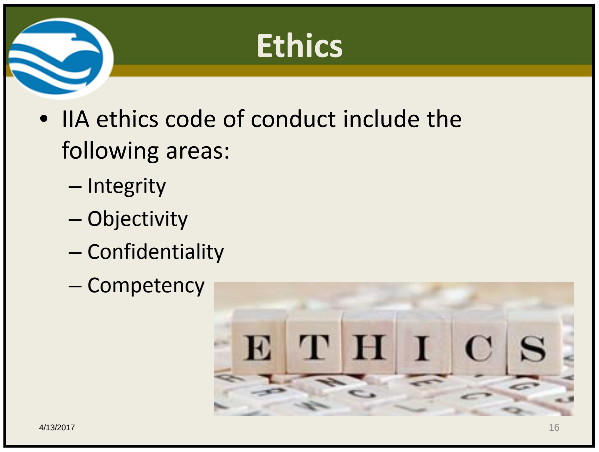


Internal Audit Process

- Internal audits involve three types of people
  - Those directly involved with the process being audited
  - The internal auditor(s)
  - Those using the assessment

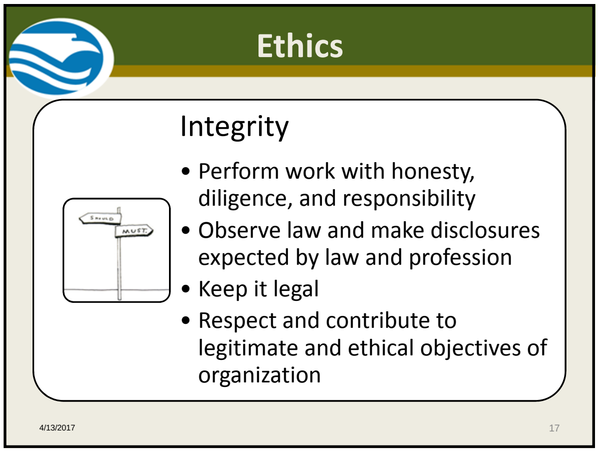
Ethics

What are ethics?



Ethics

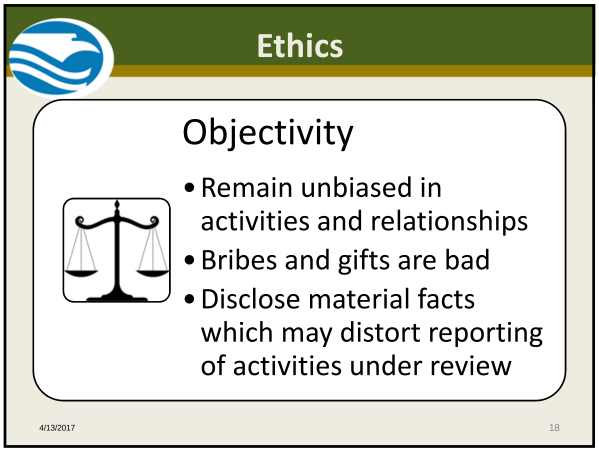
- IIA ethics code of conduct include the following areas:
  - Integrity
  - Objectivity
  - Confidentiality
  - Competency



Ethics

Integrity

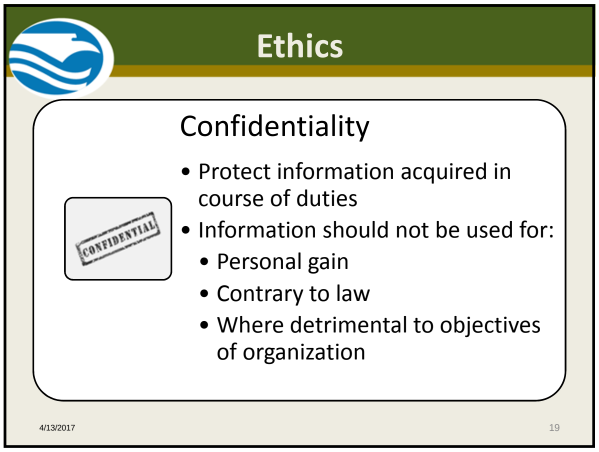
- Perform work with honesty, diligence, and responsibility
- Observe law and make disclosures expected by law and profession
- Keep it legal
- Respect and contribute to legitimate and ethical objectives of organization



Ethics

Objectivity

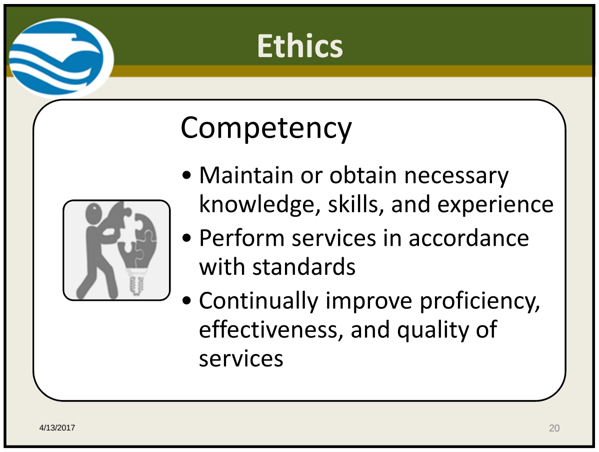
- Remain unbiased in activities and relationships
- Bribes and gifts are bad
- Disclose material facts which may distort reporting of activities under review



Ethics

Confidentiality

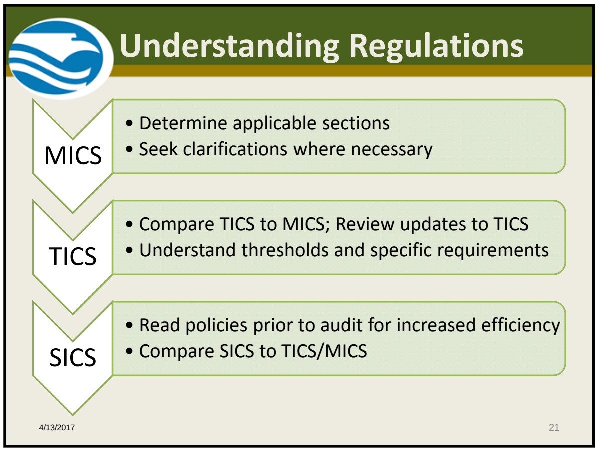
- Protect information acquired in course of duties
- Information should not be used for:
  - Personal gain
  - Contrary to law
  - Where detrimental to objectives of organization



Ethics

Competency

- Maintain or obtain necessary knowledge, skills, and experience
- Perform services in accordance with standards
- Continually improve proficiency, effectiveness, and quality of services

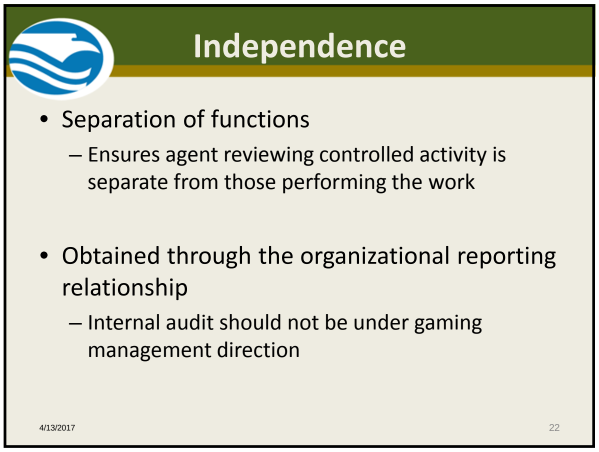


Understanding Regulations

MICS
- Determine applicable sections
- Seek clarifications where necessary

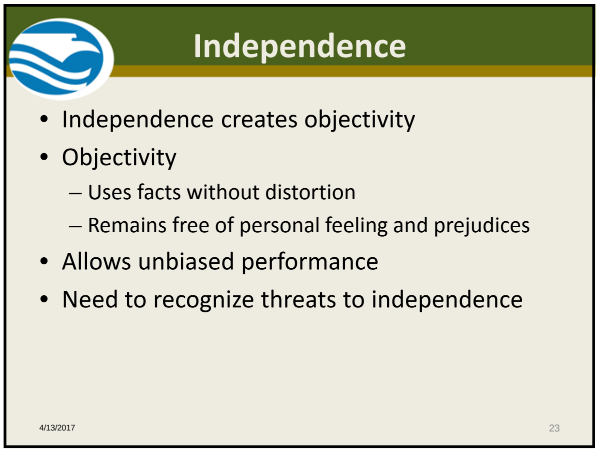
TICS
- Compare TICS to MICS; Review updates to TICS
- Understand thresholds and specific requirements

SICS
- Read policies prior to audit for increased efficiency
- Compare SICS to TICS/MICS



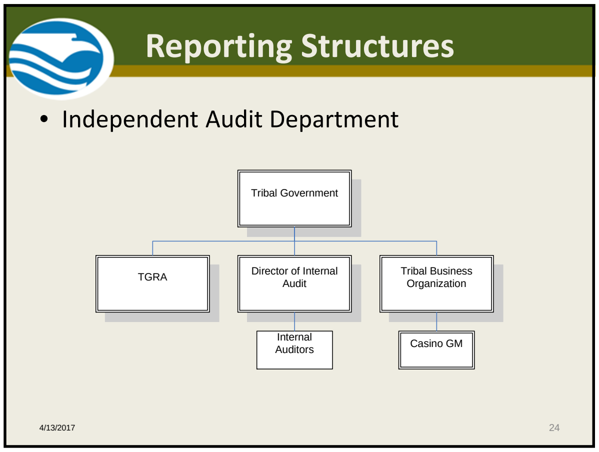
Independence

- Separation of functions
  - Ensures agent reviewing controlled activity is separate from those performing the work
- Obtained through the organizational reporting relationship
  - Internal audit should not be under gaming management direction



Independence

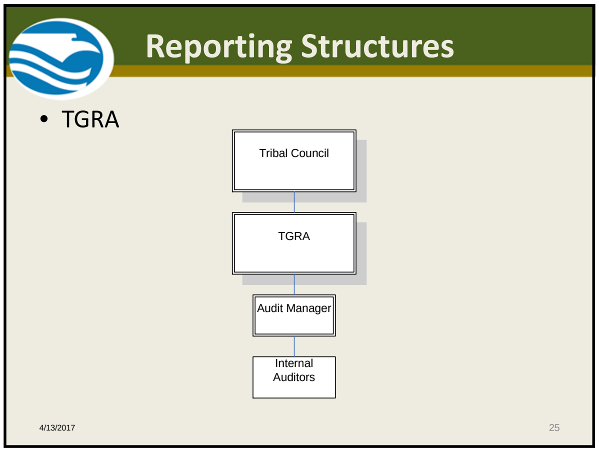
- Independence creates objectivity
- Objectivity
  - Uses facts without distortion
  - Remains free of personal feeling and prejudices
- Allows unbiased performance
- Need to recognize threats to independence



Reporting Structures

- Independent Audit Department

Tribal Government
TGRA
Director of Internal Audit
Tribal Business Organization
Internal Auditors
Casino GM



Reporting Structures

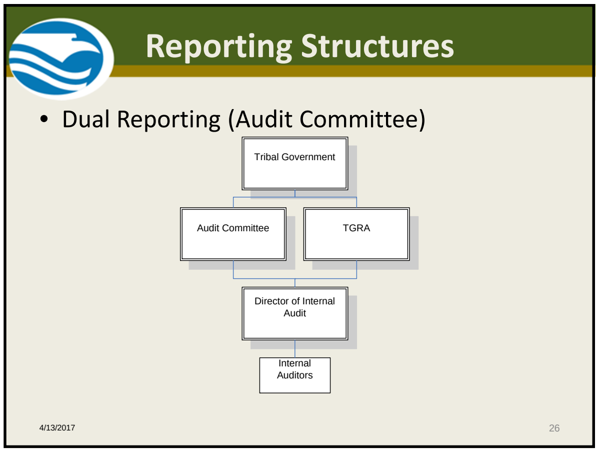
- TGRA

Tribal Council

TGRA

Audit Manager

Internal Auditors



Reporting Structures

- Dual Reporting (Audit Committee)

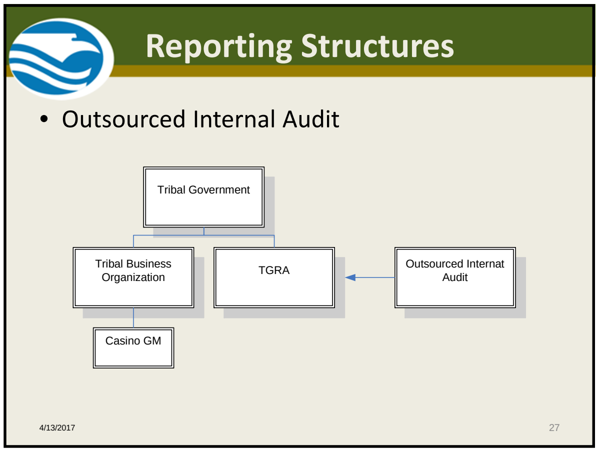
Tribal Government

Audit Committee

TGRA

Director of Internal Audit

Internal Auditors



Reporting Structures

- Outsourced Internal Audit

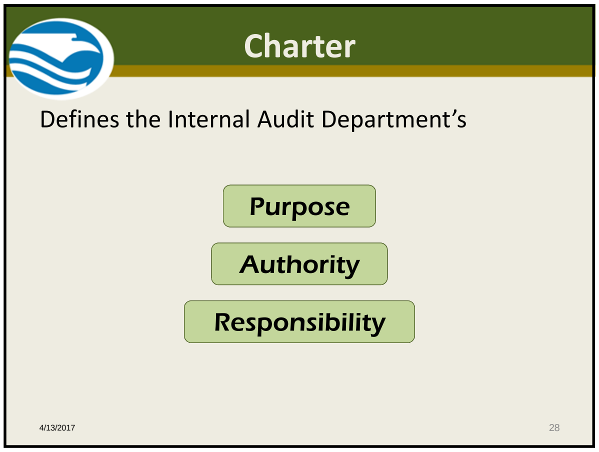
Tribal Government

Tribal Business Organization

TGRA

Outsourced Internat Audit

Casino GM



Charter

Defines the Internal Audit Department's

Purpose

Authority

Responsibility

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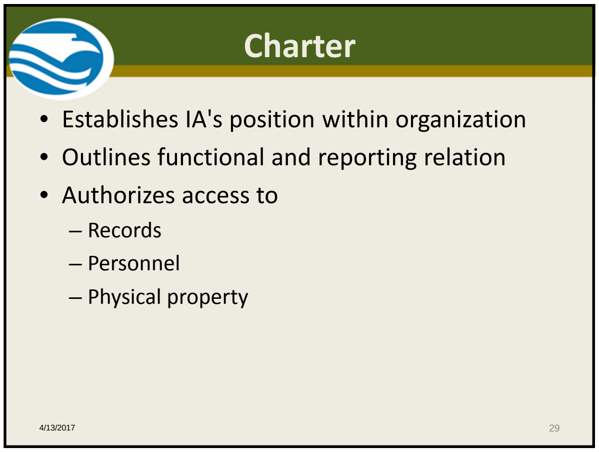

