

Title	Manage risk factors in casino gaming operations		
Level	6	Credits	15

Purpose	People credited with this unit standard are able to, for a casino operation: identify and assess risk factors; establish and monitor policies and procedures for financial and physical loss control, and social impact control.
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Classification	Tourism > Casino Gaming
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Available grade	Achieved
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Guidance Information

1 Definitions

Risk management is a logical and systematic process of identifying, analysing, assessing, treating, and monitoring risks associated with any activity, function, or process that will enable organisations to minimise losses and maximise opportunities.

Risk treatment is the selection and implementation of management options for dealing with identified risk.

Industry procedures refer to all workplace requirements in operation in casinos.

These may include, but are not limited to, relevant statutory and regulatory requirements, Minimum Operating Standards, Gazetted Rules, Licence Conditions, and procedures described in training courses for the conduct of games, as approved by the Department of Internal Affairs or the Gambling Commission respectively.

Industry procedures may also include procedures specific to an enterprise involved in the casino gaming industry. These additional enterprise procedures may include, without limitation, quality assurance, documentation, security, communications, health and safety, and personal behaviour.

2 Code relevant to this unit standard is AS/NZS ISO 31000:2009 Risk Management.

Outcomes and performance criteria

Outcome 1

Identify and assess risk factors associated with casino operations.

Range risk factors include – physical risks, financial risks, negative social impact; context must include but is not limited to – the casino's current and prospective operations and plans, and the financial and physical environment in which it is operating or will operate.

Performance criteria

- 1.1 Risk management policy formation is consistent with the casino's goals and objectives and the strategies in place to achieve them.
- 1.2 Analysis identifies potential risk or hazard exposures including possible sources of risk, areas of impact, and feasible scenarios.
- Range examples of sources of risk may include but are not limited to – legal and regulatory relations, market events, economic events, natural perils, community response, environmental events, political circumstances, human behaviour, technology processes, technical stoppages;
examples of areas of impact may include but are not limited to – social, asset and resource base, cost, people, community, environment, contractual risks, property damage, security, health, liability (public, product, professional), loss of goodwill and reputation;
evidence is required for three different sources of risk and their areas of impact.
- 1.3 Information sources and techniques are used to rank the level of identified risks by their likelihood and consequences.
- Range likelihood includes – the probability and frequency of occurrence; consequences includes – loss of money, time, labour, trouble, reputation, intangibles;
examples of techniques may include but are not limited to – structured interviews, questionnaires, computer modelling, fault trees, sensitivity analysis;
evidence is required of practical application of two different techniques.
- 1.4 Risk levels are assessed as acceptable or unacceptable and are balanced against beneficial opportunities afforded by taking the risk, in accordance with industry procedures.
- 1.5 Assessed risks are recommended in accordance with risk management priorities for acceptance, avoidance, treatment, or transfer.

Outcome 2

Establish and monitor financial loss control policies and procedures associated with operation of a casino.

Range financial loss control includes – policies, procedures, and standards of protection to avoid, minimise, or treat identified risks of loss of financial resources and assets.

Performance criteria

- 2.1 Risk treatment strategies and systems reduce the likelihood of and opportunities for financial loss through persons or events, and minimise any adverse impact.
- Range examples of opportunities for financial loss through persons may include but are not limited to – cheating, theft, fraud, misappropriation of funds, cash arrangements, cash handling and transfers, gaming chip handling and transfers, computer fraud, credit risks, gaming contractual risks; examples of opportunities for financial loss through events may include but are not limited to – product and/or market failure, balance of hold win and drop, exposure to bad debts, adverse economic events; examples of risk treatment strategies and systems may include but are not limited to – financial controls, internal and external audits, surveillance and security systems, fraud control planning, cheating control, credit control, investment and portfolio planning; evidence of two different opportunities for financial loss, one through persons and one through events, with recommended strategies, is required.
- 2.2 Strategies to transfer responsibility or burden of financial loss to another party through insurance, contract, or other means are justified by the balance of benefits to costs.
- Range examples of risk transfer or financing may include but are not limited to – contractual indemnity against loss, insurance against specified risks, self-insurance plans, contingent lines of credit; evidence with justification for selection of two different risk transfer strategies.
- 2.3 Risk treatment plans developed in consultation with persons involved and with external specialists provide optimal protection against financial risks to the organisation.
- Range external specialists may include but are not limited to – Gambling Commission, Department of Internal Affairs.
- 2.4 Monitoring of financial risk treatment plans and systems, allocated to those best able to control specific risks, ensures continuing effectiveness.

