

§ 543.21 What are the minimum internal control standards for drop and count?

Comparison of July TGWG Submission to July 2010 Draft MICS

In 2010, the NIGC posted on its web-site draft Class II MICS. This document will compare the 2010 draft MICS to the TGWG MICS proposal.

This document does not include discussion of sections 543.21(a) – (d) (Internal Control Procedures, Computerized applications, Variances, and Supervision) of the TGWG Version. The provision is identical to others discussed in earlier comparison documents.

2010 Draft Version	TGWG Version
<p>§543.21 What are the minimum internal control standards for drop and count for Tier A gaming operations?</p> <p>Due to the length of the 2010 Draft Regulation (32 pages), it is attached to this comparison document.</p>	<p>§ 543.21 What are the minimum internal control standards for drop and count?</p> <p>Due to the length of the TGWG edits, please consult the TGWG working document, Appendix 1.</p> <p><u>(e) Count Room Access.</u> Controls must be established to limit physical access to the count room to count team agents, designated staff, and other authorized persons. Such controls must include, but not be limited to, the following:</p> <ol style="list-style-type: none"> (1) Count team agents shall not be allowed to exit or enter the count room during the count except for emergencies or scheduled breaks. (2) Surveillance shall be notified whenever count room agents exit or enter the count room during the count. (3) The count team policy, at a minimum, shall address the transportation of extraneous items (e.g., personal belongings, tool boxes, beverage containers, etc.) into or out of the count room. <p><u>(f) Count team.</u> Controls must be established in a manner designed to ensure security of the count and the count room to prevent unauthorized access, misappropriation of funds, forgery, theft, or fraud. Such controls must include, but not be limited to, the following:</p> <ol style="list-style-type: none"> (1) For Tier A and B operations, all counts shall be performed by a minimum of two (2) agents. For Tier C operations, all counts shall be performed by a minimum of three (3) agents. (2) For Tier A and B operations, at no time during the count shall there be fewer than two (2) count team agents in the count room until the drop proceeds have been accepted into cage/vault accountability. For Tier C operations, at no time during the count shall there be fewer than three (3) count team agents in the count room until the drop proceeds have been accepted into cage/vault accountability. (3) For Tier A and B operations, count team agents shall be rotated on a routine basis such that the count team is not consistently the same two (2) agents more than four (4) days per week. This

