

Return to Player Settings Audit – Q1 Chances Kamloops

Audit Services

June 25, 2018

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Transmittal Letter

June 27, 2018

Garth Pieper
Director, Operations
2940 Virtual Way
Vancouver, BC V5M 0A6

Dear Mr. Pieper,

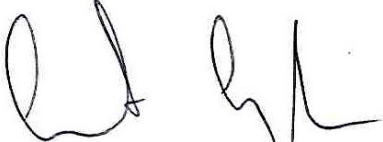
Re: Return to Player (RTP) Audit – Chances Kamloops

Attached is Audit Services' audit report on the RTP testing which occurred at Chances Kamloops on June 25, 2018. The scope of our audit focused specifically on the RTP settings at Chances Kamloops for a selected sample of slot machines.

During the course of our work conducted at Chances Kamloops, we noted that all 40 slot machines tested had their RTP settings set correctly. In total, Chances Kamloops has 198 slot machines.

We would like to thank management and staff of Chances Kamloops for their cooperation and assistance during this audit.

Sincerely,



Gurmit Aujla, CPA, CA, CIA, CRISC, CRMA
Director, Internal Audit

cc: Kevin Sweeney, Director Security, Privacy and Compliance
Tom Maryschak, Senior Manager Casino Operations
Ken Bach, Regional Manager
Trevor Sharkey, Manager, Business Operations

Introduction

RTP Slot Management audit was included in Audit Services' approved audit plan for fiscal 2018-2019. These audits are to ensure the settings were set correctly based on information provided by the Casino and Community Gaming Product Team. RTP is the term the gaming industry uses to describe the percentage of all the wagered money a slot machine will pay back to players over time.

Statement of Objectives

Audit Services' objective through this engagement was to test the RTP settings at Chances Kamloops on randomly selected slot machines. The machines' current RTP settings were compared to the master data information looking for any discrepancies.

Statement of Scope

This audit is one component of several RTP audits scheduled to occur each fiscal quarter. The scope of these engagements includes the review of slot machine settings at various casinos and CGCs in the province for the period April 1, 2018 to March 31, 2019.

Statement of Methodology

Our methodology and approach included:

- Tested RTPs of randomly selected slot machines
- Confirmed/matched the RTP from slot machines to Master Data; rCasino database and/or Probability Accounting Reports (PAR) sheets (a PAR sheet details how a particular slot machine is programmed)
- Interviews & inquiries
- Identified process weaknesses, risks and controls

Statement of Audit Standards

We conducted our audit in accordance with professional standards issued by the Institute of Internal Auditors. Those standards require that we plan and perform the audit to afford a reasonable basis for our judgments and conclusions regarding the organization, program, activity or function under audit. An audit also includes assessments of applicable internal controls and compliance with requirements of laws, rules and regulations when necessary to satisfy the audit objectives. We believe that our audit provides a reasonable basis for our conclusions.

Personnel Changes in Key Control Areas

BCLC's Audit Committee has requested that Audit Services include information about personnel changes and vacancies to key control areas during audit engagements. Personnel changes and vacancies can impact the control environment, control effectiveness, and loss of knowledge. At Chances Kamloops, the BCLC staffing component consists of a Manager Business Operations and a Technician. We noted during this audit, that the BCLC staff at Chances Kamloops has a minimal staff turnover rate.

Conclusion

Audit Services found no RTP exceptions in the 40 machines tested on June 25, 2018.

Acknowledgements

We wish to thank management and staff for their participation, assistance and cooperation during this audit. Audit Services was given full access to all resources and information required to complete this audit.

Return to Player Settings Audit – Q1 Hastings Park Racetrack

Audit Services

June 14, 2018

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Transmittal Letter

June 28, 2018

Garth Pieper
Director, Operations
2940 Virtual Way
Vancouver, BC V5M 0A6

Dear Mr. Pieper,

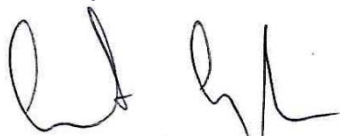
Re: Return to Player (RTP) Audit – Hastings Park Racetrack

Attached is Audit Services' audit report on the RTP testing which occurred at Hastings Park Racetrack on June 14, 2018. The scope of our audit focused specifically on the RTP settings at Hastings Park Racetrack for a selected sample of slot machines.

