

## **Overview Report: BCLC Shareholder's Letters of Expectations and Mandate Letters**

### **I. Scope of Overview Report**

1. This overview report identifies and attaches shareholder's letters of expectations and mandate letters issued to the British Columbia Lottery Corporation

### **II. BCLC Briefing Documents Produced**

- a. Appendix '1' – Shareholder's Letter of Expectations signed by Rich Coleman, Minister of Public Safety and Solicitor General on March 6, 2003 and by T. Richard Turner, Chair, British Columbia Lottery Corporation on March 6, 2003 (BCLC0016643)
- b. Appendix '2' – Shareholder's Letter of Expectations signed by John Les, Minister of Public Safety and Solicitor General on July 31, 2006 and by John R. McLernon, Chair, British Columbia Lottery Corporation on August 2, 2006 (BCLC0016641)
- c. Appendix '3' – Shareholder's Letter of Expectations signed by John van Dongen, Minister of Public Safety and Solicitor General on May 14, 2008 and by John R. McLernon, Chair, British Columbia Lottery Corporation on April 8, 2008 (BCLC0016637)
- d. Appendix '4' – Shareholder's Letter of Expectations signed by Rich Coleman, Minister of Housing and Social Development on January 12, 2009 and by John McLernon, Chair, British Columbia Lottery Corporation on February 11, 2009 (BCLC0003658)
- e. Appendix '5' – Shareholder's Letter of Expectations signed by Rich Coleman, Minister of Housing and Social Development on January 18, 2010 and by John McLernon, Chair, British Columbia Lottery Corporation on January 28, 2010 (BCLC0003659)
- f. Appendix '6' – 2011/12 Shareholder's Letter of Expectations signed by Rich Coleman, Minister of Public Safety and Solicitor General on November 29, 2010 and by John McLernon, Chair, British Columbia Lottery Corporation on December 15, 2010 (BCLC0003660)
- g. Appendix '7' – 2012/13 Shareholder's Letter of Expectations signed by Rich Coleman, Minister of Energy and Mines on March 28, 2012 and by

John McLernon, Chair, British Columbia Lottery Corporation on March 21, 2012 (BCLC0003661)

- h. Appendix '8' – 2013/14 Shareholder's Letter of Expectations signed by Rich Coleman, Minister of Energy, Mines and Natural Gas and Deputy Premier on December 19, 2012 and by John McLernon, Chair, British Columbia Lottery Corporation on December 7, 2012 (BCLC0003662)
- i. Appendix '9' – 2014/15 Shareholder's Letter of Expectations signed by Michael de Jong, Q.C., Minister of Finance on January 9, 2014 and by John McLernon, Chair, British Columbia Lottery Corporation on January 3, 2014 (BCLC0003663)
- j. Appendix '10' – 2015/16 Mandate Letter signed by Michael de Jong, Q.C., Minister of Finance and by the Chair and Directors of the British Columbia Lottery Corporation (BCLC0003664)
- k. Appendix '11' – 2016/17 Mandate Letter dated January 29, 2016 signed by Michael de Jong, Q.C., Minister of Finance and by the Chair and Directors of the British Columbia Lottery Corporation (BCLC0003665)
- l. Appendix '12' – 2017/18 Mandate Letter signed by Michael de Jong, Q.C., Minister of Finance and by the Chair and Directors of the British Columbia Lottery Corporation (BCLC0003666)
- m. Appendix '13' –Mandate Letter dated February 14, 2018 signed by David Eby, Q.C., Attorney General and by the Chair and Directors of the British Columbia Lottery Corporation (BCLC0016638)
- n. Appendix '14' – Mandate Letter dated August 23, 2017 signed by David Eby, Q.C., Attorney General and by the Chair of the British Columbia Lottery Corporation (BCLC0003667)
- o. Appendix '15' – Mandate Letter dated October 2, 2017 signed by David Eby, Q.C., Attorney General and by the Chair of the British Columbia Lottery Corporation (BCLC0006742)
- p. Appendix '16' – Mandate Letter dated November 28, 2017 signed by David Eby, Q.C., Attorney General and by the Chair of the British Columbia Lottery Corporation (BCLC0003669)

- q. Appendix '17' – Mandate Letter dated December 12, 2018 signed by David Eby, Q.C., Attorney General and by the Chair and Directors of the British Columbia Lottery Corporation (BCLC0016639)
- r. Appendix '18' – Mandate Letter dated January 16, 2020 signed by David Eby, Q.C., Attorney General and by the Chair and Directors of the British Columbia Lottery Corporation (BCLC0016640)

## **Appendix 1**

Shareholder's Letter of Expectations signed by Rich Coleman, Minister of Public Safety and  
Solicitor General on March 6, 2003 and by T. Richard Turner, Chair, British Columbia Lottery  
Corporation on March 6, 2003



# BRITISH COLUMBIA

## SHAREHOLDER'S LETTER OF EXPECTATIONS BETWEEN

THE MINISTER OF PUBLIC SAFETY AND SOLICITOR GENERAL  
(THE "SHAREHOLDER")  
AND THE

BRITISH COLUMBIA LOTTERY CORPORATION  
(THE "CORPORATION")

### PURPOSE

The Province of British Columbia's *Governance Framework for Crown Corporations* establishes guiding principles for the governance of Crown corporations. The Governance Framework also identifies roles and responsibilities for the Shareholder and Crown corporations and provides for a Shareholder's Letter of Expectations (Letter) to be jointly developed.

The purpose of the Letter is to confirm the shared understanding of the Shareholder, represented by the Minister of Public Safety and Solicitor General, and the Corporation on corporate mandate, public policy issues, strategic priorities and performance expectations. The Letter will serve as the basis of agreement between the Shareholder and Corporation on those issues, priorities and expectations and will, as a result, inform the development of the Corporation's Service Plan.

This Letter does not create any legal or binding obligations on the part of the Shareholder or the Corporation but rather is intended to define and develop a positive and cooperative working relationship.

This Letter will be effective upon the date of signing, and will cover the period up to, and including, March 31, 2006. The Letter will be reviewed and amended annually as necessary. This Letter applies to the Shareholder, the Corporation and its subsidiaries.

## SHAREHOLDER ACCOUNTABILITIES

In developing a system of Crown corporations in British Columbia, the Shareholder is accountable for the legislative, regulatory and public policy framework in which Crown corporations operate, including:

- establishing, reviewing, revising and communicating Crown corporations' mandates;
- establishing the overall and Crown specific financial frameworks under which Crown corporations operate (borrowing, investment, and payment to the Shareholder);
- issuing performance management guidelines, including specifications for service planning and annual reports;
- providing strategic input and advice to Crown corporations in the development of their Service Plans;
- advising Crown corporations of government's priorities, strategic decisions and public policy and performance objectives and expectations that may impact the Crown corporations; and
- issuing directives or orders, or sponsoring submissions on behalf of Crown corporations that may be required to seek decisions or policy direction by the Executive Council or its committees, in order to facilitate Crown corporations fulfilling their mandates and achieving the performance targets outlined in Crown corporations' Service Plans.

Specific to the Corporation, the Shareholder has:

- continued the Corporation as an agent of the Shareholder under the *Gaming Control Act*, which establishes its mandate, structure, financial framework and legislated responsibilities and accountabilities;
- preserved for the Shareholder the right to direct the Corporation, under which the Shareholder has empowered the Corporation to implement policies and procedures that allow it to operate in a business-like manner within the legislative and policy structure for gaming that has been established by the Shareholder;
- established the Ministry of Public Safety and Solicitor General as the agency of the government responsible for the overall integrity of gaming and horseracing in the Province; and
- established policy and funding mechanisms to respond to problem gambling.

The shareholder also acknowledges that, although the Corporation has a legislated monopoly to conduct and manage gaming in the Province, the Corporation must still compete with other forms of entertainment for consumers' discretionary spending on leisure activities. In this competitive environment, the Shareholder recognizes that the Corporation's image, positioning, advertising, and community activities are all important factors in achieving its target Service Plan outcomes.

During the term of this Letter, the Shareholder anticipates providing policy direction in a number of areas that will affect all Crown corporations, including:

- capital asset management;
- zoning and land use;
- property taxation;
- donations policy;
- enterprise risk management;
- First Nations (treaty negotiations/land selection); and
- environmental remediation.

The Shareholder will also, on a continuing basis, monitor the achievement of the goals, objectives, strategies and targets identified in Crown corporations' Service Plans.

Specific to the Corporation, the Shareholder will:

- resolve the role of the Corporation in the management of horse racing, and provide direction to the Corporation in this regard; and
- continue to monitor, and revise as required in consultation with the Corporation, policies with respect to problem gambling.

## CORPORATION ACCOUNTABILITIES

In responding to the general and specific frameworks and direction of the Shareholder, the Corporation is accountable for:

- achieving its mandate and the performance expectations and objectives of the Shareholder, including establishing and implementing corporate strategies, policies, programs and plans that are consistent with the Shareholder's general direction and consistent with principles of efficiency, effectiveness, consumer choice and customer service;
- preparing a Service Plan with clearly articulated goals, objectives, strategies and performance measures and targets, and annual reports which detail progress toward achieving those goals;
- optimizing the Corporation's financial performance within the gaming and social policy framework established by the Shareholder; and
- providing the Shareholder with reports and other information that would enable the Shareholder to carry out its responsibilities, including the information set out in Appendix One.

- ensuring that all operational activities are consistent with any policy changes, and incorporating any implications in financial forecasting provided to the Shareholder.
- initiating and/or making proposals to improve the organization's effectiveness and efficiency for consideration by the Shareholder.
- identifying public policy issues requiring clarification;
- complying with policy directives that may be issued from time to time by the Minister responsible for the *Gaming Control Act* ;
- undertaking any restructuring activities necessary to achieve the direction of the Core Review and Deregulation Task Force;
- providing information to the Shareholder if the Corporation is unable to meet the targets identified in its Service Plan.

## **COMMUNICATIONS EXPECTATIONS AND REPORTING REQUIREMENTS**

It is agreed by both the Shareholder and the Corporation that to ensure effective and efficient day-to-day communications and relationship building, that officials representing both parties will be tasked with implementing the contents of this Letter and keeping the Minister Responsible and the Board of Directors informed of progress.

The Shareholder and the Corporation are committed to enhanced transparency and accountability to the public. While both parties note that reporting to the Shareholder and the public continues to evolve, the Shareholder has put in place a public reporting structure set out in the *Budget Transparency and Accountability Act*, the *Financial Administration Act*, and the *Financial Information Act*. The Corporation agrees that it will meet the requirements of this legislative structure. The financial reporting calendar is attached (Appendix One).

The Shareholder and the Corporation agree, that as a matter of course, each will keep the other routinely advised of any issues that may materially impact the business of the Corporation or the interests of the Shareholder.

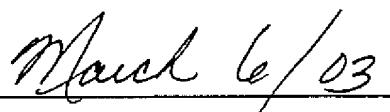
In addition to coordinating the overall process for preparing this Letter on behalf of the Shareholder, the Crown Agencies Secretariat is also accountable for undertaking an annual review of this Letter as well as monitoring its implementation. The review will occur in September 2003. This Letter can, if necessary, be modified in advance of the annual review if deemed necessary by one or both parties.

It is agreed that the Shareholder and the Corporation will work cooperatively to achieve the expectations identified in this Letter.

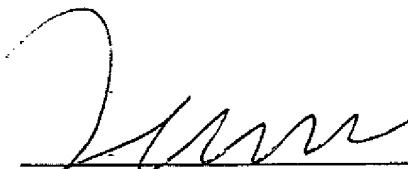


Honourable Rich Coleman  
Minister of Public Safety and  
Solicitor General and  
Minister Responsible for the  
British Columbia Lottery Corporation

Date

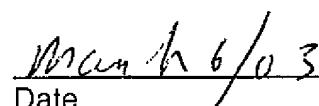


March 6/03



T. Richard Turner  
Chair  
British Columbia Lottery Corporation

Date



March 6/03

cc. Honourable Gordon Campbell  
Premier

Brenda Eaton  
Deputy Minister  
Corporate Planning and Restructuring  
Office of the Premier

Yvette Wells  
A/Chief Executive Officer  
Crown Agencies Secretariat

Vic Poleschuk  
President and Chief Executive  
British Columbia Lottery Corporation

**APPENDIX ONE: FISCAL REPORTING CALENDAR**

**INFORMATION REQUIREMENTS AND EVENTS CALENDAR FOR 2003/04 - CROWN CORPORATIONS AND SUCH AGENCIES**

<b>DUE DATE</b>	<b>REPORT (DESCRIPTION AND REQUIREMENTS BELOW)</b>
April 22, 2003	<ul style="list-style-type: none"> <li>• Preliminary 2002/03 Comparative Financial Statements (for Crowns/Agencies with a year-end other than March 31, the 2002 financial statements and the March 2003 YTD Actuals)</li> </ul>
May 17, 2003	<ul style="list-style-type: none"> <li>• 2003/04 – 2006/07 Budget Submission Update</li> </ul>
May 30, 2003	<ul style="list-style-type: none"> <li>• Audited Comparative Financial Statements</li> </ul>

**June 26, 2003      Release of Public Accounts**

July 25, 2003	<ul style="list-style-type: none"> <li>• 2003/04 First Quarterly Report: YTD Actuals (draft, subject to final confirmation on September 4)</li> <li>• Quarterly Capital Report</li> </ul>
August 20, 2003	<ul style="list-style-type: none"> <li>• 2003/04 First Quarterly Report: 2003/04 Revised Forecast and 2004/05 – 2007/08 Projections (to be approved by Boards/Chairs prior to submission)</li> <li>• First Quarterly Report communications plans and release information due for Crowns/Agencies preparing separate public releases (see requirements regarding earlier releases)</li> <li>• 2002/03 Annual Report, communications plans and release information</li> </ul>
September 4, 2003	<ul style="list-style-type: none"> <li>• First Quarterly Report information (final draft) to be signed off by CEO/CFO and returned to DM of Treasury Board</li> </ul>

**September 11, 2003      Release of the First Quarterly Report (Crowns/Agencies to have Briefed Ministers Responsible and Provided Them with Briefing Material)**

October 17, 2003	<ul style="list-style-type: none"> <li>• 2003/04 Second Quarterly Report: YTD Actuals (draft, subject to final confirmation on November 14)</li> <li>• Quarterly Capital Report</li> </ul>
October 31, 2003	<ul style="list-style-type: none"> <li>• 2003/04 Second Quarterly Report: 2003/04 Revised Forecast and 2004/05 – 2007/08 Projections (to be approved by Boards/Chairs prior to submission)</li> <li>• Second Quarterly Report communications plans and release information due for Crowns preparing separate public releases (see requirements regarding earlier releases)</li> </ul>
November 1 – 30, 2003	<ul style="list-style-type: none"> <li>• Crown Budget Presentations to Treasury Board (Agency presentations to go through ministries)</li> </ul>
November 14, 2003	<ul style="list-style-type: none"> <li>• Second Quarterly Report information (final draft) to be signed off by CEO/CFO and returned to DM of Treasury Board</li> </ul>

**November 27, 2003      Release of the Second Quarterly Report (Crowns/Agencies to have Briefed Ministers Responsible and Provided Them with Briefing Material)**

January 9, 2004	<ul style="list-style-type: none"> <li>• 2003/04 Third Quarterly Report – YTD Actuals (draft, subject to final confirmation on February 5)</li> <li>• Quarterly Capital Report</li> </ul>
January 28, 2004	<ul style="list-style-type: none"> <li>• 2003/04 Third Quarterly &amp; 2004/05 Budget Reports: 2003/04 Revised Forecast and 2004/05 – 2007/08 Projections (to be approved by Boards/Chairs prior to submission)</li> <li>• Third Quarterly Report communications plans and release information due for Crowns preparing separate public releases (see requirements regarding earlier releases)</li> <li>• 2004/05 – 2006/07 Service Plan (contact CAS/PBO for more information)</li> </ul>
February 5, 2004	<ul style="list-style-type: none"> <li>• Third Quarterly and Budget Report information (final draft) to be signed off by CEO/CFO and returned to DM of Treasury Board</li> </ul>

**February 17, 2004      2003/04 Third Quarterly Report and 2004/05 – 2006/07 Budget and Service Plans Tabled in the Legislature (Crowns to have Briefed Ministers Responsible and Provided Them with Briefing Material)**

### REPORT DESCRIPTIONS AND REQUIREMENTS

#### 2003/04 to 2006/07 Budget Submission Update

- Crowns to update budget material submitted in January 2003 to reflect the latest economic forecast and actual conditions to date.

#### Quarterly Reports – YTD Actuals

- YTD comparative financial statements (includes balance sheet, income statement and cash flows)
- Completed Supplemental Financial Report (Appendix C reports for OCG)
- Explanation of significant variances (both year-to-year and YTD-to-budget)
- Analysis of differences in accounting policy between Crowns/Agencies and government, including impact on net debt and capital numbers (using the government's accounting policies)
- Details on unusual or extraordinary items and prior year restatements
- Details on FTEs
- For Crowns with a year-end other than March 31, the quarterly information provided is to be for the period from the year-end to the end of the reported quarter. In addition, OCG may require information to make "stub-period" adjustments to adjust aggregate results so that they are comparable with the government's fiscal year-end. This will not affect individual reported Crown/Agency results, but will help ensure that the government's summary accounts properly report activity during the government's fiscal year. Stub period information will relate to the January – March period for some Crowns and the July – March period for some Agencies.
- For additional information, contact the Office of the Comptroller General.

#### Quarterly Capital Report – 2003/04

- For taxpayer-supported Crowns, summary update by project on projects >\$1.5 million as per information required in previous years, unless otherwise specified by Treasury Board. For taxpayer-supported and commercial Crowns, in-year year-to-date and revised forecasts are required for total capital spending (on an accrued basis). Consistent with Budget Transparency and Accountability Act, separate information is required for capital projects exceeding \$50M. For additional information, contact Capital Division of Treasury Board Staff (see contacts section).
- Information on significant variances in year-to-date (compared to calendarized budgets) and revised forecasts (compared to the February budget).

#### First and Second Quarterly Reports – 2003/04 Revised Forecast and 2004/05 – 2007/08 Projections

- Completed reporting template, including 2003/04 revised forecast and updated projections for 2004/05 to 2007/08
- Explanation of significant variances for 2003/04 (both year-to-year and revised forecast-to-budget)
- Summary information on projects >\$50 million
- Analysis of portfolio and exposures, details of debt strategy
- Details on unusual or extraordinary items and prior year restatements
- Details on projected loan activity and investments
- Key assumptions and operating indicators, including risks and sensitivities of key assumptions
- For additional information, contact the Fiscal and Economic Analysis Branch of Treasury Board Staff. A refined template has been developed to ensure that minimum information is collected to prepare complete summary account financial forecasts.

#### Crown Budget Presentations

- Use presentation format to be communicated in September by Crown Agencies Secretariat (for Crowns) and Performance Budgeting Office (for SUCH Agencies).
- Forecast information should be consistent with what is prepared for the 2<sup>nd</sup> Quarterly Report. The 2003/04 Revised Forecast and 2003/04 to 2006/07 Projections prepared for 2<sup>nd</sup> Quarterly Report should be shown as status quo with known material differences disclosed separately

#### Third Quarterly Report – 2003/04 Revised Forecast and 2004/05 – 2007/08 Projections

- This information will be published as part of the government's 2004/05 budget and should be used in preparing corporation service plans.
- Completed reporting template, including 2003/04 revised forecast, 2004/05 budget and projections for 2005/06 to 2007/08.
- 2004/05 budget and 2005/06 to 2007/08 projections will incorporate Core Review, Board Strategic Plans and/or directions of Treasury Board.
- Explanation of significant variances for 2003/04 (both year-to-year and forecast-to-budget)
- Summary information on projects >\$50 million
- Analysis of portfolio and exposures, details of debt strategy
- Details on unusual or extraordinary items and prior year restatements
- Details on projected loan activity and investments
- Key assumptions and operating indicators for 2004/05 budget and 2005/06 to 2007/08 projections, including risks and sensitivities of key assumptions
- Preliminary monthly calendarizations of 2004/05 budgeted income and cash flow statements.
- For additional information, contact the Fiscal and Economic Analysis Branch of Treasury Board Staff. A refined template has been developed to ensure that minimum information is collected to prepare complete summary account financial forecasts.

#### Quarterly Report Communications Plans and Release Information

- Applicable to those Crowns/Agencies that release separate quarterly information to the public.
- This will include press releases and backgrounders, briefing material or questions and answers prepared for Ministers responsible.
- Where Crown corporations/SUCH agencies plan to release quarterly reports earlier than the provincial government's schedule, communications material should be forwarded to Crown Agencies Secretariat (for Crowns)/Performance Budgeting Office (for SUCH) at least one week prior to planned release.
- For additional information, contact the Crown Agencies Secretariat or Performance Budgeting Office.

## **Appendix 2**

Shareholder's Letter of Expectations signed by John Les, Minister of Public Safety and Solicitor General on July 31, 2006 and by John R. McLernon, Chair, British Columbia Lottery Corporation on August 2, 2006



# BRITISH COLUMBIA

## SHAREHOLDER'S LETTER OF EXPECTATIONS

BETWEEN

THE MINISTER OF PUBLIC SAFETY AND SOLICITOR GENERAL  
(AS REPRESENTATIVE OF THE SHAREHOLDER,  
THE GOVERNMENT OF BRITISH COLUMBIA)

AND

THE CHAIR OF THE BRITISH COLUMBIA LOTTERY CORPORATION  
(AS REPRESENTATIVE OF THE CORPORATION)

### PURPOSE

This Shareholder's Letter of Expectations between the Shareholder and the Corporation is an agreement on the respective roles and responsibilities of each, and serves as the basis of agreement between the Shareholder and the Corporation on corporate mandate including high-level performance expectations, public policy issues and strategic priorities<sup>1</sup>. It will be reviewed annually and updated as required. The Shareholder's Letter of Expectations is the basis for the development of the Corporation's Service Plans and Annual Service Plan Reports. The Letter applies to the Shareholder and the Corporation. This Letter does not create any legal or binding obligations on the part of the Shareholder or the Corporation but rather is intended to define and promote a positive and co-operative working relationship.

This Shareholder's Letter of Expectations letter replaces any previous such documents between the Shareholder and the Corporation.

<sup>1</sup> The Province of British Columbia's Crown Agency Accountability System (CAAS) ([http://www.gov.bc.ca/cas/down/crown\\_agencies\\_reader.pdf](http://www.gov.bc.ca/cas/down/crown_agencies_reader.pdf)) establishes guiding principles for the governance of Crown corporations. The CAAS also identifies roles and responsibilities for the Shareholder and Crown corporations, and provides for a Shareholder's Letter of Expectations (Letter) to be jointly developed.

## CORPORATION ACCOUNTABILITIES

Government has provided the following mandate direction to British Columbia Lottery Corporation:

Government is committed to maintaining BCCLC's mandate as defined under the *Gaming Control Act* for the conduct, management and operation of most commercial gaming in the Province of BC on behalf of government. Specifically, BCCLC's mandate includes the responsibility to:

- Conduct, manage and operate lottery gaming;
- Conduct, manage and operate casino gaming;
- Conduct, manage and operate commercial bingo gaming; and
- Undertake marketplace management of horseracing.

