



# Annual Audit Assurance Plan 2023

## Audit Assurance

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# 1 Introduction and document purpose

This document outlines the 2023 Annual Audit Assurance Plan (**Audit Assurance Plan**) to be conducted by the Audit Assurance (**AA**) team within the Regulatory Service Division of the Victorian Gambling and Casino Control Commission (**VGCCC**)<sup>1</sup>. Where applicable, Australian Auditing Standards are considered when compiling the audit approach and specific audit activities.<sup>2</sup>

The Audit Assurance Plan identifies the relevant audit and risk assurance activities for the year and provides the VGCCC Audit Risk Management Committee (**ARMC**) with a basis to review the AA audit activities and scheduled outputs, to ensure that the risk approach is consistent with its expectations.

## 2 Audit Scope

This Audit Assurance Plan documents the audits that AA plans to perform in calendar year 2023, including those standard/routine audit activities, and additional risk-based project audits to identify, manage and mitigate gambling risks.

The purpose of the output-focussed Audit Assurance Plan is to:

- define the audit activities that will be completed for the financial year
- identify areas that may require a more detailed risk assessment
- define risk assessments/projects to determine level risk and a suitable assurance measure
- establish audit goals proactively to mitigate future risks
- assist with allocating staff resources with the AA, and
- provide the VGCCC ARMC with an opportunity to assess the audit processes, provide feedback and highlight any additional areas of regulatory concern that may warrant attention by AA.

**This document does not cover the gambling data reporting functions performed by the AA<sup>3</sup>, or any other outputs of the AA that might arise during the year in question.**

## 3 Audit Objective

The Victorian gambling industry is governed by specific legislation that sets out the financial and operational obligations and requirements gambling licensees<sup>4</sup> must adhere to when operating their gambling products<sup>5</sup>. The AA develops and implements audit processes that assesses the gambling licensee's adherence to these obligations and requirements, and also implements additional audit processes to address specific operational risks and concerns that may not be legislative requirements.

The strategic audit objectives of the AA include:

- implementing key audit processes to attest to each gambling licensee's adherence to legislative requirements, Ministerial directions, regulatory standards or other subordinate instruments.

<sup>1</sup> The plan is specific to the AA. There are dedicated teams within the Casino and Gambling Divisions that are also responsible for audit functions.

<sup>2</sup> Consideration will be given to VGCCC internal auditors assessing suitability of the AA approach in relation to applicable Australian standards, such as Standard on Assurance Engagements, ASAE 3100, Compliance Engagements.

<sup>3</sup> Approximately 9500 data files are received by the AA and 85 standard data reporting outputs are performed in a financial year, in addition to ad hoc requests as received.

<sup>4</sup> Casino Operator, Wagering and Betting Licensee, Lotteries Licensee, Keno Licensee, Monitoring Licensee and Gaming Venue Operators.

<sup>5</sup> Gaming machines (casino and gaming venues), casino table games, public lotteries, wagering and keno.

- ensuring the accuracy and completeness of reported electronic gambling data received by the VGCCC and processed to the internal gambling system, GAMMON
- assessing the adequacy and integrity of gambling operations utilising reported electronic data and other source documents as available, and
- ensuring the correct government gambling taxes are remitted to the State.

In addition, the AA also conducts other audit functions such as calculating and providing relevant tax and player loss information to the VGCCC Finance Division to support distribution of taxes to the community support fund and the health benefit levy and facilitating and validating the distribution of unpaid jackpot prizes to the Responsible Gambling Fund as required in the *Gambling Regulation Act 2003* (the Act).

## 4 Audit Approach and Methodology

To achieve the audit objectives, the AA adopts a risk-based approach, in accordance with the VGCCC's regulatory approach and posture, and as outlined in the Audit Assurance Framework<sup>6</sup>.

The risk-based approach is consistently applied across all gambling products and operates in line with four key pillars that are implemented in a cyclical fashion to continually assess the adequacy of the audit function and to refine the audit approach where required. Each of these pillars are articulated in the following diagram:



The fundamental application of the above assurance approach is as follows:

- the risk-based audit approach requires a risk assessment to be performed in relation to the gambling products and activities to identify risks that require monitoring/mitigation in the form of an assurance activity.
- once a risk has been identified and before an audit can be considered, an understanding of the available gambling data to facilitate the monitoring of the risk and the implementation of the audit program is necessary.
- upon identifying a risk and assessing the availability of monitored gambling data to facilitate an audit activity, validation of the data is then conducted to ensure the accuracy and completeness.
- the AA then develops and implements an audit activity to utilise the validated data and mitigate the risk.

<sup>6</sup> Audit Assurance Framework outlines general approach and methodology applied to the conduct of audit processes by the AA team.

The above assurance approach ensures consistency, the appropriate level of due diligence is applied and that risks are identified and mitigated. It also ensures a review and evaluation process is applied to all audits conducted by the AA to assess their ongoing suitability.

Factors that will be taken into account when preparing this Audit Assurance Plan and identifying potential audits, include:

- legal and regulatory requirements
- previous audit findings and matters raised via external review/processes, for example, compliance investigations, Royal Commissions, Victorian Auditor-General's Office and other regulatory body reviews/investigations.
- amendments to legislation or the introduction of new products/systems, which may present new risks
- the nature of different gambling products and the findings of past audit and assurance activities
- internal and external stakeholders' expectations, and
- ad hoc areas that may not be considered to pose a high or medium risk but where the VGCCC may benefit from an internal audit review.

## 5 Audit Assurance Plan for 2023

### 5.1 Standard Audit Programs (functional process-based activities)

Audits under this category will be completed to ensure AA adheres to its key objectives and remit for the year.

AA has reviewed and refined the documenting of its BAU audit processes to identify priority audit functions, as opposed to those non-priority audits which will not be performed in the event of resourcing issues becoming evident or a need to immediately shift focus. Even though audits may be classified as non-priority audits, the AA will strive to complete these audits to ensure key stakeholder interests are protected and the integrity of gambling operations is in line with industry, ministerial and legislative expectations/obligations.

The primary purpose of the separation of classification of priority and non-priority audits is to provide AA with the necessary flexibility required to ensure the allocation of resources are risk-based and intelligence-led.

This is in line with the VGCCC's regulatory approach and provide AA the ability to be more adaptive to changes in the industry and the ability to address significant risks as they arise.

AA plans to conduct a total of **516** priority audits and **288** non-priority audits for calendar year 2023. Shaded audit processes represent new audits added to the 2023 Audit Plan, in comparison to prior years, to address known risks or enhance an existing mitigation strategy.

Terms used in the title and/or objective of the audit activity are further defined in the audit program (refer to TRIM references supplied in table below).