Hastings Park Racetrack has 536 slot machines in total. Audit Services noted one error in RTP settings during the initial testing of 100 slot machine on June 14, 2018. The slot machine with the error was placed out of service from June 14-19, 2018 because a programming chip needed to be ordered to change the setting. The setting was fixed on June 19, 2018 as soon as the chip arrived. Once corrected, the machine was placed back into operation. Due to the exceptions noted, we increased the sample size and performed additional testing; no further exceptions were noted.

We would like to thank management and staff of Hastings Park Racetrack for their cooperation and assistance during this audit.

Sincerely,



Gurmit Aujla, CPA, CA, CIA, CRISC, CRMA
Director, Internal Audit

cc: Kevin Sweeney, Director Security, Privacy and Compliance
Tom Maryschak, Senior Manager Casino Operations
Laurie Stewart, Regional Manager, Operations
Don Chow, Manager, Business Operations

Introduction

RTP Slot Management audit was included in Audit Services' approved audit plan for fiscal 2018-2019. These audits are to ensure the settings are set correctly based on information provided by the Casino and Community Gaming Product Team. RTP is the term the gaming industry uses to describe the percentage of all the wagered money a slot machine will pay back to players over time.

Statement of Objectives

Audit Services' objective through this engagement was to test the RTP settings at Hastings Park Racetrack on randomly selected slot machines. The machines' current RTP settings were compared to the master data information looking for any discrepancies.

Statement of Scope

This audit is one component of several RTP audits scheduled to occur each fiscal quarter. The scope of these engagements includes the review of slot machine settings at various casinos and CGCs in the province for the period April 1, 2018 to March 31, 2019.

Statement of Methodology

Our methodology and approach included:

- Testing RTPs of randomly selected slot machines
- Confirming the RTP from slot machines to Master Data; rCasino database and/or Probability Accounting Reports (PAR) sheets (a PAR sheet details how a particular slot machine is programmed)
- Interviews & inquiries
- Identifying process weaknesses, risks and controls

Statement of Audit Standards

We conducted our audit in accordance with professional standards issued by the Institute of Internal Auditors. Those standards require that we plan and perform the audit to afford a reasonable basis for our judgments and conclusions regarding the organization, program, activity or function under audit. An audit also includes assessments of applicable internal controls and compliance with requirements of laws, rules and regulations when necessary to satisfy the audit objectives. We believe that our audit provides a reasonable basis for our conclusions.

Personnel Changes in Key Control Areas

BCLC's Audit Committee has requested that Audit Services include information about personnel changes and vacancies to key control areas during audit engagements. Personnel changes and vacancies can impact the control environment, control effectiveness, and loss of knowledge. At Hastings Park Racetrack, the BCLC staffing component consists of a Manager of Business Operations, one Senior Technician and two Technicians. We noted during this audit, that the BCLC staff at Hastings Park Racetrack has a minimal staff turnover rate.

Conclusion

Audit Services noted one error in RTP settings during the initial testing of 100 slot machine on June 14, 2018. The slot machine with the error was placed out of service from June 14-19, 2018 because a programming chip needed to be ordered to change the setting. The setting was fixed on June 19, 2018 as soon as the chip arrived. Once corrected, the machine was placed back into operation. Due to the exceptions noted, we increased the sample size and performed additional tested; no further exceptions were noted.

Acknowledgements

We wish to thank management and staff for their participation, assistance and cooperation during this audit. Audit Services was given full access to all resources and information required to complete this audit.