In responding to government's performance expectations and the general and specific frameworks and direction of the Shareholder, the Corporation will:

- Conduct its affairs to achieve its mandate and the performance expectations and objectives of the Shareholder, including establishing and implementing corporate strategies, policies, programs, plans and financial outcomes that are consistent with the Shareholder's general direction and consistent with principles of efficiency, effectiveness, consumer choice and customer service;
- Prepare Service Plans with clearly articulated goals, objectives, strategies and performance measures and targets, and Annual Reports that detail progress toward achieving those goals, and post both documents on its website;
- Display all annual Statement of Financial Information schedules prepared under the *Financial Information Act* in an easily accessible location on its website (some of this information is included in annual reports and does not need to be otherwise displayed);
- Conduct its operations and financial activities in a manner consistent with the legislative, regulatory and policy framework established by the Shareholder;
- Develop and implement strategies to manage risks identified in the Service Plan as well as ongoing risks;
- Provide the Shareholder with reports and other information that would enable the Shareholder to carry out its responsibilities;
- Provide information to the Shareholder if the Corporation is unable to meet the targets identified in its Service Plan; and
- Take appropriate action to ensure that if Shareholder-directed transactions affect the Service Plan or financial targets of the Corporation, the Shareholder is informed of any impacts.

In addition, the Shareholder directs the Corporation to take the following specific actions:

- Optimize the Corporation's financial performance within the gaming and social policy framework established by the Shareholder;

- Improve the performance of casino, bingo and lottery gaming through new products and approaches in response to customer and marketplace demand, consistent with the Corporation's mandate;
- Ensure the Corporation's products and services are provided in a socially responsible manner;
- Improve the quality of the casino product with better locations and casinos sized to suit the market;
- Develop and maintain a sound, responsive and adaptive technology infrastructure;
- Build public and key stakeholder trust/support, improve the quality of service to customers and improve relationships with service providers;
- Comply with the policy directives that may be issued from time to time by the Minister Responsible for the Gaming Control Act and with policies, directives and standards that may be issued from time to time by the regulatory agency established under the Gaming Control Act;
- Operate the business of BCCLC in an efficient and effective manner for the benefit of its customers and the Shareholder;
- Meet and/or improve on BCCLC's financial and non-financial performance going forward;
- Inform the Shareholder on a regular basis of any major changes occurring or likely to occur that may impact on BCCLC's achievement of its Service Plan targets either negatively or positively; and
- Participate with the Ministry of Public Safety and Solicitor General in the preparation and presentation of a Strategic Plan for BCCLC's Conduct and Management of Gaming, including the proposed Consent to Operate Strategy.

## **SHAREHOLDER'S RESPONSIBILITIES**

The Shareholder is responsible for the legislative, regulatory and public policy framework in which Crown corporations operate. In order to meet these responsibilities and support achievement of government's performance expectations, the Shareholder will:

- Establish, review, revise and communicate Crown corporations' mandates;
- Establish the overall and Crown-specific financial frameworks under which Crown corporations operate (borrowing, investment, and payment to the Shareholder);
- Issue performance management guidelines, including guidelines for service planning and annual reports (<http://www.gov.bc.ca/cas/rpts/>);
- Provide strategic input and advice to Crown corporations in the development of their Service Plans and Annual Reports;
- Provide broad policy direction and confirmation of general frameworks/principles to Crown corporations, within which the Crown corporations may establish and apply specific policies/processes;
- Advise Crown corporations of government's priorities, strategic decisions and public policy and performance objectives and expectations that may impact the Crown corporations; and
- Issue directives or orders or sponsor submissions on behalf of Crown corporations that may be required to seek decisions or policy direction by the Executive Council or its

committees, in order to facilitate Crown corporations fulfilling their mandates and achieving the performance targets outlined in Crown corporations' Service Plans.

The Shareholder has developed policies for ministries and Crown corporations for Capital Asset Management (<http://www.fin.gov.bc.ca/tbs/camf.htm>) and Board remuneration policies for Crown agencies. The shareholder has also issued Best Practice Guidelines for board governance and disclosure to be implemented by April 2006 (<http://www.fin.gov.bc.ca/oop/brdo/corporateguidelines.pdf>). During the term of this Letter, the Shareholder may provide policy direction to the Crown agency sector, and will communicate any such direction, including implementation expectations, to Crown corporations as decisions are made.

The Shareholder will also, on a continuing basis, monitor the achievement of the goals, objectives and targets identified in Crown corporations' Service Plans.

Specific to the Corporation, the Shareholder:

- Continues the Corporation as an agent of the Shareholder under the Gaming Control Act, which establishes its mandate, structure, financial framework and legislated responsibilities and accountabilities;
- Preserves the right to provide broad policy direction on gaming and has empowered the Corporation to implement policies and procedures that allow it to operate in a business-like manner within the legislative and policy structure for gaming that has been established by the Shareholder;
- Has established the Ministry of Public Safety and Solicitor General as the agency of the government responsible for the overall integrity of gaming and horseracing in the province;
- Has established policy, horse racing, registration, audit, investigation and other functions to ensure that integrity is maintained;
- Has established policy and funding mechanisms to address problem gambling and ensure gaming is provided in a responsible manner;
- Has established mechanisms to manage government's proceeds from gaming; and
- Confirms the role of the Minister of Finance as fiscal agent to the Corporation, providing the Corporation with access to government financing and banking services.

## **AREAS OF SHARED ACCOUNTABILITY:**

### **Communications**

It is agreed by both the Shareholder and the Corporation that, to ensure effective and efficient day-to-day communications and relationship building, officials representing both parties will be tasked with implementing the contents of this Letter and keeping the Minister Responsible and the Board of Directors informed of progress in a timely fashion.

### **Reporting**

The Shareholder and the Corporation are committed to enhanced transparency and accountability to the public. The Shareholder has put in place a public reporting structure set out in the *Budget Transparency and Accountability Act*, the *Financial Administration Act*, and the *Financial Information Act*. The Shareholder has provided the Corporation with a reporting calendar which sets out financial and performance reporting requirements (<http://www.gov.bc.ca/cas>). The Corporation agrees that it will meet these financial and performance reporting requirements. If government determines that changes to the reporting requirements are necessary, the Shareholder will communicate these to the Corporation.

It is agreed by both the Shareholder and the Corporation that there will be advance discussion and review of key strategic documents such as Service Plans, Quarterly Financial Reports and Annual Reports. These discussions will be completed sufficiently in advance of deadlines to ensure effective and timely input by the Shareholder.

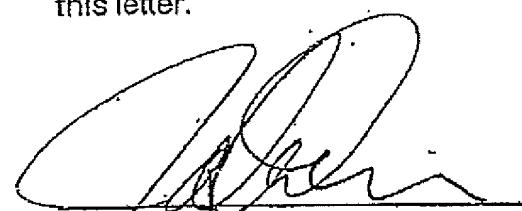
In addition to these financial and performance reporting requirements, the Corporation agrees to provide information to the Shareholder related to risks and opportunities anticipated in achieving financial forecasts.

The Shareholder and the Corporation agree that, as a matter of course, each will advise the other in a timely manner of any issues that may materially impact the business of the Corporation or the interests of the Shareholder.

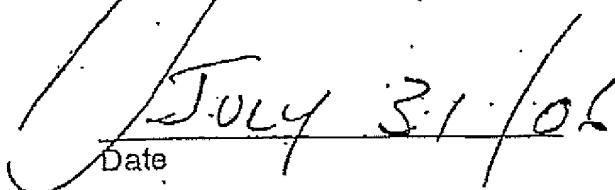
It is agreed that the Corporation will post the most recent signed copy of the Shareholder Letter of Expectations on its website. Crown Agencies Secretariat will also post a signed copy of the Letter on its website.

#### Review and Revision of this Letter

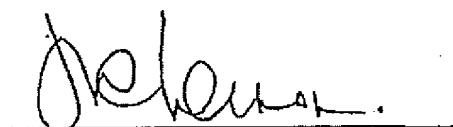
The Shareholder is accountable for undertaking reviews of this Letter and monitoring its implementation. The Crown Agencies Secretariat is responsible for co-ordinating the overall process for preparing Shareholder's Letters of Expectation, and may assist in undertaking reviews of this Letter and monitoring its implementation. If deemed necessary by either party, the Shareholder and the Corporation will discuss any issues and may agree to amend this letter.



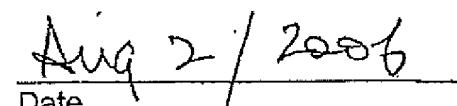
Honourable John Les  
Minister of Public Safety and Solicitor General



July 31/06  
Date



John R. McLernon  
Chair of the Board  
British Columbia Lottery Corporation



Aug 2 / 2006  
Date

### **Appendix 3**

Shareholder's Letter of Expectations signed by John van Dongen, Minister of Public Safety and  
Solicitor General on May 14, 2008 and by John R. McLernon, Chair, British Columbia Lottery  
Corporation on April 8, 2008



The Best Place on Earth

## **SHAREHOLDER'S LETTER OF EXPECTATIONS**

**BETWEEN**

**THE MINISTER OF PUBLIC SAFETY AND SOLICITOR GENERAL  
(AS REPRESENTATIVE OF THE SHAREHOLDER,  
THE GOVERNMENT OF BRITISH COLUMBIA)**

**AND**

**THE CHAIR OF THE BRITISH COLUMBIA LOTTERY CORPORATION  
(AS REPRESENTATIVE OF THE CORPORATION)**

### **PURPOSE**

This Shareholder's Letter of Expectations between the Shareholder and the Corporation is an agreement on the respective roles and responsibilities of each, and serves as the basis of agreement between the Shareholder and the Corporation on corporate mandate including high-level performance expectations, public policy issues and strategic priorities<sup>1</sup>. It will be reviewed annually and updated as required. The Shareholder's Letter of Expectations is the basis for the development of the Corporation's Service Plans and Annual Service Plan Reports. The Letter applies to the Shareholder and the Corporation. This Letter does not create any legal or binding obligations on the part of the Shareholder or the Corporation but rather is intended to define and promote a positive and co-operative working relationship.

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<sup>1</sup> The Province of British Columbia's Crown Agency Accountability System (CAAS) ([http://www.gov.bc.ca/cas/down/shareholder's\\_expectations\\_manual\\_\(version%208\)\\_june\\_2\\_06.pdf](http://www.gov.bc.ca/cas/down/shareholder's_expectations_manual_(version%208)_june_2_06.pdf)) establishes guiding principles for the governance of Crown corporations. The CAAS also identifies roles and responsibilities for the Shareholder and Crown corporations, and provides for a Shareholder's Letter of Expectations (Letter) to be jointly developed.

## CORPORATION ACCOUNTABILITIES

Government has provided the following mandate direction to British Columbia Lottery Corporation:

Government is committed to maintaining BCCLC's mandate as defined under the *Gaming Control Act* for the conduct, management and operation of most commercial gaming in the Province of BC on behalf of government. Specifically, BCCLC's mandate includes the responsibility to:

- Conduct, manage and operate lottery gaming;
- Conduct, manage and operate casino gaming;
- Conduct, manage and operate commercial bingo gaming and
- Conduct, manage and operate e-gaming.

In responding to government's performance expectations and the general and specific frameworks and direction of the Shareholder, the Corporation will:

- Conduct its affairs to achieve its mandate and the performance expectations and objectives of the Shareholder, including establishing and implementing corporate strategies, policies, programs, plans and financial outcomes that are consistent with the Shareholder's general direction and consistent with principles of efficiency, effectiveness, consumer choice and customer service;
- Prepare Service Plans with clearly articulated goals, objectives, strategies and performance measures and targets, and Annual Reports that detail progress toward achieving those goals, and post both documents on its website;
- Display all annual Statement of Financial Information schedules prepared under the *Financial Information Act* in an easily accessible location on its website (some of this information is included in annual reports and does not need to be otherwise displayed);
- Conduct its operations and financial activities in a manner consistent with the legislative, regulatory and policy framework established by the Shareholder;
- Develop and implement strategies to manage risks identified in the Service Plan as well as ongoing risks;
- Comply with the Shareholder's requirements to make the public sector carbon neutral by 2010, including: accurately defining, measuring, reporting on and verifying the greenhouse gas emissions from BCCLC's operations; implementing aggressive measures to reduce those emissions and reporting on these reduction measures and reduction plans; and offsetting any remaining emissions through investments in the Pacific Carbon Trust, which will invest in greenhouse gas reduction projects outside of BCCLC's scope of operations;
- Encourage staff involvement in developing ideas and new solutions to meet government's climate change objectives, including energy conservation programs and fleet and traffic management initiatives, and report on results achieved;
- Provide the Shareholder with reports and other information that would enable the Shareholder to carry out its responsibilities; and
- Provide information to the Shareholder immediately if the Corporation is unable to meet the targets identified in its Service Plan.

In addition, the Shareholder directs the Corporation to take the following specific actions:

- Optimize the Corporation's financial performance within the gaming and social policy framework established by the Shareholder;
- Improve the performance of casino, bingo, lottery and e-gaming through products and approaches in response to customer and marketplace demand, consistent with the Corporation's mandate;
- Ensure the Corporation's products and services are provided in a socially responsible manner and strengthen the Corporation's activities related to its social objectives in a manner that is consistent with the Province's Responsible Gambling Strategy and the Corporation's responsibilities reflected in that Strategy;
- Implement the recommendations made by the provincial Ombudsman in May, 2007 related to the Corporation;
- Implement recommendations made by Deloitte in their independent audit of lottery operations in BC undertaken in 2007 as directed by the Shareholder;
- Notify the Shareholder of BCLC's resolution of any significant issues related to the implementation of recommendations of either the Ombudsman or Deloitte;
- Build public and key stakeholder trust/support, by continuously improving the quality of service to customers and relationships with service providers;
- Comply with the policy directives that may be issued from time to time by the Minister Responsible for the *Gaming Control Act* and with policies, directives and standards that may be issued from time to time by the regulatory agency (the Gaming Policy and Enforcement Branch) established under the *Gaming Control Act*;
- Operate the business of BCLC in an efficient and effective manner for the benefit of its customers and the Shareholder;
- Inform the Shareholder on a regular basis of any major changes occurring or likely to occur that may impact on BCLC's achievement of its Service Plan targets either negatively or positively; and
- Present a Strategic Plan for BCLC's Conduct and Management of Gaming to the Shareholder.

## SHAREHOLDER'S RESPONSIBILITIES

The Shareholder is responsible for the legislative, regulatory and public policy framework in which Crown corporations operate. In order to meet these responsibilities and support achievement of government's performance expectations, the Shareholder will:

- Establish, review, revise and communicate Crown corporations' mandates;
- Establish the overall and Crown-specific financial frameworks under which Crown corporations operate (borrowing, investment, and payment to the Shareholder);
- Issue performance management guidelines, including guidelines for service planning and annual reports (<http://www.gov.bc.ca/cas/rpts/>);
- Provide strategic input and advice to Crown corporations in the development of their Service Plans and Annual Reports;
- Provide broad policy direction and confirmation of general frameworks/principles to Crown corporations, within which the Crown corporations may establish and apply specific policies/processes;

- Advise Crown corporations of government's priorities, strategic decisions and public policy and performance objectives and expectations that may impact the Crown corporations; and
- Issue directives or orders or sponsor submissions on behalf of Crown corporations that may be required to seek decisions or policy direction by the Executive Council or its committees, in order to facilitate Crown corporations fulfilling their mandates and achieving the performance targets outlined in Crown corporations' Service Plans.

The Shareholder has developed policies for ministries and Crown corporations for Capital Asset Management (<http://www.fin.gov.bc.ca/tbs/camf.htm>) and Board remuneration policies for Crown agencies. The shareholder has also issued Best Practice Guidelines for board governance and disclosure (<http://www.fin.gov.bc.ca/oop/brdo/corporateguidelines.pdf>). During the term of this Letter, the Shareholder may provide policy direction to the Crown agency sector, and will communicate any such direction, including implementation expectations, to Crown corporations as decisions are made.

The Shareholder will also, on a continuing basis, monitor the achievement of the goals, objectives and targets identified in Crown corporations' Service Plans.

Specific to the Corporation, the Shareholder:

- Continues the Corporation as an agent of the Shareholder under the *Gaming Control Act*, which establishes its mandate, structure, financial framework and legislated responsibilities and accountabilities;
- Preserves the right to provide broad policy direction on gaming and has empowered the Corporation to implement policies and procedures that allow it to operate in a business-like manner within the legislative and policy structure for gaming that has been established by the Shareholder;
- Has established the Gaming Policy and Enforcement Branch (GPEB) as the agency of the government responsible for the overall integrity of gaming and horseracing in the province,
- Has established GPEB to undertake policy, registration, audit, investigation and other functions to ensure that the integrity of gaming is maintained, while also ensuring that, within that regulatory and policy framework, BCCLC is able to implement its mandate;
- Has directed the Corporation and GPEB to implement the Ombudsman's recommendations;
- Will expect full implementation of any recommendations made by Deloitte which the Shareholder accepts and directs GPEB and/or BCCLC to implement in a manner that allows each organization to successfully deliver its respective mandate;
- Has established policy and funding mechanisms to address problem gambling and ensure gaming is provided in a responsible manner, and will provide to BCCLC government's plan for responsible gaming to inform BCCLC's activities in this area;
- Support the Shareholder's ActNow BC initiative by implementing practices which promote a healthier lifestyle, physical activity, and healthy food choices;
- Has established mechanisms to manage government's proceeds from gaming; and
- Confirms the role of the Minister of Finance as fiscal agent to the Corporation, providing the Corporation with access to government financing and banking services.

## **AREAS OF SHARED ACCOUNTABILITY:**

### **Communications**

It is agreed by both the Shareholder and the Corporation that, to ensure effective and efficient day-to-day communications and relationship building, officials representing both parties will be tasked with implementing the contents of this Letter and keeping the Minister Responsible and the Board of Directors informed of progress in a timely fashion.

### **Reporting**

The Shareholder and the Corporation are committed to enhanced transparency and accountability to the public. The Shareholder has put in place a public reporting structure set out in the *Budget Transparency and Accountability Act*, the *Financial Administration Act*, and the *Financial Information Act*. The Shareholder has provided the Corporation with a reporting calendar which sets out financial and performance reporting requirements (<http://www.gov.bc.ca/cas>). The Corporation agrees that it will meet these financial and performance reporting requirements. If government determines that changes to the reporting requirements are necessary, the Shareholder will communicate these to the Corporation.

It is agreed by both the Shareholder and the Corporation that there will be advance discussion and review of key strategic documents such as Service Plans, Quarterly Financial Reports and Annual Reports. These discussions will be completed sufficiently in advance of deadlines to ensure effective and timely input by the Shareholder.

In addition to these financial and performance reporting requirements, the Corporation agrees to provide information to the Shareholder related to risks and opportunities anticipated in achieving financial forecasts.

The Shareholder and the Corporation agree that, as a matter of course, each will advise the other in a timely manner of any issues that may materially impact the business of the Corporation or the interests of the Shareholder.

It is agreed that the Corporation will post the most recent signed copy of the Shareholder Letter of Expectations on its website. Crown Agencies Secretariat will also post a signed copy of the Letter on its website.

### **Review and Revision of this Letter**

The Minister of Public Safety and Solicitor General is accountable for undertaking reviews of this Letter and monitoring its implementation. The Crown Agencies Secretariat is responsible for co-ordinating the overall process for preparing Shareholder's Letters of Expectation, and may assist in undertaking reviews of this Letter and monitoring its implementation. If deemed necessary by either party, the Shareholder and the Corporation will discuss any issues and may agree to amend this letter.

*John van Dongen*  
Honourable John van Dongen  
Minister of Public Safety and Solicitor General

May 14, 2008

Date

*John R. McLernon*  
John R. McLernon  
Chair of the Board  
British Columbia Lottery Corporation

April 8 2008

Date

cc. Honourable Gordon Campbell  
Premier

Jessica McDonald  
Deputy Minister to the Premier and Cabinet Secretary

Chris Trumy  
Deputy Minister and Secretary to Treasury Board  
Ministry of Finance

Molly Harrington  
Assistant Deputy Minister and  
Chief Executive Officer  
Crown Agencies Secretariat

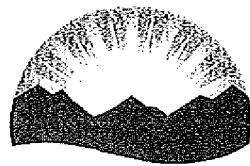
David Morhart  
Deputy Minister  
Ministry of Public Safety and Solicitor General

Michael Graydon  
President and Chief Executive Officer  
British Columbia Lottery Corporation

Derek Sturko  
Assistant Deputy Minister  
Gaming Policy and Enforcement Branch

## **Appendix 4**

Shareholder's Letter of Expectations signed by Rich Coleman, Minister of Housing and Social Development on January 12, 2009 and by John McLernon, Chair, British Columbia Lottery Corporation on February 11, 2009



**BRITISH  
COLUMBIA**

The Best Place on Earth

**SHAREHOLDER'S LETTER OF EXPECTATIONS**

**BETWEEN**

**THE MINISTER OF HOUSING AND SOCIAL DEVELOPMENT  
(AS REPRESENTATIVE OF THE SHAREHOLDER,  
THE GOVERNMENT OF BRITISH COLUMBIA)**

**AND**

**THE CHAIR OF THE BRITISH COLUMBIA LOTTERY CORPORATION  
(AS REPRESENTATIVE OF THE CORPORATION)**

**PURPOSE**

This Shareholder's Letter of Expectations between the Shareholder and the Corporation is an agreement on the respective roles and responsibilities of each, and serves as the basis of agreement between the Shareholder and the Corporation on corporate mandate including: high-level performance expectations; public policy issues; and strategic priorities<sup>1</sup>. It will be reviewed annually and updated as required. The Shareholder's Letter of Expectations is the basis for the development of the Corporation's Service Plans and Annual Service Plan Reports. The Letter applies equally to the Shareholder and the Corporation. The Letter does not create any legal or binding obligations on the part of the Shareholder or the Corporation but rather is intended to define and promote a positive and co-operative working relationship.

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<sup>1</sup> The Province of British Columbia's Crown Agency Accountability System (CAAS) ([http://www.gov.bc.ca/cas/attachments/shareholder's\\_expectations\\_manual\\_2006.pdf](http://www.gov.bc.ca/cas/attachments/shareholder's_expectations_manual_2006.pdf)) establishes guiding principles for the governance of Crown corporations. The CAAS identifies roles and responsibilities for the Shareholder and Crown corporations, and provides for a Shareholder's Letter of Expectations (Letter) to be jointly developed.

## CORPORATION ACCOUNTABILITIES

Government has provided the following mandate direction to the British Columbia Lottery Corporation:

- Conduct, manage and operate lottery gaming;
- Conduct manage and operate casino gaming;
- Conduct, manage and operate commercial bingo gaming; and
- Conduct, manage and operate eGaming.

