

BRIEFING REPORT

REPORT TOPIC: Asset Protection Policy (2-07)

REPORT TO: COO Council

REPORT FROM: COO Governance Committee

DATE: October 1, 2018

REPORT PURPOSE:

☒ Policy Development/Enhancement/Regular Review/Approval

☐ Ends Policy

☒ Operational Boundaries Policy

☐ Council-Staff Relationship Policy

☐ Governance Process Policy

☐ Council Implementation of Policy

☐ Council-Staff Relationship Policy

☐ Governance Process

☐ Monitoring Report

☐ Ends

☐ Operational Boundaries

☐ Ownership Linkage Report

☐ Incidental Report

☐ Registrar, CEO

☐ Council President

☐ Other: Briefing Report

BACKGROUND

The policy topic “Asset Protection” (II-07) falls under the Operational Boundaries policy quadrant. This policy is designed to put executive boundaries and risk tolerances related to the organization’s assets and physical property.

This Operational Boundaries Policy was originally approved on September 20, 2011, and has not been reviewed since it was initially implemented. The original policy is outlined in Figure 1. The proposed revisions to this policy are outlined in Figure 2.

Governance Committee Members reviewed the current policy, in Figure 1 and are proposing a series of updates outlined in Figure 2.

If, as a COO Council Member, you have any recommendations regarding revisions to the policy, please be prepared to present your ideas at the October Council meeting.

RECOMMENDED MOTION

That, based on the Governance Committee’s recommendation, the Council moves to approve the draft of the revised Asset Protection Policy (OB 2-07) as current and relevant.

FIGURE 1
CURRENT POLICY (LAST UPDATED SEPTEMBER 2011)

POLICY TYPE:	GOVERNANCE PROCESS
POLICY TITLE:	Asset Protection
Approval Date:	September 20, 2011

The Registrar shall ensure that College assets are protected, adequately maintained, and not unnecessarily risked.

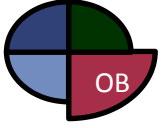
Accordingly, he or she shall:

1. Insure against theft and casualty losses to at least 80 percent of replacement value and against liability losses to Council members, staff or the organization itself in an amount less than the average for comparable organizations.
2. Operate with adequate Director's liability insurance for Council members.
3. Ensure equipment is not subjected to improper wear and tear or insufficient maintenance.
4. Not expose the organization, its Council, or staff to claims of liability
5. Not make any single purchase:
 - a) Wherein normally prudent protection has not been given against conflict of interest
 - b) Of over \$10,000 without having obtained comparisons on prices, quality and durability.
 - c) Of over \$50,000 without a competitive tendering process.
6. Receive, process or disburse funds under controls which are sufficient to meet the Council-appointed auditor's standards.
7. Invest or reinvest funds of the College that are not immediately required.
8. Not invest or hold operating capital in insecure instruments, including uninsured chequing accounts and bonds of less than AA rating, or in non-interest bearing accounts except where necessary to facilitate ease in operational transactions.
9. Protect intellectual property, information and files from loss or significant damage or unauthorized duplication.
10. Not acquire, encumber or dispose of real estate.
11. Not, without approval of the Council, borrow money on the credit of the College, limit or increase the amount or amounts to be borrowed, or determine or alter security arrangements.

The Registrar shall report to Council at each Council meeting.

The Auditor shall report to Council annually.

FIGURE 2
PROPOSED REVISIONS TO CURRENT POLICY

POLICY TITLE: ASSET PROTECTION	POLICY SECTION: OPERATIONAL BOUNDARIES	POLICY NO: 2-07	
APPROVED BY: COUNCIL	REGULAR COUNCIL POLICY REVIEW FREQUENCY: EVERY 4 YEARS	MONITORING OF REGISTRAR, CEO FREQUENCY: EVERY 2 YEARS	MONITORING METHOD: INTERNAL REPORT
DATE APPROVED: <ul style="list-style-type: none"> Discussed by Governance Committee in June 2018 Ready for Council in October 2018 	PRESIDENT'S SIGNATURE:		
DATE REVIEWED / REVISED:			

The Registrar, CEO shall not allow COO assets to be unprotected, to be inadequately maintained, to be inappropriately placed at risk, or fail to be maximized.

Further, the Registrar, CEO will not:

RISK MANAGEMENT AND INSURANCE

1. Operate without a comprehensive risk management approach in place which minimizes and mitigates COO's risks.

The risk management approach will include:

- a. Internal controls for the operations of the COO that would be assessed as appropriate to meet Generally Accepted Accounting Principles (GAAP).
 - b. A comprehensive occurrence management system.
 - c. An insurance program that addresses all theft and casualty losses to at least 100% of the replacement value.
 - d. Appropriate comprehensive liability insurance coverage for Council Members, staff, volunteers, and the organization, consistent with the standards for comparable organizations.
2. Unduly expose the organization, its Council or staff to liability claims.

UNINSURED UNAUTHORIZED ACCESS TO FUNDS

3. Allow unauthorized personnel and uninsured individuals access to funds.

PREMISES AND EQUIPMENT

4. Operate without taking reasonable steps to safeguard premises and equipment from improper use or insufficient maintenance.

PURCHASES / CONTRACTS

5. Make any purchase or contracts for goods and/or services:
 - a. Without prudent protection being given against conflict of interest.
 - b. Without a Request for Proposal process (for price and quality) for amounts over \$50,000, where competitors are available.
 - c. Of capital expenditures without adhering to the approved capital budget or without a specific Council approval if the item is not in the capital budget.

(See Council Vendor Relations and Procurement Management Operational Boundaries Policy OB II-08)

INFORMATION

6. Fail to protect intellectual property, information and files from loss, damage, or theft (see COO Intellectual Property Operational Boundaries Policy # OB II-70).

MONITORING INDEPENDENCE

7. Compromise the independence of the Council's annual independent financial audit or other external monitoring or advice, such as by engaging parties already chosen by the Council as consultants or advisors.

PUBLIC IMAGE

8. Harm the organization's public image or credibility, particularly in ways that would hinder its accomplishment of Ends Policies.
9. Change or modify the organization's name or substantially alter the essence of its corporate identity.

INVESTMENT RISK

10. Fail to adhere to Council's Operational Boundaries Investment Policy OB II-09 with respect to investments and/or operating capital held by the COO.