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	<p>standard shall not apply to gaming operations that utilize a count team of more than two (2) agents. For Tier C operations, count team agents shall be rotated on a routine basis such that the count team is not consistently the same three (3) agents more than four (4) days per week. This standard shall not apply to gaming operations that utilize a count team of more than three (3) agents.</p> <p>(4) Functions performed by count team agents shall be rotated on a routine basis.</p> <p>(5) Count team agents shall be independent of the department being counted and the cage/vault departments. An accounting agent may be used if there is an independent audit of all count documentation.</p> <p><u>(g) Drop.</u> Controls must be established in a manner designed to ensure security of the drop process to prevent unauthorized access to gaming equipment and the drop, misappropriation of funds, forgery, theft, or fraud. Such controls must include, but not be limited to, the following:</p> <ol style="list-style-type: none">(1) Drop schedules and periods, including procedure to continue drop once started through completion.(2) Security during transport of drop boxes, including escort by a minimum of two (2) agents, at least one of whom is independent of the revenue being dropped.(3) All drop boxes shall be uniquely identified to correspond with the card table, player interface, and/or other location from which the drop box was removed.(4) Security over drop boxes removed and awaiting transport to the count room.(5) Security of drop boxes until the count takes place.(6) Notification to surveillance when a drop is to begin.(7) Provisions for emergency drop. <p><u>(h) Count.</u> Controls must be established in a manner designed to ensure security of the count process to prevent unauthorized access to count equipment and the drop, misappropriation of funds, improper manipulation of financial records, forgery, theft, or fraud. Such controls must include, but not be limited to, the following:</p> <ol style="list-style-type: none">(1) Establishment of a dedicated count room;(2) Manual count process;(3) Utilization, testing, and calibration of counters and/or validation systems;(4) Verification of count;(5) Prevention of the comingling of funds until recorded per drop box;
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	<p>(6) Accurate and permanent forms of recordation for all cash and cash equivalents and rejected cash or cash equivalents;</p> <p>(7) For card game counts, additional controls, as applicable, shall be established and procedures implemented to ensure:</p> <p>(i) Fills/credits, marker issue / payment slips are recorded and forwarded to the appropriate department for verification and reconciliation.</p> <p>(ii) Opening/closing card table inventory forms are examined and traced to or recorded on the appropriate documentation with discrepancies investigated and results documented.</p> <p>(8) The reconciliation of count records to the total drop, which shall address, but not be limited to:</p> <p>(i) Signature of each agent of the count team attesting to their participation in the count;</p> <p>(ii) Reconciliation of the total drop by a count team agent who shall not function as the sole recorder; and</p> <p>(iii) Documentation of all unresolved variances.</p> <p>(9) Transfer of the drop following the count.</p> <p>(10) All cash and cash equivalent inventory stored in the count room shall be secured from unauthorized access at all times.</p> <p>(11) Access to stored drop boxes, full or empty.</p> <p><u>(i) Controlled keys or equivalents.</u> Controls shall be established and procedures implemented to safeguard the use, access, and security of keys or other access methods in accordance with the following:</p> <p>(1) Each of the following requires a separate and unique key lock or alternative secure access method:</p> <p>(i) Drop cabinet;</p> <p>(ii) Drop box release;</p> <p>(iii) Drop box content; and</p> <p>(iv) Storage racks and carts.</p> <p>(2) Access to and return of keys or equivalents shall be documented with the date, time, and signature or other unique identifier of the agent accessing or returning the key(s).</p> <p>(i) For Tier A and B operations, at least two (2) drop team agents are required to be present to access and return keys. For Tier C operations, at least three (3) drop team agents are required to be present to access and return keys.</p> <p>(ii) For Tier A and B operations, at least two (2) count team agents are required to be present at the time count room and other count keys are issued for the count. For Tier C operations, at least three (two for card game drop box keys in operations with</p>
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	<p>three tables or fewer) count team agents are required to be present at the time count room and other count keys are issued for the count.</p> <p>(3) Where an alternative access method is utilized, the use of such method shall be controlled in a manner consistent with the objectives of this standard.</p> <p>(4) Documentation of all keys, including duplicates, shall be maintained including:</p> <p>(i) Unique identifier for each individual key; (ii) Key storage location;</p> <p>(iii) Number of keys made, duplicated, and destroyed; and</p> <p>(iv) Authorization and access.</p> <p>(5) Custody of all keys involved in the drop and count shall be maintained by a department independent of the count and drop agents and those departments being dropped and counted.</p> <p>(6) Other than the count team, no agent shall have access to the drop box content keys while in possession of storage rack keys and/or release keys.</p> <p>(7) Other than the count team, only agents authorized to remove drop boxes are allowed access to drop box release keys.</p> <p>(8) Utilization of keys at times other than the scheduled drop and count must be properly authorized and documented.</p> <p>(9) Emergency manual keys (i.e., override key) for computerized, electronic, and alternative key systems.</p>
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NIGC Comments and Questions Regarding the TGWG Proposed Regulation (questions in blue)

Supervision

Effect of 2010 Draft Regulation: No provision in proposed MICS for supervision standards

Effect of TGWG Proposal: TGWG amendment adds a general supervision statement. Other TGWG proposed standards include the term “agent”, which appears can be a non-employee of the gaming operation. As such licensing and back grounding requirements have not been specified which could result in gaming machine vendor or other personnel with supervisory authority over Tribal assets. [Should this be clarified to limit the ability of non-employees to have any supervisory authority over Tribal assets?](#)

Card Game Drop Standards

Effect of 2010 Draft Regulation: The draft regulation is intended to provide control procedures over the performance of the card game drop. The controls are intended to uphold the integrity of the drop process, as well as ensure that gaming revenue is attributed to the appropriate game/table/shift, thereby ensuring the accuracy of statistical reports that are utilized by management. Also, the draft regulation requires the creation of a record of which tables were open or closed during a particular shift. Without this record, it

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would not be possible to confirm that all gaming tables with activity were dropped and the revenue accurately recognized for the appropriate shift/day.

