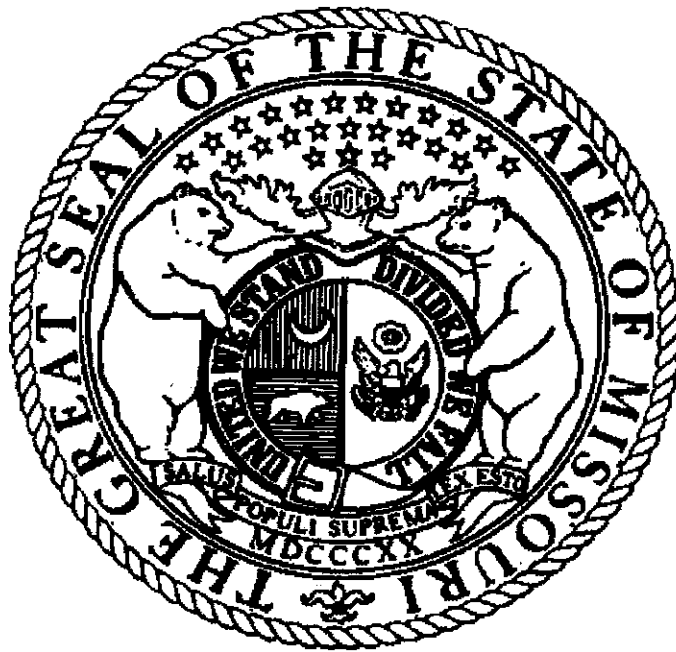


MISSOURI GAMING COMMISSION



Minimum Internal Control Standards

1999

MISSOURI GAMING COMMISSION
MINIMUM INTERNAL CONTROL STANDARDS

TABLE OF CONTENTS

FOREWORD

SECTION A: General and Administrative

General	A-2
Management Information Systems (MIS)	A-3
Tips and Gratuities	A-4

SECTION B: Sensitive Key Controls

General	B-2
Sensitive Key Procedures	B-2
Sensitive Key Access List	B-2
Sensitive Key Log	B-3
Broken, Lost or Missing Keys	B-3
Required Critical Sensitive Keys	B-4
Required Sensitive Keys	B-4

SECTION C: Rules of the Game

General	C-2
Tournaments	C-3

SECTION D: Live Games (Table Games)

Disposal of Live Games	D-2
Table Inventory	D-2
Opening of Gaming Tables	D-3
Shift Change at Gaming Tables	D-3
Closing of Gaming Tables	D-3
During 24 Hour Gaming	D-4
Table Fills	D-4
Table Credits	D-6
Accepting Cash at Gaming Tables	D-7
Cards and Dice Control	D-8
Control Over Table Layouts	D-9
Tip Box Characteristics	D-9
Collection and Counting of Tip Box Contents	D-11
Required Personnel	D-13
Forms Corrections	D-13
General	D-13

SECTION E: Electronic Gaming Devices (EGDs)

General	E-2
Hopper Fills	E-2
Jackpot Payouts	E-4
Other EGD Occurrences	E-5
Location, Conversion and Movement of EGDs	E-6
Resetting/Clearing the Random Access Memory (R.A.M.)	E-7
Statistics	E-8
EPROM Duplication	E-8
Security of EGD Equipment	E-10
Funds Standards	E-10

SECTION F: Card Games

Supervision	F-2
Patron Chip Exchange	F-2
Drop and Count Standards	F-2
Access to Playing Cards	F-2
Reconciliation of Banks	F-2

SECTION G: Live Games and EGD Drops and Counts

General	G-2
Table Game Drop Box Characteristics	G-2
Emergency Table Game Drop Boxes	G-2
EGD Drop Bucket and Compartment Characteristics	G-3
Collection/Transportation of Drop Devices	G-3
Soft and Hard Count Rooms' Characteristics	G-4
Count Standards	G-5
Weigh Scale Standards (Hard Count)	G-6
Counting and Recording Drops	G-7

SECTION H: Casino Cashiering

General	H-2
Location and Functions	H-2
Casino Cage Accountability	H-2
Main Bank/Vault Accountability	H-3
Even Exchanges	H-4
Chip and Token Inventories	H-4
Customer Deposits	H-5
Check Cashing Privileges	H-7
Returned Checks	H-7
Other Cash Transactions	H-8
Exchange and Storage of Foreign Tokens	H-8
Exchange and Storage of Foreign Chips	H-9

Coupon Redemption and Other Complimentary Distribution Programs.....	H-9
Inspection of Mechanical Token Counting Devices	H-10
Found Money	H-10
SECTION I: Casino Accounting	
General	I-2
Controls Over Locked Accounting Box	I-2
Storage of Unused Forms	I-2
Signature Records	I-2
Deposit of Admission Tax & Gaming Tax	I-2
Sensitive Area Key Logs	I-3
Complimentary Services	I-3
Procedures for Monitoring and Reviewing Gaming Operations	I-3
Required Daily Accounting Review	I-4
Statistics	I-6
Monthly and Annual Reporting Requirements	I-6
Player Tracking	I-7
SECTION J: Admissions and Ticketing	
Admission Procedures and Computation of Admission Tax	J-2
Ticketing	J-4
SECTION K: Currency Transaction Reporting	
General	K-2
Reportable Transactions	K-2
Obtaining and Verifying Identification	K-3
Logging Cash Transactions In Excess of \$3,000	K-4
Circumvention of Currency Transaction Reporting Requirements	K-5
Currency Transaction Reports	K-5
Surveillance Photographs	K-6
SECTION L: Internal Audit	
General	L-2
Required Internal Audits	L-2
Reporting Guidelines	L-5
Review of Changes to the ICS	L-6

