

**OSF
STATE TRIBAL-GAMING ACT
MONITORING PROCEDURES (IN HOUSE)**

MONITORING PROCEDURE	Statute Ref	Initial & Date	W/P Ref	Comments
Casinos – Items to be reviewed and evaluated for possible additional procedures				
<i>Internal Controls (25 CFR § 542)</i>				
1. Obtain copies of NIGC reports for test of Minimum Internal Control Standards (MICS) and determine facilities that have received an Internal Controls Review.	Section 22, Part 5, Paragraph B			
2. Review reports and assess control deficiencies to determine if additional procedures at those facilities will need to be performed.	Section 22, Part 5, Paragraph B			
3. Determine if internal control review should be performed on facilities that did not receive a review.	Section 22, Part 5, Paragraph B			
<i>Independent Financial Audits</i>				
4. Obtain and review audit of enterprise to determine: <ul style="list-style-type: none"> a. Audit was concluded within 5 months following the close of each calendar (if not, did the state approve an extension and was the audit concluded within that allotted time frame) (F3); b. OSF received a copy of audit report within 30 days of completion (F7); c. Auditor is known and demonstrated experience, expertise and stature in conducting audits of this kind and scope (F2); d. The audit was conducted in accordance with GASS and certified no violations of the Compact provisions were discovered. (If violations were discovered, determine effect violations should have on allowing the Tribe to continue operations under the Compact and see steps 34 and 35, for notifications of violations by TCA) (F5); e. Was the audit performed in conjunction with the audit of the enterprise? If so, was the conduct of covered games for the enterprise presented separately? (F4) f. The audit examined revenues and expenditures in connection with the conduct of covered games in accordance with GAAS and those matters necessary to verify the determination of adjusted gross 	Section 22, Part 5, Paragraphs F1 to F8			

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revenues and the basis of the payments made to the state pursuant to Part 11 of the Compact.				
5. Determine if OSF should meet with the Auditor and review workpapers.	Section 22, Part 5, Paragraph F8			At a minimum we would recommend the workpapers be reviewed on a cyclical basis such as every 3 years.
6. Based upon steps 29 and 30 document amount of reliance auditor will place on audit results and determine if any additional steps should be performed.				
Items maintained in Permanent File				
7. Determine if any actual violations of Compact were submitted to OSF. Determine impact of violation on monitoring procedures and if additional procedures should be performed. <i>(NOTE: Compare listing to audit results to determine if some violations were not reported)</i>	Section 22, Part 7, Paragraph B			
8. Review written reports of investigations and actions taken related to violations of the Compact <i>(NOTE: These should be sent to OSF within 15 days of report filing)</i> . Determine impact of violations on the monitoring procedures and if additional procedures should be performed.	Section 22, Part 7, Paragraph B			
9. Review listing of covered games for the facility and ensure it was certified using one of the following methods: a. The game has been certified by an independent testing laboratory; b. The game was certified by the OHRC , which was obtained by an organization licenses pursuant to the Act c. The game was certified by another tribe, which has entered into the Compact. <i>NOTE: Ensure the certification occurred before the game was put into play (Section 9, Part A)</i>	Section 22, Part 4, Paragraph B			
Verification of Fees Received by Tribe				
10. Ensure a \$50,000 start-up assessment fee (one-time payment) was received for each tribe with an approved Compact.	Section 22, Part 11, Paragraph C			
11. Ensure the annual payment of \$35,000 paid in advance on a fiscal year basis for each twelve months ending on June 30 was received.	Section 22, Part 11, Paragraph B			
12. Perform tests to ensure the following fees were paid based upon the	Section 22, Part 11, Paragraph A2			See possible analytical procedures to be performed to help ensure these

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adjusted gross revenues received in a calendar year from electronic covered games: <ul style="list-style-type: none"> • 4% of the first \$10 million • 5% of the next \$10 million • 6% of all subsequent revenues 				are reasonable in step #43.
13. Perform tests to ensure 10% of the Monthly Net Win of the Common Pools from which prizes are paid for Nonhouse-Banked Card Games is received has been received by the state.	Section 22, Part 11, Paragraph A2			
14. Ensure fees described above were deposited no later than the 20 th day of the month for revenues received by the tribe in the preceding month.	Section 22, Part 11, Paragraph A1			
15. Consider performing the following additional analytical procedures: <ul style="list-style-type: none"> a. Compare revenues to amounts reported in audits to determine if they appear reasonable; b. Compare number of games applicable to the fees paid and determine if they appear reasonable; 				These procedures are just general items to consider, once you are familiar with all the information available to you and what's available at the facilities, could consider adding procedures here.
Verification of State's Distribution of Funds				
16. Perform procedures to ensure 12% of all fees received by the state from tribes was deposited into the Oklahoma Higher Learning Access Trust Fund	Section 21			
17. Perform procedures to ensure 88% of all fees received by the state from tribes was deposited into the Education Reform Revolving Fund.	Section 21			
18. Perform procedures to ensure the first \$20,833.33 (or \$250,000 per year) went to the Department of Mental Health and Substance Abuse Services.	Section 21			