

Bingo – Audit 25 CFR 543.8 Toolkit

Version 1.0

NIGC Compliance Division



NIGC Bingo Audit–25 CFR 543.8 Toolkit

Over twenty-five years ago Congress adopted the Indian Gaming Regulatory Act (IGRA) to provide a statutory basis for gaming by Indian tribes. The National Indian Gaming Commission (NIGC) was created by IGRA to regulate and provide oversight for gaming activities conducted by sovereign Indian tribes on Indian lands. The mission of the NIGC is to fully realize IGRA's goals of: (1) promoting tribal economic development, self-sufficiency and strong tribal governments; (2) maintaining the integrity of the Indian gaming industry; and (3) ensuring that tribes are the primary beneficiaries of their gaming activities. One of the primary means by which the NIGC accomplishes this is by providing training and technical assistance to Indian tribes, their operations and their gaming regulators.

The NIGC is pleased to present this Toolkit to all stakeholders of Indian Gaming. This reference guide is intended to assist Auditors, Regulators and Operations personnel in the performance of measuring compliance of their operation(s) with 25 CFR 543.8. The toolkit is designed to provide each standard of 543.8, the intent of the standard, and a recommended testing step which will ensure minimum regulatory compliance.

This Toolkit is designed to meet the minimum requirements of the NIGC MICS and does not take into account operations' Tribal Internal Control Standards (TICS) and/or System of Internal Control Standards (SICS), which may require further testing. The NIGC encourages TGRAs and Operations to develop standards that exceed the MICS, because each operation is unique and a robust set of controls is warranted.

If you have questions or comments about this guide, please contact the NIGC Compliance Division at training@nigc.gov . For more information, visit the NIGC website at <http://www.nigc.gov>.

How to use this Toolkit

The NIGC Compliance Division has designed this toolkit as a resource for understanding the Bingo 543.8 Minimum Internal Control Standards (MICS) and as a tool for conducting an audit of the bingo department in determining compliance with 543.8. This toolkit was developed in a table fashion. The Toolkit includes:

- 1) Definitions of key terms to provide the user with a clear understanding of how the term is used in this toolkit.
- 2) The Bingo 543.8 regulation listed in the first column in the table, verbatim.
- 3) An explanation of the intent of the regulation and why the control was created is listed in the second column in the table.
- 4) Testing steps to utilize to determine compliance with the regulation is listed in the second column in the table under the Intent information.
- 5) Best Practices have been included in either the Intent or Testing steps to provide the user with examples of current procedures used in the industry.
- 6) Notes have been included to provide practical advice to consider when performing the testing step, common examples or alerting the user the step/test needed may have been completed in another section.
- 7) Where controls must be established in the standard TICS should be developed by the TGRA's requiring that Operations develop SICS for process implementation of the control.

The toolkit provides many practical suggestions for understanding and evaluating compliance with Bingo MICS 543.8. This toolkit can be used by either the new auditor or the experience auditor during the various stages of the audit.



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GLOSSARY	DEFINITION
Accountability	All financial instruments, receivables, and patron deposits constituting the total amount for which the bankroll custodian is responsible at a given time.
Agent	A person authorized by the gaming operation as approved by the TGRA, to make decisions or perform assigned tasks or actions on behalf of the gaming operation.
Automated payout	Payment issued by a machine.
Cage	A secure work area within the gaming operation for cashiers, which may include a storage area for the gaming operation bankroll.

GLOSSARY	DEFINITION
Cash equivalents	Documents, financial instruments other than cash, or anything else of representative value to which the gaming operation has assigned a monetary value. A cash equivalent includes, but is not limited to, tokens, chips, coupons, vouchers, payout slips and tickets, and other items to which a gaming operation has assigned an exchange value.
Class II gaming	As defined in the Indian Gaming Regulatory Act (IGRA) §2703
Class II gaming system	All components, whether or not technologic aids in electronic, computer, mechanical, or other technologic form, that function together to aid the play of one or more Class II games, including accounting functions mandated by these regulations or part 547 of this chapter.
Independent	The separation of functions to ensure that the agent or process monitoring, reviewing, or authorizing the controlled activity, function, or transaction is separate from the agents or process performing the controlled activity, function, or transaction.

GLOSSARY	DEFINITION
Manual payout	Any non-automated payout.
MICS	Minimum internal control standards in this part.
Patron	A person who is a customer or guest of the gaming operation and may interact with a Class II game. Also may be referred to as a "player".
Player interface	Any component(s) of a Class II gaming system, including an electronic or technologic aid (not limited to terminals, player stations, handhelds, fixed units, etc.), that directly enables player interaction in a Class II game.

GLOSSARY	DEFINITION
Prize payout	Payment to a player associated with a winning or qualifying event.
Sample	A set of records, data or elements drawn from a larger population and analyzed to estimate the characteristics of that population.
Shift	A time period, unless otherwise approved by the tribal gaming regulatory authority, not to exceed 24 hours.
SICS (System of Internal Control Standards)	An overall operational framework for a gaming operation that incorporates principles of independence and segregation of function, and is comprised of written policies, procedures, and standard practices based on overarching regulatory standards specifically designed to create a system of checks and balances to safeguard the integrity of a gaming operation and protect its assets from unauthorized access, misappropriation, forgery, theft, or fraud.

GLOSSARY	DEFINITION
Tier A	Gaming operations with annual gross gaming revenues of more than \$3 million but not more than \$8 million.
Tier B	Gaming operations with annual gross gaming revenues of more than \$8 million but not more than \$15 million.
Tier C	Gaming operations with annual gross gaming revenues of more than \$15 million.
TGRA	Tribal gaming regulatory authority, which is the entity authorized by tribal law to regulate gaming conducted pursuant to the Indian Gaming Regulatory Act.
TICS	Tribal Internal Control Standards established by the TGRA that are at least as stringent as the standards set forth in this part.



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Citation	Language	Intent and Testing
§ 543.8 (a-b)		
543.8(a)	<p><i>Supervision.</i> Supervision must be provided as needed for bingo operations by an agent(s) with authority equal to or greater than those being supervised.</p>	<p>Intent: To ensure that appropriate supervision is provided during manual and electronic bingo operations. (Best practices would dictate that supervision should be by someone with authority greater than those being supervised).</p> <p>Testing: 1. Interview appropriate personnel to determine who has supervision responsibility for both manual and Class II electronic bingo machines (e.g., Bingo Management, Bingo Supervisor, Bingo Floor Clerk, etc.). 2. Review TICS and or SICS to determine procedures implemented (e.g. designation of supervisory and non-supervisory agents, reporting responsibilities, etc.) Identify and document titles of supervisory personnel (e.g., Bingo Manager, Bingo Floor Supervisor, etc.). 3. Observe live bingo operations to ensure that supervision requirements are being met. 5. Review Bingo organizational chart for both manual and Class II electronic bingo machines to determine or verify supervision responsibility.</p>
543.8(b)(1) (i)-(ii)	<p><i>Bingo cards.</i> (1) Physical bingo card inventory controls must address the placement of orders, receipt, storage, issuance, removal, and cancellation of bingo card inventory to ensure that:</p> <p>(i) The bingo card inventory can be accounted for at all times; and</p> <p>(ii) Bingo cards have not been marked, altered, or otherwise manipulated.</p>	<p>Intent: To ensure proper accounting of the manual bingo card inventory at all times and that bingo cards have not been marked, altered, or otherwise manipulated.</p> <p>Testing: 1. Interview appropriate personnel (e.g., Inventory Clerk, Security and Shipping/ Receiving Clerk, etc.) to determine who is responsible for bingo card inventory (e.g. in the receipt, storage, issuance, removal and cancellation of manual bingo card inventory). 2. Review TICS and or SICS to determine if purchasing, receipt, storage, issuance, removal, cancellation, inspection and inventory procedures have been implemented. (Best practice would include the requirement in the SICS at the end of each month, a person or persons independent of bingo sales and inventory control verify the accuracy of the ending balance of the bingo paper. By reconciling the paper on-hand to the physical inventory count, compared to the perpetual records).</p>

