

Completed Status Report for the Auditor General's Report Keeping the Decks Clean: Managing Gaming Integrity Risks in Casinos

In July 2005, British Columbia's Auditor General released a report entitled, "Keeping the Decks Clean: Managing Gaming Integrity Risks in Casinos." The report examined the 19 casinos operating in the province between September 2004 and January 2005.

The purpose of the audit was to assess whether the Government was adequately managing gaming integrity risks in casinos. Specifically, if the Government is adequately ensuring that:

- Casino industry participants meet high standards of honesty;
- Casino gaming equipment operates fairly;
- Casino gaming activities are conducted honestly; and
- Government is receiving its correct share of casino gaming revenue.

The Auditor General's report concludes that the Government is adequately managing gaming integrity risks in casinos. The report also concluded that adequate steps were being taken to ensure that:

- Casino industry participants meet high standards of honesty;
- Gaming equipment operates fairly according to approved standards;
- Gaming activities are conducted honestly; and
- The Province receives its correct share of casino revenue.

The report also made recommendations to improve the overall integrity of casino gaming in the province. These recommendations included changes to how casino gaming is regulated by the Gaming Policy and Enforcement Branch (GPEB), and how casino gaming is conducted and managed by the B.C. Lottery Corporation (BCLC). All of the recommendations were accepted and have now been fully implemented.

The full Auditor General's report including recommendations can be viewed at the following link:
[Auditor General's report – Keeping the Decks Clean: Managing Gaming Integrity Risks in Casinos.](#)

The table on the following page summarizes the recommendations made by the Auditor General and the completed status for each one.

Recommendation	Completed Status
Recheck backgrounds of key GPEB and BCLC employees every three to five years.	Complete – GPEB and BCLC background are rechecked every five years.
Register all BCLC employees who help to ensure gaming integrity in casinos.	Complete – all BCLC employees are registered by the Branch.
Develop and adopt technical standards for gaming equipment in BC casinos.	Complete – GPEB has approved and issued a Technical Standards document for electronic gaming equipment and an E-Gaming Standards document for Internet gaming equipment.
GPEB obtain additional evidence to support its reliance on independent test facilities to evaluate BCLC gaming equipment .	Complete – GPEB now requires testing labs to be in compliance with the International Standards Organization's 9002 standards for quality assurance.
Periodically review the work of BCLC's Casino Quality Assurance group to support the Branch's reliance on gaming equipment tests carried out by the group.	Complete – Spot checking of the BCLC Casino Quality Assurance group is currently done by an independent testing laboratory. GPEB has hired an independent testing laboratory to establish a formal process of review for quality assurance testing.
BCLC update the public information it provides on its website pertaining to the odds of winning at slot machines.	Complete – Information regarding the odds of winning at slot machines is available on BCLC website and is provided at all casinos and community gaming centres.
BCLC report regularly to its Board on the results of the Operational Gaming Audit Program and each casino's state of compliance with prescribed policies and procedures.	Complete – Quarterly reports are presented to the Board of Directors' Audit Committee regarding the audit and compliance levels of all casinos, bingos and community gaming centres.
BCLC implement the Surveillance Certification Program at the earliest possible date.	Complete – Examination and certification of surveillance operators is done through the Justice Institute of B.C.
BCLC ensure that all casinos have in place approved Surveillance System Component Plans .	Complete – All Surveillance System Component Plans have now been approved.
GPEB's Audit and Compliance group produce timelier audit reports .	Complete – Operating procedures have been put in place to ensure draft audit reports are issued within 30 days.
GPEB's Audit and Compliance group obtain direct evidence to support its reliance on BCLC's automated casino reporting systems .	Complete – Testing of reporting system has been incorporated into the audit procedures for BCLC e-gaming systems.
The integrity of gaming and horseracing should be confirmed as the primary responsibility of GPEB's General Manager.	Complete – The Minister confirmed this commitment in a 2005 letter to the Auditor General.
GPEB report annually to the Legislative Assembly on the state of gaming integrity in casinos.	Complete – Branch annual reports now produced on an annual cycle and delivered to the Legislative Assembly.