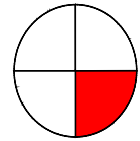


## Board of Directors Policy



**Policy Type:** Executive Limitations

**Policy #:** EL12

**Policy Name:** Risk Management

**Page #:** 1 of 2

**Creation Date:** March 29, 2022

**Effective Date:** April 25, 2022

**Monitoring:** May

In order to protect the present and future capacity and viability of the organization to meet its obligations under the incorporating documents, Mission, ENDS Policies, and funder contracts, the CEO shall not operate the agency without a comprehensive Risk Management program.

### DEFINITIONS

**Risk** – Any event or action that may adversely affect the agency's ability to achieve its strategic and operational priorities.

**Risk Management** – The application of rigorous methods to identify, analyze and treat risks in order to increase the likelihood of objectives being achieved and decrease the likelihood, or reduce the impact, of negative events.

**Risk Appetite** – Risk appetite outlines the amount and type of risk the Board normally accepts in order to achieve its mission. It is expressed in Board policies that describe the agency's overall approach to risk, acknowledging a willingness and capacity to take on risk as required.

**Risk Tolerance** – Risk tolerance refers to the amount of risk and uncertainty, beyond the Board's "expressed risk appetite", that the Board is willing to tolerate in order to pursue new opportunities and its strategic objectives.

**Risk Management Program** – Risk Management Program consists of the structures, processes and culture that are directed towards the effective management of opportunities and potential adverse effects. This methodology provides the framework for strategic and operational decision-making and facilitates the coordinated ongoing application of risk management across all parts of the agency, from governance and strategic planning to the operational level.

Accordingly, the CEO shall not:

1. Operate without a Risk Management plan that identifies the key risks and activities undertaken to control or mitigate those risks including:
  - 1.1 Clients and Client Information
  - 1.2 Employees
  - 1.3 Finances
  - 1.4 Assets
  - 1.5 Reputation and Public Image
  - 1.6 Information Management and Technology

2. Operate without policies and procedures that guide employees in how to manage, respond to and report on situations or circumstances that are considered high risk.
3. Fail to inform the Board of any cautions, circumstances, concerns, or complaints that may put the organization at risk.
4. Fail to ensure that there are Succession Plans in place for key staff positions.
5. Fail to track complaints and actions taken, reporting these to the Board at least annually.