



**Queensland
Government**

Office of Liquor and Gaming Regulation

GAMING MACHINE ACT 1991 (s.301)

GUIDELINES FOR PREPARATION OF AUDITOR'S REPORT

ISSUE DATE: 14 September 2017

PURPOSE:

These guidelines have been prepared pursuant to Section 301 of the *Gaming Machine Act 1991*. They are designed to assist persons who are **approved accountants** to conduct audits into the gaming operations of Category 2 licensees, (i.e. clubs) as required by Sections 302 – 305 inclusive of the *Gaming Machine Act 1991*. The definition of “**approved accountants**” is contained in Item D, Auditor's Requirements.

Its primary purpose is to briefly describe the accounting Forms and procedures followed by gaming licensees, provide examples of some common pitfalls encountered in the procedures maintained by clubs, and to provide the approved accountants with specific guidelines by which to complete the Auditor's Report.

These guidelines are available on the Office of Liquor and Gaming Regulation's (OLGR) website www.business.qld.gov.au/liquor-gaming

ACCOUNTING RECORDS AND PROCEDURES

The gaming records required to be kept by all clubs include:-

- (1) Manual Payments Register (Form 39)** – This Register is a record of all payments made to players, including cancelled credits, hand paid jackpot payouts and short pay correction payouts. In addition, it also records hopper fills. Entries into this Register must be witnessed and made immediately after each payment has been made and after each hopper fill has been completed. However, no witness is required, if the payment is less than \$500 and the system used by Licensed Monitoring Operator (LMO) and the club uses an electronic accounting package.
- (2) Cash Clearances Report (Form 40)** – This Report shows the amount of gaming tokens cleared from the cash box, note acceptors and Ticket in Ticket Out (TITO) repository of each gaming machine and Cash Redemption Terminal (CRT) for the date range of the clearance period. Gaming tokens include Australian currency notes, coins and TITO tickets. The report contains legal certifications by the persons carrying out or supervising the clearance, that the records are correct. Clubs are required to complete a clearance at least four times a month and at intervals of no greater than 10 days. Entries must be made immediately after

undertaking a money clearance.

Office of Liquor and Gaming Regulation

(3) Gaming Machine Performance Record (Form 41) – This record is to be maintained for each gaming machine. This record shows all money clearances, and all manual payments for the gaming machine and enables the evaluation of the gaming machine's performance. It also shows the opening and closing hopper amounts and the electronic meter readings of the gaming machine at the start and finish of the period covered by the report. This record must be completed after every money clearance.

(4) Gaming Machine Reconciliation Report (Form 42) – This report is compiled using the Gaming Machine Performance Records (Form 41), and identifies the total of the money clearances, cancelled credits, short pays, hopper fills, hand paid jackpots and the opening and closing hoppers. This Report calculates the club's reported win and identifies the total of the club's monthly gaming deposit and monthly gaming cheques. Its primary purpose is to summarise the monthly accounting for each individual gaming machine at the club. It must be completed within 6 days of the end of the previous month. The reported cash clearance figure is automatically adjusted by the net TITO and net cashless metered figure.

(5) Monthly Variance Record (Form 61) – This Report is used to identify positive and negative variances in actual/reported versus metered figures from gaming machines within the venue. It includes the provision for totaling figures from the preceding reports (Form 39, 40, 41, 42) and is used to identify anomalies in the reported and actual gaming records. It must record any variance greater than 0.5% (\$5 per \$1000) of the metered or required amount and must include explanations for any variances greater than 0.5%. It must be completed and certified by the gaming nominee within 7 days after the end of each monthly period. The Form 61 must be tabled for consideration at the next meeting of the club's Management Committee or Board.

COMMON ADMINISTRATIVE AND ACCOUNTING ERRORS

Some common errors in performing and entering the transactions in these records include: -

- Failing to reset the credit meter when performing a cancelled credit (this results from either not pressing the collect button to lock up the gaming machine or not turning the appropriate key). If this occurs the credits left on the gaming machine can then be played or collected at a direct loss to the club.
- Miscalculating the conversion of the credits on the gaming machine into dollars, e.g. when the person performing a cancelled credit wrongly calculates the credits into cash, e.g. Paying 500 X 20c credits as \$200, not \$100.
- Recording transactions to the wrong gaming machine. This will not affect the club's overall reported Win, but will provide incorrect information with respect to

the performance of that particular gaming machine.