Charter

- Establishes IA's position within organization
- Outlines functional and reporting relation
- Authorizes access to
  - Records
  - Personnel
  - Physical property

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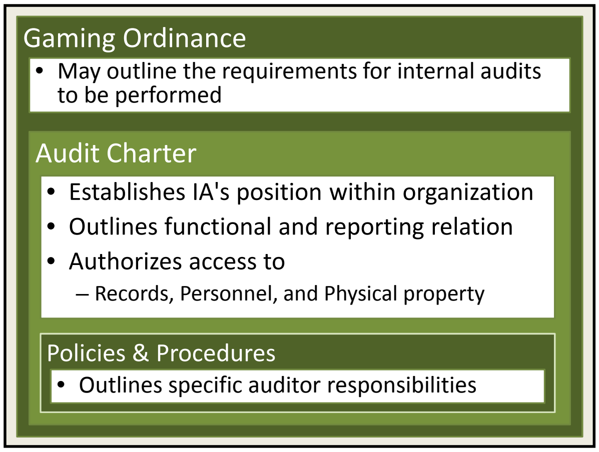


Gaming Ordinance

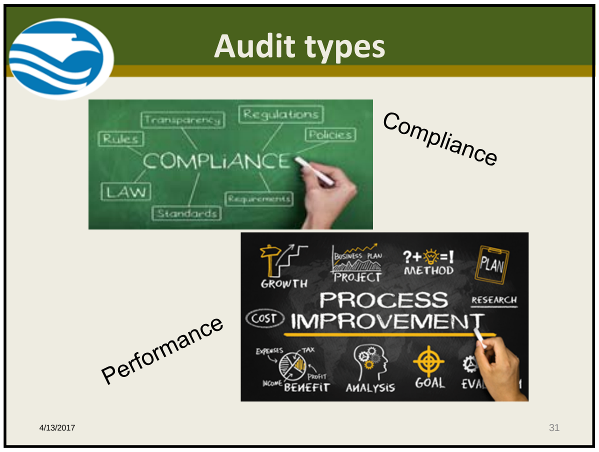
- May outline the requirements for internal audits to be performed

Audit Charter

- Establishes IA's position within organization
- Outlines functional and reporting relation
- Authorizes access to
  - Records, Personnel, and Physical property

Policies & Procedures

- Outlines specific auditor responsibilities

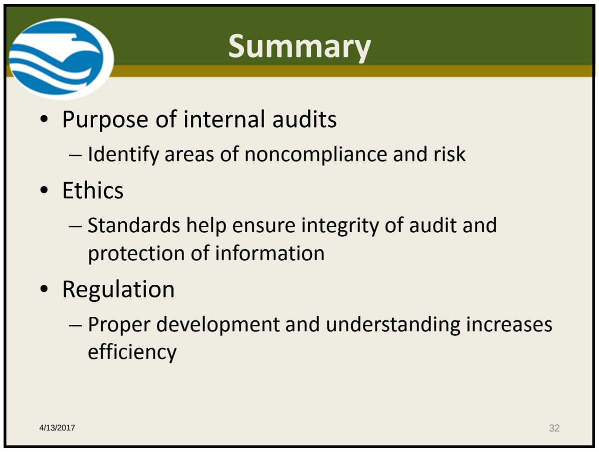


Audit types

Transparency
Regulations
Rules
Policies
COMPLIANCE
LAW
Requirements
Standards
GROWTH
BUSINESS PLAN
PROJECT
?+💡=!
METHOD
PLAN
PROCESS
RESEARCH
COST
IMPROVEMENT
EXPENSES
TAX
PROFIT
INCOME
BENEFIT
ANALYSIS
GOAL

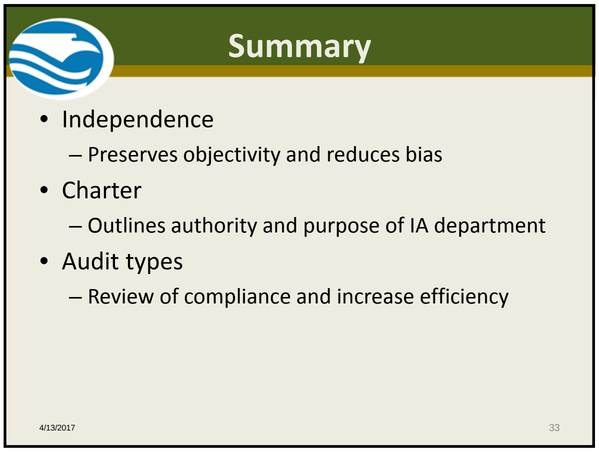
Compliance

Performance



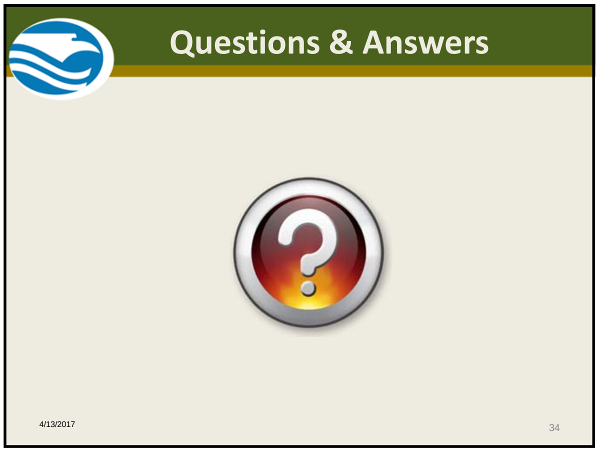
Summary

- Purpose of internal audits
  - Identify areas of noncompliance and risk
- Ethics
  - Standards help ensure integrity of audit and protection of information
- Regulation
  - Proper development and understanding increases efficiency



Summary

- Independence
  - Preserves objectivity and reduces bias
- Charter
  - Outlines authority and purpose of IA department
- Audit types
  - Review of compliance and increase efficiency



Questions & Answers

4/13/2017

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Glossary

Definitions from IIA International Standards for the Professional Practice of Internal Auditing unless otherwise noted.

The **Mission of Internal Audit** is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. (IIA)

Add Value
The internal audit activity adds value to the organization (and its stakeholders) when it provides objective and relevant assurance, and contributes to the effectiveness and efficiency of governance, risk management, and control processes.

Adequate Control
Present if management has planned and organized (designed) in a manner that provides reasonable assurance that the organization's risks have been managed effectively and that the organization's goals and objectives will be achieved efficiently and economically.

Audit Program (Business Dictionary)
Step by step procedure laid down by the auditing firm that (depending upon the audit scope) must be followed by its accountant(s) in conducting an audit.

Assurance Services
An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organization. Examples may include financial, performance, compliance, system security, and due diligence engagements.

Charter
The internal audit charter is a formal document that defines the internal audit activity's purpose, authority, and responsibility. The internal audit charter establishes the internal audit activity's position within the organization; authorizes access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.

Code of Ethics
The Code of Ethics of The Institute of Internal Auditors (IIA) is Principles relevant to the profession and practice of internal auditing, and Rules of Conduct that describe behavior expected of internal auditors. The Code of Ethics applies to both parties and entities that provide internal audit services. The purpose of the Code of Ethics is to promote an ethical culture in the global profession of internal auditing.

Compliance
Adherence to policies, plans, procedures, laws, regulations, contracts, or other requirements

Conflict of Interest
Conflict of interest is any relationship that is, or appears to be, not in the best interest of the organization. A conflict of interest would prejudice an individual's ability to perform his or her duties and responsibilities objectively.

Consulting Services
Advisory and related client service activities, the nature and scope of which are agreed with the client, are intended to add value and improve an organization's governance, risk management, and control processes without the internal auditor assuming management responsibility. Examples include counsel, advice, facilitation, and training.

Control
Any action taken by management, the board, and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved. Management plans, organizes, and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.

Control Processes
The policies, procedures (both manual and automated), and activities that are part of a control framework, designed and operated to ensure that risks are contained within the level that an organization is willing to accept.

Core Principles for the Professional Practice of Internal Auditing
The Core Principles for the Professional Practice of Internal Auditing are the foundation for the International Professional Practices Framework and support internal audit effectiveness.

Engagement
A specific internal audit assignment, task, or review activity, such as an internal audit, control self-assessment review, fraud examination, or consultancy. An engagement may include multiple tasks or activities designed to accomplish a specific set of related objectives.

Engagement Objectives
Broad statements developed by internal auditors that define intended engagement accomplishments.

Engagement Opinion
The rating, conclusion, and/or other description of results of an individual internal audit engagement, relating to those aspects within the objectives and scope of the engagement.

Engagement Work Program
A document that lists the procedures to be followed during an engagement, designed to achieve the engagement plan.

Ethics (Webster's)
Behavior based on ideas about what is morally good and bad.

Fraud
Any illegal act characterized by deceit, concealment, or violation of trust. These acts are not dependent upon the threat of violence or physical force. Frauds are perpetrated by parties and organizations to obtain money, property, or services; to avoid payment or loss of services; or to secure personal or business advantage.

Governance
The combination of processes and structures implemented by the board to inform, direct, manage, and monitor the activities of the organization toward the achievement of its objectives.

Independence (NIGC)
The separation of functions to ensure that the agent or process monitoring, reviewing, or authorizing the controlled activity, function, or transaction is separate from the agents or process performing the controlled activity, function, or transaction

Independence (IIA)
The freedom from conditions that threaten the ability of the internal audit activity to carry out internal audit responsibilities in an unbiased manner

Information Technology Governance
Consists of the leadership, organizational structures, and processes that ensure that the enterprise's information technology supports the organization's strategies and objectives

Internal auditing
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. (IIA)

Internal Audit Activity
A department, division, team of consultants, or other practitioner(s) that provides independent, objective assurance and consulting services designed to add value and improve an organization's operations. The internal audit activity helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.

Material Weakness (AICPA)
Deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Moral (Webster's)
Concerning what is right and wrong in human behavior.

Objectivity (IIA)
An unbiased mental attitude that allows internal auditors to perform engagements in such a manner that they believe in their work product and that no quality compromises are made. Objectivity requires that internal auditors do not subordinate their judgment on audit matters to others.

Objectivity (Webster's)
Expressing or dealing with facts or conditions as perceived without distortion by personal feelings, prejudices, or interpretations

Overall Opinion
The rating, conclusion, and/or other description of results provided by the chief audit executive addressing, at a broad level, governance, risk management, and/or control processes of the organization. An overall opinion is the professional judgment of the chief audit executive based on the results of a number of individual engagements and other activities for a specific time interval.

Performance audits (AICPA)
Provide objective analysis to assist management and those charged with governance and oversight in using the information to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.

Risk
The possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of impact and likelihood.

Risk Management
A process to identify, assess, manage, and control potential events or situations to provide reasonable assurance regarding the achievement of the organization's objectives.

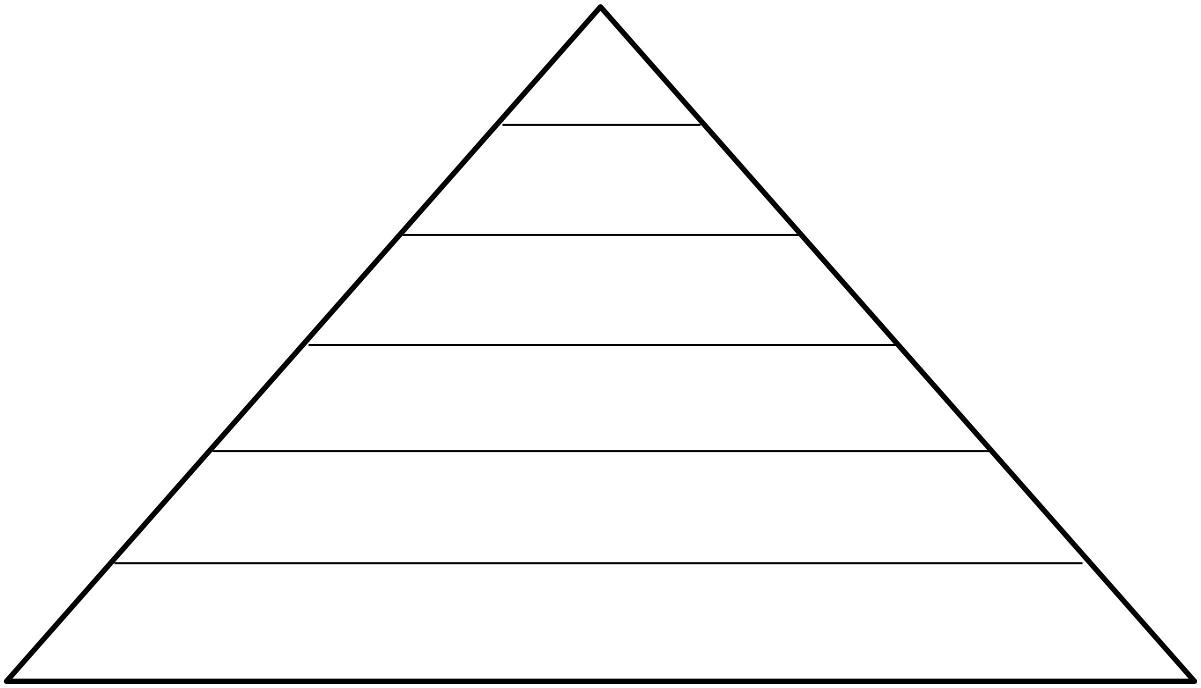
Significance
The relative importance of a matter within the context in which it is being considered, including quantitative and qualitative factors, such as magnitude, nature, effect, relevance, and impact. Professional judgment assists internal auditors when evaluating the significance of matters within the context of the relevant objectives.

