

Colorado Limited Gaming Control Commission
Internal Control Minimum Procedures (ICMP)

SECTION 6

SLOT MONITORING SYSTEMS

A. GENERAL

Licensees may use a slot monitoring system to capture required slot machine meters, drop and count information, and/or to generate gaming forms, documents, and required statistical reports. A licensee must successfully test the system and modules of the system (such as Ticketing (TITO)) before it can rely upon the system, or upon any information generated by the system, as it relates to the reporting of AGP. The licensee must test its system following the guidelines outlined later in this section. Upon completion of testing the licensee must submit a signed System Testing Acknowledgment Letter to the Division along with the requested documents. The Division will review the licensee's test results and issue written approval to rely upon the system and the system generated data. Written approval from the Division (Division approval) is contingent upon the licensee's successful test of the system for accuracy of meter and statistical report data, and the adequacy of security controls.

All required notifications and submittals in relation to system installation and testing is submitted via email to the Division at: CCBHCasinos@spike.dor.state.co.us or CrippleCreekCasinos@spike.dor.state.co.us, as appropriate.

Types of Slot Monitoring Systems

Slot monitoring systems are either on-line or off-line systems.

1. On-line systems are those systems that automatically capture required meter data directly from the slot machine, eliminating the need for manual capture of the meter data. Slot machines are hard-wired into an on-line system.
2. Off-line systems are those systems that require manual data input. An example of an off-line system is a hand held data collection unit. Use of this type of device requires an individual to physically read the meters from each slot machine and manually input those meters into the hand held unit.

B. SYSTEM ACCESS AND CONTROL

General

Licensees must maintain a secure control environment for their information technology network. This includes, but is not limited to, logical and physical controls of software, hardware, tapes, backups, disks, etc., application controls as well as any additional controls deemed necessary to protect the integrity of all networks, applications, databases and data.

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

Licensees must designate an individual or staff of individuals to perform the information technology (IT) function within the casino. The IT function must be segregated from gaming operations. This function cannot initiate, perform, override or review any transactions that occur as a result of gaming activity.

System Access

As a preventative control, system access must be kept current and the licensee must be able to produce a report upon request that lists each user that has access to the system. This report must also list the users' position, permissions/parameters assigned, and authorized functions. This also includes any non-casino personnel such as vendors and manufacturers that may have access to the system either on site or remotely.

Licensee must have a thorough understanding of the permissions assigned to each user in order to ensure that each user's access is appropriate with regard to his/her position. Explanations for the assigned permissions must be documented and provided to the Division upon request.

Information Technology (IT)

Licensees must have an IT function within the casino. The scope of the IT function should include, but not be limited to, system security and controls, standards for network system access, slot monitoring system access, remote access, and manufacturer access.

System Access Database Management

When assigning system access to users, the licensee must ensure the permissions and responsibilities assigned are appropriate for the position and an appropriate segregation of duties is maintained. Implementing an appropriate segregation of duties includes reviewing the positions with system access to determine if there are incompatibilities (e.g., dual rate employees having transactional processing and override capabilities). For the following internal control procedures, revenue collection includes cashier cage, and drop/count functions. Correspondingly, revenue reporting includes drop audit, cage audit, statistical report preparation, and tax reporting. The review function includes second level review of audited drop/count paperwork, cage paperwork, and tax filings. The following are minimum standards the licensee must follow to ensure there is appropriate control and segregation of duties:

- IT administrator access should only be granted to the designated IT function. Administrator access would include, but not be limited to, the following: access to create new user accounts, add new users to the system, remove users from the system, access to setup system options, access to define/change/edit user parameters, access to edit/change system functionality, and access to alter system internal control.
- Every user that accesses the system must have an individually assigned user name and password that must be used anytime the system is accessed. All successful access and failed attempts must be traceable to a specific individual. At no time shall a generic user

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

name and/or generic password be used to gain entry to the system. It is acceptable to provide a manufacturer with a dedicated user account for which any licensed employee of said manufacturer may use to gain access. This would include access via remote connection.