Citation	Language	Intent and Testing
§ 543.8 (b)		
543.8(b)(1) (i)-(ii)	<p><i>Bingo cards.</i> (1) Physical bingo card inventory controls must address the placement of orders, receipt, storage, issuance, removal, and cancellation of bingo card inventory to ensure that:</p> <p>(i) The bingo card inventory can be accounted for at all times; and</p> <p>(ii) Bingo cards have not been marked, altered, or otherwise manipulated.</p>	<p>Intent: To ensure proper accounting of the manual bingo card inventory at all times and that bingo cards have not been marked, altered, or otherwise manipulated.</p> <p>Testing: 1. Interview appropriate personnel (e.g., Inventory Clerk, Security and Shipping/ Receiving Clerk, etc.) to determine who is responsible for bingo card inventory (e.g.in the receipt, storage, issuance, removal and cancellation of manual bingo card inventory). 2. Review TICS and or SICS to determine if purchasing, receipt, storage, issuance, removal, cancellation, inspection and inventory procedures have been implemented. (Best practice would include the requirement in the SICS at the end of each month, a person or persons independent of bingo sales and inventory control verify the accuracy of the ending balance of the bingo paper. By reconciling the paper on-hand to the physical inventory count, compared to the perpetual records).</p>
543.8(b)(2) (i)-(ii)	<p><i>Receipt from supplier.</i></p> <p>(i) When bingo card inventory is initially received from the supplier, it must be inspected (without breaking the factory seals, if any), counted, inventoried, and secured by an authorized agent.</p> <p>(ii) Bingo card inventory records must include the date received, quantities received, and the name of the individual conducting the inspection.</p>	<p>Intent: To ensure manual bingo card inventory is inspected (e.g. factory seals, unopened, etc.), counted, inventoried, and secured by an authorized agent upon initial receipt and that proper documentation of bingo card inventory records exists.</p> <p>Testing: 1. Interview appropriate personnel to determine who is responsible for receiving, inspecting, counting, inventorying and securing bingo card inventory(e.g., Inventory Clerk, Security, Shipping/ Receiving Clerk, etc.). 2. Review TICS and or SICS to determine if procedures have been implemented for inspecting, counting, inventory, documenting receipt, and updating the perpetual bingo inventory records. (Best practice would include requiring at the end of each month, a person or persons independent of bingo sales and inventory control verify the accuracy of the ending balance in the bingo paper control by reconciling the paper on-hand (physical inventory count and compare to perpetual records). 3. Review (most recent) bingo card inventory records for the date received, quantities received, and the name(s) of the individual(s) conducting the inspection. (Best practice would also include conducting physical inventory of manual bingo cards and comparing to inventory records).</p>

Citation	Language	Intent and Testing
§ 543.8 (b)		
543.8(b)(3) (i)-(ii)	<p><i>(3) Storage.</i></p> <p>(i) Bingo cards must be maintained in a secure location, accessible only to authorized agents, and with surveillance coverage adequate to identify persons accessing the storage area.</p> <p>(ii) For Tier A operations, bingo card inventory may be stored in a cabinet, closet, or other similar area; however, such area must be secured and separate from the working inventory.</p>	<p>Intent: To reduce potential misappropriation of assets or compromise to the bingo game by providing for a secured location to store bingo cards with proper surveillance coverage. In addition, to create a separate requirement for Tier A facilities that is more suited to the operation.</p> <p>Testing: 1. Interview appropriate personnel to determine location of bingo cards and who can access the storage area (e.g., Inventory Clerk, Security, Shipping/Receiving Clerk, and Surveillance). 2. Review TICS and or SICS to determine if procedures have been implemented that specify who the authorized agents are and identification of secure location (e.g., authorized agents listing, surveillance coverage, etc.). 3. For Tier B and C, review surveillance recordings of storage area to verify adequate coverage. 4. For Tier A, observe alternate storage area and verify separate working bingo paper inventory storage.</p>
543.8(b)(4) (i)(A)-(D)	<p><i>(4) Issuance and returns of inventory.</i></p> <p>(i) Controls must be established for the issuance and return of bingo card inventory. Records signed by the issuer and recipient must be created under the following events:</p> <p>(A) Issuance of inventory from storage to a staging area;</p> <p>(B) Issuance of inventory from a staging area to the cage or sellers;</p> <p>(C) Return of inventory from a staging area to storage; and</p> <p>(D) Return of inventory from cage or seller to staging area or storage.</p>	<p>Intent: To reduce potential misappropriation of assets or compromise to the bingo game by providing for documented accountability of bingo card inventory as it is issued from storage to staging to the selling area(s) and as it is returned from the selling area(s) to staging to storage.</p> <p>Testing: 1. Interview appropriate personnel to determine who is responsible for issuance and return of inventory (e.g., Inventory Clerk, Bingo Supervisor, Bingo Floor Clerk, etc.) 2. Review TICS to ensure controls have been established and review SICS to determine if procedures have been implemented for issuance, returns, record requirements, signature requirements, storage area, staging area, etc. 3. Observe the issuance of bingo card inventory to be used in the bingo session(s) and the subsequent return of unsold bingo card inventory, if any, 4. Review the most recent bingo card inventory records regarding issuance and, if applicable, subsequent return transaction records to verify signatures and accountability.</p>

Citation	Language	Intent and Testing
§ 543.8 (b)		
543.8(b)(5) (i)-(ii)	<p><i>(5) Cancellation and removal.</i></p> <p>(i) Bingo cards removed from inventory that are deemed out of sequence, flawed, or misprinted and not returned to the supplier must be cancelled to ensure that they are not utilized in the play of a bingo game. Bingo cards that are removed from inventory and returned to the supplier or cancelled must be logged as removed from inventory.</p> <p>(ii) Bingo cards associated with an investigation must be retained intact outside of the established removal and cancellation policy.</p>	<p>Intent: To reduce potential misappropriation of assets or compromise to the bingo game by providing for proper cancellation and removal from inventory of bingo cards which are out of sequence, flawed, misprinted or returned to the supplier to ensure such cards are not introduced into a live bingo game. In addition, to ensure bingo cards part of any investigation are properly retained until such investigation has been completed or further retained as supporting documentation.</p> <p>Testing: 1. Interview appropriate personnel to determine the procedure for cancellation and removal of bingo cards (e.g., Inventory Clerk, Bingo Supervisor, Bingo Floor Clerk, Security, Surveillance, etc.). 2. Review TICS and or SICS to determine if procedures have been implemented to identify bingo cards that are out of sequence, flawed, misprinted or have other errors. To include, cancellation procedures, returns to suppliers, and maintenance of bingo cards associated with investigation, etc. 3. Observe bingo card cancellation procedures. 4. Review the most recent bingo card cancellation records to verify compliance with procedures. 5. Review investigation records, if any, related to bingo cards.</p>