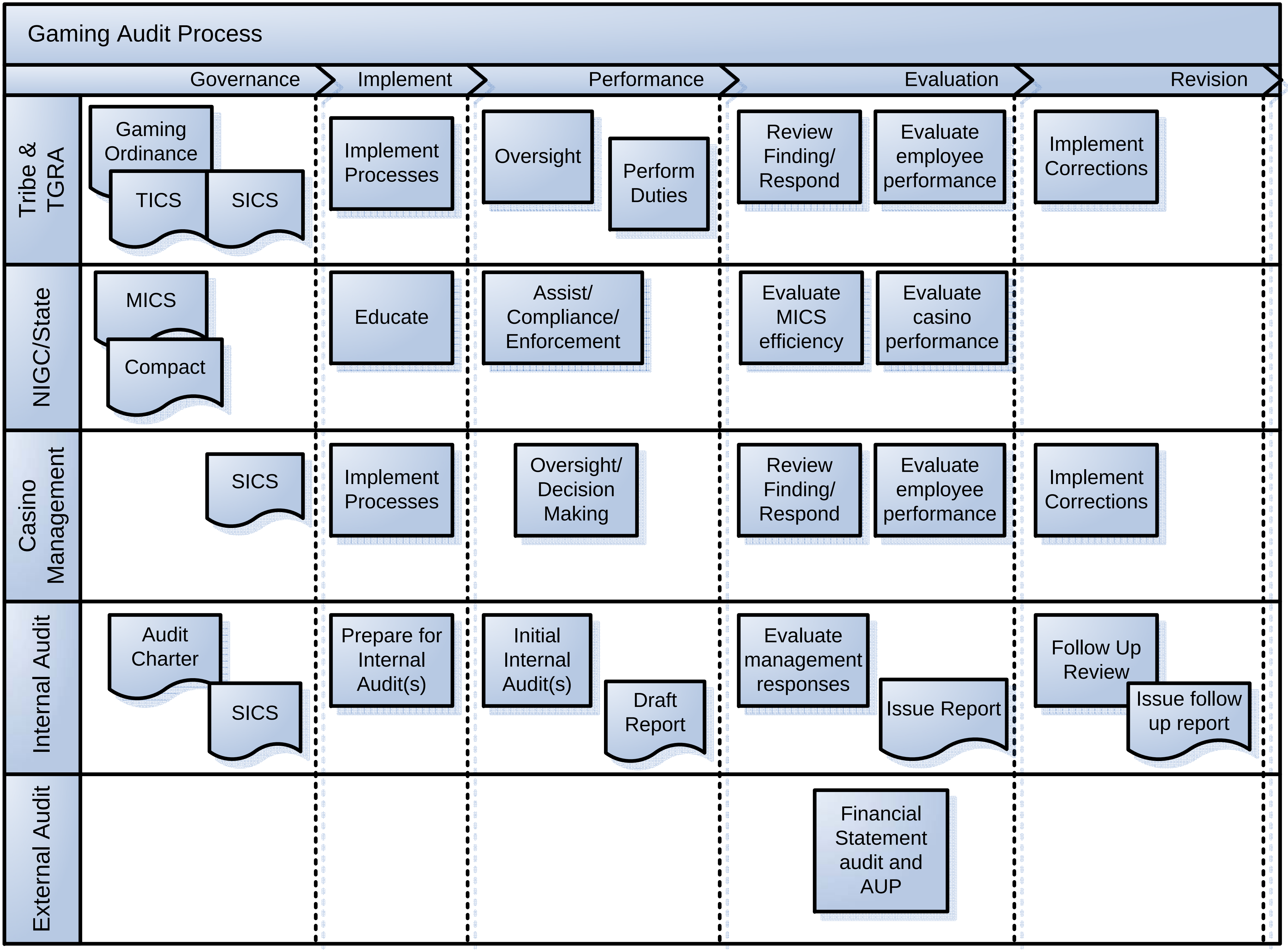
Exercise #1

Governance of Controls

Instructions: Enter each word into the pyramid in order of controls hierarchy.

MICS	IGRA	SICS
State Compact	TICS	Gaming Ordinance





Gaming Audit Process

	Governance	Implement	Performance	Evaluation	Revision
Tribe & TGRA	Gaming Ordinance TICS SICS	Implement Processes	Oversight Perform Duties	Review Finding/ Respond Evaluate employee performance	Implement Corrections
NIGC/State	MICS Compact	Educate	Assist/ Compliance/ Enforcement	Evaluate MICS efficiency Evaluate casino performance	
Casino Management	SICS	Implement Processes	Oversight/ Decision Making	Review Finding/ Respond Evaluate employee performance	Implement Corrections
Internal Audit	Audit Charter SICS	Prepare for Internal Audit(s)	Initial Internal Audit(s) Draft Report	Evaluate management responses Issue Report	Follow Up Review Issue follow up report
External Audit				Financial Statement audit and AUP	

Example Charter

(Modified from IIA model charter)

Introduction:

Internal Auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the [Tribe]'s gaming operation(s). It assists [Tribe/Casino] in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's governance, risk management, internal control.

Role:

The internal audit department is established by the [Audit Committee, TGRA, governing body]. The internal audit activity's responsibilities are defined by the [Audit Committee, TGRA, governing body]as part of their oversight role. The internal audit activity will adhere to [TGRA/etc.] relevant policies and procedures and the internal audit activity's standard operating procedures manual.

Authority:

The internal audit activity, is authorized full, free, and unrestricted access to any and all of [Tribe/Casino] records, physical properties, and personnel pertinent to carrying out any engagement. Internal audit will maintain strict accountability for confidentiality and safeguarding records and information which is obtained. All employees are requested to assist the internal audit activity in fulfilling its roles and responsibilities.

Organization:

The [Chief Audit Executive/Audit Manager/etc.] will report functionally to the [Audit Committee/TGRA/ governing body/etc.] and administratively (i.e. day to day operations) to the [TGRA/etc.].

The [Audit Committee/TGRA/ governing body/etc.] will

- Approve the internal audit charter.
- Approve the risk based internal audit plan.
- Approve the internal audit budget and resource plan.
- Receive communications from the [Chief Audit Executive/Audit Manager/etc.] on the internal audit activity's performance relative to its plan and other matters.
- Approve decisions regarding the appointment and removal of the [Chief Audit Executive/Audit Manager/etc.].
- Approve the remuneration of the [Chief Audit Executive/Audit Manager/etc.].
- Make appropriate inquiries of management and the [Chief Audit Executive/Audit Manager/etc.] to determine whether there are inappropriate scope or resource limitations.

The [Chief Audit Executive/Audit Manager/etc.] will communicate and interact directly with the [Audit Committee/TGRA/governing body/etc.], including in executive sessions and between [Audit Committee/TGRA/governing body/etc.] meetings as appropriate.

Independence and Objectivity:

The internal audit activity will remain free from interference by any element in the organization, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective mental attitude.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair internal auditor's judgment.

Internal auditors will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

The [Chief Audit Executive/Audit Manager/etc.] will confirm to the [Audit Committee/TGRA/ governing body/etc.], at least annually, the organizational independence of the internal audit activity.

RESPONSIBILITY:

The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organization's governance, risk management, and internal controls as well as the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives. This includes:

- Evaluating risk exposure relating to achievement of the organization's strategic objectives.
- Evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report such information.
- Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the organization.
- Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Evaluating the effectiveness and efficiency with which resources are employed.
- Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.
- Monitoring and evaluating governance processes.
- Monitoring and evaluating the effectiveness of the organization's risk management processes.
- Evaluating the quality of performance of external auditors and the degree of coordination with internal audit.
- Performing consulting and advisory services related to governance, risk management and control as appropriate for the organization.
- Reporting periodically on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan.
- Reporting significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the [Audit Committee/TGRA/ governing body/etc.].
- Evaluating specific operations at the request of the [Audit Committee/TGRA/ governing body/etc.] or [Tribe/Casino], as appropriate.

INTERNAL AUDIT PLAN:

At least annually, the [Chief Audit Executive/Audit Manager/etc.] will submit to the [Audit Committee, TGRA, governing body] an internal audit plan for review and approval. The internal audit plan will consist of a work schedule as well as budget and resource requirements for the next fiscal/calendar year. The [Chief Audit Executive/Audit Manager/etc.] will communicate the impact of resource limitations and significant interim changes to the [Audit Committee, TGRA, governing body].

The internal audit plan will be developed based on a prioritization of the audit universe using a risk-based methodology, including input of [Tribe/Casino] and the [Audit Committee, TGRA, governing body]. The [Chief Audit Executive/Audit Manager/etc.] will review and adjust the plan, as necessary, in response to changes in the organization's business, risks, operations, programs, systems, and controls. Any significant deviation from the approved internal audit plan will be communicated to the [Audit Committee, TGRA, governing body] through periodic activity reports.

REPORTING AND MONITORING:

A written report will be prepared and issued by the [Chief Audit Executive/Audit Manager/etc.] or designee following the conclusion of each internal audit engagement and will be distributed as appropriate. Internal audit results will also be communicated to the [Audit Committee, TGRA, governing body] and [Tribe/Casino].

The internal audit report may include management's response and corrective action taken or to be taken in regard to the specific findings and recommendations. Management's response, whether included within the original audit report or provided thereafter (i.e. within thirty days) by management of the audited area should include a timetable for anticipated completion of action to be taken and an explanation for any corrective action that will not be implemented.

The internal audit activity will be responsible for appropriate follow-up on engagement findings and recommendations. All significant findings will remain in an open issues file until cleared.

The [Chief Audit Executive/Audit Manager/etc.] will periodically report to [Tribe/Casino] and the [Audit Committee, TGRA, governing body] on the internal audit activity's purpose, authority, and responsibility, as well as performance relative to its plan. Reporting will also include significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by [Tribe/Casino] and the [Audit Committee, TGRA, governing body].

QUALITY ASSURANCE AND IMPROVEMENT PROGRAM:

The internal audit activity will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The program will include an evaluation of the internal audit activity's conformance with applicable Internal Auditing standards and an evaluation of whether internal auditors apply the Code of Ethics. The program also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

Internal Audit Activity charter

Approved this _____________________ day of _________________, _________.

____
[Chief Audit Executive /Audit Manager / etc.]

____
Chairman of the [Audit Committee, TGRA, governing body]

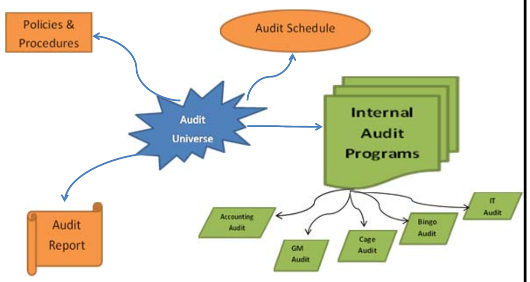
Internal Audit: A to Z Approach
Part 2

Kirian Fixico,
Training Coordinator

Session Outline

- Internal Audit Polices & Procedures
- Audit Schedule
- Audit Program

IA Policies & Procedures


Policies & Procedures
Audit Schedule
Audit Universe
Internal Audit Programs
Audit Report
Accounting Audit
GM Audit
Cage Audit
Bingo Audit
IT Audit

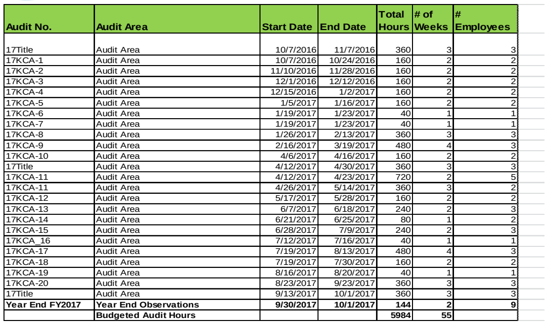
IA Policies & Procedures

- Duties and Responsibilities
- Operating Procedures
- Planning and Performance
- Fieldwork Phase
- Internal Audit Work papers
- Management of Audit
- Quality Assurance and improvement program
- Approvals
- Internal Audit Approach to Fraud
- Audit of Computerized Systems

What is an Audit Schedule?

SCHEDULE AN AUDIT
1 2 3
4 5 6 7 8 9 10
11 12 14
18 19 20 21 22 23 24
25 26 27 28 29 30 31

FY 2017 Audit Schedule



Audit No.	Audit Area	Start Date	End Date	Total Hours	# of Weeks	# Employees
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17KCA-5	Audit Area	1/5/2017	1/16/2017	160	2	2
17KCA-6	Audit Area	1/19/2017	1/23/2017	40	1	1
17KCA-7	Audit Area	1/19/2017	1/23/2017	40	1	1
17KCA-8	Audit Area	1/26/2017	2/13/2017	360	3	3
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17KCA-13	Audit Area	6/7/2017	6/18/2017	240	2	3
17KCA-14	Audit Area	6/21/2017	6/25/2017	80	1	2
17KCA-15	Audit Area	6/28/2017	7/9/2017	240	2	3
17KCA_16	Audit Area	7/12/2017	7/16/2017	40	1	1
17KCA-17	Audit Area	7/19/2017	8/13/2017	480	4	3
17KCA-18	Audit Area	7/19/2017	7/30/2017	160	2	2
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Year End FY2017	**Year End Observations**	**9/30/2017**	**10/1/2017**	**144**	**2**	**9**
	Budgeted Audit Hours			**5984**	**55**	

What does this mean?

2080

2080

Exercise 1

Answer

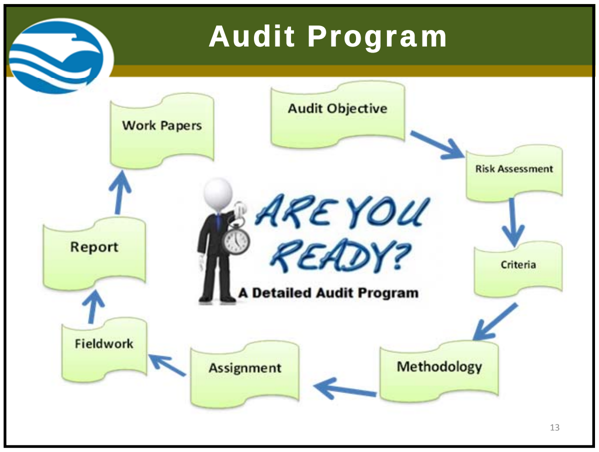
What could we do with 3856 hours?

FY 2017 Audit Schedule

What is an Audit Program?

Audit Program

- Outlines detailed steps
- Maps audit steps
- Approval/Supervisor



Audit Program

Audit Objective

Risk Assessment

Criteria

Methodology

Assignment

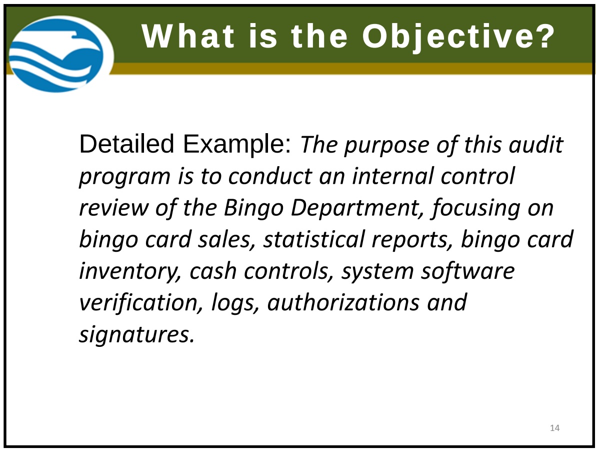
Fieldwork

Report

Work Papers

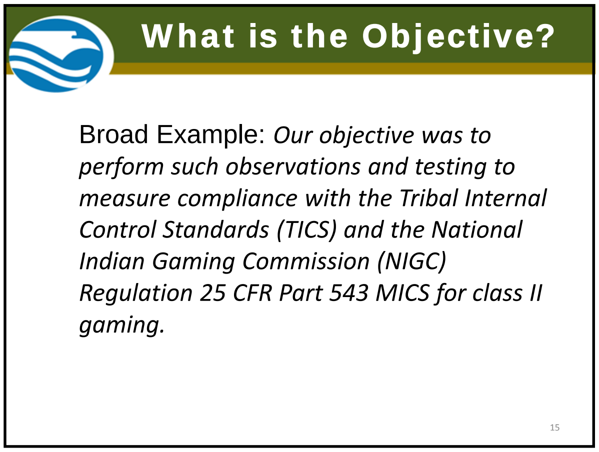
ARE YOU READY?