- Revenue reporting (e.g., accounting) functions are segregated from revenue collection (e.g., count team) functions. Users involved with the collection of revenue are prohibited from having access to any revenue or reporting access in the system. (This is not intended to prohibit count team members from generating the required ticketing reports for the purposes of ticket counts.)
- Revenue adjustment capability is restricted to revenue reporting functions (e.g., accounting). System users such as the internal compliance officer, general manager, or any other users outside of the accounting department are prohibited from having adjustment ability.
- Users having transaction initiation and processing functionality are prohibited from having override functionality. In the event an individual has both processing and override access the licensee must have compensating controls for these individual to preclude them from using their access inappropriately (e.g., to ensure an adequate segregation of duties for processing overrides).
- Access to alter any transaction from its initial state as it is being processed will only be granted to supervisory or management personnel. Altering any transaction requires physical (system authentication using unique and individual username and password) authorization by someone other than the initiator. If the initiator is a supervisor or manager then another licensed supervisor or manager must authorize and authenticate the transaction.
- System Administrator access should be limited to designated IT department/function individuals. (If such department/function does not exist, an alternate appointee(s) may be designated by the general manager and documented in the casino's IT policy).
- System access to change the status of voided or expired TITO tickets is prohibited.
- System access to manually generate TITO tickets is prohibited.
- System access to void or expire TITO tickets is permitted to the revenue reporting function (e.g., accounting).
- System access for terminated (voluntary or involuntary) users must be removed as soon as possible but no more than 72 hours after the terminated employee's final work shift.

The licensee must have an inventory of all access points to the system which would include all computer terminals configured to access the system, any handheld wireless devices in operation,

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

and all network/LAN/WAN ports that are available in public areas of the casino. The licensee must have controls in place that ensure all slot monitoring system access points (e.g., computer terminals, handheld wireless devices, network/LAN/WAN ports) are controlled and access to the system is restricted in accordance with the casino's IT policies and the requirements set forth in the ICMP.

System Access and Review Process

The licensee must maintain an in-depth knowledge of the various systems in operation within the casino and provide the necessary audit trail reports to reflect the system access activity that has taken place.

The licensee must also have a process whereby these reports are reviewed on a systematic basis. The review must be conducted at least monthly. This review must identify certain access activities which would include additions, deletions, permission changes and access alterations. This review must be performed by a licensed individual that has functional knowledge of the system and its access features. The review should identify users added to the system, when they were added, who added them, whether any users were removed from the system, who removed them, when they were removed and if any changes were made to existing user accounts.

The review process must identify the processing times for system termination requests from the human resource department to ensure these requests are initiated and the subsequent system access removals are being completed in a timely manner.

The intent is for a preventative control to be in place to review what access changes are taking place on a periodic basis. Additionally, there is a detection control in place to identify any issues that were overlooked by the preventative control. It is the casinos responsibility to provide evidence of this review. If the reports are printed, the reviewer must date and initial the first page of the reports reviewed. If the reports are not printed, the licensee must create a log that, at a minimum, lists the date, reports reviewed, date range, and the initials of the individual that reviewed the reports.

System Application Controls

Licensees must have application controls in place to ensure the accuracy of data input, integrity of system processing, and validity of system output. Some examples of these types of controls include passwords to restrict data input to authorized users, using parameters or reasonableness checks to verify the integrity of system processing, and using control totals on reports for comparison to input figures.

System Log

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

Licensees must maintain a system log that documents system upgrades, modifications, problems, and all remote access.

The system log must include, at a minimum:

1. Date the maintenance was performed, date problem was identified, or date of remote access;
2. Description of maintenance performed, or of problem identified, or the reason for remote access;
3. Full name, license number & position of person who identified problem (n/a if maintenance);
4. Full name, license number & position of person who either performed maintenance, problem investigation & follow-up, or remotely accessed the system; and
5. Date & how problem was resolved (N/A if maintenance) or date and type of modification made to the system (if applicable).

This log is to be maintained at all times.

If the licensee utilizes the TITO module, a separate TITO log must be maintained and completed by the various departments affected by ticketing, i.e., cage, accounting, floor, count, etc. The log is sent via email to the Division on a weekly basis beginning with testing of the system or module and until the completion of the test and submittal of the Acknowledgment Letter. The licensee must continue to maintain the log after the submittal of the Acknowledgment Letter; however, it no longer needs to be emailed to the Division. Subsequent to submitting the Acknowledgment Letter and prior to receiving Division approval, the licensee must report any significant items to the Division via email immediately. Subsequent to receiving Division approval, the licensee must continue to detail all system problems on the system log. At this time, TITO problems can be incorporated into the system log instead of maintaining separate logs.

Backup and Recovery

Licensees must have written contingency plans in the event of a system failure or other event resulting in the loss of system data. Such plans must address backup and recovery procedures and must be sufficiently detailed to ensure the timely restoration of data in order to resume operations after a hardware or software failure or other event that results in the loss of data. These plans are to be distributed to all applicable individuals. Information that needs to be addressed in these procedures is covered in the System Questionnaire referred to later in this section. It is critical to ensure all data used to support gaming revenue is covered by the backup and recovery plans.

