



CASHFLOW ANALYSIS

Presented by Brian Cook

ARISTOCRAT GAMING TM

WHAT IS CASHFLOW ANALYSIS?

Cashflow analysis is the technique of monitoring the flow of money (coins, notes or electronically recorded credits redeemable for money) through a gaming machine; from the point of insertion to the time it is cleared from the cash box/note acceptor.

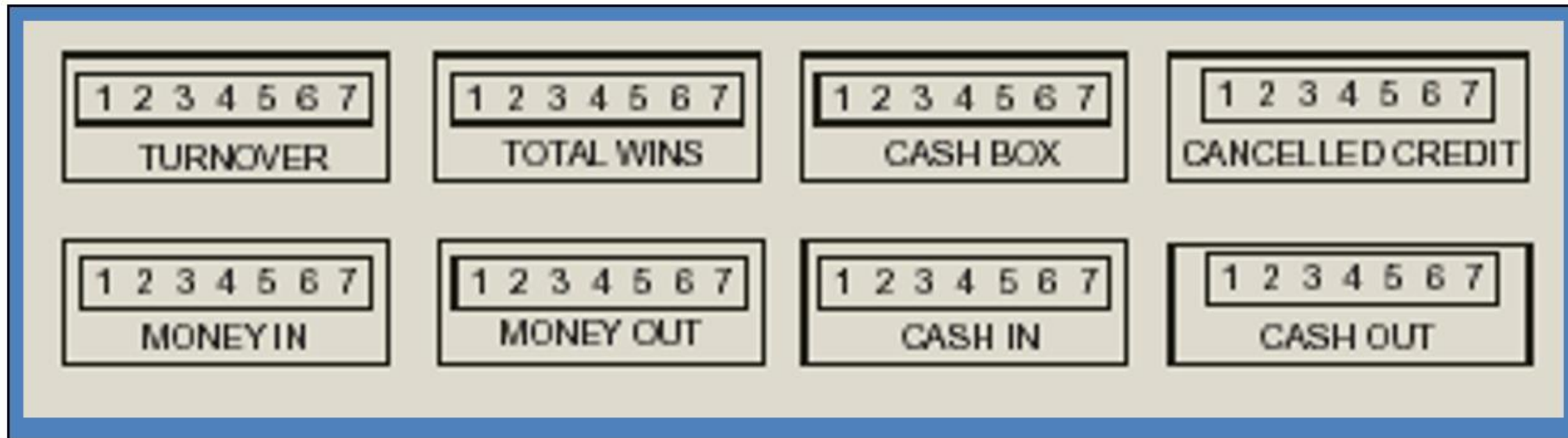
The technique depends on the presence of several meters known as 'audit meters', designed to record various functions of a gaming machine.

Cashflow analysis must be completed **at least** monthly, and a summary of the analysis must be reported to the Club's board or committee **on a monthly basis**.

Gaming Machine Regulation 2002, updated 2010

ELECTRO-MECHANICAL COUNTERS

(non-resettable)



MANDATORY IN NSW

FUNCTIONALITY	
Turnover	The cumulative total of money wagered
Total Wins	Wins from game
Cash Box	Coins, notes, tickets into cash box/stacker
Cancelled Credits	Attendant or printer pay
Money In	Money transferred via CCCE
Money Out	Money transferred from machine via CCCE
Cash In	Coin, notes, tickets inserted into the machine
Cash Out	Coin paid out from the hopper

CASHFLOW CALCULATION

$$OH + TO + R + CC + MO - MI - TW - CH = CA$$

OH	=	Opening hopper \$ value (weighed using gross/net value or counted)
TO	=	Turnover (\$) - meter
R	=	Refills added to hopper – actual cash
CC	=	Cancel credits paid – actual cash
MO	=	Money Out (Cashless Payout) - meter
MI	=	Money In (CCCE transfer and Cashless Clearance) - meter
TW	=	Total wins (credit wins) - meter
CH	=	Closing hopper \$ value (weighed using gross/net value or counted)
CA	=	Cash available (the theoretical or calculated value in the Cash Box)

ELECTRO-MECHANICAL (SCREEN)

