

Governance policies 2.01 to 2.06 approved in principle subject to editing March 27, 2018  
Governance policy 2.05 adopted May 24, 2018

## **1 POLICY**

1.01 The organization shall engage in formal risk assessment and risk management planning annually in addition to its overall business planning.

1.02 The organization will maintain an operations recovery plan and review and update it annually.

1.03 Procedures related to personal security shall be reviewed with all new employees as part of the orientation process.

1.04 Documents and other media of a confidential or sensitive nature shall be securely stored and access-controlled.

1.05 The organization shall carry insurance coverage at replacement levels for all major assets, including data assets, as well as general liability and directors and officers liability insurance. Minimum of \$5 million liability with the City of Vernon named as additional insured will be carried.

## **2 PURPOSE**

2.01 The purpose of this Statement of Policy and Procedure is to articulate organizational standards related to risk management including risk assessment, risk management, operations recovery planning, physical security and insurance.

## **3 SCOPE**

3.01 This policy applies to the Board of Directors, Management Team and all employees.

## **4 RESPONSIBILITY**

4.01 The Board of Directors is responsible to assure itself that risks have been appropriately identified, planned for and managed.

4.02 The Board of Directors is responsible for implementation of risk management plans and processes, and is ultimately responsible to ensure that risks are assessed and managed appropriately.

4.03 All managers are responsible for ensuring that all appropriate and cost-effective steps are taken to minimize or control identifiable risks.

4.04 The Management Team is responsible for development of the operations recovery plan and its annual review. The Management Team will identify a disaster recovery coordinator, as well as alternates, to implement the operations recovery plan when required.

4.05 The Finance and Marketing Manager is responsible for ensuring that appropriate insurance is in place.

## **5 DEFINITIONS**

5.01 **"Heating/cooling and machinery"** insurance means insurance covering direct damage to machinery and equipment.

5.02 **"Property coverage"** means insurance coverage for loss or damage to property. Property includes both real property (land and buildings) and moveable property (equipment, files, etc.).

5.03 **"Risk"** means the possibility of a negative or adverse outcome, and the magnitude or severity of the consequences of that outcome.

5.04 **"Umbrella coverage"** means additional liability insurance over and above liability coverage otherwise included in automobile or fleet coverage, property coverage and any other liability coverage.

## **6 REFERENCES and RELATED STATEMENTS of POLICY and PROCEDURE**

SPP NP 1.05 – Legal and Regulatory (Legal Risk Management Checklist, page NP 1.05-9)

SPP NP 1.08 – Confidentiality and Privacy

SPP NP 2.02 – Board Processes

SPP NP 2.03 – Roles and Responsibilities

SPP NP 2.06 – Strategic and Business Planning

SPP NP 5.02 – Recruitment, Selection and Orientation

## **7 PROCEDURES**

### **7.01 Risk Assessment Process**

(a) The organization will ensure that risk assessment is an integral part of strategic and business planning.

(b) Annually, the Management Team will present a review of the principal risks of the operations to the Board of Directors for their discussion and direction.

(c) Annually, the Board will review and update the organization's assessment of all operational risks and the organizational response to each.

### **7.02 Risk Management Procedures**

(a) The organization will use a structured risk management program so that if an adverse event occurs, disruption to operations, cost, damage to the environment and harm to people or property will be minimized.

(b) Annually, the President and Management Team will review and adapt the risk management program to:

(i) Reflect the direction of the Board of Directors

(ii) Ensure that identified operational and compliance risks are minimized in a cost-effective manner

(c) The risk management plan will be implemented and communicated across the organization.

(d) Semi annually, staff will produce a monitoring report for the Board updating circumstances and developments of known major risks.

### **7.03 Disaster Recovery Plan**

(a) The Management Team will ensure that the operations recovery plan is kept up to date and that it is reviewed at least annually.

(b) The President will identify a disaster recovery coordinator, as well as alternates who can be available in the event that the coordinator is not available, to implement the operations recovery plan.

(c) Any senior manager or designate may, after appropriate consultation, declare that the operations recovery plan is in effect. That person shall contact the disaster recovery coordinator.

