



Dunedin Casinos Limited AML/CFT Audit Report

November 2021

Audit / Tax / Advisory

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1. Executive Summary

1.1. Introduction

We have completed our audit of the risk assessment and AML/CFT programme as required by section 59(2) of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (hereafter referred to as the "Act"). The audit has been undertaken in accordance with ISAE (NZ) 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information and SAE 3100 Compliance Engagements and provides reasonable assurance on Dunedin Casinos Limited's compliance with the requirements of section 57 and 58(3) of the Act.

1.2. Overview of the Entity

Dunedin Casinos Limited (hereafter DCL, the Company or the Casino) employs around 90 staff and has 12 gaming tables, 180 electronic gaming machines, bar and restaurant. Gaming tables include Midi-baccarat, Blackjack, Three Card Poker, Caribbean Stud, Casino War and Roulette.

As well as the normal gambling activities, the casino conducts a high volume of mainly cash transactions including purchases and redemptions of gaming chips, redemption of gaming machine cancel credit forms, foreign currency exchange and domestic currency exchange. All of this business is face-to-face conducted directly with individuals.

Approximately 16,500 transactions are processed each month through the Cash Desk and 15,000 transactions through Cash redemption terminal.

1.3. Independence

Members of the Audit Team and Partners of the Crowe New Zealand Audit Partnership have confirmed their independence from the Company for the period from 1 April 2019 to 21 November 2021. We further confirm no Crowe New Zealand Audit Partnership staff have been involved in the establishment, implementation, or maintenance of the Company's AML/CFT programme or the undertaking of the Company's risk assessment.

Our firm has also provided external audit services to the Company. Other than in our capacity as statutory auditor, we have no relationship with, or interest, in the Company.

Partners and employees of our firm may also deal with the Company on normal terms within the ordinary course of the activities of the Company.

1.4. Audit objective

The objective of this audit is to conclude on the compliance of the Company's AML/CFT risk assessment with section 58(3) of the Act, and compliance of the Company's AML/CFT programme with section 57 of the Act, in all material respects.

1.5. Scope and approach

Our engagement has been conducted in accordance with ISAE (NZ) 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information and SAE 3100 Compliance Engagements. This is a reasonable assurance audit engagement with procedures undertaken to form an opinion as to whether we believe the Company has complied, in all material respects, with sections 57 and 58(3) of the Act for the for the period from 1 April 2019 to 21 November 2021.

We did not audit or otherwise verify the information supplied to us in connection with this engagement, except to the extent specified in this report or our approved objectives and scope.

The results of our audit and the procedures undertaken are outlined in **Section 2** of this report.

1.6. Directors' responsibilities

The directors must establish, implement, and maintain a compliance programme in accordance with section 56 of the Act. The directors are responsible for ensuring the Company's AML/CFT programme is based on the risk assessment undertaken in accordance with section 58 of the Act. Further, the directors need to:

- (a) ensure the Company's risk assessment and AML/CFT programme remains current; and
- (b) identify any deficiencies in the effectiveness of the risk assessment and the AML/CFT programme; and
- (c) make any changes to the risk assessment or AML/CFT programme identified in (b) above.

1.7. Auditors' responsibilities

Our responsibility is to express conclusions on the Company's compliance, in all material respects, with the requirements of section 57 and 58(3) of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009, and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained.

We conducted our engagement in accordance with International Standard on Assurance Engagements (New Zealand) (ISAE (NZ)) 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and SAE 3100 Compliance Engagements issued by External Reporting Board of New Zealand and accordingly included such test and procedures as we considered necessary in the circumstances. Our procedures included documenting and examining, on a test basis the Company's compliance with section 57 and 58(3) of the Act.

These standards require that we comply with ethical requirements, including independence requirements, and plan and perform our procedures to obtain a reasonable level of assurance about whether the Company has complied, in all material respects with the requirements of section 57 and 58(3) of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009.

1.8. Summary of work performed

The work performed can be summarised as the following:

- Auditing the risk assessment and compliance programme for compliance against prescribed requirements under section 58(3) and 57 respectively.
- Assessing the adequacy of the AML/CFT compliance programme against the risk assessment of the Company.
- Testing the effectiveness of the controls as laid out in the risk assessment and policies, procedures and controls as laid out within the respective sections of the AML/CFT programme.

1.9. Reference material

We referred to the following material to assist us in completing the audit:

- Anti-Money Laundering and Countering Financing of Terrorism Act 2009.
- Guidelines for audits of Risk Assessments and AML/CFT Programmes issued by the DIA.
- International Standard on Assurance Engagements (ISAE) 3000.
- SAE 3100 Compliance Engagements.
- AML/CFT Risk Assessment Guideline issued by the DIA.
- AML/CFT Programme Guideline issued by the DIA.
- Casino Sector Risk Assessment issued by the DIA in April 2014.
- National Risk Assessment 2019 issued by Financial Intelligence Unit of New Zealand Police.

- Department of Internal Affairs Sector Risk Assessment for Designated Non-Financial Businesses or Professions (DNFBPs) and Casinos 2019.
- AML/CFT Risk Assessment and Programme: Prompts and Notes for DIA reporting entities (Prompts and Notes) issued by the DIA in December 2017.

1.10. Observations and Recommendations

Our review resulted in 2 moderate risk findings, 1 low risk finding and 3 potential process improvements.

We have weighted these observations using a scale of high, moderate, low or process improvement to indicate the priority with which we consider these observations should be treated.

More detail on the rating scale is provided in the table in section 1.11 below.

A summary of the severity ratings we have applied to our recommendations is detailed below:

Indicator	Risk ratings	Findings
	High risk	-
	Medium risk	2
	Low risk	1
	Process improvement	3

The detailed recommendations and results from our review can be found in **Section 2** below.

1.11. Key to significance of priority rating

Severity ratings are based on the use of professional judgement to assess the extent to which deficiencies could influence compliance with the requirements of section 58(3) and 57 of the Act.

Rating	Definition	Guidance	Action Required
High	Issue represents a control weakness, which could cause or is causing major disruption of the process or major adverse effect on the ability of the process to achieve its objectives.	<ul style="list-style-type: none"> Material errors and departures from the organisation's policies and procedures Material non-compliance with governing legislation and regulations may result in fines or other penalties Collective impact of many moderate or low issues 	<ul style="list-style-type: none"> Requires significant senior management intervention and may require significant mobilisation of resources, including external assistance. Ongoing resource diversionary potential. Requires high priority to immediate action
Moderate	Issue represents a control weakness, which could cause or is causing moderate adverse effect on the ability of the process to meet its objectives.	<ul style="list-style-type: none"> Moderate non-compliance with governing legislation and regulations may result in fines or other penalties Departures from best practice management procedures, processes 	<ul style="list-style-type: none"> Requires substantial management intervention and may require possible external assistance. Requires prompt action.
	Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve process objectives.	<ul style="list-style-type: none"> Minor non-compliance with governing legislation and regulations may result in fines or other penalties Departures from management procedures, processes, however, appropriate monitoring and governance generally mitigates these risks. 	<ul style="list-style-type: none"> Requires management attention and possible use of external resources. Requires action commensurate with the process objective.
Process Improvement	Audit recommendation is for improving already existing processes and controls.	<ul style="list-style-type: none"> Potential improvements in efficiency and effectiveness of existing process and controls which already demonstrate compliance with procedures and legislation 	<ul style="list-style-type: none"> Recommendations made for management consideration and implementation as determined by management.

1.12. Audit Opinion

Our formal audit opinion is provided in the separate Independent Auditor's Reasonable Assurance Report enclosed with this report.

2. Observations and Recommendations

2.1. AML/CFT Risk Assessment Audit

Test	AML/CFT Act 2009 requirements being tested	Observations	Recommendations	Risk Rating	Management comment, action plan and implementation date
1.	<p>Section 58(3)(a) and 58(2)</p> <p>The risk assessment must be in writing and—</p> <p>(a) identify the risks faced by the reporting entity in the course of its business</p> <p>In assessing the risk, the reporting entity must have regard to the following:</p> <p>(a) the nature, size, and complexity of its business; and</p> <p>(b) the products and services it offers; and</p> <p>(c) the methods by which it delivers products and services to its customers; and</p> <p>(d) the types of customers it deals with; and</p> <p>(e) the countries it deals with; and</p> <p>(f) the institutions it deals with; and</p> <p>(g) any applicable guidance material produced by AML/CFT supervisors or the Commissioner relating to risk assessments; and</p>	<p>It is noted that the Risk Assessment has taken into account each of the areas listed from (a) to (f) of section 58(2) of the Act and clearly articulates the risks faced by the Casino with regard to these areas.</p> <p>We note that the recommendation from the DIA to consider the third party EIV provider in the Risk Assessment has been implemented.</p> <p>The Risk Assessment has also taken into account the Department of Internal Affairs (DIA) AML/CFT Sector Risk Assessments issued in March 2011, September 2018 and December 2019, the DIA Casino Sector Risk Assessment issued in April 2014 and the NZ Police FIU National Risk Assessments issued in 2010, 2018 and 2019.</p>	<p>No recommendation.</p>	<p>N/A</p>	<p>N/A</p>

Test	AML/CFT Act 2009 requirements being tested	Observations	Recommendations	Risk Rating	Management comment, action plan and implementation date
	(h) any other factors that may be provided for in regulations.				
2.	<p>Section 58(3)(b) The risk assessment must be in writing and---</p> <p>(b) describe how the reporting entity will ensure that the assessment remains current</p>	<p>The Risk Assessment describes the measures that will be undertaken to ensure that the Risk Assessment will remain current and include:</p> <ul style="list-style-type: none"> At least once every 12 months by the AML/CFT Compliance Officer (AMLCO) On receipt of new AML/CFT risk information from our AML/CFT Supervisor or other Source, (including the release of a new NRA or SRA) As a result of the findings of our Bi-Annual Risk Assessment Audit At any time that any new products or services are introduced to the casino At any time that any existing products or services are materially changed As a result of any changes to the AML/CFT Act and associated Regulations <p>The current Risk Assessment is version 8 and dated November 2021. Details of previous versions and changes are included in a format version control.</p> <p>We note that the DIA audit report suggested reviewing the Risk Assessment every 6 months in line with the Programme review.</p>	<p>Section 12 of the Risk Assessment should be updated to note that it will be updated at a minimum every 6 months.</p>	<p>Process Improvement</p>	<p>The Risk Assessment has been changed to reflect that it will be reviewed at a minimum of every 6 months</p>

Test	AML/CFT Act 2009 requirements being tested	Observations	Recommendations	Risk Rating	Management comment, action plan and implementation date
3.	<p>Section 58(3)(c) The risk assessment must be in writing and— (c) enable the reporting entity to determine the level of risk involved in relation to relevant obligations under this Act and regulations.</p>	<p>Whilst a review has been undertaken 6-monthly since 2020, the Risk Assessment itself still states it will be reviewed annually.</p> <p>The risk assessment has considered ML/FT vulnerabilities and has provided detailed risk descriptions for each risk identified.</p> <p>A detailed risk methodology is in place defining both impact and likelihood of risks that have been identified. The approach applied and variables which may impact the risks are described in the risk assessment document.</p> <p>The individual risks identified are cross-referenced where applicable to the DIA Sector Risk Assessments.</p>	No recommendation	N/A	N/A

2.2. AML/CFT Compliance Programme Audit

The reporting entity has adequate and effective procedures, policies, and controls for:

Test	AML/CFT Act 2009 requirements being tested	Observations	Recommendations	Risk Rating	Management comment, action plan and implementation date
4.	<p>Section 57(a) Vetting— (i) senior managers; (ii) the AML/CFT compliance officer; (iii) any other employee that is engaged in AML/CFT related duties;</p>	<p>The requirement for employee vetting including senior managers and compliance staff is included in the Programme. It is the policy of DCL to undertake police and referee checks on all staff who are employed in the casino in any capacity. The relevant extracts from the Casino's Human Resources Recruitment and Training Procedures are referenced and detailed in the Programme. Sections 149 and 158 of the Gambling Act 2003 also require certain employees and persons with 'significant influence' to be approved by the Department of Internal Affairs before they can undertake duties in a casino. As a result of this, those staff covered by Section 158 of the Gambling Act 2003, All Managers and employees who will be engaged in AML/CFT activities and all members of senior management will have been vetted by Dunedin Casinos Ltd through the MOJ as well as by the Department of Internal Affairs through the Certificate of Approval and Associated Persons approval processes as appropriate.</p>	<p>No recommendation</p>	<p>N/A</p>	<p>N/A</p>

Test	AML/CFT Act 2009 requirements being tested	Observations	Recommendations	Risk Rating	Management comment, action plan and implementation date
		<p>For each licensed staff member employed at the casino, each period of three years employment, Dunedin Casino Ltd will review their staff file and perform a refresh of the following key vetting requirements, to determine if there has been an increase to the risk profile of the staff member:</p> <ul style="list-style-type: none"> • MOJ Criminal Conviction History check • Credit Check <p>25 new employees were engaged during the reporting period and 19 previous employees were re-engaged as casuals or on a part time basis. A sample of 5 new employees who commenced employment during the reporting period and 3 existing staff members (including the AMLCO) were selected for review.</p> <p>All 8 staff reviewed had COA certificates, current Ministry of Justice and credit checks on file with no adverse findings.</p> <p>3 of the new staff had previously been employed by the Casino (re-employed after redundancy through COVID). The 2 remaining new staff also had reference checks undertaken as described in the Programme.</p>			
5.	Section 57(b)	The requirement for AML/CFT related training to be provided to all staff as well as	The training on red flags or suspicious activities and behaviours that is	Process improvement	It will always be the intention to talk further about 'red flags' or suspicious

Test	AML/CFT Act 2009 requirements being tested	Observations	Recommendations	Risk Rating	Management comment, action plan and implementation date
	<p>Training on AML/CFT matters for the following employees:</p> <p>(i) senior managers;</p> <p>(ii) the AML/CFT compliance officer;</p> <p>(iii) any other employee that is engaged in AML/CFT related duties;</p>	<p>the training that will be undertaken is included in the Programme.</p> <p>The following was noted with regard to this:</p> <p>The training includes specific training for staff, management and the board.</p> <ul style="list-style-type: none"> • The training undertaken in 2021 has focused in particular on CDD requirements and the new systems that have been introduced for CDD (including the EIV procedures). • Staff are required to sign off each training programme and complete a set of confirmation questions on completion of each training programme and return to HR as well as undertake random testing by the AMLCO. • A training register is maintained recording completion of training and completion of the tests set by the AMLCO. • We confirmed all staff, management and board members have completed the training assigned to them. • The training to date in 2021 has not covered red flags or suspicious activities and behaviours that staff should be aware of. Further training in this area is planned for December 2021. 	<p>planned for December 2021 should be undertaken as planned.</p>		<p>transactions in the Department specific training. This is being undertaken between the 15-22 December 2021.</p>

Test	AML/CFT Act 2009 requirements being tested	Observations	Recommendations	Risk Rating	Management comment, action plan and implementation date
6.	<p>Section 57(c) Verification Complying with customer due diligence (CDD) requirements</p>	<p>Customer Identification: The programme notes the obligation for CDD to be undertaken when a business relationship is established with a customer, or an occasional transaction takes place. The casino uses the Amended Identity Verification Code of Practice 2013 (AIVCOP) for its CDD processes. Electronic identity verification (EIV) has been introduced in October 2021 and includes PEP/watchlist checking. The assessment of the EIV provider as required by sections 17 and 18 of the AIVCOP have been completed in detail, although not included in the programme document (as required by Section 18). Across both the loyalty programme and Occasional Transaction Register CDD testing, it was noted that prior to the implementation of EIV, credit or debit cards were routinely used as part of identity verification. The card numbers had not been redacted from the copies of the cards held.</p>	<p>We recommend the following:</p> <ul style="list-style-type: none"> The assessment of the EIV provider that has been completed should be included in the programme document or as an appendix to it. Whilst unlikely to occur in the future with the implementation of EIV, where credit or debit cards are copies and held as identity verification, it should be ensured that the credit card numbers are redacted. 	<p>Process improvement</p>	<p>Reference to Cloudcheck as our (EIV) has now been included in the Programme. There may still be times where credit/debit cards may still be required for identification. This has been mentioned in the Programme and this topic will be covered in the Cash Desk training in December.</p>

Test	AML/CFT Act 2009 requirements being tested	Observations	Recommendations	Risk Rating	Management comment, action plan and implementation date
		<p>Loyalty Programme</p> <p>The programme refers to the Class Exemption under certain circumstances for member loyalty schemes issued by the Minister of Justice but notes that the casino has not applied the exemption for members of its loyalty programme (this policy has been in place since 15 October 2021. Prior to this, the Ministerial Exemption was applied).</p> <p>We reviewed a sample of 20 Loyalty Programme Members including 6 Elite and Prestige members.</p> <p>Elite and Prestige Members</p> <p>3 of the 6 members had been verified prior to October 2021 and were verified appropriately according to the ministerial exemption (no address verification was undertaken). The 3 other cases were verified following 15 October 2021 and had been verified appropriately in line with AIVCOP using EIV although in one case the occupation of the customer had not been recorded (this is required in the programme). This was corrected during our audit.</p> <p>The casino has a plan to have all Elite and Prestige Loyalty Programme members fully verified in line with the AIVCOP by the end of 2021.</p>	<p>No recommendation</p>	<p>N/A</p>	<p>N/A</p>

Test	AML/CFT Act 2009 requirements being tested	Observations	Recommendations	Risk Rating	Management comment, action plan and implementation date
		<p>Other Programme members:</p> <p>2 new members since 15 October 2021 had CDD completed using EIV</p> <p>For members preceding that date, 2 who had visited the casino in November 2021 had also had their CDD updated using EIV.</p> <p>A further 5 South Korean commercial fishermen were reviewed who presented South Korean identity documents. Address details have been provided as the port where the ship is docked. The casino is currently seeking advice from the DIA on the suitability of address information and how this can be verified. As such these customers are currently listed in the delayed CDD register.</p> <p>The remaining customers all had CDD completed according to the ministerial exemption.</p> <p>Loyalty card parameters</p> <p>We reviewed the parameters for the loyalty card scheme set up in CMP and confirmed that the value of awards points is capped at \$6,000 and that accumulated points expire after 12 months (these are both conditions of the ministerial exemption for casino loyalty schemes).</p>	<p>No recommendation – the issues relating to address verification have</p>	<p>N/A</p>	<p>N/A</p>
		<p>Occasional Transactions:</p>		<p>N/A</p>	<p>N/A</p>