System Interfaces

If a weigh scale interface, currency counter interface, or ticket counter interface is utilized, the licensee must have a written contingency plan that addresses the manner of reconstructing drop/count data in the event the interface malfunctions or fails. These plans must include

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

procedures for the reconciliation of the interface to the applicable system reports.

Audit Procedures

Audit procedures of system data performed by the licensee's Accounting Department must be documented in the required written accounting plan. At a minimum, these audit procedures must address:

1. System statistical report reconciliation procedures.
2. Procedures for ensuring the accuracy of downloaded information and for ensuring an adequate audit trail documenting any changes to the downloaded information.
3. Procedures for reconciling system reports to source documents (e.g., slot and table drop/count paperwork; cage paperwork, etc.).
4. Policies and procedures for reconstructing all data in the event of a system failure or other event resulting in data loss (includes weigh scale and/or currency counter interfaces).
5. Adjustment and override procedures for corrections made to the system for system-captured and system information. This includes procedures for independent review of adjustments and/or corrections to system-captured and/or system information. Overrides are defined as changes to system information made at the time of the event. Adjustments are defined as changes to system information made subsequent to the time of the event.
6. Procedures for identifying and testing new machines¹ brought online subsequent to initial testing. Written procedures for testing new machines must address how the licensee ensures that all meters, except voucher in and voucher out meters, are incrementing at 99% accuracy. Voucher in and voucher out meters must increment at 100% accuracy.
7. Annual system testing policies and procedures.

Intent to Use a System

Licensees are required to notify the Division, in writing, upon intent to use an on-line slot monitoring system, ticketing module, slot coupon module, external bonus system or controller, cage system, kiosk or pit system a minimum of 30 days prior to the anticipated go-live date. The various notification forms are located on the Division website at www.colorado.gov/revenue/gaming.

¹ Machines brought online subsequent to initial testing must be tested for at least one drop period (two drops), AND until the 99% accuracy requirement per meter per machine (100% including explanations that substantiate any variances for voucher-in and voucher-out meters) is met, prior to relying on the system information for these machines.

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

Additionally, the licensee must notify the Division of the first day of testing. The Notification of Intent to Test Form is located on the Division website at www.colorado.gov/revenue/gaming.

System Installation, Upgrades and Modifications

Licensees must notify the Division prior to the installation of a system, system upgrade, kiosk upgrade, or any system modification. This includes upgrades from the Slot Machine Interface Board (SMIB) or equivalent system device to the main system server. The licensee's notification must be submitted no less than 30 days prior to the installation, upgrade or modification. In cases of minor upgrades, modifications or emergencies the licensee may contact the Division's Technical Systems Group to request a waiver of the 30 day requirement. Please refer to the notification form located on the Division's website.

All system configuration parameters must be documented. The documentation must describe the parameter and indicate its related setting.

Licensees are responsible for all system installations, upgrades and system modifications, and for the accuracy and integrity of system data subsequent to an installation, upgrade or modification.

The licensee has the option to either follow the ICMP system testing requirements or submit a detailed plan, for approval, that would meet the intent of the ICMP requirements for the installation, upgrade or modification of the system. At the time the licensee submits its applicable notification form, it must indicate in the comments section, if it is going to follow the ICMP system testing requirements or submit a detailed testing plan. If submitting a detailed testing plan, it must be submitted no less than 20 days prior to the installation or upgrade.

If the licensee is changing over from one slot monitoring system to another, the licensee must close the casino for the changeover and remain closed until the following requirements have been met and the Division has received written notification that the casino is ready to open for patron play.

Minimum requirements for shutting down of the old system:

- Final drop must be performed.
- Completion and audit of all statistical and supporting documentation and reports.
- Completion of variance investigations and system adjustments, if applicable.
- Final meter readings must be printed and/or saved.
- Any additional Division requirements.

Minimum requirements for new system installation:

- The licensee and the manufacturer must ensure the accuracy of the data transferred into the new system.
- A documented reconciliation of the final meter readings of the old system to the new system meter readings.
- Documented evidence that the MTD and YTD information from the old system's statistical reports reconciles to the new system's statistical reports.

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

- The required system log must be completed for any and all system issues during this process.
- Machine moves may not occur until the licensee has performed a minimum of two drops of entire premises and the above requirements have been met.
- Any additional Division requirements.

Once the casino has re-opened for patron play, the casino must follow the ICMP testing requirements or Division approved alternative testing plan.

