

Auditor's Name and Date

CPA MICS Compliance Checklist

SLOTS
Currency Acceptor Drop and Count Observation

Licensee _____ Review Period _____

NGC Regulation 6.090(9) requires the CPA to use "criteria established by the chairman" in determining whether a Group I licensee is in compliance with the Minimum Internal Control Standards (MICS). This checklist is to be used by the CPA in determining whether the licensee's slots operation is in compliance with the Slots MICS that address the currency acceptor drop and count.

Date of Inquiry	Person Interviewed	Position

Date of Drop Observation: _____ **Date of Count Observation:** _____

Checklist Completion Notes:

- 1) Unless otherwise instructed, examine a completed document for compliance for those questions referring to records/documentation as indicated and recalculate where appropriate. Indicate (by tickmark) whether the procedures were confirmed via examination/review of documentation, through inquiry of licensee personnel or via observation of procedures. Tickmarks used are to be defined at the bottom of each page.
- 2) All "no" answers require referencing and/or comment, and should be cited as regulation violations, unless adequate alternative procedures exist (i.e., approval of alternative procedure granted by the Board Chairman) or the question requires a "no" answer for acceptability. All "N/A" answers require referencing and/or comment, as to the reason the MICS is not applicable.
- 3) "(#)" refers to the Minimum Internal Control Standards for Slots, Version 6.

Minimum Internal Control Standard Notes (paraphrased from the standards):

- Note 1: The controls in effect for participation machines will provide at least the level of control described by these MICS.
- Note 2: One slot route operator's employee may be used to fill the employee requirements except in a supervisory capacity.
- Note 3: For all licensees, employees participating in the drop and/or count at the licensed location must have registered pursuant to Regulation 5.105. Also, drop and/or count team members may be employees of an affiliate gaming operation or corporate employees as long as the drop/count members have registered as gaming employees for the licensed location where the drop/count is being performed.
- Note 4: For any Board-authorized computer applications, alternate documentation and/or procedures which provide at least the level of control described by these MICS as determined by the Audit Division will be acceptable and a MICS variation will be unnecessary.

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Questions	Yes	No	N/A	Comments, W/P Reference
1. Has the licensee's written system of internal control for the slots currency drop and count been read prior to the completion of this checklist to obtain an understanding of the licensee's slots currency drop and count procedures?				
<u>Currency Acceptor Drop</u> Note: Throughout these Slots MICS the term "wagering instrument" refers to slot machine wagering vouchers and slot machine coupons, terms defined in the Regulation 14 Technical Standards. The currency acceptor drop and count MICS also apply to wagering instruments. (Note 1 before 31)				
2. Is the currency acceptor drop and count for each slot machine performed at least once a month? (31)				
3. Are a minimum of three employees involved in the removal of the currency acceptor drop boxes from the slot machines with at least one of the employees being independent of the slot department? (32) Verify by observation.				
4. Are the employees mentioned in the previous question involved as follows: Verify by observation.				
a) Does a member of the currency drop team remove the currency acceptor drop boxes from the slot machine? (32a)				
b) To ensure that funds are not removed from the currency acceptor drop boxes, is a second employee able to monitor (witness in person) at all times the drop team member removing the currency acceptor drop boxes from the slot machine and placing the currency acceptor boxes on the cart? (32b)				
c) Does an employee provide security over the storage of the currency acceptor drop boxes on the cart until all of the currency acceptor drop boxes have been transported to the count room? (32c) State who performs this procedure.				