Service Provider Player Data Privacy Review – Treasure Cove

Audit Services

March 21, 2018

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Transmittal Letter

June 30, 2018

Garth Pieper
Director, Operations, Casino & Community Gaming
2940 Virtual Way
Vancouver, BC V5M 0A6

Dear Mr. Pieper,

Re: Service Provider (SP) Player Data Privacy Review – Treasure Cove

Attached is Audit Services' report on Service Provider (SP) Player Data review for Treasure Cove Casino. This engagement was performed during the fourth quarter of FY2018.

In this report, we have noted one finding on SP employee access to BCLC systems and a few opportunities for improvement to further strengthen the key controls over SP's access to our player data.

We would like to thank management and staff who assisted us during this review for their cooperation and support.

Sincerely,



Gurmit Aujla, CPA, CA, CIA, CRISC, CRMA
Director, Internal Audit

cc: Kevin Sweeney, Director Security, Privacy and Compliance
Brad Desmarais, VP Casino and Community Gaming

Introduction

Encore player data is owned by BCLC but also shared with and used by the Service Providers (SP) through the s 15(1)(l) system s 15(1)(l) has robust controls inherently built into the system, which helps ensure that private information is only accessible to those employees with sufficient system permissions. Through internal discussions, Audit Services noted that access to player information by non-BCLC employees was a risk area.

In Q4 FY2018, Audit Services initiated a player data privacy review at select Service Providers. The first site we reviewed was Treasure Cove Casino in Prince George, BC on January 24, 2018. It is managed by an independent SP and is the largest gaming facility north of the lower mainland, with 539 slot machines, 17 table games and bingo tables to satisfy different entertainment needs of various players. Audit Services conducted interviews with both the SP management and BCLC management residing on site.

Statement of Objectives

The objective of this review was to understand Treasure Cove's processes and controls related to the protection of BCLC's player data, specifically:

- Who has authority to access player data.
- Types of player personal information (player data) that is accessible.
- Where and how player data is accessed and used.
- Risks associated with the player data transmission, cleaning and mailing process.
- Retention and/or destruction of player data.

Statement of Scope

The scope of the review is limited to design of the control environment over the systems at this Casino where BCLC player data was stored, accessed and transmitted.

Statement of Methodology

Our methodology and approach included:

- Interviews, inquiries and observations with SP management and BCLC site personnel;
- Review of processes and controls on access to BCLC Player Data;
- Identifying potential areas of concern and risks;
- Preparing a flowchart demonstrating the process flows, pinpointing key controls, and highlighting the risks;
- Validating the results with key stakeholders; and
- Providing recommendations to address and mitigate risks.

Statement of Audit Standards

We conducted our review in accordance with professional standards issued by the Institute of Internal Auditors. Those standards require that we plan and perform the engagement to afford a reasonable basis for our judgments and conclusions regarding the organization, program, activity or function under review. An audit also includes assessments of applicable internal controls and compliance with requirements of laws, rules and regulations when necessary to satisfy the audit objectives. We believe that our work provides a reasonable basis for our conclusions.

Conclusion

Audit Services reviewed the control environment in place at Treasure Cove to protect player privacy. Controls, process flows and risks related to player data were documented by Audit Services in flowcharts and process documentation, which was provided to SP Management. We noted that four terminated employees still had access to certain secondary BCLC systems. SP management reviewed access logs and confirmed to Audit Services that these terminated employees had not access any BCLC systems after their termination. The SP management remediated this access issue in a timely manner and Audit Services verified that these employees were deactivated. Please refer to Finding section below.

Finding

Following is the issue that we identified during our work along with associated recommendations to address this issue. To assist management in prioritizing actions plans in response to our recommendations, we have categorized each issue by level of risk, using the following scale:

- High – Issue should be addressed and resolved immediately.
- Moderate – Issue requires management attention and should be addressed and resolved within a reasonable time period.
- Low – Issue is of lesser significance that is administrative in nature.

1. FOUR TERMINATED EMPLOYEES WERE NOT PROPERLY OFF BOARDED AFTER THEY LEFT (HIGH)

Finding

One terminated employee still had access to BCLC's s 15(1)(l) system (s 15(1)(l) System) and three terminated employees still had access to BCLC s 15(1)(l) System (s 15(1)(l) System).

