

**Lake City Casinos – Playing Card Warehouse  
Kelowna  
GPEB File # Comm-220  
Annual Audit**

**EXECUTIVE SUMMARY**

An audit of the Lake City Casinos Playing Card Warehouse, Kelowna, for the period October 20, 2005 to July 7, 2006, was conducted to verify compliance with the *Gaming Control Act, Regulation* and all applicable standards, policies and directives.

The scope of this audit included a review of the operations for the receipt and transfer of playing cards, security and surveillance administration and procedures. Procedures were performed on a test basis to provide reasonable assurance of compliance. Exceptions are reported on a risk-adjusted basis.

Although operational exceptions were identified the site was found to be compliant. BCLC has indicated in its response that it has addressed the issues with the service provider.

**OBJECTIVE**

The objectives of this audit are to:

- Verify compliance with the *Gaming Control Act and Regulation*, and GPEB directives;
- Verify compliance with *BCLC Casino Standards, Policies and Operating Procedures*;
- Verify that controls are in place to properly safeguard assets;
- Verify that controls provide adequate segregation and supervision over service provider warehouse functions.

**SCOPE**

The scope of this audit included:

- Review of operations for the receipt of playing cards:
  - Surveillance administration, procedures and equipment;
  - Security procedures, premises and gaming asset controls;
- Review of service provider records of equipment, suppliers and gaming workers for comparison against GPEB registration records.

## PROCEDURES

An audit of the Lake City Casino playing card warehouse in Kelowna was conducted on July 7, 2006. Audit procedures were conducted on a test basis to provide reasonable assurance of compliance as stated in the objectives.

Performed on-site compliance work through observation, interview and testing which included:

- Surveillance and security operations;
- Surveillance recording data; and
- Casino employee records compared against Registration Division active employee records.

An exit interview was conducted on July 7, 2006 with Dave Weber, Warehouse Manager, and Mike Humphries, BCLC auditor, to discuss preliminary audit findings.

## EXCEPTIONS

1.

This information withheld under section 15 of the Freedom of Information and Protection of Privacy Act

2.

3.

This information withheld under section 15 of the Freedom of Information and Protection of Privacy Act

## SUMMARY

Areas of non-compliance with BCLC *Casino Standards, Policies and Procedures* were identified in this audit report. As noted in the BCLC responses contained in this report the identified exceptions have been acknowledged by the Corporation and changes will be made to service provider operations.

All exceptions identified in the previous GPEB audit report dated December 19, 2005 have been addressed.

Commercial Gaming Audit  
Audit and Compliance Division  
August 9, 2006

## REFERENCE SOURCES

The following information and reference sources were employed during this review:

- BCLC incident reports;
- Casino occurrence reports;
- *Gaming Control Act and Regulation*;
- *Advertising and Marketing Standards for the BC Gambling Industry*;
- *Responsible Gambling Standards for the BC Gambling Industry*;
- *Security and Surveillance Standards for the BC Gambling Industry*; and
- *BCLC Casino Standards, Policies and Procedures*.

### Distribution:

Mr. Terry Towns, Director Security, BC Lottery Corporation  
Mr. Vince Weber, VP Operations, Lake City Casinos