



## Ohio Administrative Code

### Rule 3775-16-20 External audits and other reports.

Effective: [October 15, 2022](#)

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(A) Each sports gaming proprietor, excluding an appointing professional sports organization; mobile management services provider; and management services provider must have its annual financial statements audited by an independent registered certified public accounting firm licensed to practice in this state. The audit must be in accordance with generally accepted auditing standards and, when applicable, the standards of the accountancy board. The sports gaming proprietor, mobile management services provider, or management services provider must report to the commission the name of the independent registered certified public accounting firm as well as the lead audit partner or other individual taking primary responsibility for the financial statement audit engagement before the start of the engagement.

(B) The lead audit partner or other individual taking primary responsibility for the financial statement audit engagement may serve a maximum of five years in such a position before being required to rotate off the engagement.

(C) The annual financial statements audit must be prepared on a comparative basis for the current and prior fiscal years and present financial position and results of operations in conformity with generally accepted accounting principles.

(D) The audit required by paragraph (A) of this rule must be filed with the commission, in a format determined by the executive director, within one hundred twenty days following the end of the fiscal year.

(E) Each sports gaming proprietor must contract with an independent third party to perform an IT audit. The third party must be approved by the executive director as qualified, independent, and capable of performing the audit. The audits must be performed, and a copy of the report provided to the commission, within ninety days of commencing initial operations and at least once each calendar year. The audit and corresponding report must assess the following:



- (1) The design, controls, maintenance, and security of the sports gaming proprietor's IT systems;
  - (2) The sports gaming proprietor's compliance with the IT and sports gaming system requirements of this chapter; and
  - (3) Any other subject required by the executive director.
- (F) The sports gaming proprietor must file with the commission the report required by paragraph (E) of this rule in a format determined by the executive director within one hundred twenty days following the end of the fiscal year or upon receipt, whichever is earlier.
- (G) At any time, the executive director may require a special audit of a sports gaming proprietor, mobile management services provider, or management services provider by commission personnel, an independent registered certified public accounting firm, or any other third party the executive director approves as qualified, independent, and capable of performing the special audit. The scope, procedures, and reporting requirements of any special audit are to be established by the executive director.
- (H) The sports gaming proprietor, mobile management services provider, or management services provider must notify the commission of any report that is filed, or required to be filed, with the securities and exchange commission or other securities regulatory agency.
- (I) All audits and reports required by this rule are to be prepared at the sole expense of the sports gaming proprietor, mobile management services provider, or management services provider.
- (J) The commission may require the termination of any audit engagement under this rule due to lack of qualification, independence, or capacity or a finding that the contract or conduct performed thereunder poses a material risk to the integrity of sports gaming in this state. The invalidation process is an action against the sports gaming proprietor, mobile management services provider, or management services provider that is subject to the hearing procedures and disciplinary actions provided for under rules 3775-1-07 and 3775-1-08 of the Administrative Code, respectively. If an audit engagement contract is terminated, the sports gaming proprietor, mobile management services provider, or management services provider must enter into a new audit engagement contract to



ensure the requirements of this rule are met.

(K) Each sports gaming proprietor, mobile management services provider, or management services provider must file with the commission a copy of any suspicious activity report filed with the Financial Crimes Enforcement Network related to the conduct of sports gaming in this state.