

Return to Player Settings Audit – Q3 River Rock

Audit Services

October 15, 2019

Table of Contents

Transmittal Letter	1
Introduction.....	2
Statement of Objectives	2
Statement of Scope	2
Statement of Methodology	2
Statement of Audit Standards	2
Personnel Changes in Key Control Areas.....	3
Conclusion	3
Acknowledgements	3

Transmittal Letter

December 13, 2019

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

Dear Mr. Pieper:

Re: Return to Player (RTP) Audit – River Rock

Attached is the Audit Services' report on the RTP follow up audit at River Rock on October 15, 2019.

Audit Services performed an RTP audit at River Rock on August 14, 2019 and noted three exceptions out of 236 machines tested. Therefore, we returned on October 15, 2019 and tested an additional 342 machines. No errors were found during the October 2019 testing. In total, River Rock Casino has 1,220 slot machines.

We thank the management and staff of River Rock for their cooperation and assistance during this audit.

Sincerely,
s 22

Gurmit Aujla CPA, CA¹, CIA, CRISC, CRMA
Director, Internal Audit

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

Introduction

RTP Slot Management audit was included in Audit Services' approved audit plan for fiscal 2019-2020. 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 River Rock 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, 2019 to March 31, 2020.

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 River Rock, BCLC staffing component consists of a Manager Business Operations, two Senior Technicians and nine Technicians. We noted during this audit that the BCLC staff at River Rock has a minimal staff turnover rate.

Conclusion

Audit Services found no exception in the 342 machines tested on October 15, 2019.

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.

Return to Player Settings Audit – Q3 Chances RimRock

Audit Services

October 25, 2019

Table of Contents

Transmittal Letter	1
Introduction.....	2
Statement of Objectives	2
Statement of Scope	2
Statement of Methodology	2
Statement of Audit Standards	2
Personnel Changes in Key Control Areas.....	3
Conclusion	3
Acknowledgements	3

Transmittal Letter

December 13, 2019

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

Dear Mr. Pieper:

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

Attached is the Audit Services' report on the RTP testing which occurred at Chances RimRock on October 25, 2019. The scope of our audit focused specifically on the RTP settings at Chances RimRock for a selected sample of slot machines.

During the course of our work conducted at Chances RimRock, we noted that all 104 machines tested had their RTP settings set correctly. In total, Chances RimRock has 104 slot machines.

We thank the management and staff of the Chances RimRock for their cooperation and assistance during this audit.

Sincerely,
s 22

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

cc: Kevin Sweeney, Director Security, Privacy and Compliance
Tom Maryschak, Senior Manager Casino Operations
Bal Bains, Regional Manager, Operations
Mike Spoor, Manager, Business Operations

Introduction

RTP Slot Management audit was included in Audit Services' approved audit plan for fiscal 2019-2020. 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 on all slot machines at the Chances RimRock location. 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, 2019 to March 31, 2020. This engagement occurs annually.

Statement of Methodology

Our methodology and approach included:

- Testing RTPs of slot machines
- Confirming the RTP from slot machines to Master Data: SharePoint/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 Chances RimRock, BCLC staffing component consists of a Manager Business Operations and one Senior Technician. We noted during this audit that the BCLC staff at Chances RimRock had a minimal staff turnover rate.

Conclusion

Audit Services found no RTP exceptions in the 104 machines tested on October 25, 2019.

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.

Return to Player Settings Audit – Q3 Chances Cowichan

Audit Services

October 25, 2019

Table of Contents

Transmittal Letter	1
Introduction.....	2
Statement of Objectives	2
Statement of Scope	2
Statement of Methodology	2
Statement of Audit Standards	2
Personnel Changes in Key Control Areas.....	3
Conclusion	3
Acknowledgements	3

Transmittal Letter

December 13, 2019

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

Dear Mr. Pieper:

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

Attached is the Audit Services' report on the RTP follow up audit at Chances Cowichan on October 25, 2019.

Audit Services performed an RTP audit at Chances Cowichan on August 6, 2019 and identified two exceptions out of 80 slot machines tested. Therefore, we returned on October 25, 2019 and tested 100% of the slot machines on the site. We noted one exception during this second audit. The Senior Technician corrected the setting immediately on the same day and we validated the setting to be accurate. Chances Cowichan has a total of 155 slot machines. We will test this site again in the next 12 months.

