

CASINO GAMING COMMISSION
AUDIT & RISK MANAGEMENT COMMITTEE
TERMS OF REFERENCE

1 Establishment of the Audit & Risk Management Committee

1.1 Section 8 (1) of the Public Bodies Management and Accountability Act (PBMA) provides that: *every public body that has four or more directors shall establish an audit committee consisting of not less than three directors.* The Audit Committee of the Casino Gaming Commission was established in May 2015 in compliance with the Act.

2 Governing Principle

2.1 The Audit & Risk Management Committee shall be governed by the GOJ Corporate Governance Framework for Public Bodies (Revised 2012); Principles 13 & 14.

2.2 Principle 13: The Role and Independence of Audit and Internal Control Function: *“The Board should ensure that the Commission has effective internal control systems. These systems are critical to the Corporate Governance regime of the Commission and include Internal Audit and Procurement for which the Audit Committee is assigned responsibility.*

2.3 Principle 14: The Role of the Board in Enterprise Risk Management: *The systems of internal control should be based on an ongoing process to identify and prioritise risks to the Public Body. Every Board should therefore put in place a formal Enterprise Risk Management (ERM) Framework, developed by the Ministry of Finance and Planning to manage risks across all functional areas and business units of the Public Body. The framework should be designed to identify, assess, monitor and manage risk. The risk profile of a Public Body may include operational, business, regulatory, market, credit, economic, capital and HR related risks. Any material changes to the risk profile of the Public Body should be reported to the Minister and the Permanent Secretary.*

3 Purpose

3.3 To assist the Board of Commissioners in fulfilling its responsibility for the efficient and effective performance of the Commission by ensuring:

- (a) the integrity of the Commission's audited financial statements,
- (b) the Commission's compliance with legal and regulatory requirements;
- (c) the independent auditor's qualifications, independence and performance;

- (d) the internal controls and control environment,
- (e) the performance of the Commission's internal audit function,
- (f) a disciplined and systematic approach to improve risk management as risks are identified, quantified and methodologies employed to minimize their impact

4. Scope

4.1 The committee will provide oversight of the internal and external audit functions of the Commission, in addition to performing its substantive role as the Audit and Risk Management Committee of the Commission.

5 Statutory Duties of the Audit & Risk Management Committee

5.1. The Audit & Risk Management Committee is required to perform the following duties by section 9(1) of the PBMA:

(a) advise the Board on:

- (i) practices and procedures which will promote productivity and the quality and volume of service,
- (ii) the extent to which the objects of the Commission are being achieved,

- (iii) the adequacy, efficiency and effectiveness of the accounting and internal control structure and systems of the Commission, and
 - (iv) the independence of the auditors auditing the Commission;
- (b) review and advise the board on the financial statements that are to be included in the annual report of the Commission;
- (c) oversee any internal audit of the Commission,
- (d) review and advise the Board on the annual external auditor's report,
- (e) where the Commission is undergoing a special audit or examination, review and advise the Board with respect to the report of that audit or examination; and
- (f) perform such other functions as are assigned to it by the Board.

5.2 The Audit & Risk Management Committee shall keep detailed records of its meetings and such records shall be made available

to the external auditor and any examiner of a public body during any external audit or examination.

6 Responsibilities

6.1 The Audit Committee coordinates the Board's audit oversight responsibilities, which include the following:

- (a) appoints, approves the fees of, and terminates the independent auditor. Reviews the terms of the auditor's engagement each year and considers auditor rotation at least every five (5) years,
- (b) approves any non-audit services performed by the auditing firm,
- (c) reviews the scope and plan of the audit proposed by the independent auditor,
- (d) oversees the performance of the auditor,
- (e) recommends approval of the annual audit report to the full Board,
- (f) conducts a post-audit review of the financial statements and audit findings, including any significant suggestions for

- improvements provided to management by the independent auditor,
- (g) confers with the auditor in executive session to ensure the affairs of the Commission are in order,
 - (h) inquires of management and the independent auditor about significant risks or exposures facing the Commission,
 - (i) assesses the steps management has taken to minimize such risks; and periodically review compliance with such steps,
 - (j) reviews the adoption, implementation and adequacy of the Commission's internal control structure,
 - (k) monitors compliance with the Commission's code of ethics/conduct and conflict-of-interest policy,
 - (l) oversees policies and procedures for encouraging whistleblowers to report questionable accounting or auditors matters relating to the Commission,
 - (m) reviews, with the Commission's General Counsel, any legal or regulatory matters that could have a significant effect on the organization's financial statements,
 - (n) reviews the findings of any examinations by regulatory agencies,

