

BOARD TERMS OF REFERENCE

Objectives

The Board of the Alberta Gaming and Liquor Commission (AGLC) functions as a steward of the Corporation, acting on behalf of its primary stakeholder - the Government of Alberta – as well as its many stakeholders and partners located throughout Alberta and Canada. [MOU 2.5]

The objects of the AGLC are to: [GLA 3]

1. administer the *Gaming and Liquor Act*;
2. conduct and manage provincial lotteries for Alberta;
3. carry out the functions respecting gaming delegated to it by the Lieutenant Governor in Council under the Criminal Code (Canada);
4. control, in accordance with the Act, the manufacture, import, sale, purchase, possession, storage, transportation, use and consumption of liquor; and
5. generate revenue for the Government of Alberta.

Responsibilities [MOU 2.6]

The Board of the AGLC has three major areas of responsibilities in its governance role: monitoring, policy and regulation. The Board is responsible for:

1. **Monitoring** (ensuring that the powers and the duties of the AGLC are appropriately carried out) [GLA 12(1)(a)]
 - ensuring that appropriate monitoring and control systems are in place for assessing risk, that systems are also in place to ensure the integrity of financial reports and that the Board has open communication with the Auditor General; [MOU 2.9]
 - advising on, reviewing and recommending the three year business plan and a strategic plan for the AGLC and ensuring that both are implemented and updated annually;

- ensuring that an integrated communication plan is in place for the AGLC and that the Board communicates effectively with its stakeholders and partners; and
- maintaining a Governance Handbook outlining the Board's governance practices and structures.

2. **Policy** (establishing policies of the AGLC) [GLA 12(1)(b)]

- developing, maintaining and revising its policies, and determining and approving policies for which it is responsible through legislation, in accordance with the *Gaming and Liquor Act*; [MOU 2.7]
- being concerned with the legality of all proposed policies and steps taken to ensure that no regulation or statute is contravened by the proposed policy and that all policies are consistent;
- receiving policy direction from the Solicitor General and Minister of Public Security and in return, providing policy recommendations to the Minister; [GLA 7(1)]
- ensuring that all policies shall have an effective date and are reviewed; and
- consulting with stakeholders and partners on policy issues.

3. **Regulatory** (conducting hearings and making decisions respecting licences and registrations) [GLA 12(1)(c)]

- functioning as an Administrative Tribunal to carry out its regulatory responsibilities as prescribed by legislation; [MOU 2.8]
- conducting hearings, developing and applying policies and rules and making decisions on gaming and liquor licences and registrations; and
- having the powers, privileges and immunities of a commissioner under the *Public Inquiries Act* when conducting a hearing. [GLA 12(2)]

Board Composition

The Board of the AGLC consists of not more than seven (7) members, all appointed by the Lieutenant Governor in Council, acting on the recommendation of the Solicitor General and Minister of Public Security. From these members, the Lieutenant Governor in Council appoints a Chair of the Board. Board members are chosen from the general public by open competition. [GLA 9(1)][GLA 9(2)][MOU 2.5]

The CEO is also a member of the Board but is not eligible to vote or to serve as Chair or acting Chair. [GLA 9(1.1)]

The term of appointment for each Board member is three (3) years, up to a maximum of three terms or 9 (nine) years.

A quorum of the Board is three members. Motions and resolutions are decided by a majority of the votes of the members present. In case of a tie vote, the Chair will break the tie. If there is a vacancy on the Board, a quorum of the remaining Board members may exercise all powers of the Board. [GLA 9(3)]

Board members remuneration is set pursuant to the Order in Council (O.C.) 466/2008, Schedule 1, Part A. [GLA 9(4)]

Board Governance

The Board of the AGLC is committed to best practices in governance and to implementing these practices to ensure it manages a strong and effective corporation. A major objective is to ensure greater transparency and understanding of the corporation for its partners and its stakeholders. Best practices in governance include: [Governance Handbook MOU 2.5]

1. setting the broad parameters for the AGLC management team, including reviewing and approving all major decisions;
2. developing the strategic planning process with the management team and guiding the resultant strategic direction, as well as monitoring both immediate and strategic opportunities and risks;
3. ensuring that senior management is sound and capable of successfully managing the corporation;

4. monitoring and assessing the performance of the CEO; and
5. ensuring that corporate integrity and transparency are evident to both its primary stakeholders and its partners and stakeholders.

Evaluation

The Board shall undertake an assessment of the effectiveness of the Board as a whole, the Audit Committee, the Finance Committee, the Corporate Governance and Stakeholder Committee, the HR Committee, the Chair and the contribution of individual Board members. This evaluation will take place annually upon the review of governance practices established in the Board Governance Handbook.