Test	AML/CFT Act 2003 requirements being tested	Observations	Recommendations	Risk Rating	Management comment, action plan and implementation date
		<p>The Programme contains the relevant policies and procedures for performing customer due diligence on customers undertaking occasional transactions.</p> <p>We reviewed a sample of 20 non-loyalty programme members who had engaged in occasional transactions.</p> <p>5 of the transactions occurred following the implementation of EIV and the individuals were appropriately verified for identity and residential address.</p> <p>The remaining 15 transactions occurred prior to the implementation of EIV. In these cases appropriate identity verification was undertaken but address verification was only undertaken in 3 cases.</p>	<p>been resolved with the implementation of EIV.</p>		

Test	AML/CFT Act 2009 requirements being tested	Observations	Recommendations	Risk Rating	Management comment, action plan and implementation date
		<p>CDD Exceptions</p> <p>The programme includes policies procedures and controls for handling CDD exceptions where AIVCOP obligations cannot be met. Measures include the setting of transaction limits until complete CDD information is provided.</p> <p>The programme notes where the customer is unwilling to provide CDD information then no further transactions may be accepted from the customer and the AMLCO is to be informed to consider whether a suspicious activity has occurred.</p> <p>A CDD Exceptions register is held. We reviewed the register and noted that it includes 12 entries. In all cases a description of the exception is provided and reasoning for the approval of the exception.</p>	<p>No recommendation</p>	<p>N/A</p>	<p>N/A</p>
		<p>Delayed CDD</p> <p>The programme includes policies procedures and controls for handling delayed CDD where the customer cannot meet the AIVCOP obligations at the time of their visit.</p> <p>The Gaming Shift Manager can determine whether to allow the customer to continue and/or to apply transaction limits until CD is completed. However, it is noted that CDD cannot remain delayed.</p>	<p>No recommendation</p>	<p>N/A</p>	<p>N/A</p>

Test	AML/CFT Act 2009 requirements being tested	Observations	Recommendations	Risk Rating	Management comment, action plan and implementation date
7.	Section 57(c) Ongoing Due Diligence Complying with customer due diligence (CDD) requirements (including ongoing customer due diligence)	<p>A delayed CDD Exceptions register is held. We reviewed the register and noted that the register includes 18 entries, all since May 2021. 14 of these relate to the Korean fisherman noted above.</p> <p>The register is updated to note when CDD has been completed. In one case we reviewed the file and confirmed the CDD had been completed as noted on the register.</p>	No recommendation	N/A	N/A
8.	Section 57(c) Ongoing Due Diligence - Account Monitoring Complying with customer due diligence (CDD) requirements (including account monitoring)	<p>Account and Transaction Monitoring:</p> <p>The Programme contains significant detail on the account and transaction monitoring activities undertaken by the AMLCO with regard to AML/CFT risks.</p> <p>Account and transaction monitoring is undertaken using the Jade ThirdEye system (JTE).</p>	<p>The following is recommended:</p> <ul style="list-style-type: none"> The programme should be updated to include details of the actual monitoring and investigation steps that will be undertaken to ensure that the alerts raised are responded to and that evidence is recorded of the steps undertaken and conclusions reached. 	Moderate	<p>Detailed steps of actions to be taken in respect of each Jade Third Eye alert have now been included in the Programme</p> <p>An i-trak file will be created in respect of any person whom any concerns are raised and details recorded</p>

Test	AML/CFT Act 2009 requirements being tested	Observations	Recommendations	Risk Rating	Management comment, action plan and implementation date
		<p>The following account and transaction monitoring alerts are in place in JTE:</p> <ul style="list-style-type: none"> • PEP alerts • Watchlist checking • Expired ID • Transactions \$6,000 and over • Multiple customers at the same address • Customer transactions equal to \$30,000 or over in the past 30 days • Residential transactions equal to \$50,000 or over in the past 30 days <p>We noted the following with regard to these:</p> <ul style="list-style-type: none"> • We reviewed the system parameters in JTE and confirmed that the parameters have been set although the settings for the monthly transactions in JTE are \$20k for individuals and \$30k for residences. We note a request has been made to JTE to update the settings although currently the settings are more conservative so do not present increased risk. • Whilst the programme notes that the alerts are in place and we confirmed the alert reports are generated, the programme includes no procedures as to what is actually done with the alerts (i.e. what further monitoring or investigation steps are undertaken to 	<ul style="list-style-type: none"> • Formal timeframes for closing the alerts should also be included. • An alert to identify customers buying-in \$15k or more in a gaming day should be set up to ensure all such instances are captured. 		<p>of the actions taken and conclusion reached.</p> <p>All alerts will be reviewed within 48 hours. If there are no concerns, they will be closed. If not, a reason will be noted on Jade Third Eye.</p> <p>An alert to identify customers buying in for 15K or more has been requested through Jade. We are unable to create the alert from our end.</p>

Test	AML/CFT Act 2009 requirements being tested	Observations	Recommendations	Risk Rating	Management comment, action plan and implementation date
		<p>respond to the alert). We noted that comments from the AMLCO are included in JTE when closing the alert.</p> <ul style="list-style-type: none"> The programme does not include any timeframes for closing the alerts. Our understanding from the AMLCO is that a 2 week timeframe will be set. We noted during our review on 22 November that a small number of alerts dated 28 October remained open. Under Observation 9 below, we note that EDD is triggered when a customer buys-in \$15k or more in a trading day. The is however no JTE alert to ensure such instances are captured. <p>Other monitoring activity</p> <ul style="list-style-type: none"> AMLCO performing at least quarterly an analysis of customer patterns of activity for red flags. Security & Surveillance team and Gaming staff through the course of their work identifying unusual activity/behaviour. Where an individual is being monitored by the Surveillance Department, they will create a Person of Interest, (POI), file on their secure database which will record all their monitoring activities and observations. 	<p>No recommendation</p>	<p>N/A</p>	<p>N/A</p>

Test	AML/CFT Act 2009 requirements being tested	Observations	Recommendations	Risk Rating	Management comment, action plan and implementation date
	<p>We note that the quarterly AMLCO reviews will be undertaken using the JTE data. As such no reporting to date exists.</p> <p>With regard to the monitoring by the Security & Surveillance team we reviewed the iTrak incident and activity logs and the POI register and confirmed that the monitoring is undertaken.</p> <p>Monitoring controls</p> <ul style="list-style-type: none"> On a monthly basis the Chief Financial Officer will review the JTE alerts and their status. The purpose is to ensure the alerts are being monitored and actioned in a timely manner. This will include reviewing the number of alerts raised and the number of days taken to action/close. On a three-monthly basis the Chief Financial Officer will review a sample of the alerts. <p>JTE provides quality review functionality. Alerts in the sample will be viewed in JTE and after consideration tagged as "Failed" or "Passed", with notes added as appropriate.</p> <p>A history/log of the quality control activity undertaken in JTE can be produced.</p> <p>As noted above, the monitoring procedures to be undertaken have not yet been</p>		<p>No recommendation</p>	<p>N/A</p>	<p>N/A</p>

Test	AML/CFT Act 2009 requirements being tested	Observations	Recommendations	Risk Rating	Management comment, action plan and implementation date
9.	<p>Section 57(1)(i) Determining when enhanced customer due diligence (EDD) is required and when simplified CDD might be permitted.</p>	<p>documented. We also note that JTE has only been in place since mid-October. As such, no formal monthly review has as yet been undertaken.</p> <p>Simplified CDD: The Programme notes that there will be no circumstances under which simplified CDD will be undertaken.</p> <p>Enhanced CDD: The requirements for enhanced CDD are included in the Programme as follows:</p> <ul style="list-style-type: none"> • On non-residents from countries that have insufficient AML/CFT regimes (as per FATF high risk countries list) • Customer conducting complex, unusually large transaction or unusual pattern of transactions . • On high net worth individuals where a person buys-in \$15k or more in a gaming day. • On any Politically Exposed Person (PEP) discovered. • Where there has been a cause to submit an SAR on an existing client • Enhanced CDD requires information as to the source of funds or wealth of the customer to be obtained. This is obtained through requiring the customer 	<p>PEP checking It should be ensured that in cases where identity documents cannot be verified using the EIV provider that PEP testing is still undertaken (the PEP identity does not require the customer's identity to have been verified).</p>	<p>Low</p>	<p>All staff are now aware that PEP checks can be conducted without the person's authority or their Driver Licence details.</p>

Test	AML/CFT Act 2009 requirements being tested	Observations	Recommendations	Risk Rating	Management comment, action plan and implementation date
		<p>to provide details of their occupation and is entered into the Casino's CMP system.</p> <p>We noted the following with regard to this.</p> <ul style="list-style-type: none"> To date no residents from high-risk countries have been identified and since the introduction of the EDD requirement, no customers have met the \$15k buy-in threshold. <p>EDD has been undertaken on 7 customers during the reporting period, in most cases due to the volume of gambling activity. In one further case, the customer has been triggered for EDD when next entering the casino. We confirmed the EDD had been undertaken to verify source of funds and wealth and to review background information on the customer. In 4 cases the CDD undertaken has resulted in the customer being excluded from or self-excluding from the casino.</p> <p>PEP testing</p> <p>PEP testing was not previously undertaken on all customers. Following implementation of EIV, PEP testing is undertaken as part of all CDD. We noted in the case of the Korean customers noted in Observation 6 above that those presenting Korean Identity documents had no PEP check undertaken due to the fact that the EIV provider cannot verify Korean Identity documents. This does not</p>			

Test	AML/CFT Act 2009 requirements being tested	Observations	Recommendations	Risk Rating	Management comment, action plan and implementation date
10.	<p>Section 57(d) Reporting suspicious activities</p>	<p>however prevent a PEP check from being undertaken on them.</p> <p>The following is noted with regard to this requirement:</p> <ul style="list-style-type: none"> The Casino filed 3 suspicious activity reports during the reporting period. A review of decision timelines confirmed the 3 SARs were filed within 3 days of forming a suspicion. The detailed procedures to be followed for escalating potentially suspicious activities and reporting suspicious activity reports (SARs) are included in the Programme, including the requirement for all suspicious activities to be reported to the AMLCO. The Programme includes requirements to report using the goAML tool within 3 days of forming a suspicion. The Programme notes that urgent SARs can be made orally but, as soon as practicable, and within three working days, a written SAR must be forwarded to the FIU. The Programme notes that tipping off customers is an offence under the Act. 	<p>No recommendation</p>	<p>N/A</p>	<p>N/A</p>
11.	<p>Section 57(da) Reporting prescribed transactions</p>	<p>We noted the following:</p> <ul style="list-style-type: none"> The programme defines when a prescribed transaction report is required. 	<p>No recommendation</p>	<p>N/A</p>	<p>N/A</p>

Test	AML/CFT Act 2009 requirements being tested	Observations	Recommendations	Risk Rating	Management comment, action plan and implementation date
12.	<p>Section 57(e) Record keeping</p>	<ul style="list-style-type: none"> The detailed policies and procedures to be followed in reporting prescribed transactions are included in the Programme (for both large cash transactions and international wire transfers). The Programme notes that PTRs must be filed within 10 working days of the transaction. Prescribed transactions are recorded in the OTR noting whether they include single transaction over the threshold. A manual data entry method is used to submit PTRs. <p>We reviewed a sample of 20 PTRs and confirmed that all were filed accurately, completely and within the 10-working day timeframe.</p> <p>The Programme contains detailed provisions on the record keeping process for both customer and transactional information. In addition, the Programme notes that the following records will also be retained:</p> <ul style="list-style-type: none"> records that are relevant to the establishment of the business relationship; and records relating to risk assessments, AML/CFT programmes, and audits; and any other records (for example, account files, business correspondence, and written findings) 	No recommendation	N/A	N/A

Test	AML/CFT Act 2009 requirements being tested	Observations	Recommendations	Risk Rating	Management comment, action plan and implementation date
13.	<p>Section 57(f) Setting out what the reporting entity needs to do, or continue to do, to manage and mitigate the risks of money laundering and the financing of terrorism.</p>	<ul style="list-style-type: none"> Records relevant to the filing of any PTRs, SARs or STRs. <p>A review of the files held by the AMLCO as well as files reviewed during audit testing confirmed appropriate record keeping procedures are in place.</p>	No recommendation	N/A	N/A
		<p>Procedures are documented in the Programme for remaining up to date with AML/CFT requirements. The following circumstances that will trigger a review of the Programme are documented:</p> <ul style="list-style-type: none"> At least once every 6 months by the AMLCO On receipt of new AML/CFT risk, or other, information from our AML/CFT Supervisor or other Source As a result of the findings of our Bi-Annual AML/CFT programme external Audit At any time that any new products or services are introduced to Dunedin Casinos Limited, At any time that any existing products or services are materially changed As a result of any changes to the AML/CFT Act and associated Regulations <p>The current Programme is named version 8 and is dated November 2021.</p>			

Test	AML/CFT Act 2009 requirements being tested	Observations	Recommendations	Risk Rating	Management comment, action plan and implementation date
14.	<p>Section 57(g) Examining, and keeping written findings relating to:</p> <ul style="list-style-type: none"> (i) complex or unusually large transactions; and (ii) unusual patterns of transactions that have no apparent economic or visible lawful purpose; and (iii) any other activity that the reporting entity regards as being particularly likely by its nature to be related to money laundering or the financing of terrorism. 	<p>The detailed processes for identifying, monitoring and reporting all such transactions are included in the Programme, including:</p> <ul style="list-style-type: none"> • In the first instance suspicious activities or transactions will be reported to the Security Surveillance Host Responsibility Shift Manager by the relevant departmental Manager by e-mail or orally. It should contain as much detail as possible regarding the transaction itself and the person(s) undertaking the transaction. The Security Surveillance Host Responsibility Shift Manager will then conduct what investigation is necessary to obtain all the information required for reporting the SAR. • Once the investigation is complete the AMLCO in conjunction with the Surveillance Security Host Responsibility Shift Manager will decide if the activity/ transaction meets the threshold for reporting as a suspicious activity. This decision will be documented and kept with the investigation documents. • The AMLCO will retain all working papers and investigation documents relating to an SAR. An electronic log 	No recommendation	N/A	N/A

Test	AML/CFT Act 2009 requirements being tested	Observations	Recommendations	Risk Rating	Management comment, action plan and implementation date
15.	<p>Section 57(h) Monitoring, examining, and keeping written findings relating to business relationships and transactions from or in countries that do not have or have insufficient anti-money laundering or countering financing of terrorism systems in place and have additional measures for dealing with or restricting dealings with such countries.</p>	<p>summary of SAR's completed and filed will be maintained by the AMLCO.</p> <ul style="list-style-type: none"> Cases where unusual activities were escalated and reviewed were held and had triggered EDD procedures to be undertaken. In all cases documentation of the investigation procedures and the subsequent steps undertaken (including whether to file an SAR) were documented (see Observation 9 above). 	No recommendation	N/A	N/A
16.	<p>Section 57(i) Preventing the use, for money laundering or the financing of terrorism, of products (for example, the misuse of technology) and transactions (for example, non-face to face business relationships or transactions) that might favour anonymity.</p>	<p>The Programme notes the following:</p> <ul style="list-style-type: none"> DCL does not offer any products that offer anonymity, other than obvious use of cash for gaming. Cash for gaming is covered by the occasional transaction thresholds and others controls in place. The AMLCO will review all products and services offered by the casino as part of 	No recommendation	N/A	N/A

Test	AML/CFT Act 2009 requirements being tested	Observations	Recommendations	Risk Rating	Management comment, action plan and implementation date
18.	<p>Section 57(k) Providing when a person who is not the reporting entity may, and setting out the procedures for the person to, conduct the relevant customer due diligence on behalf of the reporting entity.</p>	<p>the normal and on-going process of review of both the Risk Assessment and Programme.</p> <ul style="list-style-type: none"> The AMLCO will review any new products and services prior to their introduction to the casino to ensure that any AML/CFT risk is adequately identified, documented and controlled. <p>All customer due diligence is carried out by employees of the casino.</p>	<p>No recommendation</p>	<p>N/A</p>	<p>N/A</p>
18.	<p>Section 57(l) Monitoring and managing compliance with, and the internal communication of and training in, those procedures, policies, and controls.</p>	<p>The Programme includes the following policies, procedures and controls:</p> <ul style="list-style-type: none"> A comprehensive assurance and testing plan is to be in place to ensure that the policies and procedures contained in the Programme are carried out in practice, and are effective. The AMLCO is responsible for ensuring that the plan is completed which checks that the policies and procedures contained in the Programme are carried out and are effective. 	<p>We recommend that comprehensive assurance and testing plan is documented in the programme to confirm the internal monitoring and assurance procedures that are or will be in place. This should include details of or cross-references to the existing monitoring controls that are documented elsewhere in the programme.</p> <p>It should also be ensured in all cases that evidence of the monitoring undertaken is documented and retained.</p>	<p>Moderate</p>	<p>Comprehensive assurance and testing plan have been added to the Programme. This is cross referenced to monitoring controls elsewhere in the Programme.</p> <p>All evidence of monitoring will be documented and retained.</p>

Test	AML/CFT Act 2009 requirements being tested	Observations	Recommendations	Risk Rating	Management comment, action plan and implementation date
		<ul style="list-style-type: none"> • All results and learnings from the testing must be reported back to the staff involved. • The Board must receive a report of the testing performed and results. <p>We noted the following:</p> <ul style="list-style-type: none"> • The comprehensive assurance and testing plan has not been implemented as a documented plan. • The programme notes that the AMLCO is responsible for ensuring the plan is completed although in numerous cases, this would involve the AMLCO monitoring himself. We note that the casino has recruited a Compliance Manager starting in January 2022 which will allow for segregation of these activities. • The Board receives a monthly activity report but the report does not include results of the compliance testing. <p>Notwithstanding the above, we note that a number of procedures and controls for monitoring and managing compliance are in place. Some of these are documented in other areas of the programme and others not. For example:</p> <ul style="list-style-type: none"> • The programme notes under Training controls that the HR Manager is 	<p>The results of the assurance and testing plan should be collated in a single report to allow for issues, trends and training needs to be identified and for results to be reported to the Board to provide the Board with assurance over compliance with the overall programme.</p>		<p>THE CFO will undertake a monthly review of assurance, including sampling of CDD and both open and closed rule alerts and watchlists in JTE.</p> <p>THE CEO and Board will be advised of the monthly review of assurance and testing plan.</p>

Test	AML/CFT Act 2009 requirements being tested	Observations	Recommendations	Risk Rating	Management comment, action plan and implementation date
		<p>responsible for reviewing training registers to ensure all training is undertaken. We confirmed this control is undertaken.</p> <ul style="list-style-type: none"> The AMLCO receives a weekly list of CDD activity (new members and OTR entries) and reviews that the CDD has been undertaken. The programme includes this control under CDD Controls. As noted in Observation 8 above, the programme includes monitoring activities for the CFO to review the JTE alerts to ensure they are being actioned on a complete and timely basis. This control is still to be implemented with JTE only recently implemented. JTE alerts are in place to identify prescribed transactions. The AMLCO reviews the list to ensure PTRs have been filed. 			