- (o) reviews the policies and procedures in effect for the review of executive compensation and benefits,
- (p) if necessary, institutes special investigations and if appropriate, hires special counsel or experts to assist in the special investigations,
- (q) oversees the work of the public accounting firm employed by the Commission to conduct the annual audit. This firm will report directly to the Audit & Risk Management Committee,
- (r) resolves any disagreements between management and the external auditor regarding financial reporting,
- (s) seeks any information it requires from external parties, or management and employees, all of whom are directed to cooperate with the Committee's requests,
- (t) oversees the work of the internal audit function and make recommendations to management for addressing reported breaches of internal control and improving the control environment,
- (u) meets with Commission officers, external auditors, or outside counsel, as necessary,

(v) reviews and makes recommendations to the Board on policies and programs, and modifications to the Commission's governance structure.

7. Composition

7.1 The Audit & Risk Management Committee is comprised of at least three members of the Board of Commissioners. Committee members are appointed by the Board, which shall also appoint the Chairperson of the Committee.

7.2 Each committee member shall be both independent and financially literate. Section 8(7) of the PBMA requires that at least one member of the Committee is to be a qualified accountant, registered under the Public Accountancy Act, or possess expertise in the area of finance.

7.3 The Audit and Risk Management Committee may co-opt individuals who are not members of the Board but who possess a broad range of qualifications relevant to the functions of the Commission, for the purpose of ensuring that the Audit and Risk Management Committee has the capability to perform its duties. Every individual who is co-opted has all the rights and responsibilities of the other members of the Audit and Risk Management Committee in respect of the work of the Committee.

8 Meetings – Structure & Recording

8.1 The Committee shall meet so often in each year as is necessary for the Committee to discharge its functions. All Committee members are expected to attend each meeting, either in person or via teleconference or videoconference, failing which absenteeism will be treated with in accordance with Regulation 17 from the PBMA (Nomination, Selection and Appointment to Boards) Regulations, 2021. The Committee will invite members of management, auditors or others to attend meetings to present reports and provide pertinent information, as necessary. It will meet separately, periodically, with management, with internal auditors and with external auditors, as necessary. It will also meet periodically on its own account for self-evaluation and any other necessary purpose.

8.2 The agenda for each meeting shall be prepared and provided in advance to members, along with appropriate briefing materials. The Committee shall maintain written minutes of its meetings for its own records. All minutes are to be approved at the next Committee meeting.

9 Quorum

9.1 The quorum for a meeting of the Committee shall be fifty percent of the membership appointed from time to time, with a minimum of two members.

10 Reporting Relationships

10.1 The Audit & Risk Management Committee is accountable to the Board of Commissioners. The Committee shall report to the Board of Commissioners at the next regularly scheduled Board Meeting, through the submission of a written report.

11 Conflict of Interest

11.1 Where there is a conflict of interest, the Committee member so affected shall declare his/her interest through the Chairperson and the details of the conflict are to be recorded. The Committee member who has a conflict of interest shall not participate in the deliberations on the particular matter and will excuse him or herself from discussions in respect of those interests during the period of discussion of the matter. The details of the conflict are to be recorded in the Register of Interests.

12. **Review of Committee Performance**

12.1. An assessment of the effectiveness of the Committee will be completed on an annual basis as part of the annual Board Evaluation process.

13. **Review of Terms of Reference**

13.1. This Terms of Reference will be reviewed by the Committee at least on an annual basis to ensure that it remains consistent with and relevant to the Committee's authority, objectives and responsibilities. Any recommended changes to the Terms of Reference must be approved by the Board.

Version Control Page

Title:	Terms of Reference – Audit & Risk Management Committee
Description:	Audit and Risk Management Committee Terms of Reference

Reviewed by:	Audit & Risk Management Committee, CGC
Approved by:	Board of Commissioners, CGC
Maintained by:	Corporate Secretary

Version Number	Modified By	Approval/Modification Date	Status
0-1	André Bascoe	March 9, 2023	Updated
0-2	Anna Harry	January 18, 2024	Updated
	N/A	February 12, 2025	Confirmed