We thank the management and staff of Chances Cowichan for their cooperation and assistance during this audit.

Sincerely,
s 22

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

cc: Kevin Sweeney, Director Security, Privacy and Compliance
Tom Maryschak, Senior Manager Casino Operations
Bal Bains, Regional Manager, Operations
Mike Spoor, Manager, Business Operations

Introduction

RTP Slot Management audit was included in Audit Services' approved audit plan for fiscal 2019-2020. 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 on all slot machines at Chances Cowichan location. 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, 2019 to March 31, 2020.

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 Chances Cowichan, BCLC staffing component consists of a Manager Business Operations and one Senior Technician. We noted during this audit, that the BCLC staff at Chances Cowichan had a minimal staff turnover rate.

Conclusion

Audit Services found one exception in the 155 machines tested on October 25, 2019. The Senior Technician fixed the RTP settings immediately on the same day, and Audit Services validated the updated settings to be correct.

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.

Return to Player Settings Audit – Q3 Elements Casino Chilliwack

Audit Services

November 6, 2019

Table of Contents

Transmittal Letter	1
Introduction.....	2
Statement of Objectives	2
Statement of Scope	2
Statement of Methodology	2
Statement of Audit Standards	2
Personnel Changes in Key Control Areas.....	3
Conclusion	3
Acknowledgements	3

Transmittal Letter

December 13, 2019

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

Dear Mr. Pieper:

Re: Return to Player (RTP) Audit – Elements Casino Chilliwack

Attached is the Audit Services' report on the RTP testing which occurred at Elements Casino Chilliwack on November 6, 2019. The scope of our audit focused specifically on the RTP settings at Elements Casino Chilliwack for a selected sample of slot machines.

During the course of our work conducted at Elements Casino Chilliwack, we noted that all 125 machines tested had their RTP settings set correctly. In total, Elements Casino Chilliwack has 305 slot machines.

We thank the management and staff of Elements Casino Chilliwack for their cooperation and assistance during this audit.

Sincerely,

s 22

Gurmit Aujla CPA, CA,¹ CIA, CRISC, CRMA
Director, Internal Audit

cc: Kevin Sweeney, Director Security, Privacy and Compliance
Tom Maryschak, Senior Manager Casino Operations
Bal Bains, Regional Manager, Operations
Cassandra McGarvie, Manager, Business Operations

Introduction

RTP Slot Management audit was included in Audit Services' approved audit plan for fiscal 2019-2020. 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 Elements Casino Chilliwack 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, 2019 to March 31, 2020.

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 Elements Casino Chilliwack, BCLC staffing component consists of a Manager Business Operations, one Senior Technician and a Technician. It was noted that there is a high turnover of Technicians, but this is not an issue as assistance is readily available from other lower mainland sites to cover any staffing requirements during hiring period.

Conclusion

Audit Services found no RTP exceptions in the 125 machines tested on November 6, 2019.

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.

Return to Player Settings Audit – Q3 Cascades Penticton

Audit Services

December 3, 2019

Table of Contents

Transmittal Letter	1
Introduction.....	2
Statement of Objectives	2
Statement of Scope	2
Statement of Methodology	2
Statement of Audit Standards	2
Personnel Changes in Key Control Areas.....	3
Conclusion	3
Acknowledgements	3

Transmittal Letter

December 13, 2019

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

Dear Mr. Pieper:

Re: Return to Player (RTP) Audit – Cascades Penticton

Attached is Audit Services' audit report on the two RTP audits at Cascades Penticton on November 6, 2019 and December 3, 2019.

Audit Services performed initial testing at Cascades Penticton on November 6, 2019, where four exceptions were identified in the 128 machines tested. A Senior Technician corrected the settings and the machines were put back into play on November 7, 2019.

Based on these results, Audit Services' decision was to test 100% of RTP settings for this site with limited advanced notice to site staff (three business days). This was completed on December 3, 2019. No errors were noted in the 405 slot machines tested.

We thank the management and staff of Cascades Penticton for their cooperation and assistance during this audit.