Citation	Language	Intent and Testing
§ 543.8 (b)		
543.8(b)(6) (i)-(ii)(A)-(J)	<p><i>(6) Logs.</i></p> <p>(i) The inventory of bingo cards must be tracked and logged from receipt until use or permanent removal from inventory.</p> <p>(ii) The bingo card inventory record(s) must include:</p> <p>(A) Date;</p> <p>(B) Shift or session;</p> <p>(C) Time;</p> <p>(D) Location;</p> <p>(E) Inventory received, issued, removed, and returned;</p> <p>(F) Signature of agent performing transaction;</p> <p>(G) Signature of agent performing the reconciliation;</p> <p>(H) Any variance;</p> <p>(I) Beginning and ending inventory; and</p> <p>(J) Description of inventory transaction being performed.</p>	<p>Intent: To reduce potential misappropriation of assets or compromise to the bingo game by accounting for bingo card inventory at all times and providing for accountability of the bingo card inventory confirming bingo cards have not been manipulated (e.g. Marking, altering or by other means meant to identify card value).</p> <p>Testing: 1. Interview appropriate personnel to determine how inventory is accounted for and procedure for discrepancies (e.g., Inventory Clerk, Bingo Supervisor, Bingo Floor Clerk, Security, etc.). 2. Review TICS and or SICS to determine if procedures have been implemented addressing the following; record requirements of receipt, issuance, sales, returns, dates, shift/ session, time, location, signatures, reconciliations, perpetual inventories, description of transactions, etc. Best practice would also include SICS requiring at the end of each month, a person or persons independent of bingo sales and inventory control verify the accuracy of the ending balance in the bingo paper control by reconciling the paper on-hand (e.g. physical inventory count and compare to perpetual records). 3. Review the most recent bingo card inventory records for the required information. (Best practice would also include conducting physical inventory of manual bingo cards and comparing to inventory records).</p>



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Citation	Language	Intent and Testing
§ 543.8 (c)		
543.8(c)(1)	<p><i>Bingo card sales.</i></p> <p>(1) Agents who sell bingo cards must not be the sole verifier of bingo cards for prize payouts.</p>	<p>Intent: To ensure that documentation accompanying new or used hardware is retained describing said system in use and it's proper operation, to include hardware systems.</p> <p>Testing: 1. Interview appropriate personnel to determine who is responsible for verifying the bingo card. (E.g. Bingo Management, Bingo Supervisor, Bingo Floor Clerk, etc.). 2. Review TICS and or SICS to determine if procedures have been implemented addressing the selling of bingo cards and subsequent verification of winning bingo events, delineation of sole verifier, prohibition of selling and sole verifier, etc. 3. Observe live bingo games for the verification of bingo wins and prize payouts.</p>
543.8(c)(2) (i)-(iv)	<p>(2) Manual bingo card sales: In order to adequately record, track, and reconcile sales of bingo cards, the following information must be documented:</p> <p>(i) Date;</p> <p>(ii) Shift or session;</p> <p>(iii) Number of bingo cards issued, sold, and returned;</p> <p>(iv) Dollar amount of bingo card sales;</p> <p>(v) Signature, initials, or identification number of the agent preparing the record; and</p> <p>(vi) Signature, initials, or identification number of an independent agent who verified the bingo cards returned to inventory and dollar amount of bingo card sales.</p>	<p>Intent: To reduce potential misappropriation of assets and properly support bingo revenue data by recording accurate documentation for bingo card sales for tracking and reconciliation purposes and to ensure revenue from bingo card sales is supported by documentation.</p> <p>Testing: 1. Interview appropriate personnel to determine who is responsible for manual bingo card sales and verification of bingo cards returned to inventory (e.g. Bingo Management, Bingo Supervisor, Bingo Floor Clerk, etc.). 2. Review TICS and or SICS to determine if procedures have been implemented addressing; manual bingo card sales records including date, shift/ session, quantity, dollar amount, signature requirements, and independent agent verification, etc. 3. Review a sample (as described in Glossary) of bingo card sales records from the selected test dates to determine if all required information is documented.</p>

Citation	Language	Intent and Testing
§ 543.8 (c)		
543.8(c)(3) (i)-(iv)	(3) Bingo card sale voids must be processed in accordance with the rules of the game and established controls that must include the following: (i) Patron refunds; (ii) Adjustments to bingo card sales to reflect voids; (iii) Adjustment to bingo card inventory; (iv) Documentation of the reason for the void; and (v) Authorization for all voids.	Intent: To reduce potential misappropriation of assets or compromise to the bingo game by ensuring voids for bingo card sales are performed in accordance with the rules of the game and controls, which must be established, to ensure voids are properly documented, with an adjustment to sales and inventory, and are properly authorized. Testing: 1. Interview appropriate personnel to determine how bingo card sale voids are processed. (E.g. Bingo Management, Bingo Supervisor, Bingo Floor Clerk, etc.). 2. Review TICS and or SICS to determine procedures implemented for bingo card sale void (e.g. manual bingo card sale void records including patron refunds, adjustments to bingo card sales and inventory, documentation and authorization of the voids, etc.) 3. Review a sample (as described in Glossary) of bingo card sale void records from the selected test dates to determine if all required information is documented.
543.8(c)(4) (i)-(v)	(4) Class II gaming system bingo card sales. In order to adequately record, track and reconcile sales of bingo cards, the following information must be documented from the server (this is not required if the system does not track the information, but system limitation(s) must be noted): (i) Date; (ii) Time; (iii) Number of bingo cards sold; (iv) Dollar amount of bingo card sales; and (v) Amount in, amount out and other associated meter information.	Intent: To reduce potential misappropriation of assets and properly support bingo revenue data for Class II gaming system(s) by recording accurate documentation for bingo card sales for tracking and reconciliation purposes and to ensure revenue from bingo card sales is supported by documentation. Testing: 1. Review sample (as described in Glossary) of electronic bingo card sales records for the selected test dates to determine if all required information is maintained. If the Class II system does not track certain information, system limitations must be noted and documented.