SECTION M: Surveillance

General	M-2
Surveillance Room Access and Control	M-2
Daily Operations	M-3
Logs	M-3
Chain of Evidence	M-5

SECTION N: Security

General	N-2
---------------	-----

SECTION O: Purchasing and Contract Administration

General	O-2
Statement of Policy	O-2
Normal Purchasing Transactions	O-2
Capital Expenditures	O-3
Related Party Transactions	O-3

SECTION P: Five Hundred Dollar (\$500.00) Buy-in Limit

General	P-2
Cashier's Cage - Chips/Tokens (Scrip)	P-2
Cashier's Cage - Chips/Tokens (ALLTS)	P-3
Table Games - Chips Only (Scrip)	P-3
Table Games - Chips Only (ALLTS)	P-3
Video/Slot Attendant - Tokens Only (Scrip)	P-4
Video/Slot Attendant - Tokens Only (ALLTS)	P-4
Coupons	P-4

SECTION Q: Disassociated Persons

General	Q-2
Procedures for Exclusion	Q-2

SECTION R: Forms

Forms	R-2
General	R-3
Signatures	R-3
Control of Forms	R-3
Numbering	R-3
Manual Forms Dispensers	R-3
Voiding Forms	R-4
Forms Description	R-4

MINIMUM INTERNAL CONTROL STANDARDS FOREWORD

The following Missouri Minimum Internal Control Standards (MICS) have been developed by the Missouri Gaming Commission (MGC).

The MICS are designed to provide a basic framework for Class A Licensees in establishing their Internal Control System (ICS). It is recognized that individual Class A Licensee systems vary and that overall minimum standards cannot be designed to cover each individual system. It is the Class A Licensee's responsibility to ensure that its internal control system complies with these minimum standards. The Class A Licensee's ICS must be cross-referenced to the MICS. In all instances, the MICS supersede the Class A Licensee's Internal Control System. Any conflict between the MICS and the ICS shall be resolved in favor of the MICS.

The existence of manual and computerized systems also creates situations that may require variations in the ICS. Class A Licensees are responsible for establishing an ICS that meets these MICS regardless of whether operating in a manual or a computerized environment.

Internal auditors, financial statement auditors, compliance auditors, and employees of Class A Licensee operations are required to report violations of the Class A Licensee's ICS to management and to the MGC. Deviations that violate the ICS or the MICS may result in disciplinary actions.

Note: Chapter 9 of Title 11, Division 45, of the Code of State Regulations establishes standards for the submission and approval of Internal Controls. Class A licensees should review Chapter 9 to ensure that their ICS includes compliance with the requirements set forth in the Regulations.

Initial Approval of ICS by the Director

Each Class A Licensee is required to submit their initial ICS to the Director for approval and to have such system reported upon by the independent certified public accountants approved by the MGC.

Subsequent Changes to Class A Licensee's ICS

In accordance with 11 CSR 45-9 of the Missouri Gaming Commission Rules and Regulations, the holder of a Class A License shall submit to the Director any changes in the ICS. No such holder shall alter its ICS unless and until such changes are approved by the Director.

The General Manager and/or one individual designated by the General Manager shall be assigned the responsibility for submitting ICS changes to the MGC. A letter should be on file with the MGC and the MGC boat supervisor stating who this individual will be. If this individual changes, an updated letter shall be mailed to the MGC. If a submission is received from any other individual, it will be returned to the Class A Licensee.

**MINIMUM INTERNAL CONTROL STANDARDS
FOREWORD**

Before Class A Licensees receive MGC approval for changes to the ICS for compliance with the MICS, the Class A Licensees shall comply with the following procedures for requesting approval of changes to the ICS.

Definitions of Types of Changes to ICS

Each proposed change to the ICS shall be classified per category and each category shall be submitted under separate cover. The categories are Substantive, Administrative, Deviation from MICS, New Games, and Emergency, and are defined as follows:

Substantive would be a change to the ICS which affects the method of complying with a MICS.

Administrative would be a change to the ICS which is editorial, clarifies procedures or changes position descriptions or titles, but does not affect the MGC Adopted Rules and Regulations or MICS.

Deviation from MICS would be a separate request for approval to deviate from the MICS. Include a detailed explanation as to why it is necessary to deviate from a MICS and what the compensating internal controls will be.

Emergency would represent a change to the ICS that if not approved and implemented by a given date would negatively impact the internal controls or cause serious interruption to gaming activities. The emergency classification of changes to the ICS are expected to be rare. Changes required by the MGC shall be submitted immediately for approval.

New Games represents internal control changes needed for the Class A Licensee to operate a Commission approved game which was not previously included in the Class A Licensee's ICS.

Timing of Submission of Changes to ICS

Each Class A Licensee shall be permitted to submit requested Substantive, Administrative or Deviations from MICS to the ICS once each three months. Licensees shall be informed of the dates of submission. These requests for change shall be submitted to the MGC boat agent on duty and one copy mailed to the MGC Audit Manager, and must be postmarked no later than the seventh day of the month designated.

Changes designated as Emergency or required for a New Game may be submitted for approval at any time.