AUDIT ACTIVITY	FREQUENCY	TOTAL NO.	OBJECTIVE	LEGISLATIVE REQUIREMENTS/RISK MITIGATED <sup>7</sup>	TRIM REF. FOR AUDIT PROGRAM	PRIORITY
Gaming Venue Tax Settlement	Monthly	12	To assess the completeness and accuracy of the taxable revenue and tax calculation for all gambling products operating in the State, utilising reported gambling data received by the VGCCC.  Note that the scope of this role in relation to Crown Casino is subject to discussion with the State. Notwithstanding this, the VGCCC will in the interim verify and calculate casino tax for Crown.	Sections 3.6.6 of the <i>Gambling Regulation Act 2003</i>	CD/19/8720	Y
Crown Casino Tax Settlement (including EGM, Table, and Total tax settlement)	Monthly	36		Part 4 Section 22 of the <i>Casino (Management Agreement) Act 1993</i>	CD/19/8700 CD/19/8723 CD/19/8814	Y
Wagering Tax Settlement (including Pari-mutuel, Sportsbet and Trackside tax settlements)	Monthly	36		Sections 4.6A.3 of the <i>Gambling Regulation Act 2003</i>	CD/19/8663	Y
Lotteries Tax Settlement	Weekly	52		Sections 5.4.3 of the <i>Gambling Regulation Act 2003</i>	CD/19/8675	Y
Keno Tax Settlement	Monthly	12		Sections 6.3.2 (1) of the <i>Gambling Regulation Act 2003</i>	CD/19/8673	Y
Gaming Tax Reconciliation to Finance	Weekly	52	To ensure the independently calculated tax payable is consistent with the actual tax received by the VGCCC Finance Department. Duties are segregated between auditing, monitoring and collection of taxes.	Accuracy of tax received by the VGCCC	CD/20/8867	Y
EGM Direct Debit Authority Verification for Gaming Venues	Monthly	12	To ensure all gaming venues have the correct bank details for the VGCCC to facilitate a complete and accurate monthly tax sweep.	Section 1.8 of <i>Accounting and Auditing Venue Requirements</i>	CD/19/8779	Y
EGM Meter Exception - Taxable	Monthly	12	To assess and analyse meter exception adjustments and acknowledge the adjustment to be applied to taxable revenue for the period. This to ensure the	Section 2.2 (ii) of <i>Accounting and Auditing Venue Requirements</i>	CD/19/8721	Y
EGM Meter Exception - Non-taxable	Monthly	12				Y

<sup>7</sup> Refer to Appendix 1 which provides further details in relation to legislative requirements, including specific sections of the relevant Acts and a further explanation of the requirement.

AUDIT ACTIVITY	FREQUENCY	TOTAL NO.	OBJECTIVE	LEGISLATIVE REQUIREMENTS/RISK MITIGATED <sup>7</sup>	TRIM REF. FOR AUDIT PROGRAM	PRIORITY
EGM Meter Exception – Untaxed	Monthly	12	completeness and accuracy of the tax collected for the State.			Y
EGM Meter Exception – Verification	Monthly	12				Y
EGM Meter Exception - Penalty Interest on Late Adjustment Half	Half Yearly	2				Y
Lotteries Tax Sharing Reconciliation	Monthly	12	To assess the integrity of lotteries data for completeness and accuracy in order to assist VGCCC in the remittance of lottery taxes to participating jurisdictions.	Sections 5.4.7 (2) (b) of the Gambling Regulations Act 2003	CD/19/8676	Y
Casino Reconcile Yearly Supertax Payment Annual	Yearly	1	To calculate and verify the yearly super tax from Crown casino to ensure the completeness and accuracy of casino tax.	Schedule 3 of Casino (Management Agreement) Act 1993	CD/19/8702	Y
Casino EGM Adjustment Review	Monthly	12	To review the accuracy and completeness of the adjustments processed and included in the final EGM revenue to ensure the casino tax is correctly calculated and processed.	Accuracy of tax received by the VGCCC	CD/19/8706	N
Casino GST Review	Monthly	12	To review the monthly calculation of GST to ensure its accuracy and impact on gaming tax collected.	Schedule 7 of Casino (Management Agreement) Act 1993	CD/20/3733	Y
Crown Jackpot Startout Verification	Monthly	12	Additional audit functions implemented during last financial year to further attest the accuracy and completeness to the tax validation process at Crown. <sup>8</sup>	Risk of Crown incorrectly calculating jackpot startout which would potentially impact player fairness and gaming taxes	CD/22/1315	Y
Crown Jackpot Increment Verification	Monthly	12		Risk of Crown incorrectly calculating jackpot increments which would potentially impact player fairness and gaming taxes		Y

<sup>8</sup> List of newly developed audits at Crown casino which contributes to the overall Gross Gaming Revenue validation.

AUDIT ACTIVITY	FREQUENCY	TOTAL NO.	OBJECTIVE	LEGISLATIVE REQUIREMENTS/RISK MITIGATED <sup>7</sup>	TRIM REF. FOR AUDIT PROGRAM	PRIORITY
Crown Jackpot Error Audit	Monthly	12		Risk that Crown do not correctly adjust meter exceptions/anomalies		Y
Crown Bonus Jackpot Analysis Report Trend Analysis	Monthly	12		Risk of Crown reintroducing ineligible transactions as bonus jackpots		Y
Crown Jackpot Configuration Audit	Monthly	12		Risk of Crown reintroducing ineligible jackpots such as lucky time		Y
Crown FATG/ETG Table Drop Verification	Monthly	12		Risk that Crown do not include all components of drop thereby understating table GGR	CD/22/1227	Y
EGM Monthly Return to Player Analysis	Monthly	12	To ensure that the legislated return to player rate is maintained during a calendar year and player fairness has been protected.	Sections 3.6.1 of the Gambling Regulation Act 2003	CD/19/8781	Y
Casino Monthly EGM Return to Player	Monthly	12		Section 115 of Casino Control Act 1991	CD/19/8704	Y
Wagering Trackside RTP Analysis	Monthly	12		Victoria Government Gazette 27 March 2006	CD/19/8671	Y
Keno Jackpot Pooling & RTP Monitoring	Monthly	12		Section 6A.4.1 of the Gambling Regulation Act 2003	CD/19/8674	Y
Lotteries Jackpot Pool Monitoring	Monthly	12	Monitoring the Prize Reserve Fund Balance to ensure the correct % of return to player is set aside for future Prize distribution in relation to the relevant gambling products.	Section 1.2 of Rules of Authorised Lotteries	CD/19/8685	Y
Keno Prize Reserved Fund	Monthly	12		Sections 6A.1.2 of the Gambling Regulation Act 2003	CD/19/11045	Y
EGM Jackpot Pool JSPP Monitoring	Monthly	12	To ensure the completeness and accuracy of Gaming Venues Jackpot Special Prize Pool Balances and assist the VRGF with venue remittance of unpaid jackpot liability.	Sections 3.6.1 of the Gambling Regulation Act 2003	CD/19/8722	Y

AUDIT ACTIVITY	FREQUENCY	TOTAL NO.	OBJECTIVE	LEGISLATIVE REQUIREMENTS/RISK MITIGATED <sup>7</sup>	TRIM REF. FOR AUDIT PROGRAM	PRIORITY
Keno Excessive Trade Monitoring	Monthly	12	Analysis of venues reporting excessive Keno trade to monitor the possibility of credit or staff betting at venues and potential risk of money laundering activities at Keno outlet.	Potential risk of illegal conducting of gaming activities	CD/21/9032	Y
EGM Irregular Trade	Monthly	12	To assess the integrity, accuracy and completeness of the daily EGM data and identify and investigate data anomalies in terms of its significance to government duty and possible anti-money laundering (AML) risks.	Accuracy of data provided to the VGCCC which assist the identification of AML risk	CD/19/8693	Y
Casino EGM Irregular Trade	Monthly	12			CD/19/8824	Y
Casino Escrow monitoring	Monthly	12	To monitor the Escrow account upon retirement of stand-alone and linked jackpots at Casino.	Sections 3.1.5 & 3.6.1A of the Gambling Regulations Act 2003	CD/19/8707	Y
Community Benefit Statement Annual Collection & Assessment	Yearly	1	To assess the submission of Community Benefit Statement and follow up with non-submission and recalculation of gaming tax under the pub rate <sup>9</sup>	Section 3.6.9(2)(d) of the Gambling Regulation Act 2003	CD/22/19910	Y
Gaming Venue Cheque Register Analysis	Monthly	12	To identify purchasing credits at gaming venues which potentially link to money laundering activities <sup>10</sup>	Potential risk of illegal conducting of gaming activities	CD/22/20240	Y
EGM Daily EFG File Analysis	Monthly	12	To assess the integrity, accuracy and completeness of the daily Gaming Venue EGM data files and identify and investigate data anomalies in terms of its significance to government duty and the gaming industry in general.	Accuracy of data provided to the VGCCC which forms the basis for all the audits performed by the team	CD/19/8694	N
EGM Missing End of Day Analysis	Monthly	12			CD/19/8696	N
EGM TITO Monitoring	Monthly	12			CD/21/8945	N
Lotteries Over 10m Jackpot draw monitoring	Monthly	12	To maintain an accurate record of Lotteries draws with a first division prize of \$10 million and over in order to assist the data reporting function of the team.	Assist data reporting and trend analysis	CD/19/8687	N

