



AGCO

Alcohol and Gaming
Commission of Ontario

Alcohol and Gaming Commission of Ontario

2020–2021 Annual Report

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Alcohol and Gaming Commission of Ontario
2020–2021 Annual Report

Memorandum to: The Honourable Doug Downey
Attorney General
From: Lalit Aggarwal
Chair
Alcohol and Gaming Commission of Ontario

I am pleased to present the Alcohol and Gaming Commission of Ontario's Annual Report covering the period April 1, 2020, to March 31, 2021.

A handwritten signature in black ink, appearing to read "Lalit Aggarwal".

Lalit Aggarwal
Chair

Chair's message

Delivering on our mandate by continuing to support the sectors and industries we regulate

COVID-19 cast a dark shadow over the whole 2020–2021 fiscal year and on behalf of the Board, let me start by saying that our thoughts go out to all those who have suffered from the effects of this terrible pandemic. Equally, we remain deeply thankful to all those front-line workers – including in our own organization – who have worked tirelessly to help keep others safe and our economies moving forward.

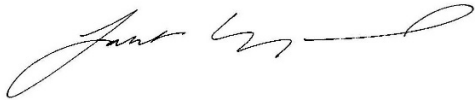
This year was one of tremendous change for everyone – the province, the agency, and our stakeholders. Despite these unprecedented challenges, we delivered on our mandate by continuing to support the alcohol, gaming, horse racing and cannabis retail sectors, supporting economic relief measures, introducing new initiatives, and reducing red tape and regulatory burdens that were all positively received by licensees, registrants, and stakeholders. We also began work on our new igaming line of business, further enhancing our commitment to being a modern regulator, in today's ever-changing climate. AGCO staff continued to meet the needs of the public, while working remotely. The Board remains grateful for their dedication to serve Ontarians. I am pleased to announce the addition of two new Board Members to the AGCO Board this year. Neil Desai joined the Board in September 2020, and Heidi Reinhart joined us in October 2020. Neil brings extensive knowledge of cybersecurity as well as previous experience serving the federal government. Heidi brings a wealth of expertise in securities and corporate law, with a strong penchant for corporate governance. I look forward to their impact on the agency. In 2020–2021, we bid farewell to Elmer Buchanan, Tony Williams, and Philip Leong; former Board members who completed their terms. Elmer and Tony both joined the AGCO in 2016, and Philip joined us in 2019. Tony has also moved over to the Horse Racing Appeals Panel as a Panel member. We thank them for their service to the Board, this agency as a whole and the people of Ontario.

I would like to take a moment to recognize the outgoing AGCO CEO, Jean Major, who retired in September 2020. Jean's leadership and commitment has had a profound impact on the agency. To honour his legacy, the AGCO has created the Jean Major Public Service Award of Excellence, to be awarded annually to the staff member who embodies a commitment to selflessness. I would also like to extend a warm welcome to Tom Mungham, who took over at the helm in September 2020 as CEO and Registrar. Tom previously served as the agency's Chief Operating Officer and has been an invaluable member of the C-Suite team for the better part of the last 15 years. I am so grateful to have Tom's strong leadership skills and dedication to Ontarians and staff alike – especially in these tumultuous times. Tom continues to move forward with his commitment to enhancing service to customers, and improving all aspects of the agency, including the expansion of the new regulatory igaming line of business, and taking steps towards modernizing the liquor sector. Under Tom's leadership, the agency continues to be a forward-looking employer and one that is building towards the workplace of the future. I would also like to recognize that there were a number of leadership changes within the C-Suite team over this past year due to retirements. The Board has very much enjoyed working with this new team and is looking forward to the continued collaboration with the team in the year to come. This year also brought additional changes to the agency when the government, in its 2020 Budget, announced that in addition to regulating Ontario's existing gaming market, the AGCO will establish a subsidiary to conduct and manage registered third-party operators in the igaming market, independent of its role as regulator. We are excited to undertake this

work to implement the government's objective of establishing a competitive Ontario market that will bring the unregulated market's online gaming operators into Ontario's legal market, including a robust consumer protection framework.

As part of the Auditor General of Ontario's Annual Report released in December 2020, the Auditor General reported on her *Value for Money* audit of the AGCO. The AGCO welcomed the Auditor General's recommendations to enhance the effectiveness of the AGCO's regulatory activities and has committed to implementing an action plan to address the findings of the report. I would also like to express my thanks to the AGCO staff that helped support the audit and the processes it entailed.

Diversity, Inclusion and Accessibility is one of the key initiatives of the AGCO's Corporate Plan. The leadership team and staff have worked diligently this year to support the development of a strategy that will be used to guide and inform all aspects of our work. The Board will continue to support this evolving strategy which ensures our workforce is reflective of Ontario's demographic diversity and one that is free of discrimination and harassment while delivering services in an accessible, culturally aware, relevant, and responsive way. Thank you to all AGCO staff for another outstanding year. I am privileged to be associated with public servants that care so deeply for the work they do, and the sectors the AGCO regulates. I look forward to another year of progress and continued advancements to how we service Ontarians.

A handwritten signature in black ink, appearing to read 'Lalit Aggarwal', with a stylized flourish at the end.

Lalit Aggarwal
Chair

Chief Executive Officer's message

Embracing change as a modern regulator to support our stakeholders and the people of Ontario during the COVID-19 pandemic

This past year has truly been one like no other. The COVID-19 pandemic continued to rock all of the industries and sectors we regulate, as well as all aspects of our business. From emergency orders that reduced business hours, to closures, to stay-at-home orders – necessary public health measures have had a significant impact on our licensees, registrants and the people of Ontario.

During this extraordinary time, the AGCO showed its ability to nimbly respond to the pandemic, both as a regulator and as an employer. We focused on the health and safety of our employees and our workplaces, all while maintaining vigilance to protect the public interest and leading efforts to support the industries and sectors we regulate. We directed our efforts at ensuring Ontarians had access to the goods and services provided by our licensees and registrants in the midst of the pandemic.

To support all licensees, registrants and authorization holders, with the Government we automatically extended all active liquor, gaming, cannabis and horse racing licences, registrations and authorizations, at no cost.

To further help authorized cannabis retail stores cope during the province-wide state of emergency, we worked with government to enable their switch to offering delivery and curbside pickup. With the government's approval, we were able to increase our issuance rate of cannabis Retail Store Authorizations (RSAs) from five to thirty per week. As of March 31, 2021, the AGCO had authorized 706 cannabis retail stores in Ontario.

In response to government emergency orders, the AGCO assisted hospitality sector industry workers and businesses by allowing liquor sales licensees to sell beer, wine and spirits with food takeout and delivery. We also lowered the minimum price for spirits ordered with food for takeout and delivery and made it easier for cideries to sell directly to consumers.

The AGCO supported additional government liquor reforms by allowing bars and restaurants to temporarily extend their outdoor patio spaces to safely accommodate patrons and staff, once licensed establishments were permitted to reopen for business.

Our Racing Reform team continued to protect the integrity of horse racing by focusing on the advancement of the health and welfare of horses and people. This included the implementation of a Concussion Protocol at Ontario's Thoroughbred and Quarter Horse racetracks and, in response to industry requests, increased jockey weight restrictions and reduced qualification requirements for Standardbreds.

When charitable gaming facilities were forced to close to the public, the AGCO expanded payment options for paper-based bingo facilities and increased flexibility for Bingo Revenue Model licences. We also modernized our service channels and enhanced customer experience by launching online services for charitable lottery licensees and electronic gaming equipment submissions.

To protect the public, our Compliance Officials took steps to prevent the spread of COVID-19 by inspecting high-risk areas and businesses to ensure compliance with emergency orders.

In the November 2020 Budget, the Government of Ontario announced that the province would conduct and manage a regulated internet gaming (igaming) market through a subsidiary of the AGCO. We are now actively working with the province to develop a competitive online gaming model that will foster an exciting gaming experience, protect consumers, and support market growth.

In response to the Auditor General of Ontario's Value for Money audit of the AGCO, we developed an action plan to address the recommendations over the next two years. This included producing the AGCO's 2020–21 Statement of Revenue and Expenditures which is included in this Annual Report. (page 55)

Late last year, our former CEO and Registrar, Jean Major, announced his retirement after 35 years of public service and 16 years at the helm of the AGCO. Jean's retirement took effect during this past fiscal year, and I joined the AGCO's Board and staff in expressing our deep appreciation to Jean for all his contributions to this agency and to the industries and sectors we serve.

Following other C-Suite retirements, this year, we were delighted to welcome new leadership team members Liz Yeigh, Corporate Secretary and Chief Strategy Officer; Alison Jevons, OPP Chief Superintendent; Bruce Caughill, Chief Legal Officer; Navid Forouzesh, Chief Information Officer; and Joe Pittari, Chief Administrative Officer.

This past year has strengthened our commitment to support the growth of our people, deliver service excellence, expand our diversity, inclusion and accessibility efforts, and be digital-first in our approach. I am proud of our organizational efforts to embrace change and provide leadership in the face of all the challenges we confronted.

Building on our successes, we have set our sights on even greater modernization milestones for the years to come. With a strong team, robust plan, and proven track record in place, we are well positioned to confront the challenges that lie ahead.



Tom Mungham
Chief Executive Officer

Board of Directors

The *Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996* constitutes the AGCO as a corporation without share capital and requires that it have a Board of Directors of at least five members. Board members are appointed by the Lieutenant Governor in Council, through Order-in-Council.

The Board is responsible for the overall governance of the AGCO and meets regularly. In exercising its governance functions, the Board sets goals and develops policy and strategic directions for the Commission to fulfill its mandate; this includes working with the Chief Executive Officer and Senior Management on regulatory, governance and corporate governance activities.

The list below reflects the members of the Board who served during the fiscal year ending March 31, 2021, including their original appointment dates.

Total per diems of all appointees for 2020–2021: **\$104,569.06**

Member	Title	2020–21 Per Diem Payments
Lalit Aggarwal	Chair	\$ 45,507.18
David Forestell	Vice-Chair	\$ 20,669.13
Neil Desai	Member	\$ 8,930.45
Cara Vaccarino	Member	\$ 7,307.09
Douglas McLarty	Member	\$ 5,179.98
Eric Anthony Williams	Member	\$ 4,477.28
Elmer Buchanan	Member	\$ 5,185.51
Kam Va Philip Leong	Member	\$ 1,176.76
Heidi Reinhart	Member	\$ 6,135.68
Total		\$ 104,569.06

LALIT AGGARWAL

Chair (Part-time)

First Appointed to Board

June 2019

Term Expires

June 2024

ELMER BUCHANAN

Member (Part-time)

First Appointed

July 2015

Term Expired

September 2020

DAVE FORESTELL

Member (Part-time)

First Appointed

December 2018

Appointed Vice-Chair (Part-time)

June 2020

Term Expires

June 2024

KAM VA PHILIP LEONG

Member (Part-time)

First Appointed

January 2019

Term Expired

January 2020

HEIDI REINHART

Member (Part-time)

First Appointed

October 2020

Term Expires

October 2022

DOUGLAS MCLARTY

Member (Part-time)

First Appointed

February 2020

Term Expires

February 2022

CARA VACCARINO

Member (Part-time)

First Appointed

February 2020

Term Expires

February 2022

ERIC ANTHONY CLEAR (TONY) WILLIAMS

Member (Part-time)

First Appointed

July 2015

Term Expired

July 2020

NEIL DESAI

Member (Part-time)

First Appointed

September 2020

Term Expires

September 2022

Auditor General of Ontario: *Value for Money* AGCO Report

In December 2020 the Auditor General of Ontario published a Value for Money (VFM) Audit report on the AGCO, which identified areas for improvement. The report contained 26 recommendations and proposed 62 action items, along with management responses from the AGCO and the Ministry of the Attorney General.

Following the release of the final report, the AGCO established a VFM Audit Action Plan Project Team led by two C-Suite Executive Leads. The objective of the team is to coordinate, plan, and oversee implementation of a plan to address the Auditor General's recommendations over the course of the next two years. The Project Team meets monthly at a minimum and reports to the C-Suite on a quarterly basis and to the AGCO Board of Directors' Finance, Audit and Risk Management (FARM) Committee on the implementation of the audit action plan.

During the course of the VFM audit the Auditor General recommended that financial statement audits be performed annually, starting with the year ended March 31, 2021. The preparation of a full set of financial statements is anticipated for the year ended March 31, 2022. However, the AGCO has prepared a Statement of Revenue and Expenditures for the year ended March 31, 2021, which has been audited by the Auditor General. The audited statement can be found on [Page 55](#).

The AGCO is committed to its action plan, which is derived from the Auditor General's report and aligns with the AGCO's management responses. Status updates outlining the completed and outstanding undertakings for each recommendation will be provided to the Standing Committee on Public Accounts in April 2021.

The AGCO values the strong reputation it has earned with government and businesses thanks to its history of hard work, dedication and partnership. The Auditor General's report is an opportunity to improve its effectiveness even further.

The AGCO's response to the COVID-19 pandemic

A commitment to burden reduction and increased flexibility for licensees, while contributing to help stop the spread of COVID-19

Throughout the 2020–2021 fiscal year, the AGCO continued its activities and services for the industries and sectors it regulates. It demonstrated a commitment to burden reduction and increased flexibility for licensees, while responding with speed and agility to protect lives and livelihoods of Ontarians during the COVID-19 pandemic.

The AGCO created a web page, “[Information to help AGCO licensees understand new Ontario COVID-19 Response Framework](#),” to highlight relevant information for licensees, including a regularly updated [web page table](#) outlining the implications of the Framework for AGCO-regulated industries and sectors. It also provided regular digital updates to licensees through the AGCO [Blog](#).

