



## Minimum Internal Control Standards for Live Bingo Operations

Applicable for the Curaçao jurisdiction

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## General Statement.

The Minimum Internal Control Standards for Live Bingo Operations are an integral part of the casino license requirements for the Curaçao jurisdiction.

### 1. Definitions.

In these Minimum Internal Control Standards the following definitions are used:

- a. *Bingo* : a game of chance in which players mark off numbers on their bingo cards as the numbers are drawn randomly by a bingo caller, the winner being the first player to mark off five numbers in a row or another required pattern;
- b. *Disposable paper bingo card* : a non-reusable paper card or sheet, manufactured with a pre-printed serial number and consisting of various rows and columns of numbers, intended for use in a bingo game or the card-minding representation thereof;
- c. *Bingo operating equipment* : any equipment used to conduct the bingo game including random number selection equipment, bingo balls, number display boards and bingo cards, verification books and electronic verifier;
- d. *Bingo session* : a continuous series of bingo games with no breaks except for short intermissions, beginning when the first bingo ball is drawn in the first game of bingo and ending when the last game has been won;
- e. *Casino License Fee Declaration Form* : the monthly declaration form for the variable component of the license fee to the GCB (“aangifte”);
- f. *Computerized bingo system* : a game management system that is primarily tasked to provide logging, searching and reporting of gaming significant events, collection of financial data, and display and verification of winning cards;
- g. *Electronic bingo card* : The digital equivalent of the disposable paper bingo card;
- h. *Electronic bingo card monitoring device* : an electronic device that is used by a bingo player to monitor bingo cards in a bingo game (referred to as “EBM” throughout this document). An EBM shall not mean or include any device into which coin, currency, or tokens are inserted to activate play;
- i. *EBM site system* : a system that uses a website of a supplier or manufacturer to download electronic bingo cards on the electronic bingo card monitoring device (EBM);
- j. *Random Number Generator (RNG)* : a device for generating number values that exhibit characteristics of randomness (the absence of a pattern) and that is composed of computer hardware, software or a combination of hardware and software.
- k. *Serial number* : a unique number printed in the same manner on every bingo card by the manufacturer or printer.

### 2. Bingo balls.

- 2.1 Bingo balls must be free of defects and equal in all characteristics that control their selection in conformity with the Regulations for Live Bingo Operations.
- 2.2 Bingo balls must be stored in locked bingo ball cases. These cases, when not in use, must be stored in a secure location (vault or safe), accessible only to authorized persons, and with surveillance coverage adequate to identify persons accessing the storage area.
- 3.3 Only authorized casino employees shall handle bingo balls. When doing so, they must wear gloves that adequately protect the bingo balls from being tainted or otherwise damaged.



### 3. Bingo cards, Master Bingo Card Inventory, Bingo Card Control Log.

- 3.1 Upon initial receipt of the bingo card inventory from the manufacturer, it must be inspected (without breaking the factory seals, if any), counted, inventoried on the Master Bingo Card Inventory, and secured by an authorized casino employee.
- 3.2 To assure the integrity of the bingo cards:
  - a. Bingo cards must be inventoried and secured by accounting/audit personnel;
  - b. Bingo cards must be maintained in a secure location, accessible only to authorized persons, and with surveillance coverage adequate to identify persons accessing the storage area;
  - c. The issue of bingo cards to employees who sell these cards must be documented on a Bingo Card Control Log and signed for by an accounting/audit employee and the receiving employee. The log shall include the series number and serial numbers of the bingo cards;
  - d. A copy of the Bingo Card Control Log must be given to the bingo caller for purposes of determining if a declared card was indeed sold to a patron prior to the bingo game (electronic verification satisfies this standard); and
  - e. At the end of each month, accounting/audit personnel must verify the accuracy of the ending balance on the Bingo Card Control Log by reconciliation with the Master Bingo Card Inventory.
- 3.3 A monthly comparison for reasonableness must be made of the amount of bingo cards sold according to the Bingo Card Control Log to the amount of revenue recognized.