<sup>9</sup> New audit function transferred to the AA in light with the creation of the VGCCC.

<sup>10</sup> New audit function developed in line with the ongoing monitoring expanded in monitoring cheque resitter at gaming venues.

AUDIT ACTIVITY	FREQUENCY	TOTAL NO.	OBJECTIVE	LEGISLATIVE REQUIREMENTS/RISK MITIGATED <sup>7</sup>	TRIM REF. FOR AUDIT PROGRAM	PRIORITY
Wagering Commission Verification Audits	Monthly	12	To perform independent calculation of Commission and Commission ceiling and compare to reported commission in data file.	Appendix A of Victoria Totalisator Betting Rules	CD/19/8669	N
Wagering Dividend Calculation Verification	Monthly	12	To analyse the accuracy of pari-mutuel wagering transactions with respect to total dividend pay-out.	Section 7, 12, 13 A of Victoria Totalisator Betting Rules	CD/19/8670	N
Casino Commission Based Play (CBP) Analysis	Monthly	12	To assess the trend pattern of CBP table activities at Casino.	Assist data reporting and trend analysis	CD/19/8811	N
Casino EGM & Table Movement Review	Monthly	24	To analysis of gaming trade polled on the Crown EGM and Table network and to monitor the number of EGMs and Tables are below the legislated limit	Section 8 Gaming Equipment of Casino Licence	CD/19/8810 CD/19/8809	N
EGM Soft Meter Verification	Monthly	12	To perform independent reconciliation of soft meter movements against reported gaming data from the Monitoring Licensee.	Section 2.1 of Accounting and Auditing Venue Requirements	CD/21/9033	N
Lotteries Daily Data Verification (DLT)	Monthly	12	To determine the accuracy, integrity and completeness of data sent to the VGCCC by compare two different sets of data.	Accuracy of data provided to the VGCCC which forms the basis for all the audits performed by the team	CD/19/8689	N
Wagering Daily data Verification (WAO/SPO/TRO)	Monthly	36			CD/20/7958	N
Lottery Outlet Audit – 5 per month	Monthly	60	To verify the accuracy and completeness of the data by verifying reported data to outlet terminal reports.	Accuracy of data provided to the VGCCC which forms the basis for all the audits performed by the team	CD/19/8690	N
Wagering Outlet Audit – 5 per month	Monthly	60			CD/20/7958	N

## 5.2 Activities to address known/identified BAU Issues

Audit activities under this category are related to areas where a current/standard audit process is in place, or an initiative that has been discussed/scoped/implemented in the last audit cycle, however further development/enhancement or analysis of the audit is required. This section of the audit plan builds on the standard audit processes conducted in previous periods and looks to address key issues that were detected and ensure the mitigation approach is sound.

Four (4) areas have been identified that will be addressed in 2023.

DETAILS	BACKGROUND	ISSUE	BAU ACTIONS
Gaming venues gaming hours monitoring	<p>The Act and the VGCCC Rules contain key requirements for gaming venue hours of operation.</p> <p>Deliverable 7.11 of Intralot Gaming Services Pty Ltd (IGS)'s Technology Review Plan (TRP) required IGS to scope a solution for monitoring venue gaming hours. That solution was expected to assist the VGCCC in monitoring venue compliance with the key obligations.</p>	<p>IGS implemented the TRP in April 2021, which enabled each venue operator to record their nominated gaming hours of operation through IGS's BOS portal. IGS also developed an exception report based on these hours, to inform the VGCCC of venues that may be operating outside of their nominated gaming hours.</p> <p>However, it has been proven difficult to implement a monitoring process, with many venue operators not responding to the VGCCC's requests or being reluctant to put in accurate and complete information about their nominated gaming hours.</p>	<p>The AA will amend the Accounting and Auditing Venue Requirements (AAVR)<sup>11</sup> approved by the Commission pursuant to section 10.1.5C of the Act to require venue operators to put in their gaming hours.</p> <p>Once the accuracy information of gaming hours is available to the VGCCC, the AA will implement monitoring process to ensure venue operators adhering to the requirements.</p>
CBS	<p>Section 3.6.9(2)(d) of the Act requires club venue operators must prepare and lodge an audited community benefit statement (CBS) with the VGCCC for every financial year in which they receive gaming machine revenue.</p> <p>This function has been transferred to the AA in light with the restructure of the VGCCC.</p>	<p>The AA has inherited this process post the creation of the VGCCC and this is the first time the team has had visibility to the process. The AA has followed the previous process and provided required communication to all club venues via direct correspondences and update on VGCCC's website.</p> <p>Clubs that failed to lodge an audited CBS by 30 September 2022 will be taxed at the higher 'pub' venue rate from 1 October 2022 until the audited CBS is lodged with the VGCCC. In addition, the VGCCC may take disciplinary action against a club for contravening the Act by failing to lodge an audited CBS on time.</p>	<p>To further strengthening the process around the monitoring and auditing of CBS submission, the AA is looking to introduce a process whereby high-risk submissions (criteria to be based on the value and type of deductions claimed) will be determined and onsite audit/review is to be scheduled to those identified venues to assess the accuracy and completeness of the submissions.</p>

<sup>11</sup> The AAVR is formally approved by the Commission under section 10.1.5C of the *Gambling Regulation Act 2003*. Provisions in this document are therefore enforceable operational requirements.

