

1 Q. **Governance**

2 Provide a copy of the enterprise risk management framework and the tools package
3 used to support it.

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6 A. Nalcor's Enterprise Risk Management ("ERM") Framework was designed in
7 alignment with CAN/CSA-ISO 31000, and is defined currently in the document *ERM*
8 – *Policy Statement and Framework*.

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10 The 2013 Draft *ERM Policy Statement & Framework* attached as PUB-NLH-417
11 Attachment 1 ("Framework") was developed to guide the operation of the ERM
12 program. Portions of the Policy & Framework (primarily those related to the ERM
13 Committee and the Business Unit Risk Registers) have been made fully operational.
14 Implementation of other elements of the Policy & Framework were deferred until a
15 Chief Risk Officer (CRO) could be recruited and had the opportunity to shape the
16 Policy & Framework. A CRO has now been recruited and joined Nalcor in June
17 2014. The CRO is currently in the process of reviewing the Draft Policy &
18 Framework document in conjunction with senior management. Once the CRO is
19 satisfied that the Policy & Framework reflects the desired direction of the ERM
20 program, final approval will be obtained from the Nalcor Leadership Team and
21 Board of Directors and implementation of the remaining elements will commence.
22 Hydro anticipates that this work will continue into 2015.

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24 In the interim, the ERM Committee will continue to meet as it has been for the last
25 several years and the business unit risk registers will continue to be reviewed,
26 updated, and risk plans executed. While the business unit risk registers have
27 existed for some time, the CRO will also be working with the ERM Committee to

1 review these and working with the business units to ensure they are complete and
2 risk plans developed and being executed.
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4 The ERM Toolset currently includes the documents provided as Appendices 2 to 5
5 and 8 of the Framework.