
Rules of
Department of Public Safety
Division 45—Missouri Gaming Commission
Chapter 9—Internal Control System

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**Title 11—DEPARTMENT OF
PUBLIC SAFETY**

**Division 45—Missouri Gaming
Commission**

Chapter 9—Internal Control System

11 CSR 45-9.010 Definition of Licensee

PURPOSE: This rule establishes definitions for this chapter.

(1) For purposes of this chapter, licensee shall mean the holder of a Class A license.

*AUTHORITY: sections 313.004, 313.800, 313.805, 313.812 and 313.817, RSMo 1994. * Emergency rule filed Sept. 1, 1993, effective Sept. 20, 1993, expired Jan. 17, 1994. Emergency rule filed Jan. 5, 1994, effective Jan. 18, 1994, expired Jan. 30, 1994. Original rule filed Sept. 1, 1993, effective Jan. 31, 1994. Amended: Filed May 13, 1998, effective Oct. 30, 1998.*

**Original authority: 313.004, RSMo 1993, amended 1994; 313.800, 313.805 and 313.812, RSMo 1991, amended 1993, 1994; and 313.817, RSMo 1991, amended 1993.*

11 CSR 45-9.020 Objectives of an Internal Control System

PURPOSE: This rule establishes the objectives of an internal control system.

(1) Each licensee shall establish an internal control system that includes the following:

(A) Administrative control which includes, but is not limited to, the plan of organization and the procedures and records that are concerned with the decision processes leading to management's levels of authorization of transactions.

(B) Accounting control which includes the plan of organization and the procedures and records that are concerned with the safeguarding of assets and the accuracy and reliability of financial records and are consequently designed to provide reasonable assurance that—

1. Transactions are performed only in accordance with management's specific or general authorization;

2. Transactions are recorded adequately to permit preparation of financial statements in conformity with generally accepted accounting principles, to permit proper reporting of adjusted gross receipts and of fees and taxes and to maintain accountability for assets;

3. Access to assets is permitted only in accordance with management's specific authorization;

4. Recorded accountability for assets is compared with actual assets at reasonable intervals and appropriate action is taken with respect to any discrepancies;

5. Functions, duties and responsibilities are appropriately segregated and performed by competent personnel with integrity and an understanding of prescribed procedures.

A. The internal auditor shall report only to the entity or person holding a Class A license, or other reporting as approved by the commission.

B. Security personnel shall only report to an organizational level above that of gaming operations manager.

C. Surveillance personnel shall only report directly to an organizational level above that of general manager; and

6. Compliance with the statutes and rules is assured.

*AUTHORITY: sections 313.004, 313.800, 313.805, 313.812 and 313.817, RSMo 1994. * Emergency rule filed Sept. 1, 1993, effective Sept. 20, 1993, expired Jan. 17, 1994. Emergency rule filed Jan. 5, 1994, effective Jan. 18, 1994, expired Jan. 30, 1994. Original rule filed Sept. 1, 1993, effective Jan. 31, 1994. Emergency amendment filed March 18, 1996, effective March 28, 1996, expired Sept. 23, 1996. Amended: Filed March 18, 1996, effective Oct. 30, 1996.*

**Original authority: 313.004, RSMo 1993, amended 1994; 313.800, 313.805 and 313.812, RSMo 1991, amended 1993, 1994; and 313.817, RSMo 1991, amended 1993.*

11 CSR 45-9.030 Minimum Internal Control Standards

PURPOSE: This rule establishes minimum internal control standards.

PUBLISHER'S NOTE: The publication of the full text of the material that the adopting agency has incorporated by reference in this rule would be unduly cumbersome or expensive. Therefore, the full text of that material will be made available to any interested person at both the Office of the Secretary of State and the office of the adopting agency, pursuant to section 536.031.4, RSMo. Such material will be provided at the cost established by state law. This incorporated material (Appendix A) may also be accessed through the Missouri Secretary of State's website at <http://mosl.sos.state.mo.us/csr/11csr.htm#11-45>.

(1) The commission shall adopt and publish minimum standards for internal control procedures that in the commission's opinion satisfy 11 CSR 45-9.020, as set forth in Appen-

dix A, which has been incorporated by reference herein.

(2) Each licensee shall adopt an internal control system that complies with Appendix A of this rule. The procedures must be approved by the commission. In the event that Appendix A of this rule is amended, each licensee whose procedures are affected by the amended minimum standards shall, within ten (10) days of the effective date of the amended rule, amend its written system, submit a copy of the written system as amended to the commission and comply with the standards and system as amended. The commission, in its sole and absolute discretion, may extend the time for complying with this rule.