Effect of TGWG Proposal: The proposed modification is not consistent with the draft 543.21 standards. The proposed addition of 543.21 (g) (Drop) is overly broad and does not contain details specific to the Card Game Drop standards in the draft 543.21 (b), such as the restriction on who is permitted to remove drop boxes from tables; the requirement of a separate drop box on each table opened during each shift or a single drop box with separate openings/compartments for each shift; the requirement that the card game department shall document which tables were open during the shift if drop boxes are not placed on all tables; and all drop boxes being posted with a number corresponding to a permanent number on the gaming table and marked to indicate game, table number, and shift.

Soft Count Room and Count Team

Effect of 2010 Draft Regulation: The draft provision is intended to provide controls for the staffing of the soft count team and authorized entries to the soft count room.

Effect of TGWG Proposal: The proposed deletion of 543.21 (c) (1)-(4) is replaced by the addition of the proposed 543.21(e)(1)-(3) and is mostly consistent with the draft 543.21(c)(1)-(4). However, this proposed addition does not contain the allowance of a dealer or cage cashier to participate on the count team if this person is not allowed to perform the recording function. Also, the TGWG proposal does not contain an equivalent standard to 543.21(c)(5), which it proposes for deletion. The draft standard 543.21(c)(5) recognizes that a gaming operation may store coin, tokens, chips and cash in the count room; however, if such inventories are located in the count room, the rule stipulates that they must be secured from unauthorized access, thereby protecting tribal assets from misappropriation.

Card Game Soft Count

Effect of 2010 Draft Regulation: The draft regulation is intended to protect the accuracy, integrity and accountability of the card game soft count process. The draft is intended to ensure the security of gaming operation funds by reducing the opportunities for the misappropriation of casino funds. The security of funds is also enhanced by verifying the amount of funds turned over to the cage or vault cashier for transfer to the vault.

Effect of TGWG Proposal: The proposed deletions are not consistent with 543.21(d), as the TGWG proposed standards do not include equivalent standards to 543.21(d)(3), (4)(ii)-(iv), (5)-(8), (11)-(13).

Financial Instrument Storage

Effect of 2010 Draft Regulation: The draft regulation is intended to ensure the integrity of the drop process, and ensure the security of gaming operation funds.

Effect of TGWG Proposal: The proposed deletion of 543.21(e)(1)-(3) is not consistent with 543.21. The proposed additions of 543.21(g) (Drop) are overly broad and do not contain details specific to the player interface financial instrument storage component drop standards in 543.21(e) such as the minimum number of individuals required to be involved in the drop, and the restriction on who is permitted to remove storage components.

Accuracy, integrity and accountability of the count process

Effect of 2010 Draft Regulation: The draft regulation is intended to ensure the accuracy, integrity and accountability of the count process, specifically for the player interface financial storage components.

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Effect of TGWG Proposal: There are a number of proposed deletions in this subsection which are not consistent with 543.21(f). The TGWG proposal does not contain equivalent standards to 543.21(f)(4), (5) (i)-(ii), (7)-(10), (13)-(16).