Thanks to its multi-year transformative journey to become Better, Faster, Smarter, the AGCO was well positioned to lead change from within. As a result, it continued its compliance-monitoring, licensing, and registration activities, while continuing to respond to questions from the public.

It was able to respond quickly with measures to address rapidly evolving issues and meet the needs of AGCO licensees and registrants and the people of Ontario. This included:

- providing [licence, authorization and registration extensions](#) for liquor, gaming, horse racing and cannabis licensees and registrants
- providing consumers with access and choice to cannabis products, by [extending measures for cannabis retail stores](#) and permitting [delivery and curbside pickup](#)
- continuing to conduct virtual inspections of cannabis retail stores and increasing the number of legal stores in the province
- introducing new measures to support licensed restaurants, bars and cideries, and [new public health measures regarding the sale and service of alcohol](#), Special Occasion Permits (SOPs), [further extending the permitted sale hours for retail alcohol](#), [free registrations for Smart Serve training](#), [liquor sales with takeout and delivery](#), [extension of outdoor bar and restaurant patios](#), and additional steps to support hospitality workers and businesses
- actively implementing several [temporary rule amendments](#) following a review of Ontario's horse racing rules and regulations to ensure responsible measures were taken
- providing [flexibility for charitable lotteries](#) and [Bingo Revenue Model licences](#), as well as [expanded payment options for paper-based bingo facilities](#).

The AGCO also moved to protect its staff. Pre-pandemic management and technology reforms allowed most AGCO staff to immediately begin working remotely full-time and to avoid going into the office unless deemed necessary. Staff that had to attend the office or work in the field to complete necessary job functions did so with extensive controls put in place to mitigate the risks, including:

- quickly obtaining and deploying personal protective equipment and the required training to its field staff, to support them in carrying out their day-to-day functions in the field
- internally developing and deploying a COVID-19 screening application to confirm the health of employees planning to enter the office or field location
- launching a COVID-19 protocol document on the AGCO intranet with information about the virus, reporting illness, cleaning in the workplace and other best practices
- immediately transitioning all recruitment and onboarding processes to be conducted virtually
- installing touchless automatic door openers on high-traffic doors, and other facility safeguards at AGCO office locations.

Finally, as a Crown agency serving the people of Ontario, the AGCO joined the front lines to help prevent the spread of COVID-19 and used its regulatory tools to promote compliance with the government emergency orders. AGCO Compliance Officials were designated as Provincial Offences Officers under the *Re-Opening Ontario Act* and logged thousands of hours of training and preparation, participating in multi-Ministry enforcement inspections targeting high-risk areas and businesses in the province.

The AGCO's commitment to Diversity, Inclusion and Accessibility (DI&A)

The AGCO is committed to addressing head-on and with honesty the concerns and needs of its diverse workforce, increasing equity for all, including all racialized communities in Canada, Indigenous peoples, members of the LGBTQ2S+ community, persons with disabilities, and women. The AGCO is also committed to delivering inclusive, accessible, and responsive services to the public and our stakeholders that are aligned with our organizational values of integrity, respect, accountability, and public interest. It will continue to build an inclusive organizational culture to effectively serve the people of Ontario.

The AGCO has implemented many DI&A initiatives over the past several years, with the following being some of the most recent in 2020–2021:

- Anti-Black Racism seminars: A series of “Speak Your Truth” anti-Black racism interactive workshops were delivered to engage in meaningful, honest conversations among staff within the workplace, leading to robust discussions that continue the AGCO’s work towards transformational change.
- To further ensure that inclusion is at the core of the AGCO workplace culture, CEO Tom Mungham signed the *BlackNorth Initiative Pledge*.
- Through the OPS Recruitment Lens, AGCO launched a series of AGCO Inclusion Leader training sessions for all managers, emphasizing what diversity recruiting is, the challenges of diverse recruitment, and how to minimize biases throughout the hiring process.
- AGCO Human Resources is expanding its partnership with a number of external agencies and specialized job boards to reach out to more diverse candidate pools.
- The AccessArise Committee was created to focus on bringing awareness and educating staff on disabilities, mental health issues and accommodation.

In the final quarter of this year, the AGCO contracted with an objective third-party consultant to undertake a meaningful organizational assessment to better understand gaps and opportunities in its DI&A understanding. As part of the process, the AGCO will be engaging in extensive conversations with staff and management from across the agency to truly understand DI&A perceptions and assess the needs for its people. The intent is for the consultant to craft a Strategy and Implementation Plan to guide and inform all aspects of the AGCO’s work and help position it as a DI&A leader.

AGCO to regulate and, through a subsidiary, conduct and manage internet gaming (igaming)

In its November 2020 Budget, the Government of Ontario [announced](#) that it would move to conduct and manage a regulated internet gaming (igaming) market that would be both competitive and protect consumers. The government tasked the AGCO to develop a regulatory framework and establish an independent, arms-length subsidiary that will be responsible for conducting and managing igaming, including managing eligible private-sector operators. This new mandate will not affect the Registrar's role as regulator, which will remain unchanged and entirely separate from the commercial role of the subsidiary. The governance structure between the AGCO and the igaming subsidiary will be designed to avoid potential real or perceived conflicts of interest.

Regulation of a competitive igaming market

The AGCO has worked to develop an igaming regulatory regime for an open, competitive market that provides consumer choice, protects consumers, supports legal market growth and provincial returns, and reduces red tape. To inform the development of a regulatory regime that meets these objectives, the AGCO considered expert advice and examined igaming regulatory regimes in leading global jurisdictions.

The AGCO leveraged this work and in-house gaming regulatory expertise to advise and support the government's work to establish a competitive market that will bring igaming operators into Ontario's legal igaming market, including supporting the Ministry of the Attorney General and the Ministry of Finance's public engagements, which were launched March 3, 2021. At the end of this fiscal year, the AGCO released draft *Registrar's Standards for Internet Gaming*, giving stakeholders the opportunity to provide input, feedback and advice before the standards are finalized. Additional components of the regulatory program, including eligibility requirements and the compliance approach, will be posted for stakeholder feedback in Spring 2021.

About the AGCO

Overview

Vision

A world-class regulator that is innovative, proactive, inclusive and socially responsible.

Mandate

To regulate in accordance with the principles of honesty and integrity, and in the public interest.

Mission

The AGCO commits to conducting business in a manner that will:

- develop, implement and enforce fair policies and procedures
- establish a framework of critical regulatory controls in the public interest that are sensitive to the economic viability of the alcohol, gaming, horse racing and cannabis industries and sectors
- be client focused in the way we respond to and manage client and stakeholder needs
- educate clients and stakeholders and develop partnerships
- create a supportive work environment that respects and values the contributions of AGCO staff and provides them with opportunities for growth and professional achievement.

Governing legislation

Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996, Regulations (141/01; 469/18)

Cannabis Licence Act, 2018 (CLA), Regulation 468/18

Gaming Control Act, 1992 (GCA), Regulation 78/12

Horse Racing Licence Act, 2015 (HRLA), Regulation 61/16

Liquor Control Act (LCA), clauses 3(1)b, e, e.1, f, g and 3(2)a, subsections 3.0.1(1), (2), 3.0.2(1), (2), 3.0.3 (1),(2),(3), (5), and section 4.1, Ontario Regulation 232/16

Liquor Licence Act (LLA), Regulations 58/00; 718/90; 719/90; 720/90; 70/09; 783/94; 389/91

Wine Content and Labelling Act, 2000, Regulation 659/00

Order-in-Council 1413/08

Social responsibility: Evolving social attitudes

With the evolving views of society and to better reflect their maturity, the AGCO continues to refine its role in the promotion of social responsibility in the alcohol, gaming, horse racing and cannabis industries and sectors.

A focus on responsible gambling is a key factor in the public's confidence in the gaming industry. A greater emphasis on responsible use is a continued focus during the continued modernization of the liquor sector. Public interest in the wellbeing of racehorses spotlights our ongoing commitment to the integrity and safety of horse racing. With the legalization of cannabis, the AGCO works to ensure that the retail sale of cannabis in Ontario is carried out with honesty, integrity, and in the public interest.

Social responsibility is an integral part of the AGCO as an organization and as a regulator. In 2019 the AGCO formally launched its Corporate Social Responsibility (CSR) program, which aims to embed CSR into the cultural fabric of the agency and to ensure that it is taken into account in regulatory and operational decisions. CSR encapsulates a range of initiatives at the AGCO that focus on supporting people both internally and externally, reducing environmental impacts and supporting its regulated industries. Through the COVID-19 pandemic, the AGCO continued to find ways to advance CSR, including through a new employer-funded Volunteer Time Off program that provides employees with the opportunity to use one day to support a charitable cause. This program is another step in the AGCO's journey to enhance its commitment to social responsibility as an organization and make a positive impact and difference in the local community.

CSR helps provide the AGCO and its employees with a sense of purpose and motivation, and ultimately drives them to do good work.

The AGCO's changing public profile

The AGCO places a priority on digital and enhanced communications to inform and engage with audiences, based on its "Digital by Default" approach. Over this past year, under the spotlight of significant interest in the regulation of recreational cannabis, the AGCO had a unique opportunity to reinforce its communications commitment of sustaining the agency's reputation by expanding its website content, amplifying its social media presence, proactively engaging with media and taking a direct communication approach with licensees.

AGCO website

The AGCO website had more than 1.2 million views in 2020–2021 by 667,000 users. Overall traffic to the site was 14% lower than the previous fiscal year. This is likely due to the spike in interest seen in 2019–2020 due to the opening of cannabis stores, as well as the economic effects of COVID-19 in 2020–2021. Sixteen new videos were added in 2020–2021 for a total of 61 videos available on the AGCO's [Vimeo](#) page or via the [website](#). These videos generated a total of 8,500 views during the fiscal year, which is down from 34,000 views the previous year. This decrease can be attributed to the significant interest the cannabis industry received the previous year.

Social media

The AGCO continued to increase the reach of its regulatory announcements and build its social media communities and online engagement through its English and French Twitter accounts, @Ont_AGCO, @Ont_CAJO, @AGCO_Racing and @CAJO_Courses. There were 734 new followers in 2020–2021, for a total of 4,346 followers (a 20% year/year increase). A total of 4,297 tweets were sent during this fiscal year, with 2,750 engagements (retweets, replies, and likes) from users. Twitter and other social media platforms continue to be an important part of the AGCO’s communications strategy, and increasing the rate of follower growth remains a key objective.

Email distribution list

As part of its continual efforts to provide support during the COVID-19 pandemic, the AGCO focused its external email campaigns primarily on existing licensees and stakeholders, by informing them of the impacts of government and public health measures on their businesses. In 2020–2021, the AGCO sent over 372,000 emails during 95 direct email campaigns (in both official languages) to licensee and stakeholder groups across all regulated lines of business. This included the launch of the AGCO’s electronic *Lottery Line* and *Race Line* newsletters. The average email open rate of 65% exceeds industry standards.

AGCO media requests

Working with media outlets to share information continued to be a priority over the year.

TABLE 1: Media requests by month

	2019–20	2020–21	Percentage Change
April	51 ¹	20	-61%
May	33	30	-9%
June	17	24	41%
July	37	54	46%
August	104 ²	17	-84%
September	37	16	-57%
October	28	18	-36%
November	16	15	-6%
December	21	29	38%
January	29	20	-31%
February	33	36	9%
March	29	29	0%
Total	435	308	-29%

¹ First Cannabis stores opening. ² Lottery draw for Second Allocation of stores

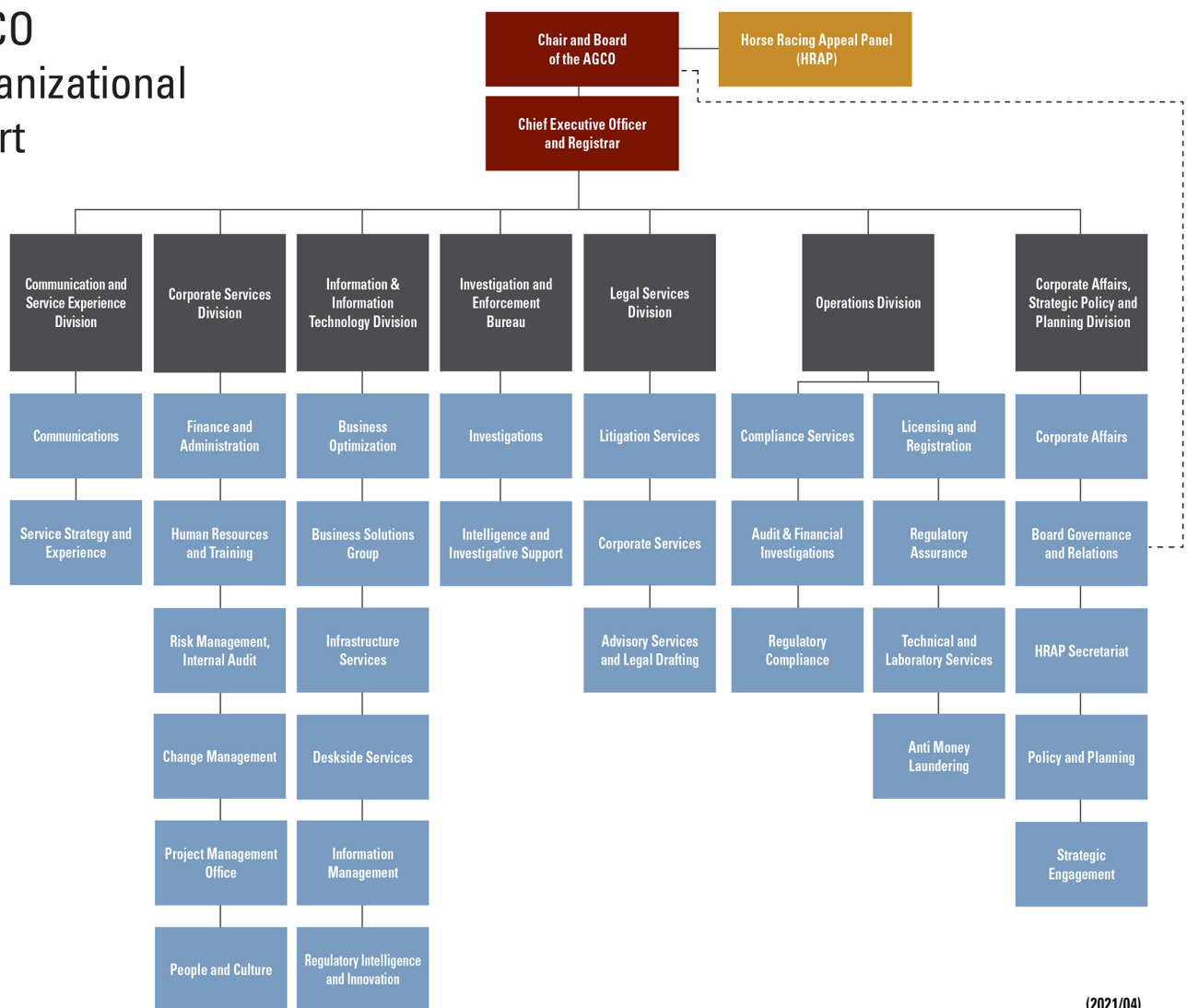
Corporate structure

In 2020–2021, the AGCO undertook significant organizational structural change to better advance its strategic priorities and operational needs. Its organizational structure is based on functional responsibilities and consists of seven divisions, each led by a member of the Executive Committee that reports directly to the Chief Executive Officer and Registrar.

