



OPERATING STANDARDS

MINIMUM INTERNAL CONTROL STANDARDS

EFFECTIVE DATE: NOVEMBER 1, 2022

OVERVIEW

A Video Lottery Sales Agent (VLSA) shall establish and maintain minimum internal control standards (MICS) for their gaming and financial systems. This document describes those controls and compliance by the agent.

REFERENCE DOCUMENTS

Ohio Administrative Code [3770:2-3-09](#)

Ohio Lottery Commission Video Lottery Minimum Internal Control Standards – Cage and Credit, Information Technology, and VLT sections.

State of Nevada Gaming Control Board Internal Audit Compliance Reporting Requirements, effective January 1, 2018.

State of Nevada Gaming Control Board Regulation 6 Accounting Regulations for Group I licensees.

STANDARDS

Internal control standards for Cage and Credit, Information Technology, and Video Lottery Terminals shall comply with the Ohio Lottery Commission (OLC) Video Lottery Minimum Internal Control Standards (MICS). All applicable VLSA standard operating procedures (SOPs) shall support compliance with the OLC MICS and require OLC review and approval prior to implementation.

COMPLIANCE

Compliance Review

On an annual basis, the OLC will review VLSA compliance with the published MICS. The OLC may also review on an as needed basis and may at any time examine records, files, and other documents maintained by the property. In the event a change to video lottery operations results in a change to the published MICS, the OLC will review compliance 90 days after implementation to ensure that internal controls are in place, are appropriately documented, match approved procedures, and are followed.

Reporting Requirements

The VLSA shall report all instances of non-compliance to the OLC within 72 hours of being discovered by VLSA management. This includes instances of non-compliance to the OLC MICS, OLC Operating Standards, and gaming related VLSA SOPs. Certain instances of non-compliance may require reporting to the OLC in a time frame less than 72 hours when directed by the OLC. A notification of non-compliance shall be sent to both the on-site OLC Office of Investigations and Security and the OLC Office of VLT Management within the required time frame unless otherwise directed by the OLC.



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VLSA Internal Audit Standards

A VLSA shall submit to the Ohio Lottery Commission (OLC) for review and approval internal audit department operating standards and procedures that ensure an internal audit is conducted in accordance with generally accepted auditing standards in the United States.

A VLSA's internal audit department operating procedures and standards shall, at a minimum, require the internal audit department to:

- Work independently of the departments of the facility that are subject to audit;
- Assess whether the facility's internal controls comply with applicable law and OLC directives;
- Test the facility's compliance with its internal controls;
- Immediately report a deficiency in, or noncompliance with, the facility's internal controls to:
 - The audit committee;
 - The chief executive officer;
 - Racino management; and
 - The OLC;
- Recommend resolution for eliminating a deficiency in, or noncompliance with, the facility's internal control system;
- Meet periodically with the audit committee or director of internal audit;
- Perform audits of:
 - All departments of the facility that are designated below in this operating standard; and
 - A department of the facility designated by the OLC;
- Prepare an audit report for each audit conducted;
- Accurately document the audit process and results in an audit report that, at a minimum, shall include:
 - Audit objectives;
 - Audit procedures and scope;
 - Findings and conclusions;
 - A recommendation for addressing a deficiency in, or noncompliance with, the facility's internal controls;
 - Resolution of all exceptions;
 - Management's response; and
 - Each page clearly labeled or watermarked as confidential.

The audit department shall audit at least annually the functions and operations of the facility's:

- Cashier's cage;
- Main bank;
- Collection of cash storage boxes;
- Cash count;
- Revenue audit;



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- VLT Operations department;
- Player tracking system;
- Cashless wagering system;
- Responsible gaming program;
- Security department;
- Currency transaction reporting;
- Suspicious activity reporting;
- Information technology controls;
- Accounts payable;
- Purchasing; and
- Surveillance department.

At the direction of the OLC, additional or more frequent internal audits of specific functions or operations may be required.

CONTACT

Questions regarding minimum internal controls, compliance reviews, and ongoing audits may be directed to: vlt@lottery.ohio.gov