Recommendation

Audit Services recommended the SP management file request to BCLC immediately upon an employee's termination to deactivate or remove the access. Service Provider management should also ensure that key controls over future off-boarding process are operating effectively.

Management Response

Management agreed with the finding and filed a request to BCLC Identity & Access team immediately to deactivate the identified individuals' access to s 15(1)(l)

Audit Services Follow-up

Casino management confirmed to Audit Services that these individuals had not accessed any systems after termination. Audit Services also verified that these individuals' access were subsequently deactivated.

Acknowledgements

We wish to thank management and staff for their participation, assistance and cooperation during this review. Audit Services was given full access to all resources and information required to complete this engagement.

Service Provider Player Data Privacy Review – Chances Kelowna

Audit Services

March 21, 2018

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Transmittal Letter

June 30, 2018

Garth Pieper
Director, Operations, Casino & Community Gaming
2940 Virtual Way
Vancouver, BC V5M 0A6

Dear Mr. Pieper,

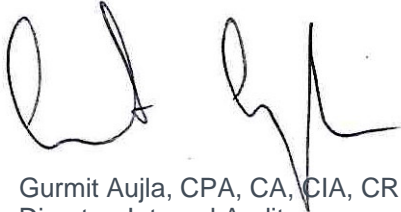
Re: Service Provider (SP) Player Data Privacy Review – Chances Kelowna

Attached is Audit Services' report on Service Provider (SP) Player Data review for Chances Kelowna. This engagement was performed during the fourth quarter of FY2018.

In this report, we have noted one finding on SP employee access to BCLC systems and a few opportunities for improvement to further strengthen the key controls over SP's access to our player data.

We would like to thank management and staff who assisted us during this review for their cooperation and support.

Sincerely,



Gurmit Aujla, CPA, CA, CIA, CRISC, CRMA
Director, Internal Audit

cc: Kevin Sweeney, Director Security, Privacy and Compliance
Brad Desmarais, VP Casino and Community Gaming

Introduction

Encore player data is owned by BCLC but also shared with and used by the Service Providers (SP) through the s 15(1)(l) system s 15(1)(l) has robust controls inherently built into the system, which helps ensure that private information is only accessible to those employees with sufficient system permissions. Through internal discussions, Audit Services noted that access to player information by non-BCLC employees was a risk area.

In Q4 FY2018, Audit Services initiated a player data privacy review at select Service Providers. On February 1, 2018, we visited Chances Kelowna, which is managed by an independent Service Provider. Chances Kelowna is a Community Gaming Center (CGC) with 335 slot machines, 5 e-table games and electronic bingos tables to satisfy the entertainment needs of different players. Audit Services conducted interviews with both the SP management and BCLC management residing on site.

Statement of Objectives

The objective of this review was to understand Chances Kelowna's processes and controls related to the protection of BCLC's player data, specifically:

- Who has authority to access player data.
- Types of player personal information (player data) that is accessible.
- Where and how player data is accessed and used.
- Risks associated with the player data transmission, cleaning and mailing process.
- Retention and/or destruction of player data.

Statement of Scope

The scope of the review is limited to design of the control environment over the systems at Chances Kelowna where BCLC player data was stored, accessed and transmitted.

Statement of Methodology

Our methodology and approach included:

- Interviews, inquiries and observations with SP management and BCLC site personnel;
- Review of processes and controls on access to BCLC Player Data;
- Identifying potential areas of concern and risks;
- Preparing a flowchart demonstrating the process flows, pinpointing key controls, and highlighting the risks;
- Validating the results with key stakeholders; and
- Providing recommendations to address and mitigate risks.