A Detailed Audit Program



What is the Objective?

Detailed Example: *The purpose of this audit program is to conduct an internal control review of the Bingo Department, focusing on bingo card sales, statistical reports, bingo card inventory, cash controls, system software verification, logs, authorizations and signatures.*



What is the Objective?

Broad Example: *Our objective was to perform such observations and testing to measure compliance with the Tribal Internal Control Standards (TICS) and the National Indian Gaming Commission (NIGC) Regulation 25 CFR Part 543 MICS for class II gaming.*

What is the Scope?

It tells:

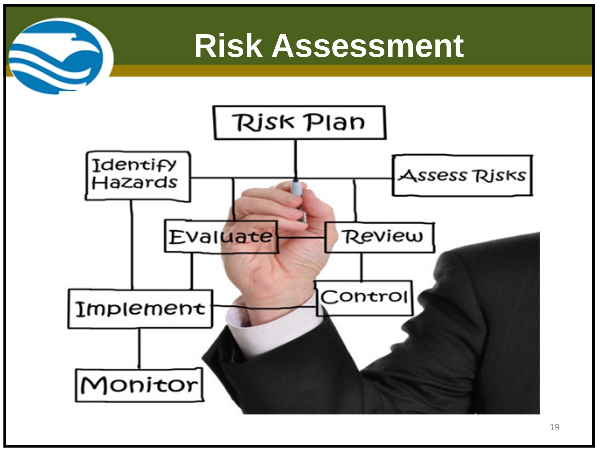
- When audit shall be conducted (start and end date)
- What/who are we going to audit
- Where the audit shall be done
- Audit period

Detailed Scope

The internal audit department will audit the Bingo Department of the gaming operation. Internal Audit will begin the audit on March 6th , 2017 and end March 24th , 2017. Internal Audit will review process for all three shifts, perform inquires, observations, review and test relevant documents associated with the conduct of bingo for the period of February 1, 2016 – February 28, 2017.

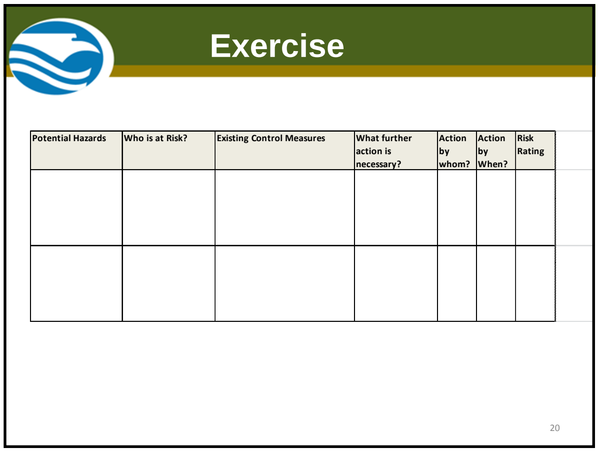
Broad Scope

The audit was conducted as a full scope review for processes in place from February 2016 through February 2017. Audit procedures included interviews with management and staff, observations of implementation of controls and examination of current source documentation utilized to comply with the aforementioned requirements.



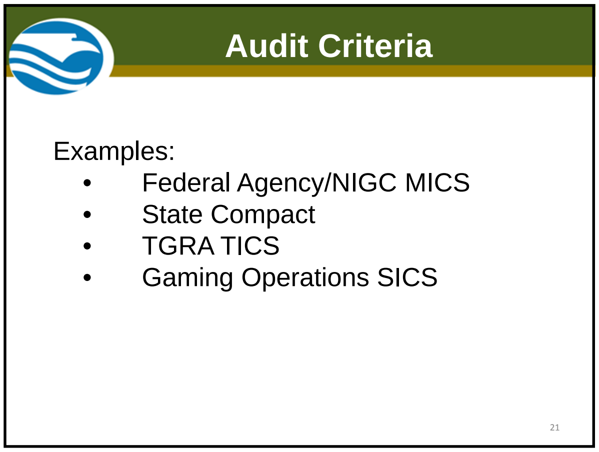
Risk Assessment

Risk Plan
Identify Hazards
Assess Risks
Evaluate
Review
Implement
Control
Monitor



Exercise

Potential Hazards	Who is at Risk?	Existing Control Measures	What further action is necessary?	Action by whom?	Action by When?	Risk Rating



Audit Criteria

Examples:

- Federal Agency/NIGC MICS
- State Compact
- TGRA TICS
- Gaming Operations SICS

Procedures

Determine what procedures you will use to evaluate compliance:

- Inquiry
- Observation
- Test documents
- Questionnaire
- Examine Gaming Operation P & Ps
- Examine Gaming Operation Org chart
- Examine Gaming Operation job descriptions

Create an Audit Program

AUDIT CHECKLIST
☑ Audit Satisfactory
☐ Nonconformances Found
☐ Observations Made

Audit steps

☑ STEP ONE
☐ STEP TWO
☐ STEP THREE

Step One Example

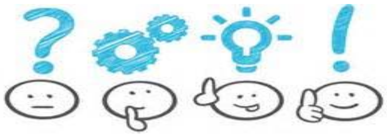
Review Permanent File:

Review prior working papers, including policies/procedures, organizational charts, agreements, etc

Step Two Example

Establish Criteria:

Take the standard and turn it into a question and figure out the best way to test compliance with the standard.

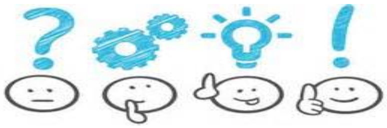


Criteria

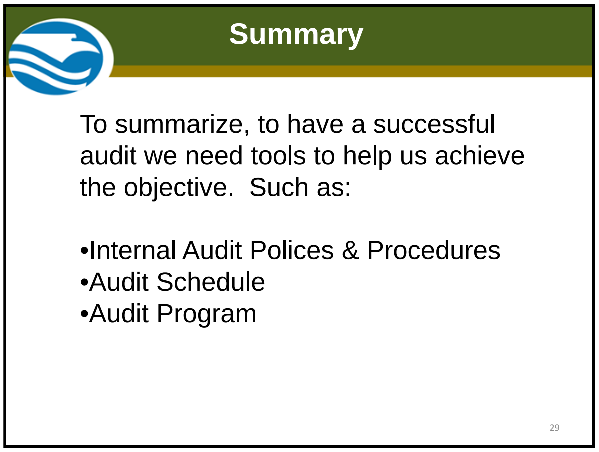
How would we establish a test question?

(5) Authorization and signatures.

(i) At least two agents must authorize, sign, and witness all manual prize payouts above $1,200, or a lower threshold as authorized by management and approved by the TGRA.



EXERCISE



Summary

To summarize, to have a successful audit we need tools to help us achieve the objective. Such as:

- •Internal Audit Polices & Procedures
- •Audit Schedule
- •Audit Program

Questions & Answers

Example Audit Schedule
FY2017

Audit No.	Audit Area	Start Date	End Date	Total Hours	# of Weeks	# Employees
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Year End FY2017	**Year End Observations**	**9/30/2017**	**10/1/2017**	**144**	**2**	**9**
	Budgeted Hours			**5984**	**55**	

Exercise #1 BUDGETING

The Internal Audit Department has 6 full-time employees and is trying to determine if it has available man-hours to accommodate the request to complete several other non-gaming audits.

Using Handout #1, determine and write in the amount of hours estimated to complete the gaming audits. Write this number in the "Less Budgeted Audit Hours"

Next determine the missing information. Then complete your calculations.

QUESTION:

1. Based on your calculations, will the IA Department be able to complete additional audits? ____

	Total Working Hours: 6 auditors x 40hr x _____ weeks				
Minus	**Holidays:** 13 days x 6 auditors x _____ hrs.				
	Training Hours: 6 auditors (56 hrs. each)				
	"Other" Hours: 6 auditors (1 week each)				
	Estimated Leave Hours: 6 auditors (6 weeks each)				
	Total Available Hours				
	Less Budgeted Audit Hours				
	Hours Remaining				

Internal Audit Department
Name of Audit
Audit Program

Objectives: *The purpose of this audit program is to conduct an internal control review of the Bingo Department, focusing on bingo card sales, statistical reports, bingo card inventory, cash controls, system software verification, logs, authorizations and signatures.*

Scope: *The internal audit department will audit the Bingo Department of the gaming operation. Internal Audit will begin the audit on March 6th, 2017 and end March 24th, 2017. Internal Audit will review process for all three shifts, perform inquires, observations, review and test relevant documents associated with the conduct of bingo for the period of February 1, 2016 – February 28, 2017.*

AUDIT STEPS TO BE COMPLETED	**FINDING Y/N**	**COMPLETED BY**	**W/P REF**
PLANNING/PREP: 1. If this is a repeat or follow-up audit, review the Permanent File including policies/procedures, organizational charts, etc.			
2. Prepare engagement memo and obtain approval from the Internal Audit Director.			
3. Schedule an audit meeting with applicable management. Discussions held should be documented and include the following: • Timing of the audit • Audit objectives • Key contacts for the audit			
PERFORMANCE: 1. *Perform testing of transactions to evaluate the effectiveness of the controls. List general test steps to be performed.*			

Audit Steps To Be Completed	Finding Y/N	Completed By	W/P Ref
2.			
3.			
4.			

AUDIT STEPS TO BE COMPLETED	FINDING Y/N	COMPLETED BY	W/P REF
5.			
WRAP-UP: 1. Prepare Draft Report and submit for review.			
2. Submit work papers for manager review as audit steps are completed. This will help facilitate timely review.			
3. Clear all appropriate review notes.			
4. Complete Audit Report Checklist and include in the work papers.			
5. Schedule exit meeting with management.			
6. Conduct an exit meeting with auditee to discuss issues noted during the audit and obtain agreement on the issues. Discuss the recommendations, action plans and timelines for addressing the issue.			
7. Based on discussion make any necessary changes to the report and submit for appropriate review.			
8. Based on the review of management responses received determine if they are accepted by the Internal Audit Department.			
9. Insert Management Responses into Report			
10. Distribute Final Report after review is completed.			

End Of Audit Steps

§543.8 What are the minimum internal control standards for bingo?

(a) *Supervision.* Supervision must be provided as needed for bingo operations by an agent(s) with authority equal to or greater than those being supervised.

(b) *Bingo cards.* (1) Physical bingo card inventory controls must address the placement of orders, receipt, storage, issuance, removal, and cancellation of bingo card inventory to ensure that:

(i) The bingo card inventory can be accounted for at all times; and

(ii) Bingo cards have not been marked, altered, or otherwise manipulated.

(2) *Receipt from supplier.*

(i) When bingo card inventory is initially received from the supplier, it must be inspected (without breaking the factory seals, if any), counted, inventoried, and secured by an authorized agent.

(ii) Bingo card inventory records must include the date received, quantities received, and the name of the individual conducting the inspection.

(3) *Storage.*

(i) Bingo cards must be maintained in a secure location, accessible only to authorized agents, and with surveillance coverage adequate to identify persons accessing the storage area.

(ii) For Tier A operations, bingo card inventory may be stored in a cabinet, closet, or other similar area; however, such area must be secured and separate from the working inventory.

(4) *Issuance and returns of inventory.*

(i) Controls must be established for the issuance and return of bingo card inventory. Records signed by the issuer and recipient must be created under the following events:

(A) Issuance of inventory from storage to a staging area;

(B) Issuance of inventory from a staging area to the cage or sellers;

(C) Return of inventory from a staging area to storage; and

(D) Return of inventory from cage or seller to staging area or storage.

(ii) [Reserved]

(5) *Cancellation and removal.*

(i) Bingo cards removed from inventory that are deemed out of sequence, flawed, or misprinted and not returned to the supplier must be cancelled to ensure that they are not utilized in the play of a bingo game. Bingo cards that are removed from inventory and returned to the supplier or cancelled must be logged as removed from inventory.

(ii) Bingo cards associated with an investigation must be retained intact outside of the established removal and cancellation policy.

(6) *Logs.*

(i) The inventory of bingo cards must be tracked and logged from receipt until use or permanent removal from inventory.

(ii) The bingo card inventory record(s) must include:

(A) Date;

(B) Shift or session;

(C) Time;

(D) Location;

(E) Inventory received, issued, removed, and returned;

(F) Signature of agent performing transaction;

(G) Signature of agent performing the reconciliation;

(H) Any variance;

(I) Beginning and ending inventory; and

(J) Description of inventory transaction being performed.

(c) *Bingo card sales.* (1) Agents who sell bingo cards must not be the sole verifier of bingo cards for prize payouts.

(2) Manual bingo card sales: In order to adequately record, track, and reconcile sales of bingo cards, the following information must be documented:

(i) Date;

(ii) Shift or session;

(iii) Number of bingo cards issued, sold, and returned;

(iv) Dollar amount of bingo card sales;

(v) Signature, initials, or identification number of the agent preparing the record; and

(vi) Signature, initials, or identification number of an independent agent who verified the bingo cards returned to inventory and dollar amount of bingo card sales.

(3) Bingo card sale voids must be processed in accordance with the rules of the game and established controls that must include the following:

(i) Patron refunds;

(ii) Adjustments to bingo card sales to reflect voids;

(iii) Adjustment to bingo card inventory;

(iv) Documentation of the reason for the void; and

(v) Authorization for all voids.

(4) Class II gaming system bingo card sales. In order to adequately record, track and reconcile sales of bingo cards, the following information must be documented from the server (this is not required if the system does not track the information, but system limitation(s) must be noted):

(i) Date;

(ii) Time;

(iii) Number of bingo cards sold;

(iv) Dollar amount of bingo card sales; and

(v) Amount in, amount out and other associated meter information.

(d) *Draw*. (1) Controls must be established and procedures implemented to ensure that all eligible objects used in the conduct of the bingo game are available to be drawn and have not been damaged or altered. Verification of physical objects must be performed by two agents before the start of the first bingo game/session. At least one of the verifying agents must be a supervisory agent or independent of the bingo games department.

(2) Where the selection is made through an electronic aid, certification in accordance with 25 CFR 547.14 is acceptable for verifying the randomness of the draw and satisfies the requirements of paragraph (d)(1) of this section.

(3) Controls must be established and procedures implemented to provide a method of recall of the draw, which includes the order and identity of the objects drawn, for dispute resolution purposes.

(4) *Verification and display of draw.* Controls must be established and procedures implemented to ensure that:

(i) The identity of each object drawn is accurately recorded and transmitted to the participants. The procedures must identify the method used to ensure the identity of each object drawn.

(ii) For all games offering a prize payout of $1,200 or more, as the objects are drawn, the identity of the objects are immediately recorded and maintained for a minimum of 24 hours.

(e) *Prize payout.* (1) Controls must be established and procedures implemented for cash or cash equivalents that address the following:

(i) Identification of the agent authorized (by position) to make a payout;

(ii) Predetermined payout authorization levels (by position); and

(iii) Documentation procedures ensuring separate control of the cash accountability functions.