Contact Us

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Awaiting response.

7 July 2020

Sarah MCKENZIE
Manager Operations Auckland
Regulatory Services
Department of Internal Affairs
12 16 Nicholls Lane
Parnell
AUCKLAND

Dear Sarah

Dunedin Casino Interim Report Breach of Exclusion Audit 2020

On the 10 November 2017 [REDACTED] came into Dunedin Casino and elected to self exclude for a period of 24 months. An email was sent to all relevant parties including the DIA. Included in the email was [REDACTED] personal details, his reasons for excluding, a head shot and a copy of the Exclusion Order.

This meant that if the re-entry criteria was satisfied, he could potentially return to Dunedin Casino on the 11 November 2019.

On the 5 September 2019, a Security staff member identified [REDACTED] being on site. He was immediately spoken to by Warren SMITH (Security/Surveillance/Host Responsibility Shift Manager). He stated that he believed his exclusion period was up and that he could automatically return. He was advised that his expiry period had not lapsed. He was again explained the re-entry criteria and subsequently warned for breaching his exclusion.

That same day SMITH sent out an email to all the relevant parties detailing what had transpired. This included notification to the DIA. In his report, he made mention that [REDACTED] had self excluded for 24 months on the 10 November 2017.

On the 6 September 2019, the DIA queried [REDACTED] current situation and Warren SMITH replied to this email. It clearly was a current breach as it was prior to 11 November 2019. I acknowledge that the second part of the DIA's email did state, 'if he has a current unexpired exclusion, please send me a copy in reply.' SMITH responded to the email but did not send through a copy of the Exclusion Order as he was aware that the DIA had already received this. The DIA followed up again with an email on the 9 September requesting a copy of the Exclusion Order. That same day SMITH forwarded through a copy of Self Identified Exclusion Application Form. This was done as it had some additional information to that of the Exclusion Order.

I should add that we have never previously sent through a copy of the Exclusion Order with any such emails in the past.

I hope this explains Dunedin Casino's situation on this matter.

Yours sincerely

A handwritten signature in black ink, appearing to be 'G Purdon', written in a cursive style.

Geoff Purdon
Security/Surveillance/Host Responsibility Manager



**Te Tari Taiwhenua
Internal Affairs**

Dunedin Casino Interim Report

Breach of Exclusion Notification Audit 2020



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1. Purpose of the audit

The purpose of this audit is to ensure Dunedin Casino have adhered to their Breach of Exclusion requirements and are operating within the Gambling Act Regulations, licence conditions and Minimum Operating standards.

Area	Finding
MOS requirements for Security and Host Responsibility staff – Notifications are made as soon as practicable	Achieved
Up to date, complete and accurate documents are forwarded to the Department.	

2. Background

Dunedin Casino has a combined Security and Host Responsibility Department and it is headed by Geoff Purdon (Security, Host Responsibility and Surveillance Manager). Staff include eight Security Officers and four Responsible Gambling Hosts who are in the Gaming Team.

As there is only one entry to the Casino, there is reduced opportunity for excluded patrons to enter as there is always a Security Officer present at the Casino entrance. There is a Security/Surveillance/Host Responsibility shift manager also present in the gaming area at all times. Overall this is reliant on the diligence of Security Officers and their ability to recognise excluded players when completing their duties.

If an excluded player enters the gaming floor the following procedure needs to be undertaken as per the Exclusion Standard Operating Procedure 2020:

- Patron to be invited for an interview if possible
- Patron to be issued with a Warning or Trespass Notice
- Copies of the report to be sent out to Department of Internal Affairs

3. Scope

In Scope

- Breach of exclusion notifications for the period 1 September 2019 to 1 March 2020 are included in scope of this audit.

Out of Scope

- Breach of exclusion process.
- Notifications of any other breaches of the Gambling Act 2003.
- Further investigation of potential issues/breaches of the Act that are outside of the scope of this audit. Any identified concerns or evidence will be assessed as per the Department's triage processes.

4. Methodology

- An audit of notifications for Dunedin Casino has never been undertaken.
- Notifications from Dunedin Casino from 1 September 2019 to 1 March 2020 were assessed against 311(1) of the Gambling Act 2003 in accordance with Dunedin Casino's licence conditions and its Minimum Operating Standards.
- The Department has drafted interim findings based on its assessment.
- The interim findings will be provided to Dunedin Casino for comment and submissions.
- The Department will assess Dunedin Casino's comments/submissions against the interim findings.
- The Department will issue the final findings of the audit. A summary of Dunedin Casino's comments will be included in the final audit report against the respective criteria.

5. Strong Areas

- This desk-based audit found that Dunedin Casino has sound procedures in place to advise the Department of Breaches of Exclusion as soon as practicable via email.

6. Weak Areas

- The audit established that on the one and only occasion the required paperwork was not forwarded to the dedicated Casino email inbox which resulted in an additional follow up by the Department.

7. Audit Findings

Notifying of Breach of Exclusion

Minimum Operating Standards	Achieved
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Criteria

Minimum operating standard requires that a Gambling Regulator be notified as soon as practicable, the first contact may be by telephone to the designated number provided by the Department or any other method of communication agreed with the Department.

If it is not possible to contact a Gambling regulator as required, the person who is required to provide notification will be deemed to have done if he or she leaves a message on the designated telephone giving the nature and time of the incident and, if known, the details of the persons involved.

Finding

The Department is satisfied that Dunedin Casino is making initial notifications in the required timeframe

Dunedin Casino had notified the Department by email of one Breach of Exclusion occurrence in accordance with the minimum operating standards, during the period 1 September 2019 – 1 March 2020.

Conclusion

The Department found Dunedin Casino to have excellent procedures for notifying of any breach of exclusion within the expected timeframe and are compliant.

Providing Appropriate Documents

Standard Operating Procedure

Criteria

The standard operating procedure requires the copies of breach notice and Requirement to Leave Premises/Trespass Notice to be sent out to Department of Internal Affairs.

Finding

The Department has established that on the one and only occasion Dunedin Casino did not send out the breach paperwork within the required timeframe

On one occasion Dunedin Casino did not forward the relevant paperwork to the Casino email inbox in accordance with their standard operating procedure, during the period 1 September 2019 – 1 March 2020.

Conclusion

The Department found that at this one instance, Dunedin Casino did not provide all the required documents within the expected timeframe, hence have not achieved the objective.

8. Required Actions

The Department recommends that Dunedin Casino must implement procedural checks that ensures all the relevant paperwork is emailed to the Department within the required time frame.

10. Appendix

Breach Date	Subject Name	Type of Breach	Date Ems'l Notification Received	Ad Required Paperwork Received	Was Additional Followup Required?
5/09/2019		Breach of Exclusion	5/09/2019	After regulator request	Emailed Host Responsibility

DISCLAIMER

While our review is carried out in accordance with Department of Internal Affairs' standards, it cannot, and should not, be relied upon to detect every instance of misstatement, fraud, irregularity or inefficiency.

The responsibility for public accountability and the implementation and monitoring of internal and management controls rests with the holder of the class 4 operator's licence.



7 July 2020

Sarah MCKENZIE
Manager Operations Auckland
Regulatory Services
Department of Internal Affairs
12 16 Nicholls Lane
Parnell
AUCKLAND

Dear Sarah

Dunedin Casino Interim Report Breach of Exclusion Audit 2020

On the 10 November 2017 [REDACTED] came into Dunedin Casino and elected to self exclude for a period of 24 months. An email was sent to all relevant parties including the DIA. Included in the email was [REDACTED] personal details, his reasons for excluding, a head shot and a copy of the Exclusion Order.

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I should add that we have never previously sent through emails in the past.

I hope this explains Dunedin Casino's situation on this m

Yours sincerely

A handwritten signature in black ink, appearing to be 'G Purdon', with a large loop at the end of the line.

Geoff Purdon
Security/Surveillance/Host Responsibility Manager

Geoff Purdon

From: Geoff Purdon
Sent: Wednesday, 8 July 2020 10:56 a.m.
To: 'Sarah.McKenzie@dia.govt.nz'
Subject: Dunedin Casino Interim Report - Breach of Exclusion Notification Audit 2020
Attachments: 07072020171215.pdf

Sarah

Good morning

Please see attached letter in respect of the above matter.

Please get back to us with any additional queries.

Thanks.

Geoff.



BREACH OF EXCLUSION



Headshot

Patron's Details:

Last Name: [REDACTED]

First Name: [REDACTED]

Suspect ID: NZ Drivers Licence: [REDACTED]

Title: [REDACTED]

Address: [REDACTED] (last known)

City: [REDACTED]

Country: [REDACTED]

Phone: [REDACTED] (last known)

Ethnic Origin: [REDACTED]

Birth Date : [REDACTED]

Club Casino number: [REDACTED]

HISTORY

10/11/2017 – Dunedin Casino Self Exclusion (24 months).

Time of Events circling the Breach:

DATE: 5/9/2019

1417 hrs. [REDACTED] enters the Dunedin Casino premises .

A HEAVEN quickly identifies him as a possible exclusion.

[REDACTED] gambles on Blackjack for 2 minutes prior to being approached by W SMITH.

Identification confirmed.

1420 hrs. [REDACTED] is off site. Warning issued.

[REDACTED] conveyed that due to the time duration being up he thought that he could re-enter. I reiterated the re-entry criteria with documentation to assist if required. He claimed he knew how to get in contact with Salvation Army.

He was advised that if he has any questions or would like assistance to ring the Casino..

Thanks

Warren

Ps. Great work again by Angela HEAVEN.

Warren Smith

From: Warren Smith
Sent: Wednesday 1 July 2020 5:14 P.M.
To: Geoff Purdon
Subject: FW: Exclusion breach - [REDACTED]
Attachments: [REDACTED]

FYI

From: Warren Smith
Sent: Monday, 9 September 2019 7:23 P.M.
To: DunedinCasinoNotifications
Subject: RE: Exclusion breach - [REDACTED]

Copy attached.

Cheers

Warren

From: DunedinCasinoNotifications
Sent: Monday, 9 September 2019 9:25 A.M.
To: Warren Smith
Subject: RE: Exclusion breach - [REDACTED]

Cool.

Can you please send through a copy of the current exclusion order.

Thanks.

Stuart

From: Warren Smith <warrens@dunedincasino.co.nz>
Sent: Friday, 6 September 2019 1:40 PM
To: Dunedin Casino Notifications <DunedinCasinoNotifications@dia.govt.nz>
Subject: RE: Exclusion breach - [REDACTED]

Hi Stuart. It was indeed a breach as his exclusion does not expire until November. He believed that the time duration had finished.

Thanks

Warren

From: DunedinCasinoNotifications
Sent: Friday, 6 September 2019 1:26 P.M.
To: Warren Smith
Subject: RE: Exclusion breach - [REDACTED]

Hi Warren.

Can you please advise if this is a breach of a current exclusion order, or if the exclusion period has expired and the patron has not satisfied re-entry requirements.

If he has a current unexpired exclusion, please send me a copy in reply.

Thank you.

Stuart Fuller | Senior Gambling Regulator | Gambling Operations – Christchurch | Regulatory Services
Department of Internal Affairs | Te Tari Taiwhenua
Level One, 120 Hereford Street | P O Box 1308 | Christchurch 8011 | New Zealand
Mob: 027 2445468 | www.dia.govt.nz



Te Tari Taiwhenua Internal Affairs

From: Warren Smith <warrens@dunedincasino.co.nz>
Sent: Thursday, 5 September 2019 3:04 PM
To: Managers HostResponsibility <ManagersHostResponsibility@dunedincasino.co.nz>
Cc: Dunedin Casino Notifications <DunedinCasinoNotifications@dia.govt.nz>; Security <security@dunedincasino.co.nz>
Subject: Exclusion breach - [REDACTED]

Exclusion Breach

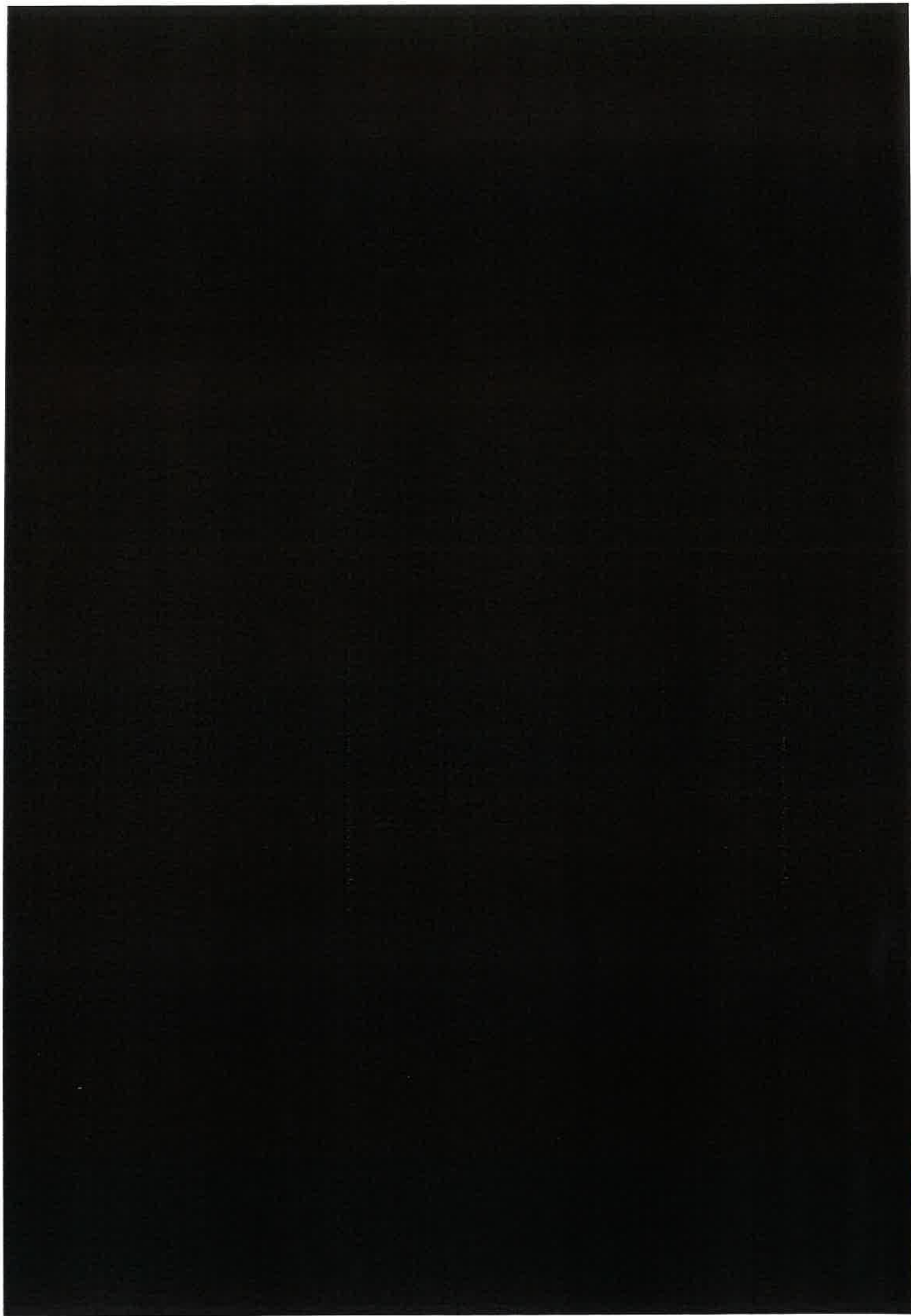
Name: [REDACTED]

Refer to document for details.

Cheers
Warren

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INTERNAL AFFAIRS

Te Tari Taiwhenua

Regulatory Services
Casino Compliance
Unit C, 100 Orchard Road, Harewood
P O Box 1308, Christchurch 8053
Freephone 0800 257 897
Fax +64 3 339 5492
Website www.dja.govt.nz

19 January 2016

Karen Williams
General Manager
Dunedin Casino
118 High Street
DUNEDIN 9016

Dear Karen,

Chip Stock Audit at Dunedin Casino – December 2015

The Casino Compliance Unit recently completed an audit of the Chip Stock at Dunedin Casino.

The audit covered the following areas:

- MOS Requirements are being complied with relating to chip stock.
- All previous internal and external audit recommendations have been actioned.

The audit found that Dunedin Casino has in place effective processes for its chip stock to ensure compliance with Minimum Operating Standards.

There were no matters identified that require attention.

Please contact me on (03) 339 5516 should you wish to discuss anything regarding the audit.

Yours sincerely,

G. Clark

Greg Clark
Senior Gambling Inspector
Southern Gambling Compliance Group
Christchurch

cc. Scott Cleaver, Cage Manager, Dunedin Casino.

Chip Stock AUDIT

Casino	
Auditor	
Audit date	

Refer to the audit guidelines for this audit

This is a responsive audit that is intended to be used in the event of notifications activity indicating heightened risk. As such auditors need to customise the audit to the issues at the time, subject to the below broad considerations.

