

**Title 11—DEPARTMENT OF PUBLIC SAFETY
Division 45—Missouri Gaming Commission
Chapter 40—Fantasy Sports Contests**

PROPOSED RULE

11 CSR 45-40.100 Audits

PURPOSE: This rule establishes standards for audits.

(1) Independent certified public accountants (C.P.A.s), shall conduct annual financial and authorized internet website audit of each licensed operator.

(2) The annual financial and authorized internet website audit shall be conducted in accordance with generally accepted auditing standards as follows:

(A) Audit the licensed operator's annual financial statements in order to report on the fair representation of such amounts. The C.P.A. shall reconcile these audited amounts to similar amounts on the annual financial reports and system reports;

(B) Audit the annual total entry fees, entry fees from Missouri residents, resident percentage calculation, winnings paid, net revenue, and the annual operation fee from the most recently filed Annual Operation Fee report, in order to report on the fair representation of such amounts. The C.P.A. shall reconcile these audited amounts to similar amounts on the annual financial reports and system reports; and

(C) Audit the licensed operator and its authorized internet website for compliance with each requirement set forth in sections 313.900 to 313.1020, RSMo and chapter 11 CSR 45-40.

(3) The C.P.A. shall prepare an audit report which shall be submitted to the commission by March 1 of each year following the close of the licensed operator's fiscal year. The report shall contain the C.P.A.'s assessment of the accuracy of the financial statements and the Annual Operation Fee report. In addition, the report shall include the licensed operator's compliance with each requirement set forth in sections 313.900 to 313.1020, RSMo and chapter 11 CSR 45-40.

AUTHORITY: sections 313.920, 313.930, 313.990, and 313.1020, RSMo (HB 1941, Second Regular Session, Ninety-eighth General Assembly, 2016. Emergency rule filed August 29, 2016, effective Sept. 8, 2016, expires March 6, 2017. Original rule filed Aug. 29, 2016.

PUBLIC COST: This proposed rule will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

PRIVATE COST: This proposed rule mostly restates the requirements in section 313.990, RSMo. Although private entities will incur costs in complying with the statute, this proposed rule will not cost private entities more than five hundred dollars (\$500) in the aggregate.

NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed rule with the Missouri Gaming Commission, PO Box 1847, Jefferson City, MO 65102. To be considered, comments must be received within thirty (30) days after publication of this notice in the Missouri Register. A public hearing is scheduled for Wednesday, November 2, 2016, at 10:00 a.m., in the Missouri Gaming Commission's Hearing Room, 3417 Knipp Drive, Jefferson City, Missouri.