- Including the weight of a container used to hold cleared coins on the scale in the cash figure (by failing to ensure the scale is properly "tared").
- Under weighing coin cleared by programming the scales with an overweight tare (generally due to having coin or another object in the scale container when the tare weight is measured).
- Overstating the hopper contents - the most common cause of this error is failure to take out the "tare" of any container used on the scale to hold coins. To avoid this problem, the club should ensure the scales display zero before weighing.
- Any errors in the amounts paid to patrons, amounts cleared, or in the recording of transactions will result in discrepancies between the metered win as calculated using the meters and the reported win. The rectification/location of these discrepancies are time consuming and could lead to accusations of illegality.

The Office of Liquor and Gaming Regulation has produced a brochure titled ***Insight into Variances*** which is attached as Addendum 1.

GENERAL PRINCIPLES

A. FLOATS AND FLOAT CONTROL

It is recommended that each club carry a gaming machine float whose value is dependent upon the number of gaming machines, the volume of trade and frequency of cash clearances. The majority of this float will be used to exchange with patrons and an amount of cash to make manual payments of up to the nominated site limit. The maximum site payout limit is \$5000 (Payouts over \$5000 must have a cheque component for at least the residual amount after the \$5000 is paid in cash).

During the day's trading, coins/notes will be exchanged for notes and cash manual payments paid from the float. At the end of the day, the notes and coins in the float plus the total of the cash manual payments (including hopper fills) made that day should equal the amount of the float at the start of trade.

B. BANKING

Section 47(4) & (5) of the *Gaming Machine Regulation 2002* prescribes two methods for the banking of the proceeds from the operation of the club's gaming machines. Gaming machine revenue must be deposited into an account kept for this purpose at a financial institution within 2 business days of each clearance period (or another period approved in writing by the OLGR for a club in special circumstances). Each deposit must be calculated using either the **Standard Periodic Method** or the **Win Periodic Method**.

Irrespective of the method employed, the periodic gaming deposit for each clearance period (including the end of month clearance) must be kept separate from other deposits.

Periodic gaming deposits can be confirmed by verifying information contained within the base records; Manual Payment Register – Form 39, Cash Clearance Report – Form 40, bank statements, cheque book and LMO site reconciliation report for TITO and Card Based Gaming.

Standard Periodic Method

The **Standard Periodic Method** is the amount of total clearances *less* the non-cheque manual payments (i.e. cash manual payments) for the clearance period. The Standard Periodic Method is the preferred, the simplest and most commonly used method.

This procedure enables the venue to reimburse the gaming float for the cash manual payments made during the period. The gaming float should only ever decrease through making cash manual payments. If the float does not return to the amount reconciled at the start of the period once the banking procedure is completed, further investigation by the venue would be required.

Any payments made by a cheque not drawn from the gaming account are not considered gaming cheques and are not included in the banking calculation. These cheques should not be recorded on any gaming machine accounting records. Payments that are made by cheque do not affect the float and therefore do not need to be reimbursed to the float.

Acceptable Variations to the standard periodic method

The OLGR have approved the following variations to the standard periodic method.

- The licensee may replenish the TITO and Card Based floats by deducting the net TITO and/or the net Cashless amounts from the money clearance for the period. The net TITO and net cashless amounts are sourced from the LMO site reconciliation reports for TITO and Cashless.
- The licensee may replenish their Automated Teller Machine (ATM) with part/all or more than the periodic deposit. The ATM provider must deposit the exact amount of the ATM replenishment into the licensee's gaming account within 2 business days. The ATM reimbursement must be deposited into the same account as the residual amount of the required bank is deposited into.
- The licensee can bank the entire amount of the clearance and then draw a cheque on the same account representing the cash manual payments for the corresponding period. These cheques are not considered gaming cheques and should not be recorded on any gaming machine accounting records.

Negative Banking

A negative bank occurs when the manual payments are greater than the monies cleared from the EGMs for the clearance period. The float is to be reimbursed either by the drawing of a cheque or by making a withdrawal from an account. As a result a banking variance will appear on the Form 61 and this will require an explanation detailing the amount and date range of the negative bank.

