



Crown Resorts Limited

Phase 1: Assessment of Patron Account Controls –
Assessment of Crown’s Response

13 April 2021

Deloitte Financial Advisory Pty Ltd
ACN 611 749 841
477 Collins Street
Melbourne, VIC, 3000
Australia

Phone: +61 3 9671 7000
www.deloitte.com.au

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Ms Toni Korsanos
Chair, Crown Resorts Audit and Corporate Governance Committee
Crown Resorts Limited
Barangaroo
Sydney, NSW 2000

Dear Ms Korsanis

Deloitte Assessment of Patron Account Controls (Phase 1) – Assessment of Crown’s Response

The purpose of this letter is to provide our assessment of the actions proposed by Crown Resorts Limited (**Crown**) to address the recommendations made in our Phase 1 Controls Assessment Report dated 26 March 2021 (the **Report**). This letter has been prepared pursuant to our Engagement Letter dated 22 February and should be read in conjunction with the Report.

1.1 Context

In Phase 1, we assessed the extent to which the Patron Account Controls¹ were effective in mitigating the specific money laundering typologies identified by as part of work previously undertaken by Grant Thornton and Initialism. The Report captured Deloitte’s observations and recommendations.

1.2 Approach

With respect to each recommendation made in the Report, Crown provided a formal management response on 9 April 2021² (**Crown’s Response**), setting out:

- the action(s) it will take to address the recommendation (or actions already taken);
- the timeframe in which each action is expected to be completed; and

¹ The Patron Account Controls refers to a series of processes and controls established by Crown for Patron Accounts. They specifically comprise of: (i) controls over electronic funds transfers to and from the Patron Accounts, (ii) controls over deposits of cash into the Patron Accounts, and (iii) Crown’s current transaction monitoring program insofar as it is applied to the Patron Accounts.

² Crown provided an initial management response on 31 March 2021. This was amended by Crown to include additional specification with respect to Observations 2 and 5. For the purposes of this assessment, Deloitte has referred only to the response provided on 9 April 2021.

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- the person(s) responsible for each action.

We note that in some cases in Crown's Response, Crown has paraphrased the text of our observations and/or recommendations for the purposes of documenting Crown's Response. For consistency with our Report, and where applicable, we have adopted in this document the text as captured in our Report and assessed Crown's Response against our original text.

We have reviewed Crown's Response for the purpose of assessing the extent to which the action(s) proposed with respect to each recommendation made in our Report, if delivered effectively and to a high standard, are likely to address that recommendation. We have performed this assessment based only on the actions as described in Crown's Response.

To do this, we have assigned an assessment of either "addresses" or "partially addresses" against the management actions for each recommendation.

The rationale used to make this assessment is set out below:

- Where we conclude that Crown's response "addresses" Deloitte's recommendations, we have determined that Crown has proposed actions that specifically respond to our recommendations. Where required, we have included additional commentary to support our assessment.
- Where we conclude that Crown's response "partially addresses" Deloitte's recommendations, we have determined that Crown has proposed actions that only partially respond to our recommendations. In these cases, we have then outlined the elements of the recommendation that we consider Crown has not sufficiently responded to at this time.

1.3 Deloitte's Assessment

We have considered Crown's Response and, in our view and on the basis of the approach described above, the actions described in Crown's Response, if delivered effectively and to a high standard, would address Deloitte's recommendations from our Report.

It is also our view, based on our experience from our work in Phase 1, that the stakeholders nominated by Crown as being responsible for the delivery of each action are appropriate. This is on the basis that the teams nominated are those that we observed as having operational responsibility for the impacted control, process or system.

Crown should ensure it has in place appropriate leadership, accountability and funding to ensure the timely and effective delivery of all actions committed by Crown in response to Deloitte's Phase 1 observations.

The detail to support our assessment is set out in Appendix 1.

1.4 Key assumptions and limitations

- Deloitte has not undertaken and therefore not provided an evaluation of the reasonableness of the implementation timeframes as this would require an assessment of a range of factors, including for example Crown's organisational priorities, effort/resourcing estimates and plans necessary to undertake the actions, capacity of appropriate staff, allocation of funding etc.
- Deloitte has also not undertaken and therefore not provided an evaluation of the capability of the stakeholders proposed as responsible for the delivery of actions.
- Interpretation of the Anti-Money Laundering and Counter-Terrorism Financing Act (2006) and Anti-Money Laundering and Counter-Terrorism Financing Rules (2007) and associated AUSTRAC guidelines involves the exercise of professional judgement. Accordingly, the facts, circumstances, observations and recommendations described in our work may be viewed differently by others, including AUSTRAC. We do not warrant, guarantee, or represent that AUSTRAC would concur with our assessment.

Should you have any queries regarding this letter, please do not hesitate to contact me on [REDACTED]

Yours sincerely

Lisa Dobbin
Partner

Deloitte Financial Advisory Pty Ltd

Appendix 1

Deloitte assessment of Crown’s Response to recommendations identified in the Deloitte Phase 1 report

This table sets out the recommendations documented in our Phase 1 (Assessment of Patron Account Controls) Report, dated 26 March 2021, Crown’s response to each recommendation as extracted from Crown’s Response document dated 9 April 2021, and Deloitte’s assessment of Crown’s Response.