C. GENERAL TESTING REQUIREMENTS

General

Slot monitoring systems are subject to two phases of testing: Phase I (independent lab certification) and Phase II (casino testing). The independent lab certification is conducted prior to system installation. The casino testing is performed by the licensee after the system has been tested by the lab and certified

Upon completion of testing and certification by an independent certified testing lab, the test facility issues a certification letter to the system manufacturer and the Division. Licensees must review this letter, a copy of which may be obtained from the system manufacturer, to ascertain the significance of any inherent weaknesses and limitations in the system known prior to or identified during lab testing.

Licensees must implement compensating controls for all disclosed and/or subsequently identified system limitations. It is the licensee's responsibility to understand what the system can and cannot do.

It is important to note that the system and integration test procedures are performed in a lab environment, not a live one. A live environment is not replicated in its entirety in a lab. The independent testing facility performs specified test procedures; however, due to the multitude of variables inherent in any system, the test facility may not test all variables. Many variables are specific to the age of the slot machines found in a casino and/or to the manner in which the licensee uses the system. The certification letter issued by the lab certifies the system passes the lab's tests. It should not be construed to mean that the system meets all of the Division's internal control and/or statistical reporting requirements.

Once a system has been lab certified and subsequently installed in the casino, the licensee must perform casino testing.

System test results must be maintained by the licensee and are subject to the document retention requirements mandated in CLGR 47.1-1607. These documents must be made available to the Division upon request.

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

It is important to remember that older versions of slot machines may have different meters than the meters presently required by the Division. It is the licensee's responsibility to ensure the appropriate meters are used for each machine for ICMP reporting requirements. For example, if the machine provides one meter which increments the total of all handpaid jackpot events instead of individual meters for separate events such as attendant paid progressive jackpot, the total meter would be used for the Jackpot Report.

Testing Objectives

The licensee's test of its system is intended to meet four main objectives:

1. The system has met the specified accuracy requirements;
2. Controls over the system are effective (e.g., physical and logical security controls, and application controls);
3. An adequate audit trail exists; and
4. All required statistical reports and supporting reports are accurate, and may be used to support the revenue reporting required by the Division (e.g., tax returns).

Testing Requirements

Licensees are required to test the system upon initial installation and on an annual basis thereafter. Prior to installing and testing the system and/or modules of the system, the licensee must submit the System Install/Upgrade Notification Form and the Notification of Intent to Test Form to the Division. Both of these forms must be submitted at least 30 days prior to implementation.

Testing consists of running the slot monitoring system in parallel with a manual process.

System meter incrementation must be compared to soft (machine) meter incrementation to ensure that system meters are incrementing at the same rate as the soft meters.

System statistical reports and gaming forms reflecting system information must be compared to the statistical reports and forms reflecting manually captured information to verify the accuracy of the system information.

Testing requirements are as follows:

1. A meter comparison report (MCR) must be completed which compares soft meter incrementation to system meter incrementation for all the following required meters for each machine: coin in, coin out, voucher in, voucher out, coin drop, bill in, machine paid progressive payout, attendant paid jackpots, attendant paid cancelled credits, attendant paid progressive payout*, machine paid external bonus payout (if applicable), and attendant paid external bonus payout (if applicable). *Attendant paid progressive payout does not follow the same testing requirement. A comparison of soft meter incrementation to system meter incrementation period is required for the attendant paid progressive payout meter for one incrementation period the first time the progressive(s) hits and

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

- requires an attendant payout. The licensee is to submit the meter incrementation documentation to the Division within one week of the progressive win. NOTE: For devices that are ticket enabled and do not use a hopper, the coin out, machine paid progressive payout and machine paid external bonus payout meter readings are not required.
2. This comparison must be performed for at least four (4) consecutive drop periods (5 drops), **and** until 99% accuracy by meter by machine is obtained, whichever is longer. Voucher in and voucher out meters must be 100% accurate including explanations that substantiate any variances and must be tested for a 30-day period within a calendar month. Test results must show at least four meter incrementations for each tested meter.
 3. All meters (excluding voucher in and voucher out) must be 99% accurate for each of four (4) consecutive drop periods in order to pass testing. Voucher in and voucher out meters must be 100% accurate including explanations that substantiate any variances for each drop in a 30-day test period within a calendar month.
 4. Licensees **may only change system meter readings or meter incrementation** if it can be proven with adequate support that the original reading/incrementation should be adjusted.
 5. Changes to any meter reading(s) (soft and/or system), must be documented and include:
 - (a) The procedures used to investigate the cause of the errant meter reading,
 - (b) Results of the investigation, and
 - (c) Detailed action taken to correct or monitor the meter.
 6. Record soft and system meters for the last drop of the testing month and the last drop of the previous month. This information is used in the preparation of the statistical reports which reflect manual information. These reports are then compared to the system report equivalents for month to date information. Manual reports are generated using soft meters manually recorded and actual information reported by the count team, jackpot/fill slips, and tickets. System reports are generated using system meters captured through the slot monitoring system and actual information reported by the count team, jackpot/fill slips and tickets processed through the slot monitoring system.
 7. Prepare statistical reports using soft meters and compare these reports to system reports. Both the manual and system reports must be prepared on a drop-to-drop basis and must include MTD and YTD information. All reports must ensure that monthly and yearly totals are properly calculated. The manual reports are compared and reconciled to the system reports to ensure accuracy.
 8. Prepare a written reconciliation between the manual reports and the system reports detailing the differences that occurred between these reports. The reports must agree in order to successfully pass testing.

