

# Return to Player Settings Audit – Q4 Elements Casino Surrey

Audit Services

February 23, 2022

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## Transmittal Letter

March 9, 2022

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

Dear Mr. Pieper:

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

Attached is Audit Services' report on the RTP testing which occurred at Elements Casino Surrey on February 23, 2022. The scope of our audit focused specifically on the RTP settings of the slot machines at Elements Casino Surrey.

During our work, we noted that all 221 machines tested had their RTP settings set correctly. In total, Elements Casino Surrey has 477 slot machines.

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

Sincerely,  
s 22

Darryl Tateishi CPA,  
Senior Manager, Audit Services

cc: Kevin Sweeney, Director Enterprise Security and Compliance  
Tom Maryschak, Senior Manager Casino Operations  
Bal Bains, Regional Manager, Operations  
Steve Azpiri, Manager, Business Operations  
Jennifer Barbosa, Interim Audit Services Director

## Introduction

RTP Management audit was included in Audit Services' approved audit plan for fiscal year 2021-2022. 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 Surrey 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 community gaming centres in the Province of British Columbia for the period April 1, 2021 to March 31, 2022.

## Statement of Methodology

Our methodology and approach included:

- testing RTP of selected slot machines
- confirming the RTP from slot machines to Master Data: Casino database and/or Probability Accounting Reports (PAR) sheets (a PAR sheet details how a particular slot machine is programmed)
- interviews and 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 Surrey, BCLC staffing component consists of a Manager Business Operations, a Senior Technician and three Technicians. We noted during this audit that the BCLC staff at Elements Casino Surrey had a minimal staff turnover rate.



## Conclusion

Audit Services found no RTP exceptions in the 221 machines tested on February 23, 2022.

## 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.

# Transmittal Letter

March 9, 2022

Jamie Wiebe  
Director, Player Health  
Tamara Morgan  
Interim Director, Player Health  
2940 Virtual Way  
Vancouver, BC V5M 0A6

Dear Ms. Wiebe and Ms. Morgan:

**Re: GameSense Performance Assessment – Chances Kelowna**

Attached is Audit Services' GameSense Performance Assessment, which occurred at Chances Kelowna on March 4, 2022.

We tested elements of both locational and GameSense Advisor (GSA) criteria, as detailed in the attached report card. During our work at Chances Kelowna, no exceptions were noted.

Audit Services will conduct additional GSA Locational Assessments throughout FY2023. Audit Services will be using this streamlined reporting system to ensure the Interim Director of Player Health is promptly notified of any actual or potential significant issues.

We thank the management and staff of Player Health for their cooperation and assistance during this audit.

Sincerely,

s 22

Darryl Tateishi, CPA  
Senior Manager, Internal Audit

cc: Peter ter Weeme, Chief Social Purpose Officer and VP, Player Experience  
Jennifer Barbosa, Interim Director, Audit Services

## Report Card

### GSA Location Assessment

#### SUMMARY FOR CHANCES KELOWNA:







##### Report Parameters:

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Site assessment performed on: March 4, 2022

Assessment performed by: Raj Lidder, Senior Internal Auditor

##### Testing Summary:

Game Sense Location contains required furnishings	
Game Sense Location stocked with available materials	
Ease in locating Game Sense Advisor location once inside the casino	
If GSA on shift:	
GSA easy to find if not in the GameSense Information Center	
GSA easy to identify, outfitted differently than the other gaming venue staff	
GSA appeared available and approachable	

##### Testing Notes:

N/A

##### Follow-up:

Not required	Required
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# Transmittal Letter

March 9, 2022

Jamie Wiebe  
Director, Player Health  
Tamara Morgan  
Interim Director, Player Health  
2940 Virtual Way  
Vancouver, BC V5M 0A6

Dear Ms. Wiebe and Ms. Morgan:

**Re: GameSense Performance Assessment – Chances Salmon Arm**

Attached is Audit Services' GameSense Performance Assessment, which occurred at Chances Salmon Arm on February 15, 2022.

We tested elements of both locational and GameSense Advisor (GSA) criteria, as detailed in the attached report card. During our work at Chances Salmon Arm, no exceptions were noted.

Audit Services will conduct additional GSA Locational Assessments throughout FY2023. Audit Services will be using this streamlined reporting system to ensure the Interim Director of Player Health is promptly notified of any actual or potential significant issues.

We thank the management and staff of Player Health for their cooperation and assistance during this audit.

