

## STANDARD INTERPRETATION No. 17-001

### Management Override Board Reporting Timelines

<b>Relevant Standard(s):</b>	1.7
<b>Application:</b>	All Sectors (iGaming, Casino, cGaming and Lottery)
<b>Issue:</b>	
<p>Standard 1.7 is silent regarding timelines for control activity overrides to be reported to the Board or other governance structure. Should the AGCO have minimum expectations around prescribed timelines for the Operator's Board or other governance structure to be notified of management overrides, or, is it acceptable for the Operator to determine how and when their Board will be notified based on the risk(s) posed by the specific override taking place?</p>	
<b>Response:</b>	
<p>While the AGCO does not have specific expectations regarding timelines for management overrides being reported to the Operator's Board or other governance structure, the AGCO does expect that the Operator will use their discretion to determine appropriate timeframes for reporting overrides that reflects the risk(s) mitigated by the control activity, and/or posed by the override.</p>	
<b>Relevant Standard Excerpt(s):</b>	
<p><b>1.7 Management overrides of the control activities shall be clearly documented and communicated to the Registrar.</b></p> <p>Requirements – At a minimum:</p> <ol style="list-style-type: none"> <li>1. Approval from at least two senior-level managers is required in order to override any control activity, and in each instance the override shall be reported to the Board or other governance structure where a Board does not exist.</li> </ol>	
<b>Guidance:</b> The intent of this Standard is to allow senior-level management to override controls on a one-off basis in necessary circumstances and to ensure that appropriate documentation is maintained for auditing purposes. This Standard is not intended to address permanent changes to the control environment.	

*This interpretation is provided for informational purposes only and does not constitute legal advice. The interpretation relates to a specific set of circumstances and the standards, laws and regulations in force at the time the interpretation was issued; however, it is not an exhaustive or definitive interpretation of the standard(s) referenced herein.*

*The AGCO has established the Standards Interpretation Protocol, which acts as a single point of contact for inquiries from the gaming industry related to the interpretation of the Standards. For more information, please contact the AGCO's Customer Service Department at 416 326-8700 (in the GTA) or 1 800 522-2876 (toll free in Ontario).*