Statement of Audit Standards

We conducted our review in accordance with professional standards issued by the Institute of Internal Auditors. Those standards require that we plan and perform the engagement to afford a reasonable basis for our judgments and conclusions regarding the organization, program, activity or function under review. An audit also includes assessments of applicable internal controls and compliance with requirements of laws, rules and regulations when necessary to satisfy the audit objectives. We believe that our work provides a reasonable basis for our conclusions.

Conclusion

Audit Services reviewed the control environment in place at Chances Kelowna to protect player privacy. Controls, process flows and risks related to player data were documented by Audit Services in flowcharts and process documentation, which was provided to Chances Kelowna and BCLC Management. We noted that one terminated employee still had access to certain BCLC systems. The management of Chances Kelowna reviewed access logs and confirmed to Audit Services that the individual had not accessed any BCLC systems after their termination. The SP management remediated this access issue in a timely manner and Audit Services verified that this individual was deactivated. Please refer to Finding section below.

Finding

Following is the issue that we identified during our work along with associated recommendations to address this issue. To assist management in prioritizing actions plans in response to our recommendations, we have categorized each issue by level of risk, using the following scale:

- High – Issue should be addressed and resolved immediately.
- Moderate – Issue requires management attention and should be addressed and resolved within a reasonable time period.
- Low – Issue is of lesser significance that is administrative in nature.

1. ONE TERMINATED EMPLOYEE WAS NOT PROPERLY OFF BOARDED AFTER THEY LEFT (HIGH)

Finding

One terminated employee still had access to BCLC's s 15(1)(l) System (s 15(1)(l)).

Recommendation

Audit Services recommended the SP management file request to BCLC immediately upon an employee's termination to deactivate or remove the access. Service Provider management should also ensure that key controls over future off-boarding process are operating effectively.

Management Response

Management agreed with the finding and filed a request to BCLC Identity & Access team immediately to deactivate the identified individual's access to s 15(1)(l)

Audit Services Follow-up

Chances Kelowna management confirmed to Audit Services that this individual had not accessed any systems after termination. Audit Services also verified that this individual's access were subsequently deactivated.

Acknowledgements

We wish to thank management and staff for their participation, assistance and cooperation during this review. Audit Services was given full access to all resources and information required to complete this engagement.

memo



To: Sandra Austin, Director, HR
cc: Rob Annett, Manager Total Rewards & HRMS
From: Audit Services
Subject: FY2018 Public Sector Executive Compensation Report

Background

In British Columbia, organizations subject to the Public Sector Employers Act are statutorily required to disclose all compensation that is both accrued and paid to the Chief Executive Officer and the next four highest ranking/paid executives with an annualized base salary of \$125,000 or greater during the fiscal year.

Public Sector Employer's Council (PSEC) provides guidelines containing principles and policies to assist public sector employers design and implement pay plans for executive compensation and employers are required to provide disclosures statements to PSEC annually. PSEC provides guidelines with specific instructions on how to disclose the various components of executive compensation in order to be in compliance with these statutory requirements.¹

Annually, the Ministry releases updated Public Sector Executive Compensation Disclosure Guidelines (Disclosure Guidelines) for Crown organizations to reference, as noted in the link below:

<https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/services-policies-for-government/public-sector-management/psec/public-sector-exec-comp-disclosure-guidelines.pdf>

According to the Disclosure Guidelines, member organizations are required to report complete compensation amounts such as base salary, incentive pay, severance pay, vacation payout and any other benefits paid to their executives.

The respective organization's Board Chair is accountable for the accuracy and compliance of the disclosed compensation information through a signed attestation that is publicly available. This signed attestation together with the completed compensation report prepared by Human Resources is submitted to PSEC.

¹ Based on an extract from: <https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/services-policies-for-government/public-sector-management/psec/public-sector-exec-comp-disclosure-guidelines.pdf>

memo



Audit Services has performed a review of BCLC's Public Sector Executive Compensation report (Compensation report) for the fiscal year 2017-2018 at the request of the Chair of the Board.

