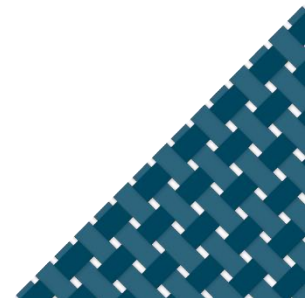


SkyCity Auckland

Audit Report

Cashiering procedures and handling of money Audit 2021/22



Contents

- 1. Purpose of the audit 3
- 2. Executive summary 3
- 3. Background 3
- 4. Scope 4
- 5. Methodology 4
- 6. Strong areas 6
- 7. Weak areas 6
- 8. Audit Findings 7
 - Surveillance and Monitoring 8
 - Harm Minimisation Processes 9
- 9. Required actions and recommendations 10
- 10. Appendices 11

1. Purpose of the audit

The purpose of this audit is to ensure that SkyCity Auckland Casino’s processes follow Minimum Operating Standards (MOS) for:

- Security of Funds while transported and stored at the casino.
- Surveillance monitoring of cashiering activities and transactions.

This audit 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) found that SkyCity Auckland has processes in place to mitigate the risk of fraud, theft, and other dishonesty when funds are moved or held at the casino. Evidence during the audit supported that these processes are followed by SkyCity staff in practise and that the casino is meeting this requirement of the MOS.

Surveillance is monitoring activities that occur within the cashiering facilities both proactively through audits and reactively when required.

Harm minimisation/Host Responsibility training has been provided to all cashier staff to the level required by the casino’s Host Responsibility Programme (HRP) and evidence was obtained that demonstrated the cashier staff utilize this training to identify signs of problem gambling and then follow the documented escalation process.

The audit findings are summarised below:

Area	DIA finding/conclusion
Security of Funds	Satisfied
Surveillance and Monitoring	Satisfied
Harm Minimisation processes	Satisfied

3. Background

Auckland Casino was licenced under section 37 of the Casino Control Act 1990 on 7 May 1998. The holder of the Operator’s licence was Sky City Casino Management Limited.

The casino’s venue (premises) licence is held by Sky Tower Casino Limited.

The Chief Executive Officer is Michael Ahearne.

The last cashier audit conducted at SkyCity Auckland occurred in May 2017. That audit found that SkyCity was compliant in all the areas that were reviewed, and issues and processes were documented and recorded when necessary.

4. Scope

The audit assessed SkyCity Auckland's cashiering processes. 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 analysis for the audit period of 1 July 2021 to 30 June 2022. The initial documentation request was issued on 21 September 2022 to SkyCity Auckland Casino for the following:

Security of Funds

- Copies of any process or procedures relating to the security, storage, and transportation of funds in and from the casino. This should include processes relating to the drop, count and buy (both tables and NAD), processes for the transportation of funds from the casino to their outside bank and the movement of cash to and from the cage to tables and elsewhere in the casino.
- Any documents that record these procedures during the audit period.

Surveillance and monitoring

- Copies of any process or procedures for surveillance and monitoring related to the handling of cash and chips, including those in the cage, chip banks and count room.
- Any documents that record these processes.

- A report of all reported suspicious activity related to cash-handling for the audit period.

Harm minimisation/Host Responsibility process

- A copy of any online modules or any other documented Host Responsibility training material provided to cashier staff.
- A list of cashier trained staff at SkyCity Auckland Casino.
- Any documentation which would show when cashier staff completed their initial Host Responsibility training, their last refresher and any Host Responsibility training received during the audit period.
- Copy of SOP on how to identify possible gambling harm, and what to do when those harms are identified.
- I-track entries and any other documentation related to incidents where signs of problem gambling were identified by cashier staff during the audit period.

Interview questions were drafted from the supplied documentation.

An onsite visit to the casino was conducted on 25, 26 and 28 October 2022. During this visit the audit team conducted interviews with:

- ██████████ Cage and Count Operations Manager,
- ██████████ Cage Count Supervisor,
- ██████████ Cashier Shift Manager,
- ██████████ Senior Cage Cashiers,
- ██████████ Surveillance Team Leader.

Marcus Reynolds, Head of Host Responsibility, was also present during all the interviews and ██████████ Surveillance Manager, was present during the interview with ██████████

These interviews were recorded and later transcribed.

The audit team observed the count and buy process and the Cash to Bank process where cash transfer company ACM ; collected funds from the casino on 26 October 2022.

6. Strong areas

- SkyCity Auckland has robust processes to ensure that funds are securely held and transported onsite which minimises opportunities for theft, fraud, or other dishonesty.

7. Weak areas

- No areas were identified as weak during the audit.

8. Audit Findings

Security of Funds

Gambling Act – Schedule 2.7	Satisfied
Minimum Operating Standards – 60	

Criteria

- Targeted assessment of how funds are stored and transported at the casino. This should include transport of money from gaming tables and Electronic Gaming Machines (EGMs) to places where the funds are counted.
- 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 SkyCity Auckland has processes in place to ensure that funds are securely transported and held and that opportunities for theft, fraud or other dishonesty are limited by these procedures.

