

MARCH 31, 1997

Through recent compliance inspection efforts, the Division of Gaming has cited a significant numbers of licensees for compliance problems involving the preparation and analysis of their gaming statistical reports as required by the Internal Control Minimum Procedures (ICMPs). Some examples of the problems noted by the Division during compliance inspections include, but are not limited to, the following:

- Failure to prepare required statistical reports in a timely manner
- Failure to investigate and properly document explanations for variances exceeding allowable thresholds pursuant to ICMP
- Failure to maintain statistical report documentation for a period of five years
- Failure to develop or follow a written plan which outlines the methodology, process, and procedures regarding the preparation, reviewing, analyzing and maintenance of statistical reports

Pursuant to ICMP, Section VIII, Subsection A, the accounting department is responsible for preparing statistical reports as required by the ICMPs. Further, the accounting department is also responsible for analyzing and documenting variances noted as a result of reviewing these reports. The results of all investigations must be documented in writing as evidence that required procedures have been performed. Adequate explanations must include:

1. The procedures used to investigate the variance,
2. The results of the investigation,
3. Any further actions necessary to monitor or correct the cause of the variance, and the result of those actions.

The Division takes these requirements very seriously. Failure to prepare, analyze and maintain *all* required statistical reports in accordance with the ICMPs is considered an unsuitable method of operation and may subject the licensee to disciplinary action by the Commission.

If you have any questions concerning these requirements, please contact the Audit Section staff at one of the following locations:

Central City/Black Hawk	(303) 582-0529
Cripple Creek	(719) 689-3362
Lakewood	(303) 205-1355