Citation	Language	Intent and Testing
§ 543.8 (d)		
543.8(d)(1)	<p><i>(d) Draw.</i></p> <p>(1) Controls must be established and procedures implemented to ensure that all eligible objects used in the conduct of the bingo game are available to be drawn and have not been damaged or altered. Verification of physical objects must be performed by two agents before the start of the first bingo game/ session. At least one of the verifying agents must be a supervisory agent or independent of the bingo games department.</p>	<p>Intent: To reduce potential misappropriation of assets or compromise to the bingo game by ensuring game outcomes are properly drawn by examination of gaming equipment to confirm all outcomes are possible for the draw and equipment is not damaged or altered.</p> <p>Testing: 1. Interview appropriate personnel to determine who is responsible for verifying physical objects prior to start of the first bingo game (e.g. Bingo Management, Bingo Supervisor, Bingo Caller, Bingo Floor Clerk, etc.). 2. Review TICS to determine if controls have been established and review SICS to determine procedures implemented for periodic inspection of bingo balls, identification of damage/ altered balls, verification of all eligible objects prior to start of game and supervisory/ independent verification (Note: common practice is to utilize patron for verification), etc. 3. Observe live bingo game and/or recorded surveillance footage to determine all eligible objects are available to be drawn and verified before start of the first bingo game by 2 agents <i>Note: common practice is to utilize independent patron as 1 of the agents.</i></p>
543.8(d)(2)	<p>(2) Where the selection is made through an electronic aid, certification in accordance with 25 CFR 547.14 is acceptable for verifying the randomness of the draw and satisfies the requirements of paragraph (d)(1) of this section.</p>	<p>Intent: To reduce potential misappropriation of assets or compromise to the bingo game by ensuring game outcomes are properly drawn by verification of documented lab certification in accordance with 547.14 Technical Standards.</p> <p>Testing: 1. Observation of the bingo caller stand to determine if an electronic aid is utilized. 2. Interview appropriate personnel to determine if certification was received for the electronic aid (e.g. IT, Bingo Management, Bingo Supervisor, Bingo Caller, etc.). 3. Review of certification in accordance with 547 in the event the draw is made through electronic aid.</p>

Citation	Language	Intent and Testing
§ 543.8 (d)		
543.8(d)(3)	(3) Controls must be established and procedures implemented to provide a method of recall of the draw, which includes the order and identity of the objects drawn, for dispute resolution purposes.	<p>Intent: To reduce potential misappropriation of assets or compromise to the bingo game by providing controls for the purpose of responding to patron disputes by ensuring a method is in place to recall the draw of past games played.</p> <p>Testing: 1. Interview appropriate personnel to determine when the last time a dispute occurred (e.g. Bingo Management, Bingo Supervisor, Bingo Caller, Bingo Floor Clerk, etc.). 2. Review TICS to ensure controls have been established and review SICS to determine procedures implemented for recall of the draw, order and identity of objects drawn, dispute resolution and surveillance review, etc.</p>
543.8(d)(4)	(4) <i>Verification and display of draw.</i> Controls must be established and procedures implemented to ensure that: <ul style="list-style-type: none"> (i) The identity of each object drawn is accurately recorded and transmitted to the participants. The procedures must identify the method used to ensure the identity of each object drawn. (ii) For all games offering a prize payout of \$1,200 or more, as the objects are drawn, the identity of the objects are immediately recorded and maintained for a minimum of 24 hours. 	<p>Intent: To reduce potential misappropriation of assets or compromise to the bingo game by providing controls for the purpose of recording and transmitting to the patrons the identity of each object drawn. In addition, for machines with potential payouts of \$1,200 or more, an additional recording retention control of at least 24 hours is required.</p> <p>Testing: 1. Interview appropriate personnel to determine how the draw is recorded and who maintains the record. (E.g. Bingo Management, Bingo Supervisor, Bingo Caller, Bingo Floor Clerk, etc.). 2. Review TICS to ensure controls have been established and review SICS to determine if procedures are implemented addressing the method used to identify draw, accurately recorded and transmitted to patrons, games \$1,200 or more are recorded and maintained for 24 hours accurately recorded, etc. 3. Observe live bingo game to verify that bingo games with jackpots of \$1,200 or more that the numbers are immediately recorded by the caller and maintained for at least 24 hours. 4. Review the most recent card caller log for bingo game \$1,200 or more.</p>

Citation	Language	Intent and Testing
§ 543.8 (e)		
543.8(e)(1) (i)-(iii)	<p>(e) <i>Prize payout.</i></p> <p>(1) Controls must be established and procedures implemented for cash or cash equivalents that address the following:</p> <p>(i) Identification of the agent authorized (by position) to make a payout;</p> <p>(ii) Predetermined payout authorization levels; and</p> <p>(iii) Documentation procedures ensuring separate control of the cash accountability functions.</p>	<p>Intent: To reduce potential misappropriation of assets by providing controls for the purpose of establishing which personnel are authorized to perform payouts, separate authorized levels of payouts and documentation to record accountability for the funds used for payouts.</p> <p>Testing: 1. Interview appropriate personnel to determine what the authorization levels are and who is authorized to make payouts (e.g. Bingo Management, Bingo Supervisor, Bingo Paymaster, Bingo Floor Clerk, etc.). 2. Review TICS to ensure controls have been established and review SICS to determine procedures implemented for prize payouts (e.g. agents authorized by position to verify bingo wins and make payouts, payout authorization levels, documentation to record accountability of the funds used for payouts, etc.). 3. Review sample (as described in Glossary) of payout and accountability documentation for selected test dates to determine appropriate authorizations levels and accountability of the payout funds.</p>
543.8(e)(2) (i)(A)-(C), (ii)-(iii)	<p>(2) <i>Verification of validity.</i></p> <p>(i) Controls must be established and procedures implemented to verify that the following is valid for the game in play prior to payment of a winning prize:</p> <p>(A) Winning card(s);</p> <p>(B) Objects drawn; and</p> <p>(C) The previously designated arrangement of numbers or designations on such cards, as described in 25 U.S.C. 2703(7) (A).</p> <p>(ii) At least two agents must verify that the card, objects drawn, and previously designated arrangement were valid for the game in play.</p> <p>(iii) Where an automated verification method is available, verification by such method is acceptable</p>	<p>Intent: To reduce potential misappropriation of assets by providing controls for the purpose of verifying the validity of the game components and outcome prior to payment to the patron.</p> <p>Testing: 1. Interview appropriate personnel to determine method used for verification of validity and who is responsible for verifying card, object drawn and designated arrangement of numbers ore designations on cards (e.g. Bingo Management, Bingo Supervisor, Bingo Paymaster, Bingo Floor Clerk, etc.). 2. Review TICS to ensure controls have been established and review SICS to determine procedures implemented for verifying validity (e.g. verifying winning bingo card to include, objects drawn, bingo pattern, authorized agents, use of automated system, etc.). 3. Review sample (as described in Glossary) of payout documentation for the selected test dates to determine if agent(s)/ automated system verified winning events by comparing bingo cards to the predetermined pattern (e.g. 4 corners, small X, etc.) prior to payment. (Note: Complete with 543.8(e) (6)). 4. Observe winning bingo verification process.</p>

