

**Rule 3772-10-14 | Internal audit standards.**

- (A) Each casino operator's internal ~~controls must~~~~control system shall~~ include internal ~~controls for~~~~internal~~ audit standards.
- (B) The casino operator ~~must~~~~shall~~ maintain a separate internal audit department whose primary function is to perform internal audit work that ~~must~~~~shall~~ be independent with respect to the departments subject to audit. The casino operator ~~must~~~~shall~~ ensure that the standards, conventions, and rules governing audits in the United States are followed for all audits. The internal audit department ~~must~~~~shall~~ be responsible for the following:
- (1) The review and appraisal of the adherence of the casino operator's ~~systems of~~ internal ~~control~~~~control~~ to Chapter 3772. of the Revised Code and the rules adopted thereunder;
  - (2) Performing tests to ensure compliance with ~~the~~ internal ~~control~~~~control~~ ~~procedures~~;
  - (3) The reporting to the casino operator's management and the commission of instances of noncompliance with the internal ~~control~~~~control~~ ~~system~~;
  - (4) The reporting to the casino operator's management and the commission of any weaknesses in the internal ~~control~~~~control~~ ~~system~~;
  - (5) The recommendation of procedures to eliminate any weaknesses in the internal ~~control~~~~control~~ ~~system~~; and
  - (6) Performing tests to ensure compliance with rule [3772-10-06](#) of the Administrative Code.
- (C) The auditing department ~~must~~~~shall~~ prepare documents to evidence all internal audit work performed as the work relates to the requirements in this rule, including all instances of noncompliance with ~~the~~ internal ~~control~~~~control~~ ~~procedures~~:
- (1) The internal audit department ~~must~~~~shall~~ operate with audit programs that address the requirements of this rule;
  - (2) The internal audit department ~~must~~~~shall~~ accurately document the work performed, the conclusions reached, and the resolution of all exceptions; and
  - (3) All audit reports ~~must~~~~shall~~ be prepared, maintained, and provided to the commission on a schedule approved by the ~~commission~~~~executive director~~.
- (D) Internal audit personnel ~~must~~~~shall~~ perform audits of all major gaming areas of the casino operator. The following ~~must~~~~shall~~ be reviewed at least semi-annually:
- (1) Slot revenue and procedures;
  - (2) Table games revenue and procedures;

- (3) Manual payouts;
- (4) Cage procedures;
- (5) Information technology;
- (6) Complimentaries and promotions;
- (7) Control of access to assets and restricted areas;
- (8) Purchasing; and
- (9) Any other internal audits as required by the ~~commission~~executive director, audit committee of the board of directors, or any other entity designated by the ~~commission~~executive director.

(E) The audit reports ~~must~~shall include the following information:

- (1) Audit objectives;
- (2) Audit procedures and scope;
- (3) Findings and conclusions; and
- (4) ~~Management's~~Managements response.

(F) The internal audit department ~~must~~shall perform follow-up examinations to verify that corrective action has been taken regarding all instances of noncompliance cited by internal audit and the independent accountant. Further, if directed by the ~~commission~~executive director, the internal audit department ~~must~~shall perform follow-up examinations to verify that corrective action has been taken regarding all settlement agreements, notices of noncompliance, and disciplines imposed by the commission. These verifications ~~must~~shall be performed within three months of the issuance of the audit report.

(G) Whenever possible, internal audit observations ~~must~~shall be performed on an unannounced basis.

(H) All exceptions disclosed during audits ~~must~~shall be investigated and resolved.

(I) All internal audit findings ~~must~~shall be reported to management, who ~~must~~shall be required to respond to internal audit findings stating corrective measures to be taken to avoid recurrence of the audit exception. The management responses ~~must~~shall be included in the internal audit reports that are delivered to the casino operator's management, the commission, audit committee of the board of directors, or other entity designated by the ~~commission~~executive director.