The Investigation and Enforcement Bureau (IEB) functions as an Ontario Provincial Police (OPP) bureau assigned to the AGCO and is headed by a Chief Superintendent of the OPP. The IEB is responsible for regulatory and criminal investigations, as well as sharing its expertise and information with external law enforcement and other regulatory and industry stakeholder agencies.

Organizational Structure of the AGCO

AGCO Organizational Chart



(2021/04)

Brief description of corporate structure and function of AGCO divisions

Operations Division

Through its Licensing and Registration Branch (L&R), the Operations Division is responsible for reviewing and processing all application types, including licences, permits, authorizations and registrations, across all the lines of business regulated by the AGCO. L&R also works with municipalities and First Nations overseeing the licensing of charitable lottery schemes.

The Division includes Compliance Services (CS), which consists of the Audit and Financial Investigations (AFI) Branch and the Regulatory Compliance Branch (RCB). These branches conduct regulatory compliance activities, including education, planning, and inspections, along with audits and financial investigations across all lines of business. Equipping frontline staff with the knowledge and skills to deliver services to all industries and sectors, CS deploys regional, cross-functional teams who take a comprehensive, risk- and outcomes-based approach to regulatory compliance.

Compliance Officials (COs) and Auditors respond to compliance concerns when and where they occur, taking a multi-sector approach and maintaining a focus on supporting desired regulatory outcomes. In addition, the Forensic Accountants of the AFI Branch conduct due diligence in support of L&R processes and financial investigations regarding allegations of fraud.

RCB also provides Racing Officials (Judges and Stewards), who supervise horse races conducted at Ontario's licensed racetracks, as well as Veterinary Services, which oversee the health and welfare of horses during racing. Veterinary Services work with the Official Veterinarians, who are employed by the racetracks but supervised by the AGCO.

The Division's Technical and Laboratory Services staff assess and approve electronic games, systems and equipment against *Ontario Technical Standards* and assess supplier and Ontario Lottery and Gaming Corporation (OLG) quality assurance and testing procedures.

The Regulatory Assurance Branch (RAB) leads the development and implementation of tools, strategies and frameworks that assess risk and drive the AGCO's compliance-focused approach. The RAB also works with the province's cannabis retail store operators and the Ontario Cannabis Store to ensure the accurate tracking of all cannabis.

Corporate Affairs, Strategic Policy and Planning Division

The Corporate Affairs, Strategic Policy and Planning Division provides a variety of strategic functions to support the delivery of the agency's mandate, including regulatory policy, external stakeholder engagement, and corporate planning. It also serves as the primary liaison with government partners to support government initiatives and conduct issues management.

The Corporate Secretariat responsible for Board support resides within this division and assists the AGCO Board of Directors in fulfilling its governance responsibilities. This includes ensuring that key corporate accountability measures are completed within government timelines and monitoring compliance with the Memorandum of Understanding between the government and the AGCO. A dedicated and independent unit also provides administrative support to the Horse Racing Appeal Panel.

Corporate Services Division

The Corporate Services Division provides advice and guidance on all aspects of the AGCO's day-to-day administration and client services and plays a strategic role as proactive facilitator of the agency's major change initiatives.

This Division is responsible for a number of functions and activities:

- a new People and Culture Branch, responsible for AGCO's Diversity, Inclusion and Accessibility (DI&A) Framework, People Strategy, Workplace of the Future, and future organizational projects, ensures that foundational workforce pieces align with strategic priorities, human resource strategies and I&IT vision.
- the Human Resources and Training Branch is responsible for supporting the People First strategic direction. This includes full-cycle human resources operational services, wellness, employee engagement, coaching, management/labour relations, talent management and succession planning, talent data analytics/reporting, and internal and external training. This branch ensures that the AGCO Development Program harmonizes staff training needs with professional career growth, mentoring, coaching and succession planning.
- the Finance and Administration Branch provides the following services and resources: financial planning and reporting, accounting, payroll, procurement (including oversight of vendor management), facilities management, and mail and courier services.
- The Risk Management and Internal Audit Branch undertakes internal audits, which provide reasonable assurance that the AGCO's risk management, governance and internal control processes are operating effectively. The Branch also supports the agency's Enterprise Risk Management framework and coordinates the Emergency Management Enterprise System, which includes the Business Continuity Plan."
- the Project Management Office (PMO) continues to manage AGCO's priority projects. It ensures major projects stay on track, outcomes are aligned to strategic goals and the right resources are in the right place based on corporate needs.
- the Change Management Office (CMO) implements a change management framework for the agency by applying structured processes and tools to lead people through organizational change, and helps individuals transition by engaging, adopting and implementing change.

Information and Information Technology (I&IT) Division

The I&IT Division, in partnership with each business area, provides strategic advice and technology to support the AGCO's strategic pillars of Digital First and Work of the Future. The Division oversees investment in information and information technology and makes it easier for people and businesses to interact and engage within the agency.

The Information Services division is responsible for the technology portfolio, which includes oversight of several branches:

- the Regulatory Information and Intelligence Branch (RII) provides data analytics solutions to inform regulatory policy and operations. It optimizes service delivery and resource efficiencies to ensure alignment with the two strategic pillars of Data Analytics and Data Governance.
- the Business Optimization Branch (BMO) continues to bring an enterprise-wide business lens to key optimization initiatives resulting in continuous process and business improvements across the organization. Built on a continuous innovation and improvement framework and digital transformation and automation mindset, this branch works with all lines of business to identify optimization opportunities and liaise with system and data teams.
- a new Cybersecurity Branch will be established to focus on matters related to AGCO's lines of business and corporate solutions such as iAGCO, the Data Analytic platform, Enterprise Document Management, and human resources and financial systems.
- the Information Management Branch provides IT planning and roadmaps, innovative business solutions, robust technology platforms, enterprise architecture and design, AGCO system development and configuration, data management/governance and end-user solutions, and operates the help desk.

Communications and Service Experience Division

The Communications and Service Experience Division provides strategic communications advice and services, manages media relations and the AGCO's public reputation, and oversees the development of internal and external communication materials and publications. It builds understanding and acceptance of organizational objectives and policy priorities through regular communication with staff and stakeholders.

The Service Strategy and Experience Branch delivers on the AGCO's Service Excellence strategic objectives by working with partners across the organization to strengthen the organization's service culture and competencies and ensuring customer needs are the "organizing principle" around which policy development, service design and delivery are planned and executed. The branch houses the AGCO's Contact Centre, handling 100,000-plus customer transactions yearly, across a range of channels. It also provides oversight of the agency's inquiries and complaints handling policy and practices, and ensures the customer experience is monitored, measured and managed.

Investigation and Enforcement Bureau

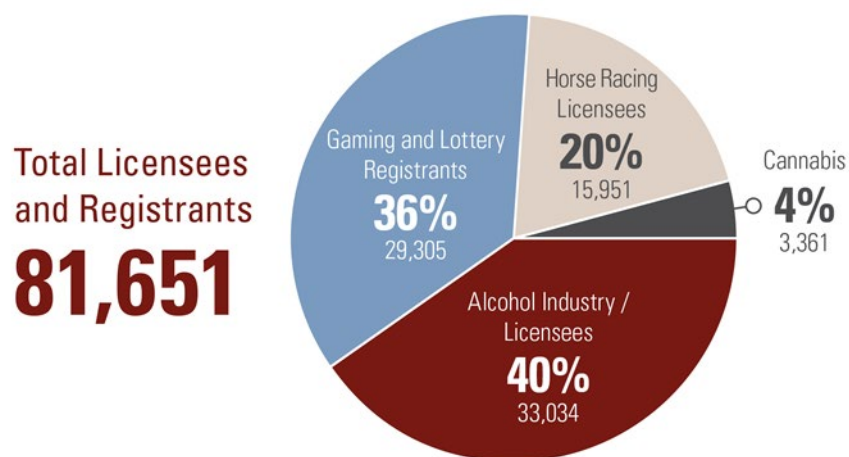
The OPP Investigation and Enforcement Bureau (IEB) assigned to the AGCO employs approximately 135 sworn and civilian members, fully integrated within the AGCO. The OPP Superintendent (Director) reports directly to the Chief Superintendent. The Bureau's branches conduct investigations across all lines of business regulated by the AGCO. The Bureau also provides investigative expertise to, and shares information with, other law enforcement services and regulatory and industry stakeholder agencies to ensure integrity and public safety within these regulated industries and sectors.

Legal Services Division

The Legal Services Division provides legal advice and services to the AGCO. This includes providing advice on the application of legislation, regulations and standards administered by the AGCO, assistance in drafting legislation, contracts and policies, as well as providing advice and opinions on corporate issues

and initiatives. It also provides legal advice on licensee and registrant compliance matters within the regulatory framework and represents the Registrar at hearings of appeals before the Licence Appeal Tribunal (LAT), the Horse Racing Appeal Panel (HRAP), the Divisional Court and the Court of Appeal.

AGCO Licensees and Registrants (2020–2021)



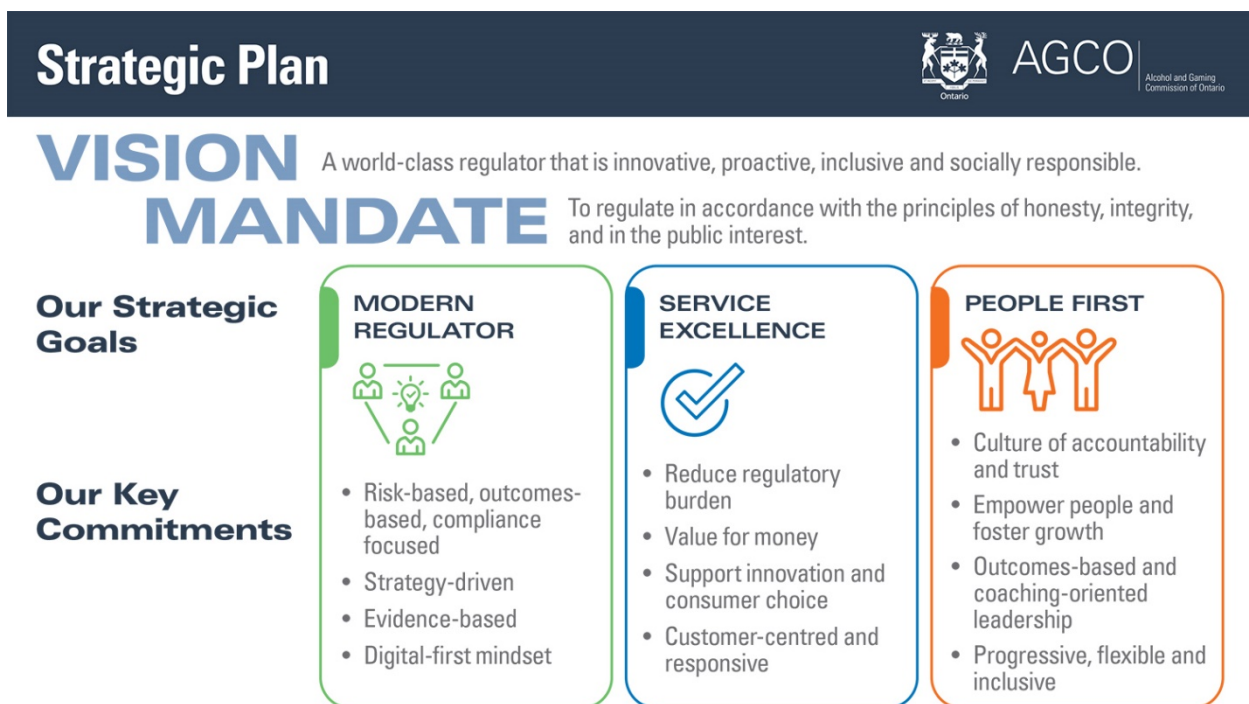
Approximately 3,200 Special Occasion Permits (SOPs) were issued by the AGCO in 2020–2021.

Strategic direction

The AGCO is guided by a Strategic Plan that positions the agency to be an effective and modern regulator through an increasingly complex operating environment. Serving as a compass, the Plan helps the AGCO to strategically navigate the challenges and opportunities that exist within the liquor, gaming, horse racing and cannabis retail industries and sectors.