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d) Do a minimum of two employees, at least one of whom is independent of the slot department, transport the currency acceptor drop boxes directly to the currency count room or other similarly restricted location where the drop proceeds are locked in a secure manner until the count takes place? (32d) State who performs this procedure.				
5. If more than one trip is required to remove the currency acceptor drop boxes from the slot machines scheduled to be dropped, is access to the stored full boxes restricted to authorized members of the drop and count teams with the full boxes either locked in the count room or secured in another equivalent manner? (33) State where the currency acceptor drop boxes are secured.				
6. For other than the scheduled currency acceptor count, are stored full currency acceptor drop boxes secured such that a minimum of three employees from three different departments must be involved to access the boxes? (33)				
7. Does the Regulation 6.130(1)(a) drop/count filing include specific drop days and times for the currency acceptor count? (218) Verify by examination. Note: A count time range, not exceeding 30 minutes, may be indicated if the counts starting after the completion of another count or drop (e.g., count starts no earlier than 7 a.m., but no later than 7:30 a.m.). Also, if one count team counts both the table games soft drop and the currency acceptor drop, the order in which the counts are to take place should be indicated. (218, Notes 2 & 3) Note: When a drop and/or count is unable to start at the reported time, the Board's Audit Division is notified (see the Board's website for instructions) prior to both the reported time and the actual start time. (218, Note 6)				

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8. If all slot machines are not dropped on the same days of the week, does the drop/count time filing state which one are dropped and counted on each day (e.g., denomination, section of the floor, percentage of all currency acceptors, or other description)? (218, Note 4) Verify by examination.				
9. If applicable, are routine breaks longer than 15 minutes (i.e., meal, change of shift, or breaks by count team members to perform other functions) during the count indicated on the drop/count time filing? (218, Note 5) Verify by examination.				
Currency Acceptor Count				
Note: The count begins with the opening of the first drop box and ends when a member of the cage/vault department signs the count sheet and assumes accountability of the proceeds. (Note 2 before 31)				
Perform a currency counter test, if applicable, using previously counted currency for each denomination and with each type of wagering instrument counted by the currency counter. The test can be conducted at the conclusion of the count, but no later than immediately after the final totals are generated. Indicate the results of the test performed.				
10. Is the currency acceptor count performed in the soft count room or equivalently secure area with comparable controls? (34) Indicate the area (i.e., soft count room or separate currency acceptor count room).				
11. Are the contents of the currency acceptors precluded from being transported off property for count purposes? (34)				
12. Are all coin, tokens, chips and/or cash inventory stored in the count room secured from unauthorized access at all times? (35)				
13. Is access to the count room during the count restricted to members of the drop and count teams, authorized observers (including auditors and security personnel), supervisors for resolution of problems, authorized maintenance personnel and personnel performing coin/currency transfers? (35) Verify by observation.				

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14. If counts from various revenue centers occur simultaneously in the count room with the currency acceptor count, are procedures in place that prevent the commingling of funds from different revenue centers? (36) Verify by observation.				
15. Is the currency acceptor count performed by a minimum of three employees physically located in the count room until the proceeds have been accepted in the cage/vault accountability? (37) Verify by observation.				
16. At no time during the count will there be fewer than three employees in the count room? (37) Note: For simultaneous counts of both the slot currency acceptor proceeds and either the slot coin drop proceeds or table games/card games counts, a minimum of six employees are to be involved – three per count. Upon the acceptance of the proceeds of one of the counts by cage/vault personnel, the number of employees may be reduced to three. The number of employees may also be reduced to three if the counted proceeds (and related documentation) are secured in an area within the count room where only cage/vault personnel can obtain access (e.g., locked in a cabinet) while the three remaining count team members perform other duties/counts. In such a case, the cage/vault personnel are prevented from accessing the proceeds unless three count team members are present (e.g., count team keeps the key to the count room during breaks). (37, Note)				
17. Is the currency acceptor count team independent of the slot department and the department responsible for the subsequent accountability of the currency acceptor proceeds unless they are nonsupervisory slot employees (a person below the level of slot shift supervisor) and the employee does not record (e.g., operates the currency counter) or verify the count? (38) Verify by observation.				
18. If a cage cashier is used for the currency acceptor count, is this person not allowed to perform the recording function (e.g., does not operate the currency counter) or accept funds into cage accountability? (38, Note) Verify by observation.				