Win Periodic Method

The **Win Periodic Method** is the banking of the reported win plus gaming cheques. As a part of this method the hopper contents are regarded as part of float. The method is uncommon as it involves the counting or weighing of each gaming machine's hopper contents at every clearance. Where this method of banking is used method must be recorded on the Monthly Gaming Machine Reconciliation Report (Form 42) and the Monthly Variances Record (Form 61).

Each gaming machine's reported win i.e. (closing hopper + cash cleared) less (cancelled credits + hopper fills + short pays + jackpot payments + opening hopper), will closely balance with the gaming machine's metered win (i.e. the incremental value of the turnover meter less the incremental value of the total metered win and the progressive metered payout (jackpots), if applicable).

If there are any concerns with respect to monthly metered gaming figures, please refer enquiries to the Licensed Monitoring Operator.

C. GAMING MACHINE ACCOUNT

Ideally, a club should have a gaming machine banking account, into which all gaming machine deposits are made, in addition to their general banking account. This provides for easy identification of gaming machine deposits and avoids these deposits being mixed with other general operational deposits. Furthermore, this separate gaming machine account must have:

- (i) cheque facilities for payment of manual payments required to be made by cheque; and
- (ii) electronic funds transfer facilities for payment of monthly taxes due to this Office.

However, it is not a legislative requirement that the gaming machine account be separate from the general account. If a club banks its gaming machine deposits to its general account, then that account, for the purposes of the legislation and the audit, is the gaming machine account. In this situation, the auditor needs only to audit the gaming machine deposits and not the entire account.

Some clubs combine their general accounts and their gaming machine deposits into the same account and have opened a separate account into which they deposit the monies owed for taxes to the OLGR. These monthly taxes are subject to a monthly electronic sweep. In this situation the gaming account for the purpose of the OLGR and the audit is the initial location of the gaming deposit. Where gaming machine deposits are made to the general account, it is important that those deposits be separate from other deposits (e.g. bar takings) and be readily identifiable.

D. AUDITOR'S REQUIREMENTS

An approved accountant as defined by the *Gaming Machine Act 1991* must be:-

- (a) A member of the Institute of Chartered Accountants in Australia who holds a current certificate of public practice issued by the institute; or
- (b) a member of CPA Australia who holds a current public practice certificate issued by CPA Australia; or
- (c) a member of the Institute of Public Accountants who holds a current public practice certificate issued by the institute; or
- (d) a registered company auditor; or
- (e) a person approved by the commissioner as having the necessary experience or qualifications to conduct audits for the gaming operations of licensees.

(The qualifications held by the auditor in keeping with the above requirements and the date of approval in writing by the OLGR in the case of (e) should be indicated in the audit report).

Section 303 of the *Gaming Machine Act 1991* states:-

An **approved accountant** carrying out an audit for section 302(1) or (2) of the Act **must** –

- (a) to the extent it is reasonably practicable, **comply with any licensees audit guidelines**; and
- (b) **complete the audit within 3 months** after the end of the financial year or other period to which the audit relates; and
- (c) **immediately** after completing the audit, **give a copy of the audit report** to the category 2 **licensee** or former licensee.

Maximum penalty – 40 penalty units

AUDITOR'S REPORT – GUIDELINES TO BE FOLLOWED

The auditor's report, must comprise and advise the following items: -

1. Specify the club's current Incorporation number (IA) or Australian Corporation Number (ACN).
2. Specify the method of banking calculation employed by the club;
3. Specify the total amount of periodic gaming deposits relating to the Gaming Machine Account for each month, by using the table below, (please be sure to separate deposits for each relevant month, eg. deposit completed on 02/01/2017 may contain monies which relate to gaming deposit for December 2016. In this case, only the monies due to be deposited for the relevant months should be included in the total);-

PERIODIC GAMING DEPOSITS

Months (for the financial year)	Totals as per Bank Statements
January	\$
February	\$
March	\$
April	\$
May	\$
June	\$
July	\$
August	\$
September	\$
October	\$
November	\$
December	\$
TOTAL	\$

1. Specify whether the periodic gaming deposits required to be made have been made within the period allowed for the particular club (i.e. within 2 business days of each clearance unless the Commissioner for Liquor and Gaming has approved another period in writing);
2. Calculate the total amount of periodic gaming deposits which should have been banked to the Gaming Machine Account using the appropriate table shown below.