In responding to government's performance expectations and the general and specific frameworks and direction of the Shareholder, the Corporation will:

- conduct its affairs to achieve its mandate and the performance expectations and objectives of the Shareholder, including establishing and implementing corporate strategies, policies, programs, plans and financial outcomes that are consistent with the Shareholder's general direction and with principles of integrity, efficiency, effectiveness, and customer service;
- conduct its operations and financial activities in a manner consistent with the legislative, regulatory and policy framework established by the Shareholder;
- prepare Service Plans with clearly articulated goals, strategies, performance measures and targets, and Annual Reports that describe the Corporation's progress toward achieving those goals, and post both documents on its website;
- display all annual Statement of Financial Information schedules prepared under the *Financial Information Act* in an easily accessible location on its website (some of this information is included in Annual Reports and does not need to be otherwise displayed);
- develop and implement strategies to manage risks identified in the Service Plan;
- comply with the Shareholder's requirements to make the Public Sector carbon neutral by 2010, including: accurately defining, measuring, reporting on and verifying the greenhouse gas emissions from the Corporation's operations; implementing aggressive measures to reduce those emissions and reporting on these reduction measures and reduction plans; and offsetting any remaining emissions through investments in the Pacific Carbon Trust, which will invest in greenhouse gas reduction projects outside of the Corporation's scope of operations;
- encourage staff involvement in developing ideas and new solutions to meet government's climate change objectives, including energy conservation programs and fleet and traffic management initiatives, and report on results achieved;
- support the Shareholder's Healthier Choices Initiative, including ensuring that all non-contracted vending machines located in facilities owned or leased by the Corporation have food products which meet the Shareholder's Nutrition Guidelines for Vending Machines in Public Buildings, and that contracted vending machines be transitioned to the Nutrition Guidelines for Vending Machines in Public Buildings as soon as practicable upon expiry of their contracts;
- provide the Shareholder with reports and other information that would enable the Shareholder to carry out its responsibilities; and

- provide information to the Shareholder immediately if the Corporation is unable to meet the performance and financial targets identified in its Service Plan.

In addition, the Shareholder directs the Corporation to take the following specific actions:

- optimize the Corporation's financial performance within the gaming and social policy framework established by the Shareholder;
- enhance the performance, integrity and efficiency of casino, bingo, lottery and eGaming in response to customer and marketplace demand, through products, services and technology consistent with the Corporation's mandate;
- ensure the Corporation's products and services are provided in a socially responsible manner and strengthen the Corporation's activities related to its social objectives in a manner consistent with the Province's Responsible Gambling Strategy and the Corporation's responsibilities reflected in that Strategy;
- ensure gaming products and services offered by the Corporation are consistent with the objectives of gaming security and integrity;
- implement the recommendations made by the provincial Ombudsman in May 2007 related to the Corporation;
- implement recommendations made by Deloitte and Touche LLP in their independent audit of lottery operations in BC undertaken in 2007 as directed by the Shareholder;
- notify the Shareholder of the Corporation's resolution of any significant issues related to the implementation of recommendations of either the Ombudsman or Deloitte and Touche LLP;
- operate in a manner consistent with the GPE regulatory responsibilities as they apply to BCLC;
- build public and key stakeholder trust/support, by continuously improving the quality of service to customers and relationships with service provider partners;
- comply with the policy directives that may be issued from time to time by the Minister Responsible for the Gaming Control Act and with policies, directives and standards that may be issued from time to time by the regulatory agency (Gaming Policy and Enforcement) established under the Gaming Control Act;
- report to government, by March 31, 2009, BCLC's progress in implementing its action plan on reporting suspicious and large cash transactions;
- inform the Shareholder on a regular basis of any major changes occurring or likely to occur that may impact on BCLC's achievement of its Service Plan targets either negatively or positively; and
- operationalize carbon reduction plans developed by the Corporation in compliance with the Climate Action Secretariat's Framework for Greenhouse Gas Measurement and Reporting: Guidance for Crown Corporations.

## SHAREHOLDER'S RESPONSIBILITIES

The Shareholder is responsible for the legislative, regulatory and public policy framework in which Crown corporations operate. In order to meet these responsibilities and support achievement of government's performance expectations, the Shareholder will:

- establish, review, revise and communicate the Crown corporation's mandate;
- establish and communicate the general and Crown-specific financial frameworks under which the Crown corporation operates(borrowing, investment, and payment to the Shareholder);
- issue performance management guidelines, including guidelines for Service Plans and Annual Reports (<http://www.gov.bc.ca/cas/publications/index.html>);
- provide input and feedback to the Crown corporation in the development of its Service Plans and Annual Reports;
- provide broad policy direction and confirmation of general frameworks/principles to the Crown corporation, within which the Crown corporation may establish and apply specific policies/processes;
- advise the Crown corporation of government's priorities, strategic decisions and public policy and performance objectives and expectations that may impact the Crown corporation; and
- issue directives or orders or sponsor submissions on behalf of the Crown corporation that may be required to seek decisions or policy direction by the Executive Council or its committees, in order to facilitate the Crown corporation fulfilling its mandate and achieving the performance targets outlined in its Service Plans;

The Shareholder has developed policies for ministries and Crown corporations for Capital Asset Management (<http://www.fin.gov.bc.ca/tbs/camf.htm>) and Board remuneration polices for Crown agencies (<http://www.gov.bc.ca/cas/publications/index.html>). The Shareholder has also issued Best Practice Guidelines for board governance and disclosure (<http://www.lcs.gov.bc.ca/brdo/governance/index.asp>). During the term of this Letter, the Shareholder may provide additional policy direction to the Crown agency sector, and will communicate any such direction, including implementation expectations, to Crown corporations as decisions are made.

The Shareholder will also, on a continuing basis, monitor the achievement of the goals, objectives and performance and financial targets identified in Crown corporations' Service Plans.

Specific to the Corporation, the Shareholder:

- approves the Corporation's mandate to conduct, manage and operate lottery schemes within British Columbia under the *Gaming Control Act*;
- continues the Corporation as an agent of the Crown under the *Gaming Control Act*;
- confirms the role of the Minister of Finance as fiscal agent to the Corporation, providing the Corporation with access to government financing and banking services; and

- preserves the right to provide broad policy direction on gaming and has empowered the Corporation to implement policies and procedures that allow it to operate in a business-like manner within the legislative and policy structure for gaming that has been established by the Shareholder;
- has established mechanisms to manage government's proceeds from gaming;
- has established Gaming Policy and Enforcement (GPE) as the agency of the government responsible for the overall integrity of gaming and horseracing in the province;
- has established GPE to undertake policy, registration, audit, investigation and other functions to ensure that the integrity of gaming is maintained, while also ensuring that, within the regulatory and policy framework, BCCLC is able to implement its mandate;
- has directed the Corporation and GPE to implement the Ombudsman's recommendations;
- expects full implementation of any recommendations made by Deloitte and Touche LLP which the Shareholder accepts and directs GPE and/or BCCLC to implement in a manner that allows each organization to successfully deliver its respective mandate;
- has established policy and funding mechanisms to address problem and responsible gambling and ensure gaming is provided in a responsible manner, and will provide to the Corporation government's plan for responsible gambling to inform BCCLC's activities in this area; and
- supports the Shareholder's ActNow BC initiative by implementing practices which promote a healthier lifestyle, physical activity, and healthy food initiatives.

## **AREAS OF SHARED ACCOUNTABILITY:**

### **Communications**

It is agreed by both the Shareholder and the Corporation that, to ensure effective and efficient day-to-day communications and relationship building, officials representing both parties will be tasked with implementing the contents of this Letter and keeping the Minister Responsible and the Board of Directors informed of progress in a timely fashion.

## Reporting

The Shareholder and the Corporation are committed to transparency and accountability to the public. The Shareholder has put in place a public reporting structure which is set out in the *Budget Transparency and Accountability Act*, the *Financial Administration Act*, and the *Financial Information Act*. The Shareholder has provided the Corporation with a reporting calendar which sets out financial and performance reporting requirements (<http://www.gov.bc.ca/cas/publications/index.html>). The Corporation agrees that it will meet these financial and performance reporting requirements. If government determines that changes to the reporting requirements are necessary, the Shareholder will communicate these to the Corporation.

It is agreed by both the Shareholder and the Corporation that there will be advance discussion and review of key documents such as Service Plans, Quarterly Financial Reports and Annual Reports. These discussions will be completed sufficiently in advance of deadlines to ensure the opportunity for effective and timely input by the Shareholder.

In addition to these financial and performance reporting requirements, the Corporation agrees to provide information to the Shareholder related to risks and opportunities anticipated in achieving financial forecasts and performance targets.

The Shareholder and the Corporation agree that, as a matter of course, each will advise the other in a timely manner of any issues that may materially impact the business of the Corporation or the interests of the Shareholder.

It is agreed that the Corporation will post the most recent signed copy of the Shareholder's Letter of Expectations on its website. Crown Agencies Secretariat will also post a signed copy of the Letter on its website.

### Review and Revision of this Letter

The Minister of Housing and Social Development is accountable for undertaking reviews of this Letter and monitoring its implementation. The Crown Agencies Secretariat is responsible for co-ordinating the overall process for preparing Shareholder's Letters of Expectation, and may assist the Minister in undertaking reviews of this Letter and monitoring its implementation. If deemed necessary by either party, the Shareholder and the Corporation will discuss any issues and may agree to amend this letter on a more frequent than annual basis.



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Honourable Rich Coleman  
Minister of Housing and Social Development



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John McLernon  
Chair,  
British Columbia Lottery Corporation

January 12, 2009

Date

Feb 11 2009.

Date

cc. Honourable Gordon Campbell  
Premier

Jessica McDonald  
Deputy Minister to the Premier and Cabinet Secretary

Chris Trumy  
Deputy Minister and Secretary to Treasury Board  
Ministry of Finance

Chris Johnson  
A/Assistant Deputy Minister and Chief Executive Officer  
Crown Agencies Secretariat

Cairine MacDonald  
Deputy Minister  
Ministry of Housing and Social Development

Michael Graydon  
President and Chief Executive Officer  
British Columbia Lottery Corporation

Derek Sturko  
Assistant Deputy Minister  
Gaming Policy and Enforcement  
Ministry of Housing and Social Development

## **Appendix 5**

Shareholder's Letter of Expectations signed by Rich Coleman, Minister of Housing and Social Development on January 18, 2010 and by John McLernon, Chair, British Columbia Lottery Corporation on January 28, 2010



## **SHAREHOLDER'S LETTER OF EXPECTATIONS**

**BETWEEN**

**THE MINISTER OF HOUSING AND SOCIAL DEVELOPMENT  
(AS REPRESENTATIVE OF THE SHAREHOLDER,  
THE GOVERNMENT OF BRITISH COLUMBIA)**

**AND**

**THE CHAIR OF THE BRITISH COLUMBIA LOTTERY CORPORATION  
(AS REPRESENTATIVE OF THE CORPORATION)**

### **PURPOSE**

This Letter of Expectations between the Shareholder and Corporation is an agreement on their respective roles, responsibilities and on corporate mandate including high level strategic priorities, public policy issues and performance expectations<sup>1</sup>. This Letter is reviewed and updated annually. The Letter is the basis for the development of the Corporation's Service Plans and Annual Service Plan Reports. This Letter applies equally to both parties. The Letter does not create any legal or binding obligations on the parties and is intended to promote a co-operative working relationship.

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<sup>1</sup> The Province of British Columbia's Crown Agency Accountability System (CAAS) ([http://www.gov.bc.ca/cas/attachments/shareholders\\_expectations\\_manual.pdf](http://www.gov.bc.ca/cas/attachments/shareholders_expectations_manual.pdf)) establishes guiding principles for the governance of Crown corporations. The CAAS identifies roles and responsibilities for the Shareholder and Crown corporations, and provides for a Shareholder's Letter of Expectations to be jointly developed.

## CORPORATION ACCOUNTABILITIES

Government has provided the following mandate direction to the British Columbia Lottery Corporation:

- Conduct, manage and operate lottery gaming;
- Conduct manage and operate casino gaming;
- Conduct, manage and operate commercial bingo gaming; and
- Conduct, manage and operate eGaming.

To achieve this mandate direction, and in response to the Shareholder's general direction, frameworks and principles, the Corporation will:

- ensure that the Corporation's priorities reflect government's goals of building a strong economy; job creation; infrastructure and private sector investment; First Nations reconciliation; and climate action initiatives;
- conduct its affairs to achieve its mandate and the performance expectations of the Shareholder, including establishing and implementing corporate strategies, policies, programs, plans and financial outcomes consistent with the Shareholder's general direction and with the principles of integrity, efficiency, effectiveness, and customer service;
- conduct its operations and financial activities in a manner consistent with the legislative, regulatory and policy framework established by the Shareholder;
- prepare Service Plans with clearly articulated goals, strategies, performance measures and targets, and Annual Service Plan Reports that describe progress toward achieving those goals, strategies, performance measures and targets and post both documents on its website;
- display annual *Financial Information Act* – Statement of Financial Information and Executive Compensation Disclosure Schedules, a Remuneration for Appointees to Crown Agency Boards Schedule and Corporate Governance Disclosure in an easily accessible website location;
- develop and implement strategies to manage risks identified in the Service Plan, in particular financial and performance risks;
- encourage staff involvement in developing ideas and new solutions to meet government's climate change objectives, including energy conservation programs and fleet and traffic management initiatives, and report on results achieved;
- provide the Shareholder with reports and other information that would enable the Shareholder to carry out its responsibilities; and
- inform the Shareholder immediately if the Corporation is unable to meet the performance and financial targets identified in its Service Plan.

The Shareholder also sets broad policy direction to ensure the Corporation's operation and performance is consistent with government's strategic priorities and Fiscal Plan, as such the Corporation will:

- comply with the Shareholder's requirements to make the Public Sector carbon neutral by 2010, including: accurately defining, measuring, reporting on and verifying the greenhouse gas emissions from the Corporation's operations; implementing aggressive measures to reduce those emissions and reporting on these reduction measures and reduction plans; and offsetting any remaining emissions through investments in the Pacific Carbon Trust, which will invest in greenhouse gas reduction projects outside of the Corporation's scope of operations;
- support the Healthier Choices Initiative, ensuring that all vending machines located in facilities owned or leased by the Corporation have food products which meet the Shareholder's Nutrition Guidelines for Vending Machines in Public Buildings;
- ensure the Shareholder is advised in advance of the release of any information requests by the Corporation under the *Freedom of Information and Protection of Privacy Act*; and
- ensure any debit/credit card payment services provided to the public are in compliance with the international Payment Card Industry (PCI) Data Security Standards, by the October 1, 2010 deadline;
- for Corporations subject to the *Public Sector Employers Act*, ensure the Corporation's membership in the Crown Corporation Employers' Association is in good standing;
- annually assess the Board appointment process to ensure that succession results in a balance of renewal and continuity of Board membership, and provide the results of this assessment to the Shareholder for consideration;
- ensure that Board appointments to Crown corporation subsidiaries have been approved by Cabinet; and
- comply with government's requirement that lobbyists not be engaged to act on behalf of the Corporation in its dealings with government.

In addition, the Shareholder directs the Corporation to take the following specific actions:

- optimize the Corporation's financial performance and propose new revenue opportunities within the gaming and social policy framework established by the Shareholder;
- enhance the performance, integrity and efficiency of casino, bingo, lottery and eGaming in response to customer and marketplace demand, through products, services and technology consistent with the Corporation's mandate;
- ensure the Corporation's products and services are provided in a socially responsible manner and strengthen the Corporation's activities related to its social objectives in a manner consistent with the Province's Responsible Gambling Strategy and the Corporation's responsibilities reflected in that Strategy;
- ensure gaming products and services offered by the Corporation are consistent with the objectives of gaming security and integrity;
- implement the recommendations made by the provincial Ombudsman in May 2007 related to the Corporation;
- implement recommendations made by Deloitte and Touche LLP in their independent audit of lottery operations in British Columbia undertaken in 2007 as directed by the Shareholder;

- notify the Shareholder of the Corporation's resolution of any significant issues related to the implementation of recommendations of either the Ombudsman or Deloitte and Touche LLP;
- operate in a manner consistent with the Gaming Policy and Enforcement Branch's regulatory responsibilities as they apply to the Corporation;
- build public and key stakeholder trust/support, by continuously improving the quality of service to customers and relationships with service provider partners;
- comply with the policy directives that may be issued from time to time by the Minister Responsible for the Gaming Control Act and with policies, directives and standards that may be issued from time to time by the regulatory agency (the Gaming Policy and Enforcement Branch) established under the *Gaming Control Act*;
- inform the Shareholder on a regular basis of any major changes occurring or likely to occur that may impact on the Corporation's achievement of its Service Plan targets either negatively or positively;
- operationalize carbon reduction plans developed by the Corporation in compliance with the Climate Action Secretariat's Framework for Greenhouse Gas Measurement and Reporting: Guidance for Crown Corporations; and,
- identifying and implementing healthy living policies, programs and client service objectives that contribute meaningfully to ActNow BC goals.

## **SHAREHOLDER'S RESPONSIBILITIES**

The Shareholder is responsible for the legislative, regulatory and public policy framework in which Crown corporations operate. In order to meet these responsibilities and support achievement of government's performance expectations, the Shareholder will:

- establish, review, revise and communicate any changes to the Corporation's mandate;
- establish and communicate the general and Crown-specific financial frameworks under which the Corporation operates (borrowing, investment, and payment to the Shareholder);
- issue performance management guidelines, including guidelines for Service Plans and Annual Service Plan Reports (<http://www.gov.bc.ca/cas/publications/index.html>);
- review, provide feedback and final approval of the Corporation's Service Plans and Annual Service Plan Reports;
- provide broad policy direction and confirmation of general frameworks/principles to the Corporation, within which the Corporation may establish/apply specific policies/processes;
- advise the Corporation of government's strategic priorities, decisions and public policy and any performance objectives and expectations that may impact the Corporation; and
- issue directives or orders or sponsor submissions on behalf of the Corporation that may be required to seek decisions or policy direction by the Executive Council or its committees, in order to facilitate the Corporation fulfilling its mandate and achieving the performance targets outlined in its Service Plans.

The Shareholder has developed policies for Ministries and Crown corporations for Capital Asset Management (<http://www.fin.gov.bc.ca/tbs/camf.htm>) and Remuneration Guidelines for Appointees to Crown Agency Boards (<http://www.gov.bc.ca/cas/publications/index.html>).

The Shareholder has also issued the Best Practice Guidelines – BC Governance and Disclosure Guidelines for Governing Boards of Public Sector Organizations (<http://www.lcs.gov.bc.ca/brdo/governance/index.asp>). During the term of this Letter, the Shareholder may provide additional policy direction to the Crown agency sector, and will communicate such direction, including implementation expectations, to the Corporation as decisions are made.

The Shareholder will also, on a continuing basis, monitor the achievement of the goals, objectives, performance and financial targets, and risk assessments identified in the Corporations' Service Plans.

Specific to the Corporation, the Shareholder:

- approves the Corporation's mandate to conduct, manage and operate lottery schemes within British Columbia under the *Gaming Control Act*;
- continues the Corporation as an agent of the Crown under the *Gaming Control Act*;
- confirms the role of the Minister of Finance as fiscal agent to the Corporation, providing the Corporation with access to government financing and banking services;
- preserves the right to provide broad policy direction on gaming and has empowered the Corporation to implement policies and procedures that allow it to operate in a business-like manner within the legislative and policy structure for gaming that has been established by the Shareholder;
- has established mechanisms to manage government's proceeds from gaming;
- has established the Gaming Policy and Enforcement Branch as the agency of the government responsible for the overall integrity of gaming and horseracing in the province;
- has established the Branch to undertake policy, registration, audit, investigation and other functions to ensure that the integrity of gaming is maintained, while also ensuring that, within the regulatory and policy framework, the Corporation is able to implement its mandate;
- expects full implementation of any recommendations made by Deloitte and Touche LLP which the Shareholder accepts and directs the Branch and/or the Corporation to implement in a manner that allows each organization to successfully deliver its respective mandate;
- has established policy and funding mechanisms to address problem and responsible gambling and ensure gaming is provided in a responsible manner, and will provide to the Corporation government's plan for responsible gambling to inform the Corporation's activities in this area; and
- supports the Shareholder's ActNow BC initiative by implementing practices which promote a healthier lifestyle, physical activity, and healthy food initiatives.

## **AREAS OF SHARED ACCOUNTABILITY:**

### **Communications**

It is agreed by both the Shareholder and the Corporation that, to ensure effective and efficient day-to-day communications and relationship building, representatives for both parties will be tasked with implementing the contents of this Letter and keeping the Minister Responsible and the Board of Directors informed of progress in a timely fashion.

### **Reporting**

The Shareholder and the Corporation are committed to transparency and accountability to the public. The Shareholder has put in place a public reporting structure which is set out in the *Budget Transparency and Accountability Act*, the *Financial Administration Act*, and the *Financial Information Act*. The Shareholder has provided the Corporation with an Information Requirements and Events Calendar which sets out financial and performance reporting requirements (<http://www.gov.bc.ca/cas/publications/index.html>). The Corporation agrees that it will meet these financial and performance reporting requirements. If government determines that changes to the reporting requirements are necessary, the Shareholder will communicate these to the Corporation.

It is agreed by the parties that there will be advance discussion and review of key documents such as Service Plans, Quarterly Financial Reports and Annual Service Plan Reports. These discussions will be completed sufficiently in advance of deadlines to ensure the opportunity for effective and timely input by the Shareholder.

In addition to these financial and performance reporting requirements, the Corporation agrees to provide information to the Shareholder related to risks and opportunities anticipated in achieving financial forecasts and performance targets.

The parties agree that, as a matter of course, each will advise the other in a timely manner of any issues that may materially impact the business of the Corporation and/or the interests of the Shareholder.

It is agreed that the Corporation will post the most recent signed copy of the Shareholder's Letter of Expectations on its website. Crown Agencies Resource Office will also post a signed copy of the Letter on its website.

### **Review and Revision of this Letter**

The Minister of Housing and Social Development is accountable for undertaking reviews of this Letter and monitoring its implementation. The Crown Agencies Resource Office is responsible for co-ordinating the overall process for preparing Letters of Expectation, and may assist the Minister in undertaking reviews of this Letter and monitoring its implementation. If deemed necessary by either party, the Shareholder and the Corporation will discuss any issues and may agree to amend this Letter on a more frequent than annual basis.



Honourable Rich Coleman  
Minister of Housing and Social Development

JAN 18 2010

Date



John McLernon  
Chair,  
British Columbia Lottery Corporation

Jan 28, 2010

Date

cc. Honourable Gordon Campbell  
Premier

Allan Seckel  
Deputy Minister to the Premier and Cabinet Secretary

Graham Whitmarsh  
Deputy Minister and Secretary to Treasury Board  
Ministry of Finance

Cairine MacDonald  
Deputy Minister  
Ministry of Housing and Social Development

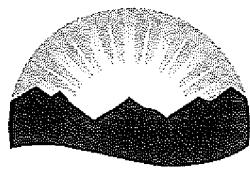
Michael Graydon  
President and Chief Executive Officer  
British Columbia Lottery Corporation

Derek Sturko  
Assistant Deputy Minister  
Gaming Policy and Enforcement  
Ministry of Housing and Social Development

Marie Ty  
A/Assistant Deputy Minister  
Crown Agencies Resource Office

## **Appendix 6**

2011/12 Shareholder's Letter of Expectations signed by Rich Coleman, Minister of Public Safety and Solicitor General on November 29, 2010 and by John McLernon, Chair, British Columbia Lottery Corporation on December 15, 2010



**BRITISH  
COLUMBIA**

The Best Place on Earth

**SHAREHOLDER'S LETTER OF EXPECTATIONS**

**BETWEEN**

**THE MINISTER OF PUBLIC SAFETY AND SOLICITOR GENERAL AND  
MINISTER RESPONSIBLE FOR HOUSING  
(AS REPRESENTATIVE OF THE SHAREHOLDER,  
THE GOVERNMENT OF BRITISH COLUMBIA)**

**AND**

**THE CHAIR OF British Columbia Lottery Corporation  
(AS REPRESENTATIVE OF THE CORPORATION)**

**FOR 2011/12**

**PURPOSE**

This Letter of Expectations between the Shareholder and Corporation is an agreement on their respective roles, responsibilities and on corporate mandate including high level strategic priorities, public policy issues and performance expectations as documented in the Shareholder's Expectations Manual for British Columbia Crown Agencies<sup>1</sup>. The Letter is the basis for the development of the Corporation's Service Plans and Annual Service Plan Reports, and is reviewed and updated annually. The Letter does not create any legal or binding obligations on the parties and is intended to promote a co-operative working relationship.