Purpose of audit

The purpose of this audit is to ensure that casino processes for their Chip Stock follow Minimum Operating Standards

Risks

The following risks relate to Chip Stock:

- A range of events or errors (including collusion between staff) may result in breach of our Minimum Operating Standards and may compromise public confidence.
- Counterfeit Chips may be introduced and may compromise public confidence.

The following risks relate to all casino operations:

- Records not maintained or accessible
- Surveillance not being able to monitor and review activities could result in errors being undetected and un-remediated
- Previous recommendations not actioned

Key controls

The above risks are managed with the following controls:

- Financial documents processes and records
- Segregation of duties and departments
- Surveillance activity and records
- Internal and External audits
- Independent checks/pro-active monitoring by Surveillance, DIA and external auditors

Assurance requirements	Audit Question or method
MOS relating to chip stock are being complied with	Auditors need to target the audit method to the presenting issues
All previous internal and external audit recommendations have been actioned	Examine areas recommended for improvement at last audit to ensure ongoing compliance of improvement

Summary

Explain how the audit was undertaken (i.e. what records or recordings were reviewed, observations made, interviews conducted).

Explain any shortcomings discovered (i.e. for each adverse finding discuss what was discovered and why it is a material finding)

Commentary

In Need and for example: While this audit comprised a formal examination of our compliance standards that relate to Electronic Gaming Machines, the Department also observes and comments on an additional range of its expectations of casino operators.

In the course of this audit we observed several instances of

Recommendations

For example. The noted supervisory failing is likely to recur with current resourcing settings. Management should review resourcing and shift times to ensure that no underflow of supervisory staff occurs.

Chip Stock Audit Plan		A response audit used when notifications activity indicate heightened risk. Auditors can outsource the audit to premiting issues.				First Audit
Assurance requirements	Risks	Controls	Assurance Approach	Specific guidelines	Evidence	Pass?
MOS relating to chip stock are being complied with	A range of events or errors (including collusion between staff) may result in breach of our Minimum Operating Standards and may compromise public confidence.	Financial documents, processes and records	Auditors need to target the audit method to the presenting issues	to be completed by Casino Compliance		
	Counterfeit Chips may be introduced and may compromise public confidence.	Segregation of duties and departments				
	Records not maintained or accessible	Surveillance activity and records				
	Surveillance not being able to monitor and review activities could result in errors being undetected and un-remediated					
All previous internal and external audit recommendations have been actioned	Previous recommendations not actioned	Internal and External audits	Examine areas recommended for improvement at last audit to ensure ongoing compliance of improvement			
		Independent checks/pro-active monitoring by Surveillance, DIA and external auditors				

Training Audit

Casino	
Auditor	
Audit date	

Refer to the audit guidelines for this audit

This is a responsive audit that is intended to be used in the event of notifications activity indicating heightened risk. As such auditors need to customise the audit to the issues at the time, subject to the below broad considerations.

Purpose of audit

The purpose of this audit is to ensure that all licenced staff are adequately trained for the roles they undertake.

Risks

The following risks relate to Training:

- Untrained or undertrained staff may fail to provide a safe and informed environment

The following risks relate to all casino operations:

- Records not maintained or accessible
- Surveillance not being able to monitor and review activities could result in errors being undetected and un-remediated
- Previous recommendations not actioned

Key controls

The above risks are managed with the following controls:

- Relevant departmental MOS, including HRP
- NZQA certified training for certain roles e.g. security – some questions over this one
- Staff training programmes
- On-floor supervision
- Refresher training
- Personnel records
- Notifications to DIA
- Segregation of duties and departments
- Surveillance activity and records
- Internal and External audits
- Independent checks/pro-active monitoring by Surveillance, DIA and external auditors

Assurance requirements	Audit approach
All staff are sufficiently trained to perform their duties effectively	Auditors need to target the audit method to the presenting issues
Performance issues are managed appropriately	Select several cases of performance management and review
Personnel records are accurate and complete	Examine personnel records
All previous internal and external audit recommendations have been actioned	Examine areas recommended for improvement at last audit to ensure ongoing compliance of improvement

Summary

Explain how the audit was undertaken (i.e. what records or recordings were reviewed, observations made, interviews conducted).

Explain any shortcomings discovered (i.e. for each adverse finding discuss what was discovered and why it is a material finding)

Commentary

In Need and for example: While this audit comprised a formal examination of our compliance standards that relate to Electronic Gaming Machines, the Department also observes and comments on an additional range of its expectations of casino operators.

In the course of this audit we observed several instances of

Recommendations

For example. The noted supervisory failing is likely to recur with current resourcing settings. Management should review resourcing and shift times to ensure that no underflow of supervisory staff occurs.

Training Audit Plan

A response audit used when notifications activity indicate heightened risk. Auditors can customise the audit to presenting issues.

First Audit

Assurance requirements	Risks	Controls	Assurance Approach	Specific guidelines	Evidence	Pass?
All staff are sufficiently trained to perform their duties effectively	Untrained or undertrained staff may fail to provide a safe and informed environment	Relevant departmental MOS, including HIP NZQA certified training for certain roles e.g. security - some questions over this one Staff training programmes On-floor supervision		to be completed by Casino Compliance		
Performance issues are managed appropriately		Refresher training	Select several cases of performance management and review			
Personnel records are accurate and complete	Records not maintained or accessible	Personnel records Notification to DIA Segregation of duties and departments	Examine personnel records			
	Surveillance not being able to monitor and review activities could result in errors being undetected and unremediated	Surveillance activity and records				
All previous internal and external audit recommendations have been actioned	Previous recommendations not actioned	Internal and External audits Independent checks/pro-active monitoring by Surveillance, DIA and external auditors	Examine areas recommended for improvement at last audit to ensure ongoing compliance of improvement			

Minors Audit

Casino	
Auditor	
Audit date	

Refer to the audit guidelines for this audit

Purpose of audit

The purpose of this audit is to ensure operator processes for preventing minors from entering the gambling floor, and for dealing with minors found on the floor are effective.

Risks

The following risks relate to Minors:

- Human failure may result in minors gaining access.
- Minors may be able to gamble once they have gained access
- Staffing levels may be inadequate to prevent access

The following risks relate to all casino operations:

- Records not being maintained or accessible
- Surveillance not being able to monitor and review activities could result in errors being undetected and un-remediated
- Previous recommendations not actioned

Key controls

The above risks are managed with the following controls:

- Security activity and records
- Segregation of duties and departments
- Surveillance activity and records
- Corporate policies address contractors and entertainers being over 20
- Staff policies related to responsibilities are maintained
- Notification requirements
- Independent checks and pro-active monitoring by Surveillance, DIA and external auditors.

Assurance requirements	Audit approach
Security MOS requirements for restricting entry of minors are followed	Records for turn-aways, notifications of minors found. Observation of security staff conducting checks on entry, in person or via CCTV. Checks of ID on the floor by inspector
Security MOS requirements for minors found on the gaming floor were followed	Review Notifications of minors found relevant incident report. Review Surveillance in need.
HRP requirements relating to underage persons are met	As above
The requirements of the Records and Notifications MOS are followed	Review notifications
Up to date, complete, legible and accurate records of minors found on the gaming floor are kept.	Examine records
Corporate processes for Contractors and entertainers follow policy and disallow minors	Staff entrance procedures. **Talk to person responsible for booking entertainers, and property services manager for contractors, to ** initially understand how they do it and then comment, recommend etc to ensure that a process exists
Surveillance can monitor and review activities	Examine surveillance activity
Previous audit recommendations have been actioned	Examine areas recommended for improvement at last audit to ensure ongoing compliance of improvement

Summary

Explain how the audit was undertaken (i.e. what records or recordings were reviewed, observations made, interviews conducted.

Explain any shortcomings discovered (i.e. for each adverse finding discuss what was discovered and why it is a material finding)

Commentary

In Need and for example: While this audit comprised a formal examination of our compliance standards that relate to Electronic Gaming Machines, the Department also observes and comments on an additional range of its expectations of casino operators.

In the course of this audit we observed several instances of

Recommendations

For example. The noted supervisory failing is likely to recur with current resourcing settings. Management should review resourcing and shift times to ensure that no underflow of supervisory staff occurs.

Minors Audit Plan

First Audit

Assurance requirements	Risks	Controls	Assurance Approach	Specific guidelines	Evidence	Pass?
Minors are prevented from entering the gaming floor	Minors may gain access to the gaming floor	Security activity and records	Review records for turn-aways and notifications of minors found. Observation of security staff conducting checks on entry, in person or via CCTV.	To be completed by Casino Compliance		
Minors on the gaming floor are identified and removed	Minors may be able to gamble once they have gained access	Notifications of minors found Security & Surveillance activity and records	Review notifications of minors found. Observation of security staff.			
Corporate processes for Contractors and entertainers reflect policy and work to prevent minors having access	Some contractors and entertainers may be under 20 and breaking law by being in the venue	Corporate policies address contractors and entertainers being over 20	Ascertain that the relevant corporate processes advise contractors and check for minors among contractors	** Talk to person responsible for booking entertainers, and property services manager for contractors, to initially understand how they do it and then comment, recommend etc to ensure that a process exists		
Up to date, complete, legible and accurate records of minors found on the gaming floor are kept	Records may not be maintained or accessible	Records and Notifications Minimum Operating Standard	Examine Security and Surveillance records to ensure that they are current and available			
Surveillance can monitor and review activities	Surveillance may not be able to monitor and review activities, which could result in errors being undetected and unremediated	Independent checks and pro-active monitoring by Surveillance, DIA and Internal auditors	Examine surveillance activity. Ensure various roles are fulfilled by an appropriate number of staff			
Previous audit recommendations have been actioned	Previous audit recommendations may not have been actioned	Segregation of duties and departments	Examine areas recommended for improvement at last audit to ensure ongoing compliance of improvement			

22 September 2015

Manager

Dear

Minors Access Audit at

The Casino Compliance Unit recently completed an audit regarding access of Minors to the Gambling Area at

The audit covered the following areas:

- MOS Requirements for restricting entry of minors are followed.
- MOS Requirements relating to minors found on the gaming floor are followed.
- Host Responsibility requirements relating to underage persons are met.
- MOS Records and Notifications are followed.
- Accurate records of minors found on the gaming floor are maintained.
- Processes for Contractors and Entertainers disallow minors.
- Surveillance can monitor and review activities.

The audit found that Casino has sufficient processes in place to restrict the access of minors to the gambling areas and that the systems and processes work effectively.

There were no matters identified as requiring attention.

Please contact me on should you wish to discuss anything regarding the audit.

Sincerely

Team Leader
Gambling Compliance Group

27 August 2015

Manager

Dear Jonathan,

**Minors Access Audit at
2015**

- August

The Casino Compliance Unit recently completed an audit regarding access of Minors to the Gambling Area at

The audit covered the following areas:

- MOS Requirements for restricting entry of minors are followed.
- MOS Requirements relating to minors found on the gaming floor are followed.
- Host Responsibility requirements relating to underage persons are met.
- MOS Records and Notifications are followed.
- Accurate records of minors found on the gaming floor are maintained.
- Processes for Contractors and Entertainers disallow minors.
- Surveillance can monitor and review activities.

The audit found that casino has processes in place to restrict the access of minors to the gambling areas and that the systems and processes work effectively.

The only risk area identified related to the potential for a person in the restaurant area at casino to gain access to the gambling area via the toilet area adjoining both gambling and restaurant areas without passing the front desk where the static Security Officer is located.

It was considered this risk could be minimised, whenever deemed necessary, by the placement of a temporary barrier in this area.

Please contact me on should you wish to discuss anything regarding the audit.

Table Games Audit

Casino	
Auditor	
Audit date	

Refer to the audit guidelines for this audit

Purpose of audit

The purpose of this audit is to ensure the integrity of table games (i.e. compliance with Game Rules and Minimum Operating Standards)

Risks

The following risks relate to table games:

- Untrained staff could fail to ensure game rules and processes are correctly followed
- Faulty equipment could affect game results
- Compromised equipment security (e.g. cards, shoes) could affect game results
- Levels of supervision could fail to ensure staff are conducting games appropriately
- Rules not being adhered to could affect game results
- Any control weakness could be exploited by patrons or staff to cheat the casino

The following risks relate to all casino operations:

- Records not being maintained or accessible
- Surveillance not being able to monitor and review activities could result in errors being undetected and un-remediated
- Previous recommendations not actioned

Key controls

The above risks are managed with the following controls:

- Maintenance schedules, checks and records
- Segregation of duties and departments
- Surveillance activity and records
- Table Games reporting and records
- Application of Game Rules and Minimum Operating Standards
- Supervisory activity
- Training of Table Games staff
- Internal and External audits
- Independent checks and pro-active monitoring by Surveillance, DIA and external auditors.

Assurance requirement	Audit Approach
All table Games staff are trained in accordance with approved training standards	Review of a sample of training records show no table games staff require training to meet approved standards
Surveillance Department independently and proactively monitor TG operations and review any incidents and disputes	Surveillance Dept. can demonstrate that surveillance activity is sufficient to identify game floor issues
TG equipment is approved, securely stored, regularly maintained, and disposed of appropriately	Reviewed sample s of equipment records and schedules are complete and accurate with no outstanding maintenance or calibration requirements
<i>TG are conducted in accordance with game rules, records are maintained, and exceptions are managed appropriately</i>	
<i>Supervision ratio is correctly applied</i>	Review of Surveillance and Incident Review audit findings, as well as auditor observation
Previous internal and external audit recommendations have been actioned	Examine areas recommended for improvement at last audit to ensure ongoing compliance of improvement

Summary

Explain how the audit was undertaken (i.e. what records or recordings were reviewed, observations made, interviews conducted).

Explain any shortcomings discovered (i.e. for each adverse finding discuss what was discovered and why it is a material finding)

Commentary

In Need and for example: While this audit comprised a formal examination of our compliance standards that relate to Electronic Gaming Machines, the Department also observes and comments on an additional range of its expectations of casino operators.

In the course of this audit we observed several instances of

Recommendations

For example. The noted supervisory failing is likely to recur with current resourcing settings. Management should review resourcing and shift times to ensure that no underflow of supervisory staff occurs.

Table Games Audit Plan

Table Games Audit Plan				First Audit		
Assurance requirements	Risks	Controls	Assurance Approach	Specific guidelines	Evidence	Pass?
All table Games staff are trained in accordance with approved training standards	Untrained staff could fail to ensure game rules and processes are correctly followed	Maintenance schedules, checks and records	Review of a sample of training records show no table games staff require training to meet approved standards	to be completed by Casino Compliance		
Surveillance Department independently and proactively monitor TG operations and review any incidents and disputes	Faulty equipment could affect game results	Segregation of duties and departments	Surveillance Dept. can demonstrate that surveillance activity is sufficient to identify game floor issues			
TG equipment is approved, securely stored, regularly maintained, and disposed of appropriately	Compromised equipment security (e.g. cards, shoes) could affect game results	Surveillance activity and records	records and schedules are complete and accurate with no outstanding maintenance or calibration			
TG are conducted in accordance with game rules, records are maintained, and exceptions are managed appropriately	Levels of supervision could fail to ensure staff are conducting games appropriately	Table Games reporting and records	Review a sample of games and applicable records to determine the quality of game conduct. Check that identified errors from sample have been addressed.			
	Rules not being adhered to could affect game results	Application of Game Rules and Minimum Operating Standards	games incidents or issues to ensure appropriate process has been followed.			
	Any control weakness could be exploited by patrons or staff to cheat the casino	Supervisory activity	Review of Surveillance and Incident observation			
	Records not being maintained or accessible	Training of Table Games staff	Improvement at last audit to ensure			
Supervision ratio is correctly applied	Surveillance not being able to monitor and review activities could result in errors being undetected and unremediated	Internal and External audits				
Previous audit recommendations have been actioned	Previous audit recommendations may not have been actioned	Independent checks and pro-active monitoring by Surveillance, DIA and external auditors.	Examine areas recommended for improvement at last audit to ensure ongoing compliance of improvement			



Te Tari Taiwhenua
Internal Affairs

Dunedin Casino limited

Final Audit Report

Compliance Audit of Dunedin Casino's VIP programme May 2021



Audit Details

Auditee	Dunedin Casino Limited
Audit name/reference	Dunedin Casino VIP Audit – CAS-21-05
Audit date	May 2021
Audit issue	August 2021

Audit Team

Role	Name	Contact
Previous audit lead	Stuart Fuller, Senior Gambling Regulator	No longer works for Department
Current audit lead	Metua Sadler, Gambling Regulator	027 294 9102 Metua.Sadler@DIA.Govt.NZ

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1. Purpose of the audit

This audit will determine whether Dunedin Casino Ltd (DCL) is adhering to its host responsibility obligations regarding its VIP programme.

As the regulator we want to ensure that DCL is meeting the objectives of its Host Responsibility Programme (HRP) in:

- Preventing the onset of gambling harm;
- Minimising gambling related harm, and;
- Facilitating responsible gambling.

The audit will test whether:

- DCL is following its Standard Operating Procedures (SOPs) in relation to its VIP customers, specifically assurance checks around affordability and source of funds;
- DCL is using its Problem Gambler Identifier Policy (PGIP) to identify actual or potential problem gamblers;
- DCL is taking all reasonable steps to assist persons including issuing exclusions orders if appropriate.

2. Executive summary

The Department has found that DCL have a clear understanding of what is required of them for the monitoring and identifications of problem gamblers from the HRP and PGIP, and that the staff actively intervene with patrons at all levels of play when problem gambling signs are identified.

An interim report was sent to DCL on 29 June 2021 and the response from DCL was received on 15 July 2021. The responses provided by DCL comment on the recommendations set out in this audit, specifically acceptance of the recommendations and plans on how DCL will implement the recommendations. This includes a planned date by which the recommendations will be implemented. The planned dates proposed by DCL and their comments on these dates have been added to the recommendation section.

As the response provides no comment on the rest of the audit report, the audit findings remain unchanged from the interim audit report.

There are several areas of the audit we considered partially achieved that stemmed from a lack of formal policy specific to the VIP programme, rather than a lack of understanding of the staff's responsibilities towards problem gambling.