STANDARD BANKING METHOD (REFER PAGE 4)

(A)TOTAL CASH CLEARANCES [Refer to the reported Cash Clearances on the Forms 42 or Forms 61]	
(B)TOTAL CANCELLED CREDITS [Refer to the Cancelled Credits reported on the Forms 42 or Forms 61]	
(C)TOTAL JACKPOTS [Refer to the Forms 42 or Forms 61]	
(D)TOTAL HOPPER FILLS [Refer to the Hopper Fills reported on the Forms 42]	
(E)TOTAL SHORT PAYS [Refer to the Short Pays reported on the Forms 42]	
(F)TOTAL GAMING CHEQUES * [The amount of cancelled credits and/or jackpots paid by cheque and drawn on the account into which the periodic gaming deposits are made]	
TOTAL REQUIRED GAMING DEPOSITS = A - (B+C+D+E) + F	

WIN BANKING METHOD (REFER PAGE 4)

(A)TOTAL REPORTED WIN [Refer to the Reported Net return on the Forms 42 or Forms 61]	
(B)TOTAL GAMING CHEQUES * [The amount of cancelled credits and/or jackpots paid by cheque and drawn on the account into which the periodic gaming deposits are made]	
TOTAL REQUIRED GAMING DEPOSITS = A + B	

* **NOTE:** When calculating the total required gaming deposits (total cash clearances **less** non-cheque { i.e. cash} manual payments), all cheque payments must be treated as such, although some cheques may have been incorrectly cashed through the gaming machine float and not (say) the bar float. The total required gaming deposits should then comprise notes, coin and cheques issued to patrons and cashed through the gaming machine float. Do not include those cheques which have been issued to a player, cashed through the gaming machine float and then destroyed. Any cheques issued to players in respect of gaming payouts, should be cashed through the bar or trading float (if at all). The practice of cashing payout cheques through the gaming float is not recommended as it may have the effect of circumventing the requirements for approved cheque limits. The auditor should report any such instances of this practice.

3. Specify the difference between the total actual periodic gaming deposits banked in (b) and the amount which should have been banked in (d) and the reasons for the difference;
4. Comment on completion of the Monthly Variances Records (Forms 61). The club must attach explanations for all positive and negative variances of more than 0.5% (i.e. \$5 per \$1,000) of the metered amount, or in the case of the Monthly Gaming Deposit, the required amount. The club must also provide these explanations in connection with the consideration of the Form 61 by the club management committee or board. The auditor should verify that the Forms 61 and any explanations required to be attached, have been referred to and considered by the club management committee or board by sighting the relevant club minutes.

(If the club has not prepared a Form 61 for any month of the financial year, the auditor should report this fact and arrange for their completion by the club). Where the auditor is not satisfied that the explanations provided for variances are satisfactory, Forms 61 have not been completed correctly or they have not been considered by the committee, a copy of the Form 61's should be retained for forwarding as an annexure to the audit report.

3. (a) Specify the reported win as recorded on the Form 42 or Form 61.
- (b) Specify the metered win (from a report generated by the club licensed monitoring operator).
- (c) Specify the Win Variance [i.e. the difference between (a) and (b)] and the reasons for the difference (if significant). As a standard, a positive or negative variance greater than 0.5% (\$5 per \$1,000) of the metered amount would be regarded as significant. However, this will also depend on the amount of the variance and a common sense approach should be adopted. The purpose of investigating any significant differences in win variances is to detect -
 - (a) theft from cash boxes;
 - (b) theft from hoppers;
 - (c) coin-in or coin-out problems;
 - (d) errors in the club's bookwork; and
 - (e) recording of fictitious payments.

If the difference cannot be explained this should be indicated.

4. Comment on whether the club has adequate systems of control to ensure that the gaming machine float is properly managed. This should include (a) whether the float is reimbursed for cash manual payments after each clearance; (b) how often the float is balanced against the cash entries in the manual payments register; (c) whether separate floats are maintained for the bar and any EFTPOS facilities; and (d) in the event of shortages, how many staff have access to the float at any time.

