

Chapter 14

Saskatchewan Gaming Corporation

1.0 MAIN POINTS

Saskatchewan Gaming Corporation (SaskGaming) had adequate rules and procedures to safeguard public resources and complied with the authorities governing its activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing. As well, SaskGaming's 2011 financial statements are reliable.

In our 2011 Report – Volume 1, we had recommended that SaskGaming should have effective controls to maintain and report information required under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act and Regulations*. This recommendation has been implemented.

2.0 INTRODUCTION

SaskGaming manages and operates Casino Regina and Casino Moose Jaw under the regulatory authority of the Saskatchewan Liquor and Gaming Authority. *The Saskatchewan Gaming Corporation Act* established SaskGaming.

SaskGaming has a total of 995 slot machines, 32 table games, and 9 poker tables in its two casinos. Casino Regina is a full-service casino and entertainment centre. Casino Regina has slot machines, table games, a full-service restaurant, and a show lounge. Casino Moose Jaw is also a full-service casino that has slot machines and table games.

SaskGaming also owns SGC Holdings Inc. (SGC Holdings) which is registered under *The Business Corporations Act* (Saskatchewan). SGC Holdings purchases capital assets and leases them to SaskGaming for the operation of the above casinos. SaskGaming's consolidated financial statements include the financial results of SGC Holdings.

SaskGaming's consolidated financial statements for the year ended December 31, 2011 reported net revenues of \$134.6 million, expenses of \$82.8 million, net income of \$51.8 million, a payment to the General Revenue Fund of \$25.9 million and assets of \$83.0 million.

3.0 AUDIT CONCLUSIONS AND FINDING

Our Office worked with KPMG LLP, the appointed auditor, to carry out the audit of SaskGaming. We followed the framework in the *Report of the Task Force on Roles, Responsibilities and Duties of Auditors* (www.auditor.sk.ca/rrd.html).



In our opinion for the year ended December 31, 2011:

- › **SaskGaming had adequate rules and procedures to safeguard its public resources and those of SGC Holdings**
- › **SaskGaming complied with the following authorities governing its activities and the activities of SGC Holdings relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing:**

The Saskatchewan Gaming Corporations Act
The Business Corporations Act (Saskatchewan)
The Crown Corporations Act, 1993
The Financial Administration Act, 1993
The Crown Corporations Regulations, 1993
The Crown Employment Contracts Act
Orders in Council issued pursuant to the above legislation
Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)
Proceeds of Crime (Money Laundering) and Terrorist Financing Suspicious Transactions Reporting Regulations (Canada)

- › **The consolidated financial statements for SaskGaming and the financial statements for SGC Holdings are reliable**

3.1 Reporting Information Required by Law

We recommended that Saskatchewan Gaming Corporation have effective controls to maintain and report information required under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and Regulations. (2011 Report – Volume 1)

Status – Implemented.

SaskGaming has implemented controls to capture and report information required under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and Regulations.