DETAILS	BACKGROUND	ISSUE	BAU ACTIONS
Revised/Enhanced audits to assist anti-money laundering monitoring	<p>The AA has implemented a suite of audit processes, namely, irregular trade monitoring for EGMs at gaming venues and Casino and excessive trading monitoring for keno product, to monitor the potential money laundering activities via various gambling products.</p> <p>The AA is looking to improve its capabilities to assist in the timely and accurate identification of AML risks by actively revamp/enhance its current audit process.</p>	<p>The VGCCC receives ample data for EGMs operating across the casino and gaming venues. The AU is currently in the process of working with IGS and third-party service providers to develop a periodic data package/report that will assist the AA to detect instances of potential money laundering more efficiently and effectively.</p> <p>The AA is also intending to utilise the existing process implemented by Crown Casino’s Financial Crimes Investigations and Screening (FCIS) unit, to seek the receipt of a periodic data package from Crowns FCIS to allow the VGCCC to assess the investigation process and findings re its AML monitoring from the FCIS at a high level, and to provide a useful analytical tool to assess the number of detected irregularities and provide the AA with an additional measurement to assess the risk of potential money laundering activities at Crown.</p>	<p>Areas to be scop to monitor various gambling products AML risks include:</p> <ul style="list-style-type: none"> <li>• Improved identification of irregular trade at gaming venues by developing additional data package from IGS and third-party service providers.</li> <li>• Improved identification and monitoring of irregular trade at Casino EGMs by developing data package to be provided to the AA by FCIS.</li> <li>• Improved Keno excessive trading monitoring by introducing trend analysis and timely referral of activities detected.</li> </ul>
Crown Casino Commission Based Play review	<p>Classification of CBP at casino has been the subject of various casino review conducted in various jurisdictions.</p> <p>CBP play is subject to a lower tax rate as opposed to general player, hence a potential incentive for casino operator to incorrectly classify general player as CBP.</p>	<p>The current audit program implemented by the AA monitor the CBP activities at casino on a monthly basis, however it does not provide assurance/assessment of the classification of individual CBP is correct. The AA deems this is a risky area that needs to be addressed.</p>	<p>The AA seeks to understand Crown’s procedure and controls in place in determining the correct classification of CBP and implement a monitoring process to ensure adequacy of these classification, at time of registering the player and during their period of play at Crown, to ensure correct tax is remitted to the State.</p>
Enhanced attestation of Escrow account held by Crown	<p>Crown maintain an Escrow account for all unpaid jackpot prize funds it received, and has yet to pay them out, upon retirement of jackpots.</p>	<p>Need to ensure assurance and attestation processes around accuracy and completeness of Escrow funds are enhanced in light of the upcoming suitability decision in 2024, which if deemed unsuitable, will warrant Crown’s payment of amounts in Escrow to players.</p>	<p>Scope existing processes and ensure enhancements occurred where necessary to provide complete attestation and assurance to the accuracy of Escrow amount, to be monitored each month.</p>

### 5.3 'Risk Based' Project Audits

Project Audits under this category are scoped based on the identification of areas of risks that require significant assessment to ensure the regulatory approach applied by the VGCCC is appropriate.

Project audits are implemented when:

- a) new/emerging risks are identified with the introduction of new gambling products or legislation to assess the potential risks, where the risk, data, validation method or audit processes are not easily determined
- b) existing processes require re-evaluation and a further detailed review to ensure the mitigation strategy applied is appropriate/sound
- c) new information becomes available which highlights a particular concern/risk.

#### Projects planned for Calendar Year 2023

The following projects are planned for calendar year 2023.

##### 5.3.1 Implement process to operationalise the legislative changes to the Act in relation to Jackpot Special Prize Pools

**Risk:**

Potential impact on player fairness.

**Scope:**

To implement and enhance the monitoring processes to address the legislative changes in relation to Jackpot Special Prize Pool balance allocation.

**Expected Outcome:**

The monitoring processes ensure all Jackpot Special Prize Pool balances are appropriately allocated according to the Act.

**Key Milestones include:**

- Engage with the Department of Justice and Community Safety (DJCS) to clarify the interpretation of the Act
- Engage with the monitoring licensee to develop a new Jackpot level report accessible via the Intralot BOS Portal
- Amend relevant sections in the Accounting & Auditing Venue Requirements document to reflect the legislation changes
- Draft a communication plan (including a Fact Sheet and Q&A) to inform venue operators regarding their responsibilities under the new legislation
- Engage with IGS to ensure IGS is clear about its responsibility to allocate the Jackpot Special Prize Pool balance on behalf of venue operators
- Develop new audit programs to monitor the Jackpot Special Prize Pool when:
  - A linked jackpot arrangement is retired
  - A venue ceases operation
  - A venue changes ownership

**Deadline:**

June 2023

### 5.3.2 Implement process to facilitate the new keno licences and introduction of Point of Consumption Tax for keno product

**Risk:**

Accurate and complete collection of gambling tax.

**Scope:**

To implement a monitoring process in light of the introduction of new keno licences, awarded to:

- a) Keno (VIC) Pty Ltd (formerly Tabcorp Investments No. 5 Pty Ltd, the incumbent keno licensee), and
- b) Lottoland Australia Pty Ltd.

**Expected Outcome:**

New audit programs to monitor the accuracy and completeness of reported data by keno licensees, including correct calculation of keno point of consumption tax, due to the new licence allowing for the sale of keno online.

**Key Milestones include:**

- Engage with the State Revenue Officer to clarify the interpretation of tax calculation for keno products by licensees
- Engage with licensee to scope the data file specification
- Engage with ICT to develop the internal business requirements to facilitate the data file loading
- Engage with licensee to scope documentations required to monitor various aspects of keno operations
- Develop new audit programs to monitor the keno operations

**Deadline:**

December 2023

### 5.4 Discontinued Audits

Several audits in the 2021-2022 audit plan were deemed as low risk areas that was not completed while the team was focusing on other high risk and priority matters. Below is a summary of these audits which will not be included in this 2023 audit plan.

AUDIT ACTIVITY	FREQUENCY	TOTAL NO.	REASON FOR DISCONTINUITY
EGM GMT Monitoring (Plate Destruction)	Monthly	12	A legacy monitoring process inherited by the AA as part of the Licence Management and Audit team. Function transferred to venue operations team within the Gambling division.
Casino EGM Imbalance	Monthly	12	Considered low risk area as no evident audit findings for past years.
Casino Monthly New Product Monitoring EGM & Tables	Monthly	24	This audit is no longer required moving forward as the new product tax arrangement ended on 30 June 2021.

## 6 Document Details

### 6.1 Confidentiality Statement

Release	
Date of this version	20 September 2022
Author	[REDACTED]
Project Executive/Sponsor	[REDACTED]
Document Version Number	1.0

### 6.2 Document Location

TRIM ID: CD/22/14244

### 6.3 Revision History

Revision Dates	Version Number	Summary of Changes
20 September 2022	1.0	First Draft
18 October 2022	1.0	Final Version

### 6.4 Approvals

This document requires the following approvals:

Name	Title	Approval Signature	Date
[REDACTED]	Acting Director, Regulatory Service	[REDACTED]	18/10/2022