During the conduct of the audit, the Department has taken into account that there is no specific legislation that requires the casino to have a separate programme for VIP's, and that there have not been any known serious issues with problem gamblers in the VIP programme for Dunedin Casino.

The audit findings are summarised below:

Area	Finding
SOP's exist to govern the use of the programme	Partially achieved
Process for allowing players entry to the programme	Partially achieved
Ongoing monitoring of VIP players	
Credit arrangements with VIP members	Not Applicable
Due diligence checks on source of funds	Partially achieved
Ongoing affordability of VIP players	Partially achieved

3. Background

Dunedin Casino was licensed under section 37 of the Casino Control Act 1990 on 17 September 1993. The holder of the operator's licence is Maxims Management Limited.

The casino premises licence is held by DCL and the Chief Executive Officer is currently Dominique Dowding.

At the time of the interview stage of the audit, DCL had changed their operating name from Dunedin Casino to Grand Casino. The Department had not been notified of this change before our arrival for the audit.

DCL had contacted the Gambling Commission regarding the operating name change process and were informed there is no legislative requirement for changing the operating name or any requirement to notify the Department of an operating name change.

For the purpose of this audit, any reference to the Casino will be recorded as either DCL or Dunedin Casino rather than Grand Casino.

DCL does not have a specific VIP programme, instead VIP's are incorporated into the loyalty programme (Club Casino) available to all members of the public.

The loyalty programme was under review by DCL before the audit began. By the time the audit had reached the interview stage, a new loyalty programme had been developed and has been in place for several days.

For the purpose of this audit, VIP members are considered to be those at the highest tier (elite) of DCL's new loyalty programme. There were approximately 70 people in elite level at the time of this audit.

This is the first audit undertaken focussing solely on DCL's VIP programme.

4. Scope

The audit assessed DCL's performance in managing its VIP programme, in particular:

- The overall structure of the programme
- Relevant policies/SOPs are in place governing the use of the programme and are reviewed regularly

- Processes, procedures and criteria for entry into the programme (including due diligence checks)
- Processes and procedures for members moving up a tier of the programme
- Processes and procedures around the use of loyalty data analytics for identifying potential problem gamblers and in reporting problem gambler concerns
- Business/credit arrangements with VIP members
- Due diligence checks are undertaken to ensure that funds are not sourced from the proceeds of crime nor from loansharking activities
- Regular checks are made as to the ongoing affordability of players to remain in the elite level

Legislative requirements

There is no legislation specific to the conduct of VIP gamblers and VIP programmes. Relevant legislation is limited to the identification of problem gamblers and the duty of care expected by a Casino Operator under their HRP and PGIP. Legislation specific to these duties and relevant to the audit are listed below:

The Gambling Act 2003 (the Act)

- s308 (4)
- s309(A)
- s316

The audit will also be tested against the following:

- The Casino Operator's Licence
- Standard Operating Procedures (SOP's)

The audit is limited to testing DCL's host responsibility obligations for casino VIP customers. Out of scope are DCL's full host responsibility programme and junket programme.

5. Methodology

The audit calls for documentation to be supplied for analysis followed by a visit to the casino to interview relevant staff and test the implementation and controls of the programme against the audit criteria.

Documentation required

A documentation request was issued to DCL for the following:

- VIP programme policy and guidelines, including documentation related to the creation, implementation, review and ongoing monitoring of the programme.
- Standard Operating Procedures related to the VIP programme.
- Documentation to evidence the process undertaken in allowing patrons entry to the programme.
- Documentation to evidence ongoing monitoring of VIP members in terms of financial ability, minimising gambling harm etc.
- List of all patrons currently in the programme.
- Any current business arrangements and/or credit arrangements with VIP patrons.

Undertaking the audit

A full analysis was undertaken of the documentation supplied. This tested DCL's process in developing, monitoring and controlling the VIP programme. No further documents were required.

A visit was made to DCL to interview four staff and managers, all of whom interact with VIP players. They were:

- Geoff Purdon – Security/Surveillance/Host Responsibility Manager
- Stu Heaton – Security/Surveillance/Host Responsibility Shift manager
- Gerard Bolger – Gaming Operations Manager
- Claire Crosbie – VIP/Loyalty Manager

Answers to the interview questions were recorded in an interview sheet.

This interim report has been written recording the findings of the audit against the audit criteria (pass or fail). The report will be issued to DCL for comment before any outcome is arrived at.

A final report will then be approved and issued, and any required actions programmed for follow-up.

6. Strong areas

- DCL has a detailed PGIP and HRP and the staff have a clear understanding of how to use these to identify and monitor problem gamblers.
- The strength of these programs has allowed for DCL to identify problem gamblers in the VIP programme without the implementation of a VIP specific PGIP.
- Staff were knowledgeable about the processes around the VIP programme, even if there were no written policies on some sections.
- It is clear that there is frequent and effective communication between casino staff for potential problem gambling issues.

7. Weak areas

- DCL does not have policies for identifying problem gambling specific to those in the VIP programme.
- There are minimal documented processes for identifying and monitoring problem gamblers in the VIP programme.
- Local knowledge is used in place of formal processes for diligence checks around source of funds.
- There is no policy for monitoring the ongoing affordability of VIP players.

8. Audit findings

Standard operating Procedures (SOP's)

SOP's exist to govern the use of the programme and are adhered to

Partially Achieved

Criteria

SOP's exist that clearly link to the governance of the VIP programme.

Rationale

- DCL has provided a copy of their HRP which incorporates their SOP's.
- The SOP's discuss the identification and treatment of problem gamblers and are not specific to VIP's. Interviews with staff members state that the SOP's are implemented equally to regular patrons and VIP's.
- DCL have provided minimum operating standards (MOS) for their loyalty programme named Club Casino. For the purpose of the audit, any reference to MOS will be specific to the Club Casino loyalty programme.
- The MOS was provided to the Department before DCL had changed their loyalty programme. The MOS uses terminology and VIP levels specific to the previous loyalty programme.
- During the site visit, DCL informed the Department that the MOS was under review for the new program and that any guidance given during the audit would be incorporated into the new MOS.
- For the purpose of the audit, the MOS is treated as applying to the new loyalty programme.
- The MOS states that Club Casino is a marketing tool and outlines the benefits of Club Casino to its players.
- The MOS references the HRP and PGIP but includes minimal information on harm prevention and minimisation.
- The MOS has one small section dedicated to excluded and trespassed members.
- The MOS lacks specific information on what to consider when determining whether a patron should enter the programme, be elevated to the elite level, or any reference to ongoing monitoring of players to determine if they should remain in the elite level.
- Considering the above, the Department recommends DCL draft SOP's specific to the elite level of the loyalty programme.
- During the review of the Club Casino policy, DCL should include within the MOS what factors will be considered when assessing players for membership, particularly into the elite level.

- The MOS should also include detailed guidance regarding the on-going monitoring of players in order to prevent and minimise gambling harm. This should include determining if someone should remain in the elite level, and what factors to consider when making such decisions.

Process for allowing players entry to the programme

A documented process is in place outlining how entry to the programme is managed

Partially Achieved

Criteria

Full records are maintained of decisions made in allowing players entry to the VIP loyalty programme.

Rationale

- Once DCL staff identify an individual meets the requirement to become an elite member, the player is provided with an application form to complete.
- The application form includes questions around whether they are comfortable with the time they spend in casino, the amount of money they spend, and the frequency of their visits.
- The application form does not include any assessments from DCL regarding the patrons amount of spend, frequency of visits and any other assessment of an individual's problem gambling risk as perceived by the casino.
- Following completion of the form, the patron's name is circulated by email to security and surveillance staff and some management staff for comment. There is no particular storage requirement for these emails beyond being retrievable through an individuals inbox.
- A lack of response to the email is considered to be staff giving no adverse comments, and any verbal response to the email will be considered in the decision making process but will not be recorded in writing.
- If no adverse comments are received the patron will be granted elite status.
- During the site visit, the CEO stated that an additional step to the process was recently added where the CEO was required to approve all elite member applications after it had gone through the regular review process. Staff were yet to be informed of this decision at the time of the audit.
- Different staff are involved at each step of the process, and any documentation created through the process is stored within their own individual systems.
- Considering the above, the Department recommends DCL create a file for each patron moving to elite status with a single point of storage for all information related to this process.

- This file should include the history of the patrons gambling, the application form completed by the patron, written or verbal comments and feedback from other staff, the formal decision by the CEO including the date and time of the decision, and anything else that could be relevant to the decision made.
- DCL should also consider adding an additional step to the process by conducting a risk analysis of the patron's gambling behaviour. This analysis should take into account DCL's PGIP and HRP, with particular focus on the patrons amount of spend, frequency of visits, and length of gameplay.

Ongoing monitoring of VIP players

All VIP players are actively monitored

Criteria

VIP players are actively monitored in order to identify problem gamblers and prevent and minimise harm as required by DCL's HRP and PGIP.

Rationale

- DCL utilises their own reporting and recording systems for player information called iTrak and CMP.
- The use of loyalty cards when playing helps track and monitor player spend and visitation frequency, however it is not mandatory for patrons to play carded.
- In cases where VIP's do not use their card, there is a reliance on monitoring by staff and standard surveillance checks.
- VIP's have a high priority interest file, meaning that casino staff are more likely to interact with them for higher quality service reasons not related to problem gambling.
- Beyond the extra monitoring that may occur for service reasons, there is no special monitoring for VIP's in comparison to other players for problem gambling reasons.
- Regular reports are run to monitor players spend and gambling behaviour. Staff on the casino floor also make regular sweeps through the casino to check on patrons' behavioural issues and any variances in spending.
- Individual player's points earned within DCL's club casino programme are now zeroed every quarter to assist in monitoring for changes in gambling trends, and potential signs of harm. This is seen as a good initiative in monitoring trends in players.
- Although there is no policy specific to the monitoring of VIP players, the HRP and PGIP adequately covers for all patrons, regardless of levels of spend.

Business or credit arrangements with VIP players

Due diligence checks carried out

Not applicable

Criteria

DCL has carried out due diligence checks on all players for which they provide a business or credit arrangement.

Rationale

- DCL does not provide credit arrangements for VIP players or any players.
- DCL has no system in place and no intention to allow for credit arrangements now or in the future.
- Considering the above, this section has been recorded as not applicable.

Due diligence checks on source of funds

Checks on source of funds are undertaken and documented

Partially Achieved

Criteria

Due diligence checks are undertaken to test that funds are not sourced from the proceeds of crime, and those checks are documented.

Potential loan sharking behaviour is continually monitored, and any concerns are recorded.

Rationale

- Any checks undertaken regarding source of funds are rare are not formally recorded.
- Interviews with the managers and staff revealed the following:
 - Since most VIP players are local and known to the casino, the managers and staff believe that a formal check for source of funds is not required.
 - Online searches are usually conducted by the Host Responsibility Manager (HRM) on VIP members to determine the affordability of a patrons gambling.
 - HRM's will use publicly available information and a personal understanding of the work market to determine a rough estimate of a patron's salary and their ability to afford high levels of gambling.
 - DCL has a policy of not allowing gang members or known associates entry to the casino. Managers have stated that they maintain a close relationship with police in order to keep up to date with persons of interest they may require additional monitoring if they enter the Casino.
 - HRM's are expected to monitor local and national news and match this information with casino membership lists to identify possible matters of concern. They are also expected to conduct online searches on suspicious individuals in order to consider refusing entry for these people.

- The Department was also advised that loansharking is not an issue in the casino. Staff are aware of the need to continually monitor for signs of loansharking – eg players passing money to another player. Staff have been trained to notify a supervisor if these signs are identified. Any incidents are recorded in iTrak and the offender is issued a trespass notice and asked to leave. The Department is informed by email of any such incidents.
- Considering the above, although DCL considers it has sufficient checks in place to monitor this area, the Department recommends that formal enquiries are made with VIP players on a regular basis as to source of funds, and the results of those enquiries appropriately documented and recorded.

Ongoing affordability of VIP players

Checks on affordability are undertaken and fully documented	Partially Achieved
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Criteria

A documented process shows evidence that the necessary due diligence checks on player affordability have been carried out.

Rationale

- There is no written policy or process around verification of the ongoing affordability of VIP players. A player's suitability to be in any level of the loyalty club is determined primarily by level of spend and points earned.
- Interviews with the staff and managers revealed the following:
 - Because of the size of the casino, and the fact that most players were local, VIP players are well known to staff, therefore these checks are not often undertaken.
 - VIP's are communicated with frequently, questions asked around their job etc, but generally no physical documents are requested to verify affordability.
 - Conversations where staff are looking for specific information from the patron are recorded in iTrak. All interactions with HRM's and patrons are recorded in iTrak.
 - Any conversation that staff have with VIP's where the patron is showing any signs of gambling harm, including affordability, are reported to managers and recorded in iTrak.
 - There have been a small number of cases where evidence of income/standing has been requested from players and added to iTrak.
- Considering the above, the Department recommends DCL implement a process where regular affordability checks are made with VIP players, and those checks are specifically documented.
- As affordability is a matter that requires continuous monitoring and reassessment, having a process in place for regular affordability checks would assist DCL in fulfilling its obligations to prevent and minimise the onset of gambling harm.

9. Required actions and recommendations

As there is no legislation specific to the conduct of VIP gamblers and VIP programmes, there are no required actions from the Department. Instead, the Department offers several recommendations to uplift practice in order to achieve the best possible outcome for those that may be affected by problem gambling in the VIP programme.

These recommendations are developed in line with DCL's approach to best practice in the provision of responsible gambling, and their commitment to providing a safe, secure and responsible environment in which members of the community are able to enjoy themselves.

Area	Recommendation	By
SOP's exist to govern the use of the programme	<p>DCL should consider drafting SOP's specific to the elite level of the loyalty programme.</p> <p>Guidance and policy around what factors should be considered when assessing players for membership should be included.</p> <p>Also included should be detailed guidance for on-going monitoring of players in order to prevent and minimise gambling harm, guidance to determine if they should remain in the elite level, and what factors to consider when making such decisions.</p>	Gaming will complete by September 1 st .
Process for allowing players entry to the programme	<p>All documentation assessed when considering moving players to elite status should be kept and filed with the application form.</p> <p>The application form, in addition to seeking patron's views as to whether they are comfortable with their gambling in the casino, should also include the casino's assessment of the players gambling behaviour.</p>	Gaming will complete by September 1 st .
Due diligence checks on source of funds	Formal enquiries are made with VIP players on a regular basis as to source of funds, and the results of those enquiries appropriately documented and recorded.	Dunedin Casino has engaged opportune AML experts to assist with improving our systems. Opportune, Compliance and Gaming will be creating a new set of procedures to address this issue taking into account SkyCity and Christchurch Casino procedures to be completed by December 2021.

Ongoing Affordability of VIP members	A process implemented where regular affordability checks are made with VIP players, and those checks are specifically documented	Dunedin Casino has engaged opportune AML experts to assist with improving our systems. Opportune, Compliance and Gaming will be creating a new set of procedures to address this issue considering SkyCity and Christchurch Casino procedures to be completed by December 2021.
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10 December 2019

Stuart FULLER
Senior Gambling Regulator
Gambling Operations-Southern
Department of Internal Affairs
PO Box 1308
CHRISTCHURCH

Dear Stuart

RE: HOST RESPONSIBILITY PROGRAMME AUDIT

Firstly apologies in the delay in replying to you. We were able to get everyone together late last week to discuss the various recommendations made by you and will address these further in this letter.

We appreciated the full audit undertaken by you and your team. While we strive hard to ensure we are always fulfilling our obligations under our Host Responsibility Programme (HRP), we are always open to recommendations and subsequent improvements. It was pleasing to see that overall, you believed the HRP was well managed and good practices observed in all areas.

Changes to the HRP regarding making the Agreed Limitation Programme (ALP) available to all patrons

Since the audit was undertaken, we have introduced pre-commitment on all our machines. This has the effect of Club Casino members having the ability to set their own limits on their play. Pre-commitment is not suitable for table players. All staff speaking to patrons around potential problem gambling are aware that ALP is available for any Club Casino member. Any non-member will be advised that if they wish to avail themselves of ALP, they will need to join up as a member.

Training for all front-line staff provides clarification regarding their ability to require identification from patrons

While all front-line staff have the ability to request to view a patron's identification, there is always a security presence not far away and most staff tend to advise those staff if they have a particular concern. Having said that all managers have been advised to brief their staff on the fact that they can themselves request to look at a patron's identification. All bar staff in particular are told to check identification if they have any doubts when serving alcohol. We do not generally have an issue with minors gambling at the casino as outlined in your report.

Consider further reducing the threshold for continuous play

While our HRP requires us to monitor players and take action when they have been gambling continuously for five hours, we certainly do not wait for that period of time to elapse before speaking to patrons. If there are problem gambling signs being shown by any patron, that we believe warrant an intervention/interaction, we will speak to them irrespective of the time they have been gambling. At this stage, we do not intend to alter our HRP in respect to continuous play.

Greater analysis of patron data and behaviour and sharing of information when considering the elevation of patrons within the loyalty programme

Prior to this audit being conducted, Dunedin Casino had changed its method with dealing with patrons being elevated within the loyalty programme. Currently, the Gaming Manager in charge of changing players within tiers now sends out an email to all relevant managers with his intention. This allows for a full assessment to be made by a number of people before a final decision is made. An analysis of their play will certainly be a factor in the decision making.

Analytical data supporting the post-assessment evaluation of promotions be included with the evaluation checklist

A financial summary of promotions is completed where possible, recorded online, and available for perusal by managers. In addition to the summary analysis there is also a workbook containing the details of all individuals participating in each promotion. We have such records going back to 2013. A thorough analysis has been conducted on a number of promotions. While there is invariably a spike in some players level of spend during the time of the promotion, analysis over a longer period indicates that their total spend does not tend to vary too much. An example used was a Briscoes 60% off sale. There will be a spike in spending for the period of the sale, but that will be negated by slower sales over the preceding days. Those analysis reports are all detailed on a spreadsheet and available for viewing if someone wishes to do so.

Formally recording minutes of post-promotion meetings, and inclusion of additional data for consideration in those meetings

Each week a Marketing meeting is held to discuss both future promotions and discussion on post-promotions. From now on, minutes will be kept of such meetings including an assessment made of promotions that have concluded.