Sincerely,
s 22

Gurmit Aujla CPA, CA¹, CIA, CRISC, CRMA
Director, Internal Audit

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

Introduction

RTP Slot Management audit was included in Audit Services' approved audit plan for fiscal 2019-2020. 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 Cascades Penticton on all slot machines on location. 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, 2019 to March 31, 2020.

Statement of Methodology

Our methodology and approach included:

- Testing RTPs of slot machines
- Confirming the RTP from slot machines to Master Data: SharePoint/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 Cascades Penticton, BCLC staffing component consists of a Manager Business Operations, one Senior Technician, and two Technicians. We noted during this audit that the BCLC staff at Cascades Penticton had a minimal staff turnover rate.

Conclusion

During our initial testing on November 6, 2019, Audit Services found four exceptions out of the 128 machines tested. A Senior Technician fixed the RTP settings, and Audit Services validated the updated settings to be correct. The machines were taken out of services while the correction was made on November 6, 2019 and then put back into play on November 7, 2019.

On December 3, 2019, we performed a full site RTP testing, and no exceptions were noted in the 405 machines tested.

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.

Financial Information Act Audit Report

Audit Services

September 30, 2019

Table of Contents

Transmittal Letter	1
Introduction	2
Statement of Objectives	2
Statement of Scope	2
Key Risks Identified	2
Statement of Methodology	3
Statement of Audit Standards	3
Personnel Changes in Key Control Areas	3
Audit Conclusions	3
Acknowledgements	4

Transmittal Letter

October 31, 2019

Tom Powell
Director, Corporate Finance
74 West Seymour Street
Kamloops, BC V2C 1E2

Dear Tom:

Re: Financial Information Act

Attached is Audit Services' report on management's key controls used in the preparation of the Statement of Financial Information. This Statement is required under the Financial Information Act (FIA).

Based on the audit work performed and within the limited scope of the engagement, we conclude that the controls used in the development of the FIA report were adequate. There is one significant audit finding from the audit of this report.

We thank the management and staff of the Corporate Finance department for their cooperation and assistance during this audit.

Sincerely,
s 22

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

cc: Tom Kay, VP Finance and Corporate Services and CFO
Michelle Webb, Senior Manager, Corporate Finance

Introduction

As per BC legislation¹, BCLC must prepare and release statements of financial information. Due to financial system limitations, several of the key processes in developing this report are manual in nature. Audit Services as part of their annual audit plan performs an audit of the controls used in developing the FIA report.

Within six months following their fiscal year end, corporations must send to the ministry contact a copy of the Statement of Financial Information required under section 2 of the Financial Information Act together with an FIA checklist. Corporations must ensure that the Statement of Financial Information complies with the Act, the Regulation and this Directive. Compliance (or the reasons for non-compliance) must be indicated on the checklist accompanying the Statement of Financial Information.

The link to the Financial Information Act:

http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/00_96140_01

Statement of Objectives

The objective of this engagement was to confirm the adequacy of the controls used in the preparation of the FIA report.

Statement of Scope

The scope of this audit encompassed several key controls that were identified by Audit Services and Corporate Finance. The scope was limited to the following key control areas:

- Review updates to theory document, list of procedures, and FIA regulations.
- Reconciliation to the financial statements and Public Sector Employers' Council (PSEC) reporting.
- Department review of FIA reporting information approved by the managers responsible in their respective finance areas.
- Overall reviews completed by Corporate Finance on FIA data by Manager of Financial Reporting & Systems and Director of Corporate Finance.
- Final review and approval by VP Finance and Corporate Services on FIA report.

Key Risks Identified

The key risks identified around the preparation of the FIA report are:

- Reliance on multiple reporting systems
- Manual nature of the compilation and reconciliation process
- Inherently difficult nature to completely reconcile accrual accounting versus cash accounting
- Reliance on many different individuals from different departments
- Management is aware of these risks and management has implemented processes and controls to mitigate these risks

¹ http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/00_96140_01

Statement of Methodology

Audit Services identified the key control areas and developed the testing procedures required to assess the key controls. A test process was developed to address each of the control areas and additional substantive testing as required.