Conclusion

SkyCity Auckland has policies in place for the transport and holding of funds which limit opportunities for theft, fraud, and other dishonesty. [Redacted]

Information obtained by staff in interviews was consistent with both the documented processes and the observations of the audit team when viewing selected processes.

Surveillance and Monitoring

Minimum Operating Standards – (54) (55)	Satisfied
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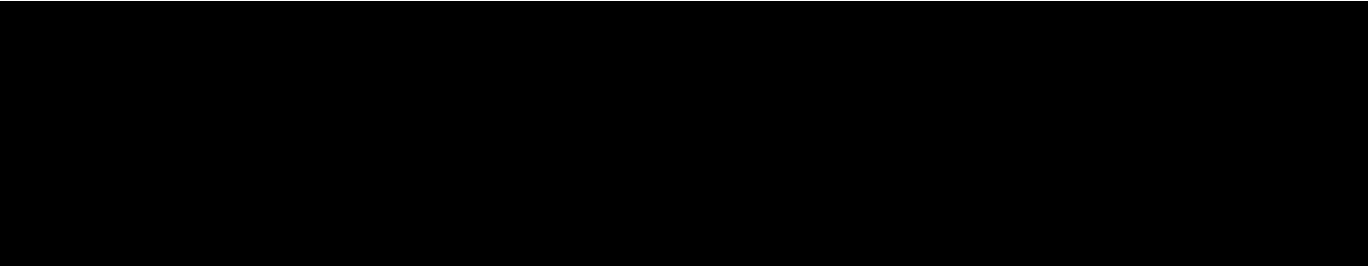
Criteria

- 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 Surveillance monitors cashier procedures and processes at SkyCity Auckland. The Department is also satisfied that SkyCity Auckland has a process for suspicious activity in relation to money handling which is being followed by staff.

Conclusion



Harm Minimisation Processes

Minimum Operating Standards – (29) Host Responsibility Programme	Satisfied
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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 cashier staff at SkyCity Auckland are trained in harm minimisation/host responsibility and cashier staff use their training in practise.

Conclusion

Training records for cashier staff demonstrate that they have received the level of Host Responsibility training required under the HRP. Interviews with two cashiers at SkyCity Auckland indicate that they have sufficient knowledge to be effective in this area. I-track entries for the audit period confirm that not only are cashiering staff responding accordingly when a patron has multiple eftpos declines, the most common problem gambling sign encountered by cashiering staff, but they are also picking up on verbal cues and responding appropriately.

9. Required actions and recommendations

No corrective actions were identified during the audit.

Area	Recommendation
Surveillance and Monitoring	The SOP 11.05 for Cashier Variances be updated to include information that all variances over \$500 will be investigated by Surveillance. The criteria that a variance of less than \$500 would be assessed against in deciding whether or not it requires an investigation should also be included in this SOP.

10. Appendices

Appendix	Title/Document number
A	██████████ Interview 26/10/22
B	Count 1.0 – NAD Drop
C	Count 1.1 – Table Drop
D	Count 1.2 – Soft Count Opening Stackers
E	Count 1.3 – Counting on BPS Machines
F	MB 6.2 – Count Buy
G	██████████ Interview 25/10/22
H	Count observation jobsheet 26/10/22
I	MB 1.1 – Cash to Bank
J	██████████ Interview 26/10/22
K	██████████ Interview 26/10/22
L	MB 1.2 – Cash From Bank
M	ACM pickup observation jobsheet 26/10/22
N	MB 2.0 – Transfers to FW
O	FOH 1.2 – Receive Transfer from FW
P	FOH 4.5 – Cash Transfers from VIP
Q	FOH 1.5 – ESD at Front Window and MB
R	REPLENISH 1.0 – ATM Refill
S	REPLENISH 2.0 – CRT Full Drop
T	261022 Daily Logs - AKL
U	AKL – FY22
V	11.07 – Cashier Activity Monitoring
W	Breakdown of Surveillance Daily Logs by location and topic
X	Surveillance Audits FY22 analysis
Y	██████████ Interview 28/10/22
Z	Week Ending 161022
AA	11.05 – Cashier Variances
BB	3.10 SkyCity AKL HRP and PGIP
CC	Responsible Gaming Module (Induction) and Advanced Host Responsibility Module (HR1)
DD	Auckland Cage Employees 07.10.2022
EE	3.8d Cage Training Record – Responsible Gambling (Induction), 3.8a Cage Training Record – HR1, 3.8b Cage Training Record- HR2, 3.8c Cage Training Record – HR3
FF	Breakdown of HR training received by Cage Staff and Induction training check for starters 2019-22
GG	██████████ Interview 26/10/22

HH	Daily Log assessment of problem gambling indicators identified by cashiers
II	3.7a Team Briefing – 02.05 Monday and 3.7b Team Briefing – 06.06 Monday
JJ	3.6 Pre-shift Host Res Qs