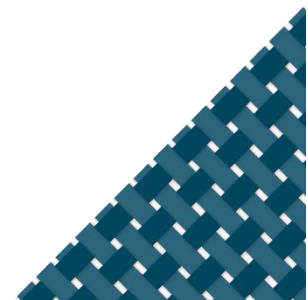


SkyCity Hamilton Casino

Audit Report

Cashiering Procedures 2022



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1. Purpose of the audit

The purpose of the audit is to ensure that SkyCity Hamilton Casino is following the Minimum Operating Standards (MOS) for:

- Security of funds while transported and stored at the casino.
- Surveillance and monitoring of cashier processes.

These audits will also help determine whether the casino's cashiering processes are meeting the casino's harm minimisation obligations around the cashiering function.

2. Executive summary

The Department of Internal Affairs (The Department) has found that SkyCity Hamilton Casino has processes in place to ensure that the transportation and storage of funds are secure and mitigates the risk of theft, fraud or other dishonesty. Evidence obtained during the audit show that these processes are being followed in practise.

Cashier processes and facilities are monitored by Surveillance on a reactive and proactive basis, and there is a collaborative relationship with the Cashier team to ensure that procedures are followed accordingly.

All cashier staff have undergone mandatory Host Responsibility training and are able to apply this in practise to minimise harm in accordance with the casino's Host Responsibility Programme.

The audit findings are summarised below:

Area	DIA finding/conclusion
Security of funds	Satisfied
Surveillance and monitoring	Satisfied
Harm minimisation processes	Satisfied

3. Background

SkyCity Hamilton Casino was licensed under section 37 of the Casino Control Act 1990 on 7 May 1998 and began operations in 2002. SkyCity Casino Management Limited (SCML) holds the operator's licence.

The casino premises licence is held by SkyCity Hamilton Limited and previously operated under the name Riverside Casino Limited. The Chief Executive Officer is currently Michael Ahearne.

The last cashier audit conducted at SkyCity Hamilton was in May 2018. The audit found that the casino demonstrated compliance with standard operating procedures and Minimum Operating Standards in all areas reviewed.

A Breach of Exclusion audit was completed in June 2022 where the casino was found to have achieved all outcomes assessed and had robust processes in place to ensure excluded patrons are unable to access the gaming area.

4. Scope

The audit assessed SkyCity Hamilton Casino's cashiering process and covers the audit period of 1 July 2021 – 30 June 2022.

The following processes and procedures are within scope of the audit:

- The casino's cashiering process in relation to security of funds and surveillance.
- Targeted Harm Minimisation training for cashiering staff.

Out of scope

- Full Host Responsibility Programme (HRP) for cashiering
- Full Chip stock audit
- Full AML requirements

5. Methodology

Documentation was requested from the casino for the audit period of 1 July 2021 to 30 June 2022. The initial documentation request was issued on 22 September 2022 to SkyCity Hamilton casino for the following:

Security of Funds

- Copy of processes and procedures for the storage and security of funds in the casino, the transportation of funds within, into and from the casino, and between gaming tables and EGMs to places for counting.
- Any documents that record these processes during the audit period.

Surveillance and Monitoring:

- Copy of processes and procedures for surveillance and monitoring related to the handling of cash and chips, including within the cage, chip banks, cage booth and count room.
- Copy of processes and procedures for reporting suspicious activity in relation to cash handling.
- Any documents that record these processes.
- Records of suspicious activity in relation to cash handling during the audit period.

3. Harm Minimisation:

- Copy of processes and procedures on how to identify possible gambling harm and what to do when those harms are identified.
- A list of trained cashier staff at SkyCity Hamilton.
- A copy of the online module of Host Responsibility training given to cashier staff.
- iTrak entries entered in relation to problem gambling incidents recorded and/or identified by cashier staff during the audit period.

The documentation provided was analysed and used to draft interview questions.

An onsite visit was conducted on 15-17 November 2022. During this visit the audit team conducted interviews with [REDACTED], Cashier Manager, [REDACTED] Cashier Shift Manager, [REDACTED] Senior Cashier, [REDACTED] Cashier, Senior Surveillance Operator, [REDACTED], and [REDACTED] Surveillance Manager. Marcus Reynolds, Head of Host Responsibility (New Zealand), was also present during all the interviews. These interviews were recorded and later transcribed. The audit team met with [REDACTED], Host Responsibility Manager (Hamilton) for clarification on Host Responsibility training and observed the Table Drop, Count and Buy processes, ATM refill, Banking and Armoured Cash Run. The audit team also visited the Surveillance Room and observed the Table Drop, Count, and Buy processes with Surveillance Operator, [REDACTED]