Outcome 3

Establish and monitor physical loss control policies and procedures associated with the operation of a casino.

Range physical loss control includes – policies, procedures, and standards of protection to avoid, minimise, or treat identified risks of loss of physical resources and assets (property, buildings, plant, equipment, raw materials and finished goods).

Performance criteria

- 3.1 Risk treatment strategies and systems reduce the likelihood of and opportunities for physical loss through persons or events and minimise any adverse impact.
- Range examples of opportunities for physical loss through persons may include but are not limited to – burglary, theft of property or information, malicious damage, sabotage, arson; examples of opportunities for physical loss through events may include but are not limited to – fire, flood, earthquake, accidental explosion, contamination, vermin, pollution, equipment breakdown; examples of risk treatment strategies and systems may include but are not limited to – contingency planning, surveillance and security systems, inspection and regulatory controls, quality assurance, preventative maintenance, engineering and structural barriers, physical protection systems, disaster recovery plans, incident reporting systems; evidence of two different opportunities for physical loss, one through persons and one through events, with recommended treatment strategies is required.
- 3.2 Strategies to transfer the financial responsibility or burden of physical loss to another party through insurance, contract, or other means are justified by the balance of benefits to costs.
- Range examples of risk transfer or financing may include but are not limited to – contractual indemnity against loss or damage, insurance against specified risks, self-insurance plans; evidence with justification for selection of one risk transfer strategy to treat one selected opportunity for physical loss is required.
- 3.3 Risk treatment plans developed in consultation with persons involved and with external specialists provide optimal protection against physical risks to the organisation.
- Range external specialists may include but are not limited to – Gambling Commission, Department of Internal Affairs.
- 3.4 Monitoring of physical risk treatment plans and systems is allocated to those best able to control specific risks in order to ensure effectiveness.

Outcome 4

Establish and monitor social impact control policies and procedures associated with the operation of a casino.

Range social impact includes – policies, procedures, and standards of protection to avoid, minimise, or treat identified risks of negative social impact.

Performance criteria

- 4.1 Risk treatment strategies and systems reduce the likelihood of and opportunities for negative social impact through persons or events and minimise any adverse impact.
- Range charitable trusts, host responsibilities, problem gambling programmes, self-barring programmes, sponsorship.
- 4.2 Strategies to transfer responsibility or burden of negative social impact to another party through insurance, contract, or other means are justified by the balance of benefits to costs.
- Range examples of risk transfer or financing may include but are not limited to – contractual indemnity against loss, insurance against specified risks, self-insurance plans; evidence with justification for selection of two different risk transfer strategies.
- 4.3 Risk treatment plans developed in consultation with persons involved and with external specialists provide optimal protection against negative social impacts to the organisation.
- Range external specialists may include but are not limited to – psychologists, counsellors, treatment agencies.
- 4.4 Monitoring of social impact control plans and systems is allocated to those best able to control specific risks in order to ensure continuing effectiveness in accordance with industry procedures.

Planned review date	31 December 2023
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Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	25 July 1999	N/A
Revision	2	24 February 2003	N/A
Review	3	23 January 2009	N/A
Revision and Rollover	4	1 November 2018	N/A
Revision and Rollover	5	29 July 2021	N/A

Consent and Moderation Requirements (CMR) reference	0112
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This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.

Comments on this unit standard

Please contact ServiceIQ qualifications@serviceiq.org.nz if you wish to suggest changes to the content of this unit standard.