*AUTHORITY: sections 313.004, 313.800 and 313.805, RSMo 1994. * Emergency rule filed Sept. 1, 1993, effective Sept. 20, 1993, expired Jan. 17, 1994. Emergency rule filed Jan. 5, 1994, effective Jan. 18, 1994, expired Jan. 30, 1994. Original rule filed Sept. 1, 1993, effective Jan. 31, 1994. Emergency amendment filed March 18, 1996, effective March 28, 1996, expired Sept. 23, 1996. Amended: Filed March 18, 1996, effective Oct. 30, 1996. Amended: Filed Sept. 12, 1996, effective March 30, 1997. Amended: Filed July 2, 1997, effective Feb. 28, 1998. Amended: Filed May 13, 1998, effective Oct. 30, 1998. Amended: Filed June 4, 1999, effective Jan. 30, 2000. Amended: Filed Oct. 29, 1999, effective May 30, 2000.*

**Original authority: 313.004, RSMo 1993, amended 1994; 313.800, RSMo 1991, amended 1993, 1994; and 313.805, RSMo 1991, amended 1993, 1994.*

11 CSR 45-9.040 Commission Approval of Internal Control System

PURPOSE: This rule establishes the procedure for approval of internal control system.

(1) Each licensee shall describe, in a manner that the commission may approve or require, its administrative and accounting procedures in detail in a written system of internal control. Each written system must include a detailed narrative description of the administrative and accounting procedures designed to satisfy the requirements of 11 CSR 45-9.020 and 11 CSR 45-9.030(1). Additionally, this description shall include a separate section for the following:

(A) An organizational chart depicting appropriate segregation of functions and responsibilities;

(B) A description of the duties and responsibilities of each position shown on the organizational chart;

(C) A detailed, narrative description of the administrative and accounting procedures designed to satisfy the requirements of 11 CSR 45-9.020 and 11 CSR 45-9.030(1). Additionally, this description shall include a separate section for the following:

1. Procedures to insure that no person shall lose more than five hundred dollars (\$500) during each gambling excursion;
2. Procedures to account for the total number and amount of money received from admissions, including free passes or complimentary admission tickets;
3. Physical characteristics of drop box and tip box;
4. Transportation of drop and tip boxes to and from gaming tables;
5. Procedures for table inventories;
6. Procedures for opening and closing gaming tables;
7. Procedures for fills and credits;
8. Procedures for accepting tips or gratuities;
9. Procedures for transporting chips and tokens to and from gaming tables;
10. Procedures for shift changes at gaming tables;
11. Drop bucket characteristics;
12. Transportation of drop buckets to and from electronic gaming devices;
13. Procedures for chip and token purchases;
14. Procedures for hopper fills;
15. Procedures for transportation of electronic gaming devices;
16. Procedures for jackpot payout;
17. Layout and physical characteristics of cashier's cage;
18. Procedures for accounting controls;
19. Procedures for exchange of checks submitted by gaming patrons;
20. Procedures for credit card and debit card transactions;
21. Procedures for acceptance, accounting for and redemption of patron's cash deposits;
22. Procedures for control of coupon redemption and other complimentary distribution programs;
23. Procedures for shoreside facilities, which is defined for purposes of this rule as those facilities based or built upon land;
24. Procedures for federal cash transactions reporting; and
25. Procedures for security and accountability of dice and cards; and

(D) Other items as the commission may require.

(2) At least ninety (90) days before the riverboat gaming operation commences, unless otherwise directed by the commission, each

licensee shall submit to the commission a written description of its internal control system, which is designed to satisfy the requirements of section (1) of this rule.

(3) If the written system is the initial submission to the commission, a letter shall be submitted from an independent certified public accountant selected by the commission stating that the licensee's written system has been reviewed by the accountant and complies with the requirements of section (1) of this rule.

(4) The commission shall review each submission required by section (2) of this rule and shall determine whether it conforms to the requirements of section (1) of this rule and whether the system submitted provides adequate and effective controls for the operations of the licensee. If the commission finds any insufficiencies, they shall be specified in writing to the licensee, who shall make appropriate alterations. No licensee shall commence gaming operations unless and until a system of controls is approved.

(5) The licensee may not implement a system of internal control procedures that does not satisfy the minimum standards unless the commission, in its sole discretion, determines that the licensee's proposed system satisfies 11 CSR 45-9.020 and approves the system in writing. Within thirty (30) days after a licensee receives notice of the commission's approval of procedures that satisfy the requirements of 11 CSR 45-9.020 but that do not satisfy the minimum standards, the licensee shall comply with the approved procedures, amend its written system accordingly, and submit to the commission a copy of the written system as amended and a written description of the variations.