- 543.21(f)(4) – The prohibition on count team members having access to gaming machine meter data prior to completion of the count is intended to prevent the use of incorrect meter data that results from overages, leading to possible misappropriation of gaming operation funds without an audit trail.
- 543.21(f)(5) – This standard is intended to ensure the accuracy of currency drop figures by reducing the possibility of human error or the unauthorized access to the currency counter interface.
- 543.21(f)(7)-(10) – These standards are in place to ensure the accuracy, integrity and accountability of the count process. In doing so, the security of gaming operation funds is enhanced.
- 543.21(f)(13)-(15) – These standards are intended to ensure the integrity and accuracy of the count process and, especially, the transfer of accountability of casino funds.
- 543.21(f)(16) – This standard is intended to mitigate the opportunities for tampering with financial instrument storage components, leading to the compromise of gaming machines and the misappropriation of casino funds.
- In addition, 543.21(f)(11), proposed for deletion, is partially replaced by the proposed addition of 543.21 (g)(8)(ii), (iii). However, this proposed addition does not include a statement that the standard does not apply to vouchers removed from the financial instrument storage components.

Transfers of Currency and Coin During the Count

Effect of 2010 Draft Regulation: The draft provision is intended to mitigate the added risk involved with transferring currency out of the count room prior to completion of the count and the verification by the cage/vault.

Effect of TGWG Proposal: The TGWG 543.21 proposal does not contain standards equivalent to 543.21 (k). With no standards to regulate this potential event, a gaming operation may be vulnerable to the misappropriation of count proceeds without an audit trail.

Key Controls

Effect of 2010 Draft Regulation: The draft provision is intended to provide general controls over the sensitive keys involved in the drop and count processes.

Effect of TGWG Proposal: The proposed 543.21 does not contain equivalent standards to 543.21(i)(1)-(3). Specifically, the proposed 543.21 does not include a requirement that kiosk keys be separately keyed or that all duplicate keys be maintained in a manner that provides the same degree of control as is required for the original keys.

Card game drop box key control standards

Effect of 2010 Draft Regulation: The draft provision is intended to provide controls over the access to the sensitive keys involved in the drop and count processes, specifically the card game drop box keys.

Effect of TGWG Proposal: The proposed deletion of 543.21(n)(2), (3) is inconsistent with 543.21. The TGWG proposal contains the addition of 543.21(h)(11) which calls for the establishment of controls for the access to stored drop boxes, full or empty, but provides no specific guidance for gaming operations regarding these controls, as included in the standards proposed for deletion. In addition, the TGWG

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proposal does not include an equivalent standard to 543.21(n)(1), which allows for the possible exemption of Tier A gaming operations from compliance with the standard.

Card game drop box release keys

Effect of 2010 Draft Regulation: The draft provision is intended to provide controls over the maintenance of and access to the sensitive keys involved in the drop and count processes, specifically the card game drop box release keys.

Effect of TGWG Proposal: The proposed deletion of 543.21(o)(1), (3), (5) is inconsistent with 543.21. The TGWG proposal contains the addition of 543.21(i)(6), which allows for the count team to have access to drop box release keys but does not include the restriction of that access to during the soft count, as stated in 543.21(o)(3). Also, the proposed addition of 543.21(h)(7) requires the documentation of key access at times other than the scheduled drop and count but does not detail the required information to be documented (date, time and signature of the individual signing out/in the key) as noted in 543.21(o)(5). In addition, the TGWG proposal does not include an equivalent standard to 543.21(o)(1), which allows for the possible exemption of Tier A gaming operations from compliance with the standard.

Financial instrument storage component release keys

Effect of 2010 Draft Regulation: The draft provision is intended to provide controls over the maintenance of and access to the sensitive keys involved in the drop and count processes, specifically the financial instrument storage component release keys.

Effect of TGWG Proposal: The proposed deletion of 543.21(p)(1), (3), (5) is inconsistent with 543.21. The TGWG proposal contains the addition of 543.21(i)(6), which allows for the count team to have access to drop box release keys but the proposed 543.21 (p)(3) does not contain any such permission. Also, the proposed addition of 543.21 (i)(8) requires the documentation of key access at times other than the scheduled drop and count but does not detail the required information to be documented (date, time and signature of the individual signing out/in the key) as noted in 543.21 (p)(5). In addition, the TGWG proposal does not include an equivalent standard to 543.21(p)(1), which allows for the possible exemption of Tier A gaming operations from compliance with the standard.