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

9. Complete or update the System Questionnaire.
10. Continue testing until all the accuracy requirements are met.

End of Test Period

Licensees must ensure that at least 95% of tested machines meet the 99% accuracy requirement, with the exception of the voucher in and voucher out meters, before test results are submitted to the Division. The licensee may not rely on any system information of any machine not tested or removed from testing. For machines not tested or that do not pass testing, all meter information must be captured manually (soft meters) and this information is utilized for all subsequent reporting requirements. The voucher in and voucher out meters must meet the 100% accuracy including explanations that substantiate any variances requirement for 30 days before test results are submitted to the Division. All TITO machines on the floor must be included in the testing for voucher in and voucher out meters.

The licensee is responsible to review its test results and to determine if the test results meet the passing requirements per ICMP. The test results may also be evaluated by reviewing the System Testing Acknowledgement Form Letter, the Initial System and Ticketing Testing Criteria, and Helpful Hints all located on the Division's website at www.colorado.gov/revenue/gaming.

All testing procedures continue until the Acknowledgment Letter is signed and submitted to the Division.

Submitting Test Results

Once the licensee determines at least 95% of tested machines have met the 99% accuracy requirement (100% accuracy for TITO), the licensee must submit its test results to the Division. This includes:

1. A written narrative documenting the results of the test, including procedures used to ensure the accuracy of the meter comparison reports and system statistical reports. This includes a description of the reconciliation between the statistical reports prepared using manual information and statistical reports using system information.
2. The System Testing Acknowledgement Form letter, signed by the Casino Chief Executive Officer and the Casino Chief Financial Officer, stating that the licensee has met the required testing criteria. The form letter is located on the Division's website at www.colorado.gov/revenue/gaming.
3. The MCRs for the last four drops for the last month of the test period.

Colorado Limited Gaming Control Commission
Internal Control Minimum Procedures (ICMP)

4. The reconciliation of the two sets of statistical reports (system and manual) for drop-to-drop, MTD and YTD. Include the reconciliations for the last month of the test period. Include both sets of statistical reports (system and manual).
5. Soft meter readings for the last four drops in the test period and for month-end.
6. System meter readings for the last four drops in the test period and for month-end.
7. Completed System Questionnaire.
8. Flow chart depicting the flow of information through the system.
9. Any other documentation and information requested by the Division or stated in the System Testing Acknowledgment Letter.

If the licensee already has a Division approved slot monitoring system and it wishes to submit its TITO test results, the licensee must determine that 100% of TITO machines have met the 100% accuracy requirement, and submit its test results to the Division. This includes:

1. The System Testing Acknowledgement Form letter signed by the Casino Chief Executive Officer and the Casino Chief Financial Officer stating that the licensee has met the required testing criteria. The form letter is located on the Division's website at www.colorado.gov/revenue/gaming.
2. The MCRs for the last four drops in the test period.
3. The reconciliation of the two sets of statistical reports (system and manual) for drop-to-drop, including MTD and YTD information. Include the reconciliations for the last month of the test period. Include both sets of statistical reports (system and manual).
4. Soft meter readings for the last four drops in the test period and for month-end.
5. System meter readings for the last four drops in the test period and for month-end.
6. Any other documentation requested by the Division or stated in the System Testing Acknowledgment Letter.

D. INITIAL TESTING REQUIREMENTS

Testing

At least 30 days prior to testing, the licensee submits the following to the Division:

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

1. Written notification of intent to use an automated slot monitoring system, ticketing or kiosk module. Note - The automated slot monitoring system and the ticketing module can be tested at the same time.
2. Licensees must review the certification letter issued by the testing lab. If necessary, a written explanation must be submitted for how the licensee will address any identified system limitations.
3. The number of machines included in the system testing or testing of the TITO module.