The Strategic Plan outlines the vision and strategic goals of the organization. The AGCO's vision of being a world-class regulator that is innovative, proactive, inclusive and socially responsible will be achieved through its three strategic goals – *Modern Regulator*, *Service Excellence*, and *People First*. Characterized by a set of key commitments that drive AGCO's culture and inform decision-making, these goals align with, and support the achievement of, government objectives to:

- enhance accountability and efficiency in the delivery of public services
- use evidence-based decision-making and policy development
- reduce the administrative burden on businesses, and
- increase consumer choice.



During 2020–2021 the AGCO made significant progress towards achieving its strategic goals, with all divisions contributing to efforts to keep the agency moving forward, as a *Modern Regulator*, providing *Service Excellence* to all stakeholders, and striving to be an organization that puts *People First*. Here are some of the highlights.

1. Modern Regulator

The AGCO's compliance functions were reorganized into one Compliance Services Team across all of the industries and sectors the AGCO regulates with the common goal of improving compliance across all lines

of business. It is more flexible, agile and responsive than ever, and well-positioned to continue proactively evolving over an ever-changing regulatory landscape.

In a continued effort to modernize the regulation of horse racing in Ontario, the AGCO implemented a number of initiatives to promote human and equine health and safety. This included an expansion of the Concussion Protocol more broadly for jockeys and exercise riders at all Thoroughbred and Quarter Horse racetracks as well as revised urging provisions, to limit urging in Thoroughbred and Quarter Horse racing. Additionally, the AGCO undertook a series of consultation sessions with key industry stakeholders on several rule changes that were brought forward by the industry.

Significant work has been undertaken to develop and implement the igaming model following the government's announcement that the AGCO will establish a subsidiary to conduct and manage the new competitive igaming market, independent of its role as regulator.

As part of the work to develop the new igaming framework, the AGCO launched an online portal to engage with industry stakeholders with an interest in igaming in Ontario. Over the next several months the AGCO will undertake a series of engagements on key technical components of the igaming framework, starting with the opportunity to provide input into regulatory standards, a responsible gambling program and other operational matters.

2. Service Excellence

The continued modernization of the AGCO service delivery model through the phased implementation of the iAGCO web-based portal included the implementation of its final phase in 2020:

- Phase 4A launched in March 2020 and included services for horse racing.
- Phase 4B launched in October 2020 and included services for charitable gaming and electronic gaming equipment.

Customers can now conduct all AGCO-related transactions online, anytime from anywhere.

As a result of the Service Experience 2020 initiative, the AGCO became one of the first government agencies to offer Web Chat services to customers. As well, the agency has a new policy and function for handling complaints and inquiries, allowing for greater oversight and consistency in practices across all departments and improved resolution for customers.

The AGCO launched a second call for proposals under the Education, Training and Awareness (ETA) Fund. This is an opportunity for industry stakeholders to apply for funding to deliver new education, training and awareness programs that are designed to improve compliance with provincial laws and/or enhance awareness of issues of public interest within the industries and sectors the AGCO regulates. For the 2020–2021 funding cycle, the total amount of funds available to support new ETA programs and initiatives is \$350,000, with a maximum amount of \$125,000 for any one program or initiative and a goal of funding projects of varied sizes.

In January 2020 the AGCO's ETA team launched an eLearning course for private event alcohol Special Occasion Permit (SOP) holders to educate them about their legal responsibilities for hosting these types of events. Since the launch, over 550 participants have successfully completed the module and feedback has

been extremely positive. The project was made possible through Order of Monetary Penalties, which provide funding for education, training and awareness projects.

As of January 1, 2021, AGCO's website, including the iAGCO portal and Horse Racing Appeals Panel website, have been declared compliant with the *Accessibility for Ontarians with Disabilities Act* (AODA). This ensures that people with disabilities can access the AGCO's website content using screen-readers or other assistive technologies without any barriers.

The AGCO continued to maintain and build upon collaborative relationships with the Canadian Centre for Ethics in Sport, College of Veterinarians, Canada Border Services Agency, Regulatory Compliance & Enforcement Council, Financial Transactions and Reports Analysis Centre of Canada, Canadian Pari-Mutuel Agency, and the Canadian American Law Enforcement Organization.

3. People First

In 2020–2021, the AGCO witnessed many changes pertaining to its organizational structure. The senior leadership team carefully planned and realigned the AGCO's structure to meet the organization's current and future needs. The following divisions were re-aligned:

- Information and Information Technology Division (I&IT)
- Corporate Services Division
- Corporate Affairs, Strategic Policy and Planning Division
- Communications and Service Experience Division.

The AGCO saw significant changes in its senior leadership team, as the Registrar and CEO, Jean Major, retired. The AGCO was pleased to welcome the new Registrar and CEO, Tom Mungham, former AGCO Chief Operating Officer. In addition to the CEO, the AGCO also welcomed five other new members to its executive team.

The AGCO is committed to addressing head-on and with honesty, the concerns and needs of our diverse workforce, increasing equity for all, including all racialized communities in Canada, Indigenous peoples, members of the LGBTQ2S+ community, persons with disabilities, and women. See "The AGCO's commitment to Diversity, Inclusion and Accessibility (DI&A)," page 14.

The health and safety of our staff is always a top priority and that has never been more true than during the COVID-19 pandemic. See "AGCO's response to the COVID-19 pandemic," page 12.

The Future of Work initiative is identifying a new strategy and implementation plan that will guide the AGCO's gradual return to its offices within a vision for the "next normal." It will identify and address what the future of work looks like at the AGCO, including what it does, and how and where it does it, and embracing solutions that advance the Digital and People First mindsets. The goals will be to establish as flexible a workplace as possible, improve employee wellbeing and work-life balance, enhance the AGCO culture and reduce internal costs where we can. The strategy will explore all feasible options, stress flexibility and be informed by the feedback received from People Leaders and staff during the December 2020 Town Hall discussions, as well as an extensive analysis of best practices. As the strategy is

implemented, staff will continue to be heavily engaged to help inform and validate specific approaches being taken and to refine them as required over time.

Continuing to put employees' wellbeing at the top of our priorities, the AGCO is developing a Wellness Strategy that will outline the various ways we support, encourage and increase awareness in the area of health and wellbeing.

Government Initiatives and Priorities

As an agency of the provincial government, the AGCO helps support and deliver on the Ontario government's public policy priorities and fiscal objectives. The AGCO continued to review its priorities and its operations to remain consistent with government direction and to ensure cost-effective and customer-focused service delivery. Examples of AGCO strategic initiatives to support government policy include the following:

1. Licensing and regulation of recreational cannabis

The AGCO is responsible for regulating Ontario's privately run cannabis retail stores under the [Cannabis Licence Act, 2018](#) and [Regulation 468/18](#).

Under Ontario's regulatory model, the AGCO:

- licenses eligible retail store operators and managers
- authorizes cannabis retail stores
- regulates and enforces the appropriate sale of recreational cannabis in privately run stores in Ontario.

In 2020–2021, the AGCO continued its work to support the Government of Ontario in the regulation of legal, recreational cannabis.

In response to the COVID-19 global pandemic, the government declared a state of emergency in April 2020. The AGCO responded in turn by updating its *Registrar's Standards for Cannabis Retail Stores* to enable delivery and curbside pickup, announcing various burden-reduction measures as well as pivoting to a remote compliance approach wherever possible.

While the government's emergency orders expired in July 2020, it subsequently announced a lockdown in November 2020, followed by stay-at-home orders in January 2021. The AGCO amended its *Registrar's Standards for Cannabis Retail Stores* accordingly to permit delivery and curbside pickup in applicable regions and will continue to be responsive to licensees and other stakeholders throughout the duration of the pandemic and beyond.

In 2020–2021, the AGCO, in partnership with the Ontario Cannabis Store, significantly increased the rate at which it issued Retail Store Authorizations (RSAs). As of February 2021, the AGCO began issuing 30 RSAs per week.

To help both new and current applicants better understand the RSA application process, the AGCO also developed and published new resources, including:

- A [Cannabis Retailer Licensing Journey Map](#) that outlines the step-by-step process of opening a cannabis retail store.
- An enhanced [map of cannabis stores in Ontario](#), offering updated and detailed information on proposed and authorized cannabis retail store locations across the province.

2. Modernizing regulations concerning the sale and consumption of beverage alcohol

In December 2019, the *Liquor Licence and Control Act* (the LLCA) received Royal Assent.

The LLCA represents a major modernization of the regulatory regime for Ontario's beverage alcohol sector and is expected to come into force in 2021.

Over the past year the AGCO has continued to work collaboratively with Government to develop the regulations that will complete the new regulatory framework under the LLCA. In the coming years, the AGCO will work to implement the changes in the liquor regulatory regime and develop Registrar's Standards for the sector to reflect the AGCO's modern, outcomes-based approach to regulation.

Throughout 2020, the AGCO worked collaboratively with the Government of Ontario to introduce several measures to support businesses through the COVID-19 pandemic and offer consumers greater choice and convenience, now and into the future. These changes include:

- Providing flexibility for local businesses and restaurants by introducing liquor takeout and delivery with food from eligible liquor licensed establishments.
- Increasing options for liquor delivery to customers by providing more flexibility for liquor delivery licensees and manufacturers with a retail store and the Beer Store.
- Partnering with Smart Serve to offer free registration to the certification program to quickly increase the availability of certified delivery drivers. There was an overwhelming response to the initiative with 100,000 enrollments during the free enrolment period.
- Enhancing consumer choice and reducing administrative burden on businesses by expanding the Farmers Market program to permit additional Ontario wines and allow the sale of spirits at Ontario farmers' markets.
- Permitting virtual auctions to provide charitable organizations, administrators, executors, and law enforcement officers more flexibility to continue operations during the ongoing restrictions on social gatherings and into the future.
- Allowing liquor sales licensees (e.g., licensed bars and restaurants) to temporarily extend their patios to support businesses to safely reopen and minimize administrative burden for licensees.
- Allowing boat operators with a liquor sales licence to sell and serve liquor while the boat is docked, and to temporarily extend their licensed premises to create a patio.
- Temporarily extending the liquor sales retail hours to provide ongoing flexibility for customers and retail stores. This extension of hours applies to all authorized grocery stores, Manufacturer's Retail Stores, LCBO stores (including Convenience Outlets), and Brewers Retail Inc. stores (The Beer Store).

3. Open for Business

In October 2020, the Ontario government released the *Ontario Onwards Action Plan* to make government services simpler, easier to use, and more convenient and accessible during the COVID-19

pandemic and beyond. The Action Plan outlines how the government will make public-sector services more customer-focused, digital- and data-driven while increasing the speed of government operations and decisions.

In aligning with the objectives set out in the Action Plan, the AGCO continued to implement regulatory and internal reforms by making services more digitally accessible, reducing red tape, simplifying policies and creating more responsive and flexible services to the public. For example, to support businesses at the onset of the COVID-19 pandemic, the AGCO extended the term of all licences, registrations and authorizations.

The AGCO continues to build strategic partnerships and share information with other government ministries and agencies to strengthen collaborative and streamlined approaches. This includes effective relationships with the Ministry of the Attorney General, the Ministry of Finance, the Ontario Cannabis Store (OCS), the OLG and the LCBO.

In 2020–21, the AGCO worked collaboratively with the Government of Ontario on a number of liquor regulatory reforms to simplify rules, create flexibility and reduce unnecessary burden for liquor licence holders. For the horse racing sector, a number of rules were put in place to accommodate the return to horse racing and to ease industry burden while ensuring the welfare of equine and human athletes and other racing participants. For the gaming sector, the *Registrar's Standards for Gaming* were amended to support a collaborative approach between the AGCO and charitable gaming centre operators, casino operators and the OLG for the safe re-opening of gaming sites. For the cannabis retail sector, the AGCO amended the *Registrar's Standards for Cannabis Retail Stores* to temporarily accommodate delivery and curbside pickup services.

4. OLG casino, player platform, and lottery modernization

OLG casino modernization

The OLG started modernizing commercial gaming operations by inviting private-sector casino companies to become the new Casino Operators. The OLG divided Ontario casino sites into eight gaming bundles and released Requests for Proposal for private-sector Casino Operators for each bundle. All eight bundles (East, Southwest, North, Ottawa, GTA, West GTA, Central, and Niagara) have transitioned to private-sector Casino Operators. The Niagara Bundle was the last to transition in June 2019.

Casino Operators are choosing to build new casinos or expand and relocate existing ones in their respective bundles. Numerous expansions and new builds have taken place over the past few years, many with plans to build hotels and live entertainment venues, as well as expand gaming facilities to include “live” table games. The AGCO enhances the operators’ understanding of and compliance with AGCO/OPP regulatory requirements by providing them with a *Building, Expanding and Relocating Casinos* guide, and participates in activities such as pre-opening compliance inspections and “mock” casino exercises.

Over the past year, due to COVID-19, the casino sites have had significant impacts to the implementation and timing of their plans regarding their new builds and expansions. They are expected to abide by all provincial and local health guidelines and the Provincial Re-opening Framework to ensure the health and

safety of patrons and staff. They have also completed a COVID-19 pandemic re-opening plan that was submitted to the AGCO for review.

As the Ontario government closed land-based gaming sites as part of their response to the COVID-19 pandemic in the spring of 2020, the AGCO began to work with industry stakeholders to identify options for a safe and responsible re-opening of land-based gaming. To that end, the Registrar established Standard 1.2.1 to support a collaborative approach among the AGCO, charitable gaming centre Operators, Casino Operators, and the OLG for the safe re-opening of gaming sites. Operators developed and implemented pandemic re-opening plans to comply with government and public health requirements to prevent the spread of COVID-19 at physical gaming sites, had the plans assessed by an infectious disease subject matter expert and provided them to the AGCO for review. Upon re-opening, the operators provided pandemic compliance performance self-assessment reports, and the AGCO conducted periodic inspections to ensure the gaming sites were in compliance with their plans.