(2) *Verification of validity.*

(i) Controls must be established and procedures implemented to verify that the following is valid for the game in play prior to payment of a winning prize:

(A) Winning card(s);

(B) Objects drawn; and

(C) The previously designated arrangement of numbers or designations on such cards, as described in 25 U.S.C. 2703(7)(A).

(ii) At least two agents must verify that the card, objects drawn, and previously designated arrangement were valid for the game in play.

(iii) Where an automated verification method is available, verification by such method is acceptable.

(3) *Validation.*

(i) For manual payouts, at least two agents must determine the validity of the claim prior to the payment of a prize. The system may serve as one of the validators.

(ii) For automated payouts, the system may serve as the sole validator of the claim.

(4) *Verification.*

(i) For manual payouts, at least two agents must verify that the winning pattern has been achieved on the winning card prior to the payment of a prize. The system may serve as one of the verifiers.

(ii) For automated payouts, the system may serve as the sole verifier that the pattern has been achieved on the winning card.

(5) *Authorization and signatures.*

(i) At least two agents must authorize, sign, and witness all manual prize payouts above $1,200, or a lower threshold as authorized by management and approved by the TGRA.

(ii) Manual prize payouts above the following threshold (or a lower threshold, as authorized by management and approved by TGRA) must require one of the two signatures and verifications to be a supervisory or management employee independent of the operation of Class II Gaming System bingo:

(A) $5,000 for a Tier A facility;

(B) $10,000 at a Tier B facility;

(C) $20,000 for a Tier C facility; or

(D) $50,000 for a Tier C facility with over $100,000,000 in gross gaming revenues.

(iii) The predetermined thresholds, whether set at the MICS level or lower, must be authorized by management, approved by the TGRA, documented, and maintained.

(iv) A Class II gaming system may substitute for one authorization/signature verifying, validating or authorizing a winning card, but may not substitute for a supervisory or management authorization/signature.

(6) Payout records, including manual payout records, must include the following information:

(i) Date and time;

(ii) Amount of the payout (alpha & numeric for player interface payouts); and

(iii) Bingo card identifier or player interface identifier.

(iv) Manual payout records must also include the following:

(A) Game name or number;

(B) Description of pattern covered, such as cover-all or four corners;

(C) Signature of all, but not less than two, agents involved in the transaction;

(D) For override transactions, verification by a supervisory or management agent independent of the transaction; and

(E) Any other information necessary to substantiate the payout.

(f) *Cash and cash equivalent controls.* (1) Cash or cash equivalents exchanged between two persons must be counted independently by at least two agents and reconciled to the recorded amounts at the end of each shift or session. Unexplained variances must be documented and maintained. Unverified transfers of cash or cash equivalents are prohibited.

(2) Procedures must be implemented to control cash or cash equivalents based on the amount of the transaction. These procedures must include documentation by shift, session, or other relevant time period of the following:

(i) Inventory, including any increases or decreases;

(ii) Transfers;

(iii) Exchanges, including acknowledging signatures or initials; and

(iv) Resulting variances.

(3) Any change to control of accountability, exchange, or transfer requires that the cash or cash equivalents be counted and recorded independently by at least two agents and reconciled to the recorded amount.

(g) *Technologic aids to the play of bingo.* Controls must be established and procedures implemented to safeguard the integrity of technologic aids to the play of bingo during installations, operations, modifications, removal and retirements. Such procedures must include the following:

(1) *Shipping and receiving.*

(i) A communication procedure must be established between the supplier, the gaming operation, and the TGRA to properly control the shipping and receiving of all software and hardware components. Such procedures must include:

(A) Notification of pending shipments must be provided to the TGRA by the gaming operation;

(B) Certification in accordance with 25 CFR part 547;

(C) Notification from the supplier to the TGRA, or the gaming operation as approved by the TGRA, of the shipping date and expected date of delivery. The shipping notification must include:

(*1*) Name and address of the supplier;

(*2*) Description of shipment;

(*3*) For player interfaces: a serial number;

(*4*) For software: software version and description of software;

(*5*) Method of shipment; and

(*6*) Expected date of delivery.

(ii) Procedures must be implemented for the exchange of Class II gaming system components for maintenance and replacement.

(iii) Class II gaming system components must be shipped in a secure manner to deter unauthorized access.

(iv) The TGRA, or its designee, must receive all Class II gaming system components and game play software packages, and verify the contents against the shipping notification.

(2) *Access credential control methods.*

(i) Controls must be established to restrict access to the Class II gaming system components, as set forth in §543.20, Information and Technology.

(ii) [Reserved]

(3) *Recordkeeping and audit processes.*

(i) The gaming operation must maintain the following records, as applicable, related to installed game servers and player interfaces:

(A) Date placed into service;

(B) Date made available for play;

(C) Supplier;

(D) Software version;

(E) Serial number;

(F) Game title;

(G) Asset and/or location number;

(H) Seal number; and

(I) Initial meter reading.

(ii) Procedures must be implemented for auditing such records in accordance with §543.23, Audit and Accounting.

(4) *System software signature verification.*

(i) Procedures must be implemented for system software verifications. These procedures must include comparing signatures generated by the verification programs required by 25 CFR 547.8, to the signatures provided in the independent test laboratory letter for that software version.

(ii) An agent independent of the bingo operation must perform system software signature verification(s) to verify that only approved software is installed.

(iii) Procedures must be implemented for investigating and resolving any software verification variances.

(iv) Internal audits must be conducted as set forth in §543.23, Audit and Accounting. Such audits must be documented.

(5) *Installation testing.*

(i) Testing must be completed during the installation process to verify that the player interface has been properly installed. This must include testing of the following, as applicable:

(A) Communication with the Class II gaming system;

(B) Communication with the accounting system;

(C) Communication with the player tracking system;

(D) Currency and vouchers to bill acceptor;

(E) Voucher printing;

(F) Meter incrementation;

(G) Pay table, for verification;

(H) Player interface denomination, for verification;

(I) All buttons, to ensure that all are operational and programmed appropriately;

(J) System components, to ensure that they are safely installed at location; and

(K) Locks, to ensure that they are secure and functioning.

(ii) [Reserved]

(6) *Display of rules and necessary disclaimers.* The TGRA or the operation must verify that all game rules and disclaimers are displayed at all times or made readily available to the player upon request, as required by 25 CFR part 547;

(7) TGRA approval of all technologic aids before they are offered for play.

(8) All Class II gaming equipment must comply with 25 CFR part 547, Minimum Technical Standards for Gaming Equipment Used With the Play of Class II Games; and

(9) Dispute resolution.

(h) *Operations.* (1) *Malfunctions.* Procedures must be implemented to investigate, document and resolve malfunctions. Such procedures must address the following:

(i) Determination of the event causing the malfunction;

(ii) Review of relevant records, game recall, reports, logs, surveillance records;

(iii) Repair or replacement of the Class II gaming component;

(iv) Verification of the integrity of the Class II gaming component before restoring it to operation; and

(2) *Removal, retirement and/or destruction.* Procedures must be implemented to retire or remove any or all associated components of a Class II gaming system from operation. Procedures must include the following:

(i) For player interfaces and components that accept cash or cash equivalents:

(A) Coordinate with the drop team to perform a final drop;

(B) Collect final accounting information such as meter readings, drop and payouts;

(C) Remove and/or secure any or all associated equipment such as locks, card reader, or ticket printer from the retired or removed component; and

(D) Document removal, retirement, and/or destruction.

(ii) For removal of software components:

(A) Purge and/or return the software to the license holder; and

(B) Document the removal.

(iii) For other related equipment such as blowers, cards, interface cards:

(A) Remove and/or secure equipment; and

(B) Document the removal or securing of equipment.

(iv) For all components:

(A) Verify that unique identifiers, and descriptions of removed/retired components are recorded as part of the retirement documentation; and

(B) Coordinate with the accounting department to properly retire the component in the system records.

(v) Where the TGRA authorizes destruction of any Class II gaming system components, procedures must be developed to destroy such components. Such procedures must include the following:

(A) Methods of destruction;

(B) Witness or surveillance of destruction;

(C) Documentation of all components destroyed; and

(D) Signatures of agent(s) destroying components attesting to destruction.

(i) *Vouchers.* (1) Controls must be established and procedures implemented to:

(i) Verify the authenticity of each voucher redeemed.

(ii) If the voucher is valid, verify that the patron is paid the appropriate amount.

(iii) Document the payment of a claim on a voucher that is not physically available or a voucher that cannot be validated such as a mutilated, expired, lost, or stolen voucher.

(iv) Retain payment documentation for reconciliation purposes.

(v) For manual payment of a voucher of $500 or more, require a supervisory employee to verify the validity of the voucher prior to payment.

(2) Vouchers paid during a period while the voucher system is temporarily out of operation must be marked “paid” by the cashier.

(3) Vouchers redeemed while the voucher system was temporarily out of operation must be validated as expeditiously as possible upon restored operation of the voucher system.

(4) Paid vouchers must be maintained in the cashier's accountability for reconciliation purposes.

(5) Unredeemed vouchers can only be voided in the voucher system by supervisory employees. The accounting department will maintain the voided voucher, if available.

(j) All relevant controls from §543.20, Information and Technology will apply.

(k) Revenue Audit. Standards for revenue audit of bingo are contained in §543.24, Revenue Audit.

(l) *Variance.* The operation must establish, as approved by the TGRA, the threshold level at which a variance, including deviations from the mathematical expectations required by 25 CFR 547.4, will be reviewed to determine the cause. Any such review must be documented.

Exercise #2 Risk Assessment

Potential Hazards	Who is at Risk?	Existing Control Measures	What further action is necessary?	Action by whom?	Action by When?	Risk Rating

Training Course Evaluation Form

NATIONAL INDIAN GAMING COMMISSION	**Course**	Internal Audit A-Z Parts 1 and 2
	Instructor	

Instructor	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
1. The instructor was knowledgeable and well prepared.					
2. The instructor engaged participants and they responded well to questions.					
Please provide specific suggestions or recommendations for the instructor in the space below:					

Course Materials	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
3. The course content, topics and activities were engaging and met my expectations.					
4. I found the information provided in the course to be valuable and I should be able to apply it to my job.					
Please provide specific suggestions or recommendations for the course content in the space below:					

Course Pacing	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
5. The course was well paced and there were adequate breaks throughout.					
Please provide specific suggestions or recommendations for the course pacing in the space below:					

Overall Course Rating	Excellent	Good	Fair
How would you rate this course overall?			

Overall Course Impression

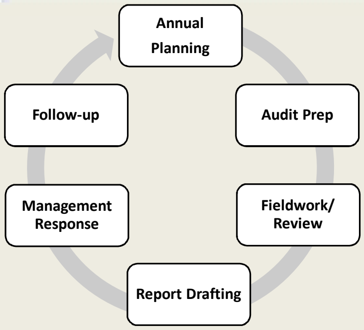
Please provide any comments, suggestions or ideas to help improve this training course.

Internal Audit: An A to Z Approach
Part 3

Session Outline

- Gathering Data
- Sampling
- Performing Audit Procedures
- Testing Standards
- Elements of Findings

Internal Audit Process


Annual Planning

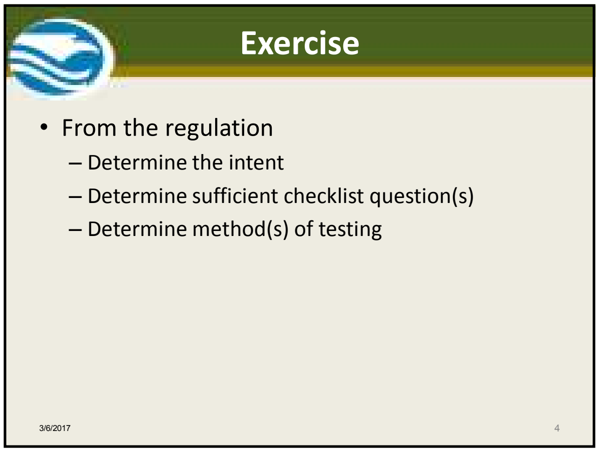
Audit Prep

Fieldwork/ Review

Report Drafting

Management Response

Follow-up

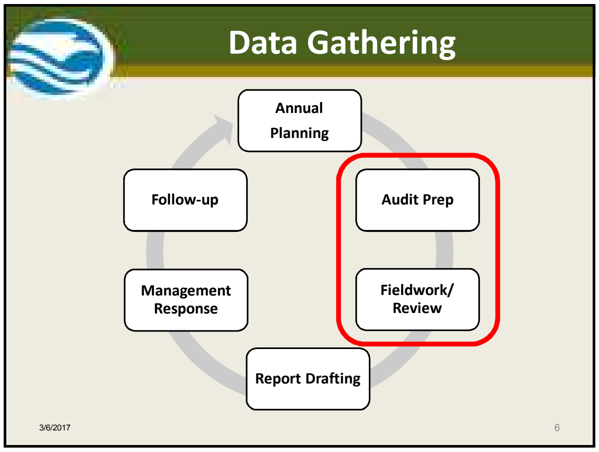


Exercise

- From the regulation
  - – Determine the intent
  - – Determine sufficient checklist question(s)
  - – Determine method(s) of testing

Data Gathering

When do we start gathering data?



