



Crown
Melbourne
Limited

Standard Operating Procedures

Revenue Audit and Reporting

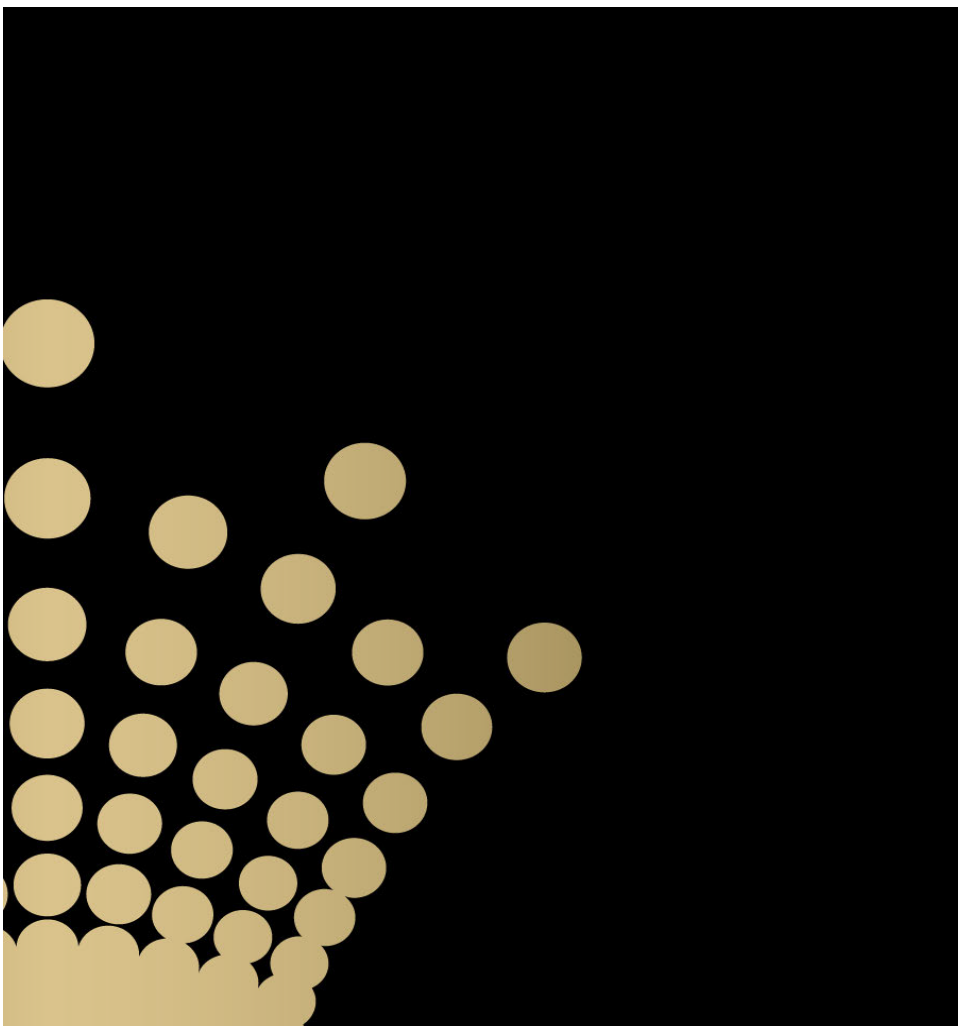


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1 DEFINITIONS

1.1 In these SOPs:

'Act' means the *Casino Control Act 1991* (Vic).

'AUD' means Australian Dollars.

'Business day' means the days of the week Monday through Friday and does not include Saturday or Sunday or public holidays.

'Bank Account' means Victorian patron deposit taking Bank account operated by Crown Melbourne and/or its controlled subsidiaries.

'Casino tax' means taxes paid in accordance with section 22 of the *Casino (Management Agreement) Act 1993* (Vic) and includes the Community Benefit Levy.

'Chip Exchange Voucher' (CEV) is a document used by patron's who do not have a Deposit Account but wish to exchange cash for gaming chips. Such patrons cannot obtain a Chip Purchase Voucher, but may be issued with a CEV for use at a gaming table.

'Chip Purchase Voucher' (CPV) is a voucher drawn on a patron's Deposit Account to be exchanged for gaming chips.

'Chips redeemed' means all chips exchanged at a Cage location for cash, coin, CPVs, Deposit Vouchers and cheques (including Crown or patron cheques) and at other non-gaming activities including Food and Beverage.

'Commission Based Player' means a person who participates in a premium player arrangement or a junket where the person and Crown satisfy the requirements of any relevant controls and procedures approved by the Authority under section 121 of the Act in respect of a premium player or a junket player (as the case may be).

'Commission Based Players' Revenue' means the total of all sums, including cheques and other negotiable instruments whether collected or not, received in any period after 31 December 1995 by Crown from the conduct or playing of games within the Melbourne Casino by Commission Based Players, less the total of all sums paid out as winnings during that period to Commission Based Players in respect of such conduct or playing of games.

'Complimentary' means a service or item provided directly or indirectly by Crown to a patron at either no cost or at a loyalty program point cost to the patron.

'Crown' means Crown Melbourne Limited.

'EGGR' means is the amount by which Gross Gaming Revenue in a Financial Year exceeds the Base Amount for that Financial Year.

'EGM' means Electronic Gaming Machine.

'Electronic Monitoring System' (EMS) means the Gaming Machine monitoring system that incorporates the DACOM Host, Acres Bonusing and Jackpot System, Configuration Work Station and Cashless Gaming System and provides a real-time communications link between all EGMs, DACOM Cashier Terminals, Cashless Terminals and Cashless Workbooks. The EMS monitors machine access and machine meters and links to Surveillance. It is approved for use in accordance with the Act, and must comply with the Technical Requirements Document (**TRD**) issued by the VCGLR.

'EzPay' means Cashless Gaming Transactions

'Gaming day' means the 24-hour cycle from 6.00am to 6.00am the following day and is used for reporting purposes.

'Gaming Machine Win' means the amount won by a particular Gaming Machine and is calculated by subtracting Hopper Fills, other than initial Hopper Fills, and payouts from the Gaming Machine Drop.

'Gaming Machine Turnover' means the monetary amount wagered on a particular gaming machine over a particular period of time.