5. Comment on the accuracy of the base records, i.e. the Manual Payments Register and Cash Clearances Report and the transcription of the entries in these documents through to the Monthly Gaming Machine Reconciliation Report. This is best achieved by totalling each type of transaction for each accounting period (month) and comparing this total against the corresponding total in the Monthly Gaming Machine Reconciliation Report. The extent to which you need to perform this function is determined by the differences in 1(d) and/or 2(c). Specify the level (%) of audit testing and provide comment to justify that level.
6. Comment on the general standard of gaming machine related bookkeeping maintained by the club, including completeness and timeliness of completion.
7. For the purposes of Addendum 4 attached, the auditor will be required to identify those sites who have operated more than 50 gaming machines at any one time during the period of the audit.
8. Upon completion of the audit, the approved accountant must immediately after completing the audit, give a copy of the audit report to the licensee. If the approved accountant considers it is necessary that copies of the Monthly Variances Records (Form 61) be included, then relevant copies should accompany the auditor's report.

The approved accountant should give to the licensee:-

- (1) A copy of the Auditors Report containing the above-mentioned particulars identified in items 1 – 7 inclusive
- (2) A copy of a Management Letter if issued to the licensee
- (3) Copies of the Form 61's (if necessary)

ADDENDUM 1

INSIGHT INTO VARIANCES

The purpose of this document is to assist clubs in providing explanations required in connection with the completion of the Monthly Variances Record (Form 61). Irrespective of the amount of any variances, the resulting Form 61 **must be** considered at the next management committee or board meeting of the club. The use of Forms 61 may also be a useful tool for hotels and taverns in maintaining adequate management controls.

The information contained within is **not meant to be exhaustive** and only details the more likely causes for each of the variances.

WHERE TO BEGIN

Within 7 days of the following month, a club has to have entered a number of standardised recordings onto a Form 61 for the previous month's gaming transactions. These recordings are a combination of reported and metered amounts (or in the case of banking, the actual and required amounts) and the amount of the respective variances (positive or negative).

Calculation of the variances for those items which have both reported and metered amounts, namely Win (Net Return), Cash Clearances, Cancelled Credits and Progressive Jackpots, should occur as follows:

- Calculation of the variances for those items (**shown as A, D, G, and J in Form 61**) are the totals for those amounts as recorded in the Form 42. In the case of the comparative metered figures (**shown as B, E, H, and K in Form 61**), the site should record the total metered amounts obtained for the site following the reading of each gaming machine's meters required at the end of each month. A particular note should then be made of those variances (**either positive or negative**) calculated using the correct metered figures, which are greater than 0.5% (\$5 per \$1000) of the metered or required amount, for further investigation.
- Identify which gaming machines have a significant Win (Net Return) Variance and whether it is a positive or negative variance.

Note: By performing Win (Net Return) analysis, i.e. comparing the reported win and the metered win sites should be able to determine more easily on which gaming machines variances have occurred. Then refer to the following which may assist in interpreting the variances.

1. WIN (NET RETURN) VARIANCE

Item (C) on Monthly Variances Record (Form 61)

As the cash clearances, cancelled credits and jackpots contribute to the calculation of the site's reported win, each of the variances for these recordings should be examined to determine whether they can explain in whole or in part, the Win Variance. Refer to points 2, 3 and 4 respectively for assistance. If the variance is still not identified, check for the following:

- 1.1 If the variance is a **negative** figure, i.e. the reported win is less than the metered win, then the reported figure has been understated and could be due to:
 - a short pay, that may not have actually been payable to a player;
 - a false hopper fill, i.e. a hopper fill may have been recorded and not performed;
 - the closing hopper has been understated or the opening hopper has been overstated;
 - coins may have been stolen from the hopper;
 - credits may have been registered on the credit meter other than by valid means;
 - a gaming machine fault could exist in that too many coins have been dispensed from the hopper ,
e.g. there were 60 credits on a 10c gaming machine and 64 coins are dispensed (undertake a 100 coin test);
 - hopper contents have been removed as a result of conversions, gaming machine changes or removal of gaming machines, and not included in cash clearances;

- 1.2 If the variance is a **positive** figure, i.e. the reported win is greater than the metered win, the reported figure has been overstated and could be due to:
 - credits that may have been erased from the credit meter without a short pay being made (a Payment Refusal Report may give a clue);
 - valid hopper fills have been performed and not recorded. In this instance, a corresponding shortage should appear in the gaming machine float.
 - the closing hopper has been overstated or the opening hopper has been understated;
 - gaming machine fault could exist in that too few coins have been dispensed from the hopper (undertake a 100 coin test).

