

MINISTRY PAPER *67/20*
CASINO GAMING COMMISSION
ANNUAL REPORT FOR YEAR ENDED MARCH 31, 2018 AND MARCH 31, 2019

1.0 INTRODUCTION

1.1 The matter for tabling in the House of Parliament is the Annual Reports for the Casino Gaming Commission (CGC) for the financial years ended March 31, 2018 and March 31, 2019.

1.2 CGC was established in 2010 as an independent statutory body under the Casino Gaming Act. The principal functions of the CGC are:-

- i. Regulate and control casino gaming in Jamaica
- ii. Approve systems of controls for, and administrative and accounting procedures in casinos in order to ensure integrity and fairness in casino gaming
- iii. Institute measures and controls to protect the vulnerable
- iv. Limit opportunities for crime associated with casino gaming
- v. Advise the Minister on matters of general policy relating to casino gaming
- vi. Carry out such other functions pertaining to casino gaming as may be assigned to it under the Act or any other enactment

2.0 DISCLOSURES

2.1 Auditors' Report

2.1.1 The Commission's auditors, McKenley and Associates conducted the audit of the financial statements for the 2017/18 and 2018/19 financial years in accordance with International Standards on Auditing and expressed an unqualified opinion.

2.2 Compensation for Senior Executives and Directors

2.2.1 Pursuant to the Second Schedule (Part 1) of the Public Bodies Management and Accountability Act (2001) details of the compensation package for CGC's senior executive are enclosed. For the review period, salaries and emoluments totalled \$12.04 million (2017/18- \$14.30 million) and accounted for 92% of total staff costs. The report also includes details of compensation paid to directors which totalled \$0.22 million (2017/18- \$0.53 million).

3.0 OPERATIONAL HIGHLIGHTS

3.1 During the financial year, the CGC continued its work programme to amend the Casino Gaming Act (CGA) and finalize regulations to the Commission becoming an effective, efficient and internationally recognized casino regulator. The Commission also continued to participate in the Proceeds of Crime training and related Caribbean Financial Action Task Force activities as required given that it is a Designated authority.

3.1.2 The Commission has maintained its membership in the International Association of Gaming Regulators (IAGR). Jamaica hosted the IAGR's 2019 Annual Conference in September 2019. The conference focused on regulators fostering a secure, vibrant innovative, safe and responsible industry.

4.0 FINANCIAL HIGHLIGHTS

Table 1: Highlights of Financial Results

Particulars	2018/19 (\$M)	2017/18 (\$M)	2016/17 (\$M)	Variance 2018/19- 2017/18 (\$M)	Variance 2017/18- 2016/17 (\$M)	Variance 2018/19- 2017/18 %	Variance 2017/18- 2016/17 %
Revenue:							
Grant Income	23.13	39.91	60.46	-16.78	-20.55	-0.42	-0.34
Interest Income	0	0	0	0.00	0.00	0.00	0.00
Total Revenue	23.13	39.91	60.46	-16.78	-20.55	-0.42	-0.34
Expenses:							
Administrative	22.73	42.02	61.91	-19.29	-19.89	-0.46	-0.32
Finance	0.05	0.06	0.08	-0.01	-0.02	-0.17	-0.25
Total Expenses	22.78	42.08	61.99	-19.30	-19.91	-0.46	-0.32
(Deficit)/Surplus	0.35	-2.17	-1.53	2.52	-0.64	-1.16	0.42
Non- Current Assets	4.65	5.21	9.44	-0.56	-4.23	-0.11	-0.45
Current Assets:							
Receivables	0.47	0.62	0.61	-0.15	0.01	-0.24	0.02
Cash & Bank	1.16	0.53	0.18	0.63	0.35	1.19	1.94
Total Current Assets	1.63	1.15	0.79	0.48	0.36	0.42	0.46
Total Assets	6.28	6.36	1.58	-0.08	4.78	-0.01	3.03
Liabilities & Equity:							
General Fund	5.72	5.36	7.52	0.36	-2.16	0.07	-0.29
Payables	0.56	1	0.6	-0.44	0.40	-0.44	0.67
Total Reserves & Liability	6.28	6.36	8.12	-0.08	-1.76	-0.01	-0.22

4.1 Table 1 indicates that the CGC recorded a surplus of \$0.35 million for the financial year 2018/19 compared to a deficit of \$2.17 million for 2017/18. In the absence of casinos and the fees that are expected to flow from these, the Commission source of income was supported from the Government as well as minimal interest income. Operating expenses totaled \$22.73 million, a \$19.89 million or 46% decline from the \$42.02 million incurred in 2017/18. The chief contributors to the reduced costs were salaries, wages and travelling, which declined by a total \$12.20 million or 48%, in line with the reduction in the staff complement. The reduction was due mainly to the resignation of the Chief Executive Officer. Of note, the 2018/19 financial year commenced with one (1) full time staff but later a temporary support staff was contracted.

4.1.2 The Commission held assets of \$6.28 million and \$6.36 million for the 2018/19 and 2017/18 respectively. The CGC remained solvent with liquidity ratio of 2.91 times (2017/18: 1.15 times). The CGC held sufficient cash flows to meet its short term obligations evidenced by a cash flow ratio of 2.07 times (2017/18: 0.56 times) short term obligations. Consequently, the CGC was able to sufficiently meet its short term obligations from its resources.

5.0 CONCLUSION

5.1 CGC's focus continued to be ensuring the finalisation of additional regulations and working towards amendments to its Act. In the ensuing period, the Commission's operations could increase, should a temporary casino become operational.



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