'Gaming Machine Gross Gaming Revenue' is calculated by the EMS and is calculated as follows:

Revenue = Turnover - Game Wins - Jackpot Startout - Variable Prize Jackpot Increments - Fixed Prize Jackpot Increments - Bonus Jackpots.

- (a) 'Turnover' means the monetary amount wagered via game play over the period.
- (b) 'Game Wins' means the monetary amount of credits won, during the period, as outcomes of the base game excluding mystery jackpots, linked progressive jackpots, standalone progressive jackpots and bonus jackpot payments.
- (c) 'Jackpot Startouts' means the aggregate base startouts for all jackpots won during the period.
- (d) 'Variable Prize Jackpot Increments' means the aggregate contribution, during the period, of gaming machine turnover to all variable prize jackpot pools.
- (e) 'Fixed Prize Jackpot Increments' means the aggregate contribution, during the period, of gaming machine turnover to all fixed prize jackpot pools. The contribution has a statistical expectation of being equivalent to the value of prizes won from the pool over time (i.e. the statistical expectation is that the pool will have, on average, a zero balance).

- (f) **'Bonus Jackpots'** means the amount of bonus jackpots paid to machines (NB. Bonus jackpots, as defined in the Game Rules, do not include mystery or progressive jackpots).

'Gross Gaming Revenue' (GGR) means the total of all sums, including cheques and other negotiable instruments whether collected or not, received in any period by Crown from the conduct or playing of games within the Melbourne Casino less the total of all sums paid out as winnings during that period in respect of such conduct or playing of games.

'Hold percentage' means the amount expressed in a per centum of total drop retained by Crown. This is derived by dividing total win by total drop.

'Joint AML/CTF Program' means Crown Resorts Limited Joint Anti-Money Laundering and Counter-Terrorism Financing Program.

'Joint AML/CTF Policy and Procedures' means Crown Resorts Limited Joint Anti-Money Laundering and Counter-Terrorism Financing Policy and Procedures.

'Master Gaming Report' (MGR) means a record of the computations of the win (loss) for each gaming table, each game and for each gaming day.

'Non-Victorian Bank Account' means an Interstate or International patron deposit taking Bank account operated by Crown Melbourne and/or its controlled subsidiaries.

'Preliminary Master Gaming Report' (PMGR) means a report showing individual transactions for each gaming table during a particular gaming day which include by way of example: Table Number, Opening Balances, Fills and Credits numbers and amounts, CPV and CEV numbers and amounts and closing balances.

'Prizes' includes progressive jackpots paid from the Cage and/or items of value such as cars, motorcycles and trips, which may be awarded to a patron.

'Record' means any book, account, document, paper or other source of information compiled, recorded or stored in written form, or on microfilm, or by electronic process or in any other matter or by any other means.

'SOP' means Standard Operating Procedure.

'Super Tax' is the annual tax paid when the yearly gaming revenue exceeds the current base amount set in clause 22.4 of the Casino (Management Agreement) Act 1993.

'SYCO' is Crown's gaming and customer records system.

'Table Games Drop' is the sum of all currency, CPV, Tickets and Complimentary Betting vouchers removed from the drop box.

'Table Games Win or Loss' is the overall amount won or lost on a particular gaming table as recorded on the MGR and is calculated as follows:

(total drop + closing inventory + credits) – (opening inventory - fills – payouts)

A positive result indicates a win and a negative result indicates a loss to the Casino.

'VCGLR' means the Victorian Commission for Gambling and Liquor Regulation.

'Unaudited Master Gaming Report' (UMGR) means a Master Gaming Report produced by Soft Count, which is yet to be audited.

2 REVENUE AUDIT FUNCTIONS

2.1 Master Game Audit

2.1.1 The Master Games Audit is conducted daily and is an audit of the revenue generated from a particular gaming day.

2.1.2 At the completion of the Table Games Count both a PMGR and an UMGR are printed in the Count Room and forwarded to Revenue Audit where the Audit is conducted.

(a) The Preliminary Master Gaming Report

- (i) This report provides details of all the individual documents which are summarised on the MGR. Such documents include: CPVs Counter Cheques, Cash Deposit Withdrawals (**CDWs**), CEVs and Table Inventory Slips and Error Notification Slips (**ENS**).
- (ii) The original copies of any documents recorded on the PMGR will be examined and matched against the relevant entries on the report.
- (iii) A PMGR will be produced for each currency which is available for customer transactions.

(b) Unaudited Master Gaming Report

- (i) This report includes a summary, by table, of all transactions which have occurred during a particular gaming day. The transactions account for all cash, coin, CPVs including: Counter Cheques, CDWs and CEVs together with Request for Fills, Fills, Request for Credits, Credits, Table Inventory Slips and ENS, if any.

- (ii) An UMGR will be produced for each currency which is available for customer transactions.

2.1.3 Once the UMGR (including the PMGR) has been audited and any necessary adjustments made, the Audited Master Gaming Report is printed. All documents relating to the Master Gaming Report Audit are filed in a MGR folder.

- (a) Any adjustments will be verified and approved by the Revenue Auditor (or above).

2.2 Casino Cage Audit

2.2.1 The Cage Audit comprises:

- (a) Main Bank Audit
 - (i) This Audit is a check and verification of all documents generated by Main Bank and is conducted daily. All relevant documents are matched against the Main Bank Close Out Sheet. Balances are reviewed and entered by the Revenue Auditor (or above).
 - (ii) Follow up of written authorisation for verbally approved Cage payouts.
 - Obtain the signature of the person who verbally authorised the payout; or
 - Obtain an email confirmation from the person who verbally authorised the payout.
 - (iii) A Main Bank will exist for each currency which is available for customer transactions. The procedure described in (i) above applies to each Main Bank.
- (b) Front Window Audit
 - (i) At random check that the Front Window Sign-off Report is signed by the Front Window Cashier and the Main Bank Cashier/Cheque Bank Cashier. A Front Window cannot be closed in SYCO if the closer does not equal the opening float balance.
 - (ii) A Front Window audit will be conducted for each currency which is available for customer transactions.
- (c) Chip Bank Audit

- (i) This audit provides details of all individual documents summarised on the individual Chip Bank Balance Sheet. This audit will be completed, at a minimum, once a week. As documents are system generated, the audit focus will be on reconciling closing and opening balance.
 - (ii) A Chip Bank audit will be conducted for each currency which is available for customer transactions.
- (d) Cheque Bank Audit
- (i) This audit provides details of all individual documents which are summarised on the Main Bank Close Out and comprises the following individual audits:
 - Patron Cheques Audit (current).
 - Patron Cheques Audit (returns and write-offs).
 - CPVs and CEV's Audit.
 - Patron Cheques Audit (Deposit Account Balance).
 - (ii) This audit will be completed, at a minimum, once a week. As documents are system generated, the audit focus will be on reconciling closing and opening balance.
 - (iii) A Cheque Bank audit will be conducted for each currency which is available for customer transactions.

