

ALBERTA GAMING, LIQUOR AND CANNABIS COMMISSION

MANDATE AND ROLES DOCUMENT

made September 24, 2020

This Mandate and Roles Document has been developed jointly by the Alberta Gaming, Liquor and Cannabis Commission and the President of Treasury Board and Minister of Finance, pursuant to the *Alberta Public Agencies Governance Act*.

1. INTRODUCTION

1.1 Definitions:

In this document:

- “AGLC” means the Alberta Gaming, Liquor and Cannabis Commission;
- “APAGA” means the *Alberta Public Agencies Governance Act*, including any amendments;
- “Board” means the board of the AGLC;
- “Chair” means the chair of the AGLC designated under the GLCA;
- “CEO” means the chief executive officer of the AGLC, who currently has the title “President and CEO”;
- “Department” means the Department of the Minister, currently established as the Department of Treasury Board and Finance of the Government of Alberta;
- “Deputy Minister” means the Deputy of the Minister or, if the Minister has more than one Deputy, the Deputy whose responsibilities include the AGLC;
- “GLCA” means the *Gaming, Liquor and Cannabis Act*;
- “Member” means a member of the Board;

- “Minister” means the Minister, currently the President of Treasury Board and Minister of Finance, who is responsible for the GLCA as designated under section 16 of the *Government Organization Act*; and
- “MRD” means this Mandate and Roles Document.

1.2 Nature of this Document:

This MRD is made by the AGLC and the Minister pursuant to and in accordance with the requirements of section 3 of APAGA. This MRD is not a contract, nor does it establish or create legal obligations. Rather, it describes and reflects the mandate of the AGLC, its relationship with the Minister and the Department, its governance and operational structure, and respective roles and responsibilities.

APAGA requires that this MRD be reviewed and renewed, amended or replaced within three years after it was made or most recently amended.

2. GOVERNING LAW

2.1 Statutory Mandate of the AGLC:

The GLCA continues the AGLC as a corporation, with responsibility to oversee the gaming, liquor and cannabis industries in Alberta.

2.2 AGLC Status:

The AGLC is, by statute, an agent of the Crown in right of Alberta, which means:

- the Government of Alberta ultimately has legal responsibility for the debts, liabilities and obligations of the AGLC; and
- the AGLC is entitled to all legal immunities of the Government of Alberta.

The GLCA also states that all real and personal property of the AGLC and all money received by the AGLC is the property of the Government of Alberta.

2.3 Regulations:

The AGLC is also governed by regulations made under the GLCA, specifically the *Gaming, Liquor and Cannabis Regulation*.

2.4 Other Governing Legislation:

In addition to the GLCA and its regulations, the AGLC has duties and obligations under various other Alberta statutes (and the regulations made under those statutes), most significantly the following:

- the *Financial Administration Act* (Alberta), which governs the AGLC as a “Provincial corporation” (but subject to the *Funds and Agencies Exemption Regulation*, which exempts the AGLC from sections 37 and 38 of that Act regarding expenditure officers and accounting officers);
- APAGA, which applies to the AGLC as a “public agency” under that Act;
- the *Fiscal Planning and Transparency Act*, which requires the AGLC, as an “accountable organization” that is part of the Minister’s “ministry”, to provide a business plan and annual report for each fiscal year;
- the *Freedom of Information and Protection of Privacy Act*, which applies to the AGLC as a “public body” under that Act;
- the *Conflicts of Interest Act*, which requires the AGLC to implement a code of conduct in accordance with the requirements of that Act;
- the *Lobbyists Act*, which applies to the AGLC as a “prescribed provincial entity” and may require entities lobbying the AGLC to register under that Act;
- the *Public Interest Disclosure (Whistleblower Protection) Act*, which applies to the AGLC as a “public entity” under that Act;
- the *Public Sector Compensation Transparency Act*, which applies to the AGLC as a “public sector body” under that Act; and
- the *Reform of Agencies, Boards and Commissions Compensation Act*, which includes obligations to provide the Minister with information on the AGLC’s compensation policies, plans, guidelines, programs and studies, and pursuant to which a “compensation framework” has been prescribed in relation to the AGLC.

Because the AGLC is a “Provincial corporation”, the Auditor General of Alberta is the auditor of the AGLC.