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Questions	Yes	No	N/A	Comments, W/P Reference
19. If an accounting representative is used for the currency acceptor count, is an independent audit of all currency acceptor count documentation performed? (38, Note) Verify by observation.				
20. Per inquiry, are the personnel who normally perform the currency acceptor count independent of the slot department and the subsequent accountability of the count proceeds as described in the previous questions? (38)				
21. Is the count team not allowed to have access to the bill-in amounts per the slot machine/socket ID meters until after the count is completed and the drop proceeds are accepted into cage/vault accountability? (39) Verify by observation. Note 1: A count team member is allowed to read/record the amount from the bill in meters as long as the count team members do not have knowledge of the dollar amount of currency contained in the currency acceptor drop boxes pursuant to the bill in meters during the count process. (39) Note 2: Socket ID is defined in Regulation 14 Technical Standard 1.010.				
22. If a currency counter interface is used, is it adequately restricted so as to prevent unauthorized access (passwords, keys, etc.)? (40) Indicate the method used.				
23. Are unannounced currency counter and currency counter interface (if applicable) tests of all denominations of currency and all types of wagering instruments counted by the currency counter performed by someone independent of the cage, vault and slot departments and the count team on a least a quarterly basis with the test results being documented and maintained? (41) Review the last test(s) results. Indicate the date of the last test, who performed the test and the results of the test. Note: The tests are separate from the two tests completed for internal audit purposes pursuant to the Board's Internal Audit Compliance Checklists; however, internal audit may complete all the tests. (41, Note)				

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<p>24. Immediately prior to the currency acceptor count, do at least two count team members verify the accuracy of the currency counter with previously counted currency for each denomination (i.e., test currency) and with each type of wagering instrument (for number of instruments or for dollar amount) and are the test results documented and maintained? (42) Verify by observation.</p> <p>Note 1: The currency counter test must be performed with test currency rather than with currency from a drop box. (42, Note 1)</p> <p>Note 2: If the same count team members complete a count for one revenue center (e.g., gaming or nongaming revenue center) and then immediately complete a count for a second revenue center, the currency counter test would only need to be completed at the beginning of the first count. (42, Note 2)</p> <p>Note 3: If the same currency counter is used for the soft count and slots currency acceptor, performing the currency counter test once will satisfy both the above MICS and the parallel Table Games MICS as long as the same count team members complete one count and proceed to the other revenue center count. (42, Note 3)</p>				
<p>25. Are the currency acceptor drop boxes individually emptied and counted in such a manner so as to prevent the commingling of contents between boxes before the box contents have been counted and recorded? (43) Verify by observation.</p>				
<p>26. Is the dollar amount of the currency drop from each slot machine and in total for each denomination recorded in ink or other permanent form of recordation on a slot count document? (44) Verify by observation.</p>				
<p>27. If a currency counter interface is used, are the currency drop figures transferred via direct communications line or computer storage media to the accounting department? (44) Indicate the method.</p>				

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28. For each wagering instrument removed from each drop box, is the dollar amount and the validation number recorded/scanned, by slot machine, in the cashless wagering system during the count and does the cashless wagering system generate a slot count document indicating the total dollar amount and/or total number of wagering instruments counted in the count room? (45) Verify by observation.				
29. If currency counters are utilized and the count room table is used only to empty boxes and sort/stack contents, is a count team member other than the person(s) operating the currency counter able to witness the loading and unloading of all currency at the currency counter, including rejected currency? (46) Verify by observation. If no, see the next question.				
30. If a count team member does not monitor the currency acceptor operator(s) as described in the previous question, does an individual independent of the count process monitor the operator of the currency counter for a minimum of one hour during the count process from recorded or live surveillance at least monthly and are the dates, times and results of these independent observations documented? (46) Verify by examination.				
31. When the currency counter rejects currency but does not record the amount of the rejected currency, are procedures in effect to record the rejected currency amount, by slot machine, and to ensure that two counts of the rejected currency (by slot machine and in total) are performed to verify that the correct amount of drop (including rejected currency) is recorded on the count sheet? (47) Verify by observation. Note: MICS #47 does not allow for rejected currency to be posted to a "dummy", nonexistent slot machine. (47, Note)				
32. Are the drop boxes, when empty, shown to another member of the count team, to another person observing the count, or to recorded or live surveillance, provided the count is monitored in its entirety by someone independent of the count? (48) Indicate the method.				