Citation	Language	Intent and Testing
§ 543.8 (e)		
543.8(e)(3) (i)-(ii)	<p>(3) <i>Validation.</i></p> <p>(i) For manual payouts, at least two agents must determine the validity of the claim prior to the payment of a prize. The system may serve as one of the validators.</p> <p>(ii) For automated payouts, the system may serve as the sole validator of the claim.</p>	<p>Intent: To reduce potential misappropriation of assets by establishing validation requirements for manual payouts resulting from bingo wins involving either two persons or one person when the Class II system is used as validation of the claim.</p> <p>Testing: 1. Interview appropriate personnel to determine process for manual payouts and if an automated process is used for payouts (e.g. Bingo Management, Bingo Supervisor, Bingo Paymaster, Bingo Floor Clerk, etc.). 2. Review SICS to determine procedures implemented for validating winning bingo cards (e.g. objects drawn, bingo pattern, authorized agents, use of automated system, etc.). 3. Review sample (as described in Glossary) of payout documentation for the selected test dates to determine if agent(s)/ automated system verified winning events by comparing bingo cards to the predetermined pattern (e.g. 4 corners, small X, etc.) prior to payment. (<i>Note: Complete with 543.8(e) (6).</i>) 4. Observe winning bingo validation process.</p>
543.8(e)(4) (i)-(ii)	<p>(4) <i>Verification.</i></p> <p>(i) For manual payouts, at least two agents must verify that the winning pattern has been achieved on the winning card prior to the payment of a prize. The system may serve as one of the verifiers.</p> <p>(ii) For automated payouts, the system may serve as the sole verifier that the pattern has been achieved on the winning card.</p>	<p>Intent: To reduce potential misappropriation of assets by establishing validation requirements for manual payouts resulting from bingo wins involving either two persons or one person when the Class II system is used as validation of the claim.</p> <p>Testing: 1. Interview appropriate personnel to determine who is responsible for verifying bingo payouts (e.g. Bingo Management, Bingo Supervisor, Bingo Paymaster, Bingo Floor Clerk, etc.). 2. Review TICS and or SICS to determine procedures implemented for verifying winning bingo card (e.g. objects drawn, bingo pattern, authorized agents, use of automated system, etc.). 3. Review sample (as described in Glossary) of payout documentation for the selected test dates to determine if agent(s)/ automated system verified winning events by comparing bingo cards to the predetermined pattern (e.g. 4 corners, small X, etc.) prior to payment. Complete with 543.8(e) (6). 4. Observe winning bingo verification process.</p>

Citation	Language	Intent and Testing
§ 543.8 (e)		
543.8(e)(5) (i), (ii)(A)-(D), (iii)-(iv)	<p>(5) <i>Authorization and signatures.</i></p> <p>(i) At least two agents must authorize, sign, and witness all manual prize payouts above \$1,200, or a lower threshold as authorized by management and approved by the TGRA.</p> <p>(ii) Manual prize payouts above the following threshold (or a lower threshold, as authorized by management and approved by TGRA) must require one of the two signatures and verifications to be a supervisory or management employee independent of the operation of Class II Gaming System bingo:</p> <p>(A) \$5,000 for a Tier A facility; (B) \$10,000 at a Tier B facility; (C) \$20,000 for a Tier C facility; or (D) \$50,000 for a Tier C facility with over \$100,000,000 in gross gaming revenues.</p> <p>(iii) The predetermined thresholds, whether set at the MICS level or lower, must be authorized by management, approved by the TGRA, documented, and maintained.</p> <p>(iv) A Class II gaming system may substitute for one authorization/signature verifying, validating or authorizing a winning card, but may not substitute for a supervisory or management authorization/signature.</p>	<p>Intent: To reduce potential misappropriation of assets by establishing authorization and accountability requirements involving either two persons or one person and the system for payments over \$1,200 (or lower threshold as authorized and approved). In addition, establishes requirement for payouts above specified thresholds to have supervisory/ independent authorization.</p> <p>Testing: 1. Interview appropriate personnel to determine threshold wherein two agents are required to authorize, sign and witness manual prize payout and who qualifies as the authorized agents. (E.g. Bingo Management, Bingo Supervisor, Bingo Paymaster, Bingo Floor Clerk, etc.). 2. Review TICS and or SICS to determine procedures implemented for ; authorization, and approved thresholds and signature requirements,(e.g. verifying winning bingo card to include, objects drawn, bingo pattern, authorized agents, use of automated system, etc.). 3. Review sample (as described in Glossary) of payout documentation for the selected test dates to determine if agent(s)/ automated system verified winning events by comparing bingo cards to the predetermined pattern (e.g. 4 corners, small X, etc.) prior to payment. Complete with 543.8(e) (6). 4. Observe winning bingo verification process for manual prize payouts.</p>

Citation	Language	Intent and Testing
§ 543.8 (e)		
543.8(e)(6) (i)-(iv)(A)-(E)	<p>(6) Payout records, including manual payout records, must include the following information:</p> <ul style="list-style-type: none"> (i) Date and time; (ii) Amount of the payout (alpha & numeric for player interface payouts); and (iii) Bingo card identifier or player interface identifier. <p>(iv) Manual payout records must also include the following:</p> <ul style="list-style-type: none"> (A) Game name or number; (B) Description of pattern covered, such as cover-all or four corners; (C) Signature of all, but not less than two, agents involved in the transaction; (D) For override transactions, verification by a supervisory or management agent independent of the transaction; and (E) Any other information necessary to substantiate the payout. 	<p>Intent: To reduce potential misappropriation of assets by requiring detailed documentation to support all non-automated payouts which include detailed information about the payouts, signatures for accountability and verifications for overrides.</p> <p>Testing: 1. Interview appropriate personnel to determine who is responsible for completing override transactions (e.g. Bingo Management, Bingo Supervisor, Bingo Paymaster, Bingo Floor Clerk, etc.). 2. Review TICS and or SICS to determine procedures implemented for payout records (e.g. requiring: date and time, amount of payout, bingo/ player interface identifier, game name/ number, pattern, signatures, overrides, authorized and approved thresholds, signature requirements, verifying winning bingo card(s) to include, objects drawn, bingo pattern, authorized agents, use of automated system, etc.). 3. Review sample (as described in Glossary) of payout documentation for the selected test dates to determine if all required information is included on payout forms. <i>(Note: Complete with 543.8(e) (2), (3), (4) and (5))</i>. 4. Observe winning bingo verification and payout process including manual payout process if possible.</p>

Citation	Language	Intent and Testing
§ 543.8 (f)		
543.8(f)(1)	<p>(f) <i>Cash and cash equivalent controls.</i></p> <p>(1) Cash or cash equivalents exchanged between two persons must be counted independently by at least two agents and reconciled to the recorded amounts at the end of each shift or session. Unexplained variances must be documented and maintained. Unverified transfers of cash or cash equivalents are prohibited.</p>	<p>Intent: To reduce potential misappropriation of assets by requiring at least two independent counts for all exchanges of cash and cash equivalents and a reconciliation of the exchanges at the end of the shift or session. In addition, variances between counts which cannot be explained must be documented and unverified transfers are not allowed.</p> <p>Testing: 1. Interview appropriate personnel to determine cash control procedures (e.g. Bingo Management, Bingo Supervisor, Bingo Paymaster, Bingo Floor Clerk, etc.). 2. Review TICS and or SICS to determine if procedures have been implemented addressing cash or cash equivalents (e.g. exchanges, independent counts, signature requirements, variances, prohibition of unverified transfers, etc.). 3. Review sample (as described in Glossary) of accountability documentation for the selected test dates to determine if effective transfer of accountability of the funds. 4. Observe shift change to verify funds are being independently counted and that unverified transfers are not occurring.</p>
543.8(f)(2) (i)-(iv)	<p>(2) Procedures must be implemented to control cash or cash equivalents based on the amount of the transaction. These procedures must include documentation by shift, session, or other relevant time period of the following:</p> <p>(i) Inventory, including any increases or decreases;</p> <p>(ii) Transfers;</p> <p>(iii) Exchanges, including acknowledging signatures or initials; and</p> <p>(iv) Resulting variances.</p>	<p>Intent: To reduce potential misappropriation of assets by requiring procedures to create documentation for cash and/or cash equivalents to record changes of inventory, transfers, exchanges and any variances in counts to physical funds and supporting documentation.</p> <p>Testing: 1. Interview appropriate personnel to determine signature requirements (e.g. Bingo Management, Bingo Supervisor, Bingo Paymaster, Bingo Floor Clerk, etc.). 2. Review TICS and or SICS to determine if procedures have been developed addressing documentation requirements based on transaction types (e.g. Inventory of cash equivalents, documentation, shift, session, transfers, exchanges, signatures, variances, etc.). 3. Review a sample (as described in Glossary) of cash or cash equivalent records for Bingo from the selected test dates to determine if increases, decreases, transfers, exchanges, signatures, and variances are properly documented.</p>

