

Appendix II: Non-Governance Audit Criteria

Executive and Employee Compensation and Benefits

Objective: To determine whether Atlantic Lottery Corporation’s executive and employee compensation and benefits are appropriately managed.

Criteria

1: Atlantic Lottery Corporation should have compensation and benefit policies for executives and employees. Policies should be periodically reviewed to ensure they remain appropriate.
2: Executive and employee compensation and benefits should be consistent with policies.
3: Executive and employee salaries and benefits should be based on appropriate comparator groups.
4: Performance-based compensation arrangements should be clearly defined and followed when making awards.
5: Information on executive and employee compensation should be publicly reported to promote transparency and be consistent with modern disclosure practices.

Travel, Hospitality, and Board Expenses

Objective: To determine whether travel, hospitality, and Board expenses are managed in a transparent manner that promotes the appropriate use of shareholder money.

Criteria

1: Atlantic Lottery Corporation should have policies that guide spending on travel, hospitality, and Board expenses and promote transparency and accountability. Policies should be periodically reviewed.
2: Travel, hospitality, and board expenses should be in compliance with Corporation policies.

Contract Management

Objective 1: To determine whether significant contracts are monitored to ensure services are received, and payments made, in accordance with contract terms.

Objective 2: To determine whether Atlantic Lottery Corporation assesses the effectiveness of significant contracts in meeting its objectives and achieving enterprise value.

Criteria

1: Final contract terms should be consistent with the detail contained in the approved request for proposals submissions and subsequent negotiations.
2: Contracts should include terms to protect the Corporation.
3: There should be processes to monitor contracts to ensure services are received and payments made in accordance with contract terms. Timely action should be taken when performance issues are identified.
4: There should be processes to assess the effectiveness of contracts to determine whether objectives are met.

Procurement of Services

Objective: To determine whether Atlantic Lottery Corporation procures required services in an efficient and economical manner.

Criteria

1: There should be clear policies governing the procurement of services.
2: Procurement should be based on needs identified through business and risk management planning, strategic objectives, shareholder orientations and financial frameworks.
3: The procurement of services should be in compliance with relevant procurement policies and procedures.
4: Evaluation criteria defined in tender documents should be followed when evaluating vendor proposals.