

Full text of the proposed new rule follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

CHAPTER 69D

GAMING OPERATION ACCOUNTING CONTROLS AND STANDARDS

SUBCHAPTER 1. GENERAL PROVISIONS

13:69D-1.11 Casino licensee's organization

(a) - (b) (No change.)

(c) The supervisors of the surveillance and internal audit departments required by (b) above shall comply with the following reporting requirements:

1. Each supervisor shall report directly to the chief gaming executive of the casino licensee regarding administrative matters and daily operations; provided, however, a casino licensee may allow each of these supervisors to report directly to a management executive of the licensee other than the chief gaming executive if that executive reports directly to the chief gaming executive.
2. Each supervisor shall report directly to one of the following persons or entities regarding matters of policy, purpose, responsibility, and authority. The hiring, termination, and salary of each supervisor shall also be controlled by one of the following persons or entities:
 - i. The independent audit committee of the casino licensee's board of directors;
 - ii. The independent audit committee of the board of directors of any holding company of the casino licensee which has absolute authority to direct the operations of the casino licensee;
 - iii. The senior surveillance or internal audit executive of any holding company included in (c)2ii above if such executive reports directly to the independent audit committee of the board of directors of the holding company; or
 - iv. For casino licensees or holding companies which are not corporate entities, the non-corporate equivalent of any of the persons or entities listed in (c)2i through iii above.

3. For purposes of this subsection, the independent audit committee shall be comprised of three or more members; provided, however, that the independent audit committee may be comprised of less than three members upon a showing of good cause to the Division.
4. Each applicant for a casino license shall prepare a charter for its independent audit committee which complies with the Act and all regulations thereunder. Such charter shall be submitted to the Division for approval at least 30 days before gaming operations are to commence, unless otherwise directed by the Division. Casino licensees must notify the Division of any material change to the charter five (5) days in advance of implementing any such change. The initial submission of the independent audit committee charter and notices concerning material changes shall be addressed to the Intake Unit, attention casino licensing bureau, of the Division at its address set forth in N.J.A.C. 13:69-3.5(a) or submitted electronically to entitydocs@njdgc.org.

(d) - (h) (No change.)