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33. Are currency transfers out of the count room during the currency acceptor count process allowed? (49) If yes, answer the next two questions. If no, answer these as N/A.				
34. If currency transfers are permitted during the count, is each transfer recorded on a separate multi-part form used solely for currency acceptor count transfers performed during the count? (49) Verify by examination.				
35. Are currency transfers, if applicable, counted and are transfer forms signed for by at least two count team members and by someone independent of the count team with one part of the transfer form remaining in the count room until all the currency drop has been accepted into the cage/vault accountability and with the other part of the transfer form accompanying the funds being transferred from the count room? (50) Verify by observation.				
36. Are corrections on any count documentation or transfer form made by crossing out the error, entering the correct figure, and then obtaining the signatures or initials of at least two count team members who verified the change? (51) Verify by observation.				
37. If a currency counter interface is used, are corrections to final count data made using one of the following methods: Verify by observation.				
a) Are they made by crossing out the error on the document, entering the correct figure, obtaining the signatures or initials of at least two count team members who verified the change, and then does an employee independent of the slot department and count team enter the correct figure into the computer system prior to the generation of the related slot reports? (51a) , or				

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Questions	Yes	No	N/A	Comments, W/P Reference
b) Are they made during the count process by correcting the error in the computer system, entering the passwords of at least two count team members and is an exception report generated by the computer system identifying the slot machine number, the error, the correction and the count team members attesting to the propriety of the correction? (51b)				
38. At the conclusion of the count, does a count team member who does not function as the sole recorder reconcile the currency drop amount recorded on the count sheet to the currency drop in the count room and the dollar amount of currency drop transfers, if applicable, with any variances being reconciled and documented? (52) Verify by observation. Note: MICS #52 does not apply to wagering instruments removed from the currency acceptor drop boxes. (52, Note)				
39. Do all members of the count team attest by signature to the accuracy of the currency drop count and either the dollar amount or the number of wagering instruments counted (if dollar amount is not available to the count team)? (53) Verify by observation. Note: Three verifying signatures on the count sheet are adequate if all additional count team members sign a supplemental document evidencing their involvement in the count process. (53)				
40. Does an employee of the cage/vault department (who is independent of the count team) perform a count of the currency drop proceeds that are being turned over to the cage/vault department and reconcile it to the currency drop amount recorded on the count sheet, less any transfers, if applicable, and are any variances reconciled and documented? (54) Verify by observation. Note: MICS #54 does not apply to wagering instruments removed from the currency acceptor drop boxes. (54, Note)				
41. Does the cage/vault employee mentioned in the previous question sign the count sheet, or other reconciling document, and assume accountability of the currency proceeds thereby ending the count? (55) Verify by observation.				

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42. Is access to the stored full drop boxes restricted to authorized members of the drop and count teams? (56)				
43. Are the count sheet and all supporting documents including currency drop transfer forms, wagering instruments and any applicable storage media promptly delivered to the accounting department by a count team member or someone other than a cage/vault employee, or are these documents adequately secured (e.g., locked container to which only accounting personnel can gain access) to preclude cage personnel from accessing the documents until retrieved by the accounting department? (57) Indicate the method used.				
<u>Written System of Internal Control</u>				
44. Has the licensee's written system of internal control for the slots currency drop and count been re-read prior to responding to the following question?				
45. Does the written system of internal control for the slots currency drop and count reflect the actual control procedures in effect for compliance with the MICS, variations from the minimum internal control standards approved pursuant to Regulation 6.090(8), and Regulation 14 associated equipment approvals? [Regulation 6.090(13)]				
46. Obtain a copy of the count sheet summary totals for inclusion in the workpapers.				
47. Complete the CPA MICS Compliance Checklist for Slots Key Controls.				

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