Citation	Language	Intent and Testing
§ 543.8 (f)		
543.8(f)(3)	(3) Any change to control of accountability, exchange, or transfer requires that the cash or cash equivalents be counted and recorded independently by at least two agents and reconciled to the recorded amount.	<p>Intent: To reduce potential misappropriation of assets and provide for accountability by requiring a documented independent count and reconciliation of cash and/or cash equivalents whenever there is a change in the control of accountability of the funds.</p> <p>Testing: 1. Interview appropriate personnel to determine who is responsible for counting and recording cash or cash equivalent when there is a change to control of accountability (e.g. Bingo Management, Bingo Supervisor, Bingo Paymaster, Bingo Floor Clerk, etc.). 2. Review TICS and or SICS to determine procedures implemented for cash and cash equivalents when there is change of accountability (e.g., inventory of cash equivalents, documentation, independent counts, shift, session, transfers, exchanges, signatures, variances, etc.). 3. Review a sample (as described in Glossary) of cash or cash equivalent accountability records for Bingo from the selected test dates to determine if independent counts are performed, recorded and reconciled by at least 2 agents and are properly documented. 4. Observe change in accountability (<i>Note: Typically shift change, etc.</i>).</p>

Citation	Language	Intent and Testing
§ 543.8 (g)		
543.8(g)(1) (i)-(iv)	<p>Class II gaming systems' logical and physical controls. Controls must be established and procedures implemented to ensure adequate:</p> <p>(1) Shipping and receiving.</p> <p>(i) A communication procedure must be established between the supplier, the gaming operation, and the TGRA to properly control the shipping and receiving of all software and hardware components. Such procedures must include:</p> <p>(A) Notification of pending shipments must be provided to the TGRA by the gaming operation;</p> <p>(B) Certification in accordance with 25 CFR part 547;</p> <p>(C) Notification from the supplier to the TGRA, or the gaming operation as approved by the TGRA, of the shipping date and expected date of delivery. The shipping notification must include:</p> <p>(1) Name and address of the supplier;</p> <p>(2) Description of shipment;</p> <p>(3) For player interfaces: a serial number;</p> <p>(4) For software: software version and description of software;</p> <p>(5) Method of shipment; and</p> <p>(6) Expected date of delivery.</p> <p>(ii) Procedures must be implemented for the exchange of Class II gaming system components for maintenance and replacement.</p> <p>(iii) Class II gaming system components must be shipped in a secure manner to deter unauthorized access.</p> <p>(iv) The TGRA, or its designee, must receive all Class II gaming system components and game play software packages, and verify the contents against the shipping notification.</p>	<p>Intent: To reduce potential misappropriation of assets and compromise to the bingo game by providing detailed shipping procedures for gaming software and hardware which include specific communications between the vendor, TGRA and gaming operation, verification shipped items are properly lab certified, shipping in a secured manner to prevent unauthorized access and accountability of received system components and software by physical verification to shipping documents. In addition, providing procedures specific to exchanges of equipment for maintenance and replacement.</p> <p>Testing: 1. Interview appropriate personnel to determine who is responsible for Class II gaming systems' logical and physical controls (e.g. TGRA, Electronic Bingo Management, Bingo Floor personnel, Security, Shipping Receiving personnel, IT personnel, etc.). 2. Review TICS to ensure controls are established and review SICS to determine process and what documentation is required to be maintained for the shipping and receiving of bingo technological aids including; supplier notification of shipments, testing lab certifications, TGRA verification of receipt, etc. Also to determine document retention period and auditing procedures for auditing the records. 3. Review sample of shipping and receiving documentation to determine all required information is included. (Look at sample as defined in the Glossary).</p>

Citation	Language	Intent and Testing
§ 543.8 (g)		
543.8(g)(2)(i)	<p>(2) Access credential control methods.</p> <p>(i) Controls must be established to restrict access to the Class II gaming system components, as set forth in § 543.20, Information and Technology.</p>	<p>Intent: To reduce potential misappropriation of assets and compromise to the bingo game by ensuring access to Class II gaming system components are restricted in accordance with 25 CFR Part 543.20, Information Technology.</p> <p>Testing: 1. Interview appropriate personnel to determine who has access to the Class II gaming system components (e.g., electronic bingo management, electronic bingo floor personnel, and person in charge of securing server room). 2. Review TICS to ensure controls have been established and review SICS to determine if procedures have been implemented to restrict access to the Class II gaming system components 3. Observe and document how access is controlled.</p> <p><i>Note: This step may have been conducted during the audit of the IT section.</i></p>
543.8(g)(3) (i)(A)-(I), (ii)	<p>(3) Recordkeeping and audit processes.</p> <p>(i) The gaming operation must maintain the following records, as applicable, related to installed game servers and player interfaces:</p> <p>(A) Date placed into service;</p> <p>(B) Date made available for play;</p> <p>(C) Supplier;</p> <p>(D) Software version;</p> <p>(E) Serial number;</p> <p>(F) Game title;</p> <p>(G) Asset and/or location number;</p> <p>(H) Seal number; and</p> <p>(I) Initial meter reading.</p> <p>(ii) Procedures must be implemented for auditing such records in accordance with § 543.23, Audit and Accounting.</p>	<p>Intent: To reduce potential misappropriation of assets and compromise to the bingo game by ensuring documentation is maintained recording the installation and related installation testing performed when Class II gaming system servers and player interfaces are installed. And to provide accountability by ensuring that records are reviewed in accordance with established auditing procedures.</p> <p>Testing: 1. Interview appropriate personnel to determine who is responsible for completing procedure (e.g. TGRA, Electronic Bingo Management, Bingo Floor personnel). 2. Review TICS and or SICS to determine process and what documentation is required to be maintained. Also to determine document retention period and auditing procedures for auditing the records. (Best Practice recommends until servers and interfaces are permanently removed from the operation)</p> <p>3. Review sample of install records for game servers and player interfaces. Also, review sample to ensure the documents were audited according to the auditing procedures (Look at sample as defined in the Glossary)</p> <p><i>Note: The industry is moving away from seals (due to the increasing number of ways a seal can be compromised) locks is more frequently used by operations. If locks are used confirm and document the board or cabinet is locked with a restricted access key, instead of 'N/A' for seal number.</i></p>