Card game drop box contents keys

Effect of 2010 Draft Regulation: The draft provision is intended to provide controls over the issuance of and access to the sensitive keys involved in the drop and count processes, specifically the card game drop box contents keys.

Effect of TGWG Proposal: The TGWG proposal contains no equivalent standards to the above standards proposed for deletion. Unauthorized access to the contents key could facilitate the theft of casino funds. [What was the rationale for not including this provision in TGWG proposal?](#)

Financial instrument storage component contents keys

Effect of 2010 Draft Regulation: The draft provision is intended to provide controls over the issuance of and access to the sensitive keys involved in the drop and count processes, specifically the card game drop box contents keys.

Effect of TGWG Proposal: The TGWG proposal contains no equivalent standards to the above standards proposed for deletion. As the unauthorized access to the contents key could facilitate the theft of casino funds, the inclusion of equivalent standards is warranted and recommended.

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Player interface computerized key security systems

Effect of 2010 Draft Regulation: The draft provision is intended to provide controls over the maintenance, access, and security of the player interface drop and count keys maintained within a computerized key security system.

Effect of TGWG Proposal: The TGWG proposal contains no specific procedures or controls for the utilization of a computerized key security system. Considering the widespread use of computerized key systems in the gaming industry, the inclusion of equivalent standards should be considered an absolute necessity. With no established standards in place, employees are enabled to misuse sensitive keys, leading to the compromise of the drop and count process. [What was the rational for not including this provision in TGWG proposal?](#)

Card games computerized key security systems

Effect of 2010 Draft Regulation: The draft provision is intended to provide controls over the maintenance, access, and security of the card game drop and count keys maintained within a computerized key security system.

Effect of TGWG Proposal: The TGWG proposal contains no specific procedures or controls for the utilization of a computerized key security system. Considering the widespread use of computerized key systems in the gaming industry, the inclusion of equivalent standards should be considered an absolute necessity and is recommended. With no established standards in place, employees are enabled to misuse sensitive keys, leading to the compromise of the drop and count process. [What was the rational for not including this provision in TGWG proposal?](#)

Emergency drop procedures

Effect of 2010 Draft Regulation: The draft provision is intended to require the establishment of emergency drop procedures.

Effect of TGWG Proposal: The proposed addition of 543.21 (g) (7) is consistent with the intent of the draft 543.21(w), although it does not contain the option for the emergency drop procedures to be developed by either the Tribal gaming regulatory authority (TGRA) or the gaming operation, as approved by the TGRA.

TGWG Guidance

(e) Risk Assessments. Risk assessments and periodic program reviews may be used to determine how often drop and count functions should be audited. When an assessment and review is necessary, an agent independent of the organizational component responsible for conducting drop and count functions should perform it.

NIGC Comment to TGWG Guidance

Guidance is unnecessarily vague. It does not suggest or recommend that the risk assessments be performed by the internal auditors who are generally in the position to perform such assessments/reviews and who would generally be the individuals performing the audits. The language “independent of the organizational component responsible for conducting the audited operations should perform it” is complex and ambiguous.

TGWG Guidance

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(g) Count Team. Controls should be established in a manner designed to ensure security of the count and the count room to prevent unauthorized access, misappropriation of funds, forgery, theft, or fraud. Such controls must include, but not be limited to, the following:

- (1) Based on the gaming operation's Tier, counts must be performed by a count team that consists of at least the minimum number of agents required by the MICS.
- (2) The minimum number of count team agents must be present at all times during the count until all drop proceeds are transferred to the cage/vault accountability.
- (3) Controls must include procedures to ensure that if the count team consists of the minimum number of agents required by the MICS, that the agents are sufficiently rotated to prevent the same count team from working together more than four (4) days a week to mitigate against the potential for collusive fraud or theft.
- (4) Controls must require that count team agents rotate functions performed during the count on a routine basis. An example is the count agent who removed drop box content yesterday will be counting today and another count agent will conduct the removal.
- (5) The count team must be independent of transactions being counted as well as independent of the cage/vault departments. An accounting representative may be used if there is an independent audit of all count documentation.