2.3 Gaming Machine Revenue Audit

2.3.1 Gaming Machine Revenue will be recorded on Crown's EMS.

2.3.2 The EMS automatically generates an EGM Revenue Report each day and a copy is sent to both Revenue Audit and the VCGLR.

2.3.3 Each day an audit of Gaming Machine revenue will be conducted:

- (a) If any discrepancies are detected each discrepancy will be investigated and where appropriate an adjustment made on the DACOM Revenue Adjustment Sheet.

Discrepancies may relate to such things, including but not limited to:

- (i) Random Access Memory (**RAM**) clears;
 - (ii) Jackpot errors;
 - (iii) Jackpot configuration changes;
 - If the discrepancy relates to an unauthorized jackpot configuration change, this must be reported to the Gaming Machines Technical Manager (or above).
 - (iv) Meter errors;
 - (iii) Financial discrepancies; or
 - (iv) System errors.
- (b) All documentation relating to any adjustments must be retained. Such documentation may include, but not be limited to: audit trail, periodic polling reports, Bonus Meter Checking Report, Meter Capture Summary and Retired EGM End of Day (**EOD**) Report.
- (c) After all appropriate adjustments have been made; a Revenue Modification Report will be generated. This report will be checked to confirm system balancing of any manual adjustments.
- (i) If any adjustments are made after the initial audit is completed, the Revenue Modification Report will be generated again to ensure Gaming Machine revenue is accurately reflected for that day and the VCGLR and the Gaming Finance team provided with the adjusted figure.
- (d) A Gaming System Audit – Daily Checklist will be completed and signed by the auditor. All documentation relating to that day's audit will be attached to the Daily Checklist. Documentation may include, but not be limited to:
- (i) Updated EGM Revenue Report;
 - (ii) The Revenue Modification Report;
 - (iii) Meter Capture Summary Report;
 - (iv) All verifying reports; or

(v) Working papers.

(e) Once the daily audit is completed, the Daily Checklist will be verified by the Revenue Audit Supervisor (or above).

2.3.4 On a daily basis Cashless Transactions (**EzPay**) from the Cashless Workbook (Transaction Balancing Tab) will be reconciled to DACOM EGM Meters (Cashless Balancing Report) to ensure patron liability is accurate.

2.3.5 On a monthly basis the following will be completed:

(a) The Revenue Bonus Meter Balancing Report will be reviewed.

(b) Any identified machine variances will be investigated and where necessary any adjustments made.

(c) GGR/6 will be prepared as described in procedure 3.2.7.

(d) A Schedule 6 report will be prepared in accordance with procedure 3.2.12.

(e) The Cashless Withdrawals/Deposits reported in the Cashless Workbook will be balanced with Main Bank Close Out.

(f) A reconciliation of patron liability (in the Cashless Balancing Report) to the Patron Balancing Report in the Cashless Workbook.

(g) A Jackpot Marketing Report

(i) A copy of this report is reviewed by Revenue Audit and then forwarded to the Gaming Finance team. It will include at a minimum:

- Jackpot accruals and prizes for the month; and
- Jackpot adjustments reflecting the true value of any prizes awarded.

(ii) Where any adjustments are identified, the appropriate journal entries will be made to reflect true liability.

(h) Copies of all relevant documentation will be retained.

2.3.6 Regular Verification of Gaming Machine Payouts

(a) Hand Pay Slips \$100 up to \$5000.

- (i) An audit of Hand Pay Slips (**Slips**) \$100 up to \$5000 will be conducted at least fortnightly to determine the authenticity and validity of the amounts disbursed. The audit will be based on one day in a fortnight which will be randomly selected.
 - (ii) Of the random day selected, the number of Slips audited will be based on the collective daily total ranging from \$100 to \$5000 Slips, as detailed below:
 - a) Less than 10 Slip transactions, all Slips will be audited; or
 - b) Between 10 to 20 Slip transactions, a minimum of 10 Slips will be audited; or
 - c) Greater than 20 Slip transactions, a minimum of 50% of the total Slips will be audited.
 - (iii) All Slips selected as a result of the audit will be verified with Gaming Machines Operations.
- (b) Manually Created Events in DACOM.
- (i) All manually created events for amounts of \$100 and above, will be checked to ensure that they are appropriately authorised.
 - (ii) Any discrepancies must be directed to the Operations and Service Manager (or above) for investigation. The result of the investigation must be forwarded to Revenue Audit.

2.3.7 Verification of gaming cheques issued

- (a) For each gaming cheque selected, verify any applicable documentation.
 - (i) Settlement sheets must be attached to the cheque request for program settlements.
 - (ii) Slips must support any EGM payouts.
 - (iii) Where a patron Deposit Account withdrawal is paid by cheque it must be supported by a cheque bank document (i.e. Cash Deposit Withdrawal or Counter Cheque document).

2.4 Table Games Jackpot Systems Audit

- 2.4.1 The Table Games Jackpot System is used to accumulate and record information relating to jackpots payable on Progressive Poker Games. Such information will appear on the Game Manager Summary Report.
- 2.4.2 The Table Games Jackpot System audit will be completed by a Revenue Auditor (or above) each gaming day and encompasses the following:
 - (a) Access the Game Managers Summary Report;
 - (b) Maintenance of a spreadsheet to record movement in the jackpot pool, based on the details in the Game Manager Summary Report. The information contained in the spreadsheet will be used to check the accuracy of the percentage calculation of the jackpot pool, as specified in the rules of the game;
 - (c) A separate spread sheet linked to the daily Game Manager Summary Report calculates the daily jackpot accruals. From this sheet enter the calculated daily accrual figures in SYCO via [Jackpot Accrual Maintenance];
- 2.4.3 On a monthly basis the spreadsheet will be reconciled against the system to identify any variances
- 2.5 PokerPro Daily Audit
 - 2.5.1 The PokerPro Audit will be completed as required.
 - 2.5.2 PokerPro information will be captured in the MGR before the end of each gaming day. The information below will be manually entered into SYCO:
 - (a) WAT-in (added by Soft Count staff);
 - (b) WAT-out (added by Table Games staff); and
 - (c) WIN (added by Table Games staff).
 - 2.5.3 The Count Team Supervisor will forward a copy of the PokerPro Financial Meter Report to Revenue Audit at the end of the count.
 - 2.5.4 Revenue Audit will check the information on the MGR against the PokerPro Financial Meter Report. If a discrepancy is detected, it will be investigated and any applicable adjustments made using the PokerPro Win Maintenance Menu in SYCO.
 - 2.5.5 The WAT-in figure should also match the PokerPro Drop Figure showing on the Table Games Drop Recap Sheet.

