

# ILLINOIS GAMING BOARD



160 North LaSalle Street, Suite 300, Chicago, Illinois 60601 Tel:312/814-4700 Fax:312/814-4602

<b>POLICY INTERPRETATION And ACTION TRANSMITTAL*</b>	86 Illinois Administrative Code Part 3000	
	Index No. 07.01	Issuance Date:
	Supercedes No. 02.01	March 8, 2007
	Origin of Request: Requests for Licensure and Staff Review	
	Key Words: Internal Audit Licensure	
Adopted Rule Citation(s): 3000.200, 3000.200(c)(1)(A), 3000.222(c)(3), 3000.320(c)		

## INTERPRETATION

- Applicable To:** Internal Auditors and Key Persons involved in internal audit function for Owner Licensees.
- Policy Citations:** Section 3000.200 Classification of Licenses  
*The board may classify an activity to be licensed in addition to, different from, or at a different level than the classifications set forth in this Subpart.*
- Question/Issue:** What levels of licensure or determination of suitability is required for individuals performing the internal audit function for Owner Licensees?
- Discussion:** Board Rule 3000.200 grants authority to the Board to clarify and/or reclassify any activity so that the level of licensure is consistent with the required level of regulatory control for the activity. Clarification of the Board's licensing requirements is required to assist Owner Licensees in ensuring that revisions to their organizational structure and functions remain consistent with the Board's Adopted Rules and regulatory concerns. This Policy Interpretation supercedes Policy Interpretation 02.01.

The internal audit function performed for Owner Licensees requires Internal Auditors to independently access sensitive and controlled areas of the Riverboat Gaming Operation. It is critical for the Internal Audit Department to function independently from day-to-day operational management and for it to report to the Audit Committee of the Board of Directors or its equivalent. Because of the crucial role that internal auditors have in the regulatory process, it is essential that all of their staff report outside of the day-to-day operational management structure. This reporting role must include support personnel as well as internal auditors, regardless of the organizational, supervisory or functional position or title.

The internal audit function performed for Owner Licensees is constantly evolving as the gaming industry consolidates and Owner Licensees change their corporate structures. Given the importance of the internal audit function and the integral role that internal audit provides in the regulatory process, it is necessary that all internal auditors be classified as Occupational License Level 1s. Previously, certain Internal Auditors were only subject to a Level 3 background investigation. Now, all Internal Auditors will be subject to a Level 1 background investigation.

**Response:** On-site Internal Auditors of the Owner Licensee will be licensed as Occupational Level 1s. Corporate Internal Auditors may or may not be licensed as Occupational Level 1s or Key Persons depending on their job description and functions related to the property (Owner Licensee) as identified in the Owner Licensee's Internal Control System. On-site internal audit support staff of the Owner Licensee will continue to be licensed as Occupational Level 3s.

\* Policy Interpretations will be posted on the Board's website at [www.igb.state.il.us](http://www.igb.state.il.us). All licensees are directed to take the appropriate measures to ensure compliance with all Policy Interpretations. Questions or inquiries about the Policy Interpretation should be directed to:

Erin Alexander  
Legal Counsel  
Illinois Gaming Board  
160 North LaSalle Street  
Chicago, Illinois 60601  
Fax. No. 312-814-4653