The AGLC’s procurement practices are subject to the New West Partnership Trade Agreement and the Canadian Free Trade Agreement, entered into by the Government of Alberta.

As well, the AGLC has responsibilities under, or is subject to the following federal statutes:

- Criminal Code (Canada);
- the *Cannabis Act*;
- the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*;
- the Customs Act; and
- the Excise Act and the Excise Act, 2001.

3. AGLC OPERATIONS

3.1 Corporate Administration:

The AGLC has its own employees, and subject to section 7 of the GLCA is operationally independent of the Department and the Government of Alberta. By section 7 of the GLCA, the AGLC and the Board are required to follow any policies made by the Minister in relation to the AGLC.

3.2 Funding and Revenues:

The AGLC collects revenues from liquor, cannabis and gaming and after paying its expenses from those revenues pays the balance to the Government of Alberta.

3.3 Regulatory Functions:

Under section 3 of the GLCA, the AGLC has responsibility to do the following:

- administer the GLCA;
- conduct and manage “provincial lotteries” for the Government of Alberta;
- carry out the functions respecting gaming delegated to it by the Lieutenant Governor in Council under the *Criminal Code (Canada)* or conferred on it by the GLCA;
- control the manufacture, import, sale, purchase, possession, storage, transportation, use and consumption of liquor;
- control the import, purchase, giving, possession, storage, transportation, and use of cannabis;
- distribute and/or control the distribution of cannabis;
- sell and/or control the sale of cannabis; and
- generate revenue for the Government of Alberta.

3.4 Budget and Planning:

The fiscal plan, business plan, and ministry annual report that is required to be prepared annually by the Minister pursuant to the *Fiscal Planning and Transparency Act* must include the AGLC as a Provincial corporation that is part of the ministry of the Minister. As an “accountable organization” under that Act, the AGLC will, in consultation and collaboration with the Department, prepare an annual budget and annual report.

3.5 Subsidiaries:

The AGLC does not have any subsidiaries.

4. GOVERNANCE

4.1 The Board:

Under the GLCA, the Board of the AGLC consists of not more than 9 members appointed by the Lieutenant Governor in Council and the CEO, who is a non-voting member of the Board.

From among the Members, the Lieutenant Governor in Council must designate a Chair. The CEO is not eligible to serve as Chair.

4.2 Regulatory Proceedings:

For regulatory proceedings, the Chair may designate 2 or more members of the Board, other than the CEO, to sit as a panel of the Board in relation to licences or registration or to conduct any hearing or inquiry.

4.3 Recruitment and appointment:

The recruitment and appointment process for Members is guided by the provisions of APAGA and is subject to generally applicable policies established by the Government of Alberta.

4.4 Responsibilities of the Board:

The Board is in most respects akin to a board of directors. Under section 12 of the GLCA, the Board is expressly assigned responsibility for the following:

- ensuring that the powers and duties of the AGLC are appropriately carried out;
- establishing the policies of the AGLC;
- conducting hearings and making decisions respecting licences and registrations.

However, by section 14 of the GLCA, powers and duties assigned to the AGLC by an enactment are to be performed by the CEO, subject to any power of delegation in the enactment.

In practice, the Board carries out the following further functions:

- oversees compliance by the AGLC with all relevant enactments and policies;
- monitors the financial performance of the AGLC and ensures that effective internal controls and reporting systems are in place;
- establishes internal governance practices and structures, including rules and procedures for the conduct of its meetings and hearings and for making decisions and orders;
- ensures that material developments and significant emerging legal and other issues are disclosed to the Minister;
- ensures that the strategic plan and business plan are implemented and updated annually;
- develops a position description for the CEO, provides a recommendation to the Minister regarding the appointment of the CEO, and monitors and evaluates the performance of the CEO; and
- carries out any policy directions from the Minister under section 7 of the GLCA.

4.5 The Chair:

The Chair represents the Board and the AGLC in interacting with the Minister, the CEO, stakeholders and the community. The Chair is responsible for providing leadership to the Board and for guiding the work of the Board.

4.6 Committees of the Board:

The Board has established the following committees, current as of the date of this Mandate and Roles Document:

- Audit & Finance Committee;
- Governance & Human Resources Committee; and
- Policy Committee.

The Board's committee details are available on aglc.ca.