OLG player platform and lottery modernization

Under the OLG's Lottery Modernization Strategy, and in accordance with AGCO standards, the OLG is also modernizing key components of its lottery and igaming business, including a new OLG Player Platform, the replacement of lottery terminals, an enhanced sports betting solution, a new web and App presence, as well as new games.

The goal of the OLG Player Platform, which launched in October of 2020, and the Lottery Modernization Strategy is to expand the customer base by ensuring technology and product solutions are responsive to changing customer needs. Due to COVID-19, the OLG intends to segment the launch of all Lottery Modernization initiatives for digital and retail channels including the release of their new sports betting solution, with Phase 1 of digital and retail releases planned for later in the coming fiscal year and the integration of all systems to be part of future phases. The AGCO is working to educate new Gaming-Related Suppliers on the regulatory requirements and expectations as well as to assess technical solutions in accordance with the Registrar's Standards and the principles of integrity and public interest.

The OLG and the AGCO continue to work together to implement the overall modernization strategy. AGCO's approach, both in its day-to-day role as well as in modernization, is to be standards- and risk-based, as well as outcomes-focused. The agency has successfully transitioned to a standards-based approach in casino gaming, lotteries, charitable gaming and igaming.

5. Open Government

In accordance with the Open Data Directive, the AGCO posted on its website an inventory of datasets under its custody and control. The inventory identifies whether a dataset is currently open, in the process of being opened, or exempt from being released as open data due to legal, security, privacy, confidentiality or commercially sensitive reasons. New datasets were added to the inventory in 2020. The AGCO will continue to make priority datasets available to the public on its website under an open-by-default approach.

In February 2021, the Ontario Government released three new data directives. The new Digital and Data Directive replaces the Open Data Directive.

6. Accessibility for Ontarians with Disabilities Act, 2005

The *Accessibility for Ontarians with Disabilities Act, 2005* (AODA) was created with the goal of developing standards that would improve accessibility for people with disabilities across the province. The AGCO has developed accessibility standards in the areas of customer service, employment, information and communications, transportation and the physical environment.

The AODA requires all provincial agencies to provide updates to their Accessibility Plan and Policies on an annual basis. The AGCO is committed to meeting the needs of persons with disabilities in a timely manner by preventing and removing barriers to accessibility and meeting accessibility requirements under the AODA. The AGCO has implemented the requirements outlined in the plan and participated in various activities to inform its plan and policies, including the review and update of its practices in the areas of training, information and communication, and employment.

The AGCO is committed to ensuring that its public website meets or exceeds the accessibility standards required under the AODA. This includes producing all content in an accessible HTML format, which can be more easily read by assistive technologies such as screen readers. The AGCO website met Web Content Accessibility Guidelines (WCAG) 2.0 Level AA in December 2020. These guidelines are an internationally accepted standard for web accessibility developed by the World Wide Web Consortium, an international team of experts. Each guideline has three levels of accessibility: A, AA and AAA.

All AGCO employees are trained on the requirements of Ontario's accessibility laws, including the Integrated Accessibility Standards Regulation (IASR) and the Ontario Human Rights Code as it pertains to persons with disabilities. This accessibility training has been built into the employee orientation process to ensure that all new AGCO employees, as well as the Board of Directors and HRAP members, have a good and appropriate understanding of accessibility to perform their duties and provide services to the AGCO's diverse stakeholders.

The AGCO maintains a commitment to meeting all requirements under the AODA and the IASR and continues to refine its accessibility plan with a focus on ensuring its policies and practices remain accessible and meet the needs of all stakeholders, including persons with disabilities.

7. French Language Services Act

The *French Language Services Act* (FLSA) applies to all Ontario government ministries and agencies and protects the rights of French-speaking people in Ontario. Under the FLSA, all AGCO staff are responsible for ensuring that members of the public can access AGCO services in French.

The AGCO is committed to making its services to the public available in French at the same quality and service standard as in English. In addition to frontline assistance provided by AGCO staff, the AGCO seeks to ensure that French Language Services are clearly visible, readily available, easily accessible and publicized. In line with this commitment, the AGCO has developed policies and procedures to document and support the consistent delivery of French language services across the agency.

8. Education, Training and Awareness Fund

Funding for Educational, Training and Awareness (ETA) initiatives is available through the AGCO's Orders of Monetary Penalty (OMP) account. This account is funded through the monetary penalties that have been assessed against licensees, registrants and others regulated by the AGCO who have contravened provincial laws. The AGCO is required to use all of the money collected through monetary penalties exclusively for ETA purposes. Over the years the AGCO has increasingly leveraged OMP money to develop educational projects and initiatives to promote and enhance regulatory compliance.

In 2019–2020, the Education, Training and Awareness (ETA) Fund was launched, allowing industry associations, social responsibility groups and others similarly active and that have the capacity to deliver programming in the industries and sectors the AGCO regulates to develop programs strategically aligned with the AGCO's mandate. Funding is provided to programs selected by the AGCO by using money collected through OMPs.

In its first year, the AGCO selected three projects to receive funding. All three projects were successfully completed in 2020 and delivered on their intended objectives:

Project 1: MADD Canada

Funding Provided: \$100,000.00

Final Evaluation: June 2020

MADD developed a public service announcement aimed at thanking servers and licensees for keeping our communities safe by refusing to sell alcohol to intoxicated customers in compliance with the law and demonstrating what can happen when servers do not uphold the law. The announcements were run on TV and radio stations in Ontario, in addition to Facebook and YouTube for five months.

- Total online views = 1.4 million
- Total online impressions = 2.29 million
- Total television broadcasts = 862

Project 2: Responsible Gambling Council (RGC)

Funding Provided: \$81,400.00

Final Evaluation: December 2020

The RGC developed a series of evidence-informed social media messages about refraining from gambling while intoxicated by alcohol and/or cannabis, targeting young adults in Ontario, with a focus on Kenora, North Bay, and Peterborough.

- Total online views across all videos = 24,349
- Total online impressions = 444,599
- The Northwestern Health Unit and Peterborough Public Health Unit ran social media posts allowing the campaign to reach an additional 1,218 and 480 individuals respectively.

Project 3: Kingston, Frontenac, Lennox and Addington Public Health Unit

Funding Provided: \$45,000.00

Final Evaluation: February 2021

The Kingston, Frontenac, Lennox and Addington (KFLA) Public Health Unit developed a young adult social marketing campaign aimed at reducing the harms of binge drinking. The campaign targeted the young adult peer crowd at greatest risk of alcohol harm. The campaign was presented on Facebook, Instagram and Snapchat for two months.

- Total online impressions: 1,693,652
- Non-video view engagements (likes, comments, shares): 1,868
- Total video views: 325,425

Given the success of the first year of the ETA Fund, the AGCO launched an additional round of funding for the 2020–21 fiscal year. The AGCO selected two projects to receive funding and these projects will be reported on in next year's annual report.

Upcoming Project 1: A Question of Care (Peterborough Drug Strategy)

Supporting individuals who drink beyond recommended limits

Funding Provided: \$22,600.00

Objective: A Question of Care was developed to engage health and social service professionals in conversations about substance use and mental illness with topic-specific workshops/training opportunities. As part of the Peterborough Drug Strategy, a Question of Care will expand the course offering to include new courses on alcohol use with the goal of reducing stigma. By enhancing the skills of professionals and building the capacity of friends and family members to understand substance use, the community will be better able to support individuals who experience people who drink beyond recommended limits.

Upcoming Project 2: Parachute Canada – Avoid Cannabis Impaired Driving

Funding Provided: \$100,000.00

Objective: Parachute will adapt their #KnowWhatImpairedMeans campaign with an intended audience of Ontarians aged 25 to 34. With a consistent theme of showing situations where one would not trust someone high to keep them safe, this campaign draws the parallel to not driving while high. In addition, they will explore a point-of-sale (POS) partnership with one or more licensed Ontario cannabis retailers to share reminders about the effects of cannabis on fine motor control and perception and provide tips on avoiding cannabis-impaired driving.

Performance Measures

Performance measurement is an important practice as a regulator, as it allows the agency to ensure it is meeting objectives and using its resources effectively. Measuring performance enables the AGCO to provide excellent service to its stakeholders, cultivate a highly engaged workforce, and improve program effectiveness. It does this by setting targets, assessing data and evaluating the results.

Strong performance measurement and monitoring practices also provide a mechanism through which achievements may be recognized and improvements can be made to their activities and services. Through continuous evaluation and feedback, the AGCO is able to achieve the key objectives that are identified in the Strategic Plan.

The results from these measures, shown in the table below, demonstrate that in 2020-21, while the AGCO was affected by the COVID-19 pandemic, it has successfully met or surpassed minimum agency targets in many respects. The achievement of these measures results from a number of overarching projects and initiatives at the AGCO, including:

- the final phase of the roll-out of iAGCO¹
- a continued focus on stakeholder engagement and an enhanced approach to stakeholder education
- a modern regulatory approach that is risk-based, outcomes-based and compliance-focused, and
- the introduction of numerous services to support a rewarding workplace for employees.

The AGCO is committed to improving agency-wide performance measures. To meet this commitment, the AGCO has created a new Business Optimization and Insights unit, which will continue to engage in multi-year goal setting and a refinement of its approach to linking resource planning and performance measurement. The goal is to develop a robust performance measurement framework at the AGCO to support transparency, accountability and regulatory compliance.

¹ iAGCO Phases

- Phase 1: May 2017 for SOP applications and liquor manufacturers' licensing
- Phase 2: January 2018 for all liquor licences, and online submission of complaints and inquiries
- Phase 3: November 2018 for lottery and gaming licences and January 14, 2019, for cannabis licenses; and
- Phase 4(A): March 2020 for horse racing licences
- Phase 4(B): October 2020 for charitable lottery licences; for electronic gaming supplier transactions

Operational performance

	AGCO Performance Measure	Description	Outcome / Output Metric	2020–21 Results
Modern Regulator	Digital First	The AGCO provides user-based services and information through multiple windows and service channels anytime and anywhere.	<i>Outcome Metric:</i> % of users using digital options ² to transact with the AGCO meets or exceeds target of 85%.	89.6%
Service Excellence	Service Experience	A service-centred design that optimizes the service experience, engages customers proactively and identifies opportunities for improvements.	<i>Output Metric:</i> Online application turnaround time (in days) ³ meets or is lower than target of 20 days.	45
			<i>Outcome Metric:</i> % of clients satisfied with services ⁴ meets or exceeds target of 75%.	74%
	Value for Money	Ensuring value per transaction (internal and external) with a focus on streamlining process and reducing regulatory burden.	<i>Output Metric:</i> % of applications for SOPs auto-issued meets or exceeds target of 90%.	40.4%
People First	Employee Experience	The level of engagement and enablement is directly correlated with higher productivity, increased motivation and job satisfaction.	<i>Outcome Metric:</i> The % of AGCO staff who would recommend AGCO as a place to work ⁵ meets or exceeds target of 75%.	86%
			<i>Outcome Metric:</i> The % of AGCO staff who believe they have opportunities to have their ideas adopted and put into use ⁶ meets or exceeds target of 70%.	76%

² Includes applications, inquiries and complaints

³ Includes application turnaround times and auto-renewals completed on the iAGCO portal

⁴ Average based on AGCO website, iAGCO portal and telephone calls

⁵ Based on the 2018 AGCO Employee Engagement Survey

⁶ Based on the 2018 AGCO Employee Engagement Survey

Operational performance – Investigation and Enforcement Bureau

The Investigation and Enforcement Bureau (IEB) is composed of OPP officers and is fully integrated as a bureau within the AGCO. The OPP bureau works with AGCO operations to streamline, standardize and improve investigative responses. The IEB comprises the Investigations Branch and the Intelligence and Investigative Support Branch. These branches provide investigative expertise and share information with external law enforcement and regulatory and industry stakeholder agencies to ensure integrity and public safety within AGCO-regulated industries and sectors.

IEB Investigation Branch

Occurrences

TABLE 2: Number of IEB investigations

	2019–20	2020–21
igaming	45	60
Charitable Gaming	14	7
Liquor Licence Holders and Applicants	139	140
Lottery Insider Wins	51	49
Lottery Suspicious Wins	79	92
Other Lottery Investigations	93	102

TABLE 3: Occurrences at casinos and slot machine facilities

	2019–20	2020–21
Total Investigations	9,137	1,260
Total Criminal Code Offences	1,581	353
Alleged Cheat-at-Play Instances	271	0
Cheat-at-Play Charges Laid	17	0
Total Non–Criminal Code Related Offences	6,713	280
These occurrences involved provincial statute investigations or violations, such as under the <i>Liquor Licence Act</i>, <i>Trespass to Property Act</i>, and <i>Mental Health Act</i>. Not included are requests to assist local police with non–gaming related investigations. Only those events that result in a report being filed are considered reportable occurrences by the AGCO's IEB.		

Eligibility Investigations Unit (EIU)

TABLE 4: Eligibility investigations

	2019–20	2020–21
Investigations – Gaming Includes files on Gaming-Related and Non-Gaming Related Suppliers, racing teletheatre investigations, investigations on gaming site employees, and lottery retailer investigations	606	708
Outside Agency Assist Checks These checks provide investigative assistance to external law enforcement agencies.	536	495

Operational performance – Other

Service Strategy and Experience

The AGCO’s Service Strategy and Experience Branch’s mandate is to deliver on the AGCO’s Service Excellence strategic objective by working with partners across the organization to ensure:

- a strong service culture is developed and embedded;
- customer needs are the organizing principle around which policy development, service design and delivery are planned and executed;
- AGCO service channels function optimally and meet customer expectations; and
- the customer experience is monitored, measured, and managed.