<sup>1</sup> The Province of British Columbia's Crown Agency Accountability System (<http://www.gov.bc.ca/caro/publications/index.html>) establishes guiding principles for the governance of Crown Corporations. The Shareholder's Expectations Manual identifies roles and responsibilities for the Shareholder and Crown Corporations, and provides for a Shareholder's Letter of Expectations (Letter) to be jointly developed.

## CORPORATION ACCOUNTABILITIES

Government has provided the following mandate direction to British Columbia Lottery Corporation:

- Conduct, manage and operate lottery gaming;
- Conduct manage and operate casino gaming;
- Conduct, manage and operate commercial bingo gaming; and
- Conduct, manage and operate eGaming.

To achieve this mandate direction, and in response to the Shareholder's general direction, frameworks and principles, the Corporation will:

- ensure that the Corporation's priorities reflect government's goals of building a strong economy; job creation; infrastructure and private sector investment; First Nations reconciliation; and climate action initiatives;
- conduct its affairs to achieve its mandate and the performance expectations of the Shareholder, with the principles of integrity, efficiency, effectiveness, and customer service;
- display annual *Financial Information Act* – Statement of Financial Information and Executive Compensation Disclosure Schedules, a Remuneration for Appointees to Crown Agency Boards Schedule and Corporate Governance Disclosure in an easily accessible website location; and
- inform the Shareholder immediately if the Corporation is unable to meet the performance and financial targets identified in its Service Plan.

The Shareholder also sets broad policy direction to ensure the Corporation's operation and performance is consistent with government's strategic priorities and Fiscal Plan; as such the Corporation will:

- comply with the Shareholder's requirements to be carbon neutral under the *Greenhouse Gas Reduction Targets Act*, including: accurately defining, measuring, reporting on and verifying the greenhouse gas emissions from the Corporation's operations; implementing aggressive measures to reduce those emissions and reporting on these reduction measures and reduction plans; and offsetting any remaining emissions through investments in the Pacific Carbon Trust, which will invest in greenhouse gas reduction projects outside of the Corporation's scope of operations;
- ensure the Shareholder is advised in advance of the release of any information requests by the Corporation under the *Freedom of Information and Protection of Privacy Act*;

- ensure any debit/credit card payment services provided to the public are in compliance with the international Payment Card Industry (PCI) Data Security Standards;
- for Corporations subject to the *Public Sector Employers Act*, ensure the Corporation's membership in the Crown Corporation Employers' Association is in good standing;
- annually assess the Board appointment process to ensure that succession results in a balance of renewal and continuity of Board membership, and provide the results of this assessment to the Shareholder for consideration;
- ensure that Board appointments to Crown Corporation subsidiaries comply with Board Resourcing and Development Office's Best Practice Guidelines and are approved by Cabinet; and
- comply with government's requirement that lobbyists not be engaged to act on behalf of the Corporation in its dealings with government.

In addition, the Shareholder directs the Corporation to take the following specific actions:

- To optimize the Corporation's financial performance, within the gaming and social policy framework established by the Shareholder and in response to customer and marketplace demand for products and services, proposing new revenue opportunities as they arise;
- To optimize the performance, security, integrity, and efficiency of the Corporation and its products and services through the replacement and modernization of infrastructure, processes and technology over the next five year period;
- To optimize the Corporation's social responsibility objectives, building public trust and support in a manner consistent with the Province's Responsible Gambling Strategy and with BCLC's Social Responsibility Charter; and
- To operate within the Province's legislative framework and regulations, including the *Gaming Control Act* (2002), and comply with policies, directives and standards that may be issued from time to time by the Minister of Public Safety and Solicitor General and Minister Responsible for Housing or the regulatory agency, the Gaming Policy and Enforcement Branch (the Branch).

## **SHAREHOLDER'S RESPONSIBILITIES**

The Shareholder is responsible for the legislative, regulatory and public policy framework in which Crown Corporations operate. In order to meet these responsibilities and support achievement of government's performance expectations, the Shareholder will:

- issue performance management guidelines, including guidelines for Service Plans and Annual Service Plan Reports:  
<http://www.gov.bc.ca/caro/publications/index.html>; and,
- review and provide feedback and final approval of the Corporation's Service Plans and Annual Service Plan Reports.

The Shareholder has developed policies for Ministries and Crown Corporations for Capital Asset Management (<http://www.fin.gov.bc.ca/tbs/camf.htm>) and Remuneration Guidelines for Appointees to Crown Agency Boards:  
<http://www.gov.bc.ca/caro/publications/index.html>.

The Shareholder has also issued the Best Practice Guidelines – BC Governance and Disclosure Guidelines for Governing Boards of Public Sector Organizations (<http://www.lcs.gov.bc.ca/brdo/governance/index.asp>). During the term of this Letter, the Shareholder may provide additional policy direction to the Crown agency sector, and will communicate such direction to the Corporation as decisions are made.

The Shareholder will also, on a continuing basis, monitor the achievement of the goals, objectives, performance and financial targets and risk assessments identified in the Corporation's Service Plan.

Specific to the Corporation, the Shareholder:

- approves the Corporation's mandate to conduct, manage and operate lottery schemes within British Columbia under the *Gaming Control Act* (2002);
- continues the Corporation as an agent of the Crown under the *Gaming Control Act* (2002);
- confirms the role of the Minister of Finance as fiscal agent to the Corporation, providing the Corporation with access to government financing and banking services;
- preserves the right to provide broad policy direction on gaming and has empowered the Corporation to implement policies and procedures that allow it to operate in a business-like manner within the legislative and policy structure for gaming that has been established by the Shareholder;
- has established the Gaming Policy and Enforcement Branch (the Branch) as the agency of the government responsible for the overall integrity of gaming and horseracing in the province;
- has established the Branch to undertake policy, registration, audit, investigation and other functions to ensure that the integrity of gaming is maintained, while also ensuring that, within the regulatory and policy framework, the Corporation is able to implement its mandate and operate in a business-like manner;
- has established mechanisms to manage government's proceeds from gaming;

- has established policy and funding mechanisms to address problem and responsible gambling and endeavours to provide gaming in a responsible manner, and will provide to the Corporation government's plan for responsible gambling to inform the Corporation's activities in this area; and
- may issue directives or orders or sponsor submissions on behalf of the Corporation that may be required to seek decisions or policy direction by the Executive Council or its committees, in order to facilitate the Corporation fulfilling its mandate and achieving the performance targets outlined in its Service Plans.

## **AREAS OF SHARED ACCOUNTABILITY:**

### **Reporting**

The Shareholder and the Corporation are committed to transparency and accountability to the public. The Shareholder has put in place a public reporting structure which is set out in the *Budget Transparency and Accountability Act*, the *Financial Administration Act*, and the *Financial Information Act* and has provided the Corporation with an Information Requirements and Events Calendar which sets out financial and performance reporting requirements (<http://www.gov.bc.ca/caro/publications/index.html>). The Corporation agrees that it will meet these financial and performance reporting requirements. If government determines that changes to the reporting requirements are necessary, the Shareholder will communicate these to the Corporation.

The parties agree that, as a matter of course, each will advise the other in a timely manner of any issues that may materially impact the business of the Corporation and/or the interests of the Shareholder, including information on any risks to achieving financial forecasts and performance targets.

It is agreed that the Corporation will post the most recent signed copy of the Shareholder's Letter of Expectations on its website. Crown Agencies Resource Office will also post a signed copy of the Letter on its website.

### Review and Revision of this Letter

The Minister of Public Safety and Solicitor General and the Minister Responsible for Housing is accountable for undertaking reviews of this Letter and monitoring its implementation. The Crown Agencies Resource Office is responsible for co-ordinating the overall process for preparing Letters of Expectation, and may assist the Minister in undertaking reviews of this Letter and monitoring its implementation. If deemed necessary by either party, the Shareholder and the Corporation will discuss any issues and may agree to amend this Letter on a more frequent than annual basis.

Honourable Rich Coleman  
Minister of Public Safety and Solicitor  
Solicitor General

John McLernon  
Chair, British Columbia Lottery  
Corporation

Nov 29/2010  
Date

Dec 15 2010  
Date

cc: Honourable Gordon Campbell  
Premier

Allan Seckel  
Deputy Minister to the Premier and Cabinet Secretary

Graham Whitmarsh  
Deputy Minister and Secretary to Treasury Board  
Ministry of Finance

Lori Wanamaker  
Deputy Minister Solicitor General

Michael Graydon  
Chief Executive Officer  
British Columbia Lottery Corporation

Derek Sturko  
Assistant Deputy Minister and General Manager  
Gaming Policy and Enforcement Branch  
Ministry of Public Safety and Solicitor General

Marie Ty  
Executive Director  
Crown Agencies Resource Office

## **Appendix 7**

2012/13 Shareholder's Letter of Expectations signed by Rich Coleman, Minister of Energy and Mines on March 28, 2012 and by John McLernon, Chair, British Columbia Lottery Corporation on March 21, 2012



**GOVERNMENT'S LETTER OF EXPECTATIONS**

**BETWEEN**

**THE MINISTER OF ENERGY AND MINES  
(AS REPRESENTATIVE OF THE GOVERNMENT OF BRITISH COLUMBIA)**

**AND**

**THE CHAIR OF THE BRITISH COLUMBIA LOTTERY CORPORATION  
(AS REPRESENTATIVE OF THE CORPORATION)**

**FOR 2012/13**

**PURPOSE**

This Letter of Expectations (the Letter) provides Government's annual direction to the Crown corporation and is an agreement on the parties' respective accountabilities, roles, and responsibilities. The Letter confirms the Corporation's mandate and priority actions, articulates the key performance expectations as documented in the Shareholder's Expectations Manual for British Columbia Crown Agencies<sup>1</sup>, and forms the basis for the development of the Corporation's Service Plan and Annual Service Plan Report. The Letter does not create any legal or binding obligations on the parties and is intended to promote a co-operative working relationship.

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<sup>1</sup> The Province of British Columbia's Crown Agency Accountability System (<http://www.gov.bc.ca/caro/publications/index.html>) establishes guiding principles for the governance of Crown corporations. The Shareholder's Expectations Manual identifies roles and responsibilities for the Government and Crown corporations, and provides for a Government's Letter of Expectations (Letter) to be jointly developed.

## CORPORATION ACCOUNTABILITIES

Government has provided the following mandate direction to the Corporation under the *Gaming Control Act (2002)*:

- Conduct, manage and operate lottery gaming;
- Conduct, manage and operate casino gaming;
- Conduct, manage and operate commercial bingo gaming; and
- Conduct, manage and operate eGaming.

## SPECIFIC CORPORATION ACCOUNTABILITIES

To achieve this mandate, the Corporation is directed to take the following specific actions:

- Operate the gaming business within the social policy framework established by Government and in alignment with the Corporation's social responsibility objectives, building public trust and support in a manner consistent with the Province's Responsible Gambling Strategy and with the Corporation's Corporate Social Responsibility Charter;
- Optimize the Corporation's financial performance within the gaming framework established by Government, responding to customer and marketplace demands for the distribution of products and services, and proposing new revenue opportunities as they arise;
- Optimize the performance, security, integrity and efficiency of the Corporation through the modernization of infrastructure, process and technology;
- Enhance the Corporation's compliance policies and programs specific to anti-money laundering measures and enforcing age restrictions at gaming facilities;
- Enhance the Corporation's compliance and enforcement programs specific to anti-money laundering including implementing the action plan in the Province's Anti-Money Laundering Review;
- Enhance programs, policies, procedures, training, and take any other measures deemed necessary and continued vigilance in ensuring all gaming workers are aware of, and acting on, their responsibilities under the law to prevent minors from accessing casinos or gambling products; and
- Operate within the Province's legislative framework and regulations and comply with policies, directives and standards that may be issued from time to time by the Minister of Energy and Mines or the regulatory agency, the Gaming Policy and Enforcement Branch.

## GENERAL CORPORATION ACCOUNTABILITIES

Over the past decades, British Columbians have come to expect high quality products and services delivered by their Crown corporations. The Province is well served by our Crown corporations and it

up to the Boards and Senior Management teams of these organizations to manage in the best interests of the Province and our citizens.

For those Crown corporations that are commercial entities, they are expected to earn positive returns for their shareholders, the people of British Columbia, to help provide health care, education and other critical social services required by our growing and aging population.

As a commercial Crown corporation, it is critical that the operations of the entity be done as efficiently as possible, in order to ensure families are provided with services at the lowest cost possible. In addition, it is expected that Crown corporations, to the greatest extent possible, participate in the Government's open data and public engagement opportunities.

British Columbians rightly expect openness and transparency from both their Government and Crown corporations and it is incumbent upon both parties to be as open and transparent as possible with citizens.

Government sets broad policy direction to ensure the Corporation's operation and performance is consistent with government's strategic priorities and Fiscal Plan, and as such, the Corporation will:

- Ensure that the Corporation's priorities reflect Government's goals of putting families first; creating jobs and building a strong economy; and open government and public engagement;
- Prior to commencing collective bargaining or initiating changes to non-union compensation on or after January 1, 2012, coordinate with Government to develop detailed plans for funding proposed compensation changes or other incentives under the Province's Cooperative Gains Mandate. Plans must be based on real savings and must not include proposals for:
  - increased funding from Government,
  - reductions in service, or
  - transferring the costs of existing services to the public,
  - but may include revenue generation opportunities.

Plans must be reviewed and approved by Government before any proposed changes to union or non-union compensation are made. Any changes to an approved plan also require approval by Government.

Commencing the effective date of any changes to the collective agreement and/or non-union compensation plans, the Corporation must report annually to Government on the implementation of a plan, including information on progress in meeting savings targets;

- Government is undertaking reviews of all Crown corporations. The Corporation is expected to participate in the review as requested, and to implement the results of the review;

- At this time of fiscal constraint, government has initiated a review of incentive pay and will be communicating with Boards in early 2012;
- Conduct its affairs with the principles of integrity, efficiency, effectiveness, and customer service;
- Display annual *Financial Information Act – Statement of Financial Information and Executive Compensation Disclosure Schedules*, a Remuneration for Appointees to Crown Agency Boards Schedule and Corporate Governance Disclosure in an easily accessible website location;
- Inform Government immediately if the Corporation is unable to meet the performance and financial targets identified in its Service Plan;
- Comply with Government's requirements to be carbon neutral under the *Greenhouse Gas Reduction Targets Act*, including: accurately defining, measuring, reporting on and verifying the greenhouse gas emissions from the Corporation's operations; implementing aggressive measures to reduce those emissions and reporting on these reduction measures and reduction plans; and offsetting any remaining emissions through investments in the Pacific Carbon Trust, which will invest in greenhouse gas reduction projects outside of the Corporation's scope of operations;
- Ensure Government is advised in advance of the release of any information requests by the Corporation under the *Freedom of Information and Protection of Privacy Act*;
- Ensure any debit/credit card payment services provided to the public are in compliance with the international Payment Card Industry Data Security Standards;
- For Corporations subject to the *Public Sector Employers Act*, ensure the Corporation's membership in the Crown Corporation Employers' Association is in good standing;
- Annually assess the Board appointment process to ensure that succession results in a balance of renewal and continuity of Board membership, and provide the results of this assessment to the Shareholder for consideration;
- Ensure that Board appointments to Crown corporation subsidiaries comply with Board Resourcing and Development Office's Best Practice Guidelines and are approved by Cabinet; and
- Comply with Government's requirement that lobbyists not be engaged to act on behalf of the Corporation in its dealings with government.

## GOVERNMENT'S RESPONSIBILITIES

### SPECIFIC GOVERNMENT RESPONSIBILITIES

Specific to the Corporation, Government:

- Preserves the right to provide broad policy direction on gaming while empowering the Corporation to implement policies, standards and guidelines that allow it to operate in a business-like manner within the legislative and policy structure for gaming established by Government;
- Continues the Gaming Policy and Enforcement Branch as the agency of Government responsible for the regulation of all gaming and horseracing within the province while ensuring that within the gaming framework, the Corporation is able to implement its mandate and operate in a business-like manner;
- Has established mechanisms to manage Government's proceeds from gaming;
- Has established policy and funding mechanisms for programs to address problem and responsible gambling and to inform the Corporation's activities in this area, and will provide the Corporation with Government's plan for responsible gambling; and
- May issue directives or orders, or sponsor submissions on behalf of the Corporation that may be required to seek decisions or policy direction by the Executive Council or its committees in order to facilitate the Corporation fulfilling its mandate and achieving the performance targets outlined in its Service Plan.

### GENERAL GOVERNMENT RESPONSIBILITIES

Government is responsible for the legislative, regulatory, and public policy frameworks in which Crown corporations operate. In order to meet these responsibilities and support achievement of government's performance expectations, Government will:

- Issue performance management guidelines, including annual guidelines for Service Plans and Annual Service Plan Reports (<http://www.gov.bc.ca/caro/publications/index.html>);
- Review and provide feedback and final approval of the Corporation's Service Plan and Annual Service Plan Reports; and
- On a quarterly basis, meet with the Corporation to review the achievement of the goals, objectives, performance and financial targets and risk assessments identified in the Corporation's Service Plan, and provide direction to the Corporation as required.

Government has developed the following policies and resources to support the Ministries and Corporations with their regulatory and public policy requirements:

- Shareholder's Expectations Manual for British Columbia's Crown Agencies (<http://www.gov.bc.ca/caro/publications/index.html>);

- Best Practice Guidelines – BC Governance and Disclosure Guidelines for Governing Boards of Public Sector Organizations (<http://www.lcs.gov.bc.ca/brdo/governance/index.asp>);
- Remuneration Guidelines for Appointees to Crown Agency Boards (<http://www.aved.gov.bc.ca/psec/appointeerenumeration.htm>)
- Capital Asset Management Framework (<http://www.fin.gov.bc.ca/tbs/camf.htm>)

## AREAS OF SHARED ACCOUNTABILITY

### REPORTING

Government and the Corporation are committed to transparency and accountability to the public and have reporting and disclosure requirements in the *Budget Transparency and Accountability Act*, the *Financial Administration Act*, and/or the *Financial Information Act*. Government provides an Information Requirements and Events Calendar (<http://www.gov.bc.ca/caro/publications/index.html>) to the ministries responsible and the Corporations that set out the dates the Crown corporations must submit their financial information, service plans, annual service plan reports, and other information to government in order to meet the statutory reporting dates and other government requirements.

The parties agree that each will advise the other in a timely manner of any issues that may materially affect the business of the Corporation and/or the interests of Government, including information on any risks to achieving financial forecasts and performance targets.

The Corporation will post the most recent signed copy of the Government's Letter of Expectations on its website and the Crown Agencies Resource Office will post a signed copy of the Letter on its website.

### REVIEW AND REVISION OF THIS LETTER

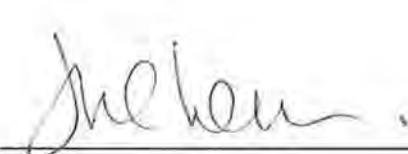
The Minister of Energy and Mines is accountable for undertaking reviews of this Letter and monitoring its implementation. Government and the Corporation may agree to amend this Letter on a more frequent than annual basis.



---

Honourable Rich Coleman  
Minister of Energy and Mines

Date



---

John McLernon  
Chair, British Columbia Lottery Corporation

Date

March 28 2012

March 31 2012

cc. Honourable Christy Clark  
Premier

John Dyble  
Deputy Minister to the Premier and Cabinet Secretary

Peter Milburn  
Deputy Minister and Secretary to Treasury Board  
Ministry of Finance

Lori Wanamaker  
Deputy Solicitor General  
Ministry of Justice

Michael Graydon  
Chief Executive Officer  
British Columbia Lottery Corporation

Marie Ty  
Executive Director  
Crown Agencies Resource Office

## **Appendix 8**

2013/14 Shareholder's Letter of Expectations signed by Rich Coleman, Minister of Energy, Mines and Natural Gas and Deputy Premier on December 19, 2012 and by John McLernon, Chair, British Columbia Lottery Corporation on December 7, 2012



**GOVERNMENT'S LETTER OF EXPECTATIONS**

**BETWEEN**

**THE MINISTER OF ENERGY, MINES AND NATURAL GAS  
(AS REPRESENTATIVE OF THE GOVERNMENT OF BRITISH COLUMBIA)**

**AND**

**THE CHAIR OF THE BC LOTTERY CORPORATION  
(AS REPRESENTATIVE OF THE CORPORATION)**

**FOR 2013/14**

**PURPOSE**

This Letter of Expectations (the Letter) provides Government's annual direction to the Crown corporation and is an agreement on the parties' respective accountabilities, roles and responsibilities. The Letter confirms the Corporation's mandate and priority actions, articulates the key performance expectations as documented in the Government's Expectations Manual for British Columbia Crown Agencies<sup>1</sup>, and forms the basis for the development of the Corporation's Service Plan and Annual Service Plan Report. The Letter does not create any legal or binding obligations on the parties and is intended to promote a co-operative working relationship.

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<sup>1</sup> The Province of British Columbia's Crown Agency Accountability System (<http://www.gov.bc.ca/caro/publications/index.html>) establishes guiding principles for the governance of Crown corporations. The Government's Expectations Manual identifies roles and responsibilities for the Government and Crown corporations, and provides for a Government's Letter of Expectations (Letter) to be developed.

## **CORPORATION ACCOUNTABILITIES**

Government has provided the following mandate direction to the British Columbia Lottery Corporation under the *Gaming Control Act (2002)*:

- Conduct, manage and operate lottery gaming;
- Conduct, manage and operate casino gaming;
- Conduct, manage and operate commercial bingo gaming; and,
- Conduct, manage and operate internet gaming.

## **SPECIFIC CORPORATION ACCOUNTABILITIES**

To achieve this mandate, the Corporation is directed to take the following specific actions:

- Operate the gaming business within the social policy framework established by Government and in alignment with the Corporation's social responsibility objectives, building public trust and support in a manner consistent with the Province's Responsible Gambling Strategy. Continue to support the joint responsibility between the Corporation and the regulatory agency, the Gaming Policy and Enforcement Branch, for delivery of the Strategy.
- Operate within the Province's legislative and regulatory framework, and comply with policies, directives and standards that may be issued from time to time by the Minister of Energy, Mines and Natural Gas or the Gaming Policy and Enforcement Branch.
- Enhance the Corporation's anti-money laundering compliance programs, including the continued implementation of measures to move the industry away from a cash basis, and other strategies in the Province's Anti-Money Laundering Action Plan.
- Optimize the Corporation's financial performance, within the gaming framework established by Government, by responding to customer and marketplace demands for the distribution of products and services and proposing new revenue opportunities as they arise; and,
- Optimize the performance, security, integrity and efficiency of the Corporation through the modernization of infrastructure, process and technology.

## **GENERAL CORPORATION ACCOUNTABILITIES**

Over the past decades, British Columbians have come to expect high quality products and services delivered by their Crown corporations. The Province is well served by our Crown corporations and it is up to the Boards and Senior Management teams of these organizations to manage in the best interests of the Province and our citizens.