Note: A 100 coin test (or \$49 in the case of a \$1 tokenised gaming machine) means that 100 coins of the gaming machine's gaming token denomination are fed as fast as possible into the gaming machine and the credit meter subsequently noted. The collect button is then pushed and the coins dispensed into the tray are counted to see if any discrepancy has occurred. This should be reported at least three times. If there is a discrepancy the club must contact the LMO.

2. CASH CLEARANCES VARIANCE

Item (F) on Monthly Variances Record (Form 61)

- 2.1 If the variance is a **negative** figure, i.e. the reported cash clearances are less than the metered cash clearances, the cash clearances may have been understated and could be due to:

- error in weighing or counting procedures (a check of the gaming machine float may give a clue);
- addition or transcription errors;
- failure to clear or include as clearances, notes removed from the banknote receptacle where applicable;
- a diverter and/or cash box meter problem. This may be apparent where the particular gaming machine's Win Variance is minimal and therefore there is no real shortage, e.g. coins destined for the cash box have ended up in the hopper, i.e. this will not contribute to the Win Variance. If this is the case, contact the repairer;
- theft (advise QOGR (Section 348 of Gaming Machine Act 1991) and the Police.)

2.2 If the cash clearances variance is a **positive** figure, i.e. the reported cash clearances are greater than the metered cash clearances, the cash clearances have been overstated and could be due to:

- error in weighing or counting procedures (e.g. double counting, neglecting to tare the scales);
- transcription errors;
- gaming machine faults – contact the LMO.

3. CANCELLED CREDITS VARIANCE

Item (I) in Monthly Variances Record (Form

61)

3.1 If the variance is a **negative** figure, i.e. the reported cancelled credits are less than the metered cancelled credits, the cancelled credits have been understated and could be due to:

- an error in calculating the cash value of the payment;
- addition and transcription errors;
- payment made on the last day of the previous month with credits being left on the meter, and cancelled the following day.

3.2 If the cancelled credits variance is a **positive** figure, i.e. the reported cancelled credits are greater than the metered cancelled credits, the cancelled credits have been overstated and this could be due to:

- payment made on the last day of the month in question with credits being left on the meter, and cancelled the following day;

- the attendant neglecting to cancel the credits;
- an error in calculating the cash value of the payments;
- recording jackpots as cancelled credits;
- credits payable on a gaming machine immediately prior to the time when a RAM clear is carried out, have subsequently been paid without a corresponding increment in the cancelled credits meter;
- addition or transcription errors;
- false payments have been entered fraudulently (advise the OLGR (Section 348 of Gaming Machine Act 1991) and the Queensland Police Service (QPS).)

4. JACKPOTS VARIANCE

Item (L) on Monthly Variances Record (Form 61)

4.1 If the variance is a **negative** figure the jackpots (excluding minor rounding off to the nearest 5 or 10 cents for cash payments) have been understated, i.e. the reported jackpots are less than the metered jackpots, and could be due to:

- recording the incorrect jackpot amount, i.e. paying a minor jackpot prize displayed and not the major prize displayed;
- recording jackpots as cancelled credits;
- addition or transcription errors.

4.2 If the variance is a **positive** figure the jackpots (excluding minor rounding off to the nearest 5 or 10 cents for cash payments) have been overstated, i.e. the reported jackpots are greater than the metered jackpots, and this could be due to:

- recording the incorrect jackpot amount, i.e. paying the major jackpot prize displayed and not a minor prize displayed;
- addition or transcription errors;
- false jackpots entered up fraudulently (advise the OLGR (Section 348 of Gaming Machine (Act 1991) and the QPS.)

5. BANKING VARIANCE

Item (O) on Monthly Variances Record (Form 61)

5.1 If the difference is a **negative** figure, i.e. the Actual Monthly Gaming Deposit is less than the Required Monthly Gaming Deposit, then provided the Required Monthly Gaming Deposit has been calculated correctly, i.e. correct banking method and no addition or transcription errors, including amount for non-cheque (cash) manual payments or the amount for gaming cheques, the variance could be due to:

- an increase in the gaming machine float;
- monies have been used on other site payments (i.e. paid in cash);

monies have been banked into another account;

- gaming cheques have been cashed for patrons through the gaming machine float and then not banked;
- EFTPOS reimbursements made directly by the financial institution to the Gaming Machine Account have not been included;
- theft (advise the OLGR (Section 348 of Gaming Machine Act 1991) and the QPS)