In 2020–2021, the branch has enhanced its capacity with additional expertise in service analytics, and service design, to better assist the AGCO put the customer at the centre of all service design and improvement initiatives.

iAGCO and service improvements

In October 2020, the AGCO launched the final phase of [iAGCO](#) online service delivery. The AGCO’s Digital First strategy includes modernizing service channels to provide an enhanced experience. Organizations seeking charitable gaming licences from the AGCO and Electronic Gaming Suppliers seeking gaming approvals now conduct all AGCO-related transactions online through the iAGCO portal.

iAGCO has been the largest transformational project the AGCO has undertaken to modernize how we conduct our business, aligning with our goal to be a Modern Regulator and meeting our Service Experience objective of offering customers an easy, convenient and digital way of doing business with us. Now, all AGCO licensees, registrants and authorization holders can conduct their transactions online anytime from anywhere.

The AGCO was especially well-positioned to leverage iAGCO in 2020 during the COVID-19 pandemic. Our online service platform allowed most of our customers to continue to transact with the AGCO despite unprecedented emergency measures, while allowing AGCO staff to seamlessly transition to working remotely.

The COVID-19 pandemic continues to cause significant economic hardship for many AGCO licensees and registrants, particularly in bars, restaurants, casino gaming and horse racing. The AGCO has taken unprecedented steps to provide support by extending licensing and registration terms in 2020.

iAGCO user survey responses consistently show that our customers are extremely satisfied with the iAGCO services they use and appreciate the improved service experience. From the beginning, the rates for auto-approvals and auto-issuances have been high and have only grown over time:

- As of September 2020, there were 190,902 iAGCO portal users.
- From iAGCO launch in May 2017 to October 2020, 87% of 13,118 user survey respondents indicated they were very satisfied or somewhat satisfied with their experience using iAGCO.

As AGCO staff close out of this project by transitioning tasks, roles and responsibilities to ongoing operations, a new iAGCO Product Team is delivering on the AGCO's strategic business goals through the fostering and building of iAGCO functionality. The AGCO's Project Management Office, which provided leadership and oversight from start to finish and worked closely with our vendor, Computronix, has also undergone change to better respond to ongoing corporate project needs. The AGCO continues to refocus its efforts to further develop the iAGCO platform to deliver on organizational modernization and transformation goals.

TABLE 5: iAGCO liquor & gaming submission rates & auto-renewals

	2019–20	2020–21
Online submission rate for liquor applicants	94%	88%
Online submission rate for gaming applicants	87%	57%
SOP auto-issue	93%	39%
Liquor licences auto-renewals	38%	9%
Gaming registration auto-renewals	62%	31%

The decrease in 2020–21 numbers can be attributed to the COVID-19 emergency measures.

TABLE 6: iAGCO and service improvements

	2019–20 Volumes	2020–21 Volumes
Online Regulatory Notifications	25,074	18,247
Liquor Objections	241	2823
Complaints	2,581	2,980
Inquiries	49,319	32,874
Cannabis Submissions (from the public and municipalities)	1,086	9,393
Total	78,301	66,317

Here is what customers have to say about iAGCO:

“Your customer support is magnificent!”

“The process was very smooth and simple.”

“I found the AGCO portal very user friendly. Best Government Website ever!”

TABLE 7: Contact Centre and customer service support

The AGCO is committed to supporting its customers, the public and stakeholders through effective customer service support across a variety of channels.

	2019–20	2020–21
Telephone Contacts (Contact Centre)	104,072	49,070
In-person customers (Head Office)	2,162	0 (Head Office in-person Services were halted, and transitioned online due to the COVID-19 Pandemic)
Self-Help (using automated voice messaging system)	36,386	23,367
Web Chat	6,756*	5,164
AGCO website visits	1,425,794	1,207,608

*Web Chat volumes are from September 2019 to March 2020.

Customer satisfaction, performance and continuous improvement

The AGCO is committed to the continuous improvement of its customers’ service experiences and uses both quantitative service performance measures and customer feedback to gauge service performance and uncover customer insights that are used to improve service design and delivery.

Since March 19, 2020, AGCO Customer Services has offered Contact Centre services remotely, in accordance with Ontario's COVID-19 Response. Using remote technology that was enabled to support the AGCO's Continuity of Operations Planning, the AGCO pivoted to a virtual contact centre environment with no break in customer service delivery, while supporting public health safety objectives.

During this fiscal year, the remotely operated Contact Centre answered 91% of customer calls within five minutes or less, exceeding its 80% service level target. AGCO customer surveys indicated a customer satisfaction rating of 84% for those who called the Contact Centre, the same rating as the previous year.

Customer satisfaction surveys of the AGCO's common service channels (iAGCO, website and voice) indicate an overall customer satisfaction rating of 72%, down from 78% in the previous fiscal year. With the Contact Centre's rate unchanged at 84%, and a slight decline of the AGCO survey (41% to 39%), the most significant change was to iAGCO satisfaction, from 78% in 2019–20 to 67% in 2020–21. The AGCO experienced significant changes in the composition of licences being processed that relate directly to the opening and closure of business activities as part of the Province's COVID response. Due to closures, typically more satisfied customers, including SOP applicants, represented a much smaller proportion of total services in 2020–21 than in previous years.

Complaints and inquiries

The AGCO's *Complaints & Inquiries Handling Policy* continues to focus on complaints analysis, continuous improvement, and evidence-based decision making, with a renewed focus on ensuring complaint documentation is consistently meeting the needs of both due diligence requirements, and complainant satisfaction. Through regular performance monitoring, the AGCO's turnaround for addressing regulatory complaints greater than 30 days improved to 26% in 2020–21 from 30% in 2019–20.

New service channel: Web Chat for SOPs and cannabis

In September 2019, the AGCO launched a new channel of communication to support and further enhance the customer service experience. Web Chat offers customers a direct, web-based digital line to the Contact Centre Monday through Friday, from 8:30 a.m. to 5:00 p.m. This popular service, currently available to Special Occasion Permit and cannabis customers, is scheduled to expand to other lines of business.

Compliance Services

Compliance Services (CS) is responsible for conducting regulatory inspections, audits and financial investigations across all lines of business regulated by the AGCO. Throughout 2020–21, CS continued to conduct regulatory inspections, in-person and virtually, across all lines of business during the COVID-19 pandemic to ensure business continuity while supporting the broader public health objectives.

Audit and Financial Investigations Branch

1. Casinos and slot machine facilities

In 2020–2021, the casino sector transitioned to a private sector–operated model as part of the OLG's modernization strategy. It also fully transitioned to a standards-based regulatory approach, under which the AGCO establishes clear industry objectives and standards that regulated entities are responsible for meeting.

This approach benefits both the AGCO and Operators through reduced administrative burden, increased operational flexibility and strengthened regulatory outcomes. It also allows the AGCO to proactively manage the evolving nature of its regulated industries and sectors while taking on new regulatory responsibilities.

When conducting an audit at a casino facility, the AGCO assesses site compliance with the requirements under the *Gaming Control Act (GCA)*, the [*Registrar's Standards for Gaming*](#), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act, 2001*, and related regulations. The AGCO helps regulated entities to comply with regulatory requirements by taking an approach based on education, collaboration and deterrence.

During 2020–2021, the AGCO carried out three risk-based audits/reviews.

2. Internet gaming (igaming)

As part of its regulatory assurance activities, the AGCO conducts:

- audits
- compliance monitoring and reviews
- technical monitoring of the igaming platform
- investigations of suspicious behaviour within the province's PlayOLG.ca gaming platform.

The AGCO applies a risk-based approach to all of its activities, including its eligibility assessment and registration process, technical assessment and approval of updates to the OLG igaming solution and new games, and the application of regulatory assurance activities to assess compliance with the *Registrar's Standards for Gaming*.

During 2020–2021, the AGCO carried out three risk-based audits/reviews.

3. Charitable gaming (cGaming)

As part of the ongoing multi-year initiative to revitalize and modernize charitable bingo in the province, the OLG and the charitable gaming Operators signed an amended agreement in 2019. This provides Operators with increased flexibility in their overall conduct of the business and management of their operations while undertaking a number of new accountabilities. Operators are now accountable for their compliance with the *Registrar's Standards for Gaming*.

To help Operators comply with the *Registrar's Standards for Gaming*, the AGCO presented education sessions for two new cGaming centres during the Fall of 2020.

4. Other charitable gaming

In addition to cGaming centres managed and operated by licensed Service Providers/Operators in partnership with charities, traditional paper-based bingo events conducted and managed by licensed charitable organizations continue to operate in Ontario. Charitable gaming revenues, including those that come from traditional bingos, are an important source of funding for a number of not-for-profit organizations.

The AGCO continued to support the charitable gaming industry by supporting fundraising opportunities for charities and providing modernization initiatives for suppliers to support business growth. This included the Bingo Revenue Model, introduction of eRaffles using a random number generator, online 50/50 draws, changes to the break open ticket regulatory framework, the launch of Catch the Ace lotteries, as well as work with the Charitable Gaming Strategic Working Group and Mega Raffle Working Group. While the role of provincial and municipal licensing authorities remains in place, this model provides for flexibility in how charitable games are licensed, managed and conducted.

5. OLG lotteries

The AGCO conducts audits and reviews of the OLG's lottery management functions, processes and systems. Applying a risk-based approach, the AGCO completed one technology-related audit of a lottery system and continued to monitor the implementation of the OLG's lottery modernization. The OLG continued to modernize key components of its lottery and gaming business, including a new OLG Player Platform, replacement of lottery terminals, an enhanced sports betting solution, a new web and app presence, as well as new games.

During 2020–2021, the AGCO monitored ongoing changes to the OLG's lottery platform, assessed related risks, educated new Gaming-Related Suppliers on AGCO's regulatory requirements and expectations, and assessed technology-related readiness.

6. Horse racing

The AGCO conducts audits and reviews of Ontario racetracks to assess the effectiveness of governance structures and processes, the integrity of funds management, compliance with racetrack licences and with the *Rules of Racing*. AGCO Audit also collaborates closely with the OLG in areas of shared interest, such as governance and integrity of purse account management.

In 2020–2021, the AGCO carried out two follow-up audits of Ontario racetracks.

7. Alcohol – wineries and liquor

The AGCO is responsible for administering the *Liquor Licence Act* (LLA) and specific sections of the *Liquor Control Act* (LCA). The AGCO's regulatory responsibilities include the licensing and regulation of the sale and service of beverage alcohol in liquor-licensed establishments (such as bars and restaurants) and manufacturers.

In 2020–2021, the AGCO conducted a variety of regulatory assurance activities, including five financial reviews in support of inspections conducted by AGCO Compliance Officials of licensed liquor establishments that were not compliant with terms and conditions of their licence and provisions of the LLA/LCA.

As part of an existing Memorandum of Understanding with the AGCO, the LCBO conducts regular compliance audits of licensed wine manufacturers on behalf of the AGCO. During 2020–2021, a total of 245 audits of wine manufacturers was completed. In addition, the AGCO completed financial/compliance reviews of two licensed liquor establishments and three licensed wine boutiques.

8. Cannabis Private retail stores were permitted to sell cannabis beginning on April 1, 2019, to help eliminate the illegal market and provide economic development opportunities for businesses in Ontario.

The AGCO fulfills its responsibility for licensing retailers and authorizing stores by conducting eligibility assessments and enforcing legislation and the Registrar's Standards. This included conducting inspections, assessing point-of-sale and inventory tracking systems, education and other regulatory assurance activities. The AGCO focuses on the safe, responsible and lawful sale of cannabis, consistent with government legislation.

In 2020–2021, the AGCO worked with the Ontario Cannabis Store and industry partners to amend the [*Registrar's Standards for Cannabis Retail Stores*](#) for "Click & Collect" eCommerce sales of cannabis products.

As part of cannabis pre-opening inspections, Compliance Officials conducted 522 completed systems assessment (point-of-sale systems, inventory tracking system, click & collect systems and payment processors).

9. Financial due diligence and investigations

The Branch's Financial Investigations Unit (FIU) conducts financial due diligence reviews to assess a licence or registration applicant's ability to conduct its business in accordance with the principles of honesty, integrity, and financial responsibility. FIU reports support the eligibility assessment process and licensing and registration decisions made by the Licensing and Registration Branch.

In 2020–2021, the FIU provided forensic expertise to support investigations by the AGCO/OPP's Investigations and Enforcement Bureau of suspected thefts or misuse of charitable lottery funds. The FIU completed 15 financial investigations.

Compliance Services inspections

In 2020–2021, CS continued to focus its resources on areas of higher risk with a continued emphasis on being outcomes-based and compliance-focused. Compliance Officials achieved this by investing significant effort into proactively working with licensees and registrants to ensure regulatory compliance.

Over the fiscal year, CS effectively used virtual compliance activities that allowed for continued communications between the AGCO and its stakeholders during the pandemic and allowed for enhanced service delivery with less regulatory burden.

Strategic partnerships

CS recognizes the benefits of collaborative working relationships with police services and other regulatory bodies. Throughout 2020–2021, CS continued to seek out new strategic partnerships and collaborative approaches to promote compliance among all industries and sectors regulated by the AGCO.

In this fiscal year, CS continued to increase its collaboration with municipal partners, including participation in a new multi-ministry COVID safety awareness and compliance team of more than 200 provincial offences officers from various ministries throughout Ontario. This coordinated provincial initiative to combat COVID is an area where CS has been instrumental in assisting the effort to keep Ontarians safe.