Sincerely,

s 22

Darryl Tateishi, CPA  
Senior Manager, Internal Audit

cc: Peter ter Weeme, Chief Social Purpose Officer and VP, Player Experience  
Jennifer Barbosa, Interim Director, Audit Services



## Report Card

### GSA Location Assessment

#### SUMMARY FOR CHANCES SALMON ARM:







##### Report Parameters:

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Site assessment performed on: February 15, 2022

Assessment performed by: Cory Strumecki, Manager, Internal Auditor

##### Testing Summary:

Game Sense Location contains required furnishings	
Game Sense Location stocked with available materials	
Ease in locating Game Sense Advisor location once inside the casino	
If GSA on shift:	
GSA easy to find if not in the GameSense Information Center	
GSA easy to identify, outfitted differently than the other gaming venue staff	
GSA appeared available and approachable	

##### Testing Notes:

N/A

##### Follow-up:

Not required	Required
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# Transmittal Letter

March 9, 2022

Jamie Wiebe  
Director, Player Health  
Tamara Morgan  
Interim Director, Player Health  
2940 Virtual Way  
Vancouver, BC V5M 0A6

Dear Ms. Wiebe and Ms. Morgan:

**Re: GameSense Performance Assessment – Elements Casino Surrey**

Attached is Audit Services' GameSense Performance Assessment, which occurred at Elements Casino Surrey on February 23, 2022.

We tested elements of both locational and GameSense Advisor (GSA) criteria, as detailed in the attached report card. During our work at Elements Casino Surrey, no exceptions were noted.

Audit Services will conduct additional GSA Locational Assessments throughout FY2023. Audit Services will be using this streamlined reporting system to ensure the Interim Director of Player Health is promptly notified of any actual or potential significant issues.

We thank the management and staff of Player Health for their cooperation and assistance during this audit.

Sincerely,

s 22

Darryl Tateishi, CPA  
Senior Manager, Internal Audit

cc: Peter ter Weeme, Chief Social Purpose Officer and VP, Player Experience  
Jennifer Barbosa, Interim Director, Audit Services

## Report Card

### GSA Location Assessment

#### SUMMARY FOR ELEMENTS CASINO SURREY:

##### Report Parameters:

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Site assessment performed on: February 23, 2022

Assessment performed by: Rolly Dioquino, Senior Internal Auditor

##### Testing Summary:

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Game Sense Location contains required furnishings



Game Sense Location stocked with available materials



Ease in locating Game Sense Advisor location once inside the casino



If GSA on shift:

GSA easy to find if not in the GameSense Information Center



GSA easy to identify, outfitted differently than the other gaming venue staff



GSA appeared available and approachable



##### Testing Notes:

N/A

##### Follow-up:

Not required

Required

# Transmittal Letter

March 9, 2022

Jamie Wiebe  
Director, Player Health  
Tamara Morgan  
Interim Director, Player Health  
2940 Virtual Way  
Vancouver, BC V5M 0A6

Dear Ms. Wiebe and Ms. Morgan:

**Re: GameSense Performance Assessment – Parq Casino**

Attached is Audit Services' GameSense Performance Assessment, which occurred at Parq Casino on March 6, 2022.

We tested elements of both locational and GameSense Advisor (GSA) criteria, as detailed in the attached report card. During our work at Parq Casino, no exceptions were noted.

Audit Services will conduct additional GSA Locational Assessments throughout FY2023. Audit Services will be using this streamlined reporting system to ensure the Interim Director of Player Health is promptly notified of any actual or potential significant issues.

We thank the management and staff of Player Health for their cooperation and assistance during this audit.

Sincerely,

s 22

Darryl Tateishi, CPA  
Senior Manager, Internal Audit

cc: Peter ter Weeme, Chief Social Purpose Officer and VP, Player Experience  
Jennifer Barbosa, Interim Director, Audit Services

## Report Card

### GSA Location Assessment

#### SUMMARY FOR PARQ CASINO:

##### Report Parameters:

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Site assessment performed on: March 6, 2022

Assessment performed by: Matt Froh, Senior Internal Auditor

##### Testing Summary:

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Game Sense Location contains required furnishings



Game Sense Location stocked with available materials



Ease in locating Game Sense Advisor location once inside the casino



If GSA on shift:

GSA easy to find if not in the GameSense Information Center



GSA easy to identify, outfitted differently than the other gaming venue staff



GSA appeared available and approachable



##### Testing Notes:

N/A

##### Follow-up:

Not required

Required

# Transmittal Letter

March 9, 2022

Jamie Wiebe  
Director, Player Health  
Tamara Morgan  
Interim Director, Player Health  
2940 Virtual Way  
Vancouver, BC V5M 0A6

Dear Ms. Wiebe and Ms. Morgan:

**Re: GameSense Performance Assessment – River Rock**

Attached is Audit Services' GameSense Performance Assessment, which occurred at River Rock on February 15, 2022.