### 4. Sale of bingo cards and documentation, Session Bingo Card Sales Report.

- 4.1 Employees who sell cards on the floor shall not verify payouts with cards in their possession.
- 4.2 Bingo cards (electronic and paper) are sold consecutively, through the assignment of a transaction number, beginning with the lowest unassigned transaction number.
- 4.3 When an electronic bingo card is sold, either based on paper bingo cards of which the card number is manually input into the EBM or downloaded from an EBM site system, a unique number of the bingo card sold to the patron for play during the upcoming bingo session is immediately recorded in an unalterable manner and maintained.

Note: The unique number is associated with the face numbers on the bingo card and is used to evidence that the bingo card was purchased for the session it is being played.

- 4.4 The computerized bingo system records the card sale (electronic and paper) on a restricted transaction log or computer storage media.
- 4.5 Bingo personnel are precluded from having unrestricted access to the restricted transaction log or computer storage media.
- 4.6 When it is necessary to void a card sale:
  - a. For a computerized bingo system, including a EBM site system, the void information is input in the computer and the computer documents the appropriate information pertaining to the voided card sale. A supervisor authorizes the voiding of the card sale through the computerized bingo system or the EBM site system.
  - b. For a manual bingo operation, the bingo card is marked void and signed by a supervisor authorizing the voiding of the card sale. The voided bingo card is sent to the Accounting Department.
- 4.7 Controls exist to prevent the voiding of card sales after the start of the calling of the game for which the bingo card was sold.
- 4.8 All sales of bingo cards are documented on a Session Bingo Card Sales Report by recording at least the following:
  - a. Date and time that the Report is completed.
  - b. Session for which the bingo cards were sold.
  - c. The beginning and ending assigned transaction numbers of cards sold (by type).
  - d. Number of cards sold (by type).
  - e. USD or ANG amount of cards sold (by type).
  - f. Total USD or ANG amount of cards sold.
  - g. Signature, initials or other identifier of seller(s).



- 4.9 An employee independent of the seller performs the following for each seller at the end of each session:
- For each card type, reconcile the documented total USD or ANG amount of cards sold to the documented number of cards sold.
  - For each card type, reconcile the number of cards sold by comparing the documented beginning and ending assigned transaction number to the documented number of cards sold.
  - For paper cards sold, compare the documented ending assigned transaction number to the beginning transaction number of the paper card inventory to ensure the paper cards are used in a consecutive number order.
  - Any noted variance is investigated immediately with the results of the follow-up documented.
- 4.10 The information of the Session Bingo Card Sales Report, referred to in paragraph 8, whether in a verification book or electronic verifier, must be delivered to the bingo caller prior to the start of the bingo game, for purposes of determining if a declared card was indeed sold to a patron.
- 4.11 Adequate controls must be in place to prevent unauthorized manipulation of any and all card sale records.

#### **5. Calling of the numbers, verification of declared cards and payout (Bingo Payout Report).**

- 5.1 Procedures are utilized to ensure the correct calling of numbers selected in the bingo game.
- 5.2 Each ball is shown to a television camera immediately after it is called so that it is individually displayed to all patrons via monitors located in the bingo area and recorded by the surveillance department.
- 5.3 Controls are present to ensure that the numbered balls are all placed back into the selection device prior to calling the next game.
- 5.4 Each bingo game in its entirety and the verification and validation of all results must be recorded and documented adequately by surveillance, and such records must be maintained for a minimum of seven (7) days.
- 5.5 The authenticity of each payout (including the payout amount and type of winning card) is verified by at least two casino employees.
- Note: A computerized card verifying system may function as the second person verifying the payout if the winning bingo card and its type are verified by the system and displayed to the patrons in the bingo room.
- 5.6 Prior to payout, procedures are performed to ensure that the winning bingo card was sold for the session and the game during which it was played, and was not voided.
- 5.7 Payouts in excess of USD 555.56 (ANG 1,000.00) require written approval by supervisory personnel independent of the transaction, indicating that the card has been examined and verified to the Master Card Inventory to ensure that the card has not been altered or inappropriately played during the session.
- 5.8 Payouts are recorded by game and in total for the session on a Bingo Payout Report. The report is signed or initialed by two casino employees who witnessed and verified the amount of the recorded payouts.