Duties and Responsibilities

Board Members

Independent members of the Board shall be responsible for: [MOU 2.14]

1. defining and evaluating their duties within a framework of broad policy objectives defined by the Government of Alberta, the Legislative Assembly, Finance and Enterprise, Treasury Board, the Solicitor General and Minister of Public Security and the Board of the AGLC;
2. exercising independent judgment in overseeing the operations of the AGLC within the mandate determined by legislation, the three year business plan and the strategic plan;
3. acting honestly and in good faith with a view to the best interests of the AGLC;
4. exercising due care, diligence and skills expected of any prudent person;
5. acting independently and ethically, and understanding the importance of the Board Code of Conduct and Ethics and annually signing the Code of Conduct and Ethics, including the Board member Private Disclosure Statement;
6. participating in orientation upon appointment to the Board and annual Board Orientation;
7. participating in identified educational courses recommended by the Board Chair;

8. participating in annual evaluation of the overall performance of the Board and its standing and special committees, and peer to peer; and
9. serving as members of standing committees, special committees and Hearing panels when requested to do so by the Chair.

Chair of the Board

The Chair of the Board of the AGLC shall be responsible for: [MOU 2.12]

1. keeping the Minister apprised of policy and administrative issues or events that concern or can reasonably be expected to concern the Minister;
2. ensuring that the Minister is provided with timely, relevant, accurate and complete reports that will assist the Minister to assess whether the AGLC is fulfilling its mandate;
3. attending or making presentations to government representatives or committees of Cabinet or the Legislature on matters concerning the AGLC, when requested to do so by the Minister;
4. providing advice to the Minister that supports excellence in governing Alberta's gaming and liquor industries;
5. reporting annually to the Minister on the results of the Board Effectiveness Survey, including compliance with, and any major changes to, the Board Governance Handbook;
6. reporting annually to the Minister on the results of the evaluation and performance of the CEO;
7. providing guidance and leadership to the Board's standing and special committees and the AGLC's CEO, as well as being accountable for their day to day performance;
8. appointing members of the Board to standing and special committees, as well as appointing the respective Committee Chairs;
9. appointing members of the Board to Hearing Panels, as well as appointing the respective Panel Chairs;

10. serving as an ex-officio member of all Board Committees, including standing and special committees;
11. representing the AGLC at all public and private functions;
12. designating the authority of the Chair, on a temporary basis to a member of the Board, when the Chair is absent and unable to carry out the duties of the Chair. In cases where the Chair is unable to designate an acting Chair, or if the Office of the Chair is vacant, the Minister may designate a member of the Board to be acting Chair; and
13. ensuring that each Board member signs the Board Code of Conduct and Ethics and the Board member Private Disclosure Statement annually.

Chief Executive Officer

The Board of the AGLC shall ensure that the CEO is accountable to the AGLC, reports to the Board through the Chair, and is responsible for: [MOU 2.17]

1. the day-to-day management and operation of the AGLC and exercising the AGLC's natural person capacity, rights, powers or privileges; [GLA 18(2)(c)][GLA 18(2)(a)]
2. establishing appropriate systems for the general administration and financial management and control of the AGLC;
3. monitoring performance and taking corrective action when problems are identified;
4. working with the Board to develop short and long-range business plans, as well as capital and operating budgets, investment and risk management plans;
5. maintaining effective communications with the Board Chair, Ministers Office, Deputy Minister, senior staff in the department, other government ministries and other business partners as required;
6. operating within the mandate and policies approved by the Board, the Government of Alberta and budget approved by the Board; [GLA 18(2)(b)]
7. ensuring that the assets and liabilities of the AGLC and any public funds are managed effectively and with probity; and

initiating and undertaking reviews of the *Gaming and Liquor Act and Regulation* and/or bringing forward amendments to the Solicitor General and Minister of Public Security. [GLA 18(2)(d)]

- a. at the request of the Minister;
- b. upon the Chief Executive Officer's own initiative;
- c. pursuant to any sunset clauses in the Act or Regulation; and
- d. at the request of the Board.

The Chief Executive Officer shall be an ex-officio non-voting member of the Board.

Corporate Secretary

The Corporate Secretary reports to the Board Chair and Chief Executive Officer and is responsible for advising on risk management and Board governance. The duties and responsibilities include:

1. keeping the Board and CEO informed, focused, and organized;
2. reviewing composition of the Board and its Committees annually;
3. reviewing Board and Committee mandates to ensure up to date job descriptions;
4. guiding and advising the Board on statutory requirements, duties, good governance practices, good hearing practices and specific needs/business questions;
5. reviewing Code of Conduct and Ethics and Whistleblower policies; and
6. mediating between management and Board requirements.