We tested elements of both locational and GameSense Advisor (GSA) criteria, as detailed in the attached report card. During our work we noted that some improvements related to furnishing and ease in locating the information center may be required.

Audit Services will conduct additional GSA Locational Assessments throughout FY2023. Audit Services will be using this streamlined reporting system to ensure the Interim Director of Player Health is promptly notified of any actual or potential significant issues.

We thank the management and staff of Player Health for their cooperation and assistance during this audit.

Sincerely,

s 22

Darryl Tateishi, CPA  
Senior Manager, Internal Audit

cc: Peter ter Weeme, Chief Social Purpose Officer and VP, Player Experience  
Jennifer Barbosa, Interim Director, Audit Services



## Report Card

### GSA Location Assessment

#### SUMMARY FOR RIVER ROCK:







##### Report Parameters:

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Site assessment performed on: February 15, 2022

Assessment performed by: Karen Wang, Senior Internal Auditor

##### Testing Summary:

Game Sense Location contains required furnishings	
Game Sense Location stocked with available materials	
Ease in locating Game Sense Advisor location once inside the casino	
If GSA on shift:	
GSA easy to find if not in the GameSense Information Center	
GSA easy to identify, outfitted differently than the other gaming venue staff	
GSA appeared available and approachable	

##### Testing Notes:

- The GameSense area has not been updated with the new GSA standard furnishing at the time of this audit.
- The GameSense area is located behind the cash cage. While there is a "GameSense" sign hanging from the ceiling, the sign is not easily visible by patrons that pass by.

##### Follow-up:

Not required	Required
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# P&C Compliance Testing for SOEBC and RWM

Audit Services

November 22, 2021



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## Transmittal Letter

January 24, 2022

Yabome Gilpin-Jackson  
Chief People Officer  
74 West Seymour Street  
Kamloops, BC V2C 1E2

Dear Yabome:

**Re: Compliance Testing for Standards of Ethical Business Conduct (SOEBC) and  
Respectful Workplace Matters (RWM)**

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Attached is the Audit Services' report on the compliance testing for above-noted activities.

Our testing identified compliance rates of 95% for SOEBC and 90% for RWM. Management is actively working to resolve instances of non-compliance and will provide updates to Audit Services at time of resolution. Additionally, management is giving consideration to process improvements areas identified.

We thank the management and staff for their cooperation and assistance during this engagement.

Sincerely,

s 22

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

cc: Lisa Fuller, Director People Development & Operations

## Introduction

All employees are required to understand and comply with BCLC's Terms and Conditions of Employment policy as well as all other BCLC policies, standards and procedures, as a condition of their employment. Employees can consult with their people and culture advisor if they are uncertain how to interpret or apply these policies. Employees are also required to observe any new terms, conditions, policies and procedures published by BCLC.

As part of the on-boarding process for new employees, completion of a number of standard education and information sessions, along with confirmation of completion or agreement, is required. A standard of 30 days from effective start date is the timeframe by which these activities and/or forms must be completed. Additionally, employees are required to refresh these on an annual basis, thus ensuring continued understanding and clarity on any new or updated information. The SuccessFactors' learning management system (LMS) platform documents successful completion, tracking either results for the related assessment or execution of declaration; as in the case of the SOEBC.

Employees, and their respective manager, receive an automated reminder of upcoming activities for completion along with notification of the deadline. SuccessFactors maintains historical data on completed activities allowing People and Culture to monitor and follow-up if necessary. Timely completion of activities helps ensure employee's awareness and compliance with policies. Some activities, agreements or declarations, however, may have more legal ramifications if not completed by the required deadline.

## Statement of Objectives

The objectives of these engagements were to test and confirm employees' compliance within the required time, either following date of hire or annual completion, for the following activities:

- Standards of Ethical Business Conduct for Employees (SOEBC) declaration statement, and
- Respectful Workplace Matters (RWM) online training activity.

## Statement of Scope

The scope of these engagements covered the periods:

- April 1, 2020 to May 31, 2021 for all active BCLC employees for SOEBC; and
- October 1, 2020 to October 12, 2021 for RWM for active employees, below manager.

The scope for RWM was modified from the original planned scope once it was determined an update to the course resulted in it being offline from December 2020 to February 2021, and subsequently rolled out in phases to all employees. The scope covered a full 12-month period to confirm annual compliance. The updated Leadership version of the course was rolled out to Leaders on January 5, 2022, with the resolution of content issues resolved. Audit Services will test compliance for Leaders once the 30-day period has expired.

