bclc

74 West Seymour Street
Kamloops, BC V2C 1E2

T 250 828 5500
F 250 828 5631

2940 Virtual Way
Vancouver, BC V5M 0A6

T 604 270 0649
www.bclc.com

**VIA EMAIL**

March 30, 2020

[applicant information]

Re: Request for Records: BCLC File 20-003

British Columbia Lottery Corporation (BCLC) writes further to your January 2, 2019 request (received on January 3, 2019) under B.C.'s *Freedom of Information and Protection of Privacy Act* (FIPPA) and BCLC's letter dated January 9, 2020 and February 14, 2020.

You requested:

> "[3] Executive summaries of all unpublished commissioned reports and external consultant reports – all for the most senior level – from April 8, 2019, until today."

BCLC is providing one record (five pages) in response to your request. BCLC is withholding one record (27 pages) in its entirety under section 17 of FIPPA. Below are the reasons for withholding information under the noted exception to disclosure.

**Section 17 (harm to the financial or economic interests of BCLC)**

The information withheld under this section is harmful to BCLC's financial or economic interests because disclosure would reveal plans that relate to the administration of a public body that have not yet been implemented or made public. Further, disclosure of the sensitive business information within the record is reasonably likely to have monetary value to BCLC's competitors. Disclosure of the information would result in the premature disclosure of a proposal or project that has not yet been announced or made public and could reasonably be expected to result in undue financial loss or gain to a third party.

The full text of section 17 can be found at:
http://www.bclaws.ca/Recon/document/ID/freeside/96165_00

This response will be published a minimum of five business days after release at:
https://corporate.bclc.com/who-we-are/corporate-reports/reports-disclosures.html

If you have any questions or concerns regarding BCLC's processing of your request, please contact me via e-mail at clantos@bclc.com or at (250) 377-2076.

Additionally, under section 52 of FIPPA, you may ask the Information and Privacy Commissioner to review this reply to your request for information. You have 30 business days from the receipt of this notice to request a review by writing to:

Office of the Information and Privacy Commissioner for British Columbia
P.O. Box 9038, Station Provincial Government
Victoria, BC V8W 9A4
T (250) 387-5629 F (250) 387-1696
Email info@oipc.bc.ca Online www.oipc.bc.ca

Sincerely,
[original signed by]

Candice Lantos
Senior Freedom of Information Analyst

Enclosure

# Corporate Finance Review – Executive Summary

## Corporate Finance Review – Objective and Key Strategic Questions

Objective: Identify challenges and opportunities to improve efficiency and effectiveness of Corporate Finance services in the short, medium and long term horizons

Key strategic questions:

1 **What?**

**What are the capability gaps to deliver efficient and effective services?**

2 **Why?**

**Why do we need a Finance Transformation program?**

3 **How?**

**How do we transform to become a high-performing organization?**

# What are the capability gaps to deliver efficient and effective services?

Current operations reflect a significant gap against leading practices; a new set of capabilities is required for Corporate Finance to become a high-performing organization

Project services operating model, organizational structure, governance, playbook and tools

Automated revenue sweeps, reconciliations, billing and posting to GL

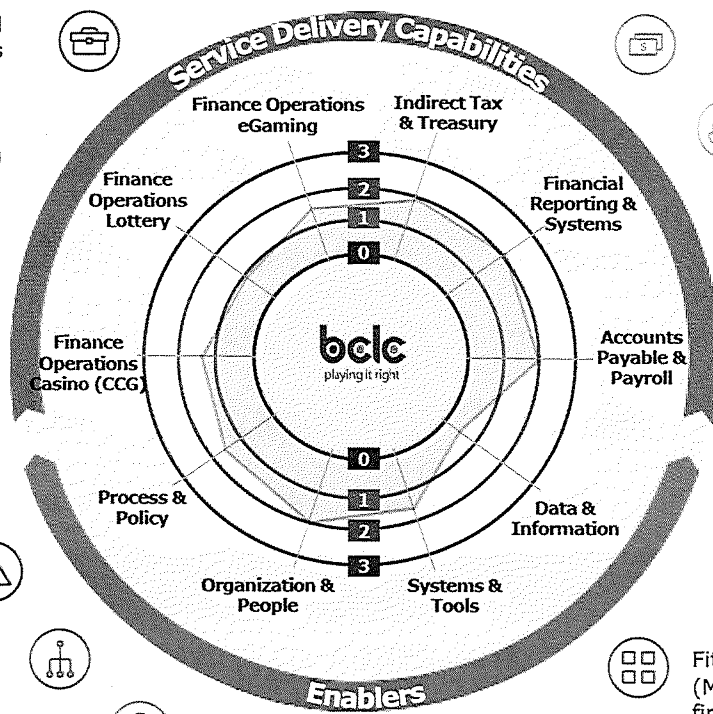
Integration of credit & collections with revenue accounting

Standard operating procedures and full mapping of controls framework

Formal, frequent & timely review of controls; stronger collaboration with Internal Audit

Further consolidation of transactional processing to maximize span of control

Customer service organization, processes and tools (single point of contact, tiered support, demand management))




Finance transformation team/community to focus on continuous improvement portfolio

Automated bank/cash reconciliations and cash position forecasting

Optimized and system enabled project accounting and fixed assets processes

Clear roles and responsibilities between BT & Finance for systems enhancements and testing

Integration of procure to pay services (procurement, invoice processing, T&E, Pcards, payments, etc.)

