

Comments on BCLC's Response to Recommendations by B.C.'s Ombudsman (July 2008)

Introduction

In July, 2008, the BC Lottery Corporation (BCLC) issued its fourth quarterly report outlining the status of its response to recommendations made by B.C.'s Ombudsman and Gaming Policy and Enforcement (GPE) concerning B.C.'s lottery systems. This document provides GPE's comments on that report.

Observations

Since BCLC's last report in April 2008, it has continued to make progress on implementing recommendations made by the Ombudsman. In particular, GPE notes that since April 2008 BCLC has:

- Released its first annual report on the rate of retailer play;
- Has initiated an ongoing process to provide multi-lingual information to players;
- Has developed an incentive program for retailers to identify post point of sales security improvements;
- Has developed an incentive program for players to identify any real or perceived deficiencies in the lottery retail system; and
- Has developed policies and procedures as well as implemented system improvement to its customer complaint handling processes.

GPE will continue to monitor BCLC's work regarding these initiatives and where necessary and appropriate will make recommendations.

In its April 2008 status report, BCLC indicated that it had completed developing and implementing a training program for prize payout staff. Consistent with its five-year audit plan, GPE audited BCLC's training processes in order to assess its effectiveness and thoroughness.

After review, GPE has concluded that BCLC's Prize Payout staff training program appears adequate. GPE noted the training program had not yet been fully implemented and, as such, it was not possible to fully evaluate its effectiveness. GPE also determined that further improvements could be made to enhance the effectiveness of the program. These include:

- Ensuring minutes are taken for all prize payout staff meetings;
- Ensuring the newly developed training document for BCLC new staff is used; and
- Ensuring revised prize payout policies and procedures are finalized and implemented as soon as possible.

GPE will review BCLC's training program for prize payout staff again in early 2009 to ensure BCLC has addressed these issues.

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In addition to BCLC's training programs, GPE has identified some other issues that require attention. These include:

- Ensuring that future retailer win rate reports are presented in a clear and transparent manner. In particular, these reports must clearly indicate, in a language the average reader can understand, the rate of insider play and wins at all prize levels; and
- Finalizing its review of prize payout processes for pull tabs.

GPE will continue to monitor and report on BCLC's outstanding obligations related to recommendations made by B.C.'s Ombudsman. These include:

- Implementation of self-serve lottery terminals; and
- BCLC's implementation of enhancements and additions to its fraud detection system.

In its June 2007 report on B.C.'s lottery retailer network, Deloitte and Touche cautioned against the implementation the Ombudsman's recommendation to scan all scratch and win tickets at the time of sale and implementing mandatory retailer swipe cards. GPE is a part of the process determining an appropriate course of action. Once a determination has been made, GPE will monitor and report on any initiatives implemented by BCLC.