## Statement of Methodology

Audit Services performed the following procedures:

- Obtained LMS listings of all employees and their completion status for the SOEBC and RWM from Senior People Systems Administrator;
- Obtained employee start dates and employment status for all employees in-scope from People & Culture Reporting & Insights Analyst;
- Reviewed completion status for all employees to test that the declaration (SOEBC) or online course (RWM) is completed within the annual renewal timeline; and
- Reviewed completion status for new employees hired within the last fiscal year to test that the declaration (SOEBC) or online course (RWM) was completed within the 30-day onboarding timeline.

## 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 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.

## Audit Conclusions

### **FOR SOEBC:**

Based on the audit work performed, we observed a 95% compliance rate (985 of 1,038 active employees) for declaration completion.

### **FOR RWM:**

Based on the audit work performed, we observed a 90% compliance rate (713 of 813 active employees) for course completion. Testing of leadership compliance will be completed later as the course was offline and therefore unavailable for testing.

Management is actively working to resolve all identified non-compliance issues and will provide updates to Audit Services at time of resolution. Process improvement opportunities identified include:

- Developing a regular monitoring and follow-up process to address non-compliance.
- Ensuring all scenarios are full tested prior to going live with courses updates.
- Mapping the process and controls related to course content for LMS.

These improvement opportunities have been communicated and management is working to implement. Audit Services will complete a formal follow-up within six months from the date of this report.

## Acknowledgements

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

# Purchasing Cards

Audit Services

December 31, 2021

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## Transmittal Letter

February 17, 2022

Alan Kerr  
Chief Financial Officer  
74 West Seymour Street  
Kamloops, BC V2C 1E2

Dear Alan:

**Re: Purchasing Cards (P-Cards)**

Attached is the Audit Services' report on the P-Cards audit.

Based on the audit work performed, all items tested were fully compliant to the current P-Card Policy. We identified and communicated opportunities to further strengthen the P-Card control environment. Management is working on plans to address improvement identified.

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

Sincerely,

s 22

ISC, CRMA  
Director, Internal Audit

cc: Farouk Zaba, Director Corporate Finance  
Karen Jensen, Director Corporate Procurement  
Wendy Epp, Senior Manager, Financial Operations  
Ted Ockenden, Director Corporate Services & Facilities  
Mike Hays, Strategic Advisor, Finance and Corporate Services

## Introduction

The P-Card is BCLC's corporate credit card that is issued to authorized employees and is intended to streamline low dollar value purchases. A P-Card is a BCLC corporate Credit Card which is authorized by Finance and Corporate Services. All purchases made by a P-Card must comply with BCLC's Purchasing – Bid Process and Thresholds Policy and Signing and Spending Authority Policy.

Audit Services Audit Plan focuses on the core business activities and processes at BCLC to ensure these are functioning as intended and sufficient controls exist to limit or reduce the risk to BCLC. This engagement is part of the audit plan, as approved the Audit Committee, and is designed to ensure that P-Card transactions are compliant with BCLC policies and processes.

## Statement of Objectives

The objectives of this engagement were to:

- Ensure spending for P-Cards complied with BCLC policies and procedures
- Confirm accuracy for P-Card expenses
- Ensure P-Card expenses are recorded to the correct GL code
- Identify areas for policy or process improvements

## Statement of Scope

The scope of this engagement included a review of the policy and procedures of the P-Cards. In addition, Audit Services incorporated a compliance review of the P-Card Expenses for the period of April 1, 2020, to August 31, 2021.

## Statement of Methodology

The methodology used for this engagement were as follows:

- Interviews and inquiries
- Discussion with key personnel
- Review of procedures and practices
- Use of data analytics

## 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. Audit Services noted no significant changes in personnel changes.

## Audit Conclusions

Audit Services reviewed all transactions from April 1, 2020 to August 31, 2021 and selected a sample based on prior year findings and unusual transactions (83 line items). Based on the audit work performed all selected samples were found to be fully compliant with the current P-Card Policy.

We identified opportunities to further strengthen the P-Card Policy, Procedures, and related control environment including:

- Review and update related Policies including Compliance Committee role
- Provide additional guidance on process and documentation requirements, including recurring training/educational sessions
- Explore alternatives for centralization records retention
- Explore utilization of BMO notification alerts
- Periodic Review of Merchant Category Codes

These improvements have been discussed with management, who are working to incorporate them into the P-Card process and control environment.

## Acknowledgements

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