



2008-01-18 12:21:00

G001_ACCOUNTING_SYSTEMS_AND_CHART_OF_ACCOUNTS

G 001

Accounting system & chart of accounts

Guidelines



1. Preliminary

1.1 Authority

This document is issued by the Financial Services regulatory Commission (the Commission) pursuant to Regulation 105 of the Antigua & Barbuda Interactive Gaming and Interactive Wagering Regulations.

1.2 Confidentiality

This document, all related documents, and methodologies embodied in this document and related documents ("the documents") are the property of the Financial Services Regulatory Commission. Unauthorised copying and distribution of the documents, by any means, on any media is prohibited.

This document, its themes, and ideas are strictly confidential and may not be used in any manner other than its expressed purpose, without the written permission of the author. The documents are authorised for use by licence holders.

The documents are copyright.

1.3 Disclaimer

The guidelines provided in this document are current at the time of writing. The Commission may in its absolute discretion amend these guidelines, or any definitions or interpretations pursuant to this or related documents at anytime.

Each licence holder should ensure it has the current version of each document.

1.4 Queries

All queries relating to this document should be made, in writing, to:

Director of Gaming
Financial Services Regulatory Commission
First Caribbean Financial Centre
Old Parham Road
St John's
Antigua and Barbuda

e-mail : director@antiguagaming.gov.ag

A.1 References & related documents

The Financial Services Regulatory Commission utilised many documents and international standards when compiling the suite of guidelines.

The current list of related guidelines is available from the Commission's website at <http://www.antiguagaming.gov.ag>.

Licence holders and other interested parties should acquaint themselves with the contemporary documents before relying on them.

1.5 Table of contents

1.	Preliminary.....	2
1.1	Authority.....	2



1.2	Confidentiality	2
1.3	Disclaimer	2
1.4	Queries	2
A.1	References & related documents	2
1.5	Table of contents	2
2.	Guidelines	4
2.1	Chart of Accounts	4
2.2	Change management	4
2.3	Internal Accounting Controls	4
2.4	Management accounts	5
2.5	Budgets	5
2.6	Accounting policies	5
2.7	Internal audit function	5
2.8	External auditors	6
2.9	Annual audit / examination	6
2.10	Accounting software	6
2.11	Bank accounts	7
2.12	Bad debts	7
2.13	Transactions reporting	8
2.14	Agency & affiliate arrangements	8
2.15	Asset classification & control	8
Annex A :	Budget proforma	9
End of document	10	

G 001



2. Guidelines

2.1 Chart of Accounts

A full chart of accounts should be documented for the licence holder's operations.

This chart of accounts should be provided as a component of the control system submission pursuant to r 105 of the Interactive Gaming and Interactive Wagering Regulations (the Regulations).

2.2 Change management

Details of the procedure to be followed should a change to the Chart of Accounts, or any other component covered by these guidelines, be required should be documented.

All change management policies, procedures, and controls should be provided as a component of the control system submission pursuant to r 105 of the Regulations.

2.3 Internal Accounting Controls

The licence holder shall have internal accounting control procedure notes, which are likely to include the following:

- a. the use of pre-numbered and multi-copy accounting documents where appropriate;
- b. evidence of independent review separate from the person producing the document;
- c. the maintenance of full and proper accounting records for the licence holder;
- d. adequacy of controls over the safeguarding of both physical and financial assets;
- e. the timing of procedures for the reporting of financial information to management;
- f. control over the expenditure of funds;
- g. the reconciliation of customer accounts and profits and losses arising from the company's gambling activities; and
- h. the control system should also set out the procedures for:
 - (i) periodic review and appraisal of the adequacy of the internal controls; and
 - (ii) reporting of any material weakness in the controls to the appropriate manager.

All internal accounting control policies, procedures, and controls should be provided as a component of the control system submission pursuant to r 105 of the Regulations. The identification of the key features of the internal control procedures will enable the Commission to verify that suitable systems are in place.



G 001

2.4 Management accounts

2.4.1 Internal reporting

The internal control system should set out the detail and frequency of internal management reporting to be carried out by the licence holder. The timetable for the preparation of these management accounts and the review of these should be identified.

A pro-forma of the internal management accounts should be provided as a component of the control system submission pursuant to r105 of the Regulations.

2.4.2 External reporting

In considering this section of the internal control system, the licence holder should take note of the provisions of rr 191 & 192 in respect of both the preparation of semi-annual and annual financial reports.

2.4.3 Financial ratios & reserve

In considering this section of the internal control system the licence holder should take note of the provisions and objectives of rr 19 & 20 and the capital reserve requirements (including ratios) established by the Commission, with the objective of protecting customer funds.