- 2.6 Fully Automated Table Games (**FATG**) and Semi-Automated Table Games (**SATG**) Audit
- 2.6.1 All FATG and SATG cash-out tickets will be forwarded, via Main Bank, to Revenue Audit.
- 2.6.2 On a daily basis, Revenue Audit will generate a Ticket Redemption Report and a FATG Crown Win Report for FATG and SATG tables. The Redemption Report is adjusted in line with the FATG Crown Win Report.
- 2.6.3 The bulk redemption figure in the Main Bank Close Out sheet will be adjusted to reflect both the total amount of FATG and SATG tickets redeemed and the total amount of gaming machines tickets redeemed.
- 2.7 Verification of Employee Licence Numbers
- 2.7.1 A random check of gaming employees licence numbers recorded on documents received by the Revenue Audit Department, will be completed from time to time.
- (a) Using a random sample of the documents received, a Revenue Auditor (or above) will access the Revenue Audit Menu in SYCO, select [Post Manual Non- Gaming Comp] and enter the employee licence number which is recorded on the document.
- (b) The following information will be displayed:
- (i) Employee name; and
- (ii) Position and department.
- (c) From the information displayed, the Revenue Auditor will confirm that the employee recorded on the document holds the appropriate authorisation credentials for the document selected; or
- (d) A Revenue Auditor (or above) will use Compass for the verification of the Employee Licence Number.
- 2.8 Investigation and Retention of Documentation
- 2.8.1 Where not expressly stated in the procedures described in section 2, all variances and other irregularities will be investigated by the Revenue Auditor (or above) in conjunction with relevant departments as applicable.
- 2.8.2 Where not expressly stated in the procedures described in section 2, copies of all documentation will be retained.

3 GROSS GAMING REVENUE, CASINO TAXES AND COMMUNITY BENEFIT LEVY

- 3.1 Casino Tax (including the Community Benefit Levy) is calculated at the end of each calendar month and will be paid in accordance with clause 22 of the *Casino (Management Agreement) Act 1993* (Vic) no later than seven (7) days after the end of each month. Where the seventh (7th) day is not a business day, payment will be made on the next business day.
- 3.2 Gross Gaming Revenue (GGR), and the amount of Casino Tax payable will be calculated on the working paper 'Calculation of Gross Gaming Revenue' and from the information provided on the supporting working papers numbered GGR/1 to GGR/10 inclusive. A summary and description of the working papers follows:

GGR:	Calculation of Gross Gaming Revenue; (Schedule A);
GGR/1:	Monthly Summary of Table Games Drop (Cash Chips);
GGR/2:	Monthly Summary of Gross Keno Sales;
GGR/3:	Monthly Summary of Cash Chips Redeemed;
GGR/4:	Monthly Summary of Keno Sums Paid Out as Winnings;
GGR/5:	Monthly Summary of Table Game Sums Paid Out as Winnings;
GGR/6:	Monthly Summary of Gaming Machine Net Revenue (Consolidated); - GGR/6A includes General Play - GGR/6B includes Program Play
GGR/7:	Monthly Summary of Table Games Commission Based Player Drop (Consolidated AUD); - GGR 7A – AUD - GGR 7B – Foreign Currency (1)
GGR/8:	Monthly Summary of Table Games Commission Based Player Chips Redeemed (Consolidated); - GGR 8A – AUD - GGR 8B – Foreign Currency (1)
GGR/9:	Monthly Summary of Table Games Tickets Redeemed; and
GGR/10:	Monthly Summary of PokerPro WAT-out.
GGR/11:	Monthly Tournament Entry Fees

Schedule 6: Calculation of GST.

3.2.1 Calculation of Gross Gaming Revenue

- (a) The working paper GGR will contain the following information at a minimum:
- (i) General gaming results;
 - (ii) Gaming Machines revenue results;
 - (iii) Commission Based Player results; and
 - (iv) Total Casino taxes and Community Benefit Levy.

- (b) In the calculation of GGR if in any month the Commission Based Players' Gaming Revenue is less than zero, the amount of the negative Commission Based Players' Gaming Revenue may be carried forward to the following month and applied to reduce the Commission Based Players' Gaming Revenue in that month.

3.2.2 Monthly Summary of Table Games Drop (Cash Chips) (GGR/1)

- (a) GGR/1 will be prepared from the Master Gaming Report and will contain the following information at a minimum:
 - (i) Date;
 - (ii) Shift;
 - (iii) Daily drop;
 - (iv) Variance;
 - (v) Daily total; and
 - (vi) Monthly total.
- (b) GGR/1 illustrates the total drop (daily receipt of monies contained in drop boxes) for each day in the calendar month. Total drop includes CPVs, chips, tokens and promotional vouchers.
- (c) Any counterfeit money inadvertently accepted will be counted and assigned its intended value and adjusted to show a variance.
- (d) The total of cash monies received for each gaming day should equal the total of the Table Games Cash Drop recorded on the MGR and equal the amount on the Main Bank Close Out.
- (e) Variances will be investigated and rectified.

3.2.3 Monthly Summary of Gross Keno Sales (GGR/2).

- (a) GGR/2 illustrates the total amount of Keno sales for each day in the calendar month and is prepared from the Main Bank Close Out. GGR/2 will contain at a minimum:
 - (i) Date;
 - (ii) Shift;

(iii) Total revenue Sales; and

(iv) Adjustments, if any.

3.2.4 Monthly Summary of Cash Chips Redeemed (GGR/3)

(a) GGR/3 illustrates the total amount of cash chips redeemed at the Casino Cage for each day in the calendar month and is prepared from the Main Bank Close Out. GGR/3 will contain at a minimum:

(i) Date;

(ii) Shift;

(iii) Amount recorded on Main Bank Closeout Sheet (daily);

(iv) Adjustments;

(v) Daily Total; and

(vi) Monthly Total.