### 6.5 Endorsements

Name	Title	Endorsement Signature	Date

# 7 Appendix

## 7.1 Appendix 1: Relevant legislation to govern the assurance work

LEGISLATION	SECTIONS	EXPLANATION															
Sections 3.6.6A of the Gambling Regulations Act 2003	<p>(3) The tax per gaming machine entitlement in a calendar month is the sum of the amounts of average revenue per gaming machine entitlement determined by multiplying those parts of that average revenue per gaming machine entitlement specified in column 1 of the applicable table by the rate specified in column 2 of the applicable table opposite those parts of the average revenue per gaming machine entitlement.</p> <p>(3A) The applicable table for a calendar month before August 2022 is the following Table.</p> <table border="1" data-bbox="422 659 1314 915"> <thead> <tr> <th>Column 1</th> <th>Column 2</th> <th>Column 2</th> </tr> </thead> <tbody> <tr> <td>The part of average revenue per gaming machine entitlement that:</td> <td>Club Rate</td> <td>Hotel Rate</td> </tr> <tr> <td>does not exceed \$2666</td> <td>N/A</td> <td>8.33%</td> </tr> <tr> <td>exceeds \$2666 but does not exceed \$12 500</td> <td>46.7%</td> <td>55.03%</td> </tr> <tr> <td>exceeds \$12 500</td> <td>54.2%</td> <td>62.53%</td> </tr> </tbody> </table>	Column 1	Column 2	Column 2	The part of average revenue per gaming machine entitlement that:	Club Rate	Hotel Rate	does not exceed \$2666	N/A	8.33%	exceeds \$2666 but does not exceed \$12 500	46.7%	55.03%	exceeds \$12 500	54.2%	62.53%	<p>These sections outline requirements in relation to the remittance of gambling tax to the State in relation to each gambling product.</p> <p>To ensure that the correct gambling tax is remitted by various gambling licensees, tax settlement verification audits are conducted by the AU.</p> <p>Such audits involve independent calculation of tax payable utilising data received from each gambling licensee.</p>
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Part 4 Section 22 of the Casino (Management Agreement) Act 1993	<p>22.1 While the Casino Licence remains in force, the Company must pay—</p> <p>(a) to the State, for each Financial Year or part thereof until 30 June 1997, the Casino Supervision and Control Charge, the first payment being due and payable on the Licensing Date in respect of the period until 30 June 1994 and thereafter the Casino Supervision and Control Charge will be paid annually in advance, commencing on 1 July 1994;</p> <p>(b) to the State, in respect of each month in which gaming is conducted in the Temporary Casino or the Melbourne Casino, casino tax in an amount equal to—</p> <p>(i) for the period until 30 June 1997, 20% of the Gross Gaming Revenue for the month in question; and</p> <p>(ii) on and from 1 July 1997, 211/4% of the Gross Gaming Revenue for the month in question;</p> <p>payable in each case within 7 days following the end of each month, the first payment to be made in relation to the month in which the Temporary Casino is Completed;</p>																

LEGISLATION	SECTIONS	EXPLANATION
	<p>(c) to the State, in respect of each month beginning on 1 July 1994 and ending on 30 June 1996 additional casino tax in an amount of \$2 400 000 payable within 7 days of the end of each month;</p> <p>(d) to the State, in respect of each month in which gaming is conducted in the Temporary Casino or the Melbourne Casino, a community benefit levy in an amount equal to 1% of the Gross Gaming Revenue for the month in question, on the same dates as payments are made to the State pursuant to paragraph (b); and</p> <p>(e) any other fees and payments payable under the Casino Control Act.</p> <p>22.2 In addition to the casino tax payable under clause 22.1(b), while the Casino Licence remains in force the Company must pay to the State in respect of each Financial Year in which Gross Gaming Revenue exceeds the Base Amount, additional casino tax calculated in accordance with clause 22.3.</p> <p>22.3 In this clause 22 "Base Amount" means, subject to clause 22.6—</p> <p style="padding-left: 40px;">(a) to 30 June 1994, \$500 000 000; and</p> <p style="padding-left: 40px;">(b) on 1 July 1994 and each anniversary of that date ("Review Date") the amount determined at any time after that review date in accordance with the following formula:</p> <p>R = A/B x C</p> <p>where—</p> <p style="padding-left: 40px;">R is the Base Amount in respect of the year commencing on the relevant Review Date;</p> <p style="padding-left: 40px;">A is the Consumer Price Index (All Groups for Melbourne) published from time to time in the Australian Statistician's Summary of Australian Statistics ("CPI Index") published for the day immediately preceding the relevant Review Date;</p> <p style="padding-left: 40px;">B is the CPI Index for the day one year and one day prior to the relevant Review Date; and</p> <p style="padding-left: 40px;">C is the Base Amount (as amended from time to time in accordance with this clause) for the year immediately preceding the relevant Review Date.</p> <p>22.4 The amount of the additional casino tax payable under clause 22.2 shall be calculated in accordance with the following table—</p>	

LEGISLATION	SECTIONS					EXPLANATION
	Amount of EGGR \$		Amount of additional casino tax \$			
	Nil	— 19 999 999	Nil	+ 1% of the Excess		
	20 000 000	— 39 999 999	200 000	+ 2% of the Excess		
	40 000 000	— 59 999 999	600 000	+ 3% of the Excess		
	60 000 000	— 79 999 999	1 200 000	+ 4% of the Excess		
	80 000 000	— 99 999 999	2 000 000	+ 5% of the Excess		
	100 000 000	— 119 999 999	3 000 000	+ 6% of the Excess		
	120 000 000	— 139 999 999	4 200 000	+ 7% of the Excess		
	140 000 000	— 159 999 999	5 600 000	+ 8% of the Excess		
	160 000 000	— 179 999 999	7 200 000	+ 9% of the Excess		
	180 000 000	— 199 999 999	9 000 000	+ 10% of the Excess		
	200 000 000	— 219 999 999	11 000 000	+ 11% of the Excess		
	220 000 000	— 239 999 999	13 200 000	+ 12% of the Excess		
	240 000 000	— 259 999 999	15 600 000	+ 13% of the Excess		
	260 000 000	— 279 999 999	18 200 000	+ 14% of the Excess		
	280 000 000	— 299 999 999	21 000 000	+ 15% of the Excess		
	300 000 000	— 319 999 999	24 000 000	+ 16% of the Excess		
	320 000 000	— 339 999 999	27 200 000	+ 17% of the Excess		
	340 000 000	— 359 999 999	30 600 000	+ 18% of the Excess		
	360 000 000	— 379 999 999	34 200 000	+ 19% of the Excess		
	380 000 000	or more	38 000 000	+ 20% of the Excess		

LEGISLATION	SECTIONS	EXPLANATION
	<p>where—</p> <p>"EGGR" is the amount by which Gross Gaming Revenue in a Financial Year exceeds the Base Amount for that Financial Year; and</p> <p>"Excess" means in respect of any row in the above table, the amount by which EGGR exceeds the number first appearing in the first column of that row.</p> <p>22.5 The casino tax calculated under clause 22.4 and payable under clause 22.2 must be paid to the State within 7 days following the end of each Financial Year.</p> <p>22.6 If the Australian Statistician updates the reference base for the CPI Index an appropriate adjustment shall be made to the definition of "Base Amount" in clause 22.3 to preserve the intended continuity of calculation by using an alternative appropriate factor determined by the Statistician in lieu of "A/B" in the definition of "Base Amount".</p> <p>22.7 If the CPI Index referred to in the definition is discontinued, suspended or otherwise altered to such an extent that an adjustment under clause 22.6 cannot in the reasonable opinion of the State be made, the Base Amount shall be determined by substituting for "A/B" in the definition of "Base Amount" such other comparable index as the State may reasonably require.</p> <p>22.8 The Casino Supervision and Control Charge will not be levied on the Company after 1 July 1997.</p> <p>22.9 To secure to the State the payment of the additional casino tax pursuant to clause 22.1(c), the Company must on or before the Licensing Date provide to the State an unconditional letter of credit issued by a bank or banks acceptable to the State's Nominated Representative and in such form approved by the State's Nominated Representative to pay to the State an amount not less than \$57 600 000 provided that the amount required to be secured to the State by the letter of credit from time to time shall be reduced by an amount equal to each amount of exclusivity casino tax paid under this document.</p>	
<p>Sections 4.6A.3 of the Gambling Regulations Act 2003</p>	<p>(1) Subject to section 4.6A.4 and Division 4, tax is imposed on the net wagering revenue of a wagering and betting entity at the rate of 8% of the amount of net wagering revenue in excess of the tax-free threshold.</p> <p>(2) The wagering and betting entity is liable to pay wagering and betting tax on the entity's net wagering revenue.</p>	
<p>Sections 5.4.3 of the Gambling</p>	<p>(1) In relation to each public lottery conducted under a public lottery licence, the public lottery licensee</p>	