5.2 If the difference is a **positive** figure, i.e. the Actual Monthly Gaming Deposit is more than the Required Monthly Gaming Deposit, then provided the Required Monthly Gaming Deposit has been calculated correctly, i.e. correct method and no addition or transcription errors, including amount for non-cheque (cash) manual payments or the amount for gaming cheques, the variance could be due to:

- excess float amounts that have been deposited to the Gaming Machine Account have been treated as part of the Actual Monthly Gaming Deposit (i.e. Periodic Gaming Deposits);
- other amounts (including reimbursements intended for the gaming machine float) that have been deposited to the Gaming Machine Account have been treated as part of the Actual Monthly Gaming Deposit (i.e. Periodic Gaming Deposits);
- reimbursements intended for a cheque account (other than for gaming cheques drawn on the Gaming Machine Account) used to make gaming payments, have been treated as part of the Actual Monthly Gaming Deposit (i.e. Periodic Gaming Deposits);
- payment of insurance claims arising from theft of monies from cash boxes, which have been treated as part of the Actual Monthly Gaming Deposit (i.e. Periodic Gaming Deposits);
- hopper contents which have been removed as a result of conversions, gaming machine changes or removal of gaming machines and have been deposited to the gaming machine account without including them in the cash clearances reported for the month.

As compliance with legislative requirements is the responsibility of the licensee, management must ensure that relevant staff are conversant with current requirements. If upon having made a reasonable attempt, a site is unable to determine the reason for a variance, assistance should be sought from the site's:

- Licensed Monitoring Operator
- Auditor

The OLGR can be contacted in instances where, although the assistance of the site's LMO or auditor has been sought, the reason for a variance has not been identified.

ADDENDUM 2

It is recognised that the approved accountant who prepares the Auditor's Report required by Section 303(1)(c) of the *Gaming Machine Act 1991* is often engaged by the club to conduct an audit of the licensee's accounts and accounting records for the licensee's gaming and general operations.

The following information will provide approved accountants with information which will assist in scheduling their audit program and identify the obligations placed upon the club to submit the relevant financial statements and associated documentation.

CLUB'S REQUIREMENTS

A licensed club must be in a position to submit the following documents to the Chief Executive, Office of Liquor and Gaming Regulation, **within 3 months and 14 days** of the end of its financial year:-

- (a) A copy of the Auditors Report (as set out in item D of these guidelines); and
- (b) A copy of a Management Letter, if the approved accountant who carried out the audit issued a management letter in relation to the audit; and
- (c) A statement –
 - (i) stating the number of members in each class of membership of the licensee at the end of the financial year
 - (ii) identifying each class of membership of the licensee for which the members in the class have voting rights; and
- (d) A copy of a profit and loss statement containing details of all revenue received, and expenditure incurred, by the licensee in carrying on the licensee's **general operations** for the licensee's licensed premises to which the audit report relates for the financial year; and
- (e) A copy of any balance sheet, financial statement, auditor's report or other statement or report, relating to the licensee's **general operations** that was presented to the licensee's annual general meeting for the financial year; and
- (f) A Statement of Payment of Benefits (Refer Addendum 3) setting out details of benefits provided to certain persons, subject to certain exemptions, during the financial year.
- (g) If the licensee operates 51 or more gaming machines – a community benefit statement (Refer Addendum 4) detailing all financial contributions made, and other support given, during the financial year to charitable, sporting, recreational and other community associations and initiatives

Maximum penalty – 200 penalty units

There is **no provision for an extension** to the stipulated timeframe pursuant to the legislation.

NB

Section 305(2) advises that the profit and loss statement referred to in subsection (d) immediately above –

- (a) **must distinguish** between revenue received from the sale of liquor for consumption on the licensed premises and the revenue received from the sale of liquor for consumption off the licensed premises; and
- (b) must comply with any other reasonable requirements notified in writing to the licensee by the chief executive.

“general operations” means operations conducted by the licensee –

- (a) under the licensee's gaming machine licence
- (b) in relation to the conduct of –
 - (i) Keno games under the *Keno Act 1996*; or
 - (ii) wagering under the *Wagering Act 1998*; or
 - (iii) general gaming operations under the *Charitable and Non-Profit Gaming Act 1999*; or
- (c) relating to the supply of –
 - (i) liquor and other beverages; and
 - (ii) food.