3.2.5 Monthly Summary of Gross Keno Sums Paid Out as Winnings (GGR/4).

(a) GGR/4 illustrates the total amount of Keno sums paid out as winnings for each day in the calendar month and is prepared from the Main Bank Close Out. GGR/4 will contain at a minimum:

(i) Date;

(ii) Shift;

(iii) Total sums paid out; and

(iv) Adjustments, if any.

3.2.6 Monthly Summary of Table Game Sums Paid Out as Winnings (GGR/5).

(a) GGR/5 illustrates the total amount of Table Games Winnings paid at the Front Windows for each gaming day in the calendar month and is prepared from the Main Bank Close Out Sheet. GGR/5 will contain at a minimum:

(i) Date;

- (ii) Patron value added prizes awarded;
- (iii) Adjustments;
- (iv) Total; and
- (v) Monthly total.

3.2.7 Monthly Summary of Gaming Machine Net Revenue (GGR/6 including GGR/6A and GGR/6B)

(a) GGR/6 illustrates the total of daily calculated revenue which is derived by deducting game wins, jackpot startout figures, variable prize jackpot increments, fixed prize jackpot increments and bonus jackpots from daily turnover. GGR/6 will contain at a minimum:

- (i) Date;
- (ii) Adjustments;
- (iii) Revenue as per DACOM (daily);
- (iv) Total (daily); and
- (v) Monthly total.

(b) GGR/6A illustrates the total of daily calculated revenue which is derived by deducting game wins, jackpot startout figures, variable prize jackpot increments, fixed prize jackpot increments and bonus jackpots from daily General Play turnover. GGR/6A is the difference between GGR6 and GGR/6B. GGR/6A will contain at a minimum:

- (i) Date;
- (ii) Adjustments;
- (iii) Revenue as per DACOM (daily);
- (iv) Total (daily); and
- (v) Monthly total.

(c) GGR/6B illustrates the total of daily calculated revenue which is derived by deducting game wins, jackpot startout figures, variable prize jackpot increments, fixed prize jackpot increments and bonus jackpots from daily Program Play turnover. GGR/6B is the difference between GGR/6 minus GGR/A. GGR/6B will contain at a minimum:

- (i) Date;

- (ii) Adjustments;
- (iii) Revenue as per DACOM (daily);
- (iv) Total (daily); and
- (v) Monthly total.

3.2.8 Monthly Summary of Table Games Commission Based Player Drop (Consolidated AUD) (GGR/7)

(a) GGR/7 illustrates in AUD, the total daily Commission Based Player drop for all currencies which are available for customers to transact in, for a calendar month. GGR/7 will contain at a minimum:

- (i) Date;
- (ii) Commission CPV drop (daily);
- (iii) Non-Negotiable CPV drop (daily);
- (iv) Commission Based Player total drop (daily);
- (v) Commission CPV drop (monthly);
- (vi) Non-Negotiable CPV drop (monthly); and
- (vii) Commission Based Player total drop (monthly).

(b) GGR/7A illustrates the total daily AUD Commission Based Player drop, for a calendar month. GGR/7A will contain at a minimum:

- (i) Date;
- (ii) Commission CPV drop (daily);
- (iii) Non-Negotiable CPV drop (daily);
- (iv) Commission Based Player total drop (daily);
- (v) Commission CPV drop (monthly);
- (vi) Non-Negotiable CPV drop (monthly); and
- (vii) Commission Based Player total drop (monthly).

- (c) Additional GGR/7 reports will be created for each currency which is available for customers to transact in. Any such report will contain the components listed above for GGR/7A, and will be sequentially numbered (B), (C) and so on, as warranted by the number of currencies in use.

3.2.9 Monthly Summary of Table Games Commission Based Player Chips Redeemed (Consolidated AUD) (GGR/8).

- (a) GGR/8 illustrates the total daily chip redemption in AUD for both Commission Based Play Chips and Non-Negotiable Chips for all currencies which are available for customer transactions, for a calendar month. GGR/8 will contain at a minimum:
 - (i) Date;
 - (ii) Commission Chips redeemed per main bank (daily total);
 - (iii) Non-Negotiable Chips redeemed per main bank (daily total);
 - (iv) Commission Based Player Chips Redeemed (daily total);
 - (v) Commission Chips redeemed per main bank (monthly total);
 - (vi) Non-Negotiable Chips redeemed per main bank (monthly total); and
 - (vii) Commission Based Player Chips redeemed (monthly total).
- (b) GGR/8A illustrates the total daily AUD chip redemption for both Commission Based Play Chips and Non-Negotiable. GGR/8A will contain at a minimum:
 - (i) Date;
 - (ii) Commission Chips redeemed per main bank (daily total);
 - (iii) Non-Negotiable Chips redeemed per main bank (daily total);
 - (iv) Commission Based Player Chips Redeemed (daily total);
 - (v) Commission Chips redeemed per main bank (monthly total);

- (vi) Non-Negotiable Chips redeemed per main bank (monthly total); and
 - (vii) Commission Based Player Chips redeemed (monthly total).
- (c) Additional GGR/8 reports will be created for each additional currency in use. Any such report will contain the components listed above for GGR 8A, and will be sequentially numbered (B), (C) and so on, as warranted by the number of currencies in use.

3.2.10 Monthly Summary of Tickets (FATG & SATG) Redeemed (GGR/9)

- (a) This working paper illustrates daily FATG and SATG payouts. The working paper is prepared from the Main Bank Close Out. **GGR/9** and will contain at a minimum:
- (i) Date
 - (ii) Shift
 - (iii) Total FATG and SATG payouts

3.2.11 Monthly Summary of PokerPro WAT-out (GGR/10)

- (a) This working paper illustrates daily PokerPro Wat-out and is prepared from the MGR.
- (i) Date
 - (ii) Total of WAT-out

3.2.12 Monthly Summary of all Tournament Fees received by Crown (GGR/11)

- (a) This working paper illustrates the net total amount of Tournament Fees received for the month. This value is provided by Table Games Finance and does not have any effect on the calculation of GGR.