Crown Ref no.	Observation number and paragraph references	Observation / context	Deloitte recommendation	Crown’s response to Deloitte’s recommendation and steps Crown will take to address it	Deloitte’s assessment of Crown’s Response	Further commentary to Deloitte’s assessment of Crown’s Response, as required
1	Observation 1 1.5 5.1.1				Addresses	

Crown Ref no.	Observation number and paragraph references	Observation / context	Deloitte recommendation	Crown's response to Deloitte's recommendation and steps Crown will take to address it	Deloitte's assessment of Crown's Response	Further commentary to Deloitte's assessment of Crown's Response, as required
					Addresses	

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2	Observation 2 1.5 5.1.1			Addresses		

Crown Ref no.	Observation number and paragraph references	Observation / context	Deloitte recommendation	Crown's response to Deloitte's recommendation and steps Crown will take to address it	Deloitte's assessment of Crown's Response	Further commentary to Deloitte's assessment of Crown's Response, as required

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3	Observation 3 1.5 5.1.1				Addresses	

Crown Ref no.	Observation number and paragraph references	Observation / context	Deloitte recommendation	Crown's response to Deloitte's recommendation and steps Crown will take to address it	Deloitte's assessment of Crown's Response	Further commentary to Deloitte's assessment of Crown's Response, as required
4	Observation 4 5.1.2			Addresses		

Crown Ref no.	Observation number and paragraph references	Observation / context	Deloitte recommendation	Crown's response to Deloitte's recommendation and steps Crown will take to address it	Deloitte's assessment of Crown's Response	Further commentary to Deloitte's assessment of Crown's Response, as required

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5	Observation 5 1.5 5.1.2			Addresses		

Crown Ref no.	Observation number and paragraph references	Observation / context	Deloitte recommendation	Crown's response to Deloitte's recommendation and steps Crown will take to address it	Deloitte's assessment of Crown's Response	Further commentary to Deloitte's assessment of Crown's Response, as required

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6	Observation 6 1.5 5.2.1			Addresses		

Crown Ref no.	Observation number and paragraph references	Observation / context	Deloitte recommendation	Crown's response to Deloitte's recommendation and steps Crown will take to address it	Deloitte's assessment of Crown's Response	Further commentary to Deloitte's assessment of Crown's Response, as required
7	Observation 7 1.5 5.2.2					

Crown Ref no.	Observation number and paragraph references	Observation / context	Deloitte recommendation	Crown's response to Deloitte's recommendation and steps Crown will take to address it	Deloitte's assessment of Crown's Response	Further commentary to Deloitte's assessment of Crown's Response, as required

Crown Ref no.	Observation number and paragraph references	Observation / context	Deloitte recommendation	Crown's response to Deloitte's recommendation and steps Crown will take to address it	Deloitte's assessment of Crown's Response	Further commentary to Deloitte's assessment of Crown's Response, as required
8	Observation 8 1.5 5.2.2			Addresses		

Crown Ref no.	Observation number and paragraph references	Observation / context	Deloitte recommendation	Crown's response to Deloitte's recommendation and steps Crown will take to address it	Deloitte's assessment of Crown's Response	Further commentary to Deloitte's assessment of Crown's Response, as required
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9	Observation 9 1.5 5.2.3			Addresses		

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10	Observation 10 1.5 5.2.3			Addresses		

Crown Ref no.	Observation number and paragraph references	Observation / context	Deloitte recommendation	Crown's response to Deloitte's recommendation and steps Crown will take to address it	Deloitte's assessment of Crown's Response	Further commentary to Deloitte's assessment of Crown's Response, as required

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11	Observation 11 5.2.4	[Redacted]	[Redacted]	[Redacted]	Addresses	

Crown Ref no.	Observation number and paragraph references	Observation / context	Deloitte recommendation	Crown's response to Deloitte's recommendation and steps Crown will take to address it	Deloitte's assessment of Crown's Response	Further commentary to Deloitte's assessment of Crown's Response, as required
12	Observation 12 5.2.5			Addresses		

Crown Ref no.	Observation number and paragraph references	Observation / context	Deloitte recommendation	Crown's response to Deloitte's recommendation and steps Crown will take to address it	Deloitte's assessment of Crown's Response	Further commentary to Deloitte's assessment of Crown's Response, as required
					Addresses	

Crown Ref no.	Observation number and paragraph references	Observation / context	Deloitte recommendation	Crown's response to Deloitte's recommendation and steps Crown will take to address it	Deloitte's assessment of Crown's Response	Further commentary to Deloitte's assessment of Crown's Response, as required
13	Observation 13 1.5 5.2.6				Addresses	

Crown Ref no.	Observation number and paragraph references	Observation / context	Deloitte recommendation	Crown's response to Deloitte's recommendation and steps Crown will take to address it	Deloitte's assessment of Crown's Response	Further commentary to Deloitte's assessment of Crown's Response, as required
	Recommendation at 6.1.4				Addresses	

Crown Ref no.	Observation number and paragraph references	Observation / context	Deloitte recommendation	Crown's response to Deloitte's recommendation and steps Crown will take to address it	Deloitte's assessment of Crown's Response	Further commentary to Deloitte's assessment of Crown's Response, as required
14	Observation 14 1.5 6.1.4				Addresses	

Crown Ref no.	Observation number and paragraph references	Observation / context	Deloitte recommendation	Crown's response to Deloitte's recommendation and steps Crown will take to address it	Deloitte's assessment of Crown's Response	Further commentary to Deloitte's assessment of Crown's Response, as required

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15	Observation 15 6.2.4				Addresses.	
					Addresses	

Crown Ref no.	Observation number and paragraph references	Observation / context	Deloitte recommendation	Crown's response to Deloitte's recommendation and steps Crown will take to address it	Deloitte's assessment of Crown's Response	Further commentary to Deloitte's assessment of Crown's Response, as required
16	Observation 16 6.3.3				Addresses	

Crown Ref no.	Observation number and paragraph references	Observation / context	Deloitte recommendation	Crown's response to Deloitte's recommendation and steps Crown will take to address it	Deloitte's assessment of Crown's Response	Further commentary to Deloitte's assessment of Crown's Response, as required

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17	Observation 17 6.4				Addresses	