LEGISLATION	SECTIONS	EXPLANATION
Regulations Act 2003	<p>must—</p> <p>(a) lodge a return with the Commission; and</p> <p>(b) pay to the Commission to be paid into the Consolidated Fund the required percentage of player loss.</p> <p>(2) The required percentage of player loss is—</p> <p>(a) in relation to an AFL footy tipping competition—</p> <p>(i) 58·41% of the player loss that is in respect of supplies on which GST is payable; and</p> <p>(ii) 67·50% of the player loss that is in respect of supplies on which GST is not payable;</p> <p>(b) in relation to a soccer football pool—</p> <p>(i) 57·52% of the player loss that is in respect of supplies on which GST is payable; and</p> <p>(ii) 68% of the player loss that is in respect of supplies on which GST is not payable;</p> <p>(c) in relation to any other public lottery—</p> <p>(i) 79·40% of the player loss that is in respect of supplies on which GST is payable; and</p> <p>(ii) 90% of the player loss that is in respect of supplies on which GST is not payable.</p> <p>(3) The return must be in the form, and contain the particulars, required by the Commission.</p> <p>(4) The return must be lodged, and payment made, not later than the 7 days after the determination of the public lottery to which the return relates.</p> <p>(5) In this section—</p> <p><b>player loss</b>, in relation to a public lottery, means the total amount paid by all players to enter the public lottery less—</p> <p>(a) the sum of all prizes payable from that total amount (other than prizes payable from a jackpot prize pool) and any refunds made to players from that total amount; and</p> <p>(b) the sum of amounts determined under the lottery rules for the public lottery for payment in respect of that total amount to a jackpot prize pool.</p>	
Sections 6.3.2 (1) of the Gambling	(1) In this section, <b>week</b> means a period of 7 days commencing on a Sunday and ending on the following Saturday.	

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Regulations Act 2003	<p>(2) The participants must pay in respect of club keno games conducted during each week—</p> <p>(a) to the Treasurer, in accordance with arrangements approved by the Treasurer, for payment into the Consolidated Fund, 24·24% of the gaming revenue for the week, such payment to be made on the next Tuesday after the end of the week; and</p> <p>(b) to the venue operator of an approved venue in which tickets in club keno games are sold during the week—</p> <p>(i) if GST is payable on the supply to which the amount to be paid under this paragraph relates, an amount calculated in accordance with the formula—</p> $GR \times 11 \times T$ <p>where—GR is the gaming revenue for the week;</p> <p>T is the total amount received by the participants for club keno games conducted during the week;</p> <p>V is the amount received at the approved venue for club keno games conducted during the week;</p> <p>(ii) if GST is not payable on the supply to which the amount to be paid under this paragraph relates, an amount calculated in accordance with the formula—</p> $\frac{T}{3} \times GR$ <p>where— GR is the gaming revenue for the week;</p> <p>T is the total amount received by the participants for club keno games conducted during the week;</p> <p>V is the amount received at the approved venue for club keno games conducted during the week.</p>	
Section 1.8 of Accounting and Auditing Venue Requirements	<p>To facilitate a complete and accurate collection of gaming taxes, the Commission will instigate a direct sweep of taxes owing from a venue(s) nominated bank account at the conclusion of the month.</p> <p>For this process to occur a venue operator must submit details of their nominated bank account by completing a Direct Debit Authority (“DDA”) with the Commission. The DDA application process is available to venue operators via their secure login access to the Commission’s Online Services Portal.</p>	<p>This section of the AAVR outlines requirements in relation to venues providing the VGCCC with a valid nominated gaming account to ensure the success sweep of gaming tax.</p>

LEGISLATION	SECTIONS	EXPLANATION
	An individual venue operator must submit an individual DDA for each of its operating venues.	To ensure all gaming venues have the correct bank details any newly submitted gaming bank account is reviewed and approved by the AU.
Section 2.2 (ii) of Accounting and Auditing Venue Requirements	<p>To ensure the accuracy, integrity and completeness of taxable revenue at the conclusion of the month, the monitoring licensee will identify gaming machine meter exceptions that must be reviewed and cleared by the venue operator in a timely manner.</p> <p>It is a venue operator's responsibility to ensure they are familiar with the process for clearing gaming machine exceptions and raising necessary financial adjustments. A venue operator should consult with the monitoring licensee to ensure it has a detailed understanding of the process required to clear machine exceptions.</p> <p>The Commission will be responsible for reviewing and acknowledging all gaming machine adjustments before the adjustments are included in the taxable revenue for the period.</p>	<p>This section of the AAVR outlines requirements in relation to the adjustment processed for exceptions flagged on electronic gaming machines, at gaming venues, by the IGS Monitoring System.</p> <p>To ensure that the completeness and accuracy of the tax collected from gaming venues for the State, all meter exception adjustments are reviewed and acknowledge by the AU.</p>
Sections 3.6.1 of the Gambling Regulations Act 2003	<p>(1) A gaming operator or a venue operator who holds a gaming machine entitlement must ensure that the pay-out table on gaming machines at each venue is set so as to return to players the players' proportion of the total amounts wagered each calendar year at that venue, after deduction of the sum of jackpot special prizes determined as prescribed and payable during that year.</p> <p>(2) The players' proportion is—</p> <p style="padding-left: 40px;">(a) not less than 85%; or</p> <p style="padding-left: 40px;">(b) if the Commission determines in accordance with subsection (3), a fixed percentage greater than 85%.</p> <p>(3) A determination under subsection (2)—</p> <p style="padding-left: 40px;">(a) must be made by notice published in the Government Gazette; and</p> <p style="padding-left: 40px;">(b) must be expressed to have effect on and after a specified date.</p>	<p>These sections of the relevant Acts outline requirements in relation to the legislated percentage rate of return to players (RTP).</p> <p>To ensure that the correct RTP rate is maintained, RTP verification audits are conducted. Such audits involve independent calculation of the RTP rate for all gambling products, by utilising the data provided by gambling licensees.</p>

LEGISLATION	SECTIONS	EXPLANATION
Section 115 of Casino Control Act 1991	<p>(1) A casino operator must ensure that the pay-out table on gaming machines in the casino is set so as to return to players the players' proportion of the total amounts wagered on gaming machines each year at the casino, after deduction of the sum of jackpot special prizes as approved for the time being under section 60 and payable during that year.</p> <p>(2) The players' proportion is—</p> <p>(a) not less than 87 per centum; or</p> <p>(b) if the Commission so determines in accordance with subsection (3), a fixed percentage greater than 87 per centum.</p>	
Victoria Government Gazette 27 March 2006	<p>The following conditions for the fixed odds, simulated racing event known as TABRACE are approved for betting under the provisions of the Gambling Regulation Act 2003 –</p> <p>(v) The statistical return to the player of the product must be a minimum of 75% of all amounts wagered;</p>	
Sections 6A.4.1 of the Gambling Regulations Act 2003	<p>(1) The keno licensee must ensure that not less than 75% of the total amount received by the licensee for any keno game is paid by the licensee to a prizes fund established by the licensee.</p>	
Section 1.2 of Rules of Authorised Lotteries	<p>1.2 The Rules that are in force at the time of purchase of an Entry in a Draw of an Authorised Lottery are contractually binding on Tatts and players.</p>	<p>This outlines requirements in relation to monitoring the prize payable funds to the players.</p>
Sections 6A.1.2 of the Gambling Regulations Act 2003	<p>(2) In determining, for the purposes of the definition of <i>keno revenue</i> in subsection (1), the sum of prizes payable in respect of keno games, if any prize is payable from a common jackpot prize pool under an approved keno linked jackpot arrangement, only that part of the prize pool contributed by the keno licensee is to be taken into account.</p>	<p>To ensure the correct % of return to player is set aside for future Prize distribution in relation to the relevant gambling products, Prize Reserve Fund verification audits are conducted. Such audits involve independent calculation of the Return to Players rate for all gambling products, by utilising the data provided by gambling licensees.</p>
Sections 3.6.1B of the Gambling	<p>3.6.1B Payments of unpaid jackpots to Responsible Gambling Fund</p> <p>(1) This section applies if a venue operator is in possession of funds in a jackpot special prize pool that have not been paid out at the time of –</p>	<p>This section outlines requirements in relation to the monitoring of Jackpot</p>

