

1           **Title 36 MARYLAND STATE LOTTERY AND GAMING CONTROL AGENCY**

2   **Subtitle 03 GAMING PROVISIONS**

3                           **Chapter 10 Video Lottery Facility Minimum Internal Control Standards**

4                   **Authority: State Government Article, § 9-1A-04, Annotated Code of Maryland**

5   **.16 Internal Audit Department Standards.**

6   A. At least 60 days before video lottery terminal operations are set to commence, a facility  
7   operator shall submit to the Commission for review and approval internal audit department  
8   operating standards and procedures that:

9   (1) Meet the requirements of Regulation .10E(6)(b) of this chapter;

10 (2) Conform to this regulation; and

11 (3) Ensure that an internal audit is conducted in accordance with generally accepted auditing  
12 standards in the United States.

13 B. A facility operator’s internal audit department operating procedures and standards shall, at a  
14 minimum, require the internal audit department to:

15 ((1) – (10) text unchanged)

16 (11) ~~Within 90 days of the issuance of an audit report, verify~~ **Verify** that:

17 (a) A deficiency or noncompliance revealed during an audit has been corrected; and

18 (b) An exception disclosed during an audit has been resolved.

19 C. The audit department shall audit at least semiannually the functions and operations of the  
20 facility’s:

21       (1) Cashiers’ cage;

22       (2) Main bank;

23       (3) Collection of cash storage boxes;

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For May 28, 2020 Commission.

The proposed amendment removes the 90 day follow up requirement and changes the Player Tracking System audit from at least semiannual to at least annual.

- 1 (4) Cash count;
- 2 (5) Revenue audit;
- 3 (6) Operations department;
- 4 ~~(7) Player tracking system;~~
- 5 ~~(8) (7) Key control;~~ and
- 6 ~~(9) (8) Table game operations.~~

7 D. The audit department shall audit at least annually:

- 8 (1) Responsible gaming program;
- 9 (2) Security department;
- 10 (3) Currency transaction reporting;
- 11 (4) Suspicious activity reporting;
- 12 (5) Information technology controls;
- 13 (6) Accounts payable;
- 14 (7) Purchasing; ~~and~~
- 15 (8) Surveillance department; **and**
- 16 **(9) Player tracking system.**

17 E. The internal audit department shall conduct an audit on an unannounced basis when possible.

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