More effective sharing of patron information among operational areas when considering re-entry following exclusion and inclusion of the re-entry process in the HRP

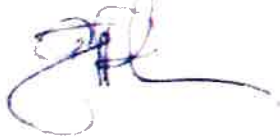
Dunedin Casino will send out an email to the relevant managers when considering a person for re-entry to the casino. While this has often been done in the past, it will be formalised and relevant documentation placed on the patron's file. Dunedin Casino does not automatically grant re-entry. A

A letter was recently received for a patron who had completed their exclusion requirements but we decided to not allow entry for at least another year.

The process which Dunedin Casino follows will be fully detailed on future HRP's submitted to the Commission.

Once again, thanks for the extensive audit, it is great to have some 'fresh eyes' looking at the way we do things. I can assure you that the team at Dunedin Casino are striving hard to ensure we are not only meeting our Host Responsibility requirements, but exceeding them.

Yours sincerely



Geoff Purdon

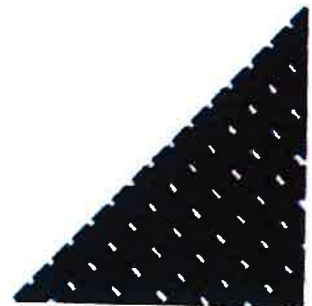
Security/Surveillance/Host responsibility Manager



Te Tari Taiwhenua
Internal Affairs

Dunedin Casinos Management Limited

Host Responsibility Programme Audit
March 2019



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Auditee	Dunedin Casinos Management
Auditor	Department of Internal Affairs
Audit project team	Stuart Fuller Sonya Karatau-Neeson Malia Ah Lam
Audit date	March 2019
Audit issue	October 2019

1. Executive summary

This report provides an evaluation of Dunedin Casinos Management Limited's (DCML's) level of performance in host responsibility as it relates to gambling, resulting from an audit undertaken by the Department of Internal Affairs (the Department) in March 2019. The audit assessed DCML's performance against established standards, legal requirements and its Host Responsibility Programme (HRP). The audit was also an opportunity to provide feedback on good practice,¹ offer recommendations for lifting performance and to address any areas of non-compliance.

The audit assessed DCML as largely performing well in meeting the requirements of its HRP. DCML's management was proactive in ensuring staff were knowledgeable with their host responsibility requirements and in ensuring that the HRP is properly implemented. A summary of the findings is in the following table:

Area	Finding
Monitoring and reporting	
Identification of problem gamblers	
Long hours of play	Achieved with recommendations to lift practice
Record keeping	
Responsible marketing	Achieved with recommendations to lift practice
Unattended children	
Underage persons	Achieved with recommendations to lift practice
Exclusions	Achieved with recommendations to lift practice
Gambling limitation	Achieved with recommendations to lift practice
Learning and development	

¹ Good Practice is used where no clear guidelines or standards have been defined. Best practice terminology has been used throughout this report where best practice has been identified by the Department.

Area	Finding
Employee gambling-related harm	
Safe gambling environment	
Display of signage and provision of gaming information	
Environmental design	

The audit found that DCML's exclusion programme was largely well managed and good practices were observed in the areas of data analysis, behavioural indicators, monitoring and reporting, and in providing a safe gambling environment.

DCML is commended for demonstrating a genuine desire to create and maintain a safe and supportive environment for gamblers. However, the Department has made recommendations to further lift practice in the following areas:

- Changes to the HRP regarding making the Agreed Limitation Programme (ALP) available to all patrons.
- Training for all front-line staff provides clarification regarding their ability to require identification from patrons.
- Consider further reducing the threshold for continuous play.
- Greater analysis of patron data and behaviour and sharing of information when considering the elevation of patrons within the loyalty programme.
- Analytical data supporting the post-assessment evaluation of promotions be included with the evaluation checklist.
- Formally recording minutes of post-promotion meetings, and inclusion of additional data for consideration in those meetings.
- More effective sharing of patron information among operational areas when considering re-entry following exclusion and inclusion of the re-entry process in the HRP.

2. Purpose of the audit

The purpose of this audit is to ensure DCML has implemented its HRP and is meeting its obligations to reduce harm.

DCML is required under its operator licence to ensure that it operates in compliance with its Gambling Commission (the Commission) approved HRP.

The Commission must conduct a review of DCML's HRP at least every two years. The HRP was approved by the Commission in March 2017 and it is this document against which DCML's performance was tested.

3. Scope of the audit

This audit is limited to a review of DCML's HRP practices. The objectives of the HRP include:

- preventing the onset of gambling related harm;
- minimising gambling related harm for customers and other persons potentially affected by their gambling behaviour, and;
- facilitating responsible gambling.

The audit will assist the Department to make informed submissions to the Commission on any future enhancements to the HRP.

4. Methodology

The audit tested DCML's performance in the following focus areas:

- Identification and use of indicator data;
- Responsible marketing;
- Other host responsibilities.

Interviews were conducted with a number of management and host responsibility staff. The information received from those interviews was considered when compiling this report. The security/surveillance/host responsibility & compliance manager (Geoff Purdon) was interviewed on most aspects of DCML's operation as they related to the audit, and others were interviewed on specific areas relative to their roles.

5. Audit findings

Monitoring and reporting

Host Responsibility Programme, clause 3.0

The audit reviewed DCML's procedures in regard to generating and capturing behavioural data. The audit ascertained that data is captured for carded players in iTrak. Information is then made available to staff through a range of reports including the CMP (Customer Market Place) report and the Win/Loss report. The data collected includes levels of spend, wins/losses and hours of play.

The audit also ascertained that all front-line staff, including food and beverage staff, have ready access to computer terminals on the gaming floor where they note any host responsibility-related observations or concerns about players. Interactions for both carded and non-carded patrons are noted via these terminals.² Staff notings are followed up by an authorised person.³

All iTrak files are duplicated by the compilation of a hard file which is kept in the surveillance monitor room.

Regulators were advised that a key role in monitoring this area is that of the Responsible Gambling Host (RGH). The RGH's role is to monitor and interact with patrons on the gaming floor (both carded and non-carded players) and log all relevant interactions. However, all front-line staff are required to do the same.

Observations

The front-line staff noting system shows good practice and we observed regular entries in the system covering a range of interactions. These notings allow for early and accurate recording of information and for appropriate action to be taken.

Reports provided by DCML confirmed the noting of instances including:

- long hours of play;
- continuous presence;
- excluded patrons identified trying to gain entry, and;
- behaviour on-site (including interactions at the cashiers' desk).

² Interaction - A targeted conversation directed at the patron's gambling behaviour to check to see if they are okay.

³ Authorised Person – includes the Security/Surveillance/Host Responsibility Manager, the Shift Manager/Acting Shift Manager, Acting Security Manager, and Gaming Manager/Acting Gaming Manager

Files are created in regard to such instances as part of a s309 assessment.⁴

As part of the audit we undertook a walk-around of the casino floor with a RGH (Jimmy) in order to gain a better of understanding of what this role entails. The RGH clearly demonstrated he had very good knowledge of the requirements of the role and of those patrons present in the casino at the time including his ability to interact with those patrons.

⁴ An assessment of a person's gambling behaviour in order to determine whether the person is a potential problem gambler, and if so, to provide information or advice about problem gambling and provide on-going assistance.

Identification of problem gamblers

Host Responsibility Programme, clause 2.10

PGIP section 4

DCML is required to collect data related to patron behaviour and use that data to proactively identify actual or potential problem gamblers. Assessing DCML's performance was done primarily through interviewing managers and staff who have responsibilities in this area.

DCML's PGIP is a major component of the HRP. The PGIP sets out a range of strong and general indicators of gambling harm and places obligations on DCML to capture, analyse and act on that information.

The gaming manager outlined how DCML identifies potential problem gamblers using the data captured. Various reports are created regularly via iTrak which staff use to monitor patron trends and identify patrons with whom interactions or interventions are required, including non-carded players.

Host responsibility staff also monitor observations recorded by front-line staff and the RGH's to assist in identifying trends around frequency of visits, expenditure levels and time played. Information in CMP and iTrack is live and available at all times.

Surveillance is alerted at the time observations are entered at the terminals, and both the security shift manager and gaming manager are alerted on their mobile phones. The security shift manager is responsible for taking the appropriate action and entering the details into the Daily Incident Report. Notings and observations are passed on at shift change-over times.

A headshot of the player(s) concerned is taken by surveillance (whenever possible) at the time of the entry. This forms part of the report and allows for better tracking of patrons.

The Gaming Manager also outlined the process in assessing whether an interaction or an intervention by an authorised person is conducted next time an identified patron visits the casino.⁵

The gaming manager and/or security/surveillance/host responsibility manager will interview all patrons who have a declined EFTPOS transaction.

Security staff monitor the ATM which is situated at the main entrance and take note of repeat withdrawals.

⁵ Intervention – an action between staff and the patron whereby staff specifically offer help seeking options or gambling harm resources such as a leaflet on problem gambling and contact numbers for gambling support.

Observations

Staff appear well-trained in the pro-active use of the data. The reports generated give a good spread of information for staff to analyse and determine if action is required.

The layout of the gaming floor assists in providing a good level of observation and interaction between staff and patrons.

The RGH role assists in the early detection of potential problem gamblers through the observation of problem gambling indicators. This role also provides a genuine opportunity for DCML to monitor the gaming activities and behaviour of non-carded players.

Regulators identified that taking headshots aided in tracking player movements.

Long hours of play

Host Responsibility Programme, clause 2.1.6

Achieved with recommendations to lift practice

The audit assessed DCML's performance in monitoring and managing continuous play. The HRP describes continuous play as "where a customer is gaming continuously for five hours or more."

This time period has been reduced following a previous audit from eight hours to five and in line with comments made by the Commission in their decision GC21/13. However, the time parameter of five hours should not relieve the operator's obligation to monitor patrons who are gambling continuously for less than five hours.

The HRP also refers to continuous presence, which is described as "where a customer is present at the casino (but not necessarily gaming continuously) for a period of 12 hours or more. The clock is reset after a customer has had a break from being present at the casino for six hours or more."

An automated system alert is generated by iTrak when a patron has gambled for five hours continuously using their loyalty card. It is a requirement for an interaction to be undertaken, and the patron encouraged to take a break. Patrons must be monitored further if they remain in the casino, and further interactions undertaken.

Identifying long hours of play for un-carded players is solely reliant upon the observations of the RGHs and other gaming staff. If a patron gambles continuously with no breaks, the RGH's and other gaming staff record observations into the on-floor computer terminals and iTrak for follow-up by surveillance staff.

Observations

The audit ascertained that DCML actively monitored for patrons both gambling or being present in the casino for extended periods.

The RGH initiatives, through on-going monitoring and inputting information into the on-floor computer terminals and iTrak, are positive steps towards identifying un-carded long hours of play.

Continuous play or presence in the casino over prolonged periods remains an area requiring ongoing attention to minimise harm.

Recommendation

DCML is commended for reducing the threshold for continuous play from eight hours to five. However, in line with the comments made by the Commission, the Department recommends that DCML considers further reducing this threshold.

Record keeping

PGIP section 5

The security/surveillance/host responsibility & compliance manager confirmed that the computerised Host Responsibility Log is the main source of information for behavioural data. All entries in the log are reviewed by host responsibility staff with those patrons indicating a particular concern given priority and followed by the completion of a s309 assessment. The assessment is attached to the patron's file and the patron is tracked to monitor for any changes in spend or visitation.

Formalised interventions and the result of those interventions are recorded in the Daily Operations Report and iTrak. A Gambler of Interest (GOI) file may be opened dependent on the outcome of the intervention, although this occurs infrequently.

GOI files are also created in line with a number of indicators as outlined in DCML's Problem Gambler Identification Policy. Every month GOI files are reviewed to determine whether the patron needs continued monitoring or whether the file can be archived. A more formal assessment is undertaken every 12 weeks. In addition, RGH's approach and interact with these patrons regularly.

Observations

At the time of the audit, there were four active GOI on file, having arisen from excluded patrons being allowed re-entry. DCML have made interactions with GOI part of its harm minimisation procedures and part of staffs' daily responsibilities which is seen by Regulators as good practice.

Responsible marketing

Host Responsibility Programme, clause 2.7

Achieved with recommendations to lift practice

The audit tested DCML's compliance with the requirements of the HRP in regard to marketing with a particular focus on activities that can change gambling behaviours. Processes related to the following areas were tested:

- Gambling promotions
- Loyalty programme
- Direct and public marketing

Gambling promotions

DCML conducts on average 10 to 12 promotions per month. Promotions must be conducted in accordance with the gazetted rules and DCML's HRP. Additionally, DCML is required to advertise and conduct promotions according to the Advertising Standards Authority Codes of Practice regarding gaming and gambling.

DCML conducts both a pre and post-promotion assessment process. Promotion designs are reviewed for suitability by the gaming manager, and a pre-assessment form is completed. This evaluation process considers whether any risks are apparent in the proposed promotion, and confirms that the promotion will not encourage gambling behaviour that may be associated with harm.

The post-promotion assessment looks at whether the promotion was successful for DCML and achieved its aims in running the promotion. This includes completion of a checklist that includes the question "Did the analysis of the promotion indicate it encouraged people, or required people, to gamble to an excessive extent above the norm?"

Marketing and gaming department representatives review all mail-out lists just prior to the promotion being distributed to ensure there are no excluded or trespassed patrons included as recipients. All loyalty cards belonging to excluded or trespassed persons are deactivated the moment the person is excluded or trespassed, and their contact details removed from the promotions database.

The 2016 HRP audit report observed that "the frequency of visits, length of play and spend data is seen to spike for Club Casino members who enter promotions. DCML has no mechanism in place to measure the effect of these spikes."

Further, the report recommended that DCML include such data in its post-promotional Assessment Evaluation reports.

Observations

DCML's pre-approval and post-evaluation assessments of promotions are seen as a positive initiative in assessing the outcome of promotions against certain criteria. All post-evaluation checklists provided for the audit recorded the answer to the question around spike in spend as "no".

Although excluded patrons are immediately deactivated from DCML's loyalty programme, the Department is aware of at least two instances where an error was made which resulted in these patrons receiving a promotional text or invitation following their exclusion. Whilst measures have since been put in place which casino management believes will prevent such instances from happening again, close oversight of this particular area of operation is required.

Recommendation

It is recommended that the analysis supporting the responses to the question on a spike in spend data is attached to and forms part of the checklist.

Loyalty Programme

The audit assessed what criteria DCML has in deciding the level players hold in the loyalty programme. The loyalty programme has four tiers – Gold, Sapphire, Platinum and Black. Gold is the entry level, and Sapphire, Platinum and Black are by invitation only. DCML advises that at the time of the audit, there were no members on the Black level. Currently, the gaming manager has the sole discretion as to what tier a player should be on or whether a member is promoted to the next tier or not. The main benchmark for movement between tiers is level of play and earning the requisite number of points over a continuous fixed period.

Observations

It is the Department's opinion that promotions may result in members being incentivised to increase their spend in order to either remain on a particular level or move up a level.

The 2016 HRP audit report recommended further analysis be undertaken and considered in relation to tier movement and for DCML to have more open and structured criterion for tier movement, including interviews with patrons. These recommendations have not been fully implemented.

The fact that decisions on tier movements are made by just one person has resulted in one known issue in regard to a patron who was allowed re-entry to the casino after a period of exclusion. The gaming manager (Dave Eymor) made the decision to promote this patron to Sapphire status soon after his re-entry.

In discussion with Eymor, he explained that the decision was solely his, and at the time he made that decision he was unaware of the patron's recent history, although he knew he was a past patron who visited infrequently. The main factor he considered was the patron's spend for one visit since his re-entry. Had known information about this patron's history been shared among managers from each area within the casino, then this may have influenced the decision at that time.

In addition, the matter of another patron was discussed who had been gambling at a level for a number of years, then that level suddenly increased substantially. Consideration was given to whether that player should be elevated in the loyalty programme based solely on this spike in spend.

Recommendation

It is strongly recommended that DCML add to its current process in this area by:

- undertaking further analysis looking at additional criteria for tier movement, particularly around harm assessments:
- sharing of relevant patron information among managers, so that a consensus of opinion is arrived at prior to elevating patrons through the levels of the loyalty programme. This would alleviate the situation outlined above where relevant information about a patron was not considered when promoting to the next tier.

Direct and public marketing

DCML run direct marketing promotions to its loyalty programme members which include invitations to attend events, food and beverage specials and entry into draws. These are held regularly throughout the year.

DCML also runs public marketing events targeted at the general public which are predominantly promoting food and beverage specials.

All promotions are discussed at a weekly meeting attended by various heads of departments and the general manager. Up-coming promotions are agreed upon and signed off by the general manager.

Observations

The weekly meetings are verbal in nature with no recording of decisions made. Additionally, data on increase in frequency of visits or spend is not considered in these meetings.

Recommendation

- Data on a spike in spend or frequency of visits is reviewed regularly in order to ensure gambling harm does not increase as a result of these promotions;
- The weekly meetings are minuted so that a formal record is kept of the discussions had and decisions arrived at.

Unattended children

Host Responsibility Programme, clause 2.1.3

DCML monitors this issue by undertaking surveillance checks of the casino and its environs, including the footpaths and surrounds in the immediate vicinity of the casino, and the car parks attached to the hotel. Instances of unattended children are notified to both the Police and the Department and are dealt with immediately.

A person leaving their child unattended whilst in the gambling area is issued a trespass notice and, if appropriate, an exclusion order.

Observations

DCML takes the issue of unattended children seriously and has an effective policy and good procedures in place for dealing with any occurrence related to unattended children. Brochures providing information on obligations regarding unattended children are available to casino patrons. The brochures are in Chinese and English and are positioned in the atrium areas.

Underage persons

Host Responsibility Programme, clause 2.1.4

Achieved with recommendations to lift practice

It is a requirement under the minimum operating standards that incidents of underage persons gaining entry to the casino are notified to the Department. There have been five instances of persons under 20 gaining entry to the casino notified to the Department since July 2017. Two of those instances were related to contractors working on site, and one was due to a minor being granted entry with his grandparents to dine at the restaurant. The remaining two incidents were people under 20 producing false identification which resulted in them gaining entry to the casino.