*AUTHORITY: sections 313.004, 313.800 and 313.805, RSMo 1994. * Emergency rule filed Sept. 1, 1993, effective Sept. 20, 1993, expired Jan. 17, 1994. Emergency rule filed Jan. 5, 1994, effective Jan. 18, 1994, expired Jan. 30, 1994. Original rule filed Sept. 1, 1993, effective Jan. 31, 1994. Amended: Filed June 2, 1995, effective Dec. 30, 1995. Amended: Filed March 18, 1996, effective Oct. 30, 1996.*

**Original authority: 313.004, RSMo 1993, amended 1994 and 313.800 and 313.805, RSMo 1991, amended 1993, 1994.*

11 CSR 45-9.050 Modifications of the Internal Control System

PURPOSE: This rule establishes the process for modifications of the internal control system.

(1) At least fifteen (15) days before the changes are to become effective, each licensee, unless otherwise directed by the commission, shall submit to the commission any changes to the internal control system previously determined to be adequate in all respects. The proposed changes to the system may be approved or disapproved by the commission. No licensee shall alter its internal control system unless and until the changes are approved by the commission.

(2) Before eliminating all table games, adding a table game at a gaming establishment not offering table games, adding any computerized system that affects the proper reporting of adjusted gross receipts, or adding any computerized system for monitoring slot machines or other games, or any other computerized associated equipment, the licensee must—

(A) Amend its accounting and administrative procedures and its written system of internal control to comply with the minimum standards;

(B) Submit to the commission a copy of the written system as amended, and a written description of the amendment;

(C) Comply with any written requirements imposed by the commission regarding administrative approval of computerized associated equipment; and

(D) Implement, after subsections (2)(A)–(C) have been complied with, the procedures and written system as amended.

*AUTHORITY: sections 313.004, 313.800 and 313.805, RSMo Supp. 1993. * Emergency rule filed Sept. 1, 1993, effective Sept. 20, 1993, expired Jan. 17, 1994. Emergency rule filed Jan. 5, 1994, effective Jan. 18, 1994, expired Jan. 30, 1994. Original rule filed Sept. 1, 1993, effective Jan. 31, 1994.*

**Original authority: 313.004, RSMo 1993 and 313.800 and 313.805, RSMo 1991, amended 1993.*

11 CSR 45-9.060 Lack of Compliance with Chapter Requirements

PURPOSE: This rule establishes the process if licensee fails to comply with internal control system.

(1) If the commission or director determines that a licensee's administrative or accounting procedures or its written system does not comply with the requirements of this chapter

or require improvement, the commission or director shall notify the licensee in writing. Within fifteen (15) days after receiving the notification, the licensee shall amend its procedures and written system accordingly and shall submit a copy of the written system, as amended, and a description of any other remedial measures taken.

(2) Failure to comply with the provisions of this chapter is an unsuitable method of operation.

(3) Violations of the minimum internal control standards by a Class A licensee or an agent or employee of a Class A licensee are deemed to be unsuitable conduct for which the Class A licensee and/or its agent or employee is subject to administrative penalty pursuant to section 313.805(6), RSMo and 11 CSR 45-1 et seq., as amended from time-to-time. Any agent or employee of a Class A licensee that is involved in a violation of the minimum internal control standards may be subject to fine, discipline or license revocation.

(4) Violations of the Class A licensee's internal control system by the Class A licensee or an agent or employee of the Class A licensee shall be *prima facie* evidence of unsuitable conduct for which the Class A licensee and/or its agents or employees may be subject to discipline pursuant to section 313.805(6), RSMo and 11 CSR 45-1 et seq., as amended from time-to-time.

AUTHORITY: sections 313.004, 313.800, 313.805, 313.812 and 313.817, RSMo 1994.
Emergency rule filed Sept. 1, 1993, effective Sept. 20, 1993, expired Jan. 17, 1994.
Emergency rule filed Jan. 5, 1994, effective Jan. 18, 1994, expired Jan. 30, 1994.
Original rule filed Sept. 1, 1993, effective Jan. 31, 1994. Emergency amendment filed March 18, 1996, effective March 28, 1996, expired Sept. 23, 1996. Amended: Filed March 18, 1996, effective Oct. 30, 1996.
Amended: Filed May 13, 1998, effective Oct. 30, 1998.*

**Original authority: 313.004, RSMo 1993, amended 1994; 313.800, 313.805 and 313.812, RSMo 1991, amended 1993, 1994; and 313.817, RSMo 1991, amended 1993.*