2.5 Budgets

The timetable for the preparation of budgets by the company and their approval by the Board of the company may be set out within the internal control system.

2.6 Accounting policies

All accounting policies should be stated, including where relevant:

- a. basis of accounting;
- b. depreciation;
- c. foreign currencies;
- d. research and development;
- e. pension costs;
- f. leases.

2.7 Internal audit function

Details of the Internal Audit function and responsibilities should be including in the internal control systems. In this part attention may be paid to, among other things, the following:

- a. the review and appraisal of the adequacy of the internal control system;
- b. review of the level of compliance with the internal control system procedures;
- c. the reporting of incidences of non-compliance with the internal control system to the appropriate position in the organisation;
- d. the reporting of any material weakness in the internal control system to the appropriate position in the organisation; and



- e. the recommendation of change procedures to eliminate any material weakness in the internal control system.

An internal should be provided as a component of the control system submission pursuant to r 105 of the Regulations.

It is expected that a licence holder would be able to produce a clear, complete and effective control system that provides a factual and accurate narrative description of the working procedures. These audit and reporting systems should cover such matters as:

- a. required reports;
- b. system software management, development and change controls;
- c. general controls;
- d. legislative and regulatory compliance;
- e. control system compliance;
- f. technical compliance (including security); and
- g. internal auditing on recurrent procedures.

2.8 External auditors

Details of the external auditor appointed by the licence holder must be provided in the internal control system. Should the external auditor resign or be dismissed, the Commission should be advised in writing within fourteen (14) days of the termination, and a copy of the statement of circumstances, or a statement that no such circumstances exist should be supplied. Additionally, the timetable for the appointment of new auditors and approval by the Commission should be identified in the internal control system.

2.9 Annual audit / examination

The internal control system should record the timescale for the annual audit. In considering this section, the licence holder should take note of the provisions of the Regulations as they pertain to the audit and or examination of the licence holder's operations.

2.10 Accounting software

In preparing this part, attention should be paid to the following:

- a. details of the accounting software to be used;
- b. advice as to method and frequency of fully backing-up the accounting software data; and
- c. advice as to the short and long term storage of such data (both on premises and offsite).

Note: Accounting data entry files should be retained for a period of 6 years and should be maintained in a secure location.

2.10.1 Standard forms

A compendium of standard forms as well as the records and documents that will be used by the licence holder in the conduct of interactive gaming and



interactive wagering operations should be documented – preferably as an Appendix or Appendices.

The standard forms of the internal management accounts should be provided as a component of the control system submission pursuant to r 105 of the Regulations.

Note: Document control should be maintained by placing document names/numbers and the revision date at the foot of each document.

2.10.2 Computer controls

Details of the computer access controls required should be documented.

The computer controls should be provided as a component of the control system submission pursuant to r 105 of the Regulations.

2.11 Bank accounts

In preparing this part, attention should be paid to the following the:

- a. maintenance of financial institution accounts for all banking or similar transactions for the operations conducted under the e-gambling licence;
- b. purpose of use of a financial institution account; and
- c. reconciliation of all gaming transactions with the financial institutions and the frequency considered commensurate with the risk.

2.11.1 Customer funds

The internal control system should identify how customer funds are maintained in separate accounts from those of the company. This part of the internal control systems may include:

- a. controls over the transfers to and from the company's accounts;
- b. the regularity at which such transfers are made;
- c. reconciliations between the total of the client's funds accounts and total of all the individual customer account balances;
- d. details of separate signatories required for those accounts;
- e. independent review of the operation of the client funds accounts; and
- f. confirmation that no set off arrangements are in place in relation to those accounts, and that they have not otherwise been used as security for any liabilities of the company.

2.11.2 Account signatories

The internal control system should confirm that all instructions issued in relation to the bank account(s) should require the signatures of two of the authorised bank account signatories. The internal control system should state who has the power to appoint and remove signatories.

2.12 Bad debts

The internal control system should contain procedures for reviewing doubtful debts and dealing with bad debts. The procedures should cover debt recovery action and the procedures for writing off a bad debt in the company's accounts should the debt recovery action fail.



2.13 Transactions reporting

The internal control system should document the procedures to be followed to ensure compliance with requirements under any applicable Financial Transactions Reporting legislation.

2.14 Agency & affiliate arrangements

Detailed procedures will be required to describe the receipt, payment, recording, and reconciliation of funds if any approved agency or affiliate arrangement is in place.

2.15 Asset classification & control

2.15.1 Accountability for assets

Details of the maintaining of an inventory of assets should be included in the internal control system, and the associated procedures.

2.15.2 Information classification

The internal control system should include details of the protection of the information assets of the licence holder.



Annex A : Budget proforma

As approved by the Commission.

G 001



End of document