There is mandatory checking at the casino entrance for everyone who appears to be under 25.

Observations

During discussions with the RGH, he stated he was unsure if he could approach patrons and request ID. His main concern was around the privacy rights of patrons. Regular training in this particular area is essential, especially for new staff, and those undertaking the RGH role need to be fully aware of their responsibilities, including establishing patron's identity and age.

Recommendation

It is recommended DCML ensures training for all front-line staff provides clarification regarding their ability to require identification from patrons.

Exclusions

Host Responsibility Programme, clause 2.1.1

Achieved with recommendations to lift practice

The audit tested the implementation of DCML's policy regarding the management of patrons through the exclusion process. The policy requires DCML to take all reasonable steps to identify actual or potential problem gamblers and to act on that information.

Identification of patrons to whom the exclusion process may apply is done through analysis of observations and notings made by staff.

Exclusions can be carried out by an authorised person who possesses the correct level of training (HR-3). However, these are predominantly undertaken by the security/surveillance/host responsibility manager. Support to excluded patrons is provided in a variety of ways including literature about the availability of problem gambling service providers.

Recognition of excluded patrons is dependent upon visual identification by security staff at the entrance, during floor walks, by surveillance via CCTV coverage or by gaming staff on the floor.

DCML shares information on self and third-party exclusions with all other casinos in New Zealand. Also, other casinos notify DCML when patrons are excluded so that DCML can monitor for those patrons entering Dunedin Casino to gamble, and will take appropriate action with those patrons, which could result in exclusion from the Dunedin Casino.

DCML also participates in a multi-venue exclusion programme in the Dunedin area. Patrons that request an exclusion order can also elect to exclude from class 4 gambling venues in Dunedin and/or Mosgiel.

The Department is notified of all exclusion breaches and all people whose exclusion period has expired but attempt to enter the casino before completing their re-entry requirements.

DCML has a process by which it considers whether excluded patrons, on expiry of their exclusion period, may re-enter the casino and gamble. This process is primarily an interview by an HR-3 trained staff member with the patron and recorded on a Re-entry Application form. That staff member alone is the decision-maker for such applications.

Observations

DCML has very good processes in place concerning the application and management of exclusions. The sharing of information regarding excluded patrons between casinos, and DCML's involvement in the MVE process, are positive measures in ensuring problem gamblers are afforded a high level of assistance.

DCML considers that the information retained on excluded gamblers is sufficient to identify them if that person attempts to enter the casino during the exclusion period. The measures in place appear to be sufficient in preventing those patrons from gambling in the casino.

Whilst the re-entry process provides a reasonable level of assurance to DCML around gamblers' suitability for re-entry, it is not specifically documented in DCML's HRP document except for reference to this being a function of certain staff members. It is, however, mentioned in the Standard Operating Procedures for exclusions, stating that the gambler must attend a meeting with the host responsibility manager, who will then decide upon re-entry based on that meeting. This could be further enhanced through the involvement of management staff from other operational areas such as security/surveillance/HR shift manager, gaming manager, gaming shift manager etc.

Recommendation

It is recommended that:

- the re-entry process be expanded to include feedback from other management staff prior to a decision related to re-entry being made, and;
- this process be fully documented in the HRP.

Gambling limitation

Host Responsibility Programme, clause 2.1.7

Achieved with recommendations to lift practice

DCML has an Agreed Limitations Programme (ALP) which allows for gaming machine patrons to restrict the frequency of visits, restrict length of stay and restrict spend per visit (or a combination of these). The HRP states this is available to all GOI and loyalty card customers who are identified as being at risk of harm, and may also be offered to other customers deemed to be at risk. However, DCML has advised that this programme is not currently offered to patrons with the exclusion option being preferred instead.

Recommendation

It is recommended that DCML consider actively utilising the ALP (as per its HRP) and offer it to casino patrons to allow them to voluntarily set limits on expenditure and time in the casino.

Learning and development

Host Responsibility Programme, clause 2.9

DCML states that it is committed to developing staff awareness and an understanding and commitment to host responsibility. The audit assessed whether the training provided enabled staff to carry out their required duties.

Staff are trained to varying levels dependent upon their roles and responsibilities. The levels are:

- HR-1 – all front-line staff
- HR-2 – RGH's, supervisors/managers from gaming, food & beverage, security and surveillance
- HR-3 – authorised persons

Annual HR-1 refresher training is delivered to all front-line staff attached to the food and beverage, surveillance, gaming, security, cash desk and customer services departments. Staff training records are kept electronically and all written tests are retained in hard copy by Human Resources.

The Salvation Army's problem gambling service provider agency (Oasis) is involved in the HR-2 training sessions.

Observations

It is apparent from discussions held with management and staff that the overall level of knowledge relative to their positions is of a high standard, and that training programmes are appropriately tailored to the position of the person(s) receiving the training.

Employee gambling-related harm

Host Responsibility Programme, clause 2.3

As a requirement of their Certificate of Approval (COA), employees are prohibited from gambling at the Dunedin Casino, but are permitted to gamble elsewhere in New Zealand.

The security/surveillance/host responsibility manager emphasised that he takes employee gambling very seriously and he treats the matter as a high priority. DCML has an Employee Problem Gambling Policy which provides information on personal problem gambling and this is provided to employees as part of their induction. Employee gambling-related harm is also covered in the HR-1 training plus follow-up refresher training.

When staff are first employed they are made aware of the self-help and support services available, including information on personal problem gambling.

Observations

DCML has good practice and policy in place to deal with staff problem gambling. It is the gaming manager's observation that staff gambling has decreased over recent years but there is no statistical data to confirm this.

Safe gambling environment

Host Responsibility Programme, clause 2.6

The Safe Gambling Environment section of the HRP focuses on the requirement for customers to play no more than one gaming machine at a time, third party loans for financial gain and cheque retention.

Observations

The policy and requirements in this area are clearly outlined in the HRP, and the audit assessed DCML as providing a safe gambling environment.

Information was requested on loan sharking activities in the casino and DCML reported that there have been none identified. DCML displays a good level of vigilance in this area, and provides appropriate signage warning of this practice.

DCML provides cheque retention services for one patron only who visits on occasion from Auckland.

Display of signage and provision of gaming information to customers

Host Responsibility Programme, clause 2.8

The audit assessed whether there was sufficient information on gambling available to patrons within the casino and on its website. It was obvious during a floor walk of the casino that there was a variety of different brochures, posters and signage available to patrons that informs them of responsible gambling, counselling and various support services. The majority of brochures are available in a variety of languages and are located throughout the casino, including the toilet areas.

Observations

DCML exhibits good practice in its provision of signage and gaming information both within the casino and via its website.

Environmental design

Host Responsibility Programme, clause 2.5

The audit assessed whether the environmental design of the casino was appropriate in terms of lighting, layout and entry/egress points.

Observations

There is adequate lighting in the gambling areas, and gaming machines and tables are positioned appropriately to allow easy access to entry and egress points. The scale of the casino assists in ensuring patrons are generally visible at all times to staff on the gaming floor.

DCML demonstrates good practice in meeting its HRP obligations in terms of maintaining its environmental design.

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27 June 2016

Karen Williams
General Manager
Dunedin Casino
118 High Street
DUNEDIN 9016

Dear Karen,

Counts, Drops Fills and Credits Audit at Dunedin Casino – February 2016

The Southern Casino Compliance Unit recently completed a Counts, Drops, Fills and Credits audit at the Dunedin Casino.

The audit covered the following areas:

- The internal movement of money and chips,
- The counting of the contents inside drop boxes, note acceptors and loose coin,
- Segregation of duties and departments,
- Independent checks/pro-active monitoring by Surveillance,
- Cashiering and surveillance records.

The audit found that Dunedin Casino conducts its counts, drops, fills & credits activities in a compliant manner.

Please pass on my thanks to the Cage Manager (Scott Cleaver), and Geoff Purdon (Security/Surveillance/Host Responsibility Manager) for their co-operation throughout the audit process.

Please contact me on (03) 339 5516 should you wish to discuss anything regarding the audit.

Yours Sincerely

G. Clark

Greg Clark
Senior Gambling Inspector
Southern Gambling Compliance Group
Christchurch



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15 June 2016

Karen Williams
General Manager
Dunedin Casino
118 High Street
DUNEDIN 9016

Dear Karen,

Host Responsibility Programme (HRP) Audit at Dunedin Casino – October 2015

The Southern Casino Compliance Unit completed a Host Responsibility Programme (Harm Minimisation) audit at the Dunedin Casino.

The audit covered the following areas:

1. Proactive use of Data to Identify problem Gamblers
2. Behavioural Data
3. Management of Continuous Play
4. Management and Analysis of PGIP Indicator Data
5. Gambling Promotions
6. Loyalty programme
7. Unattended Children
8. Responsible Service of Alcohol
9. Monitoring and Reporting
10. Employee Gambling Related Harm
11. Exclusions
12. Underage Persons
13. Voluntary Pre-Commitment/Gambling Limitation
14. Display of Signage and Provision of Gaming Information to Customers
15. Environmental Design.

The HRP audit assessed Dunedin Casino as having sufficient processes in place to meet the compliance standards required under the Host Responsibility programme. However, during the audit an observation was made in the area of promotions. That post promotion assessments could include further information relating to the effects, if any, following the promotion to determine whether any harm resulted from the activity.

From this observation, the following recommendation is made:

Dunedin Casino completes a post-promotion review assessment for each promotion activity to indicate whether or not a change in patron gaming behaviour or gambling level occurred. This may ultimately identify any problem gambling.

Finally, the Department thanks Dunedin Casino for their assistance in this audit.

Please contact me on (03) 339 5516 should you wish to discuss anything regarding the audit.

Yours Sincerely

G. Clark.

Greg Clark
Senior Gambling Inspector
Southern Gambling Compliance Group
Christchurch

INTERNAL AFFAIRS



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14 June 2016

Karen Williams
General Manager
Dunedin Casino
118 High Street
DUNEDIN 9016

Dear Karen,

Cashiering Audit at Dunedin Casino – February 2016

The Southern Casino Compliance Unit recently completed a Cashiering audit at the Dunedin Casino.

The audit covered the following areas:

- Money Laundering risks,
- AML related transaction management and recording,
- Variance management,
- General cashiering activities,
- Host Responsibility obligations.

The audit found that Dunedin Casino operates a robust, compliant and proficient Cashier department to support the Casino's gaming activities.

Please pass on my thanks to the Cage Manager, Scott Cleaver, for his co-operation throughout the audit process.

Please contact me on (03) 339 5516 should you wish to discuss anything regarding the audit.

Yours Sincerely

Greg Clark
Senior Gambling Inspector
Southern Gambling Compliance Group
Christchurch



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23 May 2016

Karen Williams
General Manager
Dunedin Casino
118 High Street
DUNEDIN 9016

Dear Karen,

Information Systems Audit at Dunedin Casino – April 2016

The Southern Casino Compliance Unit recently completed a Information Systems audit at the Dunedin Casino.

The audit covered the following areas:

- IT staff knowledge
- Internal & External audits
- IT support for Bally
- Effective disaster recovery plan
- Pro-active monitoring of Information Systems.

The audit found that Dunedin Casino possesses and maintains robust Information Systems that operate with integrity.

Furthermore, the Information System is appropriately supported and fit for purpose.

Please contact me on (03) 339 5516 should you wish to discuss anything regarding the audit.

Yours Sincerely

G. Clark.

Greg Clark
Senior Gambling Inspector
Southern Gambling Compliance Group
Christchurch

INTERNAL AFFAIRS

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04 May 2016

Karen Williams
General Manager
Dunedin Casino
118 High Street
DUNEDIN 9016

Dear Karen,

Caribbean Stud Jackpot Audit at Dunedin Casino – February 2016

The Southern Casino Compliance Unit recently completed a Caribbean Stud Jackpot audit at the Dunedin Casino.

The audit covered the following areas:

- Incremental Jackpot
- Compliance with the Table Minimum Operating Standards

The audit found that Dunedin Casino conducts the table game, Caribbean Stud and associated Progressive Jackpot, in a compliant manner.

Please contact me on (03) 339 5516 should you wish to discuss anything regarding the audit.

Yours Sincerely

G. Clark

Greg Clark
Senior Gambling Inspector
Southern Gambling Compliance Group
Christchurch

14 April 2016

Karen Williams
General Manager
Dunedin Casino
118 High Street
DUNEDIN 9016

Dear Karen

EGM Audit at Dunedin Casino – October 2015

The Casino Compliance Unit recently completed an audit of the Electronic Gaming Machine Department at Dunedin Casino.

The audit showed that Dunedin Casino has comprehensive systems and processes to address the identified areas of risk associated with gaming machines.

- RTP (Return to Player) is monitored and analysed on a daily basis.
- Jackpot incrementation is monitored and analysed on a daily basis.
- Jackpot redistribution and accruals are being recorded.
- EGM integration records are maintained and checks undertaken to ensure EGMs are configured correctly
- EGMs are stored and disposed of appropriately.
- EGM faults are identified and remedial action is taken as necessary.

I wish to convey my appreciation to your staff, especially David Woodhead and Nathan Gordon, for their assistance and cooperation during the course of the audit.

If you wish to discuss any of the above matters, please contact me on telephone (03) 339 5516.

Yours Sincerely

G. Clark

Greg Clark
Senior Gambling Inspector
Southern Gambling Compliance Group
Christchurch



28 January 2016

Karen Williams
General Manager
Dunedin Casino
118 High Street
DUNEDIN 9016

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Dear Karen,

Training Audit at Dunedin Casino – December 2015

The Southern Casino Compliance Unit recently completed a Training audit at the Dunedin Casino.

The audit covered the following areas:

- Training standards of all licenced staff to ensure they are sufficiently trained to perform their duties in an effective manner,
- Refresher training & on-floor supervision,
- Training records,
- Ability of Surveillance to monitor and review staff activities.

The audit found that Dunedin Casino has a capable Training programme in place to ensure all staff are adequately trained for the roles they undertake.

Surveillance is able to monitor all staff activities and staff supervision levels. The Surveillance monitoring is considered to be sufficient to ensure staff perform their duties in a correct and compliant manner.

Training records are secure, complete, accessible and accurate.

Please contact me on (03) 339 5516 should you wish to discuss anything regarding the audit.

Yours Sincerely

G. Clark

Greg Clark
Senior Gambling Inspector
Southern Gambling Compliance Group
Christchurch

cc. Geoff Purdon, Security/Surveillance/Host Responsibility Manager, Dunedin Casino.

INTERNAL AFFAIRS

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24 October 2017

Karen Williams
General Manager
Dunedin Casino
118 High Street
DUNEDIN 9016

Dear Karen,

Host Responsibility Programme Audit at Dunedin Casino — June 2017

The Department of Internal Affairs (the Department) Casino Compliance Unit recently completed an audit of the Host Responsibility Programme at Dunedin Casino. The audit assessed Dunedin Casino's measures to mitigate and minimise gambling related harm and the promotion of a safe gambling environment.

The audit reviewed Dunedin Casino's standards and procedures in following areas:

- Proactive use of data to Identify Problem Gamblers Behavioural data
- Management of continuous play
- The management (and analysis) of the Problem Gambler Identification Policy Indicator data
- Gambling promotions
- Loyalty programme
- Learning and development
- Responsible service of alcohol
- Monitoring and reporting employee gambling related harm
- Safe gambling environment
- Exclusions
- Displaying signage of gaming information to customers
- Environmental design

The HRP audit assessed Dunedin Casino as having established controls and procedures in place to deliver their host responsibility commitments. Areas of good practice were observed in that:

- All staff received targeted host responsibility training that had clear definitions of gambling harm behaviour.
- Strong procedures were in place that allowed all staff to actively monitor, report and address those patrons who were exhibiting gambling harm indicators.
- The environmental design and layout of the main gaming floor help to promote an informed and safe gambling environment.
- There were effective vetting procedures at the public entrance to the casino that restricted entry to minors or patrons exhibiting unsuitable behaviour to the main gambling floor.

Overall, the audit identifies that Dunedin Casino is meeting its obligations in applying its Host Responsibility Programme.

However, two 'best practice' matters were identified in the audit that requires attention, namely:

Firstly, the Dunedin Casino's Gaming department needs to finish formulating written guidelines that sets out the criteria which governs the movement of players between the different Player Club tiers.

Secondly, once completed, the report describing the impact and benefits of the Casino's RGH's is to be provided to the Department.

Please contact me on (03) 339 5516 should you wish to discuss anything regarding the audit.

Yours sincerely



Greg Clark
Senior Gambling Inspector
Casino Compliance Unit
Department of Internal Affairs

cc. Geoff Purdon – Security/Surveillance/Host Responsibility Manager
David Woodhead - Gaming Manager



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12 October 2017

Karen Williams
General Manager
Dunedin Casino
118 High Street
DUNEDIN 9016

Dear Karen,

Table Games Audit – September 2017

The Department's Casino Compliance Unit completed an audit on 20th September 2017 regarding the integrity of table games at Dunedin Casino.

The audit covered the following areas:

- adequacy of training for dealers and supervisory staff
- adherence to Gazetted Rules and Internal Procedures ensuring the integrity of gaming
- supervision levels as per the MOS were followed
- security of sensitive equipment as per the MOS
- equipment faults were being reported, remedied and a maintenance/cleaning schedule is in place.

The audit found that the Dunedin Casino has sufficient processes in place to conduct its table game operations in accordance with the Gambling Act 2003 and the Minimum Operating Standards.

However, one matter was identified in the audit that requires attention. The Dunedin Casino needs to complete an updated set of Internal Procedures for its Table Games operation by the agreed date of 20 November 2017 and provide a copy to the Department.

Please contact me on (03) 339 5516 should you wish to discuss anything regarding the audit.

Yours sincerely

G. Clark

Greg Clark
Senior Gambling Inspector
Casino Compliance Unit
Department of Internal Affairs

cc. David Woodhead - Gaming Manager,

INTERNAL AFFAIRS



26 September 2017

Te Tari Taiwhenua

Karen WILLIAMS
General Manager
Dunedin Casino
P O Box 929
Dunedin 9054

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Dear Karen,

Cashiering Audit – September 2017

The Southern Casino Compliance Unit completed a Cashiering Audit at Dunedin Casino on 20 September 2017.