For those Crown corporations that are commercial entities, they are expected to earn positive returns for their shareholders, the people of British Columbia, to help provide health care, education and other critical social services required by our growing and aging population.

As a Crown corporation, it is critical that the operations of the entity be done as efficiently as possible, in order to ensure families are provided with services at the lowest cost possible. In addition, it is expected that Crown corporations, to the greatest extent possible, participate in the Government's open data and public engagement opportunities.

British Columbians rightly expect openness and transparency from both their Government and Crown corporations and it is incumbent upon both parties to be as open and transparent as possible with citizens.

Government sets broad policy direction to ensure the Corporation's operation and performance is consistent with Government's strategic priorities and Fiscal Plan, and as such, the Corporation will:

- Ensure that the Corporation's priorities reflect Government's goals of putting families first; creating jobs and building a strong economy; and open government and public engagement;
- Ensure that prior to commencing collective bargaining or initiating changes to non-union compensation on or after January 1, 2012, coordination with Government occurs to develop detailed plans for funding proposed compensation changes or other incentives under the Province's Cooperative Gains Mandate and to ensure clarity on the applicability of the freeze on executive and management compensation announced on September 14, 2012. Savings plans must be based on real savings that are measurable and incremental to existing business plans that are included in the Province's budgets and three-year fiscal plan. They must not include proposals for:
  - increased funding from Government,
  - reductions in service, or
  - transferring the costs of existing services to the public.

However, plans may also include new revenue generation opportunities that are voluntary in nature to consumers and taxpayers.

In any year, incremental realized savings/revenues must fully offset incremental costs of compensation increases.

Savings and bargaining plans must be reviewed and approved by Government before any proposed changes to union or non-union compensation are made. Any changes to an approved plan also require approval by Government.

Commencing the effective date of any changes to the collective agreement and/or non-union

compensation plans, the Corporation must report to Government on the implementation of a plan, including information on progress in meeting savings targets. The frequency and metrics used in that reporting will be defined by Government in consultation with the Corporation;

- Government is undertaking reviews of all Crown corporations. The Corporation is expected to participate in the review as requested, and to implement the recommendations of the review;
- A review of executive compensation in Crown corporations and related recommendations were provided to Government by a working group of Crown corporation board chairs in July, 2012. Government has responded to those recommendations by changing elements of its executive compensation policies for Crown corporations. These policies are found at [http://www.fin.gov.bc.ca/psec/disclosuredocs/crown\\_corporation\\_executive\\_compensation\\_july\\_2012.pdf](http://www.fin.gov.bc.ca/psec/disclosuredocs/crown_corporation_executive_compensation_july_2012.pdf) and include the requirement to incorporate the performance priorities articulated in this letter in any performance-related compensation the board establishes for executives. Boards should be familiar with this policy and contact the Public Sector Employers' Council Secretariat for assistance in applying it;
- Conduct its affairs with the principles of integrity, efficiency, effectiveness and customer service;
- Display annual *Financial Information Act – Statement of Financial Information and Executive Compensation Disclosure Schedules*, a Remuneration for Appointees to Crown Agency Boards Schedule and Corporate Governance Disclosure in an easily accessible website location;
- Inform Government immediately if the Corporation is unable to meet the performance and financial targets identified in its Service Plan;
- Ensure that any planned deficit spending or use of the retained earnings is approved in advance by Treasury Board;
- Comply with Government's requirements to be carbon neutral under the *Greenhouse Gas Reduction Targets Act*, including: accurately defining, measuring, reporting on and verifying the greenhouse gas emissions from the Corporation's operations; implementing aggressive measures to reduce those emissions and reporting on these reduction measures and reduction plans; and offsetting any remaining emissions through investments in the Pacific Carbon Trust, which will invest in greenhouse gas reduction projects outside of the Corporation's scope of operations;
- Ensure Government is advised in advance of the release of relevant information requests by the Corporation under the *Freedom of Information and Protection of Privacy Act*;
- Ensure any debit/credit card payment services provided to the public are in compliance with the international Payment Card Industry Data Security Standards;

- For Corporations subject to the *Public Sector Employers Act*, ensure the Corporation's membership in the Crown Corporation Employers' Association is in good standing;
- Annually assess the Board appointment process to ensure that succession results in a balance of renewal and continuity of Board membership, and provide the results of this assessment to the Government for consideration;
- Ensure that Board appointments to Crown corporation subsidiaries comply with Board Resourcing and Development Office's Best Practice Guidelines and are approved by Cabinet; and,
- Comply with Government's requirement that lobbyists not be engaged to act on behalf of the Corporation in its dealings with Government.

## **GOVERNMENT'S RESPONSIBILITIES**

### **SPECIFIC GOVERNMENT RESPONSIBILITIES**

Specific to the Corporation, Government will:

- Preserve the right to provide broad policy direction on gaming, while empowering the Corporation to implement policies, standards and guidelines that allow it to operate in a business-like manner within the legislative and policy structure for gaming established by Government;
- Continue the Gaming Policy and Enforcement Branch as the agency of Government responsible for the regulation of all gaming and horse racing within the province, while ensuring that within the gaming framework, the Corporation is able to implement its mandate and operate in a business-like manner;
- Establish mechanisms to manage Government's proceeds from gaming and work with the Corporation to communicate to the public how proceeds benefit British Columbians;
- Establish policy and funding mechanisms for programs to address problem and responsible gambling and inform the Corporation's activities in this area, and will provide the Corporation with Government's plan for responsible gambling; and,
- Issue directives or orders, or sponsor submissions on behalf of the Corporation, that may be required to seek decisions or policy direction by the Executive Council or its committees, to aid the Corporation in fulfilling its mandate and achieving the performance targets in its Service Plan.

### **GENERAL GOVERNMENT RESPONSIBILITIES**

Government is responsible for the legislative, regulatory and public policy frameworks in which Crown corporations operate. In order to meet these responsibilities and support achievement of Government's performance expectations, Government will:

- Issue performance management guidelines, including annual guidelines for Service Plans and Annual Service Plan Reports (<http://www.gov.bc.ca/caro/publications/index.html>);
- Review and provide feedback and final approval of the Corporation's Service Plans and Annual Service Plan Reports; and,
- On a quarterly basis, meet with the Corporation to review the achievement of the goals, objectives, performance and financial targets and risk assessments identified in the Corporation's Service Plan, and provide direction to the Corporation as required.
- Government has developed the following policies and resources to support the ministries and corporations with their regulatory and public policy requirements:
  - [Shareholder's \(Government's\) Expectations Manual for British Columbia's Crown Agencies](#)
  - [Best Practice Guidelines – BC Governance and Disclosure Guidelines for Governing Boards of Public Sector Organizations](#)
  - [Remuneration Guidelines for Appointees to Crown Agency Boards](#)
  - [Capital Asset Management Framework](#)

## **AREAS OF SHARED ACCOUNTABILITY**

### **REPORTING**

Government and the Corporation are committed to transparency and accountability to the public and have reporting and disclosure requirements in the *Budget Transparency and Accountability Act*, the *Financial Administration Act*, and/or the *Financial Information Act*. Government provides an Information Requirements and Events Calendar (<http://www.gov.bc.ca/caro/publications/index.html>) to the ministries responsible and the corporations that set out the dates the Crown corporations must submit their financial information, service plans, annual service plan reports, and other information to Government in order to meet the statutory reporting dates and other Government requirements.

The parties agree that each will advise the other in a timely manner of any issues that may materially affect the business of the Corporation and/or the interests of Government, including information on any risks to achieving financial forecasts and performance targets.

The Corporation will post the most recent signed copy of the Government's Letter of Expectations on its website and the Crown Agencies Resource Office will post a signed copy of the Letter on its website.

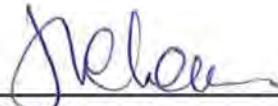
### **REVIEW AND REVISION OF THIS LETTER**

The Minister of Energy, Mines and Natural Gas is accountable for undertaking reviews of this Letter and monitoring its implementation. Government and the Corporation may agree to amend this Letter on a more frequent than annual basis.



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Honourable Rich Coleman  
Minister of Energy, Mines and Natural Gas  
and Deputy Premier



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John McLernon  
Chair, British Columbia Lottery  
Corporation

DEC 19 2012

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Date

Dec 7 2012

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Date

cc. Honourable Christy Clark  
Premier

John Dyble  
Deputy Minister to the Premier and Cabinet Secretary

Peter Milburn  
Deputy Minister and Secretary to Treasury Board  
Ministry of Finance

Sheila Taylor  
Associate Deputy Minister  
Ministry of Finance

Lori Wanamaker  
Deputy Solicitor General  
Ministry of Justice

Michael Graydon  
Chief Executive Officer  
British Columbia Lottery Corporation

Douglas S. Scott  
Assistant Deputy Minister  
Gaming Policy Enforcement Branch  
Ministry of Energy, Mines and Natural Gas

## **Appendix 9**

2014/15 Shareholder's Letter of Expectations signed by Michael de Jong, Q.C., Minister of Finance on January 9, 2014 and by John McLernon, Chair, British Columbia Lottery Corporation on January 3, 2014



**GOVERNMENT'S LETTER OF EXPECTATIONS**

**BETWEEN**

**THE MINISTER OF FINANCE  
(AS REPRESENTATIVE OF THE GOVERNMENT OF BRITISH COLUMBIA)**

**AND**

**THE CHAIR OF THE BC LOTTERY CORPORATION  
(AS REPRESENTATIVE OF THE CORPORATION)**

**FOR 2014/15**

**PURPOSE**

This Letter of Expectations (the Letter) provides Government's annual direction to the Crown corporation and is an agreement on the parties' respective accountabilities, roles, and responsibilities. The Letter confirms the Corporation's mandate and priority actions, articulates the key performance expectations as documented in the Government's Expectations Manual for British Columbia Crown Agencies<sup>1</sup>, and forms the basis for the development of the Corporation's Service Plan and Annual Service Plan Report. The Letter does not create any legal or binding obligations on the parties. It is intended to create an opportunity for dialogue between the parties and to support an open, positive and co-operative working relationship, resulting in the achievement of government's policy and performance expectations in a transparent and accountable manner.

**CORPORATION ACCOUNTABILITIES - MANDATE**

Government has provided the following mandate direction to the British Columbia Lottery Corporation under the *Gaming Control Act (2002)*:

- Conduct, manage and operate lottery gaming;
- Conduct, manage and operate casino gaming;
- Conduct, manage and operate commercial bingo gaming; and
- Conduct, manage and operate internet gaming.

<sup>1</sup> The Province of British Columbia's Crown Agency Accountability System (<http://www.gov.bc.ca/caro/publications/index.html>) establishes guiding principles for the governance of Crown corporations. The *Government's Expectations For British Columbia Crown Agencies* provides for a Government's Letter of Expectations (Letter) to be developed.

For those Crown corporations that are commercial entities, they are expected to earn positive returns for their shareholders, the people of British Columbia.

### **SPECIFIC CORPORATION ACCOUNTABILITIES**

To achieve this mandate, the Corporation is directed to take the following specific actions:

- Operate the gaming business within the social policy framework established by Government and in alignment with the Corporation's social responsibility objectives, building public trust and support in a manner consistent with the Province's Responsible Gambling Strategy;
- Continue to support the joint responsibility between the Corporation and the regulatory agency, the Gaming Policy and Enforcement Branch, for delivery of the Strategy, specifically in the areas of research, education and awareness;
- Operate within the Province's legislative and regulatory framework, and comply with policies, directives and standards that may be issued from time to time by the Minister of Finance or the Gaming Policy and Enforcement Branch;
- Support GPEB in the development of government's response and action plan addressing as appropriate, the recommendations made in the Provincial Health Officer's Report, entitled "Lowering the Stakes: A Public Health Approach to Gambling in British Columbia";
- Ensure that the BC Centre for Gambling Research at the University of British Columbia is funded \$1 million in FY13/14, and \$250,000 for each of the following four years. This funding is in addition to its other operational obligations;
- Continue to enhance the Corporation's anti-money laundering compliance programs, including the continued implementation of measures to move the industry away from a cash basis, and other strategies in the Province's Anti-Money Laundering Strategy. Specifically, the Corporation will:
  - Develop, obtain approval, and deliver alternatives that allow patrons access to funds inside gaming facilities,
  - Actively promote the cash alternative options to patrons, through a targeted marketing program,
  - Lead the industry anti-money laundering (AML) working group , which consists of BCLC, GPEB and service providers,
  - Establish capacity, within the BCLC Corporate Security & Compliance Division, to better inform the AML initiative through analysis of cash usage and trends, and
  - Develop and deliver enhanced customer due diligence (CDD) as required by new Federal AML Regulations, which take effect February 2014;
- Optimize the Corporation's financial performance, within the gaming framework established by Government, by responding to customer and marketplace demands for the distribution of products and services and seeking new revenue opportunities that are consistent with the Province's legal and policy frameworks; and

- Continue to optimize the performance, security, integrity and efficiency of the Corporation through the corporation's business optimization program, the modernization of infrastructure, process and technology, and the continued implementation of the new casino gaming management system. Specifically, the Corporation will present the Province with a detailed plan for each of the foregoing, including details of the assumptions and estimates used to determine the fiscal impacts. This detailed plan must be approved by the Province, for the purpose of improving the efficiency/effectiveness of the gaming experience and cost of administration in British Columbia.

## GENERAL CORPORATION ACCOUNTABILITIES

Over the past decades, British Columbians have come to expect high quality products and services delivered by their Crown corporations. The Province is well served by our Crown corporations and it is up to the Boards and Senior Management teams of these organizations to manage in the best interests of the Province and our citizens and conduct its affairs with the principles of integrity, efficiency, effectiveness, and customer service.

As a Crown corporation, it is critical that the operations of the entity be done as efficiently as possible, in order to ensure families are provided with services at the lowest cost possible.

Government sets broad policy direction to ensure the Corporation's operation and performance is consistent with the Government's Strategic Plan, found at:

[http://www.bcbudget.gov.bc.ca/2013\\_June\\_Update/stplan/2013\\_June\\_Strategic\\_Plan.pdf](http://www.bcbudget.gov.bc.ca/2013_June_Update/stplan/2013_June_Strategic_Plan.pdf)

and as such, the Corporation will:

Ensure that the Corporation's priorities reflect Government's priorities of:

**Strong Economy**

A government that supports our economy by controlling spending to balance the budget, keeping taxes and government debt affordable and protecting B.C.'s hard-earned triple-A credit rating.

**Jobs**

A government that is focused on job creation and investment in the province.

**Families**

A government that works continuously to improve social programs that support families of every description, and improve the lives of British Columbians.

- Comply with Crown Agency Accountability System guidelines, policy, due dates and best practices, as set out from time to time and as applicable to the Corporation, found at <http://www.gov.bc.ca/caro/publications/index.html> including the Information and Events Calendar for commercial and service delivery Crown corporations, Government's Expectations Manual for British Columbia Crown Agencies and the Best Practices Guideline & Disclosure Requirements for Governing Boards of British Columbia Sector Organizations;
- Comply with all legislation and policies applicable to the Corporation including but not limited to:

- The executive compensation policies for Crown corporations. Found at:  
[http://www.fin.gov.bc.ca/psec/disclosuredocs/crown\\_corporation\\_executive\\_compensation\\_july\\_2012.pdf](http://www.fin.gov.bc.ca/psec/disclosuredocs/crown_corporation_executive_compensation_july_2012.pdf);
- Ensure Government is advised in advance of the release of any information requests by the Corporation under the *Freedom of Information and Protection of Privacy Act*;
- Government's requirements to be carbon neutral under the *Greenhouse Gas Reduction Targets Act*;
- Follow the spirit and intent of the financial policy requirements in the Ministry of Finance Core Policy and Procedures Manual found at:  
<http://www.fin.gov.bc.ca/ocg/fmb/manuals/CPM/CPMtoc.htm>
- Participate in government's Core and Crown reviews, which may include the review of Crown mandates, and implement the recommendations of these reviews;
- Ensure that any planned deficit spending or use of the retained earnings is approved in advance by Treasury Board; and
- Inform Government immediately if the Corporation is unable to meet the performance and financial targets identified in its Service Plan.

## **GOVERNMENT RESPONSIBILITIES**

Specific to the Corporation, Government will:

- Preserve the right to provide broad policy direction on gaming, while empowering the Corporation to implement policies, standards and guidelines that allow it to operate in a business-like manner within the legislative and policy structure for gaming established by Government;
- Continue the Gaming Policy and Enforcement Branch as the agency of Government responsible for the regulation of all gaming and horse racing within the province, while ensuring that within the gaming framework, the Corporation is able to implement its mandate and operate in a business-like manner;
- Maintain mechanisms to manage Government's proceeds from gaming and continue to work with the Corporation to communicate to the public how proceeds benefit British Columbians;
- Establish policy and funding mechanisms for programs to address problem and responsible gambling and inform the Corporation's activities in this area, and will provide the Corporation with Government's plan for responsible gambling;
- Work with the Corporation in addressing the recommendations made in the Provincial Health Officer's Report, entitled "Lowering the Stakes: A Public Health Approach to Gambling in British Columbia"; and

- Issue directives or orders, or sponsor submissions on behalf of the Corporation, that may be required to seek decisions or policy direction by the Executive Council or its committees, to aid the Corporation in fulfilling its mandate and achieving the performance targets in its Service Plan.

During the term of this Letter, Government may provide further policy direction to the Ministry of Finance who will communicate any such direction, including implementation expectations, to the BC Lottery Corporation as decisions are made.

### **AREAS OF SHARED ACCOUNTABILITY**

Government and the Corporation are committed to transparency and accountability to the public and have planning, reporting and disclosure requirements in the *Budget Transparency and Accountability Act*, the *Financial Administration Act*, and/or the *Financial Information Act*.

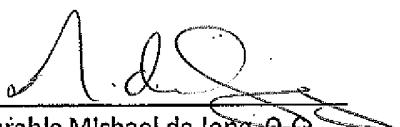
On a quarterly basis, the Minister Responsible, Michael de Jong, Q.C.; the Deputy Minister, Peter Milburn; the Board Chair, Stuart D. B. Smith; and the Chief Executive Officer, Michael Graydon; will meet to discuss relevant and current corporation business. The meeting will be to review the achievement of the goals, objectives, performance measures, financial targets and risk assessments identified in the Corporation's Service Plan.

The parties agree that each will advise the other in a timely manner of any issues that may materially affect the business of the Corporation and/or the interests of Government, including but not limited to information on any risks to achieving financial forecasts and performance targets.

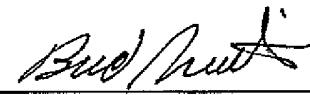
The Corporation and the Crown Agencies Resource Office will post the most recent signed copy of the Government's Letter of Expectations on their respective websites.

**REVIEW AND REVISION OF THIS LETTER**

The Minister of Finance is accountable for undertaking reviews of this Letter and monitoring its implementation. Government and the Corporation may agree to amend this Letter on a more frequent than annual basis.

  
Honourable Michael de Jong, Q.C.  
Minister of Finance

Jan. 9, 2014  
Date

  
Stuart D. B. Smith  
Chair, BC Lottery Corporation

3/1/2014  
Date

cc. Honourable Christy Clark  
Premier

John Dyble  
Deputy Minister to the Premier and Cabinet Secretary

Peter Milburn  
Deputy Minister and Secretary to Treasury Board  
Ministry of Finance

Cheryl Wenezenki-Yolland  
Associate Deputy Minister  
Ministry of Finance

Michael Graydon  
Chief Executive Officer  
BC Lottery Corporation

## **Appendix 10**

2015/16 Mandate Letter signed by Michael de Jong, Q.C., Minister of Finance and by the Chair and Directors of the British Columbia Lottery Corporation



341046

Bud Smith, Chair  
 Board of Directors  
 British Columbia Lottery Corporation  
 2940 Virtual Way  
 Vancouver BC V5M 0A6

Dear Mr. Smith

Re: 2015/16 Mandate Letter

British Columbians have come to expect the high quality products and services delivered by their provincial public sector organizations. The Province is well served by our public sector organizations. It is the responsibility of the boards and senior management teams of these organizations to lead and manage in the best interests of the Province and the taxpayer by strengthening accountability and promoting cost control.

One of government's core values is respect for the taxpayer's dollar. It is critical that public sector organizations operate as efficiently as possible, in order to ensure British Columbians are provided with services at the lowest cost possible. This requires constant focus on maintaining a cost-conscious and principled culture through the efficient delivery of services that stand the test of public scrutiny and help develop a prosperous economy in an environmentally sustainable manner. The foundation of this work is the government's commitment to controlling spending and balancing the budget.

The British Columbia Lottery Corporation (BCLC) is directed to take the following specific strategic priority actions for 2015/16:

1. BCLC will implement action items that pertain to the Corporation as part of government initiatives in the areas of health prevention, protection and research to address problem gambling. These action items and their timelines for implementation are being developed by government in consultation with BCLC taking into consideration the Provinces' 2014 Problem Gambling Prevalence Study, the 2013 Public Health Officer's (PHO) Report, entitled *Lowering the Stakes: A Public Health Approach to Gambling in British Columbia*, as well as other research on problem gambling in youth and problem gambling treatment programs.

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Ministry of Finance

Office of the Minister

Mailing Address:  
 PO Box 9048 Stn Prov Govt  
 Victoria BC V8W 9E2  
 Telephone: 250 387-3751  
 Facsimile: 250 387-5594

Location:  
 501 Belleville Street  
 Parliament Buildings, Victoria  
 website:  
[www.gov.bc.ca/fin](http://www.gov.bc.ca/fin)

- 2 -

2. The Gaming Policy and Enforcement Branch (GPEB) and BCLC will jointly develop key principles that will inform respective roles and responsibilities. These principles will outline expectations, obligations, and related business impacts to provide role clarity and maximize accountability. These principles will be devised by June 30, 2015, and implemented by December 31, 2015.
3. Optimize the Corporation's financial performance, in accordance with government policy and directives under the *Gaming Control Act* and Treasury Board direction. BCLC will sustain the organizations net return to the province, by responding to customer and marketplace demands for products and services and seeking new revenue opportunities that are consistent with the approved framework. Consistent with previous direction the corporation will present Treasury Board with a detailed business case for casino optimization by November 30, 2014, and a detailed business case and risk assessment for business optimization by February 28, 2015.
4. At the conclusion of the Crown Review BCLC, the Corporation will work to address, as appropriate, the recommendations made by Internal Audit & Advisory Services.
5. As part of the Corporation's continued mandate, BCLC will use information provided by law enforcement to create actions and solutions to prevent money laundering in BC gaming facilities. GPEB will develop anti-money laundering standards, to which BCLC will respond. Additionally, BCLC will identify and implement strategies to increase the use of cash alternatives and measure and demonstrate this progress.

These specific strategic priority actions and the Taxpayer Accountability Principles actions are to be included and integrated in your 2015/16-17/18 Service Plan.

As part of the commitment to fiscal responsibility and to ensure the best possible use of government resources, provincial public sector organizations now operate under the Taxpayer Accountability Principles (attached) announced by Premier Christy Clark in June 2014. Through the implementation of Taxpayer Accountability Principles, leadership teams in public sector organizations are leading a change to a cost-conscious public sector that strengthens cost management capabilities and fosters a principled culture of efficiency and accountability at all levels. This leadership includes implementing your organization's Code of Conduct which contains conflict of interest provisions and post-employment restrictions.