CS has continued to work in strong collaboration with its strategic partners from the local police, public health units, and bylaw enforcement departments to limit duplication of local compliance and enforcement efforts.

TABLE 8: Compliance Services inspections – cannabis

	2019–20	2020–21
Pre-inspection	73	1061
Cannabis pre-opening	45	528
Education	148	1189
Unannounced inspections	222	678
All other inspection types	154	1786

TABLE 9: Compliance Services inspections – raffles

	2019–20	2020–21
Inspections	57	11
Infractions cited	1	0

In addition to commercial gaming inspections, the AGCO continued to conduct inspections at sites that fall under 207(1)(b) of the *Criminal Code*. These sites are conducted and managed by the OLG (see “3. Charitable Gaming (cGaming), p. 43).

AGCO COs also provide education and outreach to the charitable gaming sector to ensure continued compliance.

Operational performance – By line of business

Alcohol

Licensing

The *Liquor Licence Act* and its Regulations provide the Registrar with the authority for regulating and licensing liquor sales licences, ferment-on-premise facility licences, liquor delivery service licences, manufacturer's licences, and manufacturer's representative licences.

The AGCO is also responsible for overseeing the administration of Special Occasion Permits (SOPs), which are required for occasional private events (such as weddings and receptions) or public events (such as community festivals) where beverage alcohol will be served and/or sold to the public.

TABLE 10: Total number of liquor licences and Special Occasion Permits (SOPs)

	2019–20	2020–21
Liquor Sales Licensed Establishments	17,753	18,211
Ferment-on-Premise Facilities	468	468
Liquor Delivery Services	325	582
Manufacturers	817	899
Manufacturers' Representatives	913	1065
Total Liquor Licences	20,276	21,225
SOPs Issued	58,555	3,200 ¹

¹ The decline in SOPs can be attributed to government measures to limit public gatherings during the pandemic

VQA wine sales at Farmers' Markets

As of March 31, 2021, there were 84 wineries selling their fruit wine, honey wine, maple wine or VQA wine at 226 Ontario Farmers' Markets.

TABLE 11: Compliance Services inspections – Alcohol

	2019–20	2020–21
Inspections of licensed premises (excluding SOPs)	18,590	14,706
Contraventions of Ontario's liquor laws	2,654	985
Serious occurrences escalated for further review	136	83

TABLE 12: Notices of Proposal and Orders of Monetary Penalty (alcohol)

If the Registrar proposes to refuse, revoke or suspend a licence, the Registrar must serve a Notice of Proposal (NOP) on the applicant/licensee outlining the reasons for the proposed action. Applicants/licensees who dispute an NOP may appeal the proposal to the Licence Appeal Tribunal (LAT).

	2019–2020	2020–21
NOPs		
• Applications (new, change, transfer)	82	61
• Disciplinary (suspend and/or add conditions, revoke)		
• Premises closed (revoke licence)		
• Other		
Orders of Monetary Penalty	38	9

Gaming

OLG Lotteries

TABLE 13: Compliance Services inspections – Gaming

	2019–20	2020–21
Inspections of registered retailers	1,965	476
Infractions cited	297	48
Warnings	63	20

Gaming registrations

Gaming registrations must be obtained by individuals or businesses wishing to:

- provide goods or services to charitable or religious organizations to assist with the conduct and management of their licensed lottery event, or any business that manufactures bingo paper or break open tickets;
- sell lottery products on behalf of the OLG, or provide goods or services related to lottery products to the OLG;
- provide goods or services to, or work for a casino, slot machine facility or charitable gaming (cGaming) site.

In reviewing applications, an eligibility assessment is carried out by the Registrar concerning the character, integrity, financial responsibility and competence of those persons or businesses and their suitability for registration.

TABLE 14: Total number of gaming and lottery registrations

LICENCE TYPE	2019–20	2020–21
Gaming Assistant	18,631	17,435
Gaming-Related Supplier – Manufacturers	44	47
Gaming-Related Supplier – Lottery	16	16
Gaming-Related Supplier – Other	67	70
Non-Gaming Related Supplier	284	305
Operator – Charitable – 4 or more events per week	59	59
Operator – Charitable – 3 or less events per week	7	7
Operator – Commercial	28	34
Seller	10,164	10,320
Trade Union	18	19
Total	29,318	28,312

Charitable gaming licences

The AGCO administers the charitable lottery licensing program in Ontario. This includes lottery events conducted and managed by charitable or religious organizations (such as bingo, raffles and the sale of break open tickets). The AGCO also issues registrations to individuals or businesses that wish to provide goods or services to the charitable gaming sector and carries out inspection and compliance assurance activities to ensure that charitable gaming licensees and registrants are operating in accordance with the law and in the public interest.

The issuance of charitable lottery licences continues to be a responsibility shared between the AGCO and local municipalities. The AGCO licenses raffle prizes over \$50,000 and bingo prize boards over \$5,500. Municipalities have the authority to issue licences with prize boards less than these amounts.

TABLE 15: Lottery licences issued

	2019–20	2020–21
Bingo	129	7
Charitable Gaming (Bingo Hall)	2,099	671
Break Open Ticket (BOT)	58	4
Raffle	580	342
Social Gaming Events	18	4
Other	8	10
Total	2,892	1,038

Electronic gaming equipment and system approvals

Technical and Laboratory Services Branch

Ontario's public confidence in gaming is largely based upon the integrity and fairness of the games and gaming systems in play. The Technical and Laboratory Services Branch ensures the technical integrity of gaming technology by testing and providing approvals of games and related gaming systems.

This technology is used throughout the province in all gaming industries and sectors regulated by the AGCO, including casino gaming, charitable/raffle gaming, lotteries and igaming.

Gaming Laboratory

The AGCO Gaming Laboratory (Gaming Lab) is composed of highly qualified and experienced experts in an in-house lab that is equipped with the same gaming systems used at gaming sites in Ontario.

The Gaming Lab is accredited to the international standard ISO 17025:2017 for testing laboratories, considered the international benchmark for excellence in testing laboratories. This achievement sets the AGCO apart as the only known gaming regulator with an in-house accredited gaming lab. This accreditation provides annual third-party assurance of the ongoing quality of the testing performed by the Gaming Lab.

In 2020–2021, the Gaming Lab did not conduct its annual survey of regulated entities due to the COVID-19 pandemic. The Gaming Lab will conduct its annual survey in 2021–22 to gather valuable feedback from regulated Gaming-Related Suppliers to enable it to continue to provide industry-leading services.

TABLE 16: Gaming Laboratory

	2019–20	2020–21
Electronic gaming-related products requested for approval	2,328	1,395
Low-risk electronic gaming products that were pre-approved	125	43
Products with regulatory issues discovered by the AGCO that were consequently not approved	152	87

Note: *The average turnaround time for approval in 2020–21 was 22 days, which is the fastest among Canadian jurisdictions according to Gaming Operators. The goal is to maintain or further improve the turnaround time in the upcoming fiscal year.*

Horse racing

Horse racing licensing

The AGCO licenses participants in the horse racing industry, such as jockeys, trainers, drivers, veterinarians, stables and partnerships, racetracks associations, and teletheatres. AGCO Licensing Agents work at racetracks and at the AGCO's Head Office in Toronto. This work continued during the pandemic when racing was allowed.

TABLE 17: Horse racing licensing

Licensing (Number of licences issued)	2019–20	2020–21
Thoroughbred	4,537	2,674
Quarter Horse	428	271
Standardbred	8,998	3,069
Teletheatres	59	48
Racetracks	15	15
Total	14,037	6,077

Ontario racetracks

Thoroughbred

- Fort Erie Race Track, Fort Erie
- Woodbine Racetrack, Toronto

Standardbred

- Clinton Raceway, Clinton
- Dresden Raceway, Dresden
- Flamboro Downs, Dundas
- Georgian Downs, Innisfil
- Grand River Raceway, Elora
- Hanover Raceway, Hanover
- Hiawatha Horse Park, Sarnia
- Kawartha Downs, Fraserville
- Lakeshore Racing, Leamington
- Woodbine Mohawk Park, Campbellville
- Rideau Carleton Raceway, Ottawa
- The Raceway at Western Fair, London
- Woodbine Racetrack, Toronto

Quarter Horse

- Ajax Downs, Ajax

Racing inspections

In 2020–2021, the AGCO continued to conduct its horse racing–related inspection and investigation activities.

Note: Upon the completion of iAGCO online services rollout, horse racing complaints previously housed in the Horse Racing Database are now listed as Inspections and Investigations in iAGCO.

TABLE 18: Inspections – Horse racing

Inspection Types	2020–21
Complaint Driven – CMP	33
Consult with Licensee / Registrant – CLR	15
Education – EDU	1
Equine Accident Inspection – EAI	5
Equine Fatality Inspection – EFI	12
Equine Positive Test – PTE	34
Intelligence – ITL	28
Issues Note – Contentious - INC	3
Out of Competition Testing – OCT	76
Unannounced Inspection – UNI	107
Total	314

TABLE 19: Investigations – Horse racing

Investigation Types	2020–21
AGCO Legal Investigation	5
HRLA Investigation	1
Horse Racing – Eligibility Review Investigation	88
Racing Intelligence	1
Rules of Racing	2
Total	97

Rulings

Rulings are written decisions by AGCO Judges and Stewards that relate to violations of the Rules of Racing, 2018. The decisions can be appealed to the Horse Racing Appeal Panel, an independent and impartial adjudicative body – [see page 66 of this Annual Report](#).

TABLE 20: Rulings by racing officials

Breed	2019–20	2020–21
Thoroughbred		
Stewards' Rulings	187	109
Live Race Dates	171	134
Standardbred		
Judges' Rulings	417	313
Live Race Dates	710	523
Quarter Horse		
Stewards' Rulings	13	22
Live Race Dates	25	21

Notices

TABLE 21: Number of Notices of Proposed Order or Immediate Suspension

	2019–20	2020–21
Notice of Proposed Order	12	3
To suspend, revoke or immediately suspend a licence		

Hearings, appeals, dispute resolution, and settlements

The Licence Appeal Tribunal (LAT) is responsible for adjudicating appeals of decisions on licensing activities regulated by various ministries. The LAT is part of Tribunals Ontario and is independent of the AGCO.

Notices of Proposal, Notices of Proposed Order or an Orders of Monetary Penalty issued by the Registrar regarding a licensing or registration matter under the *Liquor Licence Act* (LLA), *Gaming Control Act 1992* (GCA), *Horse Racing Licence Act 2015* (HRLA) or *Cannabis Licence Act 2018* (CLA) and regulations, can be appealed to the LAT.

The LAT will also conduct public interest hearings to determine if issuance of a liquor licence or changes to liquor-licensed premises is in the public interest.

Horse racing licensees can appeal decisions made under the *Rules of Racing* to the Horse Racing Appeal Panel.

The following settlements were reached without a LAT hearing:

TABLE 22: Alcohol-related settlements without a hearing

	2019–20	2020–21
Number of Settlements agreed to without a hearing (NOPs and OMPs)	98	11

**These settlements are negotiated by the AGCO's Legal Services Division, based on instructions from the Registrar.*

TABLE 23: Alcohol-related public meeting conference calls

If the AGCO receives a written objection to the issuance of a liquor sales licence, a decision is made to either set up a public meeting at the AGCO or issue an NOP to review the licence application, which can be appealed to the LAT. A public meeting is an alternative dispute-resolution process and is an informal meeting among the liquor licence applicant, the objectors, and a Deputy Registrar of the AGCO. This meeting may be arranged as a telephone conference call.

	2019–20	2020–21
Number of Public Meeting Conference Calls	15	12

TABLE 24: Gaming-related settlements without a hearing

	2019–20	2020–21
Number of settlements agreed to without a hearing (Notices of Proposed Order and Orders of Monetary Penalty)	5	0

**These settlements are negotiated by the AGCO's Legal Services Division, based on instructions from the Registrar.*

Alcohol and Gaming Commission of Ontario

Financial Statement

For the Year Ended March 31, 2021



Management's Statement of Responsibility for Financial Reporting

The accompanying financial statement of the Alcohol and Gaming Commission of Ontario has been prepared by management in accordance with the accounting policies described in Note 2 to the financial statement. The financial statement has been properly prepared within reasonable limits of materiality and is based on information available up to July 6, 2021.

Management is responsible for the integrity of the financial statement and maintains a system of internal controls designed to provide reasonable assurance that the assets are safeguarded, and reliable financial information is available on a timely basis. The system includes formal policies and procedures and an organizational structure that provides for appropriate delegation of authority and segregation of responsibilities.

The Board of Directors ensure that management fulfills its responsibilities for financial information and internal control through a Financial, Audit and Risk Management (FARM) committee. The FARM committee meets with management and internal audit regularly to review the policies and procedures.

The financial statement has been examined by the Office of the Auditor General of Ontario. The Auditor General's responsibility is to express an opinion on whether the financial statement is prepared in accordance with the accounting principles described in Note 2 to the financial statement. The Independent Auditor's Report, which appears on the following page, outlines the scope of the Auditor's examination and opinion.

On behalf of Management:



Tom Mungham
Chief Executive Officer & Registrar
Date July 6, 2021



Joseph Pittari
Chief Administrative Officer
Date July 6, 2021



INDEPENDENT AUDITOR'S REPORT

To the Board of the Alcohol and Gaming Commission of Ontario

Opinion

I have audited the Statement of Revenue and Expenditures of the Alcohol and Gaming Commission of Ontario (the AGCO) for the years ended March 31, 2021 and March 31, 2020, and notes to the financial statement, including a summary of significant accounting policies (together the "financial statement").