Scope of Work Performed

Audit Services performed a review to verify the process and key controls utilized by HR to compile the Compensation report. The scope was limited to a review the following key controls:

- Current year's Disclosure Guidelines were reviewed, referenced and incorporated into the planning and compilation stage of the project
- Review of BCLC's Compensation Plan
- Review of new process implemented to collect data for reporting
- Reconciliation of final Compensation report to the SAP financial reporting and analyses as well comparisons to the prior years for reasonability
- Overall reviews and approvals completed of all PSEC reporting by Human Resources

The work performed addressed the following key PSEC related risks:

- Inherent risk of the manual nature of the reporting process
- Inaccurate or incomplete reporting of compensation paid to CEO and executives
- Total compensation paid to BCLC executive exceeding limits set by PSEC
- Reliance on third party calculations (Morneau Shepell – Pension Company, ARI - Leased Car Company)

Conclusion

Audit Services performed a review of the PSEC reporting process and all key controls in place to adequately mitigate the inherent risks associated with the manual nature of the report preparation. A full reconciliation, variance analysis and review of supporting documentation were completed. HR and Finance addressed any improvement opportunities and exceptions noted from Audit Services' review of the PSEC report and revisions were made prior to formal sign-off by the Board Chair.

Based on the tests performed, no exceptions were noted with the finalized Compensation report submitted to PSEC and the report was prepared in accordance with the PSEC's Disclosure guidelines.

Project Documentation Review

Audit Services

May 22, 2018

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Transmittal Letter

June 28, 2018

Pat Davis
Chief Information Officer
74 West Seymour Street
Kamloops, BC V2C 1E2

Dear Pat:

Re: PMO Project Documentation Review

Attached is the Audit Services' report on the Project Management Office (PMO) Project Documentation Review.

Our findings herein include recommendations that address one high risk and four moderate risk topics. Management has agreed with our recommendations and developed appropriate response plans to quickly address each item identified.

We thank the management and staff of the PMO for their cooperation and assistance during this review.

Sincerely,



Gurmit Aujla CPA, CA, CMA, CRISC, CRMA
Director, Internal Audit

cc: Bill White, Director PMO
Shirley Beveridge, Senior Manager PMO

Introduction

This review of the Project Management Office's (PMO) Project documentation was initiated through discussions between Audit Services and the CIO, and subsequently approved during the audit planning cycle. The purpose of this review was to provide reasonable assurance that a consistent and standardized framework is being applied to projects that are managed through the PMO.

Fifteen documents were identified as a standard framework for managing projects and have been in use by the PMO for a number of years. Many of the fifteen required documents have been in place since 2007-08 and have changed over time with newer processes being added later. The premise behind these documents align with Project Management Institute (PMI) best practices and consist of the following:

1. Project Charter
2. Project Budget
3. Project Schedule
4. Risk Register
5. Issue Log
6. Roles & Responsibilities
7. Communications Plan
8. Project Status Reports
9. Project Steering/Governance Committee Meeting Minutes
10. Project Team Meeting Minutes
11. Project Change Requests (PCR)
12. Operational Readiness Checklist
13. Peer Review Checklist
14. Go Live Gate
15. Project Lessons Learned

Statement of Scope

The scope of this engagement included a review of project documentation as relates to projects managed by the PMO. The fifteen documents are identified as forming the basis for controls and risk mitigation as it relates to PMO projects. The scope of the review included:

- Identifying and understanding all project documentation required during a project's life cycle.
- Reviewing a sampling of documents from six projects, for existence, completeness, and compliance.

Statement of Methodology

The audit program included the following procedures:

- Interviews with PMO individuals to obtain a further understanding on specific aspects of the process and gather perspectives on planning, reporting and other project management activities.
- Review the required project documentation, their stated purpose, and any related and relevant information to support the objectives of this engagement.
- Review of required project documentation for existence, completeness, and compliance, i.e. appropriate sign-off authority.

Statement of Audit Standards

We conducted our engagements in accordance with professional standards issued by the Institute of Internal Auditors. Those standards require that we plan and perform engagements to afford a reasonable basis for our judgments and conclusions regarding the organization, program, activity or function under review. An audit also includes assessments of applicable internal controls and compliance with requirements of laws, rules and regulations when necessary to satisfy the engagement's objectives. We believe that our work provides a reasonable basis for our conclusions.

