



JAN 29 2016

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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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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.

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.



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. Date:
Minister of Finance

Signed by:



Bud Smith, Chair
British Columbia Lottery Corporation

10/2/2016

Date

Christina Anthony, Director
British Columbia Lottery Corporation

Date

Trudi Brown, Director
British Columbia Lottery Corporation


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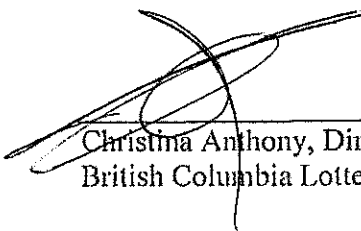


Michael de Jong, Q.C. Date:
Minister of Finance

Signed by:

Bud Smith, Chair
British Columbia Lottery Corporation

Date



Christina Anthony, Director
British Columbia Lottery Corporation

02/10/16

Date

Trudi Brown, Director
British Columbia Lottery Corporation

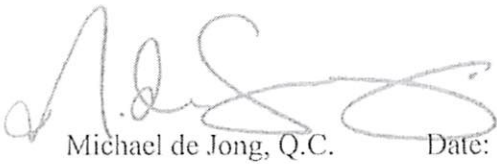
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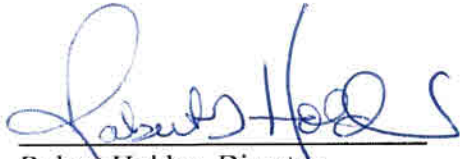
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Trudi Brown, Director
British Columbia Lottery Corporation



Date



Robert Holden, Director
British Columbia Lottery Corporation

Feb. 10, 2016
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

Robert Holden, Director
British Columbia Lottery Corporation

Date

W. Lisogar-Cocchia

Wendy Lisogar-Cocchia, Director
British Columbia Lottery Corporation

2/10/2016

Date

Moray Keith, Director
British Columbia Lottery Corporation

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Deputy Minister to the Premier and Cabinet Secretary

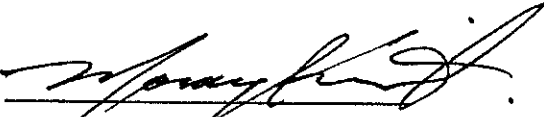
Kim Henderson
Deputy Minister
Ministry of Finance

Robert Holden, Director
British Columbia Lottery Corporation

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Wendy Lisogar-Cocchia, Director
British Columbia Lottery Corporation

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Moray Keith, Director
British Columbia Lottery Corporation

Date

February 5/16

Matthew Watson, Director
British Columbia Lottery Corporation

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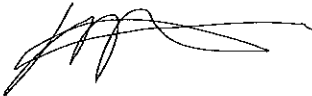
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Wendy Lisogar-Cocchia, Director
British Columbia Lottery Corporation

Date

Moray Keith, Director
British Columbia Lottery Corporation

Date



Matthew Watson, Director
British Columbia Lottery Corporation

11 February 2016.
Date

Andrew Brown, Director
British Columbia Lottery Corporation

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cc: Honourable Christy Clark
Premier

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Deputy Minister to the Premier and Cabinet Secretary

Kim Henderson
Deputy Minister
Ministry of Finance

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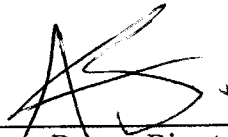
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John Dyble
Deputy Minister to the Premier and Cabinet Secretary

Kim Henderson
Deputy Minister
Ministry of Finance

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

B.C. Taxpayer Accountability Principles

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

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| 1 | Cost Consciousness (Efficiency) | 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. |
| 2 | Accountability | 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. |
| 3 | Appropriate Compensation | 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. |
| 4 | Service | Maintain a clear focus on positive outcomes for citizens of British Columbia by delivering cost-efficient, effective, value-for-money public services and programs. |
| 5 | Respect | 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. |