Data Gathering

Annual Planning

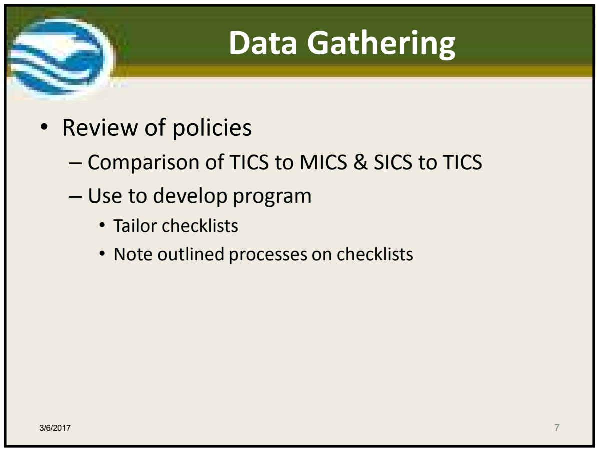
Audit Prep

Fieldwork/ Review

Report Drafting

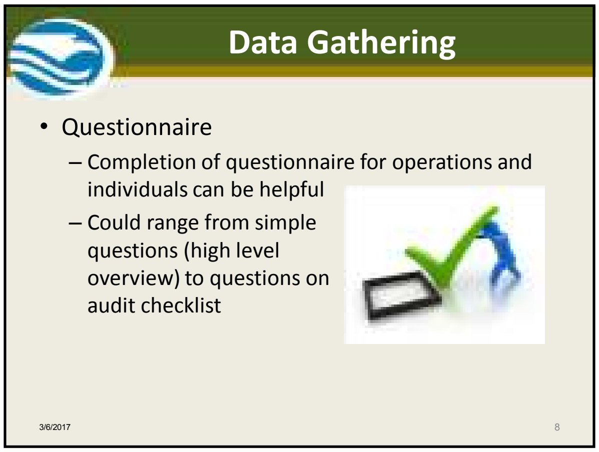
Management Response

Follow-up



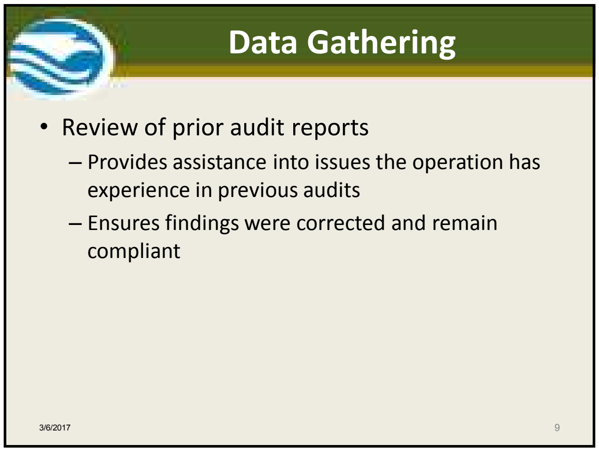
Data Gathering

- Review of policies
  - Comparison of TICS to MICS & SICS to TICS
  - Use to develop program
    - Tailor checklists
    - Note outlined processes on checklists



Data Gathering

- Questionnaire
  - Completion of questionnaire for operations and individuals can be helpful
  - Could range from simple questions (high level overview) to questions on audit checklist



Data Gathering

- Review of prior audit reports
  - Provides assistance into issues the operation has experience in previous audits
  - Ensures findings were corrected and remain compliant

Sampling

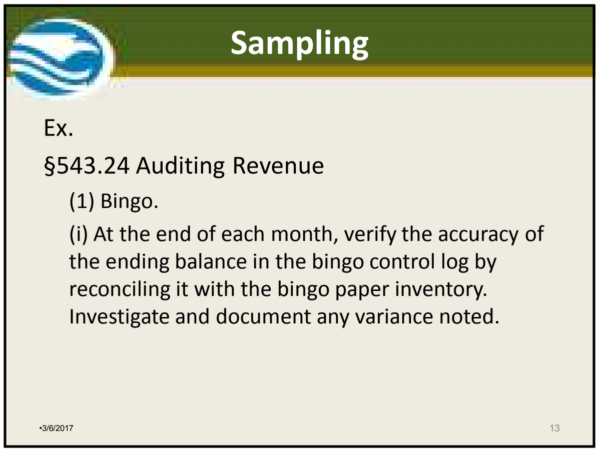
Why do Internal Auditors need samples?

Sampling

- Auditors can not review all paperwork
- Samples are needed as representation of entire population
- Proper sampling
  - Provides evidence
  - Increases efficiency of audit

Sampling

- How do you determine samples?
  - Review the questions
  - What needs to be sampled
  - Sample size
  - Dates of samples



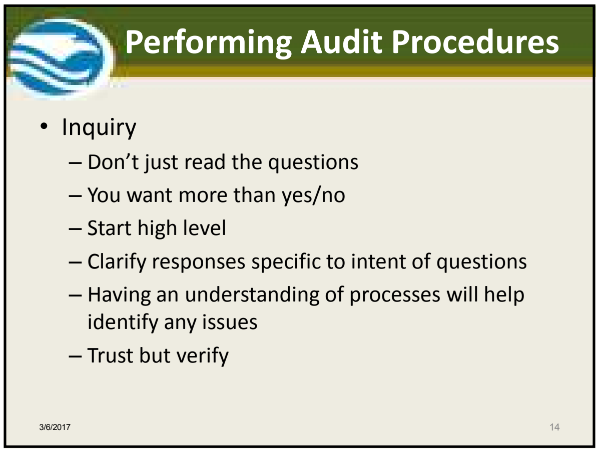
Sampling

Ex.

§543.24 Auditing Revenue

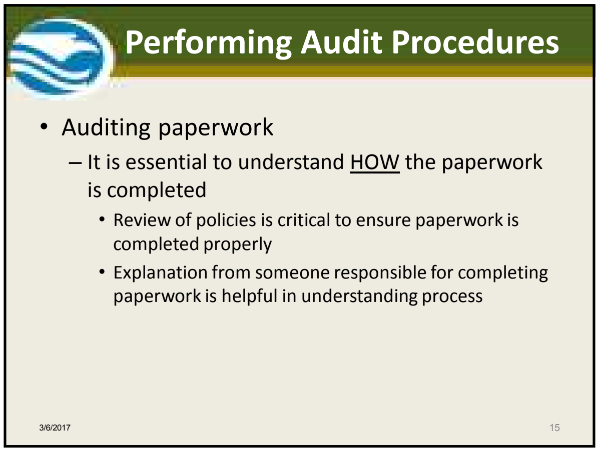
(1) Bingo.

(i) At the end of each month, verify the accuracy of the ending balance in the bingo control log by reconciling it with the bingo paper inventory. Investigate and document any variance noted.



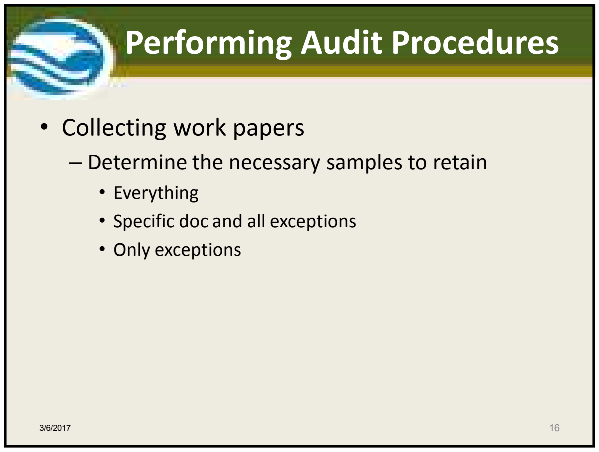
Performing Audit Procedures

- Inquiry
  - Don’t just read the questions
  - You want more than yes/no
  - Start high level
  - Clarify responses specific to intent of questions
  - Having an understanding of processes will help identify any issues
  - Trust but verify



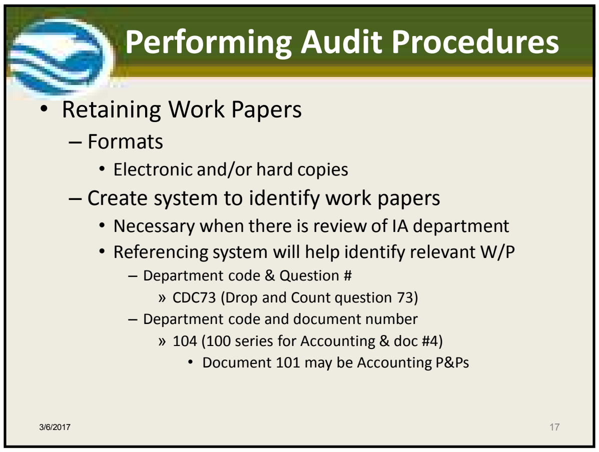
Performing Audit Procedures

- Auditing paperwork
  - It is essential to understand HOW the paperwork is completed
    - Review of policies is critical to ensure paperwork is completed properly
    - Explanation from someone responsible for completing paperwork is helpful in understanding process



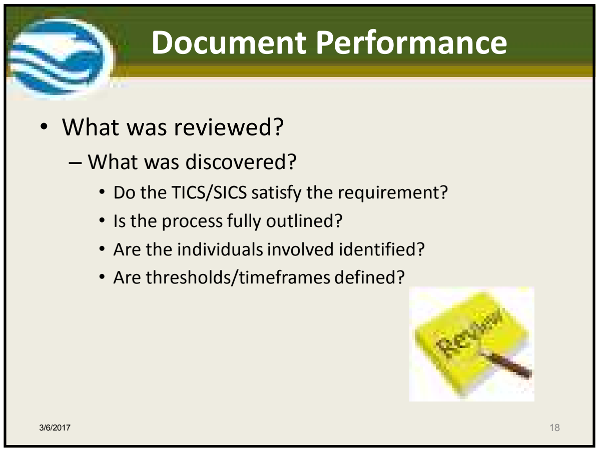
Performing Audit Procedures

- Collecting work papers
  - Determine the necessary samples to retain
    - Everything
    - Specific doc and all exceptions
    - Only exceptions



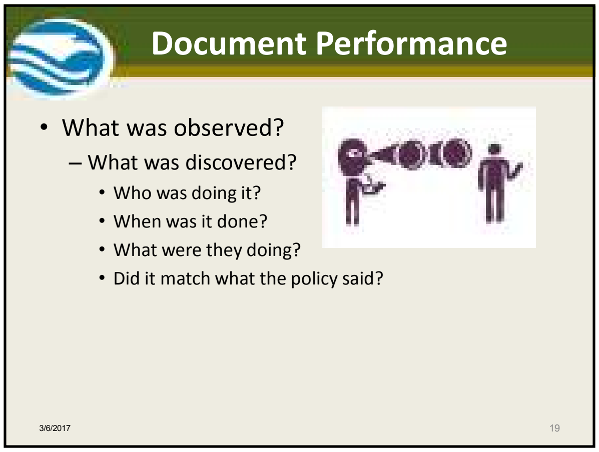
Performing Audit Procedures

- Retaining Work Papers
  - Formats
    - Electronic and/or hard copies
  - Create system to identify work papers
    - Necessary when there is review of IA department
    - Referencing system will help identify relevant W/P
      - Department code & Question #
        - » CDC73 (Drop and Count question 73)
      - Department code and document number
        - » 104 (100 series for Accounting & doc #4)
          - Document 101 may be Accounting P&Ps



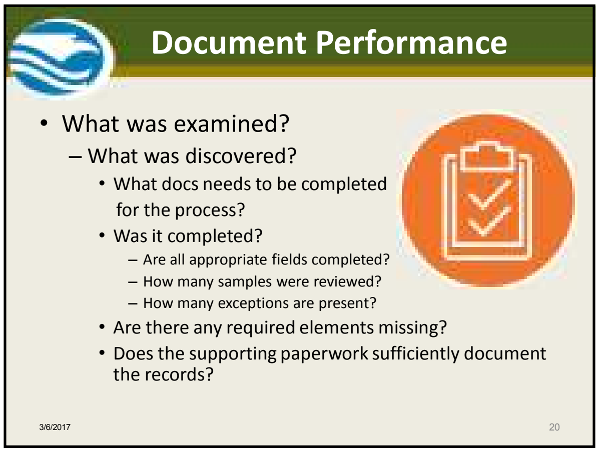
Document Performance

- What was reviewed?
  - What was discovered?
    - Do the TICS/SICS satisfy the requirement?
    - Is the process fully outlined?
    - Are the individuals involved identified?
    - Are thresholds/timeframes defined?



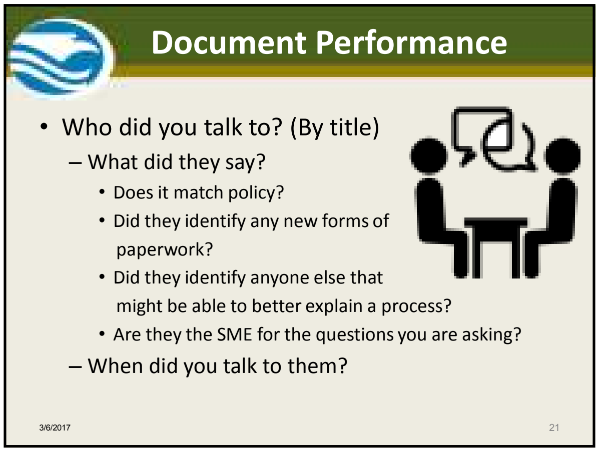
Document Performance

- What was observed?
  - What was discovered?
    - Who was doing it?
    - When was it done?
    - What were they doing?
    - Did it match what the policy said?



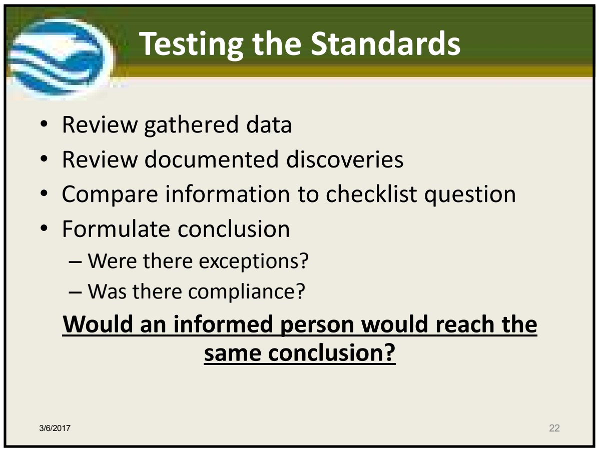
Document Performance

- What was examined?
  - What was discovered?
    - What docs needs to be completed for the process?
    - Was it completed?
      - Are all appropriate fields completed?
      - How many samples were reviewed?
      - How many exceptions are present?
    - Are there any required elements missing?
    - Does the supporting paperwork sufficiently document the records?



Document Performance

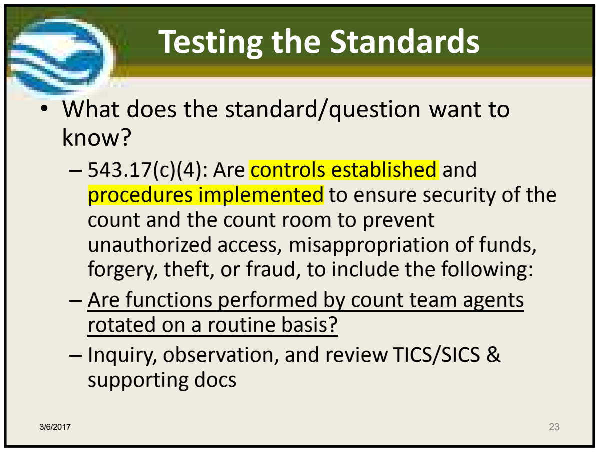
- Who did you talk to? (By title)
  - What did they say?
    - Does it match policy?
    - Did they identify any new forms of paperwork?
    - Did they identify anyone else that might be able to better explain a process?
    - Are they the SME for the questions you are asking?
  - When did you talk to them?



Testing the Standards

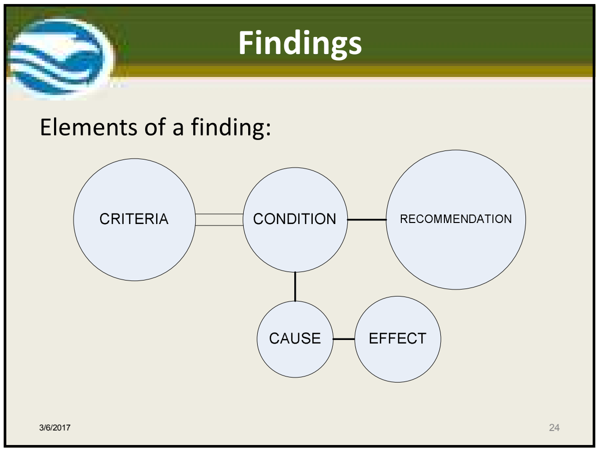
- Review gathered data
- Review documented discoveries
- Compare information to checklist question
- Formulate conclusion
  - Were there exceptions?
  - Was there compliance?