NIGC Comment to TGWG Guidance

The use of "should" rather than "shall" or "must" in the guidance could lead the reader to believe that 543.21(g) does not require the establishment controls for count team. Section (g)(1) states that the count team must consist of the minimum number of agents required by the MICS but fails to state where this information is located. Sections (g)(2) and (g)(3) mention the "minimum number of agents" with no further information.

TGWG Guidance

(h) Drop. Controls must be established for the drop process and be designed in a manner to identify and prevent misappropriation of funds, forgery, theft, and/or fraud during the drop. Such controls should include, but not be limited to:

- (1) Procedures to ensure that the drop process continues through completion once started.
- (2) Notification to surveillance when a drop process is to begin, including emergency drops. Best practice suggests that surveillance is notified no later than when the first drop box is dropped.

NIGC Comment to TGWG Guidance

Best practice is that surveillance should be notified when the drop keys are being checked out of the cage or other secure location where they are kept.

TGWG Guidance

- (3) Best practice suggests that the TGRA should be notified of established and any changes to the drop schedule.
- (4) Security of empty drop boxes transported to the floor, drop boxes dropped and drop boxes awaiting transport to the count room, including escorts as required by the MICS. Best practice suggests that at least one (1) escort is a Security agent and that these controls also cover emergency drops. The presence of an independent agent helps prevent possible collusion.
- (5) Security of drop boxes awaiting count and emergency drop boxes.

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NIGC Comment/Question to TGWG Guidance

The term “drop box” is generally applicable to table games or card games but not gaming devices. [Could this be clarified in through guidance documents?](#)

TGWG Guidance

(6) Controls must ensure that drop agent(s) are independent of the department being dropped.

NIGC Comment to TGWG Guidance

The use of the phrase “drop agent(s)” suggest that is permissible to use only one drop agent as long as the agent is independent of the department being dropped. [Would the guidance would be clearer if stated, “Controls must ensure that at least one of the drop agents is independent of the department being dropped?”](#)

TGWG Guidance

(i) A system in which all drop boxes are uniquely identified to correspond with the card table, player interface, and/or other location from which the drop box was removed. This will prevent possible commingling of funds and ensure proper recording of the drop. An example is labeling each drop box with a number corresponding to a permanent number on the player interface or card game table. Generally, card game drop boxes are also labeled to indicate game, table number, and shift.

NIGC Comment to TGWG Guidance

“Generally, card game drop boxes are also labeled to indicate game, table number, and shift” appears to be an observation rather than a recommendation.

TGWG Guidance

- (i) Count. Controls must be established for the Count process including, but not limited to:
- (1) Designation of a count room or other secure area with identical controls.
 - (2) Controls to cover all aspects of count and equipment used, including manual counts.
 - (3) Procedures to prevent the commingling of funds from different revenue centers during the emptying and counting of drop box until the content of each drop box is recorded.
 - (4) Count equipment and systems should be tested, with the results documented, at minimum before the first count begins to ensure the accuracy of the equipment. Such procedures may include but not be limited to:
 - (i) At least two (2) count agents should verify the test results.
 - (ii) The test should be performed with test currency and coin (in all denominations), vouchers, and other financial instruments to verify that the equipment is functioning properly.
 - (iii) If currency counters are utilized, at least one count agent who is not loading or unloading the currency counter should observe the loading and unloading of all currency at the currency counter, including rejected currency.
 - (iv) If currency counters are utilized, controls should be established to ensure all rejected cash or cash equivalents are counted and recorded to the drop box for which it was being counted.
 - (v) If the currency counter does not automatically count the currency twice, then it should be run through the counter a second time.

