

## Chapter 53

### Monitoring Charitable Gaming on Reserves Follow Up

#### 1.0 MAIN POINTS

Saskatchewan Liquor & Gaming Authority (Liquor & Gaming) is responsible for regulating gaming in the Province. In 2010, we assessed Liquor & Gaming's processes to monitor regulatory compliance for charitable gaming on reserves. We found that Liquor & Gaming needed to identify key risks to charitable gaming and use them to evaluate compliance, provide written reports of its evaluation of Indigenous Gaming Regulators Inc.'s compliance to senior management, and keep a written record of revised actions and proposed changes to its Licensing agreement.

This chapter describes our follow up of management's actions on the recommendations we made in 2010. We made three recommendations (2010 Report – Volume 2). Liquor & Gaming has implemented all three recommendations as of August 31, 2012.

#### 2.0 INTRODUCTION

Liquor & Gaming is responsible for regulating gaming in the Province. More specifically, it is responsible for working with other agencies to achieve the consistent regulation of gaming throughout Saskatchewan.<sup>1</sup>

In March 2007, the Government designated Indigenous Gaming Regulators Inc. (IGR) as an authority to regulate charitable gaming on specified reserves in Saskatchewan.<sup>2</sup> Through a detailed Licensing Agreement signed by Liquor & Gaming and IGR, the Government gave IGR authority to perform certain regulatory activities related to charitable gaming on specified reserves including:

- › Licensing charities to conduct charitable gaming on reserves
- › Monitoring compliance with the terms and conditions of the gaming licenses issued (e.g., with on-site inspections)
- › Verifying the accuracy and completeness of reported revenues and expenditures of the charities (e.g., through audits)

Liquor & Gaming is responsible for monitoring IGR's performance of these regulatory activities so that gaming regulations are applied consistently throughout the Province. In 2010, we assessed Liquor and Gaming's processes to monitor regulatory compliance for charitable gaming on reserves. Our 2010 Report – Volume 2, Chapter 15A concluded that Liquor & Gaming had adequate processes as at April 30, 2010 to monitor IGR's compliance with charitable gaming regulatory agreements except as follows. Liquor & Gaming needed processes for:

- › Identifying key risks to charitable gaming and using them to evaluate IGR's compliance

<sup>1</sup> *The Alcohol and Gaming Regulation Act, 1997*, section 12.

<sup>2</sup> The Government took this action through Order in Council 217/2007.



- › Preparing timely written reports to senior management about IGR's compliance
- › Documenting new or revised actions required for consistent application of the regulations

## 3.0 STATUS OF RECOMMENDATIONS

This section set out the recommendations and Liquor & Gaming's actions up to August 31, 2012. We found that Liquor & Gaming has implemented our recommendations.

### 3.1 Key Risks Identified

We recommended that the Saskatchewan Liquor and Gaming Authority identify key risks to charitable gaming and use them to focus its evaluation of the Indigenous Gaming Regulators Inc. compliance with the Licensing Agreement. (2010 Report – Volume 2; Public Accounts Committee agreement January 20, 2011)

**Status** – Implemented.

Liquor & Gaming identified and documented key risks to be used to focus its evaluation of IGR's compliance with the Licensing Agreement. These risks and the strategies to mitigate these risks were developed considering the basic underlying risks associated with charitable gaming. Liquor & Gaming's Senior Management Committee approved these risks in February 2012.

### 3.2 Reporting Evaluations to Senior Management

We recommended that the Saskatchewan Liquor and Gaming Authority's senior management receive timely, summarized, written reports of its quarterly and annual evaluations of the Indigenous Gaming Regulators Inc. compliance with the Licensing Agreement for charitable gaming. (2010 Report – Volume 2; Public Accounts Committee agreement January 20, 2011)

**Status** – Implemented.

A report of the work completed by Liquor & Gaming's Licensing and Charitable Gaming Branch on IGR's 2011-12 annual licensing report was submitted to senior management of the Regulatory Compliance Division in August 2012. The report outlines work completed to ensure IGR is meeting the terms of the Licensing Agreement. IGR is required to provide information regarding: charitable gaming licenses issued during the preceding fiscal year, charitable gaming licences where the concluding financial report was received during the preceding fiscal year, and the monitoring and enforcement activities undertaken by IGR. The report concluded that the information presented complied with the Licensing Agreement.

### 3.3 Written Record of Required Actions and Changes

We recommended that the Saskatchewan Liquor and Gaming Authority keep a written record of required actions and proposed changes to its Licensing Agreement for charitable gaming as agreed upon with Indigenous Gaming Regulators Inc. (2010 Report – Volume 2; Public Accounts Committee agreement January 20, 2011)

**Status** – Implemented.

Liquor & Gaming uses a joint committee to clarify responsibilities and exchange information with IGR. The joint committee is comprised of two members from Liquor & Gaming and two members from IGR. During 2010 to 2012, Liquor & Gaming kept a written record of required actions and proposed changes to the Licensing Agreement through minutes of this committee. Draft revisions to the Licensing Agreement are proposed at the joint meeting. If changes are required to the draft revision, a plan is documented indicating who is responsible and the timeframe for completion. Final changes to the Licensing Agreement are formally agreed to in a revised written appendix.