

POLICY NUMBER: POL-96

**Chapter:
BOARD OF DIRECTORS**

**Subject:
EXECUTIVE LIMITATIONS, ASSET PROTECTION**

**Effective Date:
January 23, 2003**

**Last Update:
October 24, 2013**

REFERENCE:

Workers Compensation Act R.S.P.E.I. 1988, Cap. W-7.1, Section 30.
Occupational Health and Safety Act R.S.P.E.I.1988, Cap. O-1.01, Section 4.
Workers Compensation Board Policy, POL-36, Investment of Board Funds.
Workers Compensation Board Policy, POL-136, Funding Strategy.
Workers Compensation Board Policy, POL-40, Delegation to the Chief Executive Officer.

DEFINITION:

POLICY:

1. The Chief Executive Officer shall not allow assets to be unprotected, inadequately maintained, nor unnecessarily risked.

Accordingly, he or she shall not:

- A. Fail to insure against theft and casualty losses to at least 80 percent actual cash value and against liability losses to the organization, Board of Directors, or staff in an amount determined appropriate by the organization after consultation between the organization and the insurance provider.
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- B. Allow access to material amounts of funds without internal controls certified by external audit.
- C. Engage staff hired on or after January 1, 2005, in positions designated as requiring access to material amounts of funds, without a security risk review.
- D. Subject plant and equipment to improper wear and tear or insufficient maintenance.
- E. Unnecessarily expose the organization, Board of Directors, or staff to claims of liability.
- F. Enter into service agreements:
 - (a) without a memorandum of understanding outlining service requirements, performance expectations, and cost of service;
 - (b) for a period longer than three (3) years without a stringent method of review assuring the balance of required expertise, long term cost, and service quality.
- G. Make any purchase of goods:
 - (a) wherein normally prudent protection has not been given against conflict of interest;
 - (b) of over \$2,500 without having obtained comparative prices and quality;
 - (c) of over \$10,000 without a stringent method of assuring the balance of long term cost and quality.
- H. Fail to protect intellectual property, information, and files from loss or significant damage.
- I. Receive, process, or disburse funds under controls which are insufficient to meet the Workers Compensation Board-appointed auditor's standards.
- J. Endanger the organization's public image or credibility, particularly in ways that would hinder its accomplishment of Ends.

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Monitoring

2. This policy will be monitored by the Board of Directors annually and reviewed in February of each year.
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HISTORY:

October 24, 2013 – Amended to clarify section 1(a).

November 1, 2012 – Editorial changes made to the policy as a result of a review by the Board of Directors.

November 23, 2006 - Amended to clarify the policy with respect to service agreements.

March 13, 2006 - Editorial changes made to the policy as a result of a review by the Board of Directors.

November 24, 2004 - Updated to remove the requirement for bonding of staff and to add requirements with respect to internal controls associated with staff who have access to material amounts of funds.

Board of Directors Approval Date: January 23, 2003