3.2.13 Schedule 6 – Calculation of GST

- (a) Schedule 6 illustrates the items used to calculate the total amount of GST to be paid. It contains the following information at a minimum:
- (i) The ending month date;
 - (ii) Amounts wagered by all players;
 - (iii) Amounts paid to all players;

- (iv) GST Base (total revenue) for Commission Based Players;
 - (v) GST Base (total revenue) for Non-Commissioned Based Players; and
 - (vi) Global GST attributable to all players.
- 3.3 Once GGR and Casino Tax have been calculated and following the resolution of any discrepancies, the Revenue Audit Manager will certify the calculation as being correct.
- 3.4 The working paper GGR and the attached supporting working papers GGR/1 to GGR/11 will then be verified by the Financial Controller (or above). Once verified, the Chief Financial Officer (**CFO**) will endorse the working paper GGR before it is forwarded to the VCGLR in accordance with procedure 3.1.
- 3.4.1 Additionally, Crown will submit an interim GGR Report to the VCGLR no later than the 25th day of each month¹.
The interim GGR Report contains figures from day 1 to day 20 of each month.

Notes:

- (1) Where the twenty-fifth (25th) day is not a business day, the next business day.
- 3.5 Payment of Casino Tax will be made to the VCGLR electronically, via on-line banking. Crown will advise the Treasury Department (via email) that the payment has been made.
- 3.6 Calculation of Annual Gaming Tax (Super Tax)
- 3.6.1 Annual Gaming Tax is calculated at the end of each financial year as follows:
- (a) A working paper similar to the GGR is set up to reflect the monthly figures recorded on GGR/1 to GGR/10.
 - (b) Calculate the annual GGR for regular gaming by:
 - (i) Adding the yearly drop total for regular table games and the total yearly EGM net revenue; then
 - (ii) Deduct the yearly total sums paid out (cash chips redeemed, cheque payments etc.).
 - (c) Calculate the current year base amount by using the formula:

$A / B \times C$

where:

A - is the CPI (Consumers Price Index-All Groups Melbourne) on the day prior to review date.

B - is the CPI one year and one day prior to review date.

C - is the previous year's base amount.

- (d) Deduct the current base amount from the GGR.
 - (e) Determine the EGGR range using the applicable table in clause 22.4 of the *Casino (Management Agreement) Act 1993* (Vic). The EGGR is the amount by which GGR in a financial year exceeds the base amount for that particular financial year.
 - (f) Deduct the starting range value from the GGR figure calculated in (e) above. The difference will be the excess value.
 - (g) Using the tables listed in section 22.4 of the *Casino (Management Agreement) Act 1993* (Vic) calculate the Super Tax.
- 3.6.2 Repeat steps (a) through (g) above to calculate Super Tax payable for Commission Based Revenue.
- 3.6.3 Each year, the payment of Super Tax is incorporated with the payment of monthly gaming tax for June.

4 **FINANCIAL REPORTS**

4.1 Internal Reports

- 4.1.1 Revenue Audit will, at the conclusion of the audit processes supply Corporate Accounting with figures relating to:
- (a) Table Games win;
 - (b) Gaming Machines win;
 - (c) Overall changes to cash inventories;
 - (d) Overall changes to chip inventories and outstanding chip liability;
 - (e) Overall changes to cheque inventories and patron deposits; and

(f) Other gaming related activity.

4.2 Reports to be Provided to the VCGLR

4.2.1 Reports will be submitted to the VCGLR in accordance with *Schedule Five of the Consolidated Casino Agreement*.

5 CHEQUE CONTROL

5.1 With respect to Crown's gaming cheques the following will apply:

5.1.1 All cheques will be pre-printed in a clear and visible manner, with the words 'not-negotiable'.

5.1.2 Revenue Audit will ensure all gaming cheques are accounted for and in an acceptable form.

5.1.3 All cheque number sequences (from and to) will be recorded in the Cheque Inventory Log.

(a) The same Revenue Auditor will not be responsible for entering both the information into the Cheque Inventory Log and for the storage and movement of the cheques. Each task must be completed by a different person.

5.1.4 All cheques will be reconciled on a quarterly basis and verified by a Revenue Auditor (or above). Any variances will be investigated and rectified.

5.1.5 All gaming cheque books will be stored in a secure location with access restricted to authorised employees. Keys to access this storage area will be controlled and maintained by Revenue Audit.

5.1.6 To request cheques from Revenue Audit, a voucher request must be completed via Workflow Forms and authorised by the appropriate department manager and the Revenue Audit Manager.

5.1.7 A Revenue Auditor (or above) will receive the authorised Workflow Form and issue the cheques to the authorised Crown employee.

6 VOUCHER CONTROL

6.1 Revenue Audit is responsible for controlling Crown's gaming and non-gaming promotional vouchers.

6.2 Vouchers are identified by a control number and a barcode. To allow vouchers to be accurately attributed and costed to the appropriate

promotional program and/or department, they are also printed with a unique prefix located at the bottom right corner.

- 6.3 On receipt from the printer, all vouchers will be recorded in SYCO and then stored in a secured location.
 - 6.3.1 The same Revenue Auditor will not be responsible for entering both the information into SYCO and for the storage and movement of the vouchers. Each task must be completed by a different person.
- 6.4 All voucher stocks will be reconciled on a quarterly basis and verified by a Revenue Auditor (or above). Any variances will be investigated and rectified.
- 6.5 To request vouchers from Revenue Audit, a voucher request must be completed via Workflow Forms and authorised by the appropriate department General Manager and the Revenue Audit Manager.
- 6.6 Revenue Audit will notify the requesting party through Workflow Forms when the vouchers are ready for collection. A copy of the signed request will be kept by Revenue Audit upon pick-up.
- 6.7 All redeemed vouchers will be forwarded to Revenue Audit where the value of the voucher will be costed to the relevant department.
- 6.8 Any redundant vouchers may be destroyed as and when required. Destruction of the redundant vouchers will be authorised by the Revenue Audit Manager and completed in a secure manner, as approved by Crown management. Details of all vouchers to be destroyed will be recorded in the Voucher Destruction Log.