In my opinion, the accompanying financial statement is prepared, in all material respects, in accordance with the basis of accounting described in Note 2 to the financial statement.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statement* section of my report. I am independent of the AGCO in accordance with the ethical requirements that are relevant to my audit of the financial statement in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter — Basis of Accounting

I draw attention to Note 2 to the financial statement, which describes the basis of accounting. The financial statement is prepared to report on the revenue and expenditures of the AGCO. As a result, the financial statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statement

Management is responsible for the preparation of the financial statement in accordance with the basis of accounting described in Note 2 to the financial statement, and for such internal control as management determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the AGCO's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the AGCO either intends to cease operations, or has no realistic alternative but to do so.

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Those charged with governance are responsible for overseeing the AGCO's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statement

My objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statement.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the AGCO's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the AGCO's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the AGCO to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Toronto, Ontario
July 6, 2021

Bonnie Lysyk, MBA, FCPA, FCA, LPA
Auditor General

Alcohol and Gaming Commission of Ontario

Statement of Revenue and Expenditures (\$'000)

For the Year Ended March 31, 2021	Note(s)	2021	2020
Revenue			
Fees and Levies	3	\$ 12,713	\$ 37,728
Expenditures			
Salaries and Wages		59,792	62,158
Employee Benefits	5, 6	13,805	13,233
Services		12,758	10,278
Transportation and Communications		943	1,688
Supplies and Equipment		549	656
		87,847	88,013
Less: Recoveries		(17,930)	(45,945)
		69,917	42,068
Deficit of Revenue Over Expenditures		\$ (57,204)	\$ (4,340)

See accompanying notes to the financial statement.

On Behalf of the Board:



Board Chair



Chair, Financial, Audit and Risk Management Committee

Alcohol and Gaming Commission of Ontario

Notes to the Financial Statement

For the Year Ended March 31, 2021

(\$'000)

1. Nature of operations

The Alcohol and Gaming Commission of Ontario (AGCO) is an Ontario provincial regulatory agency reporting to the Ministry of the Attorney General (MAG). The agency was established on February 23, 1998 under the *Alcohol and Gaming Regulation and Public Protection Act, 1996*, which was amended in 2018 and re-named the *Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996* when the AGCO became responsible for the regulation of retail cannabis sales.

The AGCO is responsible for regulating the alcohol, gaming and horse racing industries and sectors as well as cannabis retail in accordance with the principles of honesty and integrity, and in the public interest. In so doing, the AGCO administers the *Liquor Licence Act, Gaming Control Act, 1992*, *Horse Racing Licence Act, 2015* and the *Cannabis Licence Act, 2018*. The AGCO also administers sections of the *Wine Content and Labelling Act, 2000* and the *Liquor Control Act* as well as the charity lottery licensing *Order-in-Council 1413/08*.

As a regulatory agency with a governing board reporting to MAG, the AGCO receives its annual spending authority from the Ministry's printed estimates, as approved by the Ontario Legislature. The AGCO is funded from a combination of revenue from the Consolidated Revenue Fund and recoveries.

The AGCO is exempt from income taxes. The AGCO's head office is located at 90 Sheppard Avenue East, North York, Ontario, Canada, M2N 0A4.

2. Significant accounting policies

a. Basis of accounting

The financial statement is prepared on a cash basis of accounting. Consequently, revenues are recognized when received rather than when earned, and expenditures, except for certain transactions with related parties, are recognized when cash is disbursed rather than when the obligation is incurred. Expenses allocated to the AGCO by Ministries of the Province of Ontario (Note 4a) are expensed when charged, as these transactions are not settled in cash.

b. Currency

The financial statement is presented in Canadian dollars (the AGCO's functional currency).

At the transaction date, revenue or expenditures in currencies other than the AGCO's functional currency are recognized in Canadian dollars at the exchange rate in effect at that date.

Notes to the Financial Statement

For the Year Ended March 31, 2021

(\$'000)

2. Significant accounting policies (continued)

c. Revenue

Revenue from fees, licenses and registrations are recorded in the fiscal year that the payment is received.

Revenue from other sources include awarded costs from court received in the fiscal year.

d. Recoveries

The AGCO is authorized to recover costs of its regulatory activities in accordance with the *Alcohol, Cannabis and Gaming Regulation and Public Protection Act, 1996*. The AGCO records recoveries in the Statement of Revenue and Expenditures when the payment is received.

3. Fees and levies

The AGCO collects fees and levies from the issuance of licences, permits and registrations to the following sectors:

	2021	2020
Cannabis	\$ 8,067	\$ 8,907
Gaming	2,161	14,253
Liquor	2,485	14,563
Other	-	5
	<u>\$ 12,713</u>	<u>\$ 37,728</u>

4. Related party transactions

The Province of Ontario is a related party as it is the controlling entity of the AGCO. Organizations that are commonly controlled by the Province of Ontario are also related parties of the AGCO. Transactions with related parties are outlined below.

All related party transactions were measured at the exchange amount, which is the amount of consideration established and agreed upon by the related parties.

Notes to the Financial Statement

For the Year Ended March 31, 2021

(\$'000)

4. Related party transactions (continued)

a. Ministries of the Province of Ontario

During the course of the year, the AGCO entered into the following transactions with various Ministries of the Province of Ontario:

- (i) The AGCO has statutory authority to carry out specific types of investigations, inspections and other similar activities in accordance with the Acts and regulations that it administers. The AGCO has dedicated Ontario Provincial Police (OPP) officers within its Investigation and Enforcement Bureau to perform these activities. A Memorandum of Understanding between the AGCO and OPP establishes that the AGCO is responsible for funding the salaries, wages, expenses and administrative support costs for these OPP officers. For the year ended March 31, 2021, the AGCO was charged \$14,488 (2020 - \$16,390) by the Ministry of the Solicitor General for these costs.
- (ii) The Ministry of Government and Consumer Services (MGCS) provides the AGCO with network, telecommunication and administrative services. For the year ended March 31, 2021, the AGCO was charged \$1,410 (2020 - \$1,561) by MGCS for these costs. MGCS also provides the AGCO with other services such as accounting and cash management without charge.
- (iii) The Ministry of Transportation supplies the AGCO with leased vehicles that are used by employees to perform their duties. For the year ended March 31, 2021, the AGCO was charged \$661 (2020 - \$893) for this cost.
- (iv) For the year ended March 31, 2021, MAG charged the AGCO \$481 (2020 - \$376) for legal services, horse racing regulatory costs, Workplace Safety Insurance Board charges and other administrative services.
- (v) MAG provides the AGCO with leased office space at 6 (2020 – 6) locations across the province without charge.

b. Liquor Control Board of Ontario (LCBO)

For the year ended March 31, 2021, the AGCO paid LCBO \$125 (2020 - \$136) for winery audit services and administrative costs.

c. Ontario Racing Management Inc. (ORM)

For the year ended March 31, 2021, the AGCO paid ORM \$120 (2020 - \$138) for the rent of one office location.

Notes to the Financial Statement

For the Year Ended March 31, 2021

(\$'000)

5. Pension costs

Certain employees of the AGCO participate in the Public Service Pension Plan (PSPP) and the Ontario Public Service Employees Union Pension Plan (OPSEUPP), which are defined benefit pension plans for employees of the Province and many provincial agencies. The Province of Ontario is the sole sponsor of PSPP and a joint sponsor of OPSEUPP with the Ontario Public Service Employees Union. The sponsors of these plans determine the AGCO's annual payments to the respective plans. The AGCO's responsibilities with regard to PSPP and OPSEUPP are limited to its contributions. Payments made to the plans are recognized as an employee benefits expenditure when contributions are made to the plans. The AGCO's required annual payments of \$4,573 (2020 – \$4,428), is included in employee benefits expenditure in the Statement of Revenue and Expenditures.

6. Post-employment benefits

a. Non-pension post-employment benefits

The costs of non-pension benefits for eligible pensioners are paid by the Province of Ontario and is not included in this financial statement.

b. Separation costs

Separation costs made to employees are recognized as an employee benefits expense when payment is made. For the year ended March 31, 2021, these separation costs amounted to \$293 (2020 - \$300).

7. AGCO Board of Directors' remuneration

The AGCO's Board of Directors are part time appointees and are remunerated according to Schedule B of the Management Board of Cabinet's Agencies and Appointments Directive. Total remuneration paid to the Board of Directors during the year was \$105 (2020 - \$121).

Notes to the Financial Statement

For the Year Ended March 31, 2021

(\$'000)

8. COVID-19 impacts

On March 11, 2020, COVID 19 was declared a global pandemic by the World Health Organization. The Government of Ontario declared a state of emergency on March 17, 2020. In response, to support its licensees and registrants, the AGCO extended the terms of licences, authorizations and registrations through a series of announcements between March 18, 2020 and January 14, 2021. Effective March 18, 2020, the combined term extensions granted were as follows:

- Active liquor and gaming licences, authorizations and registrations – 15 months;
- Active cannabis licences, authorizations and registrations – 9 months;
- Active horseperson licences – 12 months; and
- Horseperson licences expired within six months of March 18, 2020 – 12 months.

Further, in recognition of the impact the pandemic had on businesses that rely on in-person patrons, the AGCO provided recovery waivers to the Ontario gaming sector and refunded any recoveries already collected.

The horse racing sector was allowed to operate for a significant part of the year without patrons in attendance. The AGCO waived fees for all Ontario racetrack operations for the months of April and May 2020. The AGCO also fully waived licensing and regulatory fees for racetrack operators who were required to cancel their scheduled races as a result of the emergency declaration and province wide shut down orders.

These AGCO cost relief measures resulted in a significant decrease in fees, levies and recoveries for the year ended March 31, 2021.



Horse Racing Appeal Panel
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Email: info@hrapealpanel.ca

Horse Racing Appeal Panel

Established through the *Horse Racing Licence Act, 2015*, the Horse Racing Appeal Panel (HRAP or Panel) is an adjudicative body that is mandated to consider appeals of decisions made under the *Rules of Racing*.

The HRAP was established as an institutionally independent and impartial adjudicative body that operates at arm's length from the AGCO. Members are appointed to the HRAP by the AGCO Board of Directors. The HRAP is also provided operational and administrative support by the HRAP Secretariat, which is a unit within the Corporate Affairs, Strategic Policy and Planning Division of the AGCO. The HRAP Secretariat is operated as a standalone unit and is segregated from other parts of the AGCO organization to support the institutional independence of the HRAP. Although the HRAP Chair and Panel members are appointed by the AGCO Board of Directors, the AGCO has no oversight role or involvement in adjudicative matters overseen by the Panel and has no authority or jurisdiction to intervene in individual cases.

Panel members

HRAP members are appointed by the AGCO Board of Directors based on experience and qualifications and through a competitive, merit-based process. There is broad representation from the various sectors of the industry on the Panel, with various members possessing a background or experience in law, veterinary medicine and pharmacology, governance and administrative justice.

Stanley Sadinsky

CHAIR

First Appointed: April 1, 2016

Term Expires: March 21, 2022

Brian Newton

MEMBER

First Appointed: April 1, 2016

Term Expires: March 31, 2023

Sandra Meyrick

VICE-CHAIR

First Appointed: April 1, 2016

Term Expires: March 31, 2023

Bruce Murray

MEMBER

First Appointed: April 1, 2016

Term Expires: March 31, 2023

John Charalambous
MEMBER
First Appointed: April 1, 2016
Term Expires: March 31, 2023

Julie Jamieson
Bilingual MEMBER
First Appointed: March 6, 2017
Term Expires: March 5, 2021

Dr. John Hayes
MEMBER
First Appointed: April 1, 2016
Term Expires: March 31, 2023

Eric Anthony Clear (Tony) Williams
MEMBER
First Appointed: July 22, 2020
Term Expires: July 21, 2023

In January 2020, five members (including the Vice-Chair) were renewed for a further term and in July 2021, Tony Williams was newly appointed to the HRAP as a member. The re-appointments by the AGCO Board of Directors signal the importance of ensuring the continuity of the HRAP and retaining members who have the requisite skills and experience to effectively adjudicate racing appeals and to help manage the tribunal going forward.

Year in review

This report marks the end of five years in operation for the HRAP. Its focus continues to be on ensuring a fair and accessible adjudicative process for all participants. The HRAP continually reassesses itself, resulting in an efficient and responsive appeal process that considers all stakeholder input.

In response to the COVID-19 pandemic, the HRAP took all precautionary measures to safeguard the health and wellbeing of our frontline staff, stakeholders and the public. As a result, and in accordance with the *Rules of Racing* (Rule 3.8), the HRAP adjourned all in-person hearings, and a new initiative to transition the in-person hearings to electronic hearings took immediate priority.

In July 2020, the HRAP recommenced hearings conducted exclusively on a virtual platform. Electronic hearings are accessible through a secure Zoom platform and facilitated by the HRAP Secretariat. Virtual training is available through the Secretariat to all participants in the electronic hearing process. A Notice to the Industry released in June 2020 addressed the changes to the hearing format under the HRAP's Rules of Procedure (ROP), and a Practice Direction for Electronic Hearings was published, providing general information about electronic hearings before the HRAP.

Since April 1, 2020, the HRAP Secretariat has received 59 new Notice of Appeals and has facilitated 41 electronic hearings over 51 days.

The HRAP Secretariat continues to monitor the pandemic, with the safety, health and wellbeing of our stakeholders, parties and staff as our top priority.

Statistical report for 2020–2021

Appeals

Number of Notices of Appeal filed with HRAP in 2019–20	Number of Notices of Appeal filed with HRAP in 2020–21
63	59

Appeals, by type of infraction	2019–20	2020–21
Interference	16	14
Human Alcohol or Drug	0	0
Equine Drug or Medication	10	20
Urging	26	12
Other Racing Violation	11	13

Motions

Number of motions
70

Stay Motions	Other Types of Motions
44	26

Hearings

In-Person Hearings	Total Hearing Days
41	51

Appeal Hearings	Motion Hearings
33	8