BCLC is expected to fully adopt the Taxpayer Accountability Principles – cost consciousness (efficiency), accountability, appropriate compensation, service, respect and integrity. The actions, as detailed in the 2014 Transition Letter, are to be completely implemented in 2015/16. For further information on the Taxpayer Accountability Principles, please see, <http://gov.bc.ca/crownaccountabilities>.

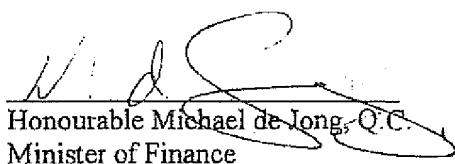
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To support the implementation of the Taxpayer Accountability Principles, please ensure all board members sign this 2015/16 mandate letter and the signed letter is posted publicly on your organization's website.

Government is committed to further strengthening accountability, improving the management of public funds and revitalizing the relationship between government and public sector organizations. This strong focus on improved two-way communication is to support and ensure a complete understanding of government directions, expectations, accountabilities and alignment with strategic priorities. As such, it is important that each of us advise the other in a timely manner of any issues that may materially affect the business of BCLC and/or the interests of government, including information on any risks to achieving financial forecasts and performance targets.

I look forward to our regular quarterly meetings that focus on strategic priorities, performance against the Taxpayer Accountability Principles, results and working together to protect the public interest at all times.



Honourable Michael de Jong, Q.C.  
Minister of Finance

Date: FEB 05 2015

Signed By:



Bud Smith, Chair  
British Columbia Lottery Corporation

16/2/2015  
Date

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Arthur H. Willms, Vice-Chair  
Board of Directors  
British Columbia Lottery Corporation

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Date

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Christina Anthony, Director  
British Columbia Lottery Corporation

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Date

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To support the implementation of the Taxpayer Accountability Principles, please ensure all board members sign this 2015/16 mandate letter and the signed letter is posted publicly on your organization's website.

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I look forward to our regular quarterly meetings that focus on strategic priorities, performance against the Taxpayer Accountability Principles, results and working together to protect the public interest at all times.

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Honourable Michael de Jong, Q.C.  
Minister of Finance

Date: FEB 05 2015

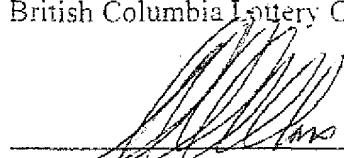
Signed By:

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Bud Smith, Chair  
British Columbia Lottery Corporation

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Arthur H. Willms, Vice-Chair  
Board of Directors  
British Columbia Lottery Corporation



Date

Date

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Feb 12 / 2015

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Christina Anthony, Director  
British Columbia Lottery Corporation

Date

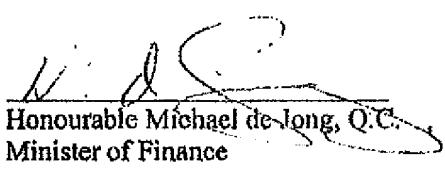
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I look forward to our regular quarterly meetings that focus on strategic priorities, performance against the Taxpayer Accountability Principles, results and working together to protect the public interest at all times.



Honourable Michael de Jong, Q.C.  
Minister of Finance

Date: FEB 05 2015

Signed By:

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Bud Smith, Chair  
British Columbia Lottery Corporation

Date

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Arthur H. Willms, Vice-Chair  
Board of Directors  
British Columbia Lottery Corporation

Date

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Christina Anthony, Director  
British Columbia Lottery Corporation

Date

Feb 16, 2015

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- 4 -



Trudi Brown, Director  
British Columbia Lottery Corporation

Feb 13/15

Date

David W. Gillespie, Director  
British Columbia Lottery Corporation

                  
Date

Robert Holden, Director  
British Columbia Lottery Corporation

                  
Date

Moray Keith, Director  
British Columbia Lottery Corporation

                  
Date

Wendy Lisogar-Cocchia, Director  
British Columbia Lottery Corporation

                  
Date

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Trudi Brown, Director  
British Columbia Lottery Corporation



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David W. Gillespie, Director  
British Columbia Lottery Corporation

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Robert Holden, Director  
British Columbia Lottery Corporation

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Moray Keith, Director  
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Wendy Lisogar-Cocchia, Director  
British Columbia Lottery Corporation

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Date

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Feb 16, 2015

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Trudi Brown, Director  
British Columbia Lottery Corporation

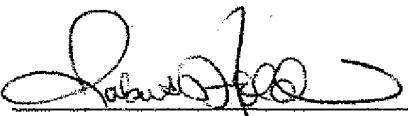
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David W. Gillespie, Director  
British Columbia Lottery Corporation

Date

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Robert Holden, Director  
British Columbia Lottery Corporation

Date

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Moray Keith, Director  
British Columbia Lottery Corporation

Date

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Wendy Lisogar-Cocchia, Director  
British Columbia Lottery Corporation

Date

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Trudi Brown, Director  
British Columbia Lottery Corporation

Date

David W. Gillespie, Director  
British Columbia Lottery Corporation

Date

Robert Holden, Director  
British Columbia Lottery Corporation

Date

Moray Keith, Director  
British Columbia Lottery Corporation

Date

Wendy Lisogar-Cocchia, Director  
British Columbia Lottery Corporation

Date

February 16/2015

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Trudi Brown, Director  
British Columbia Lottery Corporation

Date

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David W. Gillespie, Director  
British Columbia Lottery Corporation

Date

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Robert Holden, Director  
British Columbia Lottery Corporation

Date

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Moray Keith, Director  
British Columbia Lottery Corporation

Date

Wendy Lisogar-Cocchia

Wendy Lisogar-Cocchia, Director  
British Columbia Lottery Corporation

Feb 13/2015

Date

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- 5 -

cc: Honourable Christy Clark  
Premier

John Dyble  
Deputy Minister to the Premier and Cabinet Secretary

Peter Milburn  
Deputy Minister and Secretary to Treasury Board  
Ministry of Finance

Cheryl Wenezenki-Yolland  
Associate Deputy Minister  
Ministry of Finance

Bud Smith, Chair,  
Arthur Wilms, Board Member  
Trudi Brown, Board Member  
David Gillespie, Board Member  
Robert Holden, Board Member  
Wendy Lisogar-Cocchia, Board Member  
Moray Keith, Board Member  
British Columbia Lottery Corporation

Jim Lightbody A/Chief Executive Officer  
British Columbia Lottery Corporation

Attachment: Taxpayer Accountability Principles

## **B.C. Taxpayer Accountability Principles**

Further information available at: <http://gov.bc.ca/crownaccountabilities>

<b>1 Cost Consciousness (Efficiency)</b>	Strengthen cost management capabilities and foster a culture of cost-consciousness at all levels of public sector organizations. Provide public services and programs as efficiently and effectively as possible to “bend the cost curve” and support sustainable public policies and programs as a lasting legacy for generations to come.
<b>2 Accountability</b>	Transparently manage responsibilities according to a set of common public sector principles in the best interest of the citizens of the province. By enhancing organizational efficiency and effectiveness in the planning, reporting and decision making, public sector organizations will ensure actions are aligned with government’s strategic mandate.
<b>3 Appropriate Compensation</b>	Comply with a rigorous, standardized approach to performance management and employee compensation, which reflects appropriate compensation for work across the public sector that is consistent with government’s taxpayer accountability principles and respectful of the taxpayer.
<b>4 Service</b>	Maintain a clear focus on positive outcomes for citizens of British Columbia by delivering cost-efficient, effective, value-for-money public services and programs.
<b>5 Respect</b>	Engage in equitable, compassionate, respectful and effective communications that ensure all parties are properly informed or consulted on actions, decisions and public communications in a timely manner. Proactively collaborate in a spirit of partnership that respects the use of taxpayers’ monies.
<b>Integrity</b>	Make decisions and take actions that are transparent, ethical and free from conflict of interest. Require the establishment of a strong ethical code of conduct for all employees and executives. Serve the citizens of British Columbia by respecting the shared public trust and acting in accordance with the taxpayer accountability principles.

## **Appendix 11**

2016/17 Mandate Letter dated January 29, 2016 signed by Michael de Jong, Q.C., Minister of Finance and by the Chair and Directors of the British Columbia Lottery Corporation



JAN 29 2016

348024

Bud Smith, Chair  
 Board of Directors  
 British Columbia Lottery Corporation  
 2840 Virtual Way  
 Vancouver BC V5M 0A6

Dear Mr. Smith:

This Mandate Letter confirms your organization's mandate, provides government's annual strategic direction and sets out key performance expectations for the 2016/17 fiscal year.

On behalf of the province of British Columbia (BC), thank you for your leadership and the contributions made by the British Columbia Lottery Corporation (BCLC) over the past year and congratulations on the efforts made towards the following achievements:

- Exceeding the 2014/15 net income target of \$1.193B by \$61.5M, while contributing to the integrity of gambling through the conduct and management of gambling in a socially responsible manner;
- Enhancing existing anti-money laundering (AML) programs to ensure compliance with new federal AML regulations and the focus on promoting and enhancing cash alternative options in B.C.'s gaming facilities;
- Completing three commitments that pertain to the Corporation in the Plan for Public Health and Gambling released in February 2015;
- Taking substantive action on the recommendations made by Internal Audit & Advisory Services (IAAS).

Last year, government established a common set of principles for the BC public sector organizations. The intent of the Taxpayer Accountability Principles (TAP) is to strengthen accountability and promote cost control. These principles instill a common frame of reference to inform decisions and ensure that the actions taken and services provided meet public policy objectives established by government on behalf of the citizens of BC.

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<b>Ministry of Finance</b>	<b>Office of the Minister</b>	<b>Mailing Address:</b> PO Box 9048 Stn Prov Govt Victoria BC V8W 9R2 Telephone: 250 387-3751 Facsimile: 250 387-5594	<b>Location:</b> 501 Belleville Street Parliament Buildings, Victoria website: <a href="http://www.gov.bc.ca/fin">www.gov.bc.ca/fin</a>
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- 2 -

All public sector organizations are expected to understand the responsibility they have to the citizens of BC and how it is complimentary to the fiduciary duty to their organizations.

One of government's core values is respect for the taxpayer's dollar. It is critical that public sector organizations operate as efficiently as possible, in order to ensure British Columbians are provided with effective services at the lowest cost possible. This requires constant focus on maintaining a cost-conscious and principled culture through the efficient delivery of services that stand the test of public scrutiny and help develop a prosperous economy in an environmentally sustainable manner. The foundation of this work is the government's commitment to controlling spending and balancing the budget.

Government provided the following mandate direction to BCLC under the *Gaming Control Act*:

*The Lottery Corporation is responsible for the conduct and management of gaming on behalf of the government.*

To achieve this mandate, BCLC is directed to take the following strategic actions:

1. BCLC will optimize the Corporation's financial performance and sustain net return to the Province in accordance with government policy and directives under the *Gaming Control Act* and Treasury Board direction, and in alignment with the Taxpayer Accountability Principles by:
  - a) Responding to customer and marketplace demands seeking new business opportunities that are consistent with the approved framework.
  - b) Each quarter, BCLC will provide reports to the Ministry of Finance staff that provide financial forecasts, and discuss and identify issues and risks.
  - c) BCLC, in consultation with the Ministry of Finance, will complete the development of an implementation plan based on the direction provided by government resulting from the comprehensive cost containment and commission structure reviews, and market strategy work to address customer and marketplace demands. BCLC will submit the implementation plan for approval by the Minister of Finance by September 30, 2016.
  - d) BCLC will provide a revised comprehensive cost containment ratio framework to the Ministry and Treasury Board for approval.

BCLC will undertake this strategic action in a manner that contributes to the integrity of gambling through the conduct and management of gambling in a socially responsible manner.

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- 3 -

2. BCLC will substantially complete implementation of the recommendations from the *Review of the British Columbia Lottery Corporation (December 2014)* by IAAS, by March 31, 2017. BCLC will provide written quarterly progress updates beginning March 31, 2016, and other information as required, to the Minister of Finance.
3. Building on existing progress, BCLC will submit bi-annual progress reports to the Minister of Finance and the General Manager of GPEB on the implementation of the commitments BCLC is responsible for in the *Plan for Public Health and Gambling (February 2015)*. BCLC will also continue to participate with its partners in the implementation of all the commitments until complete.
4. BCLC will provide a quarterly report to the Minister of Finance on the implementation of the government's Anti-Money Laundering (AML) Strategy and mitigation of related illegal activities. This will include, but not be limited to:
  - a) Activities undertaken to ensure the Corporation's compliance regime is focused on preserving the integrity and reputation of BC's gaming industry in the public interest;
  - b) Participation in the development of, and provide funding to support, an enhanced coordinated enforcement approach with the Gaming Policy and Enforcement Branch, the RCMP and local police to mitigate the risk of criminal activities in the gaming industry;
  - c) The implementation of anti-money laundering compliance best practices with appropriate consideration of evaluating the source of wealth and source of funds prior to cash acceptance within a risk based framework;
  - d) Providing input to the Ministry of Finance in the development of a public information and education strategy and action plan for government's review and approval.

To achieve this, several actions as detailed in the 2014 TAP Transition Letter, are to continue to be implemented and refined, such as, on-going orientation, the joint strategic engagement plan, and the evaluation plan. For detailed information about TAP directives, please refer to the following link [Taxpayer Accountability Principles](#).

In addition, it is expected that your organization will continue to be diligent in ensuring familiarity with and adherence to statutory obligations and policies that have broad application across the public sector. Please refer to the following link for a summary of these accountabilities, [PSO Accountability Summary](#).

Government is committed to continuing to revitalize the relationship between government and PSOs. This strong focus on increased two-way communication supports and ensures a common understanding of government's expectations.

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- 4 -

Timely communication of any issues which may affect the business of BCLC and/or the interests of government is critical to building trust and the effective delivery of public services, including information on any risks to achieving financial forecasts and performance targets.

Each board member is required to acknowledge the direction provided in the Mandate Letter by signing this letter. The Mandate Letter is to be posted publicly on your organization's website and a copy signed by all board members provided to the ministry and made available to the public upon request.

I look forward to our regular meetings focusing on strategic priorities, performance against the TAP, key results and working together to protect the public interest at all times.

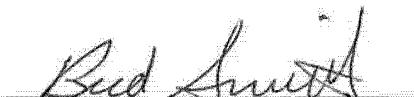
Sincerely,



Michael de Jong, Q.C.  
Minister of Finance

Date:

Signed by:



Bud Smith  
British Columbia Lottery Corporation

Date

10/2/2016

Christina Anthony, Director  
British Columbia Lottery Corporation

Date

Trudi Brown, Director  
British Columbia Lottery Corporation

Date

..,/S

- 4 -

Timely communication of any issues which may affect the business of BCCLC and/or the interests of government is critical to building trust and the effective delivery of public services, including information on any risks to achieving financial forecasts and performance targets.

Each board member is required to acknowledge the direction provided in the Mandate Letter by signing this letter. The Mandate Letter is to be posted publicly on your organization's website and a copy signed by all board members provided to the ministry and made available to the public upon request.

I look forward to our regular meetings focusing on strategic priorities, performance against the TAP, key results and working together to protect the public interest at all times.

Sincerely,



Michael de Jong, Q.C. Date:  
Minister of Finance

Signed by:

Bud Smith, Chair  
British Columbia Lottery Corporation

Date

Christina Anthony, Director  
British Columbia Lottery Corporation

Date

Trudi Brown, Director  
British Columbia Lottery Corporation

Date

.../5

- 4 -

Timely communication of any issues which may affect the business of BCI.C and/or the interests of government is critical to building trust and the effective delivery of public services, including information on any risks to achieving financial forecasts and performance targets.

Each board member is required to acknowledge the direction provided in the Mandate Letter by signing this letter. The Mandate Letter is to be posted publicly on your organization's website and a copy signed by all board members provided to the ministry and made available to the public upon request.

I look forward to our regular meetings focusing on strategic priorities, performance against the TAP, key results and working together to protect the public interest at all times.

Sincerely,



Michael de Jong, Q.C.  
Minister of Finance

Date:

Signed by:

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Bud Smith, Chair  
British Columbia Lottery Corporation

Date

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Christina Anthony, Director  
British Columbia Lottery Corporation

Date

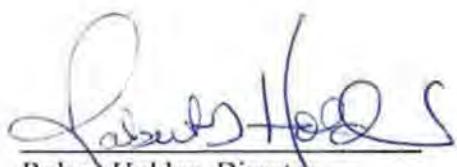
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Trudi Brown, Director  
British Columbia Lottery Corporation

Date

  
Feb 4, 2016.

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Robert Holden, Director  
British Columbia Lottery Corporation

Feb. 10, 2016

Date

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Wendy Lisogar-Cocchia, Director  
British Columbia Lottery Corporation

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Date

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Moray Keith, Director  
British Columbia Lottery Corporation

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Date

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Matthew Watson, Director  
British Columbia Lottery Corporation

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Date

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Andrew Brown, Director  
British Columbia Lottery Corporation

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Date

cc: Honourable Christy Clark  
Premier

John Dyble  
Deputy Minister to the Premier and Cabinet Secretary

Kim Henderson  
Deputy Minister  
Ministry of Finance

.../6

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Robert Holden, Director  
British Columbia Lottery Corporation

Date

*W. Lisogar-Cocchia*

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Wendy Lisogar-Cocchia, Director  
British Columbia Lottery Corporation

2/10/2016

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Date

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Moray Keith, Director  
British Columbia Lottery Corporation

Date

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Matthew Watson, Director  
British Columbia Lottery Corporation

Date

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Andrew Brown, Director  
British Columbia Lottery Corporation

Date

cc: Honourable Christy Clark  
Premier

John Dyble  
Deputy Minister to the Premier and Cabinet Secretary

Kim Henderson  
Deputy Minister  
Ministry of Finance

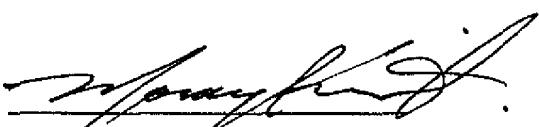
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Robert Holden, Director  
British Columbia Lottery Corporation

Date

Wendy Lisogar-Cocchia, Director  
British Columbia Lottery Corporation

Date

  
Moray Keith, Director  
British Columbia Lottery Corporation

Date

February 5/16

Matthew Watson, Director  
British Columbia Lottery Corporation

Date

Andrew Brown, Director  
British Columbia Lottery Corporation

Date

cc: Honourable Christy Clark  
Premier

John Dyble  
Deputy Minister to the Premier and Cabinet Secretary

Kim Henderson  
Deputy Minister  
Ministry of Finance

.../6

- 5 -

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Robert Holden, Director  
British Columbia Lottery Corporation

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Date

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Wendy Lisogar-Cocchia, Director  
British Columbia Lottery Corporation

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Date

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Moray Keith, Director  
British Columbia Lottery Corporation

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Date

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Matthew Watson, Director  
British Columbia Lottery Corporation

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Date

11 February 2016.

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Andrew Brown, Director  
British Columbia Lottery Corporation

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Date

cc: Honourable Christy Clark  
Premier

John Dyble  
Deputy Minister to the Premier and Cabinet Secretary

Kim Henderson  
Deputy Minister  
Ministry of Finance

.../6

Robert Holden, Director  
British Columbia Lottery Corporation

Date

Wendy Lisogar-Cocchia, Director  
British Columbia Lottery Corporation

Date

Moray Keith, Director  
British Columbia Lottery Corporation

Date

Matthew Watson, Director  
British Columbia Lottery Corporation

Date

Andrew Brown, Director  
British Columbia Lottery Corporation

Date

cc: Honourable Christy Clark  
Premier

John Dyble  
Deputy Minister to the Premier and Cabinet Secretary

Kim Henderson  
Deputy Minister  
Ministry of Finance

2/11/16

.../6

- 6 -

**Cheryl Wenezenki-Yolland**  
Associate Deputy Minister  
Ministry of Finance

**John Mazure**  
Assistant Deputy Minister and General Manager  
Gaming Policy and Enforcement Branch  
Ministry of Finance

**Jim Lightbody**  
Chief Executive Officer and President  
BCLC

Attachment: Taxpayer Accountability Principles

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## B.C. Taxpayer Accountability Principles

Further information available at: <http://gov.bc.ca/crownaccountabilities>

<b>1 Cost Consciousness (Efficiency)</b>	Strengthen cost management capabilities and foster a culture of cost-consciousness at all levels of public sector organizations. Provide public services and programs as efficiently and effectively as possible to "bend the cost curve" and support sustainable public policies and programs as a lasting legacy for generations to come.
<b>2 Accountability</b>	Transparently manage responsibilities according to a set of common public sector principles in the best interest of the citizens of the province. By enhancing organizational efficiency and effectiveness in the planning, reporting and decision making, public sector organizations will ensure actions are aligned with government's strategic mandate.
<b>3 Appropriate Compensation</b>	Comply with a rigorous, standardized approach to performance management and employee compensation, which reflects appropriate compensation for work across the public sector that is consistent with government's taxpayer accountability principles and respectful of the taxpayer.
<b>4 Service</b>	Maintain a clear focus on positive outcomes for citizens of British Columbia by delivering cost-efficient, effective, value-for-money public services and programs.
<b>5 Respect</b>	Engage in equitable, compassionate, respectful and effective communications that ensure all parties are properly informed or consulted on actions, decisions and public communications in a timely manner. Proactively collaborate in a spirit of partnership that respects the use of taxpayers' monies.
<b>6 Integrity</b>	Make decisions and take actions that are transparent, ethical and free from conflict of interest. Require the establishment of a strong ethical code of conduct for all employees and executives. Serve the citizens of British Columbia by respecting the shared public trust and acting in accordance with the taxpayer accountability principles.

## **Appendix 12**

2017/18 Mandate Letter signed by Michael de Jong, Q.C., Minister of Finance and by the Chair and Directors of the British Columbia Lottery Corporation



355179

Bud Smith  
 Board of Directors  
 British Columbia Lottery Corporation  
 74 Seymour Street  
 West Kamloops BC V2C 1E2

Dear Mr. Smith:

This Mandate Letter confirms your organization's mandate, provides government's annual strategic direction and sets out key performance expectations for the 2017/18 fiscal year. On behalf of the Province of British Columbia, thank you for your leadership and the contributions made by the British Columbia Lottery Corporation over the past year in support of government's objective of providing legal gaming in a safe and responsible manner benefiting all British Columbians. In particular, congratulations on the efforts made towards the following contributions and achievements:

- Contributing to the integrity of gambling through the conduct and management of gambling in a social responsible manner, while exceeding the 2015/16 net income target of \$1.216 billion by \$97.5 million;
- Working with government to combat illegal gaming and advancing government's Anti-Money Laundering strategy, including enhancing Customer Due Diligence, and by providing funding for the Joint Illegal Gaming Investigation Team (JIGIT);
- Working with government to implement commitments from the Plan for Public Health and Gambling (February 2015), including completing three and making significant progress on four of the commitments that pertain to the Corporation;
- Attaining a Comprehensive Cost Ratio of 42% and surpassing the 2015/16 target of 43.3%; and,
- Substantially completing the recommendations made by Internal Audit & Advisory Services (IAAS).

