# Rules of

## Department of Public Safety

### Division 45—Missouri Gaming Commission

#### Chapter 9—Internal Control System

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Title 11—DEPARTMENT OF
PUBLIC SAFETY
Division 45—Missouri Gaming
Commission
Chapter 9—Internal Control System

11 CSR 45-9.010 Definition of Licensee

PURPOSE: This rule establishes definitions for this chapter.

(1) For purposes of this chapter, licensee shall mean the holder of a Class A license.

AUTHORITY: sections 313.004, 313.800, 313.805, 313.812 and 313.817, RSMo 1994.*


11 CSR 45-9.020 Objectives of an Internal Control System

PURPOSE: This rule establishes the objectives of an internal control system.

(1) Each licensee shall establish an internal control system that includes the following:

(A) Administrative control which includes, but is not limited to, the plan of organization and the procedures and records that are concerned with the decision processes leading to management’s levels of authorization of transactions.

(B) Accounting control which includes the plan of organization and the procedures and records that are concerned with the safeguarding of assets and the accuracy and reliability of financial records and are consequently designed to provide reasonable assurance that—

1. Transactions are performed only in accordance with management’s specific or general authorization;

2. Transactions are recorded adequately to permit preparation of financial statements in conformity with generally accepted accounting principles, to permit proper reporting of adjusted gross receipts and of fees and taxes and to maintain accountability for assets;

3. Access to assets is permitted only in accordance with management’s specific authorization;

4. Recorded accountability for assets is compared with actual assets at reasonable intervals and appropriate action is taken with respect to any discrepancies;

5. Functions, duties and responsibilities are appropriately segregated and performed by competent personnel with integrity and an understanding of prescribed procedures.

A. The internal auditor shall report only to the entity or person holding a Class A license, or other reporting as approved by the commission.

B. Security personnel shall only report to an organizational level above that of gaming operations manager.

C. Surveillance personnel shall only report directly to an organizational level above that of general manager; and

6. Compliance with the statutes and rules is assured.

AUTHORITY: sections 313.004, 313.800, 313.805, 313.812 and 313.817, RSMo 1994.*


11 CSR 45-9.030 Minimum Internal Control Standards

PURPOSE: This rule establishes minimum internal control standards.

PUBLISHER’S NOTE: The publication of the full text of the material that the adopting agency has incorporated by reference in this rule would be unduly cumbersome or expensive. Therefore, the full text of that material will be made available to any interested person at both the Office of the Secretary of State and the office of the adopting agency, pursuant to section 536.031, RSMo. Such material will be provided at the cost established by state law. This incorporated material (Appendix A) may also be accessed through the Missouri Secretary of State’s website at http://mosl.sos.state.mo.us/csr/11csrhtml#1-45.

(1) Each licensee shall adopt and publish minimum standards for internal control procedures that in the commission’s opinion satisfy 11 CSR 45-9.020, as set forth in Appendix A, which has been incorporated by reference herein.

(2) Each licensee shall adopt an internal control system that complies with Appendix A of this rule. The procedures must be approved by the commission. In the event that Appendix A of this rule is amended, each licensee whose procedures are affected by the amended minimum standards shall, within ten (10) days of the effective date of the amended rule, amend its written system, submit a copy of the written system as amended to the commission and comply with the standards and system as amended. The commission, in its sole and absolute discretion, may extend the time for complying with this rule.


11 CSR 45-9.040 Commission Approval of Internal Control System

PURPOSE: This rule establishes the procedure for approval of internal control system.

(1) Each licensee shall describe, in a manner that the commission may approve or require, its administrative and accounting procedures in detail in a written system of internal control. Each written system must include a detailed narrative description of the administrative and accounting procedures designed to satisfy the requirements of 11 CSR 45-9.020 and 11 CSR 45-9.030(1). Additionally, this description shall include a separate section for the following:

(A) An organizational chart depicting appropriate segregation of functions and responsibilities;

(B) A description of the duties and responsibilities of each position shown on the organizational chart;
(C) A detailed, narrative description of the administrative and accounting procedures designed to satisfy the requirements of 11 CSR 45-9.020 and 11 CSR 45-9.030(1). Additionally, this description shall include a separate section for the following:

1. Procedures to ensure that no person shall lose more than five hundred dollars ($500) during each gaming excursi
2. Procedures to account for the total number and amount of money received from admissions, including free passes or complimentary admission tickets;
3. Physical characteristics of drop box and tip box;
4. Transportation of drop and tip boxes to and from gaming tables;
5. Procedures to control of coupon redemption and other complimentary distributions;
6. Procedures to control of coupon redemption and other complimentary distributions reporting; and
7. Procedures to accounting tips or gratuities;
8. Procedures for transporting tokens to and from gaming tables;
9. Procedures for shift changes at gaming tables;
10. Procedures to insure that no person shall lose more than five hundred dollars ($500) during each gaming excursi;
11. Drop bucket characteristics;
12. Transportation of drop buckets to and from electronic gaming devices;
13. Procedures for chip and token purchases;
14. Procedures to accounting controls; and
15. Procedures for exchange of checks submitted by gaming patrons.

PURPOSE: This rule establishes the process for modifications of the internal control system.

(1) At least fifteen (15) days before the changes are to become effective, each licensee, unless otherwise directed by the commission, shall submit to the commission a written description of its internal control system, which is designed to satisfy the requirements of section (1) of this rule.

(2) Before eliminating all table games, adding a table game at a gaming establishment not offering table games, adding any computerized system that affects the proper reporting of adjusted gross receipts, or adding any computerized system for monitoring slot machines or other games, or any other computerized associated equipment, the licensee must—

(A) Amend its accounting and administrative procedures and its written system of internal control to comply with the minimum standards;
(B) Submit to the commission a copy of the written system as amended, and a written description of the amendment;
(C) Comply with any written requirements imposed by the commission regarding administrative approval of computerized associated equipment; and
(D) Implement, after subsections (2)(A)–(C) have been complied with, the procedures and written system as amended.


11 CSR 45-9.060 Lack of Compliance with Chapter Requirements

PURPOSE: This rule establishes the process if licensee fails to comply with internal control system.

(1) If the commission or director determines that a licensee’s administrative or accounting procedures or its written system does not comply with the requirements of this chapter...
or require improvement, the commission or director shall notify the licensee in writing. Within fifteen (15) days after receiving the notification, the licensee shall amend its procedures and written system accordingly and shall submit a copy of the written system, as amended, and a description of any other remedial measures taken.

(2) Failure to comply with the provisions of this chapter is an unsuitable method of operation.

(3) Violations of the minimum internal control standards by a Class A licensee or an agent or employee of a Class A licensee are deemed to be unsuitable conduct for which the Class A licensee and/or its agent or employee is subject to administrative penalty pursuant to section 313.805(6), RSMo and 11 CSR 45-1 et seq., as amended from time-to-time. Any agent or employee of a Class A licensee that is involved in a violation of the minimum internal control standards may be subject to fine, discipline or license revocation.

(4) Violations of the Class A licensee’s internal control system by the Class A licensee or an agent or employee of the Class A licensee shall be *prima facie* evidence of unsuitable conduct for which the Class A licensee and/or its agents or employees may be subject to discipline pursuant to section 313.805(6), RSMo and 11 CSR 45-1 et seq., as amended from time-to-time.