Prior to conducting the testing, the licensee completes the following and retains the documents for use during testing:

1. Testing methodology utilized. This should contain sufficient detail and must include the procedures to be used to test the system, the manner in which test data and results will be documented, error correction procedures, how mathematical accuracy of appropriate reports will be verified, etc.
2. System Questionnaire, located on the Division's website. The questionnaire addresses issues surrounding system security, system usage policies, training, contingency plans, data integrity controls, etc., and must be completed in its entirety prior to testing.

Initial Testing Procedures

For *each drop* in the test period (refer to the subsection on Testing Requirements in this section, if necessary), licensees must manually read and record soft meter readings at the machine for the required meters listed in the Testing Requirements subsection above. Licensees must compare these soft meters to the equivalent system meter.

For each meter and each drop period, licensees must prepare MCRs that compare the incrementation in soft meters to the incrementation in system meters for each machine. This report must express the variance between soft and system meter incrementation, by machine, as a dollar amount or as a number of meter increments. The variance must also be expressed as a percentage (i.e., dollar variance or number of meter increments variance, divided by the soft meter increment).

Differences between soft and system meter incrementation of 1% or more, by machine, must be identified. If the variance was caused by a *clerical* error, it must be corrected and supported by the appropriate documentation. If the variance was caused by a *non-clerical* error, it must be investigated and the results of the investigation documented. The related machine/meter must continue to be tested until 99% accuracy is attained for four drop periods. The voucher-in meter and voucher-out meters must continue to be tested until 100% accuracy is attained for 30 days. This documentation must be available for the Division's review.

Licensees must document the procedures used to ensure the MCRs are mathematically accurate.

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

All systems must be capable of generating required statistical reports in hard copy format as well as in an electronic database format (e.g., spreadsheet, relational database, etc.).

During and subsequent to the testing period, licensees must ensure that all meter data, actual data, variance calculations, formulas, etc., on statistical reports required by the ICMP (see Accounting Section) is valid and accurate. This pertains to all data for drop-to-drop, MTD, and YTD data. The method of testing for accuracy and validity is at the licensee's discretion. Licensees must thoroughly document the method (e.g., testing procedures) of determining the validity and accuracy of all data reflected on the statistical reports required by the ICMP, as well as the results of their testing.

Licensees must prepare a schedule reconciling the number of machines tested to the number of machines reported on the monthly gaming tax return.

Note: If the licensee is testing TITO, refer to the TITO section for specific testing requirements.

Approval of the System

It is the licensee's responsibility to review the MCRs for all meters and the related documentation to verify the reports indicate a 99% accuracy rate for at least 95% of machines tested, or 100% accuracy including explanations that substantiate any variances for voucher meters if the ticketing module is utilized. Additionally, it is the licensee's responsibility to ensure the statistical reports prepared using system information are 100% accurate. Once the licensee has determined it has met the testing and accuracy requirements and submitted the signed Acknowledgment Letter, it is permitted to only take soft meters on a month end basis and the licensee may discontinue generating MCRs. The licensee must continue to record and use soft meter readings each drop period until the Acknowledgment Letter is submitted. The statistical reports used to support the licensee's monthly gaming revenue must reflect the soft meter incrementation, not system meter incrementation. For those machines/meters that did not successfully pass testing, the licensee is required to continue comparing system to soft meter incrementation for each drop period and use the manual meter values for preparing the statistical reports. Remember, 100% of TITO machines must meet the 100% accuracy requirement including explanation that substantiate any variances for voucher in and voucher out meters for 30 days before the Acknowledgment Letter can be submitted. The licensee is ultimately responsible for the proper reporting of statistical information and if the Division determines that the licensee did not conduct legitimate testing, relied on system data prior to successful completion of its test documented by the Acknowledgment Letter, or improperly reported information on the gaming tax return, the licensee accepts the possibility of tax adjustments and/or administrative sanctions.

Licensees are required to manually read and record soft meters at the machine for the required meters detailed above under "Testing Requirements". This must be done in conjunction with the last drop of the month, for every machine. The month end meter readings continue until the licensee receives Division approval to rely on its system.

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

System approval is contingent upon the Division's review of the licensee's system test results and verification that at least 95% of tested machines are 99% accurate (100% for TITO meters including explanation that substantiate any variances), the statistical reports are 100% accurate, and the licensee has adequate controls in place. Upon successful completion of the Division's review of this testing, the Division will issue a written approval letter to the Licensee. At that point, the Licensee will be allowed to rely upon the system.

Licensees must continue to rely on soft meter information for non-passing machines/meters until these machines successfully pass testing. Finally, licensees must ensure that at the point they begin to rely upon the system, the year-to-date machine information in the system is accurate. Furthermore, anytime the automated system fails to communicate accurate meter values, licensees must revert to the manual capture and recording of soft meters and use the soft meter readings in the generation of the statistical reports.