Citation	Language	Intent and Testing
§ 543.8 (g)		
543.8(g)(4) (i)-(iv)	<p>(4) System software signature verification.</p> <p>(i) Procedures must be implemented for system software verifications. These procedures must include comparing signatures generated by the verification programs required by 25 CFR 547.8, to the signatures provided in the independent test laboratory letter for that software version.</p> <p>(ii) An agent independent of the bingo operation must perform system software signature verification(s) to verify that only approved software is installed.</p> <p>(iii) Procedures must be implemented for investigating and resolving any software verification variances.</p> <p>(iv) Internal audits must be conducted as set forth in § 543.23, Audit and Accounting. Such audits must be documented.</p>	<p>Intent: To reduce compromise to the bingo game by testing software signatures to ensure that the software signature verification matches the signature provided by the independent testing lab. (Best practice recommends that verification is performed by personnel independent of bingo and that any variances identified during the verification are investigated and resolved prior to installation of the software or device.)</p> <p>Testing: 1. Interview appropriate personnel to determine who is responsible for system software signature verification procedure (e.g. TGRA, Electronic Bingo Management, Bingo Floor personnel). 2. Review TICS and or SICS to determine procedures implemented for system software verifications. 3. Review sample of system software verifications documents (e.g. test lab reports, investigation documentation) game servers and player interfaces. (Look at sample as defined in the Glossary)</p>
543.20(g)(5) (i)(A)-(K)	<p>(5) Installation testing.</p> <p>(i) Testing must be completed during the installation process to verify that the player interface has been properly installed. This must include testing of the following, as applicable:</p> <p>(A) Communication with the Class II gaming system;</p> <p>(B) Communication with the accounting system;</p> <p>(C) Communication with the player tracking system;</p> <p>(D) Currency and vouchers to bill acceptor;</p> <p>(E) Voucher printing;</p> <p>(F) Meter incrementation;</p> <p>(G) Pay table, for verification;</p> <p>(H) Player interface denomination, for verification;</p> <p>(I) All buttons, to ensure that all are operational and programmed appropriately;</p> <p>(J) System components, to ensure that they are safely installed at location; and</p> <p>(K) Locks, to ensure that they are secure and functioning.</p>	<p>Intent: To ensure that the electronic bingo game is accurately recording data and communicating that data to the Class II gaming system, accounting system and the player tracking system. Accurate recording of data helps to identify and reduce compromise to the bingo game by verifying proper communication with applicable systems. Proper installation of the player interface (e.g. metering, printing of tickets, pay table(s), denomination, physical buttons, components for safe installation and locks) reduces the risk of misappropriation of assets.</p> <p>Testing: 1. Interview appropriate personnel to determine who is responsible for the installation process (procedure (e.g. Electronic Bingo Management, Bingo Floor personnel). 2. Review TICS and or SICS to determine the procedures involved in the installation testing and documents required being maintained 3. Review sample of documents completed during the installation testing</p> <p><i>(Note: Typically an installation testing checklist is created to document these procedures)</i></p>

Citation	Language	Intent and Testing
§ 543.8 (g)		
543.8(g)(6)	(6) Display of rules and necessary disclaimers. The TGRA or the operation must verify that all game rules and disclaimers are displayed at all times or made readily available to the player upon request, as required by 25 CFR part 547.	<p>Intent: To reduce compromise to the bingo game by ensuring that all patrons are aware of and participate in games under the same set of rules.</p> <p>Testing: 1. Observe the gaming floor to determine if the game rules are displayed for both electronic and manual bingo games. 2. Interview appropriate personnel to determine if the rules are available to players upon request (e.g. TGRA, Electronic Bingo Management, Bingo Floor personnel).</p>
543.8(g)(7)	(7) TGRA approval of all technologic aids before they are offered for play.	<p>Intent: To reduce compromise and ensure integrity of the bingo game by requiring that all technological aids for bingo be approved before they are available to patrons of the casino.</p> <p>Testing: 1. Review SICS to determine the process for acquiring TGRA approval for the use of technological aids. 2. Locate written documentation of TGRA approval for technological aids used in the play of bingo.</p>
543.8(g)(8)	(8) All Class II gaming equipment must comply with 25 CFR part 547, Minimum Technical Standards for Gaming Equipment Used With the Play of Class II Games.	<p>Intent: To reduce compromise and ensure integrity of the bingo game by requiring that all Class II gaming equipment comply with 25 CFR Part 547, technical standards.</p> <p>Testing: 1. Observe the gaming floor to determine what gaming equipment is used with the play of Class II games. Interview appropriate personnel to verify the gaming equipment used with the play of Class II games (e.g. Bingo Management, Bingo Floor personnel). 2. Review TICS and or SICS to determine procedures for complying with 25CFR part 547. 3. Review sample of test lab reports.</p>
543.8(g)(9)	(9) Dispute resolution.	<p>Intent: To ensure the integrity of the bingo game by providing and implementing documented procedures for patron disputes that apply to all patrons.</p> <p>Testing: 1. Review TICS and or SICS to determine the procedures for dispute resolution and documentation required to be maintained 2. Review current dispute resolution documentation to determine compliance with procedure</p>

Citation	Language	Intent and Testing
§ 543.8 (h)		
543.8(h)(1) (i)-(iv)	<p>(h) Operations. (1) Malfunctions. Procedures must be implemented to investigate, document and resolve malfunctions. Such procedures must address the following:</p> <ul style="list-style-type: none"> (i) Determination of the event causing the malfunction; (ii) Review of relevant records, game recall, reports, logs, surveillance records; (iii) Repair or replacement of the Class II gaming component; (iv) Verification of the integrity of the Class II gaming component before restoring it to operation. 	<p>Intent: To ensure the integrity of the bingo game by implementing procedures to investigate, document and resolve malfunctions including determining the cause, review of available documentation of the malfunction, repair or replacement if needed and verification of the system component's integrity prior to restoring to operation.</p> <p>Testing: 1. Review TICS and or SICS to determine if procedures have been created addressing malfunctions investigation steps and documentation requirements. 2. Review if applicable a sample of malfunction, repair and replacement records. (Look at sample as defined in the Glossary) 3. Interview appropriate personnel to verify malfunction procedures if no sample to test. (e.g. Bingo Management, Bingo personnel)</p>