NIGC Question

[How could the guidance documents be clarified to make sure the reader understands that the currency](#)

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counter should make two independent/separate counts?

TGWG Guidance

(vi) For counts that do not utilize a currency counter, a count agent who did not perform the initial count should perform a second count.

(vii) If a currency counter interface is used, it should be adequately restricted (e.g., password, keys, etc.) to prevent unauthorized access.

(5) The test results must be delivered to the accounting department.

(6) The count team must not have access to bill-in meter amounts for the count being performed. This does not prohibit count team members from performing tasks that involve access to bill-in meter amounts when such members are not performing a count for those metered values.

NIGC Question

Why would the count team have need of the bill-in meter amounts? Would it be clearer if the second sentence of (i)(6) was struck?

TGWG Guidance

(7) Access to stored drop boxes, full or empty, is restricted to authorized agents.

(8) Coin, cash, and cash equivalents must be controlled in a manner that precludes the commingling with the count from another revenue area. Best practice suggests that when the count for a revenue area is complete it is transferred to the cage/vault prior to another count being started.

(9) The minimum number of count agents, per Tier as defined in the MICS, shall be present throughout the bundling, strapping, or sacking of the drop proceeds. Tiers A and B require a minimum of two (2) count agents at all times. Tier C requires a minimum of three (3) count agents at all times.

(10) Requirements for permanent forms of recordation.

(i) Procedures to correct information originally recorded by count team agents on count documentation should be established, including but not be limited to, the following.

(A) All corrections should be made with a permanent ink pen;

(B) A single line should be drawn through the error;

(C) The correct figure should be entered above the original figure;

(D) The correction should be initialed by at least two (2) count team agents verifying the change;

(E) If a currency interface is used, corrections to count data may be made using one of the following:

(1) During the count process, correct the error in the currency interface and enter the authorization (e.g., passwords, key, etc.) of at least two (2) count team agents.

(2) An exception report should be generated identifying the drop box identifier, the incorrect value, the correct value, and the identity of count team agents attesting to the correction.

(F) All documentation and records for corrections must be forwarded to the accounting department.

NIGC Question

Would it be clearer if the guidance included who must forward information, and how, to accounting, or "best practice?"

TGWG Guidance

(11) Verification that each drop box is emptied during the count. Two (2) agents must participate in the verification process. A surveillance agent may serve as one of these two (2) agents if verification is monitored in its entirety with good clarity by surveillance cameras. A person independent of the agent who removed the contents from the drop box may also serve as one of the two (2) required agents to verify the

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drop box is empty.

(12) Count results must be recorded for each drop box.

(13) For card game counts, additional controls, as applicable, shall be established and procedures implemented to ensure the security and delivery of any card table fills/credits, marker issues/payments, opening/closing inventory forms to accounting. Some gaming operations record these forms in the count room and then forward to accounting while others may only forward these forms to accounting for recording. In either situation the forms must be controlled, secured and forwarded to accounting.

NIGC Comment to TGWG Guidance

Would it be clearer if the guidance included who must forward information, and how, to accounting, or “best practice?”

TGWG Guidance

- (i) The count documentation and records must not be transferred to the cage/vault with the drop proceeds.
- (ii) The cage/vault agent should have no knowledge or record of the drop proceeds total before it is verified. Best practice suggests that the agent should perform what is known as a “blind count.”
- (iii) All count records should be forwarded to accounting. Alternatively, it may be adequately secured (e.g., locked container to which only accounting agents can gain access).

NIGC Comment to TGWG Guidance

Would it be clearer if the cage/vault retained one copy of the count record showing the amount verified?