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 to key control areas during all engagements related to BCLC's core functions. Personnel changes can impact the control environment, effectiveness of key controls, and loss of risk and control knowledge. During this engagement, we discussed personnel changes, retirements, and revisions to roles with management. Three significant changes in key personnel occurred since the previous year's FIA reporting. Audit Services noted additional due diligence and process controls were implemented by management to ensure the accuracy and completeness of the reporting, specifically a more comprehensive review by the VP, Finance and Corporate Services.

Audit Conclusions

While there are still risks associated with the manual nature of the report preparation and the continuity of key FIA preparation employees, management is aware of these risks and has strengthened the control environment to ensure there are adequate processes and controls in place to mitigate significant risks.


During our audit, one area was specifically noted and discussed in depth with the Director, Corporate Finance and VP of Finance and Corporate Services. This area specifically related to Guarantees and Indemnities; as per the regulations:

"The schedule of guarantee and indemnity agreements must list financial guarantee and indemnity agreements in force which required government approval prior to being given under the Indemnities and Guarantees Regulation".

Due to system and information centralization restraints, BCLC currently reports Guarantees and Indemnities entered into and approved during the current year versus all Guarantees and Indemnities in force as at fiscal year end.

This has been discussed with management and it is noted that the title of the schedule is accurately reflective of the reporting being provided by BCLC;

*"There were no Guarantee Agreements approved during the year.
List of indemnities approved during the year..."*



Management has committed to continue working with Procurement and Contract Management to explore opportunities to centralize the information in order to provide complete and accurate data as prescribed in the FIA regulation. In the absence of a process to capture complete Guarantees and Indemnities information, Audit Services has reinforced that management should continue to ensure transparency by clearly articulating the information, disclosures and assumptions being communicated throughout the FIA report to the office of the Comptroller General, who is responsible for administering the FIA.

In addition, other opportunities to further strengthen the FIA reporting process and related control environment were discussed with management. Management has agreed with the recommendations and have formally incorporated them into the FIA process and control environment.

Based on the audit work performed, we conclude that the controls tested for this audit were found to be sufficient and no other exceptions were noted.

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.

Access Controls Personally Identifiable Information Systems - iTrak

Audit Services

September 13, 2019

Table of Contents

Transmittal Letter	1
Introduction.....	2
Statement of Objectives	2
Statement of Scope	2
Statement of Methodology	2
Conclusion	2
Acknowledgements	2
Assessment Findings.....	3
1. Lack of user access reviews completed (high)	3
2. s 15(1)(l) failed logon s 15(1)(l) (high).....	4
3. User role profile management (moderate).....	4
4. Lack of documented procedures for managing user accounts (moderate)	5

Transmittal Letter

December 12, 2019

Kevin Sweeney
Director, Security, Privacy and Compliance
74 West Seymour Street
Kamloops, BC V2C 1E2

Dear Kevin:

Re: Access Controls PII Systems – iTrak

Attached is Audit Services' report on Access Controls – PII (Personally Identifiable Information) - iTrak.

Our findings herein include four Recommendations that address two high and two moderate risk topics. Management has agreed with our recommendations and will implement appropriate response plans to address each of the items identified.

We thank management and staff of Legal, Compliance & Security (LCS) and Business Technology (BT) for their cooperation and assistance during this audit.

Sincerely,
s 22

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

cc: Brad Desmarais, VP Casino & Community Gaming, VP Legal, Compliance & Security
Pat Davis, VP Business Technology
Garth Pieper, Director, Casino Operations

Introduction

The iTrak system is used by internal BCLC staff and Casino Service Provider staff for several core gaming facility business functions. It contains several modules that are critical to FINTRAC compliance reporting, incident tracking and surveillance activities. The iTrak system also provides core responsible gaming functions such as s 15(1)(l)

The iTrak system stores vast amounts of sensitive information that include player data, large cash transactions reports and incident tracking data that may be sensitive in nature. The purpose of this audit is to assess the access controls for the iTrak system to ensure that necessary technical security controls are being applied to maintain confidentiality, integrity and protection of sensitive information stored on the iTrak System.