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B.C.'s Corporate Governance Framework takes a principles-based approach in providing direction for effective governance of ministries and Public Sector Organizations (PSOs). Since June 2014, the Taxpayer Accountability Principles (TAP) have provided guidance to ensure that the actions taken and services provided strengthen accountability and promote cost control while meeting the public policy objectives established by government on behalf of the citizens of B.C. I would also like to recognize the contributions BCLC makes to local and regional economies in British Columbia, and in particular the importance of the corporation's head office to the Kamloops area.

It is critical that public sector organizations operate as efficiently as possible, in order to ensure British Columbians are provided with effective services at the lowest cost possible. This requires constant focus on maintaining a cost-conscious and principled culture through the efficient delivery of services that stand the test of public scrutiny and help develop a prosperous economy in an environmentally sustainable manner. This is critical to government's commitment to control spending and balance the budget. For this reason, it is essential that BCLC contains costs and meets its projected revenue targets.

Government is making open information a priority across the public sector to enhance government transparency and accountability in the use of public resources, the delivery of programs and public services. With that in mind, it is government's expectation that BCLC will foster a culture of transparency and information sharing with government.

Government seeks to deliver legal gaming in a sound and responsible manner that promotes the integrity of gaming and public safety. Under the *Gaming Control Act*, the Lottery Corporation is responsible for the conduct and management of gaming on behalf of government. The Lottery Corporation is directed to conduct its business in a manner that meets government's expectations for social responsibility, public safety, gaming integrity, and projected financial targets. This is achieved through a culture of innovation and cost containment as well as commitment to responsible gambling and anti-money laundering efforts.

To achieve this mandate, the British Columbia Lottery Corporation is specifically directed to take the following strategic actions:

1. BCLC will optimize the Corporation's financial performance and sustain net return to the Province in accordance with government direction on cost containment, responsible gambling, and anti-money laundering, and in alignment with the Taxpayer Accountability Principles by:
  - a) Continuing to seek business opportunities such as new gambling facilities and eGaming from a social responsible perspective with particular attention to impacts on problem gambling, money laundering, public safety, and subsequently developing strategies to mitigate risk;
  - b) Providing a long term Capital Plan to the Ministry of Finance setting out the corporation's capital and spending and management plans, including significant IT and Kamloops head office facility development projects, over the next five years;

- c) Reviewing its approach to commissions paid to gaming service providers and implementing changes subject to the approval of its board of directors;
  - d) Achieving financial targets as approved by Treasury Board;
  - e) Reporting on the implementation of the new PlayNow subsidiary, which will be managed by the same controls and accountabilities to BCLC's Board; and
  - f) Providing quarterly reports to the Ministry of Finance that provide financial forecasts, and discuss and identify issues and risks.
2. Continue to support government in the implementation of its Anti-Money Laundering (AML) Strategy and mitigation of related illegal activities, including but not limited to:
    - a) Undertaking activities to ensure the Corporation's compliance regime is focused on preserving the integrity and reputation of B.C.'s gaming industry in the public interest;
    - b) Working collaboratively with GPEB to determine and implement measures that effectively combat money laundering and illegal activities in B.C. gambling facilities;
    - c) Funding, in accordance with government's announced direction, the Joint Illegal Gaming Investigation Team (JIGIT), a dedicated, coordinated, multi-jurisdictional investigative and enforcement response to unlawful activities within B.C. gaming facilities and illegal gambling in B.C.;
    - d) Collecting and sharing information and data with GPEB that supports measures to address money laundering in B.C. gaming facilities, illegal gaming in the province, and JIGIT operations; and
    - e) Enhancing AML best practices with appropriate consideration of evaluating source of funds prior to cash acceptance within a risk-based framework; and
    - f) Providing a quarterly report to the Minister of Finance on BCLC's activities related to the above.
  3. Implement the five remaining commitments that BCLC is responsible for in the *Plan for Public Health and Gambling (February 2015)*. This includes offering time and money budgeting tools to Encore Rewards members and PlayNow.com customers and implementing customized responsible gambling messaging on PlayNow.com. BCLC will continue to partner with GPEB in the implementation of the four remaining commitments for which they are jointly responsible, including implementing a GameSense Advisor presence in Community Gaming Centres and undertaking key research projects related to online problem gambling and high-risk features of Electronic Gaming Machines. BCLC will submit bi-annual progress reports to the Minister of Finance and the General Manager, GPEB on the implementation of commitments under the Plan.
  4. BCLC will report out on the completion of implementation of the recommendations from the *Review of the British Columbia Lottery Corporation (December 2014)* by Internal Audit and Advisory Services by June 30, 2017.

The ongoing culture shift to principled public sector governance remains a priority for government. PSOs are expected to undertake more comprehensive professional development to enhance orientation of their board members and senior executives. Government will be providing programming and resources designed to complement components of orientation to ensure understanding of the accountabilities and expectations of public sector boards and organizations. For detailed information about TAP directives, please refer to the following link, [Taxpayer Accountability Principles](#).

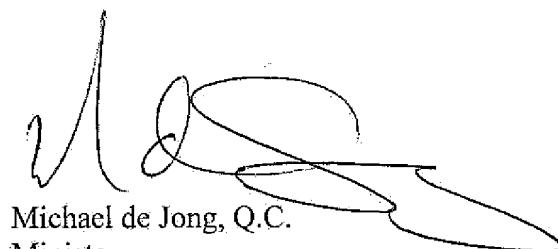
Government is committed to continue to revitalize the relationship between Government and PSOs. This strong focus on increased two-way communication supports and ensures a common understanding of Government's expectations. Timely communication of emerging issues which may affect the business of the British Columbia Lottery Corporation and/or the interests of government is critical to building trust and the effective delivery of public services, including information on any risks to achieving financial forecasts and performance targets. With the TAP embedded in the Annual Service Plans and Reports, this will support board chairs in assessing and communicating the organization's overall performance.

In addition, it is expected that your organization will continue to be diligent in ensuring familiarity with and adherence to statutory obligations and policies that have broad application across the public sector. Please refer to the following link for a summary of these accountabilities, [link to Crown Accountabilities](#).

Each board member is required to acknowledge the direction provided in the Mandate Letter by signing this letter. The Mandate Letter is to be posted publicly on your organization's website, and a copy signed by all board members provided to the ministry and made available to the public upon request.

I look forward to our regular meetings focusing on strategic priorities, performance against TAP, and working together to protect the public interest at all times.

Sincerely,



A handwritten signature in black ink, appearing to read "M de Jong".

Michael de Jong, Q.C.  
Minister

- 5 -

Signed by:

  
Bud Smith, Chair  
British Columbia Lottery Corporation

December 5, 2016  
Date

  
Christina Anthony, Director  
British Columbia Lottery Corporation

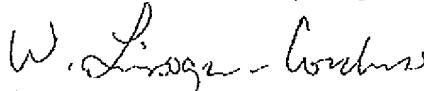
Dec 5, 2016  
Date

  
Trudi Brown, Director  
British Columbia Lottery Corporation

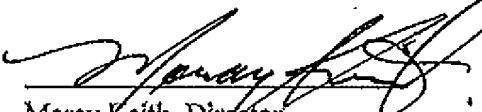
December 5, 2016  
Date

  
Robert Holden, Director  
British Columbia Lottery Corporation

Dec 5, 2016  
Date

  
Wendy Lisogar-Cocchia, Director  
British Columbia Lottery Corporation

Dec 5/16  
Date

  
Moray Keith, Director  
British Columbia Lottery Corporation

Dec. 5/16  
Date

  
Matthew Watson, Director  
British Columbia Lottery Corporation

Dec 5, 2016  
Date

  
Andrew Brown, Director  
British Columbia Lottery Corporation

Dec 5 / 16  
Date

cc: Honourable Christy Clark  
Premier

Kim Henderson  
Deputy Minister to the Premier and Cabinet Secretary

Athana Mentzelopoulos  
Deputy Minister and Secretary to Treasury Board  
Ministry of Finance

Cheryl Wenezenki-Yolland  
Associate Deputy Minister  
Ministry of Finance

Christina Anthony  
Trudi Brown  
Robert Holden  
Wendy Lisogar-Cocchia,  
Moray Keith  
Matthew Watson  
Andrew Brown

Board Members  
Public Sector Organization

Jim Lightbody  
Chief Executive Officer  
British Columbia Lottery Corporation

John Mazure  
Assistant Deputy Minister  
Gaming Policy and Enforcement Branch

Attachment: Taxpayer Accountability Principles

Further information available at: <http://gov.bc.ca/crownaccountabilities>

<b>1 Cost Consciousness (Efficiency)</b>	Strengthen cost management capabilities and foster a culture of cost-consciousness at all levels of public sector organizations. Provide public services and programs as efficiently and effectively as possible to “bend the cost curve” and support sustainable public policies and programs as a lasting legacy for generations to come.
<b>2 Accountability</b>	Transparently manage responsibilities according to a set of common public sector principles in the best interest of the citizens of the province. By enhancing organizational efficiency and effectiveness in the planning, reporting and decision making, public sector organizations will ensure actions are aligned with government’s strategic mandate.
<b>3 Appropriate Compensation</b>	Comply with a rigorous, standardized approach to performance management and employee compensation, which reflects appropriate compensation for work across the public sector that is consistent with government’s taxpayer accountability principles and respectful of the taxpayer.
<b>4 Service</b>	Maintain a clear focus on positive outcomes for citizens of British Columbia by delivering cost-efficient, effective, value-for-money public services and programs.
<b>5 Respect</b>	Engage in equitable, compassionate, respectful and effective communications that ensure all parties are properly informed or consulted on actions, decisions and public communications in a timely manner. Proactively collaborate in a spirit of partnership that respects the use of taxpayers’ monies.

**6 Integrity**

Make decisions and take actions that are transparent, ethical and free from conflict of interest. Require the establishment of a strong ethical code of conduct for all employees and executives. Serve the citizens of British Columbia by respecting the shared public trust and acting in accordance with the taxpayer accountability principles.

## **Appendix 13**

Mandate Letter dated February 14, 2018 signed by David Eby, Q.C., Attorney General and by the Chair and Directors of the British Columbia Lottery Corporation



FEB 14 2018

Mr. Bud Smith  
 Chair  
 Board of Directors  
 British Columbia Lottery Corporation  
 2840 Virtual Way  
 Vancouver BC V5M 0A6

Dear Mr. Smith:

On behalf of Premier John Horgan, thank you for your service to the people of British Columbia. The government remains committed to working with our Crown agency partners to deliver on government's commitments to British Columbians: to help make life more affordable for people, invest in services and build a strong, sustainable economy.

This Mandate Letter outlines the guiding principles of the government which should inform the preparation of your three-year Service Plan for *Budget 2018*. This Mandate Letter also confirms your organization's mandate, provides government's annual strategic direction and sets out key performance expectations for the 2018/19 fiscal year.

The government made three key commitments to British Columbians. All ministries and Crown agencies are expected to work together to help government achieve these commitments.

Our first commitment is to make life more affordable. We expect all public sector organizations to support government's agenda to help manage the daily cost of living for British Columbians.

Our second commitment is to deliver the services that people count on. Many of the programs and services that British Columbians access on a regular basis are delivered by Crown agencies. We want to build on programs that are working well, and make improvements where needed, to ensure British Columbians get quality and timely customer service from public sector organizations across the province.

Our third key commitment is to build a strong, sustainable, innovative economy that works for everyone. The government believes that public sector organizations have a key role to play in supporting broad-based economic growth in every region of the province.

To support true and lasting reconciliation with Indigenous Peoples in British Columbia, our government is fully adopting and implementing the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), and the Calls to Action of the Truth and Reconciliation Commission (TRC). Please ensure that going forward your organization incorporates the UNDRIP and TRC, given the specific mandate and context of your organization.

.../2

Mr. Bud Smith  
Page 2

As the Minister Responsible for British Columbia Lottery Corporation, I expect that you will make substantive progress on the following priorities and incorporate these priorities when developing the goals, objectives and performance measures for inclusion in the Service Plan:

1. Implement the remaining commitments that BCLC is solely and jointly (with GPEB) responsible for in the Plan for Public Health and Gambling (February 2015). In addition, implement the regulatory guidelines for performance measure reporting of Game Sense Advisor (GSA) activities in casino's and community gaming centres.

BCLC will submit bi-annual progress reports to the General Manager, GPEB, detailing the status of the implementation of these commitments.

2. Implement government's response to recommendations arising from the Peter German review of money laundering in British Columbia casinos. BCLC will provide a quarterly report to the Attorney General on the implementation of initiatives to mitigate money laundering and the use of proceeds of crime in BC gambling facilities.
3. Proactively share information with GPEB that assists the branch in meeting its responsibilities for the overall integrity of gaming and horse racing and providing the minister with advice on broad policy, standards and regulatory issues. This includes, but is not limited to, the following:
  - a) Information about any new games (excluding variations of existing games or similar games already being offered by BCLC) that BCLC intends to introduce to determine whether additional responsible gambling standards are required or whether a game may be considered a new type of lottery scheme and requires written approval by the Minister under Section 7 of the *Gaming Control Act*; and
  - b) Information regarding any trends that may influence strategies to combat money laundering and keep the proceeds of crime out of British Columbia gambling facilities.

The Crown Agencies and Board Resourcing Office (CABRO) at the Ministry of Finance has lead responsibility for overseeing and maintaining the Public Sector Organizations Governance Framework, and provides leadership for the merit based appointment of qualified and competent individuals to the boards of Crown agencies.

.../3

Mr. Bud Smith  
Page 3

British Columbia Lottery Corporation is asked to work closely with CABRO through your ministry contact on board appointments, all governance matters including orientation and training of board members, and meeting public sector reporting requirements under the *Budget Transparency and Accountability Act*.

Each board member is required to acknowledge the direction provided in this Mandate Letter by signing this letter. The Mandate Letter is to be posted publicly on your organization's website on Budget Day on February 20, 2018 to coincide with the release of your organizations' Service Plan.

I have appreciated your support as Board Chair to me as Minister responsible in the first few months of our government's term in office. I look forward to ongoing dialogue and engagement going forward through our scheduled meetings and other communication channels between my ministry and your organization. Part of that engagement process includes regular meetings between your communications staff and the appropriate Government Communications and Public Engagement staff who provide support to your ministry responsible.

Once again, thanks to you and your Board of Directors for your commitment to public service. Together, we will work to build a better BC.

Yours truly,

David Eby, QC  
Attorney General

FEB 14 2018

Date:

  
Bud Smith  
Board Chair

Date: FEB 16, 2018

---

  
Andrew Brown  
Director

Date:

Mr. Bud Smith  
Page 3

British Columbia Lottery Corporation is asked to work closely with CABRO through your ministry contact on board appointments, all governance matters including orientation and training of board members, and meeting public sector reporting requirements under the *Budget Transparency and Accountability Act*.

Each board member is required to acknowledge the direction provided in this Mandate Letter by signing this letter. The Mandate Letter is to be posted publicly on your organization's website on Budget Day on February 20, 2018 to coincide with the release of your organizations' Service Plan.

I have appreciated your support as Board Chair to me as Minister responsible in the first few months of our government's term in office. I look forward to ongoing dialogue and engagement going forward through our scheduled meetings and other communication channels between my ministry and your organization. Part of that engagement process includes regular meetings between your communications staff and the appropriate Government Communications and Public Engagement staff who provide support to your ministry responsible.

Once again, thanks to you and your Board of Directors for your commitment to public service. Together, we will work to build a better BC.

Yours truly,

David Eby, QC  
Attorney General

FEB 14 2018

Date:

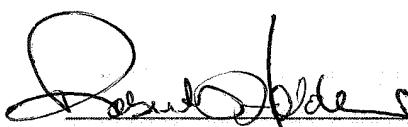
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Bud Smith  
Board Chair

Date:

Andrew Brown  
Director

Date: Feb 15 2018



Robert Holden  
Director

Date: February 15, 2018

---

Wendy Lisogar-Cocchia  
Director

Date:

pc: The Honourable John Horgan  
Mr. Don Wright, Deputy Minister to the Premier and Cabinet Secretary  
Ms. Lori Wanamaker, Deputy Minister, Ministry of Finance  
Mr. David Galbraith, Secretary to Treasury Board, Ministry of Finance  
Mr. Richard Fyfe, QC, Deputy Attorney General, Ministry of Attorney General  
Mr. Doug Scott, Associate Deputy Minister, Ministry of Attorney General  
Mr. Bud Smith, Board Chair, BCLC  
Mr. Andrew Brown, Director, BCLC  
Mr. Robert Holden, Director, BCLC  
Ms. Wendy Lisogar-Cocchia, Director, BCLC  
Mr. Jim Lightbody, Chief Executive Officer, BCLC  
Mr. John Mazure, Assistant Deputy Minister, Gaming Policy and Enforcement Branch

Date:

---

Robert Holden  
Director

W. Lisogar-Cocchia

Wendy Lisogar-Cocchia  
Director

Date: Feb 15/2018

pc: The Honourable John Horgan  
Mr. Don Wright, Deputy Minister to the Premier and Cabinet Secretary  
Ms. Lori Wanamaker, Deputy Minister, Ministry of Finance  
Mr. David Galbraith, Secretary to Treasury Board, Ministry of Finance  
Mr. Richard Fyfe, QC, Deputy Attorney General, Ministry of Attorney General  
Mr. Doug Scott, Associate Deputy Minister, Ministry of Attorney General  
Mr. Bud Smith, Board Chair, BCLC  
Mr. Andrew Brown, Director, BCLC  
Mr. Robert Holden, Director, BCLC  
Ms. Wendy Lisogar-Cocchia, Director, BCLC  
Mr. Jim Lightbody, Chief Executive Officer, BCLC  
Mr. John Mazure, Assistant Deputy Minister, Gaming Policy and Enforcement Branch

## **Appendix 14**

Mandate Letter dated August 23, 2017 signed by David Eby, Q.C., Attorney General and by the Chair of the British Columbia Lottery Corporation



AUG 23 2017

Mr. Bud Smith  
 Board of Directors  
 British Columbia Lottery Corporation  
 74 Seymour Street  
 West Kamloops BC V2C 1E2

Dear Mr. Smith:

On behalf of Premier John Horgan and our new government, thank you for your service to the people of British Columbia. I look forward to working with you in the months and years to come to help deliver on government's priorities, and provide effective programs and services to the people of our province.

This Mandate Letter lays out the principles of this government and you are to take these into consideration when revising your Service plan for the *Budget 2017 Update*. It is expected that British Columbia Lottery Corporation will manage its programs and initiatives within its existing budget targets, unless otherwise directed.

Going forward you are to begin the process of working with me as the Minister responsible to develop strategic actions through the 2018 Mandate letter process for *Budget 2018*. I will provide further direction. The Ministry of Finance will provide guidance on preparation for *Budget 2018*.

Our government made three key commitments to British Columbians.

Our first commitment is to make life more affordable. We expect all public service organizations to work to contain costs, and to be conscious of the impact of every decision on the daily cost of living of families and businesses.

Our second commitment is to deliver the services that people count on. In many cases, critical programs and services are delivered by Crown Corporations, and ministers will work with Board Chairs to ensure your organizations remain focused on maintaining and improving levels of service to citizens.

Our third key commitment is to build a strong, sustainable, innovative economy that works for everyone. Our government believes that public sector organizations have a role to play in supporting broad-based economic growth in every region of the province.

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Mr. Bud Smith  
Page 2

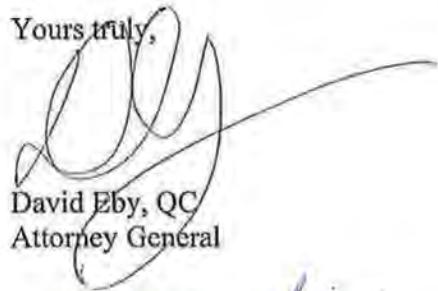
To support true and lasting reconciliation with First Nations in British Columbia, our government will be fully adopting and implementing the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), and the Calls to Action of the Truth and Reconciliation Commission. Please ensure that going forward your organization incorporates the UNDRIP and Calls to Action, given the specific mandate and context of your organization.

As the Board Chair of a Crown agency, your primary accountability to government is through me as the Minister responsible. My expectation is that regular dialogue and engagement between the ministry and your organization will continue, starting with regular meetings between us over the coming weeks and months. Included in these meetings will be regular meetings between your communications staff and Government Communications and Public Engagement staff responsible for the communication of Ministry-related matters.

The Crown Agencies Resource Office (CARO) has lead responsibility for overseeing and maintaining the Public Sector Organizations Governance Framework. CARO has now integrated with the Board Resourcing and Development Office (BRDO) which provides leadership in the merit-based appointment of qualified and competent individuals to the Crown Agencies. All Crown corporations and other public agencies are asked to work closely with this office on Board member appointments, all governance matters including orientation and training of Board members, and on accountability to government generally.

I look forward to regular meetings to discuss progress on your strategic priorities and to ensure you and your organization are supported in delivering your mandate on behalf of the people of British Columbia.

Yours truly,

  
David Eby, QC  
Attorney General

  
Bud Smith  
Chair, British Columbia Lottery Corporation

Date: 7/9/2017

pc: The Honourable John Horgan, Premier  
Mr. Don Wright, Deputy Minister to the Premier and Cabinet Secretary  
Ms. Lori Wanamaker, Deputy Minister of Finance  
Mr. David Galbraith, Associate Deputy Minister and Secretary to Treasury Board  
Ms. Lynne Holt, Executive Lead, Board Resourcing and Development Office  
Mr. Richard Fyfe, QC, Deputy Attorney General, Ministry of Attorney General  
Mr. Andrew Brown, Director, British Columbia Lottery Corporation  
Mr. Robert Holden, Director, British Columbia Lottery Corporation  
Ms. Wendy Lisogar-Cocchia, Director, British Columbia Lottery Corporation  
Mr. Moray B. Keith, Director, British Columbia Lottery Corporation  
Mr. Matthew Watson, Director, British Columbia Lottery Corporation



## **Appendix 15**

Mandate Letter dated October 2, 2017 signed by David Eby, Q.C., Attorney General and by the Chair of the British Columbia Lottery Corporation



OCT - 2 2017

Mr. Bud Smith, Chair  
 Board of Directors  
 British Columbia Lottery Corporation  
 2840 Virtual Way  
 Vancouver BC V5M 0A6

Dear Mr. Smith:

This Mandate Letter is supplemental to the previous Mandate Letter of August 23, 2017. Together, these two documents replace the British Columbia Lottery Corporation (BCLC) 2017/18 Mandate Letter that was signed by the BCLC board on December 5, 2016.

Under the *Gaming Control Act*, BCLC is responsible for the conduct and management of gambling on behalf of government. As the new Minister responsible for gambling, I would like to confirm my expectation that BCLC, as a public sector organization and agent of government, will act in concert with government in the best interest of British Columbians. This means that BCLC will conduct its business in a manner that meets public expectations for social responsibility, public safety, and gambling integrity.

The British Columbia Lottery Corporation is specifically directed to:

1. Implement the five remaining commitments that BCLC is responsible for in the *Plan for Public Health and Gambling* (February 2015). This includes:
  - a) Implementing a GameSense Advisor presence in Community Gaming Centres;
  - b) Offering time and money budgeting tools to Encore Rewards members and PlayNow.com customers; and
  - c) Implementing customized responsible gambling messaging on PlayNow.com subject to review and approval by GPEB and alignment with provincial Responsible Gambling Standards applicable to online gambling.

BCLC will continue to work with GPEB in the implementation of the three remaining commitments for which they are jointly accountable, including undertaking key research projects related to online problem gambling and high-risk features of Electronic Gambling Machines.