Scope Limitations

If the Division determines the testing performed by the licensee is not legitimate, complete, or accurate, the licensee may be subjected to administrative sanctions. The Division may require the licensee to conduct additional testing procedures, which may include the manual capture of meters (soft meters) and manual preparation of statistical reports using the soft meters. Such scope limitations include, but are not limited to, failure to provide all required information and documents by specified deadlines, failure to maintain documentation, and failure to perform the required test procedures.

E. ANNUAL TEST REQUIREMENTS

General

On an annual basis (12 months from the date of Acknowledgement letter and annually thereafter) licensees must test all modules of their systems to ensure the accuracy requirements are maintained and security controls remain adequate.

For coin in and coin out meters, licensees must compare soft meter incrementation to system meter incrementation for 100% of machines for one (1) drop period (i.e., two consecutive drops), **and** until 99% accuracy is achieved by machine and meter, whichever is longer. NOTE: For TITO-enabled devices without a hopper, the coin out meter reading is not required.

Annual Testing Procedures (Required for On-Line Systems Only)

It is each licensee's responsibility to ensure its system is tested annually.

For each drop in the annual test period, licensees must prepare a MCR that compares the incrementation of soft meters to incrementation of system meters for each machine (coin in and

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

coin out meters only). NOTE: For TITO-enabled devices without a hopper, the coin out meter reading is not required.

The MCRs must be prepared as described above under Initial Testing Procedures. A separate MCR must be prepared for each meter as well as each drop period.

Differences between soft and system meter incrementation of 1% or more, by machine, must be identified. If the variance was caused by a *clerical* error, it must be corrected and supported by the appropriate documentation. If the variance was caused by a *non-clerical* error or the meter fails testing it must be investigated with the results of the investigation documented. The related machine/meter must continue to be tested until 99% accuracy is attained. This documentation must be available for the Division's review.

Licensees must prepare a written summary of its testing methodology, test procedures and test results. The testing methodology must include specifics about the number of machines tested, number and identification of passing/failing machines (by machine and by meter), any recurring problems, pending issues with the system and/or system manufacturer, etc. Test procedures and results must include a description of the procedures used to check the MCRs for mathematical accuracy, accuracy of the statistical reports, investigation/resolution of any inaccuracies, and investigation/resolution of machines with variances of 1% or more. Machines/meters must continue to be tested until the accuracy requirement is obtained. If the accuracy cannot be obtained, soft meters are used for the generation of the statistical reports.

Licensees must review and update their System Questionnaire annually in conjunction with the annual system test.

Licensees must prepare a schedule reconciling the number of machines tested to the number of machines reported on the gaming tax return.

As part of the annual testing, licensees must also review and update, if necessary, their accounting plan to ensure that it accurately reflects their audit procedures of system captured data and statistical reports using system information. Documentation of system maintenance, system-related problems, and remote access must be current. Additionally, a licensee must ensure its system access listing reflects the appropriate access privileges for each authorized user.

F. ON-GOING REQUIREMENTS

With technology having a critical impact on gaming controls, all on-line or off-line systems need to have documented data flows. This means the documentation shows the flow of information from the slot machine, through the slot monitoring system, and shows the integrated tables and fields of the database(s) used to create the reports required by the Division.

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

The documentation provided by the licensee or manufacturer needs to include, at minimum:

1. Documentation of stored procedures, triggers, functions, formulas or any other code that modifies original slot machine data.
2. What tables the stored procedures, triggers, functions, formulas are based upon.
3. A database schema for the slot monitoring system.

All transactions recorded by the system must be backed up by a real time or tape back up device so that if the system experiences a catastrophic failure, all of the data in the system can be recovered. The licensee must notify the Division of Gaming if a system that reports or affects AGP is down for a total of 12 hours in any 30-day period. For example, if the system is down for one hour 12 times within a 30-day period, the casino must notify the Division. Notification is submitted via email to the Division at: CCBHCasinos@spike.dor.state.co.us or CrippleCreekCasinos@spike.dor.state.co.us, as appropriate.

Per CLGR 47.1-1607, each licensee must maintain required documentation for three years. This data must include, at a minimum, revenue (actual) data, meter data, and other pertinent data used to create the required statistical reports.

Licensees must have procedures in place to ensure new machines brought online or meters that stop communicating subsequent to the initial test period are tested until the 99% accuracy requirement is met (100% if TITO).