LEGISLATION	SECTIONS	EXPLANATION
Regulations Act 2003	<p>a) the venue operator ceasing to hold a venue operator’s licence; or</p> <p>b) the venue operator ceasing to hold any gaming machine entitlements; or</p> <p>c) the venue operator not operating jackpots for 6 months.</p> <p>(2) The venue operator must pay an amount equal to the funds in the jackpot special prize pool to the Treasurer for payment into the Responsible Gambling Fund</p> <p>(3) This section applies despite section 3.6.1.</p>	<p>Special Prizes Pool (JSPP) at gaming venues.</p> <p>To ensure the completeness and accuracy of gaming venues’ JSPP balances and assist the Victorian Responsible Gambling Fund (VRGF) with venue remittance of unpaid jackpot liability, JSPP monitoring audits are conducted. Such audits involve independent calculation of the JSPP by utilising the data provided by the monitoring licensee.</p>
Sections 3.5.8 of the Gambling Regulations Act 2003	<p>(3) A gaming operator or entitlement holder must not possess a gaming machine unless there is securely affixed on one internal and one external surface of the cabinet of the gaming machine a label showing—</p> <p>(a) the identification number issued under subsection (1) or (2); and</p> <p>(b) any other particulars that the Commission considers appropriate.</p>	<p>This section outlines requirements in relation to the monitoring of gaming machine operating at gaming venues in the State.</p> <p>To ensure all gaming machines operating in gaming venues across the State has appropriate identification number and can be tracked by the Commission, Gaming Machine Tracker monitoring are conducted. This audit involves the monitoring of Gaming Machine Equipment record provided by the monitoring licensee.</p>
Sections 5.4.7 (2) (b) of the Gambling Regulations Act 2003	<p>(2) The Minister must not make a recommendation for the purposes of subsection (1) unless satisfied that—</p> <p>(a) there is in force an agreement between the Minister and a Minister of the other State, Territory or country making adequate provision for administrative arrangements between this State and the other State, Territory or country relating to the administration of this Chapter and the proposed corresponding law of the other State, Territory or country; and</p>	<p>This section outlines requirements in relation to the monitoring of tax sharing between various State/Territory.</p> <p>To assess the integrity of lotteries data for completeness and accuracy in order to assist VGCCC in the remittance of</p>

