



AUDIT  
OFFICE



REPUBLIC  
OF CYPRUS

# AUDIT OF THE CYPRUS GAMING AND CASINO SUPERVISION COMMISSION

## Executive Summary



**AUDIT OFFICE OF THE REPUBLIC OF CYPRUS  
SPECIAL REPORT no. ΕΑΠΕΚ/01/2020**

27 November 2020

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## **Executive Summary**

### **AUDITED ENTITY**

**Cyprus Gaming and Casino Supervision Commission**

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## Executive Summary

Within the framework of the provisions of article 116 of the Constitution of the Republic of Cyprus the Audit Office conducted performance audit and compliance audit.

The most significant findings and recommendations of the audit are the following:

- ◆ There is delay in the construction of an integrated casino resort.
- ◆ The preparation of a procedure manual, regarding the management of the economic activities of the Commission, which will be followed by its staff, is still pending.

**We suggested the preparation of the said manual, as well as the preparation of procedures regarding the payments, receipts and recording and control of the assets.**

- ◆ Delay in the preparation and submission for audit of the financial statements of the Commission for the years 2015-2018.

**We highlighted that the financial statements must be prepared and submitted timely for audit.**

- ◆ The recruitment of the Executive Director was made by the method of “Head Hunting”, in violation of article 11(1) of the Cyprus Casino Operation and Control Law (L.124(I)/2015) and without being sent for approval to the Council of Ministers, in contrast with the provisions of article 3(3) of the Public Legal Entities (Appointment of Directors General) Law (L.115/1990).
- ◆ Setting the remuneration of the Chairman and the Members of the Board of Directors of the Commission at a fixed monthly amount, which does not agree with the remuneration terms of similar supervisory Authorities.

**We suggested the amendment of the level of remuneration of the Chairman and the Members of the Board of Directors of the Cyprus Gaming and Casino Supervision Commission.**

- ◆ Failure to comply with the legal procedures for renting the building, in order to ensure, among others, the proportionate fulfilment of the basic principles governing Public procurements, such as the principle of transparency and equal treatment, in order to safeguard the public interest. We also found out the following:

- There was no request for proposal in order to find a suitable place for renting.
- There was no legal check of the rental contracts by the legal advisor of the Commission.

**We suggested that Cyprus Gaming and Casino Supervision Commission, as a Public Law Body, for purposes of good administration and transparency, implements open and transparent procedures for renting buildings. We also recommended that for future conclusions of rental agreements, the contracts are prepared based on the standard rental contract that was legally checked by the Law Office of the Republic.**