Paperless & touchless transactional processing (invoice processing, payroll journal entries, etc.)

Integrated Architecture
(Defective / missing integrations creating multiple sources of truth:
- eGaming/Lottery/Casino=>AR
- HR=>Payroll)

Fit-for purpose finance applications
(Multiple foundational modules are not included in the finance systems architecture increasing manual labour:
- Fixed Assets + Project Accounting + Capital
- Treasury / Cash Management
- Revenue Management (Lottery)
- Inventory Management (Lottery)
- Service/Case Management/Portal (service request)
- Risk & Compliance (GRC))

Key Gaps

| | |
|---|---|
| 3 | Leading |
| 2 | Mature |
| 1 | Developing |
| 0 | Non-existent |

# Why do we need a Finance Transformation program?

Corporate Finance has increased labour requirements due to manual processes; the function needs to execute a transformation program to gradually create and redeploy capacity from transactional/manual work to value-add services required by the business:

| Process / Segment | BCLC Current FTE (61.8*) | | Median (50%) | Top Quartile (25%) | Manual Processing | Relative Risk Exposure | Capacity creation opportunity |
|---|---|---|---|---|---|---|---|
| **Accounts Payable** | **7.2** | **8.2%** | 10.2% | 6.1% | | | Med |
| **Payroll** | **2.0** | **2.3%** | 7.1% | 4.2% | | | Low |
| **Revenue Accounting** | **30.6** | **34.9%** | 8.5% | 4.9% | | | Very High |
| **Fixed Asset Accounting** | **1.0** | **1.1%** | 2.0% | 1.2% | | | Low |
| **Financial Reporting** (includes Project Accounting, General Accounting, and External Reporting) | **10.0** | **11.4%** | 13.9% | 7.9% | | | Med |
| **Tax Management** | **3.5** | **4.0%** | 6.3% | 3.3% | | | Med-Low |
| **Treasury** | **3.5** | **4.0%** | 6.5% | 3.4% | | | Med-Low |
| **Leadership & Transformation** (includes Dir. of Corporate Finance, Strategic Advisor, Senior Manager CF, and Manager of Lottery Systems Modernization) | **4.0** | **4.6%** | 5.0% | 2.8% | | | *Variable; subject to number of projects* |

Source: APQC, 2019 N=1,784; HR, BCLC's FTE Corporate Finance and OLG Data

**Legend** High — Low

# How do we transform to become a high-performing organization?

The proposed roadmap prioritizes the initiatives that will deliver the highest impact with the lowest implementation complexity

90 days | 180 days | 1 - 2 years | 3 -5 years. | Vision

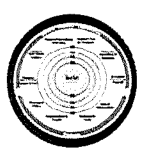
**1. Transformation Governance**
(Capacity creation, tracking and redeployment plan)

**2. Quick-wins portfolio:**
- Reports rationalization
- Elimination of duplicate / non value-add work
- Frequency: journal entries and reconciliations
- Electronic sweeps
- Risk based auditing processes (i.e. T&E)
- Collaboration with Internal Audit

**3. Organization design**
(structure enhancements)
- Project delivery team / solutions
- Customer service function / in-take
- End-to-end integrations (Procure to pay / Cash, etc.)
- Segregation of work specialized vs transactional

**4. Workforce transition to target operating model and new organizational structure**
Deployment of new competencies to become a customer focused organization

Current State



**5. Systems Testing Framework / Roles & Responsibilities**

**6. Rapid Process Automation - Pilot**
(i.e. Reconciliations)

**6b. Deployment across Finance**

**7. Finance Systems Integration & Defects Management**

**8. Lottery Transformation**

**9. Fixed Assets & Capital Mgmt.**
Process Design & Requirements → Systems Implementation

**10. Standard operating procedures (leveraging BPM Tool)**

**11. Service Management System**

**12. Treasury System**
Process Design & Requirements → Systems Implementation

**Vision**

- Become a trusted partner – Become a trusted partner and support the business with agile and effective solutions.
- Do more with less – Deliver standard, cheaper, better, faster and paperless / low-touch transactional services.
- Proactively manage risk– Proactively monitor controls to minimize BCLC,s financial and operational risk exposure.