6. Strong areas

- SkyCity Hamilton has robust processes in place to ensure that the processes followed in transporting and storing funds at the casino limits the opportunities for theft, fraud, or other dishonesty.
- Mitigation of risk is enhanced with extra surveillance and security measures observed specifically in the Armoured Cash Run process beyond what is required in the standard operating procedure.
- Random assurance testing of staff by the Cashier Manager through “Cashier Personal Snapshots” done on a regular basis ensures that standards, including Host Responsibility focus, remains high within the team, and that a feedback loop is in place which requires the Cashier and the Supervisor to sign off on findings.
- Assurance testing of camera checks, sensitive doors, door open reports was observed and recording of findings made by the Surveillance Operator on a Daily Worksheet.
- Noticeable levels of communication between Cashiering, Security and Surveillance staff were recognised by The Audit Team during operational procedural observations.
- The Department found a sound programme of mandatory Harm Minimisation and Prevention training in place which is underpinned by a non-mandatory schedule of alternative practical training, and information sharing and communications which appears to be working well.

7. Weak areas

- No areas were identified as weak during the audit.

8. Audit Findings

Security of Funds

Schedule 2: Gambling Act (2003) – S2.7, Minimum Operating Standards - 60	Satisfied
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Criteria

- Targeted assessment of how funds are stored and transported at the casino. This should include transport of money from gaming tables and EGMs to places where the funds are counted (S2.7)
- Assess the procedures the casino has for the storing and transportation of funds. These need to limit opportunities for theft, fraud or other dishonesty (MOS 60)

Finding

The Department is satisfied that the procedures that are followed by SkyCity Hamilton Casino ensure that money is securely transferred and stored to limit opportunities for theft, fraud, and dishonesty.

Conclusion

The Department found SkyCity Hamilton to have a significant number of procedures in place in respect of the security of funds. Interviews held with Cashiering team members determined a good understanding of processes and procedures relating to the secure transport of funds to minimise opportunities for theft, fraud, and dishonesty. This was verified during real-time observations conducted over two days by the Audit Team of the Drop, Count and Buy, ATM refill and Armoured Cash Run (Alpha Charlie) on the Casino floor and subsequently in the surveillance office. The Audit Team did not identify staff deviating from the above-mentioned processes which would give rise to concern that transportation of funds was not being conducted securely by staff involved.

Surveillance and Monitoring

Minimum Operating Standards – 55 and 54	Satisfied
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Criteria

- Ensure Surveillance monitors, and reviews Counts, Drops, Fills and Credits activities and transactions in the cage, chip banks, cage booth and count room (MOS 55)
- Targeted assessment of reported suspicious activity in relation to money handling (MOS 54)

Finding

The Department is satisfied that SkyCity Hamilton Casino are sufficiently monitoring cashier processes in all the cashier facilities and that surveillance staff are consistent in following the procedure for suspicious activity in relation to money handling

Conclusion

Interviews with Surveillance team members identified a good working knowledge of Cashiering activities being supervised and the required surveillance operations being undertaken to ensure money is not being handled suspiciously. Precise monitoring and detailed recordkeeping of activities undertaken by the Cashiering team being monitored were observed in real-time by the Audit Team.

Following procedural review and analysis, staff interviews and observations, The Department finds that SkyCity Hamilton has suitable processes and procedures in place for the monitoring of Cashier Team processes and conclude that procedures are being followed consistently. During the Cashiering Audit process, there were no indications to the Audit Team that operational practice differed to expectations set out in the organisational procedures.

Harm Minimisation

Minimum Operating Standards – (29)
Host Responsibility Programme

Satisfied

Criteria

- Targeted review of staff training records and interview staff on their current Harm Minimisation practices and application of this training at the Cashiering desk (MOS 29)

Finding

The Department is satisfied that all SkyCity Hamilton Casino Cashiering staff have completed harm minimisation training and they are able to use and apply this training in practice.

Conclusion

The Department found SkyCity Hamilton to have a robust training programme in place as set out in the Host Responsibility Programme which included several levels of mandatory training, some of which is determined by the role undertaken. It was further found that mandatory trainings are supplemented by an ongoing programme of alternative information sharing and communications including staff meetings, informal scenario-based training on a one-to-one basis and in a group setting to provide practical awareness and Departmental Managers meeting regularly through a Champions of Change initiative.

Interviews conducted with Cashiering team members demonstrated sufficient awareness and knowledge to be able to competently identify and respond to indicators of harm.

9. Required actions

No required actions were identified during the audit.