- (d) When the disaster recovery plan is invoked, the disaster recovery coordinator shall ensure that the President is advised and that the Board of Directors is advised if it is appropriate to do so, given the scale and nature of the emergency.
- (e) While the disaster recovery is in process, the disaster recovery coordinator has full authority to take any steps required to restore operations.
- (f) No communication may be made with the press or the public unless expressly authorized by the disaster recovery coordinator. Normally, only the coordinator should communicate with the press.
- (g) After normal operations are restored, the coordinator will ensure that a report is prepared describing the situation, and with recommendations that address:
  - (i) The situation that resulted in the operations recovery plan being invoked
  - (ii) Improvements that should be made to the operations recovery plan

#### 7.04 Insurance Coverage

- (a) The organization shall have in place such insurance coverage as is reasonable, prudent and cost-effective.
- (b) Insurance coverage shall include deductibles to minimize the frequency of claims and the cost of the coverage.
- (c) The Finance Director will review the service provided by its insurance agent at least every three years. The review process shall include inviting two firms as well as the incumbent to submit proposals.
- (d) The Finance Director will review the organization's insurance coverage with its agent annually.
- (e) Insurance coverage will include:
  - (i) personal liability  
Director's and Officer's  
Equine liability
  - (ii) Insurance on organization trucks and automobiles, both owned and leased, will include:
    - Comprehensive insurance, covering collision or upset and other sources of damage
    - Uninsured motorist coverage
    - Medical insurance
    - Liability coverage of at least **[\$5 million]**, supplemented by umbrella liability
    - Any other coverage required by law
  - (iii) Human resources coverage, will include
    - Employment practices
    - Physical and sexual abuse
  - (v) Commercial general liability insurance with a limit of **\$5 million**
  - (vii) Directors and officers insurance with an overall limit of **\$2 million**

#### 7.05 Fire Safety

- (a) The Operations Director is designated as the emergency fire officer and the designated backup officer will identify all exit avenues from the work location and ensure that all employees understand where to go in the event of a fire.
- (b) In the event of a fire, the emergency fire officer should be informed immediately. The emergency fire officer will make the decision as to whether the fire can be contained, whether the fire department needs to be called and whether employees need to evacuate.
- (c) Periodically, but a minimum of once per year, employees will perform a fire drill to ensure that they are conversant with evacuation procedures.

(d) Following evacuation, the designated emergency fire officer will ensure that all employees have evacuated and will secure the doors upon exit.

#### **7.06 General Safety**

- (a) All cabling and wiring crossing a traffic path will be secured to the floor with visible tape and markings.
- (b) Unaccompanied employees working after hours should ensure that their supervisor is aware of their plans.

#### **7.07 General Security**

Employees are encouraged to question any unknown individuals seen within the company premises without any obvious reason for being there. If employees feel unsafe doing this, they should report the situation to their supervisors.

#### **7.08 Document Security**

- (a) Lockable cabinets for the protection of documents containing sensitive or confidential information will be maintained. Access to the documents will be granted only to those with a need to have regular access to those documents.
- (c) Documents containing sensitive or confidential information will be shredded before disposal or disposed via a bonded shredding company.

#### **7.09 Electronic Equipment and Records Security**

- (a) All computer servers will be maintained in a secure location behind locked or coded doors. Access to the secure location will be granted only to those with a need to regularly have access to those systems.
  - (i) Access to the operating systems will be password protected
  - (ii) Access to tapes, disks and other electronic storage media will be limited only to those requiring access on a regular basis
- (b) Personal computers will be password-protected at the individual level. They will be logged off and locked at the end of every work shift.

#### **7.10 Inventory Security**

(a) All personal computers, servers, major equipment and furniture and other valuable physical assets will be inventoried annually including:

- (i) Type of equipment
- (ii) Make and model
- (iii) Date acquired
- (iv) Location (where the company has multiple locations)
- (v) Date of disposal
- (vi) Nature of disposal (sale, junked, etc.)

This data will be checked for correspondence with insurance records, accounting records and management knowledge at least once annually. Discrepancies will be investigated.

(b) All retail and other physical inventories will be subject to strict inventory security and controls and to regular inventory reconciliation.