Director of Internal Audit

Under the direction of the Audit Committee of the Board of the AGLC, the Director, Internal Audit provides independent and objective assurance designed to add value and improve the operations of the AGLC. In addition the Director, Internal Audit will plan and administer a comprehensive internal audit program that includes complex financial, operational and/or compliance audits to determine whether the AGLC's risk management, internal control and governance processes are adequate and functioning in a manner to ensure:

1. adequacy, reliability and integrity of significant financial, managerial, and operating information;
2. compliance with contracts, policies, plans, procedures, laws and regulations;
3. economical and efficient use of resources and the safeguarding of assets;
4. identification and managing of significant and emerging risks; and
5. achieving established objectives for projects, programs, divisions and the AGLC as a whole.

In response to requests by management or the Board, the Internal Audit Branch may perform consulting services as part of its activities. Such consulting may result in recommendations for long-range strategies to address emerging issues having corporate-wide impact on the AGLC.

Executive Assistant to the Board/Assistant Corporate Secretary

The Executive Assistant to the Board, reports to the Chair and coordinates corporate planning, risk identification and management, and financial and performance reporting for the board. The duties and responsibilities also include:

1. providing support to the Chair of the Board by conducting research and analysis, as directed by the Chair into gaming, liquor and other matters and drafting required reports, briefings, presentations, correspondence and other written material;
2. researching and organizing Board educational and planning sessions;
3. providing policy support as required and advice on new developments in corporate governance and stakeholder relations;
4. coordinating and assembling briefing and policy material to assist Board members in preparing for meetings and performing their policy and oversight roles; and
5. providing assistance to the Corporate Secretary in the carrying out of his/her duties.

Board Secretary

The Board Secretary reports directly to the Chair of the Board and is the lead administrative support for the Board Office. The duties and responsibilities include:

1. coordinating the activities of the Chair and six (6) Board members by providing administrative support to promote the effective functioning of systems and procedures within the Board Office;
2. preparing Board meeting schedules, agendas, meeting files, and correspondence/ notices resulting from meetings and recording Board decisions;
3. coordinating the Hearings process by preparing Notices of Hearings, providing administrative support to Hearing Panels, and assisting in the preparation of Hearing Panel decisions; and
4. attending committee and other meetings of the Board, as required, preparing minutes and keeping records.

Policies and Procedures

Meetings

The Board will hold a minimum of seven (7) meetings annually with one meeting being held each year in Calgary. A calendar of Board meetings is established one year in advance.

[GLA 15]

Notices of meetings giving the time, location and agenda and briefing material is normally sent out to Board members seven (7) working days before the date of meeting. Notices of emergency meetings will be given by the Chair in a manner appropriate.

The Chair convenes Board meetings and may adjourn any meeting of the Board or any Panel of the Board to another time and place.

Pre-board meetings will be in-camera session with only voting Board members present. Others, including the CEO, may attend by invitation.

An agenda of material proceedings, deliberations addressed by the Board and all recommendations, decisions and directives of the Board shall be recorded by the Board Secretary by way of meeting minutes.

A draft copy of the minutes of a Board meeting, shall be provided to Board members at the next regular Board meeting.

Panels

The Board has the powers, privileges and immunities of a Commissioner under the Public Inquiries Act when conducting a hearing. [\[GLA 12\(2\)\]](#)

The Chair may designate any two (2) or more members, which may include the Chair, to sit as a Panel of the Board and may direct that Panel to make any decision that the Board may make with respect to licences or registrations, or to conduct any hearing or inquiry that the Board may conduct. [\[GLA 11\(1\)\]](#)

A quorum of a panel is two (2) members and a decision or action made or taken by a Panel is a decision or action of the Board. If the Chair is not a member of the Panel, the Chair must designate one of the members of the Panel to preside over the Panel. [\[GLA 11\(2\)\]](#)[\[GLA 11\(3\)\]](#)[\[GLA 11\(6\)\]](#)

Hearings are conducted as described in the AGLC Board Hearing Manual.

Committees of the Board

The Board shall appoint any Committee (Standing or Special) that it determines necessary or appropriate to conduct the affairs and business of the AGLC and to prescribe the scope, duties and responsibilities of that Committee through Terms of Reference for the Committee.

Currently, the standing committees of the Board are the Audit Committee, Finance Committee, Corporate Governance and Stakeholder Committee, and the Human Resources Committee. Each Committee has its own Terms of Reference setting out its responsibilities. Terms of Reference are adopted by the Board based on the recommendation of the applicable committee. Each Board Committee reports to the full Board on the activities of the Committee at each scheduled meeting of the Board.

The Chair shall appoint Chairs and members of the Committees. The Chair, in conjunction with current Committee Chairs, shall annually review the membership composition, and mix of required skills and qualification of persons sitting on the Board.

The Chair shall be an ex-officio member of all Committees.

The Board shall have the authority to retain external advisors, experts or consultants in order to properly discharge its duties and responsibilities.

All deliberations of the Board, and all records, material and information pertaining to the AGLC obtained by a Board member shall be considered confidential. Board members shall maintain the confidentiality of deliberations and shall safeguard any records, material and information from improper access.