#### **6. Promotional payouts, drawings and giveaway programs.**

- 6.1 The conditions for participating in promotional payouts, including drawings and giveaway programs, are prominently displayed or available for patron review at the licensed location.
- 6.2 Promotional payouts are documented to include the following:
- Date, time and session.
  - USD or ANG amount of payout or description and value (cost) of personal property (e.g. car).
  - Reason for payout (i.e. promotion name).
  - Signature(s) of the following number of employees verifying, authorizing, and completing the promotional payout:
    - Two employee signatures for all payouts of USD 55.56 (ANG 100.00) or more; or
    - One employee signature for payouts of less than USD 55.56 (ANG 100.00).

**7. Control of funds, Bingo Funds Accountability Form.**

- 7.1 All funds used to operate the bingo department are recorded on a Bingo Funds Accountability Form.
- 7.2 The above funds are counted by at least two casino employees and reconciled to the recorded amounts at the end of each session.
- 7.3 Differences between funds counted and funds accounted are documented and investigated and resolved immediately.
- 7.4 The Bingo Funds Accountability Form is signed by all persons involved in the count and reconciliation process.

**8. Sensitive bingo operating equipment, Bingo Operating Equipment Inspection Report.**

- 8.1 Access to bingo operating equipment (e.g. blower, balls in play, and back-up balls) is restricted to authorized persons only.
- 8.2 Bingo balls are inspected prior to being placed into play each day to ensure that each ball has an equal chance of being selected during the games of the bingo session. Visual inspection must ensure that the bingo balls are undamaged and each set of bingo balls is complete.
- 8.3 The inspection is performed by a minimum of two casino employees and is documented in a Bingo Operating Equipment Inspection Report.
- 8.4 The document includes the date and time of inspection, procedures performed, the inspection results, the investigation of noted exceptions, and the signatures of the casino employees completing the inspection.
- 8.5 Prior to each session, verification is performed to ensure that all numbered balls are accounted for and in play.
- 8.6 Bingo operating equipment is maintained and checked for accuracy or defects on a periodic basis.
- 8.7 The bingo card inventory (including electronic cards) is controlled so as to ensure the integrity of the cards being used.

**9. Accounting and statistical records, Bingo Revenue Summary.**

- 9.1 A Bingo Revenue Summary is maintained which includes write (card sales), payouts, win and a win-to-write hold percentage for:
  - a. Each session.
  - b. Each day.
  - c. Month-to-date.
  - d. Year-to-date.
- 9.2 Non-bingo management reviews the Bingo Revenue Summary statistical information at least on a monthly basis and investigates any large or unusual statistical fluctuations.
- 9.3 Such investigations are documented in a Bingo Revenue Fluctuation Analysis Report and maintained for GCB inspection.

**10. Contests/tournaments, Bingo Contest/Tournament Summary, Bingo Funds Accountability Form.**

- 10.1 All contest/tournament entry fees and prize payouts (including mail transactions) are summarized on the Bingo Funds Accountability Form on a daily basis.
- 10.2 When contest/tournament entry fees and payouts are transacted, they are recorded on the Bingo Funds Accountability Form as follows:
  - a. Patron's name.
  - b. Date of entry/payout.
  - c. USD or ANG amount of entry fee/payout (both alpha and numeric).
  - d. Signature or initials of casino employee completing transaction.
  - e. Name of contest/tournament.
- 10.3 The contest/tournament entry fees and payouts are summarized and posted to the accounting records on at least a monthly basis.



- 10.4 Contest/tournament rules are included on all entry forms/brochures and are prominently displayed or available for patron review at the casino. The rules must include at a minimum:
- All conditions patrons must meet to qualify for entry into, and advancement through, the contest/tournament.
  - Specific information pertaining to any single contest/tournament, including the amount of money placed into the prize pool.
  - The distribution of funds based on specific outcomes.
- 10.5 Results of each contest/tournament are recorded on a Bingo Contest/Tournament Summary and available for participants to review. The recording includes the name of the event, date(s) of event, total number of entries, amount of entry fees, total prize pool, and the amount paid for each winning category. The name of each winner is recorded and maintained but not made available to the participants unless authorized by management personnel.
- 10.6 The aforementioned contest/tournament records are maintained for each event.