Statement of Objectives

The objectives of this engagement were to:

- Determine what controls are in place to manage access to the in-scope system, and to determine whether those controls are working effectively.
- Assess iTrak system access controls as it relates to information security best practices and cybersecurity standards.

Statement of Scope

The scope of this engagement included a review of management practises as it relates to access controls for the iTrak system. The scope included all users of iTrak system across all 39 gaming sites through British Columbia and BCLC's corporate offices during Q2 of FY2020.

Statement of Methodology

The following procedures were conducted:

- Interviews with key personnel and questionnaires,
- Review of procedures and practices, and
- Documentation review.

Conclusion

Based on the work performed, we conclude that s 15(1)(l) . Information security best practices around access controls should be applied to ensure access is authorized, modified and revoked in a timely manner.

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.

Assessment 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 assessment and its objectives, rather than as related to overall corporate risk. Audit Services commits to conducting follow-up audits on all significant findings within six months from the date this audit report is issued.

1. LACK OF USER ACCESS REVIEWS COMPLETED (HIGH)

Finding

No documented access reviews have been completed for the iTrak system for internal BCLC Users. Staff who no longer require access exist in the system user account listing.

Recommendation

Management should complete access reviews¹ on a regular basis to ensure that access is appropriate and revoked in a timely manner to prevent unauthorized access to sensitive data. Access reviews should be conducted regularly for BCLC internal users. All inactive accounts should be removed and/or disabled in a timely manner.

Management Response

Management agrees and accepts this finding. As a compensating control, BCLC users require s 15(1)(l) before they can obtain access to ITRAK. When a user is de-provisioned within the company, their access is generally removed in a timely manner within the s 15(1)(l). This control helps limits the risk of ITRAK access, particularly for terminated users. Legal, Compliance and Security Division intend to actively work to address the residual risk, and intend to work with Business Technology Division to develop and enhance the identity and access controls in place over the ITRAK system. In addition, LCS will be looking to develop a business case to identify a product manager who can oversee the ITRAK system much like GMS.

¹ COBIT2019 - DSS05.04 Manage User Identity & Logical Access - #8. Perform regular management reviews of all accounts and related privileges.

2. s 15(1)(l) FAILED LOGON s 15(1)(l) (HIGH)

Finding

s 15(1)(l) logon s 15(1)(l)

Recommendation

Management should configure the system to s 15(1)(l) logon s 15(1)(l) as an additional technical control to prevent unauthorized access into the iTrak system. Additionally, Management should consider using s 15(1)(l) to simplify user administration and enhance access controls.

Management Response

Management accepts and agrees with this finding. LCS will work with BT to implement this control within the ITRAK platform. Additionally, BCLC will engage with s 15(1)(l) to explore s 15(1)(l) with as part of a future release.

3. USER ROLE PROFILE MANAGEMENT (MODERATE)

Finding

A total of s 15(1)(l) profiles were identified in the iTrak system s 15(1)(l) Users.

Recommendation

Management should consider reviewing these role profiles on a regular basis to:

1. Confirm and modify (if required) data access permissions for each of the role profiles;
2. Ensure the need to know and least privilege access principle is applied to users of the iTrak system;
3. Avoid segregation of duties conflicts; and
4. Potentially reduce the volume of role profiles and identify any unused role profiles.

Management Response

Management agrees and this has been caused by the operating model between BCLC and our Service Providers. The ITRAK application was not designed from the ground up to easily support multiple independent sites who operate separately but share one platform. Management will have to work with multiple internal and external stakeholders on a plan to address this but the effort is significant.

4. LACK OF DOCUMENTED PROCEDURES FOR MANAGING USER ACCOUNTS (MODERATE)

Finding

No documented procedures exist for creating, modifying or removing s 15(1)(l) accounts for iTrak.

Recommendation

Management should create documented procedures and guidelines for Onboarding, Crossboarding and Offboarding s 15(1)(l) user account access in the iTrak system. Procedures should include guidance on how and when to apply/remove user profiles in the system. For s 15(1)(l) accounts, procedures should include the creation, monitoring and the disabling of s 15(1)(l) accounts to ensure access is appropriate and revoked immediately when not in use.

Management Response

Management agrees with this finding and will need to work with Identify and Access on resolving this, as they are ultimately responsible for the process.