**Section 3000.1030 Annual and Special Audits and Other Reporting Requirements**

a) Annual and Special Audits and other reports

1) The Administrator shall direct an audit to be performed of the annual financial statements of the holder of an Owner's License including a report on the Internal Control System communicating any reportable conditions and material weaknesses noted in the course of the audit. Upon written notice by the Administrator other procedures or reports may be required. The annual audit shall be performed by an independent certified public accountant who is or whose firm is licensed in the State of Illinois. The independent certified public accountant who performs the annual audit shall be selected by the Administrator, and the selection may be based on the recommendation of the holder of an Owner's License.

2) The annual audit and internal control report procedures shall be performed in accordance with generally accepted auditing standards. The annual audit report is to be presented in accordance with generally accepted accounting principles and contain the opinion of the independent certified public accountant as to its fair presentation in accordance with such generally accepted accounting principles.

3) To assure the integrity of Gaming, compliance with the Act and the rules of the Board, the Administrator may require at any time a special audit of an owner licensee to be conducted by Board personnel or an independent certified public accountant who is, or whose firm is, licensed in Illinois. The Administrator shall establish the scope, procedures and reporting requirements of any special audit.

b) Quarterly compliance reports by independent certified public accountants or personnel. The Administrator shall require quarterly compliance reports to be prepared and procedures performed by independent certified public accountants or Board personnel covering the following:

1) Quarterly agreed-upon procedures to ascertain that Admissions and Adjusted Gross Receipts are determined in conformity with the Act and this Part;

2) Semi-annual agreed-upon procedures relating to internal control;

3) Semi-annual "unannounced" observation of the transportation and count of each of the following: Electronic Gaming Device Drop, Table Drop, and tip box drop. For purposes of these procedures, "unannounced" means that no officers, directors or employees of the holder of the Owner's License are given advance information regarding the dates or times of such observations;

4) Review of purchasing functions and contractual agreements, both oral and written, on a sample basis, in order to report on compliance with the owner licensee's Internal Control System and to determine that such purchases and contractual agreements are not in excess of their fair market value. This review shall be conducted at least annually at the direction of the Administrator; and

5) Quarterly reports on deviations from the owner licensee's approved Internal Control System based on procedures performed in the reports of Admissions and Adjusted Gross Receipts, procedures relating to internal control, purchasing and contracting functions and/or "unannounced" observations.

c) Independent certified public accountants performing annual audits shall not perform compliance services on behalf of the Administrator for the same owner licensees.

d) Independent certified public accountants who perform compliance services to an owner licensee on behalf of the Administrator shall not perform an annual audit or any other service for such owner licensee during the terms of their engagement and for a period of two years following termination of the engagement.

e) The holder of an Owner's License shall prepare a written response relating to findings noted in the independent certified public accountant's or Board's reports required by subsections (a) and (b) of this Section. The response shall indicate in detail the corrective actions taken. Such response shall be incorporated in the independent certified public accountant's or Board's reports.

f) The Administrator shall determine the number of copies of reports required under this Section and such reports shall be received by the Board or postmarked no later than the required filing date.

1) Quarterly reports for procedures performed in the first three fiscal quarters of an owner licensee's approved fiscal year shall be due not later than two months after the last day of the quarter.

2) Quarterly reports for the procedures performed in the fourth fiscal quarter of the owner licensee's approved fiscal year and the annual reports shall be due not later than three months after the last day of the calendar or fiscal year.

3) Delays in mailing, mail pickups and postmarking are the responsibility of the owner licensee.

g) Owner licensees who are public reporting companies under the Securities Act of 1933 or the Securities Exchange Act of 1934 shall submit four copies of all reports required by the Securities and Exchange Commission to the Administrator. These reports shall be due on the same filing dates as required by the Securities and Exchange Commission.

h) All of the audits and reports required by this Section that are performed by independent certified public accountants shall be prepared at the sole expense of the owner licensee.

i) The reporting year end of the holder of an owner's license shall be December 31 unless otherwise approved by the Administrator.

(Source: Amended at 21 Ill. Reg. 4642, effective April 1, 1997)