

Appendix I

Implementation Status of Recommendations

Nine Recommendations to the Shareholder Governments	Implementation Status at October 1, 2018
2.1 The shareholder governments should complete an indepth review of ALC's mandate that considers how the Corporation fits into each government's gaming policy and public policy objectives and the organizational structures required to achieve these. Based on this review, Atlantic Lottery Corporation's mandate should be updated as required.	Not Complete
2.2 Shareholder governments should periodically review the Unanimous Shareholder Agreement and Corporate By-Laws and revise as warranted.	Not Complete
2.3 Shareholder governments should routinely collaborate and give ALC regular and timely policy direction for ALC to use in its strategic and business planning process.	Not Complete
2.4 Shareholder governments should define and document their roles, responsibilities and authorities for oversight of ALC. Each shareholder government should clarify the relationships between the Board, the responsible Minister, and other government representatives.	Complete
2.5 Shareholder governments should define formal performance expectations for ALC that are clear and publicly communicated. These performance expectations should be updated annually as part of the shareholder governments' oversight and strategic direction.	Not Complete
2.7 Within the accountability framework, shareholder governments should clarify which level of government authority (Deputy Minister, Minister, Cabinet or Order in Council) ALC requires to enter into transactions.	Complete
2.12 Shareholder governments should authorize updated governance structures and processes to reflect best practices for the composition and appointment of Directors, including: <ul style="list-style-type: none"> • A Board selection process that is competency-based, professional, competitive, open, transparent and reflective of the skill requirements for the Board and the needs and practices of each shareholder; • Shareholders appoint voting Board directors for a fixed term greater than one year, subject to renewal; and, • Board members should not be elected officials nor employees of Government. 	Do Not Intend to Implement
2.13 Shareholder governments should change the role of public servants (i.e., government shareholder representatives) on the ALC Board to be non-voting, ex officio members in accordance with best practice.	Do Not Intend to Implement
3.2 The shareholder governments should complete the ongoing review of the Council of Atlantic Premiers pension plan and implement required changes.	Not Complete

Seven Recommendations to the Atlantic Lottery Corporation Board of Directors	Implementation Status at October 1, 2018
2.6 The ALC Board should set performance targets that are measurable indicators of planned outcomes, as well as incorporating relevant industry performance benchmarks. Actual performance against these targets should be publicly reported annually.	Complete
2.8 The ALC Board should separately report in the Corporation's annual report any decisions taken by a shareholder government that would otherwise contravene a Board decision or established business practices.	Complete
2.9 When evaluating new or unusual business ventures, the ALC Board should critically evaluate the relevant experience and skill sets on the Board. As needed, the Board should supplement missing skills with contracted, independent, third-party support.	Complete
2.10 The ALC Board should ensure risks are properly assessed and mitigated to an acceptable level before making investment decisions. It should also ensure that future business venture decisions are aligned with shareholder governments' priorities, policies and tolerance for risk before proceeding.	Complete
2.11 The ALC Board should ensure it obtains sufficient and appropriate information from management to adequately assess the potential risks, rewards, and appropriateness of future proposed initiatives.	Complete
3.1 Atlantic Lottery's Board of Directors should get direction from the four shareholder governments on the Corporation's approach to its compensation packages, including salaries, bonuses, pensions, and other benefits, to determine if it is aligned with shareholder expectations.	Complete
3.7 Atlantic Lottery Board should set policies on spending related to Christmas events and the employee recognition program that are in line with shareholder governments' expectations.	Complete

Nine Recommendations to the Atlantic Lottery Corporation	Implementation Status at October 1, 2018
3.3 Atlantic Lottery should establish a process to ensure required changes to its payroll system are made. The process should include communicating changes to the required staff and confirmation that changes are made.	Complete
3.4 Atlantic Lottery should publicly disclose compensation information to promote accountability and transparency. Atlantic Lottery should consult shareholder governments on their expectations for this disclosure.	Complete
3.5 Atlantic Lottery should revise its travel and expense policy to: <ul style="list-style-type: none"> - address whether alcohol is an acceptable expense; - require meeting and entertainment expenses to be preapproved; and - address appropriate approvals for Board member and CEO expenses. Expenses should only be reimbursed if an adequate description is provided, the expense is supported by an itemized receipt, and the claim is properly approved.	Complete

Nine Recommendations to the Atlantic Lottery Corporation	Implementation Status at October 1, 2018
3.6 Atlantic Lottery should not buy event and concert tickets to give to government and elected officials in an effort to simply improve shareholder relations.	Complete
3.8 Atlantic Lottery should include appropriate performance measures in vendor contracts. These should be established prior to signing the contract.	Complete
3.9 Atlantic Lottery should ensure vendors provide detailed invoices that adequately describe the services provided.	Complete
3.10 Atlantic Lottery should ensure payments to vendors are only made once the appropriate ALC staff confirms that services billed were received.	Complete
3.11 Atlantic Lottery should document contract monitoring processes, including responsibilities for contract monitoring, and follow up to help ensure the required processes are completed.	Complete
3.12 Atlantic Lottery should review its controls around purchases of services to help ensure they are operating effectively.	Complete