TGWG Guidance

- (19) The cage/vault agent receiving the transferred drop proceeds must sign the report attesting to the verification of the total received.
- (20) Controls should be established to require all verification, recount, and signatory requirements for partial transfers in accordance with the same controls that are applicable to the transfer of the total drop proceeds. To prevent commingling of funds, best practice suggests that partial transfers should be properly segregated from any funds still being counted.
- (21) Any unresolved variances between total drop proceeds recorded on the count room report and the cage/vault final verification during transfer must be documented and investigated.
- (22) Best practice suggests that each operational area secure daily audit and accounting records, forms, and documents prior to audit. For example a cashier may place records in a locked box for next-day delivery to accounting for audit.

NIGC Comment/Questions to TGWG Guidance

Best practice is for documents to be delivered immediately upon completion of the count and verification of drop, to accounting by the count team or for the “count team” to secure in a locked box to which only accounting has the key. [Should this be included in the guidance?](#)

TGWG Guidance

- (i)(j) Controlled Keys or Equivalent.
- (1) All drop and count keys must be secured and controlled by agents independent of the operational areas or departments for which the keys provide access, including the following:

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- (i) Player interfaces for any Class II game;
 - (ii) Card games;
 - (iii) Kiosks;
 - (iv) Drop;
 - (v) Count; and
 - (vi) Cage/vault.
- (2) Each of the following requires a separate and unique key lock or alternative secure access method:
- (i) Drop cabinet;
 - (ii) Drop box release;
 - (iii) Drop box content; and
 - (iv) Storage racks and carts.
- (3) All controlled drop and count keys or equivalents must be secured in a manner designed to prevent unauthorized access.
- (i) Controls must prohibit any one agent from having simultaneous access to the cabinet, release, content, and storage racks keys. The count team agents may have access to release, content, and storage racks keys only during a count.
- (4) All key or equivalent issuances and returns, including emergency manual/override keys, must be performed by the minimum number of agents in accordance with the MICS, be documented and maintained by a key control agent including, but not be limited to:
- (i) Date issued/returned;
 - (ii) Time issued/returned;
 - (iii) Unique identifier for the key issued/returned;
 - (iv) Name of the agent the key was issued to/returned by; and
 - (v) Reason for access to the key (if a key watch system is not in use and/or emergency key access is made the reason should be recorded).
- (5) Emergency manual keys (a.k.a. override keys) for computerized, electronic, and/or alternative key systems must be secured and controlled. Best practice suggests that at least three (3) agents, two (2) from independent departments, be involved in the issuance and return of the emergency manual/override keys.
- (6) When controls require physical involvement of more than one agent in the key control process, including for the entire duration of drop and count, surveillance may not act as one of those agents. If physically present, security agents may act as part of the minimum number of agents required by the MICS.
- (7) All duplicate keys should be maintained in a manner that provides the same degree of control as is required for the original keys.
- (8) Documentation of all keys, including duplicates and emergency manual/override keys, shall be maintained by a key control agent including, but not be limited to:
- (i) Unique identifier for each individual key;
 - (ii) Key storage location;
 - (iii) Number of keys made, duplicated, and destroyed;
 - (iv) Issuance and return; and
 - (v) Authorization and access.
- (9) An agent independent of the drop, count, cage/vault, and key control must audit key access records periodically, in accordance with Part 543.19, and for propriety.

NIGC Comment to TGWG Guidance

An unannounced inventory of all keys, including duplicates, should be performed periodically; at least twice per year. [Should this be included in the guidance?](#)

TGWG Guidance

- (i) Audit and Accounting.
- (1) Controls must be established for audit and accounting in accordance with MICS 543.19 (What are the

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minimum internal control standards for audit and accounting?) and the guidance provided in the associated document.

(2) Best practice suggests that each operational area secure daily audit and accounting records, forms, and documents prior to audit. For example, a cashier may place records in a locked box for next-day delivery to accounting for audit.

NIGC Comment to TGWG Guidance

Best practice is for documents to be delivered immediately to accounting by the count team upon completion of the count and verification of drop. Or, alternatively, for the “count team” to secure in a locked box to which only accounting has the key. [Should this be included in the guidance?](#)