BCLC will submit bi-annual progress reports to the General Manager, GPEB, detailing the status of these commitments.

2. Proactively share information with GPEB that assists the branch in meeting its responsibility for the overall integrity of gaming and horse racing and providing the minister with advice on broad policy, standards and regulatory issues. The type of information includes, but is not limited to, the following:

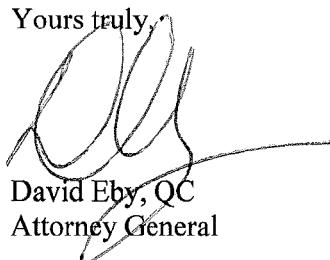
.../2

Mr. Bud Smith, Chair  
Page 2

- a) Information about any new games that BCLC intends to introduce to determine whether additional responsible gambling standards are required or whether a game may be considered a new type of lottery scheme and requires written approval under Section 7 of the *Gaming Control Act*; and
  - b) Information regarding any trends that may influence strategies to combat money laundering and keep the proceeds of crime out of British Columbia gambling facilities.
3. BCLC will provide a quarterly report to the Attorney General on the implementation of the government's Anti-Money Laundering (AML) Strategy and mitigation of related illegal activities. This will include, but not be limited to:
- a) Activities undertaken to ensure the Corporation's compliance regime is focused on preserving the integrity and reputation of British Columbia's gaming industry in the public interest;
  - b) Participation in the development of, and provide funding to support, an enhanced coordinated enforcement approach with the Gaming Policy and Enforcement Branch, the RCMP and local police to mitigate the risk of criminal activities in the gaming industry;
  - c) The implementation of anti-money laundering compliance best practices with appropriate consideration of evaluating source of wealth and source of funds prior to cash acceptance within a risk-based framework; and
  - d) Providing input to the Ministry of Attorney General in the development of a public information and education strategy and action plan for government's review and approval.

Please sign this letter to acknowledge the direction provided, which is supplemental to the Mandate Letter provided to all Crown Corporations. This letter is to be posted publicly on your organization's website and a signed copy returned to the ministry.

I look forward to working with BCLC to ensure that commercial gambling is conducted and managed for the benefit of all British Columbians.

Yours truly,  
  
David Eby, QC  
Attorney General

Signed by:

---

Bud Smith, Chair  
British Columbia Lottery Corporation

---

Date

## **Appendix 16**

Mandate Letter dated November 28, 2017 signed by David Eby, Q.C., Attorney General and by  
the Chair of the British Columbia Lottery Corporation



NOV 28 2017

Mr. Bud Smith, Chair  
 Board of Directors  
 British Columbia Lottery Corporation  
 2840 Virtual Way  
 Vancouver BC V5M 0A6

Dear Mr. Smith:

I am writing to provide the British Columbia Lottery Corporation (BCLC) with an amendment to the supplemental Mandate Letter provided to BCLC on October 2, 2017. This amended letter, along with the previous Mandate Letter of August 23, 2017, replaces the BCLC 2017/18 Mandate Letter that was signed by the BCLC board on December 5, 2016.

Under the *Gaming Control Act*, BCLC is responsible for the conduct and management of gambling on behalf of government. As the new Minister responsible for gambling, I would like to confirm my expectation that BCLC, as a public sector organization and agent of government, will act in concert with government in the best interest of British Columbians. This means that BCLC will conduct its business in a manner that meets public expectations for social responsibility, public safety, and gambling integrity.

The British Columbia Lottery Corporation is specifically directed to:

1. Implement the five remaining commitments that BCLC is responsible for in the *Plan for Public Health and Gambling* (February 2015). This includes:
  - a) Implementing a GameSense Advisor presence in Community Gaming Centres;
  - b) Offering time and money budgeting tools to Encore Rewards members and PlayNow.com customers; and
  - c) Implementing customized responsible gambling messaging on PlayNow.com subject to review and approval by GPEB, and alignment with provincial Responsible Gambling Standards applicable to online gambling.

BCLC will continue to work with GPEB in the implementation of the three remaining commitments for which they are jointly accountable, including undertaking key research projects related to online problem gambling and high-risk features of Electronic Gambling Machines.

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Mr. Bud Smith, Chair  
Page 2

BCLC will submit bi-annual progress reports to the General Manager, GPEB, detailing the status of these commitments.

2. Proactively share information with GPEB that assists the branch in meeting its responsibility for the overall integrity of gaming and horse racing and providing the Minister with advice on broad policy, standards and regulatory issues. The type of information includes, but is not limited to, the following:
  - a) Information about any new games, excluding variations of existing games or similar games already being offered by BCLC, that BCLC intends to introduce to determine whether additional responsible gambling standards are required or whether a game may be considered a new type of lottery scheme and requires written approval under Section 7 of the *Gaming Control Act*; and
  - b) Information regarding any trends that may influence strategies to combat money laundering and keep the proceeds of crime out of British Columbia gambling facilities.
3. BCLC will provide a quarterly report to the Attorney General on the implementation of the government's Anti-Money Laundering (AML) Strategy and mitigation of related illegal activities. This will include, but not be limited to:
  - a) Activities undertaken to ensure the Corporation's compliance regime is focused on preserving the integrity and reputation of British Columbia's gaming industry in the public interest;
  - b) Participation in the development of, and provide funding to support, an enhanced coordinated enforcement approach with the Gaming Policy and Enforcement Branch, the RCMP and local police to mitigate the risk of criminal activities in the gaming industry;
  - c) The implementation of anti-money laundering compliance best practices with appropriate consideration of evaluating source of wealth and source of funds prior to cash acceptance within a risk-based framework; and
  - d) Providing input to the Ministry of Attorney General in the development of a public information and education strategy and action plan for government's review and approval.

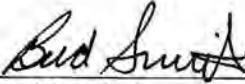
Please sign this letter to acknowledge the direction provided, which is supplemental to the Mandate Letter provided to all Crown Corporations. This letter is to be posted publicly on your organization's website and a signed copy returned to the ministry.

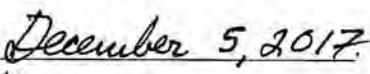
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Mr. Bud Smith, Chair  
Page 3

I look forward to working with BCLC to ensure that commercial gambling is conducted and managed for the benefit of all British Columbians.

Yours truly,  
  
David Eby, QC  
Attorney General  
Signed by:

  
\_\_\_\_\_  
Bud Smith, Chair  
British Columbia Lottery Corporation

  
\_\_\_\_\_  
Date

## **Appendix 17**

Mandate Letter dated December 12, 2018 signed by David Eby, Q.C., Attorney General and by the Chair and Directors of the British Columbia Lottery Corporation



**BRITISH  
COLUMBIA**

**DEC 12 2013**

Mr. Peter Kappel  
Board of Directors  
Executive Office  
British Columbia Lottery Corporation  
2940 Virtual Way  
Vancouver, BC V5M 0A6

Dear Mr. Kappel:

I would like to extend appreciation on behalf of Premier Horgan and the Executive Council for your dedication, and that of your board members, in serving the public interest. Crown agencies play a key role in delivering important services that benefit British Columbians in every region of our province.

Government's three priorities remain unchanged: make life more affordable, deliver the services people count on, and build a strong and sustainable economy that supports jobs throughout the province. Across government ministries and in strong partnership with Crown agencies, our emphasis is on raising the standard of living for all British Columbians, delivering quality programs and services that are practical and realistic in a BC context and in our fiscal environment, and judiciously managing affordability pressures – both for citizens and for our business community.

BCLC is expected to conduct business that meets public expectations for social responsibility, public safety and gambling integrity. As a Crown corporation, BCLC is required to make smart, responsible investments to grow business while managing operating costs in the best interest of the Province and the people of British Columbia.

Our government has also made important commitments to reconciliation with Indigenous Peoples, taking action against climate change, and working to ensure that our public service and public sector institutions are representative and inclusive of all our diverse society:

1. Government is adopting and implementing the United Nations Declaration of the Rights of Indigenous Peoples (UNDRIP), and the Calls to Action of the Truth and Reconciliation Commission (TRC), demonstrating our support for true and lasting reconciliation with Indigenous Peoples. All public sector organizations are expected to incorporate the UNDRIP and TRC within their specific mandate and context. Additionally, in May 2018, government released 10 Draft Principles to Guide the Province's Relationship with Indigenous Peoples, which serves as a guide for all public sector organizations as we continue to build relationships with Indigenous communities based on respect and recognition of inherent rights.

.../2

Mr. Peter Kappel

Page 2

2. While government has already taken steps towards achieving our legislated carbon reduction targets, much remains to be done. Our new climate strategy will outline significant GHG reduction measures in 2019/20 while supporting our program and service objectives through economic growth powered by clean, renewable energy, supported by technological innovation. Please ensure your organization's operations align with government's new climate plan.
3. Over the coming fiscal year, I look forward to working with your leadership team to provide effective, citizen-centred governance, through strong public sector boards that represent the diversity of British Columbia. The Crown Agencies and Board Resourcing Office (CABRO) at the Ministry of Finance provides leadership for the appointment process to fill positions on the boards of Crown agencies. As your board is renewed over time, I encourage you to work with CABRO to actively seek out women, visible minorities, Indigenous Peoples, persons with disabilities, LGBTQ2S+ individuals, and others who may contribute to diversity to add to the CABRO candidate pool to fill open positions. My expectation is that candidates from all regions of our province will be invited to apply to help renew BC's public sector boards, including individuals with a broad range of backgrounds in community, labour and business environments.

As the Minister Responsible for the British Columbia Lottery Corporation, I expect that you will make substantive progress on the following priorities and incorporate them in the goals, objectives and performance measures included in your Service Plan:

1. Regarding the priority work related to the Province's anti-money laundering efforts:
  - Implement government's response to recommendations arising from the Peter German review of money laundering in BC casinos. BCLC will provide a quarterly report to the Deputy Minister Committee on Anti-Money Laundering on the implementation of initiatives to mitigate money laundering and the use of proceeds of crime in BC gambling facilities.
  - Provide support and information on horse racing to Dr. German as and when necessary to assist in his review related to money laundering and organized crime in the real estate, horse racing and luxury car sectors.
2. Complete implementation of the remaining commitments that BCLC is solely and jointly (with GPEB) responsible for in the Plan for Public Health and Gambling (February 2015). In addition, continue to implement the regulatory guidelines for performance measure reporting of Game Sense Advisor (GSA) activities in casinos and community gaming centres.

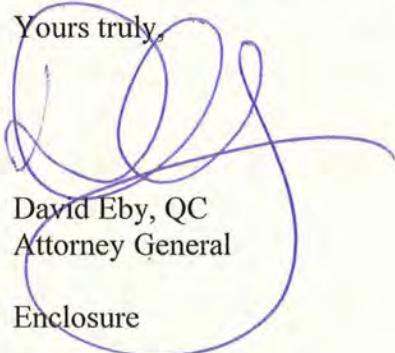
Mr. Peter Kappel

Page 3

3. Proactively share information with GPEB that assists the branch in meeting its responsibilities for the overall integrity of gambling and horse racing and providing advice on broad policy, standards and regulatory issues. This includes, but is not limited to, the following:
  - Any information about BCLC operations related to implementing the government's response to recommendations arising from the Peter German review of money laundering in BC casinos and any information requested by GPEB, the Anti-Money Laundering Secretariat, or the Associate Deputy Minister's Office as required by them at their sole discretion.
  - Information about any new games (excluding variations of existing games or similar games already being offered by BCLC) that BCLC intends to introduce to determine whether additional responsible gambling standards are required or whether a game may be considered a new type of lottery scheme and requires written approval by the Minister under Section 7 of the *Gaming Control Act*.
  - Information regarding any trends that may influence strategies to combat money laundering and keep the proceeds of crime out of BC gambling facilities.
  - Information regarding proposed upgrades related to the BCLC headquarters building in Kamloops.
4. Optimize BCLC's financial performance in accordance with government policy and directives under the *Gaming Control Act* and Treasury Board direction in order to achieve a net income in line with service plan projections.

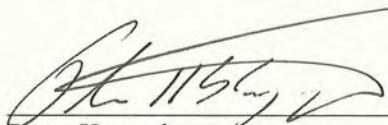
Each board member is required to sign the Mandate Letter to acknowledge government's direction to your organization. The Mandate Letter is to be posted publicly on your organization's website on Budget Day on February 19, 2019 to coincide with the release of your organization's service plan.

I look forward to ongoing collaboration with your Board as we work together to deliver improved service and better outcomes for British Columbians.

Yours truly,  
  
David Eby, QC  
Attorney General  
Enclosure

Date: DEC 12 2018

pc: The Honourable John Horgan, Premier  
Mr. Don Wright, Deputy Minister to the Premier and Cabinet Secretary  
Ms. Lori Wanamaker, Deputy Minister, Ministry of Finance  
Ms. Heather Wood, Associate Deputy Minister and Secretary to Treasury Board  
Ministry of Finance  
Mr. Richard Fyfe, QC, Deputy Attorney General, Ministry of Attorney General  
Mr. Douglas S. Scott, Associate Deputy Minister, Ministry of Attorney General  
Mr. Sam MacLeod, General Manager, Gaming Policy and Enforcement Branch  
Ministry of Attorney General  
Mr. Jim Lightbody, Chief Executive Officer and President, BC Lottery Corporation



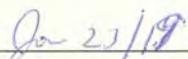
Peter Kappel  
Board Chair  
BC Lottery Corporation

16 Jan 2019

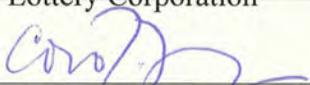
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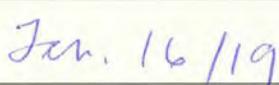
Joan Annette Axford  
Board Member  
BC Lottery Corporation



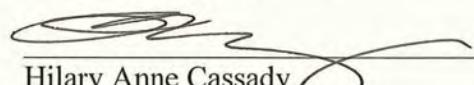
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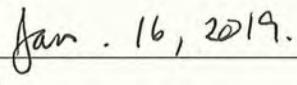
Coro Terese Strandberg  
Board Member  
BC Lottery Corporation



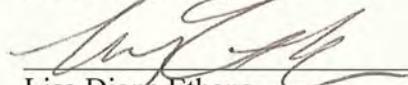
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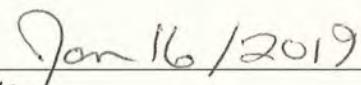
Hilary Anne Cassady  
Board Member  
BC Lottery Corporation



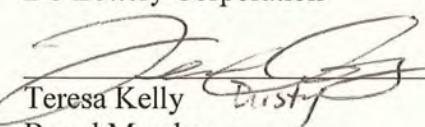
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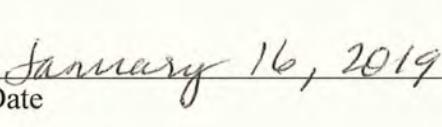
Lisa Diane Ethans  
Board Member  
BC Lottery Corporation



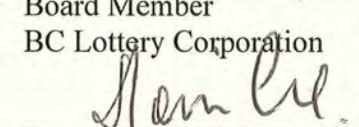
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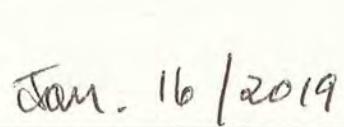
Teresa Kelly  
Board Member  
BC Lottery Corporation



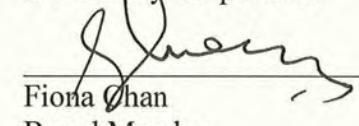
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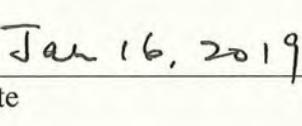
Mario Lee  
Board Member  
BC Lottery Corporation



Date



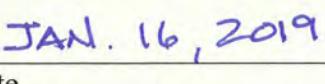
Fiona Chan  
Board Member  
BC Lottery Corporation



Date



Greg Moore  
Board Member  
BC Lottery Corporation



Date

## **Appendix 18**

Mandate Letter dated January 16, 2020 signed by David Eby, Q.C., Attorney General and by  
the Chair and Directors of the British Columbia Lottery Corporation



January 16, 2020

Peter Kappel, Chair  
Board of Directors  
British Columbia Lottery Corporation  
2840 Virtual Way  
Vancouver BC V5M 0A6

Dear Peter Kappel:

I would like to extend appreciation on behalf of Premier Horgan and the Executive Council for your dedication, and that of your board members, in leading your organization and helping government deliver on our priorities to British Columbians.

Government remains focused on its three strategic priorities: making life more affordable, delivering better services, and investing in a sustainable economy.

Every public sector organization is accountable to the citizens of British Columbia. The expectations of BC citizens are identified through their elected representatives, the members of the Legislative Assembly.

This mandate letter, which I am sending in my capacity as Minister responsible for the British Columbia Lottery Corporation (BCLC), on behalf of the Executive Council, communicates those expectations for your agency. It sets out overarching government priorities that will inform your agency's policies and programs, as well as specific direction on priorities and expectations for the coming fiscal year.

Our goal is to build a strong, sustainable economy that works for everyone. We are committed to working with you and other Crown Agencies to provide quality, cost-effective services to British Columbia families and businesses. By adopting the Gender-Based Analysis Plus (GBA+) lens and Framework for Improving British Columbians' Standard of Living to policy development, we will ensure that equity is reflected in government budgets, policies and programs. You are encouraged to apply the GBA+ lens in your Crown Agency operations and programs. In the same vein, appointments to agencies, boards and commissions reflect government's direction to promote equity and leadership at senior levels in the public and private sectors, with a view to building strong public sector boards that reflect the diversity of British Columbia.

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Peter Kappel

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Two key priorities that will underpin lasting prosperity are advancing reconciliation with Indigenous Peoples and moving towards a low-carbon economy.

In November 2019, government passed the *Declaration on the Rights of Indigenous Peoples Act* which represents a crucial step towards true and lasting reconciliation. In keeping with the Calls to Action of the Truth and Reconciliation Commission, the Act was developed in collaboration with the First Nations Leadership Council to create a framework for reconciliation in BC. All Crown Agencies are expected to incorporate the *Declaration on the Rights of Indigenous Peoples Act* and Calls to Action of the Truth and Reconciliation Commission within their specific mandate and context.

Announced in December 2018, the CleanBC plan puts our province on the path to a cleaner, better future – with a low-carbon economy that creates opportunities while protecting our clean air, land and water. As part of the new accountability framework established in CleanBC, and consistent with the *Climate Change Accountability Act*, please ensure your organization plans to align operations with targets and strategies for minimizing greenhouse gas emissions and managing climate change risk. Please be prepared to work with government to report out on these plans and activities.

The Crown Agencies and Board Resourcing Office (CABRO), with the Ministry of Finance, will continue to support you and your board on recruitment and appointments as needed, and will be expanding professional development opportunities in 2020/21. This will include online training modules and in-person conferences, as government works to support strong public sector boards that reflect the diversity of British Columbia.

As the Minister Responsible for BCLC, I expect that you will make substantive progress on the following priorities and incorporate them in the goals, objectives and performance measures in your 2020/21 Service Plan:

- Government continues to address concerns raised around illicit behaviour in our Lower Mainland casinos. As you know, since September 2017, government has commissioned three independent reviews on money laundering in BC, including our province's anti-money laundering practices and policies in the gambling industry. Based on the work completed so far by both government and BCLC, we have already seen a dramatic decrease in large amounts of unsourced cash entering casinos. It is expected that BCLC will continue to make it a priority and take action to eradicate this illicit behaviour in our casinos. Regarding these efforts:

Peter Kappel

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- Continue to implement and support government's response to recommendations arising from Dr. Peter German's 2018 "Dirty Money" report that reviews money laundering in BC casinos, in addition to those arising from Dr. German's 2019 "Dirty Money – Part 2" follow-up report;
  - Provide information to the Deputy, Associate Deputy Minister's Office, and the Gaming Policy and Enforcement Branch (GPEB) as and when necessary to help support the review of the 'conduct and manage' AML responsibility and associated gambling reporting for BC casinos;
  - Work with industry partners and provide support to GPEB in the development of new regulatory gambling standards and the transition to a standards-based model; and,
  - Support the Cullen Commission of Inquiry into Money Laundering in British Columbia as appropriate and requested, and where required under legal obligation.
- Continue to seek opportunities to improve the efficacy of Game Sense Advisor (GSA) activities in BC casinos and community gaming centres to mitigate the impacts of gambling products and behaviours.
  - Proactively and responsively share information with the Deputy Minister, Associate Deputy Minister's Office and GPEB that assists the ministry and branch in meeting its responsibilities for the overall integrity of gambling and horse racing and providing advice on broad policy, standards and regulatory issues.
  - Develop a plan to ensure continuing operations of BCLC's headquarters in Kamloops, including the ongoing commitment for senior executive leadership positions at the location. In addition, continue to seek out opportunities in engaging the community and local government in this matter, including the use of adjacent properties.
  - Optimize BCLC's financial performance in accordance with government policy and directives under the *Gaming Control Act* and Treasury Board direction to achieve a net income in line with service plan projections.

Each board member is required to sign the Mandate Letter to acknowledge government's direction to your organization. The signed Mandate Letter is to be posted publicly on your organization's website in spring 2020.

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Peter Kappel  
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I look forward to continuing to work with you and your Board colleagues to build a better BC.

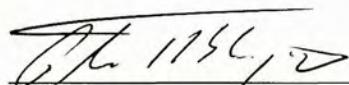
Yours truly,



David Eby, QC  
Attorney General

Date: January 16, 2020

pc: The Honourable John Horgan, Premier  
Don Wright, Deputy Minister to the Premier and Cabinet Secretary  
Lori Wanamaker, Deputy Minister, Ministry of Finance  
Heather Wood, Associate Deputy Minister and Secretary to Treasury Board  
Ministry of Finance  
Richard J. M. Fyfe, QC, Deputy Attorney General, Ministry of Attorney General  
Douglas S. Scott, Associate Deputy Minister, Ministry of Attorney General  
Sam MacLeod, General Manager, Gaming Policy and Enforcement Branch,  
Ministry of Attorney General  
Greg Moore, Interim President and Chief Executive Officer,  
British Columbia Lottery Corporation



Peter Kappel  
Board Member, BC Lottery Corporation

20 January 2020

Date:

Joan Axford  
Board Member, BC Lottery Corporation

Date:

Hilary Cassady  
Board Member, BC Lottery Corporation

Date:

Fiona Chan  
Board Member, BC Lottery Corporation

Date:

Lisa Ethans  
Board Member, BC Lottery Corporation

Date:

Dusty Kelly  
Board Member, BC Lottery Corporation

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Mario Lee  
Board Member, BC Lottery Corporation

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Coro Strandberg  
Board Member, BC Lottery Corporation

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Peter Kappel  
Board Member, BC Lottery Corporation

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Joan Axford  
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Board Member, BC Lottery Corporation

Jan 21, 2020

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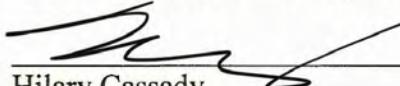
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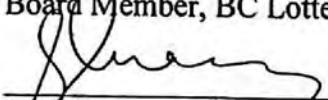
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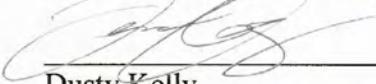
Fiona Chan  
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January 21, 2020

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*Jan 24-2020*

Coro Strandberg  
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Coro Strandberg  
Board Member, BC Lottery Corporation

Date:

*Jan. 21 / 20 .*