Citation	Language	Intent and Testing
§ 543.8 (h)		
543.8(h)(2) (i)-(v)	<p>2) Removal, retirement and/or destruction. Procedures must be implemented to retire or remove any or all associated components of a Class II gaming system from operation. Procedures must include the following:</p> <p>(i) For player interfaces and components that accept cash or cash equivalents:</p> <p>(A) Coordinate with the drop team to perform a final drop;</p> <p>(B) Collect final accounting information such as meter readings, drop and payouts;</p> <p>(C) Remove and/or secure any or all associated equipment such as locks, card reader, or ticket printer from the retired or removed component; and</p> <p>(D) Document removal, retirement, and/or destruction.</p> <p>(ii) For removal of software components:</p> <p>(A) Purge and/or return the software to the license holder; and</p> <p>(B) Document the removal.</p> <p>(iii) For other related equipment such as blowers, cards, interface cards:</p> <p>(A) Remove and/or secure equipment; and</p> <p>(B) Document the removal or securing of equipment.</p> <p>(iv) For all components:</p> <p>(A) Verify that unique identifiers, and descriptions of removed/retired components are recorded as part of the retirement documentation; and</p> <p>(B) Coordinate with the accounting department to properly retire the component in the system records.</p> <p>(v) Where the TGRA authorizes destruction of any Class II gaming system components, procedures must be developed to destroy such components. Such procedures must include the following:</p> <p>(A) Methods of destruction;</p> <p>(B) Witness or surveillance of destruction;</p> <p>(C) Documentation of all components destroyed; and</p> <p>(D) Signatures of agent(s) destroying components attesting to destruction.</p>	<p>Intent: To prevent potential misappropriation of assets and ensure the integrity of the bingo game by implementing procedures for removal, retirement and destruction of Class II gaming system components. Controls include: coordination for final drop(s), recording final meter readings, removal of salvageable items, purging or return of software, updating system records, witnessing destructions accounted for by signature and documentation of removals, retirements and destructions.</p> <p>Testing: 1. Interview appropriate personnel to determine when the final accounting information is recorded. Including the procedures for removal, retirement and destruction. 2. Review TICS and or SICS to ensure that procedures have been implemented addressing the retirement and/or removal of associated components of a Class II gaming system from operation. Specifically, player interfaces and components that accept cash or cash equivalents: requirements to coordinate with the drop team to perform a final drop; requirements to collect final accounting information (e.g. meter readings, drop and payouts); requirements to remove and/or secure associated equipment (e.g. locks, card reader, ticket printer) from the retired or removed component; and requirements to document removal, retirement, and/or destruction, Purge and/or return the software to the license holder; and documentation requirements. Including requirements for other related equipment such as blowers, cards, and interface cards: Including removal and/or securing of equipment; and documentation of the removal or securing of equipment. Additionally, the requirement to verify that unique identifiers and descriptions of removed/retired components are recorded as part of the retirement documentation; and coordinating with the accounting department to properly retire the component in the system records. Procedures must be developed to destroy such components which include: methods of destruction; Witness or surveillance of destruction; documentation of all components destroyed; and signatures of agent(s) destroying components attesting to destruction (If the TGRA authorizes destruction of any Class II gaming system components). 3. Review sample of vendor return records (for software), removal, and retirement and destruction records. (Look at sample as defined in the Glossary) retirement and/or destruction records. 4. Observe a removal, retirement and destruction.</p>

Citation	Language	Intent and Testing
§ 543.8 (i)		
543.8(i)(1) (i)-(v)	<p>(i) Vouchers.</p> <p>(1) Controls must be established and procedures implemented to:</p> <p>(i) Verify the authenticity of each voucher redeemed.</p> <p>(ii) If the voucher is valid, verify that the patron is paid the appropriate amount.</p> <p>(iii) Document the payment of a claim on a voucher that is not physically available or a voucher that cannot be validated such as a mutilated, expired, lost, or stolen voucher.</p> <p>(iv) Retain payment documentation for reconciliation purposes.</p> <p>(v) For manual payment of a voucher of \$500 or more, require a supervisory employee to verify the validity of the voucher prior to payment.</p>	<p>Intent: To prevent potential misappropriation of assets by establishing and implementing procedures for the redemption of tickets which include verifying the ticket in the validation system, verifying patron is paid appropriately, documenting payment of vouchers which cannot be validated (printer errors, expired (if honored), etc.), retaining voucher for reconciliation and supervisory verification for payouts over \$500 when the system is down.</p> <p>Testing: 1. Interview appropriate personnel to verify actual procedure (Cage management, Cage cashier). 2. Review TICS to ensure controls are established and review SICS to determine the procedures for verifying authenticity, payment of mutilates, expired, lost, stolen vouchers and manual payments of vouchers. 3. Review sample of vouchers redeemed and manual vouchers redeemed including those in the cashier’s drawer. Review sample of reports from validation system. (Look at sample as defined in the Glossary) (<i>Note: Manual payouts exist when the system is down.</i>) 4. Observation of a voucher redemption paid by an employee (e.g. cage, slot booth, etc.) and if possible observe redemption at a kiosk either live or through surveillance coverage.</p>
543.8(i)(2)	<p>(2) Vouchers paid during a period while the voucher system is temporarily out of operation must be marked “paid” by the cashier.</p>	<p>Intent: To prevent misappropriation of assets by ensuring a voucher redeemed while the validation system is out of operation is properly marked as paid so it cannot be redeemed again.</p> <p>Testing: 1. If no sample can be located, Interview appropriate personnel to verify procedure (e.g. Cage Cashier, Floor Cashier) 2. Review TICS and or SICS to determine procedure for paying vouchers when voucher system is down. 3. Review sample of vouchers paid while system is down. (Look at sample as defined in the Glossary)</p>

Citation	Language	Intent and Testing
§ 543.8 (i)		
543.8(i)(3)	(3) Vouchers redeemed while the voucher system was temporarily out of operation must be validated as expeditiously as possible upon restored operation of the voucher system.	<p>Intent: To prevent potential misappropriation of assets by ensuring vouchers redeemed while the validation system is out of operation are validated through the validation system as soon as reasonably possible to ensure tickets are properly recorded as redeemed in the system and for reconciliation purposes.</p> <p>Testing: 1. Interview appropriate personnel if no sample can be located to verify procedure (e.g. Cage Cashier, Floor Cashier) 2. Review TICS and or SICS to determine procedure for paying vouchers when voucher system is down. 3. Review sample of vouchers paid while system is down. Including reviewing the report from the validation system to verify tickets were redeemed within a reasonable time frame after the system was restored. (Refer to the Glossary for a definition of sample.)</p>
543.8(i)(4)	(4) Paid vouchers must be maintained in the cashier's accountability for reconciliation purposes.	<p>Intent: To prevent potential misappropriation of assets by ensuring vouchers are accounted for and available for reconciliation purposes.</p> <p>Testing: 1. Interview appropriate personnel to determine accountability for reconciliation procedure (Cage Management, Cage Cashiers), 2. Observe vouchers in the cashier's bank and end of shift reconciliation.</p>
543.8(i)(5)	(5) Unredeemed vouchers can only be voided in the voucher system by supervisory employees. The accounting department will maintain the voided voucher, if available.	<p>Intent: To prevent potential misappropriation of assets by requiring supervisory personnel to void unredeemed vouchers and to providing for a separate department to maintain voided vouchers.</p> <p>Testing: 1. Test sample of voided vouchers and the report that identifies the person who voided the voucher. (Look at sample as defined in the Glossary) (Best Practice would dictate that the vouchers are voided by accounting or revenue audit and that the voucher be maintained in accordance with documentation retention policy)</p>

Citation	Language	Intent and Testing
§ 543.8 (j-k)		
543.8(j)	(j) All relevant controls from § 543.20, Information and Technology will apply.	To See Information Technology Tool Kit 543.20.
543.8(k)	(k) Revenue Audit. Standards for revenue audit of bingo are contained in § 543.24, Revenue Audit.	To See Revenue Audit Tool Kit 543.24.
543.8(l)	(l) Variance. The operation must establish, as approved by the TGRA, the threshold level at which a variance, including deviations from the mathematical expectations required by 25 CFR 547.4, will be reviewed to determine the cause. Any such review must be documented.	<p>Intent: To reduce potential misappropriation of assets and compromise to the bingo game by establishing a threshold level at which variances and mathematical deviations from expectations can be identified and reviewed including the requirement to document reviews completed.</p> <p>Testing: 1. Interview appropriate personnel to determine variance level threshold and if written approval has been received for the level (e.g. TGRA, Bingo Management, Revenue Audit personnel). 2. Review SICS to determine variance threshold and procedure. 3. Review documentation where review was performed on a variance or deviation from the mathematical expectations exceeded the threshold level.</p>

5 CFR 543.8 Toolkit

Version 1.0

NIGC Compliance Division