Would an informed person would reach the same conclusion?



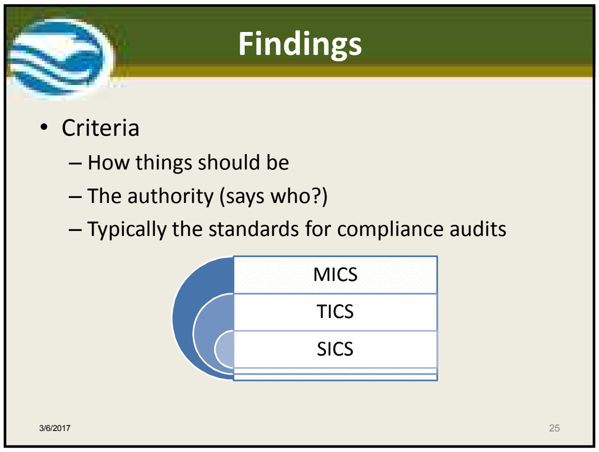
Testing the Standards

- What does the standard/question want to know?
  - 543.17(c)(4): Are controls established and procedures implemented to ensure security of the count and the count room to prevent unauthorized access, misappropriation of funds, forgery, theft, or fraud, to include the following:
  - Are functions performed by count team agents rotated on a routine basis?
  - Inquiry, observation, and review TICS/SICS & supporting docs



Findings

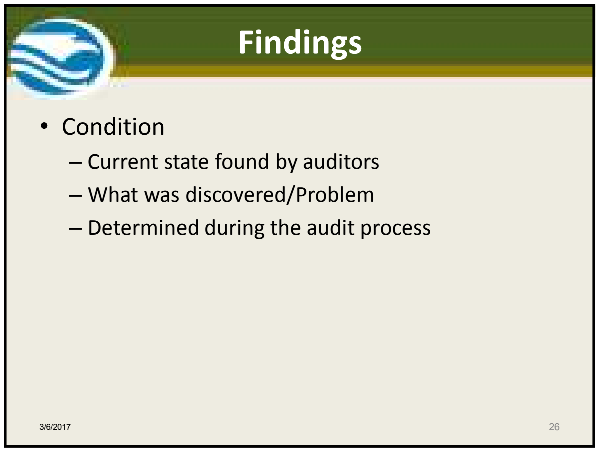
Elements of a finding:



Findings

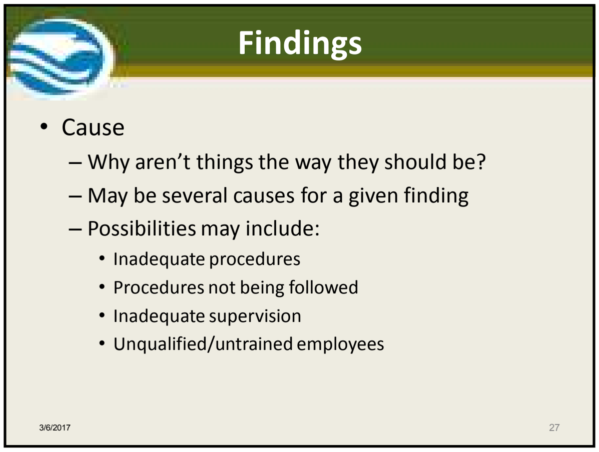
- Criteria
  - How things should be
  - The authority (says who?)
  - Typically the standards for compliance audits

MICS
TICS
SICS



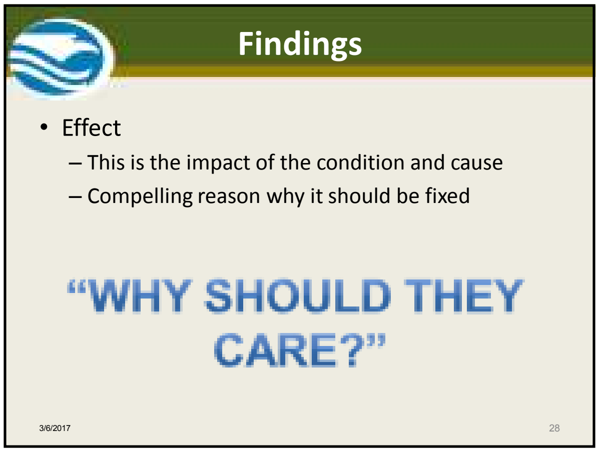
Findings

- Condition
  - Current state found by auditors
  - What was discovered/Problem
  - Determined during the audit process



Findings

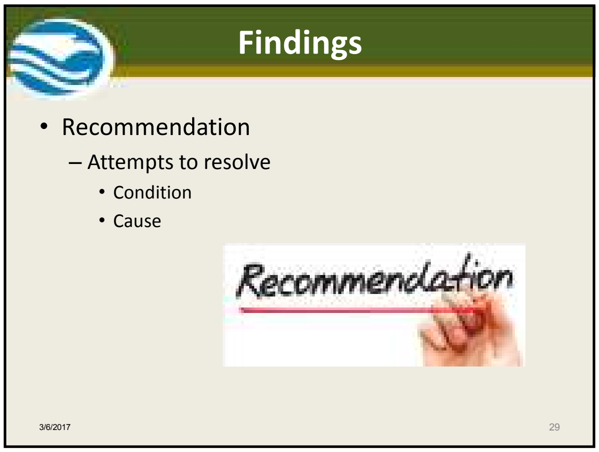
- Cause
  - Why aren’t things the way they should be?
  - May be several causes for a given finding
  - Possibilities may include:
    - Inadequate procedures
    - Procedures not being followed
    - Inadequate supervision
    - Unqualified/untrained employees



Findings

- Effect
  - This is the impact of the condition and cause
  - Compelling reason why it should be fixed

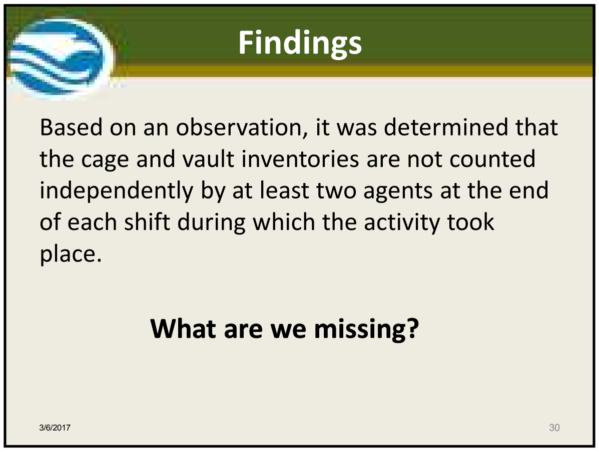
"WHY SHOULD THEY CARE?"



Findings

- Recommendation
  - Attempts to resolve
    - Condition
    - Cause

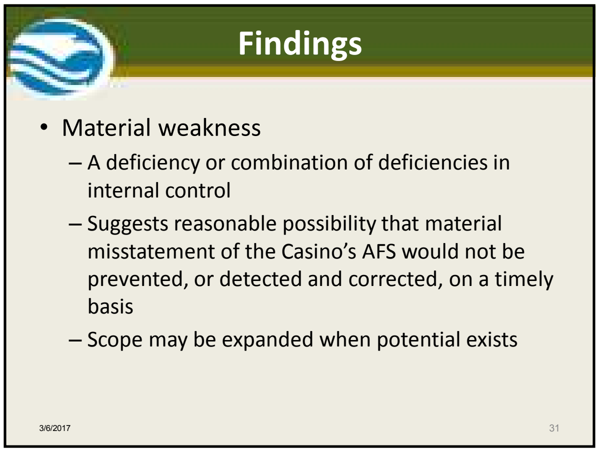
Recommendation



Findings

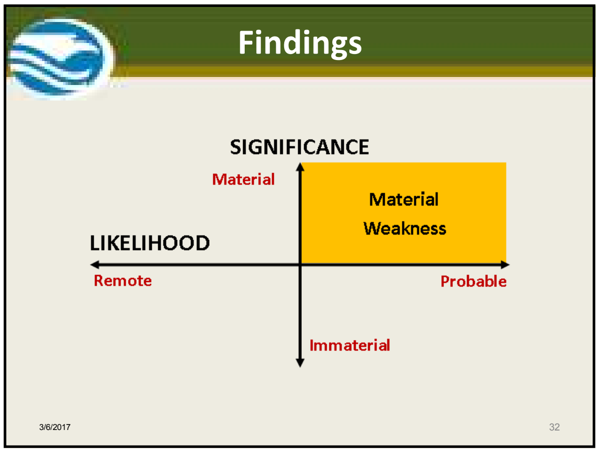
Based on an observation, it was determined that the cage and vault inventories are not counted independently by at least two agents at the end of each shift during which the activity took place.

What are we missing?



Findings

- Material weakness
  - A deficiency or combination of deficiencies in internal control
  - Suggests reasonable possibility that material misstatement of the Casino's AFS would not be prevented, or detected and corrected, on a timely basis
  - Scope may be expanded when potential exists



Findings

SIGNIFICANCE

Material

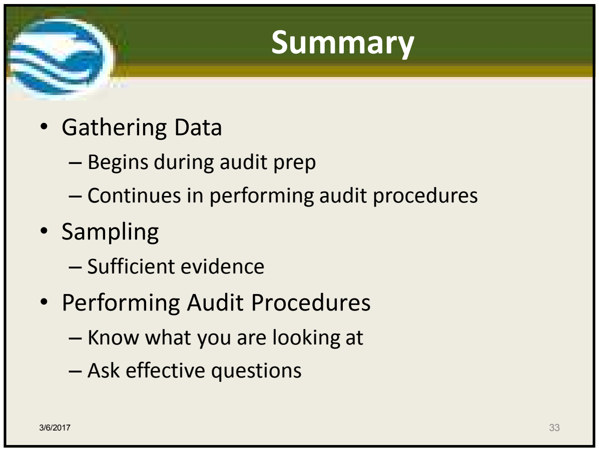
Material Weakness

LIKELIHOOD

Remote

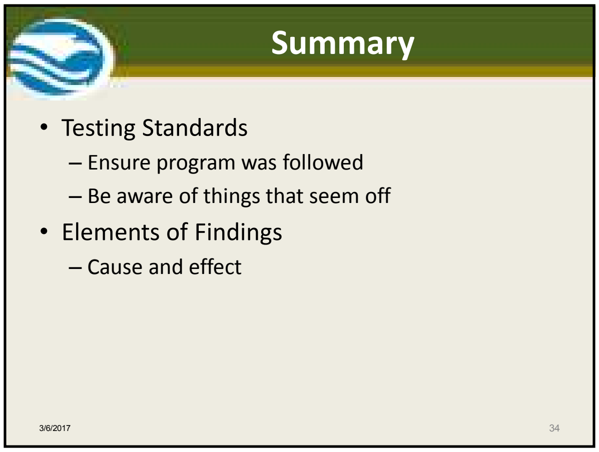
Probable

Immaterial



Summary

- Gathering Data
  - Begins during audit prep
  - Continues in performing audit procedures
- Sampling
  - Sufficient evidence
- Performing Audit Procedures
  - Know what you are looking at
  - Ask effective questions



Summary

- Testing Standards
  - Ensure program was followed
  - Be aware of things that seem off
- Elements of Findings
  - Cause and effect

Questions & Answers

Reference	Standard	Intent	Question(s)	Method(s) of Testing
§543.17(c)(4)	(c) Count team. Controls must be established and procedures implemented to ensure security of the count and the count room to prevent unauthorized access, misappropriation of funds, forgery, theft, or fraud. Such controls must include the following: (4) Functions performed by count team agents must be rotated on a routine basis.			
§543.8(b)(4)	(4) Issuance and returns of inventory. (i) Controls must be established for the issuance and return of bingo card inventory. Records signed by the issuer and recipient must be created under the following events: (A) Issuance of inventory from storage to a staging area; (B) Issuance of inventory from a staging area to the cage or sellers; (C) Return of inventory from a staging area to storage; and (D) Return of inventory from cage or seller to staging area or storage.			
§543.18(i)(2)	(i) Cage and vault access. Controls must be established and procedures implemented to: (2) Limit transportation of extraneous items such as personal belongings, tool boxes, beverage containers, etc., into and out of the cage.			
§543.10(c)(1)	(c) Playing cards. (1) New and used playing cards must be maintained in a secure location, with appropriate surveillance coverage, and accessible only to authorized agents.			

Internal Audit – Part 4

Session Outline

- Report Writing
- Exit Meeting
- Final Report
- Follow – Up

Report Writing

TGRA

Gaming operation

Tribe

NIGC

Report Writing

NIGC

WHAT DID THEY SAY?

Detailed Example:

The purpose of this audit program is to conduct an internal control review of the Bingo Department, focusing on bingo card sales, statistical reports, bingo card inventory, cash controls, system software verification, logs, authorizations and signatures.

Broad Example:

Our objective was to perform such observations and testing to measure compliance with the Tribal Internal Control Standards (TICS) and the National Indian Gaming Commission (NIGC) Regulation 25 CFR Part 543 MICS for class II gaming.

Detailed Scope Example

The internal audit department will audit the Bingo Department of the gaming operation. Internal Audit will begin the audit on March 6th , 2017 and end March 24th , 2017. Internal Audit will review process for all three shifts, perform inquires, observations, review and test relevant documents associated with the conduct of bingo for the period of February 1, 2016 – February 28, 2017.

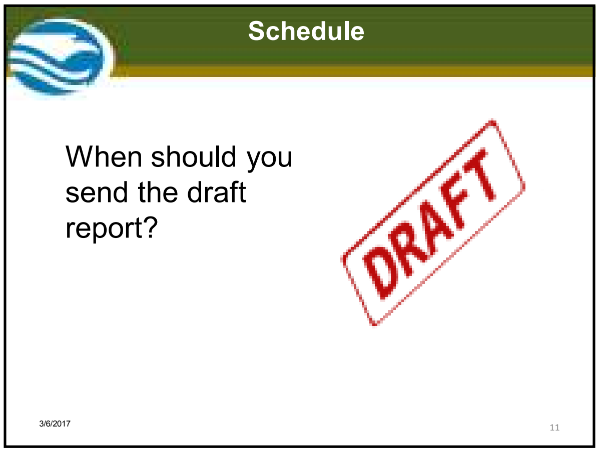
Broad Scope Example

The audit was conducted as a full scope review for processes in place from February 2016 through February 2017. Audit procedures included interviews with management and staff, observations of implementation of controls and examination of current source documentation utilized to comply with the aforementioned requirements.