4.7 The CEO:

The CEO is appointed by the Lieutenant Governor in Council. Although the CEO at present is an employee of the Government of Alberta, the CEO's remuneration is paid by the AGLC.

4.8 Code of Conduct:

The AGLC has, in accordance with APAGA and the *Conflicts of Interest Act*, implemented codes of conduct (including the process for administering the code of conduct and ethics) governing:

- the conduct of members of the Board; and
- the conduct of employees of the AGLC.

The Chair is responsible for administering the Board's Code of Conduct and Ethics, and the CEO is responsible for administering the employee Code of Conduct and Ethics. The Board Code of Conduct and Ethics is reviewed and agreed to annually by each Board Member.

Both the Board and employee Code of Conduct and Ethics are available on the AGLC's website.

4.9 Respective Roles and Responsibilities:

The respective roles and responsibilities in relation to the AGLC are summarized as follows:

- the AGLC is responsible for carrying out its statutory mandate, complying with other applicable enactments, and performing its contractual obligations;
- the Chair is responsible for representing the Board and the AGLC, and providing leadership to the Board;
- the members of the Board are collectively responsible for the governance of the AGLC and overseeing the management of the AGLC's business affairs. The Board guides the AGLC's strategic direction and approves and monitors the AGLC's business plan, fiscal plan, capital plan, and financial results.
- the CEO is responsible for recommending and implementing the strategic direction, and for the day-to-day operations of the AGLC;
- the Minister is responsible for overseeing the overall governance and operations of the AGLC as a Provincial corporation, and is responsible for the GLCA; and
- the Department is responsible for supporting the Minister in the above functions.

Further, pursuant to APAGA, the Minister must:

- participate in setting the AGLC's long-term objectives and short-term targets, if any;
- monitor whether the AGLC is acting within its mandate and achieving its long-term objectives and short-term targets, if any; and
- advise the AGLC of any applicable government policies with respect to its activities or operations.

4.10 Accountability and Evaluation:

The AGLC, the members of the Board, and the Chair are ultimately accountable to the Minister and the Government of Alberta.

The CEO is accountable to the Board.

The Board conducts an annual evaluation process that assesses the effectiveness of the Board, any committees of the Board, the Chair, and the CEO.

5. REPORTING AND COMMUNICATIONS:

5.1 Reporting and Accounting:

The AGLC is part of the consolidated reporting entity for purposes of the financial statements of the Government of Alberta, and pursuant to the *Fiscal Planning and Transparency Act* must provide an annual report in a form and containing information as directed by the Minister.

The Minister may from time to time request from the AGLC additional reporting, which may be either specific or general, and either periodic or one-time.

The AGLC is a “government business enterprise” for accounting purposes.

5.2 Communications:

The AGLC and the Department jointly believe that regular and open communications between them are foundational to an effective working relationship. To that end, multiple avenues of communication are employed, including but not limited to the following:

- between the Chair and the Minister;
- between the CEO and the Deputy Minister;
- between various officials of the AGLC and the Department; and
- between the respective internal legal counsel of the AGLC and the Department.

In particular, it is expected that the AGLC and the Department will provide timely notice to each other of any of the following:

- planned or recommended legislative amendments or other changes that would have a significant impact on the AGLC or the Government of Alberta or to stakeholders under the GLCA;
- any lawsuits (and any other judicial or quasi-judicial proceedings) threatened or commenced:
 - in respect of activities carried out by the AGLC; or
 - against any Board member or officer of the AGLC in such capacities; and
- any involvement in a judicial or quasi-judicial proceeding concerning or having an impact upon Alberta gaming, liquor or cannabis laws and referencing a constitutional issue or a Charter of Rights and Freedoms issue.

The CEO is responsible for establishing the AGLC’s internal, external, and crisis communication programs. The CEO is further responsible for coordinating communications with Treasury Board & Finance, who will engage the Communications and Public Engagement office of the Government of Alberta, and for observing any applicable communications protocols established by the Government of Alberta.

5.3 Publication of this MRD:

A copy of this MRD will be posted on AGLC’s website (aglc.ca).

Signed and dated by the Chair of the AGLC and by the President of Treasury Board and Minister of Finance:

Original signed

 LEN RHODES
 Chair

Date: November 4/20

Original signed

 TRAVIS TOEWS
 President of Treasury Board and Minister of Finance

Date: OCT 27 2020