

MINISTRY PAPER #2/15

CASINO GAMING COMMISSION

ANNUAL REPORT FOR YEAR ENDED MARCH 31, 2014

1.0 INTRODUCTION

1.1 The matter for tabling in the Houses of Parliament is the Annual Report for the Casino Gaming Commission (CGC) for the financial year ended March 31, 2013.

1.2 CGC was established in 2010 as an independent statutory body under the provisions of the Casino Gaming Act. Among other things, its mandate is to:

- a. Regulate and control casino gaming in Jamaica
- b. Approve systems of controls in casinos in order to ensure integrity and fairness in casino gaming
- c. Institute measures and controls to protect the vulnerable.
- d. Limit opportunities for crime associated with casinos and
- e. Advise the Minister on matters of general policy in relation to casino gaming

2.0 DISCLOSURES

2.1 Auditors' Report

2.1.1 The Auditors, McKenley and Associates, in their unqualified report, indicated that the audit of the Commission's financial statement for the review period was conducted in accordance with International Standards on Auditing. The auditors also noted that the financial statements were prepared in accordance with International Financial Reporting, as well as Generally Accepted Accounting Standards. Further, proper accounting records were kept and that the financial statements prepared, give a true and fair view of the financial position of the Company as at March 31, 2013.

2.2 Emoluments for Senior Executives and Directors

2.2.1 During 2012/13, the Commission was supported by a Commission Secretary who was seconded from the Development Bank of Jamaica and was paid by the Bank. However, during 2013/14, the Commission Secretary was approved by the Ministry of Finance and Planning to be the Acting, Chief Executive Officer. Two other senior executives were also hired. Pursuant to the Second Schedule (Part 1) of the Public Bodies Management and Accountability Act (Amendment 2011), details of the compensation packages for the three (3) executives are included in the Annual Report. This totalled \$4.10 million, while emoluments for the Commissioners/Board amounted to \$0.25 million.

3.1 OPERATIONAL HIGHLIGHTS

3.1.1 Given that there was no casino in operation during 2013/14, CGC, sought to ensure continuity of the work programme to finalise regulations and amendments to the CGA. In this regard, the Commission, in response to concerns expressed by prospective applicants for casino gaming licences, made arrangements for a consultant to expedite the drafting of the outstanding regulations. In addition, the CGA was further examined by representatives of the US Department of the Treasury, Office of Technical Assistance, with a view to incorporate recommendations into an Amendment Bill.

3.1.2 Consequent on the passage (in 2012/13) of regulations which give the Honourable Minister of Finance and Planning the authority to approve Development Orders, the Ministry extended an invitation for interested applicants. The expertise of the Commission was and continues to be essential to this process. Meanwhile, CGC co-ordinated meetings involving representatives of the various gaming regulatory bodies. Activities are expected to result in the establishment of an overarching gaming policy.

4.0 FINANCIAL HIGHLIGHTS

Table 1: Highlights of Financial Results (\$ million)

Particulars	2013/14	2012/13	Variance (\$)	Variance (%)
Grant	9.53	6.50	3.03	46.62
Interest *	0.01	0.00	0.01	400.00
Total Income	9.54	6.50	3.04	46.72
Salaries and Wages	4.14	0.00	-4.14	
Rental	1.40	0.00	-1.40	
Repairs and Maintenance	1.04	0.00	-1.04	
Other	2.12	0.25	-1.87	-748
Total Expenses	8.70	0.25	-8.45	-3380
Net Surplus	0.84	6.25	-5.41	-86.5643
Working Capital	3.89	6.35	-2.46	-38.74016

*Interest income for 2012/13 was \$1,746

4.1 CGC recorded a surplus of \$0.84 million (2012/13; \$6.25 million). In the absence of casinos, the Entity's revenue flow continued to be limited to grant from central government, as well as interest income. Grant funds increased by \$3.03 million to \$9.53 million, in line with additional costs, as the entity's activities and staff complement grew. Operating expenses totalled \$8.70 million, an \$8.45 million increase on that for 2012/13. The most significant contributor to the additional expenses was the new cost of \$4.14 million incurred for salary and wages; four employees were hired. Other new costs included \$1.40 million and \$1.04 million for rental, as well as repairs and maintenance respectively. The Commission moved into its new office accommodation during the year and began paying rent, as rent-free space could no longer be facilitated at the previous location. Repair costs were associated with internal works required for the new office.

4.2 Approximately, \$3.92 million remained payable at the end of the period and was the only liability for the Commission. However, the entity was liquid and had available, \$7.58 million in cash and deposits, which could more than cover its obligations.

5.0 CONCLUSION

5.1 CGC's operations increased relative to 2012/13 and the focus continued to be ensuring the finalisation of regulations and working towards amendments to its Act, while seeking to create an overarching policy for gaming in Jamaica. In the ensuing period, it is expected that as CGC's operations increase, the Commission will employ the staff necessary to effect full functionality.



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