

NBLASC Board of Directors Risk Oversight Policy

POLICY

The NBLASC Board of Directors (the Board) will ensure, through the Executive Director (the ED), that a systematic enterprise risk management (ERM) process is put in place to identify, reduce, or eliminate risks to NBLASC's assets and interests; to minimize and contain the costs and consequences in the event of harmful or damaging incidents arising from those risks; and to provide adequate and timely restoration and recovery.

PURPOSE

NBLASC's annual ERM process will comprise the following activities:

- Identify Risks across the organization and document their cause, Risk and effect in a Risk Statement;
- Assess the Likelihood of occurrence for each Risk;
- Assess the Impact upon the organization should each Risk occur;
- Calculate the Risk Score for each Risk and assign an appropriate Risk Ranking based on that score;
- Develop Mitigation Activities and assign accountability for each Risk;
- Operationalize the assigned Mitigation Activities and monitor;
- Group Risks having similar effect into Risk Areas; and
- Report annually regarding Reportable Risk Areas and Risks (based on Risk Rankings of high or extreme).

RESPONSIBILITIES

1. The ED is responsible for ensuring that a comprehensive risk management framework is in place to:
 - 1.1. systematically identify risks;
 - 1.2. evaluate the Likelihood and Impact of the risks;
 - 1.3. implement operational policies, systems and processes to mitigate risks; and,
 - 1.4. evaluate the ongoing effectiveness of those mitigating activities, inclusive of financial and other impacts.
2. The ED will report annually to the Board's Finance Committee and the Board on management's efforts to mitigate principal (i.e. reportable) strategic, operational, compliance and financial risks identified by the enterprise risk management plan. The ED will report to the Board regarding the enterprise risk management plan for the current year as well as the proposed risk management plan for the coming year.

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3. The ED will also report to the Finance Committee and Board on significant emergent risk in a timely manner.

4. The Board's responsibility is to understand the principal (i.e. reportable) risks facing NBLASC, and to monitor the effectiveness of policies, systems and processes (i.e. mitigation activities) put in place by the Executive Director to mitigate risks.

5. The following principles will guide the Board's oversight of NBLASC's risk management policies and systems:
 - 5.1. A proactive and systematic approach to the identification, evaluation and minimization of risks is preferred over an ad hoc reactive approach;
 - 5.2. An overall discussion of the risk and risk management systems will occur at least annually; and,
 - 5.3. The implications and risks associated with specific Board policies or decisions will be reviewed when those policies or decisions are considered by the Board.
 - 5.4. The Board will review annually NBLASC's enterprise risk management plan for the current fiscal year and the proposed plan for the next year.

This Risk Oversight Policy shall be effective as of December 13, 2024.

Drafted:	Final draft November 21, 2024
Approved:	December 13, 2024
Amended:	
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