## **11. Accounting/audit standards.**

### **11.1 General accounting/audit standards.**

- 11.1.1 Someone independent of the bingo operations conducts the bingo audit.
- 11.1.2 Documentation (e.g. log, checklist, notation on reports, and tapes attached to original documents) is maintained evidencing the performance of bingo audit procedures, the exceptions noted and follow-up of all bingo audit exceptions.

### **11.2 Daily accounting/audit activities.**

- 11.2.1 Accounting/audit personnel perform the following related to the bingo activities on a daily basis or at least at the frequency that bingo activities are employed:
- Review the Session Bingo Card Sales Reports for proper completion and to determine that the amount of cards sold is properly calculated.
  - Review the Bingo Payout Report to determine that the amount of payouts is properly calculated and that the required signatures or initials have been procured.
  - Review all payouts in excess of USD 555.56 (ANG 1,000.00) for proper supervisor payout authorization.
  - Compare net cash proceeds to the audited bingo win/loss by session and investigate any large cash overages or shortages (i.e. in excess of USD 15.00 or ANG 27.00).
  - Review all voids of bingo card sales for proper completion and supervisory approval.
  - For computerized bingo systems, review system exception information for propriety of transactions and unusual occurrences.
- 11.2.2 Accounting/audit personnel reconcile all contest/tournament entry and payout forms to the amounts recorded in the appropriate accountability document.
- 11.2.3 When payment is made to the winners of a contest/tournament, accounting/audit personnel will reconcile the contest/tournament entry fees collected to the actual contest/tournament payouts made. This reconciliation is to determine whether, based on the entry fees collected, the payouts made and the amounts withheld by the gaming establishment, if applicable, were distributed in accordance with the contest/tournament rules.

### **11.3 Weekly accounting/audit activities.**

- 11.3.1 If a random number generator is used, then at least weekly the numerical frequency distribution is reviewed for potential patterns during the previous four-week period.
- 11.3.2 If a manual ball drawing device is used and a computerized bingo system generates a drawn number frequency report, then at least weekly the numerical frequency distribution is reviewed for potential patterns and missing numbers during the previous four-week period.
- 11.3.3 If a EBM site system is used:
- Verify the propriety of the transaction log, including all sales, void, and reload transactions.



- b. Verify that the GCB approved supplier invoiced the casino organization and collected any and all payments as stipulated in the Regulations for Live Bingo Operations.
- c. Agree these invoices and payments to the Session Bingo Card Sales Reports and the Bingo Revenue Summary.

#### **11.4 Monthly accounting/audit activities.**

- 11.4.1 Accounting/audit personnel review all contests, tournaments, promotional payouts, drawings, and giveaway programs to determine proper accounting treatment and proper win/loss computation.
- 11.4.2 For all contests, tournaments, promotional payouts, drawings, and giveaway programs the following documentation is maintained:
  - a. Copies of the information provided to the patrons describing the contests, tournaments, promotional payouts, drawings, and giveaway programs.
  - b. Effective dates.
  - c. Accounting treatment, including general ledger accounts, if applicable.
- 11.4.3 Accounting/audit personnel perform procedures (i.e. interviews, review of payout documentation etc.) to ensure that promotional payouts, drawings and giveaway programs are conducted in accordance with the conditions provided to the patrons.
- 11.4.4 Accounting/audit personnel reconcile gross revenue from the Bingo Revenue Summary to the monthly Casino License Fee Declaration Form. The reconciliation is documented and maintained. All variances are reviewed, documented and maintained.

#### **12. Record retention.**

All documents, including those maintained on computer storage media, discussed in these Bingo MICS must be retained for 10 years except for documents specifically identified in the Bingo MICS as requiring a lesser retention period.

**End of MICS for Live Bingo Operations**