New machines are tested for a minimum of one drop period. Any machines not originally tested or added to the floor after the date of the Acknowledgement Letter fall under new machine testing requirements. As a reminder, when testing the TITO module, all TITO machines must be included in the testing and all TITO meters must pass the testing requirements. All required meters described above under "Testing Requirements" must be tested. All meters must meet the accuracy requirements. Also refer to the TITO device checklist for additional testing requirements. This checklist can be found on the Division's website.

Licensees must manually read and record all required soft meters, at each drop for any machines that are not communicating properly with the system, have stopped communicating properly with the system subsequent to testing the system, prior to submission of their System Testing Acknowledgment Letter, and/or annual testing. Anytime the automated system fails to communicate accurate meters, licensees must revert to the manual capture and recording of soft meters, and use the soft meters in the generation of the required statistical reports.

Any necessary adjustment to and/or reconciliation of system reports must reflect the soft meter data for such machines. The licensee's accounting plan must reflect the appropriate audit and accounting procedures for this requirement.

On a monthly basis, licensees must prepare and maintain a list of slot machines not connected to the on-line slot monitoring system along with the reason the slot machine is not connected. Also, included separately on this list are the slot machines connected to the slot monitoring system that do not have all of the required meters.

Colorado Limited Gaming Control Commission
Internal Control Minimum Procedures (ICMP)

A problem log must be maintained that details any system problems. This log must be reviewed for repetitive issues and an employee of the Division of Gaming Technology Section should be notified of material issues.

G. JACKPOT AND FILL SLIP TESTING

If the jackpot payout/fill slip prints the meter values from the system, some limited test procedures should be performed to ensure the accuracy of the meters captured prior to relying on the data.

Test procedures are determined, performed, and documented by the licensee to provide assurance of the accuracy of the meters printed on the slips. If the licensee chooses to test the validity of the meters printed on the slips, the test and results are documented to include the machine number, type of machine, denomination, the soft meter value, the system meter value, any difference between the soft and system meters, and explanations for any differences in any of the values being compared.

Colorado Limited Gaming Control Commission

Internal Control Minimum Procedures (ICMP)

FORMS

Following is a description of the forms discussed in this section. In some cases, sample forms are provided and all of the forms are located on the Division's website at www.colorado.gov/revenue/gaming. **It is the licensee's responsibility to ensure that all required forms contain the minimum required information and meet ICMP requirements.** See General section for further clarification.

Kiosk Install/Upgrade Notification Form

The licensee must submit the kiosk install/upgrade notification form 30 days prior to installing and 14 days prior to upgrading a kiosk.

Meter Comparison Report (MCR)

The MCR is prepared each drop period and is used to document the comparison of soft meter incrementation to system meter incrementation for all required meters. A separate MCR is prepared for each drop period, and for each meter. The header of the report includes the report name, casino name, beginning and ending dates of entire test period, and the meter tested. The report clearly identifies meter variances by machine and is used by the licensee during the test period to investigate and resolve these variances. This report is also used to document a licensee's annual system test work. The denominations indicated on the report are an example; the casino must ensure the reports list all denominations on the gaming floor.

Notification of Intent to Test Form

The licensee must submit the notification of intent to test form 30 days prior to testing the slot monitoring system, ticketing, slot coupons, external bonus, cage, pit or imaging system or module.

System Install/Upgrade Notification Form

The licensee must submit the system install/upgrade notification form 30 days prior to installing or 14 days prior to upgrading a slot monitoring system, ticketing, slot coupons, external bonus, cage, pit or imaging system or module.

System Log

Licensees are required to document all remote access to the system, any system maintenance performed as well as any system-related and TITO module problems encountered during and subsequent to the test period. If, for example, a system vendor (or other authorized user) is on the licensee's premises and logs onto the system from the licensee's terminal to perform system maintenance and/or to perform some "fix", this log is used to document this action. During the test period and until the submittal of the Acknowledgment Letter, this log is emailed on a weekly basis to the appropriate mailbox: CCBHCasinos@spike.dor.state.co.us or CrippleCreekCasinos@spike.dor.state.co.us.

System Questionnaire

The questionnaire addresses issues surrounding system security, system usage policies, training, contingency plans, data integrity controls, etc. Licensees testing a slot monitoring system or TITO module are required to complete this questionnaire prior to and update during their test period and provide an electronic copy to the Division with the test results and Acknowledgment Letter.

Colorado Limited Gaming Control Commission
Internal Control Minimum Procedures (ICMP)

TITO Device Checklist

Licensees are required to complete the TITO device checklist for all TITO devices. These machines must be tested thoroughly prior to being placed into service. A checklist must be completed for all TITO devices and licensees must maintain these forms for Division review. Any problems must be addressed prior to a TITO device being placed into service.