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	(b) there is in force an agreement between the Treasurer and the Treasurer (by whatever name called) of the other State, Territory or country making adequate provision for the taxation of public lotteries and the sharing of taxation revenue.	lottery taxes to participating jurisdictions, Tax Sharing Verification audit is performed.																																																															
Appendix A of Victoria Totalisator Betting Rules	<p data-bbox="394 477 1457 505"><b>Totalisator Maximum Commission Deductions and Win Rates (Return to Investor) Racing (pari-mutuel)</b></p> <table border="1" data-bbox="394 537 1549 1149"> <thead> <tr> <th data-bbox="394 542 688 570">Bet Type</th> <th data-bbox="688 542 1184 570">Maximum Commission Deduction (%)</th> <th data-bbox="1184 542 1549 570">Win Rate (%) (non-Merged Pool)</th> </tr> </thead> <tbody> <tr><td data-bbox="394 574 688 602">Odds &amp; Evens</td><td data-bbox="688 574 1184 602">7.00%</td><td data-bbox="1184 574 1549 602">93.00</td></tr> <tr><td data-bbox="394 607 688 634">Win</td><td data-bbox="688 607 1184 634">14.50%</td><td data-bbox="1184 607 1549 634">85.50</td></tr> <tr><td data-bbox="394 639 688 667">Place</td><td data-bbox="688 639 1184 667">14.25%</td><td data-bbox="1184 639 1549 667">85.75</td></tr> <tr><td data-bbox="394 672 688 699">Exact 2<sup>nd</sup></td><td data-bbox="688 672 1184 699">14.50%</td><td data-bbox="1184 672 1549 699">85.50</td></tr> <tr><td data-bbox="394 704 688 732">Quinella</td><td data-bbox="688 704 1184 732">17.50%</td><td data-bbox="1184 704 1549 732">82.50</td></tr> <tr><td data-bbox="394 737 688 764">Duet</td><td data-bbox="688 737 1184 764">14.50%</td><td data-bbox="1184 737 1549 764">85.50</td></tr> <tr><td data-bbox="394 769 688 797">Trio</td><td data-bbox="688 769 1184 797">20.00%</td><td data-bbox="1184 769 1549 797">80.00</td></tr> <tr><td data-bbox="394 802 688 829">Exacta</td><td data-bbox="688 802 1184 829">20.00%</td><td data-bbox="1184 802 1549 829">80.00</td></tr> <tr><td data-bbox="394 834 688 862">Trifecta</td><td data-bbox="688 834 1184 862">20.00%</td><td data-bbox="1184 834 1549 862">80.00</td></tr> <tr><td data-bbox="394 867 688 894">First 4</td><td data-bbox="688 867 1184 894">22.50%</td><td data-bbox="1184 867 1549 894">77.50</td></tr> <tr><td data-bbox="394 899 688 927">Daily Double</td><td data-bbox="688 899 1184 927">20.00%</td><td data-bbox="1184 899 1549 927">80.00</td></tr> <tr><td data-bbox="394 932 688 959">Running Double</td><td data-bbox="688 932 1184 959">20.00%</td><td data-bbox="1184 932 1549 959">80.00</td></tr> <tr><td data-bbox="394 964 688 992">Quaddie</td><td data-bbox="688 964 1184 992">20.00%</td><td data-bbox="1184 964 1549 992">80.00</td></tr> <tr><td data-bbox="394 997 688 1024">Treble</td><td data-bbox="688 997 1184 1024">20.00%</td><td data-bbox="1184 997 1549 1024">80.00</td></tr> <tr><td data-bbox="394 1029 688 1057">BIG6</td><td data-bbox="688 1029 1184 1057">25.00%</td><td data-bbox="1184 1029 1549 1057">75.00</td></tr> <tr> <td data-bbox="394 1062 688 1149">International Pooled Bet</td> <td data-bbox="688 1062 1184 1149">The lesser of 40.00% or the maximum commission applying in the pooling (host) jurisdiction</td> <td data-bbox="1184 1062 1549 1149"></td> </tr> </tbody> </table> <p data-bbox="394 1154 978 1182">* Totalisator Win Rates (Return to Investor) Sports (AFL)</p> <table border="1" data-bbox="394 1219 999 1411"> <thead> <tr> <th data-bbox="394 1224 688 1252">Bet Type</th> <th data-bbox="688 1224 999 1252">Win Rate (%)</th> </tr> </thead> <tbody> <tr><td data-bbox="394 1256 688 1284">AFL Win</td><td data-bbox="688 1256 999 1284">80.00%</td></tr> <tr><td data-bbox="394 1289 688 1317">AFL Double</td><td data-bbox="688 1289 999 1317">80.00%</td></tr> <tr><td data-bbox="394 1321 688 1349">AFL Xtra Double</td><td data-bbox="688 1321 999 1349">80.00%</td></tr> <tr><td data-bbox="394 1354 688 1382">AFL Half/Full Double</td><td data-bbox="688 1354 999 1382">80.00%</td></tr> <tr><td data-bbox="394 1386 688 1411">AFL Half/Full Xtra Double</td><td data-bbox="688 1386 999 1411">80.00%</td></tr> </tbody> </table>	Bet Type	Maximum Commission Deduction (%)	Win Rate (%) (non-Merged Pool)	Odds & Evens	7.00%	93.00	Win	14.50%	85.50	Place	14.25%	85.75	Exact 2 <sup>nd</sup>	14.50%	85.50	Quinella	17.50%	82.50	Duet	14.50%	85.50	Trio	20.00%	80.00	Exacta	20.00%	80.00	Trifecta	20.00%	80.00	First 4	22.50%	77.50	Daily Double	20.00%	80.00	Running Double	20.00%	80.00	Quaddie	20.00%	80.00	Treble	20.00%	80.00	BIG6	25.00%	75.00	International Pooled Bet	The lesser of 40.00% or the maximum commission applying in the pooling (host) jurisdiction		Bet Type	Win Rate (%)	AFL Win	80.00%	AFL Double	80.00%	AFL Xtra Double	80.00%	AFL Half/Full Double	80.00%	AFL Half/Full Xtra Double	80.00%	<p data-bbox="1562 483 1944 602">This section outlines requirements in relation to the approved maximum Commission Deductions for wagering products.</p> <p data-bbox="1562 613 1969 824">To ensure the correct Commission Rate is deducted from the wagering revenue calculation, Commission Verification audit is performed. Such audit involves independent calculation of Commission and Commission ceiling and compare to reported commission in data file.</p>
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Section 7, 12, 13 A of Victoria Totalisator Betting Rules	<p>(a) Subject to these Rules any Dividend won by or Refund made to an Investor shall be paid to that Investor in the Betting Operator's sole discretion either in cash, by cheque or Betting Voucher or by the crediting of the value of the Dividend or Refund to an Account or Card.</p> <p>(b) The Betting Operator shall not be obliged to make payment of any Dividend or Refund until an Investor has provided any documentation and information as the Betting Operator may reasonably require.</p> <p>(c) The Betting Operator will use its best reasonable endeavours to ensure that Dividends will be available for payment or crediting immediately after the official result of an Event is received by it.</p>	<p>This section outlines requirements in relation to the distribution of dividends for wagering products.</p> <p>To ensure the correct wagering dividends are paid out to the players, a dividend verification audit is performed. Such audit involves independently calculate and verify the total dividend pay-out from each event.</p>												
Schedule 7 of Casino (Management Agreement) Act 1993	<p>22C GST Offset and Intergovernmental Agreement with the Commonwealth</p> <p>22C.1 The Intergovernmental Agreement requires the State to adjust its gambling tax arrangements to take account of the GST on gambling operations.</p> <p>22C.2 The total amount of casino tax as described in and calculated under clauses 22 and 22A shall be reduced by the State Tax Credit calculated with respect to gambling supplies to which those clauses apply. The State Tax Credit will be allowed as a reduction in the total amount of casino tax payable under clauses 22 and 22A when calculated on the seventh day after the end of the relevant month.</p>	<p>This section outlines requirements in relation to the GST Offset in calculating the gambling revenue for Casino operation.</p> <p>To ensure the accuracy of the GST offset and impact on gaming tax collected, Monthly GST Review is conducted by AU, which assesses the calculation applied by Crown.</p>												
Section 8 Gaming Equipment of Casino Licence	<p>The Melbourne Casino:</p> <p>(a) must have not less than 150 and not more than 440 Gaming Tables in operation and available for the playing of Table Games while the Melbourne Casino is open for business, of which those Gaming Tables which are Fully Automated Table Games may have no more than 250 stations in aggregate, and</p>	<p>This section outlines requirements in relation to the amount of electronic gaming machine and Table games are permitted to operate in casino.</p> <p>To analysis of gaming trade polled on the Crown EGM and Table network and to monitor the number of EGMs and</p>												

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	<p>(b) in addition, may have not more than 100 tables in operation and available for the playing of poker while the Melbourne Casino is open for business (which may include Semi Automated Table Games and Fully Automated Table Games for the playing of poker); and</p> <p>(c) in addition, must have not more than 2,628 gaming machines in operation while the Melbourne Casino is open for business.</p>	<p>Tables are below the legislated limit, EGM &amp; Table movement audits are conducted, and numbers are assessed against the prescribed limits.</p>
<p>Schedule 11 of Casino (Management Agreement) Act 1993</p>	<p>(b) If casino tax paid to the State in accordance with clauses 22.1(b)(iii), 22.1(f) and 22A.1 in respect of Gross Gaming Revenue and Commission Based Players' Gaming Revenue from New Gaming Product in any Financial Year during the Guarantee Period is less than \$35,000,000, the Company must pay to the State within 60 days following the end of that Financial Year, as additional casino tax, an amount equal to \$35,000,000 less the casino tax paid in respect of Gross Gaming Revenue and Commission Based Players' Gaming Revenue from New Gaming Product for that Financial Year.</p>	<p>This section outlines requirements in relation to the tenth Deed of Variation to the Casino Management Agreement, primarily on the progress of the new EGM products contribution to the tax guarantee amount.</p> <p>The AU independently calculates trade from new products, using reported data, to ensure the threshold is met during the relevant year.</p>
<p>Schedule 3 of Casino (Management Agreement) Act 1993</p>	<p>22.2 In addition to the casino tax payable under clause 22.1(b), while the Casino Licence remains in force the Company must pay to the State in respect of each Financial Year in which Gross Gaming Revenue exceeds the Base Amount, additional casino tax calculated in accordance with clause 22.3.</p>	<p>This section outlines requirements in relation to the casino super tax payable.</p> <p>To ensure the completeness and accuracy of casino tax, Super Tax verification audit is conducted by AU.</p>
<p>Section 2.1 of Accounting and Auditing Venue Requirements</p>	<p>Soft meter readings must be independently recorded/ verified by the venue from each gaming machine on a daily basis to allow for the reconciliation of daily polled data received from the monitoring licensee.</p> <p>At a minimum, the following soft meter readings must be recorded:</p> <p>Credits played / Turnover</p> <p>Credits won</p> <p>Total cash in, and</p> <p>Total cash out</p>	<p>This section of the AAVR outlines requirements in relation to the recording and verification of soft meters on electronic gaming machines, at gaming venues.</p> <p>The AU performs independent reconciliation of soft meter movements against reported gaming data from the Monitoring Licensee, to ensure venues adhere to this obligation and attest to</p>

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		the accuracy of reported data. Such audit involves contacting gaming venues and requesting copies of their soft meter read and compare back to the polled soft meter by the Monitoring Licensee.