ELEMENTS OF FINDING EXERCISE

Reporting Phase

Exit Meeting:
- Schedule the meeting
- Who should attend
- Determine how you want to receive management response



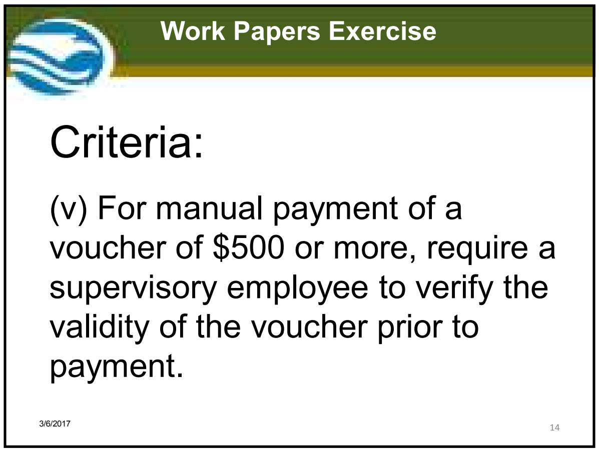
Schedule

When should you send the draft report?

WHO SHOULD ATTEND?

Draft Report

Make sure your work papers are in order to support the findings

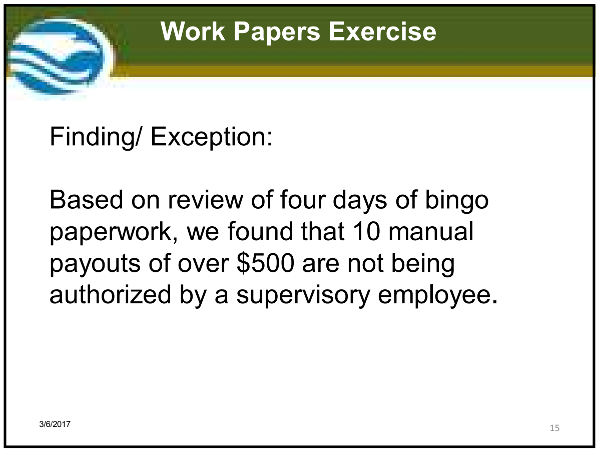


Work Papers Exercise

Criteria:

(v) For manual payment of a voucher of $500 or more, require a supervisory employee to verify the validity of the voucher prior to payment.

3/6/2017 14



Work Papers Exercise

Finding/ Exception:

Based on review of four days of bingo paperwork, we found that 10 manual payouts of over $500 are not being authorized by a supervisory employee.

3/6/2017 15

Exit Meeting

Please discuss
"Have your say"

3/6/2017 16

Exit Meeting

3/6/2017 17

Management Responses

GUIDANCE

WHICH
WHEN
WHY
WHO
WHERE
HOW
WHAT
?

3/6/2017 18

Management Response

#RESPONSETIME

3/6/2017 19

Final Report

Remove findings???

3/6/2017 20

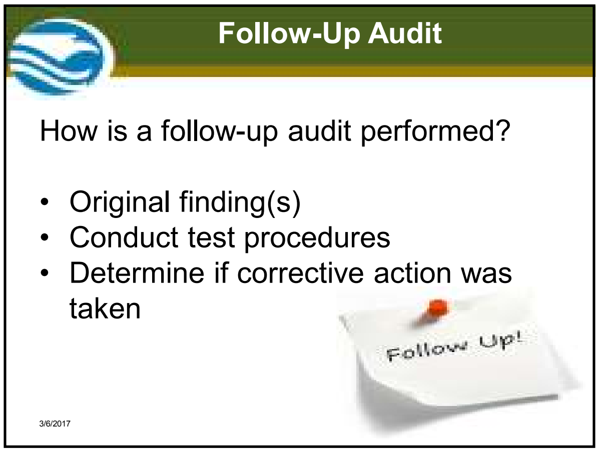
Final Report

Insert management responses into report and distribute final report

3/6/2017 21

Follow-Up Audit

It is time for Internal Audit to follow-up with management to ascertain what improvements have been made.



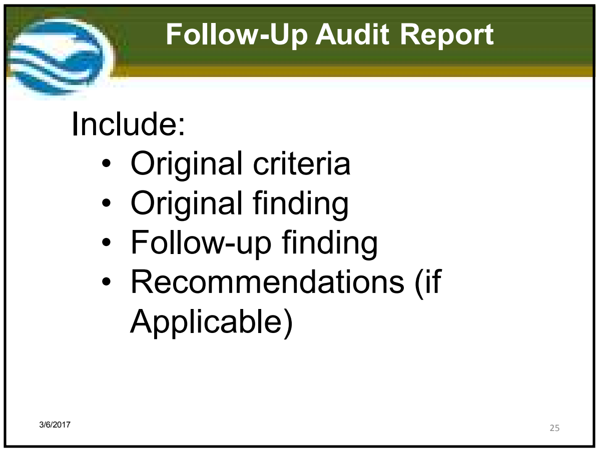
Follow-Up Audit

How is a follow-up audit performed?

- Original finding(s)
- Conduct test procedures
- Determine if corrective action was taken

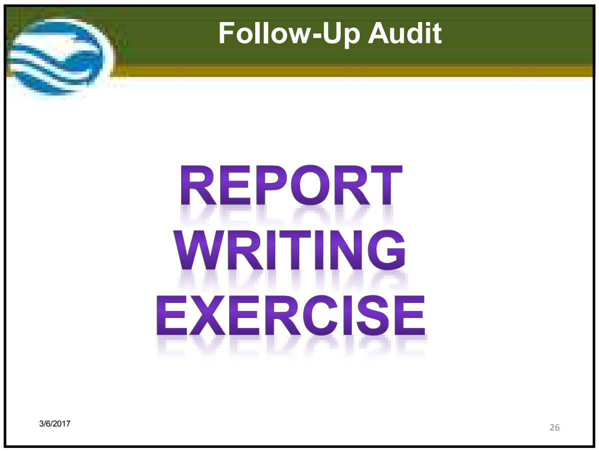
Follow-Up Audit

How do we test for a follow-up audit?



Follow-Up Audit Report

Include:
- Original criteria
- Original finding
- Follow-up finding
- Recommendations (if Applicable)



Follow-Up Audit

REPORT
WRITING
EXERCISE

Wrap-Up

Place everything into the permanent file

Summary

To summarize, to have a successful audit we need tools to help us achieve the objective.

Questions

Exercise

Finding Elements:	**Bingo write- up for Performance Step#1**
	(5) Authorization and signatures. **(i) At least two agents must authorize, sign, and witness all manual prize payouts above $1,200, or a lower threshold as authorized by management and approved by the TGRA.** **TICS 543.8(e)**
	Review 4 days of bingo paperwork (in Revenue Audit) to determine if bingo agents are following proper procedures for appropriate authorization by signature of payouts over $1200 Review policies and inquire with management to determine threshold level. Observe one payout per shift over $1200 to determine if the payout is witnessed.
	Through a review of four days of bingo paperwork, we found the following: • June 16, 2016 – one signature on bingo payout slip for the amount of $2000 • September 28, 2016 – two payout slips with one signature on bingo payout slip in the amounts of $2000 and $5000 • November 02, 2016 - one signature on bingo payout slip in the amount of $3000 • March 20, 2017 - one signature on bingo payout slip for the amount of $2000 Further, observed on March 20, 2017 that one person paid out the prize payout and signed the bingo payout slip.
	On 03/20/17, we interviewed the Bingo supervisor and were informed that the payout was witnessed from the office and there was every intention to sign the payout slip and it did not get done before paperwork went to Revenue Audit.
	Failure to two agents to authorize and witness payouts over $1200 could result in fraudulent payouts.
	Based on review of four days of bingo paperwork, we found that the bingo prize payouts over $1200 are not being authorized by two agents.
	It is recommended that the gaming operation ensure that bingo payouts over $1200 are authorized by two agents.

Exercise #2

Organization/ Department:	**Bingo Department** **John Smith** **03/16/17** **Audit no. 35**
TICS 543.8(e)	**(v) For manual payment of a voucher of $500 or more, require a supervisory employee to verify the validity of the voucher prior to payment.**
	Observed on February 28th, 2017 a manual payout of $800 and the voucher was paid after two cashiers verified the voucher. Through a review of four days of bingo paperwork, we found the following: • On June 16, 2016 – six manual payouts over $500 • November 2, 2016 – one manual payout over $500 • March 20, 2017 – ten manual payouts over $500
Exception	Based on review of four days of bingo paperwork, we found that 10 manual payouts of over $500 are not being authorized by a supervisory employee.
Do you agree with the Exception?	
Should the exception be in the Final Report?	
Why or Why Not?	

INTERNAL AUDIT REPORT

BINGO DEPARTMENT

ANNUAL REPORT FOR FISCAL YEAR ENDING SEPTEMBER 30, 2017

TO:

FROM:

DATE: **April 1, 2017**

CC:

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AUDIT OBJECTIVES

The purpose of this audit program is to conduct an internal control review of the Bingo Department, focusing on bingo card sales, statistical reports, bingo card inventory, cash controls, system software verification, logs, authorizations and signatures.

AUDIT SCOPE

The internal audit department will audit the Bingo Department of the gaming operation. Internal Audit will begin the audit on March 6th, 2017 and end March 24th, 2017. Internal Audit will review process for all three shifts, perform inquires, observations, review and test relevant documents associated with the conduct of bingo for the period of February 1, 2016 – February 28, 2017.

FINDING 1

Criteria:

5) Authorization and signatures.

(i) At least two agents must authorize, sign, and witness all manual prize payouts above $1,200, or a lower threshold as authorized by management and approved by the TGRA.

TICS 543.8(5)

Condition:

Based on review of four days of bingo paperwork, we found that the bingo prize payouts over $1200 are not being authorized by two agents.

Recommendation:

It is recommended that the gaming operation ensure that bingo payouts over $1200 are authorized by two agents.

Management Response:

Follow-Up

Recommendation:

Management Response:

INTERNAL AUDIT REPORT

CARD GAMES DEPARTMENT

ANNUAL REPORT FOR FISCAL YEAR ENDING SEPTEMBER 30, 2012

TO:

FROM:

DATE: **February 7, 2012**

CC:

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Standards for Reconciliation of Card Room Bank .... page 3

Standards for Promotional Progressive Pots and Pools .... page 3

Promotional Progressive Pots and Pools .... page 3

AUDIT OBJECTIVES

The [redacted]
Casino Resort [redacted] card games department in accordance with the audit procedures and scope defined below. The objective of the audit was to ensure that the applicable departments were in compliance with the Minimum Internal Control Standards (MICS), the System of Internal Control, generally accepted industry best practices and departmental and company Standard Operating Procedures (SOPs).

AUDIT PROCEDURES AND SCOPE

The audit procedures and the scope of the audit included the following:

1. Completion of the NIGC MICS Audit Checklists for Card Games and Drop and Count.
2. Unannounced observations of the card games department drop procedures on January 20, 2012.
3. Unannounced observations of soft count procedures on January 20, 2012, and subsequent transfer of drop proceeds into the cage accountability.
4. A review of the Poker Bad Beat Logs from December 2011, and the procedures for recording the promotional jackpot amounts in the general ledger for December 2011, and the procedures for posting the promotional jackpot amounts in the Card Room.
5. A review of the procedures for the control of cards.
6. A review of the Security's Poker Card Inventory Log dated June 2, 2011, through November 28, 2011.
7. A review of the Security's Poker Used Card Inventory Log dated June 2, 2011, through August 25, 2011.
8. A review of the Card Room's card inventory log book dated July 24, 2011, through February 6, 2012.
9. A tracing of the card games department revenues from source documents to the Financial Statement dated December 2011.
10. A review of the Card Room Main Bank reconciliation procedures on January 30, 2012.
11. A count of the Card Room Main Bank on January 30, 2012.
12. A review of the [redacted] licenses of approximately fifteen (15) [redacted] employees to ensure they had valid licenses in their possession.

FINDINGS, RECOMMENDATIONS AND MANAGEMENT RESPONSES

Based on the audit procedures performed and the scope of the audit, it was determined that the appropriate departments were operating in conformity with required and stated procedures except for the item noted in the following finding. This finding details an instance of non-compliance with the required MICS and the System of Internal Control, which was noted during this audit. This finding is followed by recommendation made by to prevent future instances of non-compliance followed by management response to that recommendation.

Compliance with regulatory requirements is the responsibility of Management. responsibility is to ascertain proper compliance by testing and evaluating the appropriate departments as to whether adequate procedures and controls have been established and complied with, and then to report any findings, with recommendations, to Management in order that corrective action can be taken.

STANDARDS FOR DROP AND COUNT

No exceptions to the regulatory requirements were noted during this audit.

STANDARDS FOR SUPERVISION

No exceptions to the regulatory requirements were noted during this audit.

STANDARDS FOR PLAYING CARDS

No exceptions to the regulatory requirements were noted during this audit.

PLASTIC CARDS

No exceptions to the regulatory requirements were noted during this audit.

STANDARDS FOR SHILLS

This section was not applicable.

STANDARDS FOR RECONCILIATION FOR CARD ROOM BANK

1. MINIMUM INTERNAL CONTROL STANDARD (g) (1): The amount of the main card room bank shall be counted, recorded, and reconciled on at least a per shift basis.

SYSTEM OF INTERNAL CONTROL PAGE #7: The Card Room Main Bank is counted and reconciled to the imprest balance by the incoming and outgoing Card Room Supervisors at the completion of each shift. The Card Room Main Bank is also counted each time a Table Games Supervisor or above, relieves the Poker Room Supervisor for his/her break and each time he/she returns from break.

FINDING: During observation and count of the Card Room Main Bank on January 30, 2012, it was noted that the day shift Card Room Supervisor had left for the day before the swing shift Card Room Supervisor had counted the Card Room Main Bank and was able to reconcile it against what the day shift Card Room Supervisor had documented as the ending shift count.

RECOMMENDATION: It was recommended that the VP of Table Games reiterates the requirement that both the incoming and outgoing Card Room Supervisors must count the Card Room Main Bank at the completion of each shift and reconcile their counts before the count sheet is signed by both Card Room Supervisors.

MANAGEMENT RESPONSE: [redacted] stated that he will, by February 13, 2012, reiterate the requirements for counting the Card Room Main Bank to all Card Room Supervisors.

STANDARDS FOR PROMOTIONAL POTS AND POOLS

No exceptions to the regulatory requirements were noted during this audit.

PROMOTIONAL PROGRESSIVE POTS AND POOLS

No exceptions to the regulatory requirements were noted during this audit.

Training Course Evaluation Form

	Course	Internal Audit A-Z Parts 3 and 4
	Instructor	

Instructor	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
1. The instructor was knowledgeable and well prepared.					
2. The instructor engaged participants and they responded well to questions.					

Please provide specific suggestions or recommendations for the instructor in the space below:

Course Materials	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
3. The course content, topics and activities were engaging and met my expectations.					
4. I found the information provided in the course to be valuable and I should be able to apply it to my job.					

Please provide specific suggestions or recommendations for the course content in the space below:

Course Pacing	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly Disagree (1)
5. The course was well paced and there were adequate breaks throughout.					

Please provide specific suggestions or recommendations for the course pacing in the space below:

Overall Course Rating	Excellent	Good	Fair
How would you rate this course overall?			

Overall Course Impression

Please provide any comments, suggestions or ideas to help improve this training course.