7 COMPLIMENTARY ISSUANCE, REDEMPTION AND REPORTING

- 7.1 There are two major types of Complimentaries: Gaming Complimentaries and Non-Gaming Complimentaries:
 - 7.1.1 Gaming Complimentaries may be issued to patrons as follows:
 - (a) For items or services including but not limited to: restaurant meals, valet parking, hotel accommodation and retail items;
 - (b) By Crown departments including but not limited to: Table Games, Gaming Machines, Loyalty Operations and VIP Services;
 - (c) Via the redemption of reward points accumulated by the patron.
 - 7.1.2 Non-Gaming Complimentaries may be issued to patrons as follows:

- (a) For items including but not limited to: restaurant meals, valet parking, hotel accommodation and retail items;
 - (b) By a particular department and then the cost of the complimentary item or service is charged back to the issuing department.
- 7.2 All Complimentaries are issued through SYCO and at the end of each month a Complimentary Redemption Report is generated and reviewed by Revenue Audit.
- 7.3 Complimentary Privileges
- 7.3.1 To apply for complimentary privileges an employee must complete a 'Complimentary Privilege Request' form.
 - 7.3.2 The completed 'Complimentary Privilege Request' form will be forwarded to the Chief Financial Officer for approval and once approved, forwarded to Revenue Audit for processing.
 - 7.3.3 Revenue Audit will enter details including the staff member's name and complimentary levels into SYCO.
 - 7.3.4 At regular intervals, the Chief Financial Officer may review the positions and authorised levels for the issuance of complimentary services.

8 UNCLAIMED MONEY

From time to time cash, gaming chips, cash-out tickets (for example: from FATG, SATG or Gaming Machines) or pre-paid cards (for example: PokerPro) may be unclaimed.

Unclaimed Money is remitted annually to the State Revenue Office (**SRO**) on or before the 31st of May. The Unclaimed Money report contains gaming related cash, chips and tickets to the value of \$20.00 or above, obtained between 1st March and the end of February the following year.

Example: 1st March 2017 to 28 February 2018 is remitted on 31st May 2019.

Only unclaimed money held for two years starting from the 1st March batch will be remitted.

8.1 Unclaimed Chips

- 8.1.1 Revenue Audit will receive a yearly report from a Compliance Coordinator (or above) detailing unclaimed money (\$20.00 and above) which has been reconciled from SYCO. Revenue Audit will create a table as described in the SRO – Register of Unclaimed

Money (**UCM**) Lodgement Spread Sheet. It will contain the following information:

- (a) Owner's Name;
- (b) Address;
- (c) Lodger Entitlement Reference;
- (d) Description;
- (e) Gross Amount;
- (f) Reasonable Expense; and
- (g) Date First Payable.

Note: Only amounts \$20.00 and above will be on the register.

8.2 Unclaimed FATG/SATG

8.2.1 Revenue Audit will run a yearly Unclaimed Tickets Report in DACOM from 1st March (two years prior) to February of next year.

8.2.2 Revenue Audit will obtain the unclaimed tickets from DACOM for the time frame required to be remitted.

Example:

Schedule of Remittance Dates for Unclaimed Money	
First Payable Dates	Lodgement Deadline
Mar 2016 to Feb 2017	May 2018
Mar 2017 to Feb 2018	May 2019
Mar 2018 to Feb 2019	May 2020
Mar 2019 to Feb 2020	May 2021

8.2.3 A Register of Unclaimed Tickets similar to 8.1.1 will be created.

8.2.4 The DACOM record of all unclaimed money that has been remitted to the SRO for that year will be purged.

8.3 Unclaimed Money at the Cage

8.3.1 A list of Unclaimed Money to be remitted to the SRO for the year will be obtained from the Revenue Audit Unclaimed Money spreadsheet held by the Cage.

8.3.2 Revenue Audit will create a register similar to 8.1.1.

8.4 The total amount of Unclaimed Money will be electronically deposited via Accounts Payable.

- 8.5 The Unclaimed Money for the year will be submitted by following instructions from the SRO website.
- 8.6 The Unclaimed Money file will be password protected and retained for future reference.

9 DAILY OPERATING REPORT

- 9.1 The daily operating report is an automatically generated report which provides a summary of the previous day's business performance and includes:
 - 9.1.1 Daily revenue summary;
 - 9.1.2 Month to date summary;
 - 9.1.3 Regular table analysis;
 - 9.1.4 Gaming machines analysis; and
 - 9.1.5 Hotel/food and beverage analysis.
- 9.2 The daily operating report is distributed to Table Games, Gaming Machines, VIP Programs; Food and Beverage; Hotels and other miscellaneous revenue producing business units.

10 FORMS, RECORDS, DOCUMENTS AND RECORDS RETENTION

- 10.1 All information on any form, record or document will be recorded in ink or other permanent form.
- 10.2 Casino related forms, records or documents, prepared, maintained, and controlled by Crown will:
 - 10.2.1 Have the name of Crown (or Crown Melbourne) imprinted or pre-printed;
 - 10.2.2 With the exception of Counter Cheques, have the relevant title imprinted or pre-printed;
 - 10.2.3 Where the particular document has multiple parts, the original and all copies will be colour coded and contain the name, title or description of the department to where each copy will be distributed; and
 - 10.2.4 Where serially numbered, have both the used and the unused copies accounted for.

- 10.3 All voided documents will be clearly marked as 'void' and retained by the relevant department as part of the daily documentation to be forwarded to Revenue Audit.

11 BANKING AND PATRON DEPOSIT TAKING BANK ACCOUNTS

Initial Application for the opening of a Crown patron deposit taking Bank Account:

- 11.1 The Chief Financial Officer and Financial Controller (or delegates) will determine and approve the signatories of each account.
- 11.2 When applying to open a new Victorian Bank Account, Crown will seek prior approval from the VCGLR and provide the following details upon availability:
- 11.2.1 The name of the account;
 - 11.2.2 The bank, branch and location;
 - 11.2.3 The purpose for which the account will be used by Crown or its controlled subsidiary;
 - 11.2.4 The names of the authorised signatories to the account; and
 - 11.2.5 The BSB and account number.
- 11.3 Details of the account, authorised signatories and VCGLR approval will be recorded and retained.
- 11.4 Where the account is being held interstate or overseas the process will be as follows:
- 11.4.1 Executive Management will determine the location, bank and currency required for the new Non-Victorian Bank Account.
 - 11.4.2 The Chief Financial Officer and Financial Controller (or delegates) will determine and approve the signatories of each account.
 - 11.4.3 Crown will notify the VCGLR and provide the following details, upon availability:
 - (a) The name of the account;
 - (b) The bank, branch and location (including that the bank concerned is recognised as a bank in the State or Country of origin);
 - (c) The purpose for which the bank account will be used by Crown or its controlled subsidiary;
 - (d) The names of the authorised signatories to the bank account; and

(e) The BSB and account number.

