

## **SECTION .0400 – AUDIT AND INTERNAL CONTROL STANDARDS**

### **24 NCAC 06A .0401 INTERNAL CONTROLS**

(a) Unless otherwise provided for by the Commission, before beginning Wagering operations, an Operator shall submit its Internal Controls in detail, as identified in these Rules.

(b) The Operator's proposed Internal Controls shall be submitted to the Director in a form or in the manner required by the Commission.

(c) At the time of submitting Internal Controls to the Director, the Operator shall stamp or otherwise mark each page of the Internal Controls with the word "CONFIDENTIAL" if the Operator does not believe the material submitted should be subject to public disclosure. All Internal Control documents submitted to the Director, regardless of markings are subject to applicable law concerning public records and confidentiality.

(d) The Director's review and written approval of the Operator's proposed Internal Controls is required for the Operator to begin Wagering operations.

(e) The Director may perform inspections required to determine conformance with the approved Internal Controls.

(f) If the Director determines that the Internal Controls of the Operator do not comply with the requirements of these Rules or otherwise require revision, the Director shall notify the Operator in writing. Within 15 Days after receiving the notification, the Operator shall amend its Internal Controls accordingly and shall submit for the Director's approval a copy of the written Internal Controls, as revised; any explanation necessary to an understanding of the revisions; and a description of other remedial measures taken.

(g) The Commission's receipt, review, and approval of an Operator's Internal Controls does not constitute a legal determination by the Commission or its staff concerning the Operator's compliance with the law or these Rules. The Operator is ultimately responsible to ensure its conduct complies with the law and these Rules. Additionally, the Operator is responsible for conducting business in a manner identified in its Internal Controls as they have been reviewed and approved by the Commission.

*History Note: Authority G.S. 18C-114(a)(14); Previously adopted as Rule 1D-001; Eff. January 8, 2024; Readopted Eff. March 27, 2024; Amended Eff. January 17, 2025.*