Statement of Payment of Benefits

Gaming Machine Act 1991
(s305(1)(e)) Gaming Machine
Regulation 2002 (s46A)

Name of Club _____

End of Financial Year ____/____/____

- Type of Club
- Bowls Club
 - Community Club
 - Football Club
 - Golf Club
 - RSL Club
 - Sporting Club
 - Surf Life Saving Club

Please read instructions for completion overleaf.

Name of Beneficiary	Category of Beneficiary	Description of Benefit Each Benefit to be shown separately	Amount or Monetary Value of each Benefit	Total Benefits
		\$ \$	\$
		\$ \$	\$
		\$ \$	\$
		\$ \$	\$
		\$ \$	\$
		\$ \$	\$
Total Benefits provided by Club				\$

If insufficient space please use an attachment page.

Signed by _____
Executive Member of the Club

Date ____/____/____

Name _____

Position Held _____



Instructions for Completion

Definitions

When completing this form, please note the following definitions:

“Benefit” Includes the following –

- (a) salaries, wages, allowances and financial incentives;
- (b) a payment under a lease, agreement or arrangement;
- (c) service and advantage.

“Monetary value” for a benefit that is not money, means the value of the benefit in monetary terms reasonably estimated by the management committee or board of the licensee who gave the benefit.

Categories

Please use the allotted number to describe the beneficiary.

1. Member of Licensee’s Management Committee or Board, or the Secretary of the licensee
2. Lessor of the licensed premises
3. Person who has entered into an agreement or an arrangement with the licensee about the management of the licensee’s business or operations of the licensee
4. Person responsible for the day to day management of the operation of the licensed premises
5. A person who is an associate of a category 1 – 4 person
6. A person prescribed under a regulation

Exemptions

If during the financial year of the club a person receives approved benefits which total less than \$1,000, such benefits do not need to be reported in this statement.

However, when the total of benefits received by a person during the financial year exceed \$1,000, details of each benefit must be given.

Example:

Name of Beneficiary	Category of Beneficiary	Description of Benefit *See overleaf for definition	Amount or Monetary Value	Total
Mr. David Jones	4	Salary..... \$75,000	\$75,000
Mr. Tom Smith	1	Allowance as board member Expenses to attend industry conference\$850.....\$500.....	\$1,350

Lodgement

The Statement of Payment of Benefits is to be submitted to OLGR annually along with the club’s audit report on gaming operations and its financial statements.



Gaming Machine Act 1991
S305 (1)(f)

Community Benefit Statement

Name of Club: _____

Type of Club:

- Bowls Club Community Club Football Club Golf Club
- RSL Club Sporting Club Surf Life Saving Club

Contributions *

	Cash	•Non-Cash
Non-Affiliated *		
• Charitable & Welfare	_____	_____
• Sporting & Recreation	_____	_____
• Community	_____	_____
• Other (specify) _____	_____	_____
_____	_____	_____
Affiliated * (list of affiliated organisations below)		
• Charitable & Welfare	_____	_____
• Sporting & Recreation	_____	_____
• Community	_____	_____
• Other (specify) _____	_____	_____
_____	_____	_____
Affiliated Organisations		

Signed
by

Date: ___ / ___ / ___

Executive Member of Club

For the Financial Year End: ___ / ___ / ___

• Dollar value of the non-cash contribution to be shown.

*** DEFINITIONS:**

Contributions – means a benefit, either monetary or non-monetary, received by another entity for its charitable, sporting, recreational and community purposes or initiatives.

Non-Affiliated – means an entity, other than an affiliated entity.

Affiliated – means an entity established or recognised under the Club's constitution or an entity which although not formally recognised by the Constitution, has similar objectives and a traditional arrangement or relationship with the Club.

Office of Liquor and Gaming Regulation

WHILE CARE HAS BEEN TAKEN IN THE PROVISION OF THIS INFORMATION, NEITHER THE OFFICE OF LIQUOR AND GAMING REGULATION NOR ITS EMPLOYEES ASSUME ANY RESPONSIBILITY FOR ANY APPLICATION OF THESE INSTRUCTIONS.

SHOULD YOU REQUIRE FURTHER INFORMATION OR CLARIFICATION ON THE INFORMATION PROVIDED HEREIN, PLEASE CONTACT THE OFFICE OF LIQUOR AND GAMING REGULATION ON TELEPHONE NUMBER 13 QGOV (13 74 68).