

Internal Audit Compliance Checklist

ENTERTAINMENT
WALKTHROUGH PROCEDURES

Licensee: _____ Review Period: _____

NGC Regulation 6.090(15) requires the internal auditor to use guidelines, checklists and other "criteria established by the Chair" in determining whether a Group I licensee is in compliance with applicable statutes, regulations, and Minimum Internal Control Standards (MICS) regarding the Live Entertainment Tax. The use of this checklist satisfies these requirements.

This checklist can be completed for multiple entertainment areas, if applicable, as long as the responses clearly indicate to which entertainment area the responses apply.

Checklist Completion Notes:

- 1) Unless otherwise instructed, examine a completed document for compliance for those questions referring to records/documentation as indicated and recalculate where appropriate. Indicate (by tickmark) whether the procedures were confirmed via examination/review of documentation, through inquiry of personnel or via observation of procedures. Tickmarks used are to be defined at the bottom of each page.
- 2) All "no" answers require referencing and/or comment, and should be cited as regulation violations, unless the Board Chair has granted a MICS variation or the question requires a "no" answer for acceptability. All "N/A" answers require referencing and/or comment, as to the reason the procedure is not applicable. All exceptions noted should be carried to the internal auditor's report/summary of findings for timely follow-up.
- 3) "(#)" refers to the Minimum Internal Control Standards for Entertainment, Version 9 or to the applicable regulation/statute.

Scope:

This checklist must be completed once in each fiscal year.

MICS Variations and Regulation Waivers:

Obtain copies of MICS variation and regulation waiver requests and NGCB correspondence regarding such requests from appropriate property personnel. Review to determine status of evidence of any waivers or alternative requirements imposed by granted variations. Modify and/or perform additional procedures as applicable.

Associated Equipment:

Determine if approval has been received for all associated equipment used in the live entertainment department. For all unreported associated equipment, cite violations of **Regulation 14.260**. For associated equipment, perform a walk-through of any additional controls on the use of the associated equipment which may be included in the written system of internal control.

Date Approval Granted	MICS Number or Regulation	Description of Variation/Waiver Granted or Associated Equipment Approval	Number(s) of Procedure Modified or Added	W/P Ref. (if appl.)

Note: Variations/waivers and associated equipment need only be scheduled once. Refer to the workpaper where the details are scheduled and complete the last two columns of the above grid if walk-through procedures are affected.

Verified per representation

Verified per observation/examination

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Questions	Yes	No	N/A	Comments, W/P Reference
<u>Accounting/Audit</u>				
<p>1. Quarterly, do accounting/audit personnel observe all public areas of the licensed gaming establishment (including any facility operated by another person or entity) at times when entertainment is likely to occur, determine what areas are subject to entertainment tax, and confirm that such areas are reporting taxable admission charges as entertainment revenue? (21)</p> <p>Note 1: The observations should include areas such as convention facilities, meeting rooms, restaurants, outdoor, and temporary facilities that have admission charges. The observations of these areas can be performed through recorded or live surveillance. (21, Note 1)</p>				
<p>2. Are the observations in the preceding question documented to include the date, time, and areas of the gaming establishment observed along with the determination as to whether or not the area is subject to entertainment tax along with the reasoning for the determination? (21)</p> <p>Note: The use of the "Entertainment Area Evaluation Form," which is available on the Board's website, is required for compliance with the MICS mentioned in the preceding two questions. (21, Note 3)</p>				

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Questions	Yes	No	N/A	Comments, W/P Reference
<u>Package Programs</u>				
3. Are package program breakdowns computed in accordance with the provisions of NRS 368A.200(1) and NAC 368A.450(5)?				
<u>Procedures Modified or Added</u>				

Verified per representation

Verified per observation/examination