Personnel Changes in Key Control Areas

BCLC's Audit Committee has requested that Audit Services include information about personnel changes to key control areas during all engagements related to BCLC's core functions. Personnel changes and vacancies can impact the control environment, effectiveness of key controls. In the PMO, staffing consists of a Director and seven Managers, two of which are Senior Managers, and each responsible for various functional and operational areas (including teams of Project Managers).

We noted during this review, that the Project Manager (PM) turnover was not significant, however, if a PM departs mid-flight during a project, consideration of controls is required for effective transition and hand-off (also refer to Finding 2.3 below).

Conclusion

Based on the work performed, we conclude that there are five findings which indicate opportunities for improvement as outlined below.

Acknowledgements

We wish to thank management and staff for their participation, assistance and cooperation during this review. Audit Services was given full access to all resources and information required to complete this review.

Findings

Following are the most significant issues that we identified during our work along with associated recommendations to address these issues. To assist management in prioritizing action plans in response to our recommendations, we have categorized each issue by level of risk, using the following scale:

- High – Issue should be addressed and resolved immediately.
- Moderate – Issue requires management attention and should be addressed and resolved within a reasonable time period.
- Low – Issue is of lesser significance that is administrative in nature. Any low risk findings have been discussed with management and therefore excluded from the report.

These rating levels are measured in the context of this engagement and its objectives, rather than as related to overall corporate risk. Audit Services commits to conducting follow-up engagements on all significant findings within six months from the date this audit report was issued.

1. OVERALL VARIED AND INCONSISTENT USE OF STANDARDIZED TEMPLATES (MODERATE)

Finding

The existing fifteen documents used by the PMO provide a consistent and relatively standardized framework for the management of projects. Overall use and execution of some templates may vary across projects at the discretion of the Project Manager. While, the need for such flexibility is an important consideration, given the varied sizes and complexities of projects; it is not clear whether tailoring existing templates achieves maximum effectiveness. This identified a need to confirm the cost/benefit of employing each document and related processes, to determine their value or redundancy.

Risk:

Varied and inconsistent use of project documentation templates may lead to inefficient and/or ineffective processes and may negatively impact PM capacity and overall project agility and hand-off.

Corporate ERM Risk Linkage

Risk ID: BT.E23 BT Process Alignment Risk: The Risk that there might be inconsistent adherence to agreed BT processes. The anticipated impact on BCLC objectives is non-optimal development or management process with potential impact to internal operational efficiency, higher cost of operations or delays in project implementation.

Recommendation

Audit Services recommends that management conduct an end-to-end review of the fifteen documents to identify waste and/or opportunities for improvement and streamlining (i.e. through lean methodologies or other methodologies that achieve similar objectives).

Management Response

Management agrees with this recommendation and notes:

- As of April 12, 2018, PMO requires review with PMO Senior Manager and approval by PMO Director to deviate from standard PMO templates.
- PMO will review the 15 templates to identify opportunities to improve and create efficiencies.
- PMO will clarify and communicate to project managers expectations of document use.

2. SPECIFIC FINDINGS RELATED TO PROJECT DOCUMENTATION (HIGH – MODERATE)

In addition to the above overarching observation, the following findings were communicated to management as it relates to specific Project Documents and related processes:

- 1) Project Change Requests may lack sufficient and appropriate supporting approval documentation (High).
- 2) Budget tools lack basic end-user application controls (Moderate).
- 3) Documentation filing and Project Manager hand-off processes may be insufficient (Moderate).
- 4) Peer review process is not a robust quality assurance activity (Moderate).

Management Response

Management has taken steps to remediate these gaps or is, in the process of remediating and has implemented immediate improvements to documentation, training, and/or processes. Management will continue to evaluate additional controls and opportunities to further mitigate related risks.