The audit covered the following areas:

- Host Responsibility Obligations
- Casino Cheque Process and Management
- Variance Management
- Anti-money Laundering Requirements

The audit found that Dunedin Casino has systems and processes in place to address the areas of risk.

No issues were identified in the audit that requires remedial action.

Please contact me on (03) 339-5513 should you wish to discuss anything regarding the audit.

Yours sincerely

Pete Collins
Senior Gambling Inspector
Southern Casino Compliance
Pete.collins@dia.govt.nz
(03) 339-5513

cc Geoff Purdon
Security/Surveillance/Host Responsibility Manager

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29 August 2017

Karen Williams
General Manager
Dunedin Casino
118 High Street
DUNEDIN 9016

Dear Karen,

Licence Conditions Audit – March 2017

The Casino Compliance Unit completed the Licence Conditions Audit for the Dunedin Casino in March of this year.

The audit covered the following areas:

- the Casino was operating on the approved floor plan and game mix
- EFTPOS terminals had been approved by the Gambling Commission
- Adherence of the Casino operations to the Surveillance Standard
- Cage, Count Room and Chip Bank facilities were following the specifications set out in the Casino's respective Licences
- the existence and publication of a current Host Responsibility Programme
- status of 'Associated Persons'
- achieved external audits
- changes to the design and construction of the Casino's layout
- the existence and maintenance of the Casino's Emergency Power Supply
- the Casino's operation to the Community Liaison Group
- operation of the Dunedin Casino Charitable Trust.

The audit found that Dunedin Casino was operating in a compliance manner in relation to both the Casino Premises Licence and Casino Operator's Licence.

Should you wish to discuss any of the above points, please do contact me.

Yours sincerely

G. Clark

Greg Clark
Senior Gambling Inspector
Casino Compliance Unit
Department of Internal Affairs

cc. Geoff Purdon - Security/Surveillance/Host Responsibility Shift Manager

INTERNAL AFFAIRS



Te Tari Taiwhenua

25 May 2017

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Dunedin 9054

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Dear Karen

Host Responsibility Programme Audit at Dunedin Casino – August 2016

The Southern Casino Compliance Unit completed an audit of the Host Responsibility Programme (HRP) at Dunedin Casino in August 2016.

The audit reviewed the following areas:

- Proactive use of data to identify problem gamblers
- Behavioural data
- Management of continuous play
- The management and analysis of the Problem Gambler Identification Policy indicator data
- Gambling promotions
- Loyalty programme
- Unattended children
- Learning and development
- Responsible service of alcohol
- Monitoring and reporting
- Employee gambling related harm
- Safe gambling environment
- Exclusions
- Underage persons
- Gambling limitations or voluntary pre-commitment
- Displaying signage of gaming information to customers
- Environmental design
- Standards of dress and standards of behaviour

The audit assessed Dunedin Casino as generally meeting the compliance requirements of their Host Responsibility Programme.

The Department believes the effectiveness of the Host Responsibility Programme could be further enhanced by the following:

- Consider further reducing the continuous play threshold in line with the Commission's view as outlined in their decision GC21/13.

- Carry out an assessment of the recently introduced RGH role be undertaken to assess the roles effectiveness.
- Promotions and marketing conducted include 'spike' in spend data analysis to ensure no increase in potential harm occurs due to promotions being run.
- Club Casino members are the subject of further analysis. In particular the criteria used to determine movement between tiers.
- Staff training policy to include the possible correlation between alcohol and excess gambling.
- Records maintained of any staff gambling issues.

The Department acknowledges that Dunedin Casino's Host Responsibility Programme has been reviewed by the Gambling Commission since this audit and as a result a number of the recommendations have already been addressed. These areas will be reviewed again as part of the next HRP audit.

Please contact me on (03) 339-5517 should you wish to discuss anything regarding the audit.

Yours sincerely



Sonya Karatau-Neeson
Acting Team Leader
Southern Casino Compliance
Sonya.karatau-neeson@dia.govt.nz

cc Geoff Purdon
Security/Surveillance/Host Responsibility Manager

INTERNAL AFFAIRS



23 May 2017

Te Tari Taiwhenua

Karen WILLIAMS
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Dear Karen,

Table Games Audit – November 2016

The Southern Casino Compliance Unit completed an audit in November 2016 regarding the integrity of table games at Dunedin Casino.

The audit covered the following areas:

- Adequacy of training for dealers and Supervisory staff.
- Adherence to the Gazetted Game Rules ensuring the integrity of gaming.
- Supervision levels.
- Security of sensitive equipment.

The audit found that Dunedin Casino was conducting their table games in accordance with the Gambling Act 2003, the Gazetted Game Rules and the Minimum Operating Standards.

Please contact me on (03) 339-5513 should you wish to discuss anything regarding the audit.

Yours sincerely

Pete Collins
Senior Gambling Inspector
Southern Casino Compliance
Pete.collins@dia.govt.nz
(03) 339-5513

cc Geoff Purdon
Security/Surveillance/Host Responsibility Manager

INTERNAL AFFAIRS



23 May 2017

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Dunedin 9054

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Dear Karen,

Caribbean Stud Jackpot Audit – November 2016

The Southern Casino Compliance Unit completed an audit on the Caribbean Stud Jackpot at Dunedin Casino on 29 November 2016.

The audit covered the following areas:

- Incremental Jackpot
- Compliance with the Gazetted Game Rules and Minimum Operating Standards.

The audit found that Dunedin Casino conduct the table game, Caribbean Stud and associated Progressive Jackpot, in a compliant manner.

Please contact me on (03) 339-5513 should you wish to discuss anything regarding the audit.

Yours sincerely

Pete Collins
Senior Gambling Inspector
Southern Casino Compliance
Pete.collins@dia.govt.nz
(03) 339-5513

cc Geoff Purdon
Security/Surveillance/Host Responsibility Manager



11 April 2017

Karen WILLIAMS
General Manager
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Dear Karen,

Minors Audit – October 2016

An on-site audit was conducted on 19 October 2016 to ascertain the Dunedin Casino's processes for preventing minors from entering the gambling floor and for dealing with minors found on the floor are effective.

The objectives of the Minors audit were to assess the effectiveness of Dunedin Casino's internal systems and processes in meeting the requirements of the Gambling Act 2003, and Minimum Operating Standards (MOS) and the Casino's own Host Responsibility Programme (section 2.1.4).

Additionally, the audit involved an examination of Dunedin Casino's statistical records, the Casino's signage and literature which reflects proactive engagement to its responsibility for age assurance requirements.

The audit found that the Dunedin Casino has established processes and procedures in place to restrict the access of minors onto the gambling areas and that the systems and processes work effectively.

Please contact me on (03) 339 5513 should you wish to discuss anything regarding the audit.

Yours sincerely

Pete Collins
Senior Gambling Inspector
Southern Casino Compliance
Pete.collins@dia.govt.nz
(03) 339-5513

cc Geoff Purdon
Security/Surveillance/Host Responsibility Manager

29 March 2017

Karen Williams
General Manager
Dunedin Casino
118 High Street
DUNEDIN 9016

Dear Karen,

Electronic Gaming Machines Audit – October 2016

An on-site audit was conducted to ascertain the Dunedin Casino's level of performance in the area of its Electronic Gaming Machines (EGM) operation.

The objectives of the EGM audit were to assess the effectiveness of Dunedin Casino's internal systems and processes in meeting the requirements of the Gambling Act 2003, Electronic Gaming Machine Standards and Minimum Operating Standards (MOS) to ensure the integrity and compliance of its EGM activities.

In particular, the audit targeted the following areas:

- Return to player analysis,
- Jackpot incrementing/discrepancies,
- Linked jackpots,
- Redistribution of jackpot funds,
- Storage, faults and disposal of EGM's,
- Surveillance review,
- Physical EGM checks.

The audit found that the Dunedin Casino is fulfilling its requirements for ensuring technical compliance and player fairness of its EGM operation through its implemented procedures and processes.

Please contact me on (03) 339 5516 should you wish to discuss anything regarding the audit.

Yours sincerely

G. Clark

Greg Clark
Senior Gambling Inspector
Casino Compliance Unit
Department of Internal Affairs

cc. David Woodhead - Gaming Manager,
Geoff Purdon - Security/Surveillance/Host Responsibility Shift Manager

29 March 2017

Karen Williams
General Manager
Dunedin Casino
118 High Street
DUNEDIN 9016

Dear Karen,

Training Audit – October 2016

An on-site audit was conducted to ensure that all licenced Dunedin Casino staff are adequately trained for the roles they undertake.

The audit covered the following gambling activities:

- Host Responsibility training,
- Casino Host training,
- Cashier training,
- Surveillance and Security training,
- Responsible Gaming Hosts (RGH's) training,
- Training records.

The audit concluded that the Dunedin Casino undertakes suitable training and development programs which enable staff members to carry out their duties and responsibilities in a compliant manner.

However, the audit did highlight that the Dunedin Casino has no NZQA aligned training modules associated with any of its operations except its Host Responsibility aspect. The Department suggests as good business practice that the Casino may consider making a number of its implemented training components, such as, 'Manager's Conflict Situations in a Security Content' and the 'Requirements of a Door Person in the Host Hospitality Industry' courses, part of the 'National Certificate in Security' qualification for its Security staff.

Adding weight to the Department's suggestion is the fact that the New Zealand Security Association has training facilities and venues in Dunedin.

The audit also confirmed that Dunedin Casino maintained both manual and electronic up to date training records of its entire front-line staff. Furthermore, the audit showed that reminders were sent out to the appropriate departmental head when employee(s) required refresher training in any given topic.

Please contact me on (03) 339 5516 should you wish to discuss anything regarding the audit.

Yours sincerely

G. Clark

Greg Clark
Senior Gambling Inspector
Casino Compliance Unit
Department of Internal Affairs

cc. Geoff Purdon - Security/Surveillance/Host Responsibility Shift Manager



Te Tari Taiwhenua Internal Affairs

27 March 2018

Karen WILLIAMS
General Manager
Dunedin Casino
118 High Street
Dunedin 9016

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Website www.dia.govt.nz

Dear Karen,

Host Responsibility Programme Audit, Dunedin Casino – March 2018

The Southern Casino Compliance Unit recently completed an audit of the Host Responsibility Programme at Dunedin Casino. The audit assessed Dunedin Casino's measures to mitigate and minimise gambling related harm and the promotion of a safe gambling environment.

The audit reviewed standards and procedures in the following areas:

- Proactive use of data to identify problem gamblers,
- Management of continuous play,
- The management and analysis of the Problem Gambler Identification Policy Indicator data,
- Gambling promotions,
- Loyalty programme,
- Learning and development,
- Responsible service of alcohol,
- Safe gambling environment,
- Exclusions,
- Displaying signage of gaming information to customers.

The audit assessed Dunedin Casino as having established controls and procedures in place to deliver their host responsibility commitments. Areas of good practice were observed in that:

- All staff received targeted host responsibility training that had clear definitions of gambling harm behaviour,
- Strong procedures were in place that allowed all staff to actively monitor, report and address those patrons who were exhibiting gambling harm indicators,
- The environmental design and layout of the main gaming floor help to promote an informed and safe gambling environment,
- There were effective vetting procedures at the public entrance to restrict entry to minors and/or patrons exhibiting unsuitable behaviour.

Overall the audit confirmed that Dunedin Casino is meeting its obligations in applying its Host Responsibility Programme.

Please contact me on (03) 339-5513 should you wish to discuss anything regarding the audit.

Yours sincerely



Pete Collins
Senior Gambling Inspector
Southern Casino Compliance
Pete.collins@dia.govt.nz

cc Geoff Purdon
Security/Surveillance/Host Responsibility Manager



Te Tari Taiwhenua
Internal Affairs

11 January 2018

Karen WILLIAMS
General Manager
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Dunedin 9054

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Dear Karen,

Surveillance Department Audit, Dunedin Casino – December 2017

The Southern Casino Compliance Unit completed an audit of the Surveillance Department at Dunedin Casino in December 2017 to ensure compliance with the Surveillance Standards, Minimum Operating Standards and the Casino's Licence Conditions.

The audit covered the following areas:

- Surveillance Standards requirements and MOS,
- Camera coverage,
- Surveillance Department reporting and records,
- Equipment checks and maintenance schedules,
- Independent checks/pro-active monitoring by Surveillance,
- Personnel training levels,
- Disaster Recovery procedures.

The audit found the Dunedin Casino's Surveillance systems, activities and processes work effectively in accordance with the Surveillance Standard and applicable Minimum Operating Standards.

Please contact me on (03) 339-5513 should you wish to discuss anything regarding the audit.

Yours sincerely

Pete Collins
Senior Gambling Inspector
Southern Casino Compliance
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cc Geoff Purdon
Security/Surveillance/Host Responsibility Manager



**Te Tari Taiwhenua
Internal Affairs**

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15 January 2018

Karen Williams
General Manager
Dunedin Casino
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Dear Karen,

EGM Audit – December 2017

An on-site audit was conducted to ascertain the Dunedin Casino's level of performance in the area of its Electronic Gaming Machines (EGM) operation.

The objectives of the EGM audit were to assess the effectiveness of Dunedin Casino's internal systems and processes in meeting the requirements of the Gambling Act 2003, Electronic Gaming Machine Standards and Minimum Operating Standards (MOS) to ensure the integrity and compliance of its EGM activities.

In particular, the audit targeted the following areas:

- Return to player analysis,
- Jackpot incrementing/discrepancies,
- Storage, faults and disposal of EGM's,
- Physical EGM checks.

The audit found that the Dunedin Casino is fulfilling its requirements for ensuring technical compliance and player fairness of its EGM operation through its effective processes and procedures.

However, one EGM was found not displaying the necessary 'Problem Gambling' signage. At the time discovery, the Gambling Inspectors were given

an assurance by the duty technician that the matter would be promptly rectified with the appropriate problem gambling information being placed onto the EGM.

Please contact me on (03) 339 5516 should you wish to discuss anything regarding the audit.

Yours sincerely

G. Clark.

Greg Clark
Senior Gambling Inspector
Casino Compliance Unit
Department of Internal Affairs

cc. Nathan Gordon – Technical Manager/IT Support
David Woodhead – Gaming Manager
Geoff Purdon – Security/Surveillance/Host Responsibility Shift Manager



06 January 2016

Karen Williams
General Manager
Dunedin Casino
118 High Street
DUNEDIN 9016

Dear Karen,

Minors Access Audit at Dunedin Casino – December 2015

The Casino Compliance Unit recently completed an audit regarding access of Minors to the Gambling Area at Dunedin Casino.

The audit covered the following areas:

- MOS Requirements for restricting entry of minors are followed.
- MOS Requirements relating to minors found on the gaming floor are followed.
- Host Responsibility requirements relating to underage persons are met.
- MOS Records and Notifications are followed.
- Accurate records of minors found on the gaming floor are maintained.
- Processes for Contractors and Entertainers disallow minors.
- Surveillance can monitor and review activities.

The audit found that Dunedin Casino have processes in place to restrict the access of minors to the gambling areas and that the systems and processes work effectively.

The only risk area identified related to the potential for an underage person to gain access to the gambling area via staff/contractor entry. It was considered this risk could be minimised by the placement of relevant exterior signage outside the staff entry.

Furthermore, it was agreed during the audit that the U20 underage restriction be incorporated into all the casino's service-provider contracts as a means of formally alerting contractors to the minors requirement.

Please contact me on (03) 339 5516 should you wish to discuss anything regarding the audit.

Yours Sincerely

Greg Clark
Senior Gambling Inspector
Southern Gambling Compliance Group
Christchurch

cc. Geoff Purdon, Security/Surveillance/Host Responsibility Manager, Dunedin Casino.

Minors Audit

Casino	
Auditor	
Audit date	

Refer to the audit guidelines for this audit

Purpose of audit

The purpose of this audit is to ensure operator processes for preventing minors from entering the gambling floor, and for dealing with minors found on the floor are effective.

Risks

The following risks relate to Minors:

- Human failure may result in minors gaining access.
- Minors may be able to gamble once they have gained access
- Staffing levels may be inadequate to prevent access

The following risks relate to all casino operations:

- Records not being maintained or accessible
- Surveillance not being able to monitor and review activities could result in errors being undetected and un-remediated
- Previous recommendations not actioned

Key controls

The above risks are managed with the following controls:

- Security activity and records
- Segregation of duties and departments
- Surveillance activity and records
- Corporate policies address contractors and entertainers being over 20
- Staff policies related to responsibilities are maintained
- Notification requirements
- Independent checks and pro-active monitoring by Surveillance, DIA and external auditors.

Assurance requirements	Audit approach
Security MOS requirements for restricting entry of minors are followed	Records for turn-aways, notifications of minors found. Observation of security staff conducting checks on entry, in person or via CCTV. Checks of ID on the floor by inspector
Security MOS requirements for minors found on the gaming floor were followed	Review Notifications of minors found relevant incident report. Review Surveillance in need.
HRP requirements relating to underage persons are met	As above
The requirements of the Records and Notifications MOS are followed	Review notifications
Up to date, complete, legible and accurate records of minors found on the gaming floor are kept.	Examine records
Corporate processes for Contractors and entertainers follow policy and disallow minors	Staff entrance procedures. **Talk to person responsible for booking entertainers, and property services manager for contractors, to ** initially understand how they do it and then comment, recommend etc to ensure that a process exists
Surveillance can monitor and review activities	Examine surveillance activity
Previous audit recommendations have been actioned	Examine areas recommended for improvement at last audit to ensure ongoing compliance of improvement

Summary

Explain how the audit was undertaken (i.e. what records or recordings were reviewed, observations made, interviews conducted).

Explain any shortcomings discovered (i.e. for each adverse finding discuss what was discovered and why it is a material finding)

Commentary

In Need and for example: While this audit comprised a formal examination of our compliance standards that relate to Electronic Gaming Machines, the Department also observes and comments on an additional range of its expectations of casino operators.

In the course of this audit we observed several instances of

Recommendations

For example. The noted supervisory failing is likely to recur with current resourcing settings. Management should review resourcing and shift times to ensure that no underflow of supervisory staff occurs.