11.4.4 Details of the account, authorised signatories and VCGLR notification will be recorded and retained.

11.5 Transfer of Patron Funds (Interstate and International) to Crown Melbourne:

11.5.1 When a patron instructs their financial institution to transfer funds, the patron may notify Crown of the transfer.

11.5.2 Crown's VIP Banking team will reconcile accounts and verify details of funds received.

11.5.3 Crown's Cage will release the receipted and verified funds as per the patron's instructions.

11.5.4 Telegraphic Transfers will be actioned in accordance with Cage SOPs.

11.5.5 All funds transacted under this section 11.5 will be conducted in accordance with the Joint AML/CTF Program and Joint AML/CTF Policy and Procedures.

12 JOINT AML/CTF PROGRAM

12.1 AML/CTF Employee Due Diligence (**EDD**)

12.1.1 The Revenue Audit Manager (or above) is responsible for undertaking and documenting the actions taken in respect of breaches of:

- (a) the Joint Program;
- (b) the AML/CTF EDD Policy; or
- (c) any underlying business processes relating to ML/TF

by any of their employees as set out in the ML/TF Breach Matrix.

12.1.2 Revenue audit is responsible for updating their:

- (a) Internal Policies;
- (b) Operations Manuals; or
- (c) Standard Operating Procedures

12.2 AML/CTF RISK Awareness Training Program

12.2.1 All Crown employees will undertake AML/CTF Risk Awareness Training (**Risk Awareness Training**) at appropriate intervals

having regard to the ML/TF risk the employee may reasonably face in their role.

- 12.2.2 The Revenue Audit Manager (or above) will ensure that their employees are completing their AML/CTF Training on time and will follow up relevant employees who are overdue in completing their AML/CTF Training.
- 12.2.3 Revenue Audit is responsible for providing their employees with specific departmental procedural training relating to Crown's AML/CTF obligations under the Program and the AM/CTF Policy and Procedures.
- 12.2.4 Risk Awareness Training will encompass relevant obligations under the:
- (a) Joint Program;
 - (b) Policy and Procedures;
 - (c) AML/CTF Act; and
 - (d) AML/CTF Rules
 - (e) consequences of non-compliance with these obligations;
 - (f) type of ML/TF risk that Revenue Audit might face; and
 - (g) potential consequences of such risk.
- 12.2.5 Crown's AML/CTF Risk Awareness Training will provide the following types of training:
- (a) induction training for new employees on commencement of employment;
 - (b) an online AML/CTF Risk Awareness Training module to be completed:
 - (i) where the employee is involved in the provision of a Designated Services, before the employee commences in an operational environment; or
 - (ii) otherwise within eight (8) weeks of commencement of employment;
 - (c) refresher training at appropriate intervals;
 - (d) targeted business unit specific AML/CTF training as required; and
 - (e) remedial training as required.

12.3 Enhanced Customer Due Diligence

12.3.1 Upon request, Revenue Audit will:

- (a) Respond to enhanced customer due diligence (**ECDD**) requests (including completing the ECDD Form) within the stipulated timeframes outlined in any ECDD request from the AML Team; or
- (b) At the request of the AML team, order external due diligence reports.

12.3.2 When conducting ECDD, Revenue Audit employees will be mindful of the prohibitions against informing anyone other than AUSTRAC that a Crown Entity has formed a suspicion about a customer or that an SMR has been submitted.

12.4 Tipping Off

12.4.1 All Revenue Audit employees are prohibited from telling anyone other than AUSTRAC that Crown has formed a suspicion about a customer or that an SMR has been submitted. This includes:

- (a) not revealing or disclosing any information that might reasonably lead a person to conclude that a suspicion has been formed about them or that AUSTRAC has received a report about that suspicion;
- (b) not revealing or disclosing any requests AUSTRAC or law enforcement agencies may have made for information about an SMR; and
- (c) not revealing or disclosing any information about a specific SMR to any external parties appointed to review Crown's Joint Program, including a review of Crown's SMR obligations.

12.4.2 Disclosing this information is an offence under the Act.

12.5 Record Keeping

12.5.1 Crown must keep records to comply with its AML/CTF obligations, including records of or about:

- (a) Transactions; and
- (b) Customer identification procedures

12.5.2 Records of transactions

- (a) Where the records relate to providing a Designated Service to a Customer, Crown must retain:
 - (i) Records of the transactions; or
 - (ii) Copies of the records that it creates; or
 - (iii) Extracts from the recordsFor seven years after making the record.

12.5.3 Records of Customer Information relating to Designated Services

- (a) Where a Customer provides documents to Crown relating to the provision of Designated Services, Crown must retain:
 - (i) records of the documents; or
 - (ii) copies of the records that it creates; or
 - (iii) extracts from the recordsFor seven years after making the record.

12.5.4 Records of Customer Identification Procedures

- (a) When Crown carries out a customer identification procedure (KYC) it must make and keep a record of:
 - (i) what procedures it undertook to identify the Customer; and
 - (ii) the identifying information the Customer presentedFor seven years after making the record

12.5.5 Copies of Customer Identification Documents

- (a) Crown does not have to record a copy of documents, i.e. it may record details of a Customer's driver's licence or passport directly into its customer management system rather than taking copies of them.
- (b) However, if Crown does take copies, they become records it must keep.
- (c) If it collects new customer information about a Customer, it must still keep the original customer identification procedure records.

13 **RECORDS TO BE KEPT**

13.1 In accordance with requirements of the Act, Crown will:

13.1.1 Maintain accounting records which accurately reflect and explain the transactions and financial position of the operations of the casino;

13.1.2 Retain documents relating to the operations of the casino for not less than 7 years after the completion of the transaction to which they relate; and

13.1.3 Ensure documents relating to the operations of the casino are located on the casino premises or such other locations as provided for in accordance with s126(2) of the Act.

13.2 Crown will keep records which include but are not limited to:

13.2.1 Records of all patron cheques accepted and deposited by Crown; including patron deposits and any cheques returned as uncollected and written-off as uncollectable.

13.2.2 Records related to investments in property and equipment used directly in connection with the operation of the gaming facilities.

13.2.3 Records of all loans and other amounts payable by Crown.

13.2.4 Records of all investments, advances, loans and receivables other than patron cheques due to Crown.

13.3 Crown will close all key General Ledger Accounts and Subsidiary Ledgers on a monthly basis and perform bank reconciliations on a regular basis.