OPERATOR MODE MENU

1. Machine Identification
2. Accounting Information
3. Diagnostic Information
4. Self-Test Mode
5. Operator Setup / Selections
6. Power Save Mode
7. Hopper Refill
8. Current Lockup

ACCOUNTING INFORMATION MENU

- 2.1 Jurisdictional Meters
- 2.2 Periodic Meters
- 2.3 Replay of Previous Games
- 2.4 Gamble Statistics
- 2.5 Collect Statistics
- 2.6 Cash Information
- 2.7 Game Statistics
- 2.8 Game Rules Statistics

CASHFLOW ANALYSIS INTERPRETATION

Correct interpretation of the Cash Flow Analysis will help to pinpoint areas of concern that may require further investigation.

These areas include –

- Incorrect data input where manually entered
- Incorrect recording of meters if read manually
- Incorrect recording or allocation of Cancel Credits, Refills or Cash Clearances
- Machines overpaying from the Hopper
- Theft from the Hopper, Cash Box or Note Acceptor
- False Cancel Credits or Refills
- Cancel Credits not keyed off and Overpayments
- Duplication of Tickets or Tickets not redeemed
- Customer fraud and verification of customer claims
- The 'laundering' of money

CASHFLOW ANALYSIS INTERPRETATION

- continued

Top of the Machine:

- Meters & Hopper

Bottom of the Machine:

- Cash/Drop Box



COMPLIANCE

CASHFLOW

The following are minimum compliance requirements –

- The club must record a cashflow analysis for each gaming machine at least once a month
- All cashflow data must be recorded and kept for 3 years
- All cashflow data & analysis must be reported to the club's Board or Committee at least monthly (usually by the 21st of each month)
- Cashflow variances to be investigated - check variances greater than +/- 0.1% (\$1 in every \$1,000)
- Sites should have strict procedures to protect the integrity of club processes and their staff

RECOMMENDATIONS

- Perform your cashflow analysis on a weekly basis
- Reconcile Cancel Credits and Clearance daily
- Advise staff about the venue's cashflow procedures and responsibilities
- Use cashflow tools to investigate variances
- Keep senior management informed
- No requirement for Statutory reporting to OLGR
- Submit Statutory Cash Flow and Net Analysis reports to your Board or Committee on a monthly basis

THE AUSTRALIAN TRANSACTION REPORTS AND ANALYSIS CENTRE (AUSTRAC)

Which businesses are affected by the AML/CTF laws?

The laws affect those businesses which provide designated services under the AML/CTF Act, including:

- **Financial Sector** - banks, credit unions, building societies, lending, leasing and hire purchase companies, stored value card issuers, issuers of traveller's cheques, foreign exchange dealers, asset management companies, remittance dealers, financial planners who arrange for the issue of financial products, life insurers, superannuation funds, custodial service companies, cash couriers and securities dealers
- **Gambling Sector** - including casinos, bookmakers, TABs, **clubs and hotels**, internet and electronic gaming service providers, and

(Anti-Money Laundering and Counter-Terrorism Financing Act 2006)

ESSENTIAL REQUIREMENT FOR CLUBS

Verify the credentials of any player with a transaction over \$10,000 and record the following -

- Any transaction over \$10,000
- Anyone you suspect of tax evasion (money laundering)

What are the new reporting obligations?

- The AML/CTF Act imposes obligations on new reporting entities, including identification, verification and ongoing monitoring of customers
- Reporting suspicious matters and transactions above a set threshold
- Ensuring customer information accompanies international funds transfer instructions
- Record keeping obligations
- The keystone of the regime is a requirement for a reporting entity to know its customer

SUMMARY

As mentioned previously, a properly interpreted Cash Flow Analysis is vital to the protection of your club's revenue.

When performing a Cash Flow Analysis, you should not jump to the conclusion that theft is involved due to some negative results. There are many avenues to explore before you consider the possibility of dishonesty, and often, a negative result is brought about by either human error (with data input) or machine malfunction, (either metering or overpaying).

Whilst the Office of Liquor, Gaming and Racing's (minimum) requirements are that Cash Flow Analysis is to be performed monthly, it is **strongly recommended** that it be completed weekly or daily if concerned about certain machines (giving obviously greater control in the protection of your club's revenue).



TM

ARISTOCRAT GAMING