

## Chapter 7: Compliance

Recommended Actions   Discussion	LCOs	Investors / BoD	Municipalities
Prepare a documented matrix of applicable security requirements in the Regulations, insurance policies, and any applicable lease requirements, and confirm compliance with each; annotate why not if not; annotate future corrective actions if planned; etc. (a “Compliance Matrix”)	X	X	
Ensure your Designated Security Representative certifies the Compliance Matrix in writing, i.e., compliance with the Regulations and other security requirements	X	X	
Ensure copies of the Compliance Matrix and certification are noted/reviewed by the Board of Directors and memorialized in the LCO’s corporate record / virtual data room	X	X	
Perform semi-annual or annual updates of the Compliance Matrix	X	X	
Consider an independent Security Assessment or Surveillance System Audit by an experienced cannabis security consultant to baseline compliance, gaps, vulnerabilities, etc. in the event the Designated Security Representative does not have significant cannabis security experience; alternatively, consider having an independent security consultant review and confirm agreement with the LCO’s Compliance Matrix prior to Board of Director review and approval	X	X	
Ensure any independent Security Assessment or Surveillance System Audit is conducted under a duly executed confidentiality agreement	X		
See Chapter 19: Risk Management for recommendations and discussion points regarding a Risk Management program and related security “compliance”	X	X	



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If anyone is making changes to a part of your Security Program, please it is approved by the Designated Security Representative or check with an independent security professional if unsure (example: facility manager initiated the process to cancel proactive video and alarm monitoring services without knowing that Regulations and insurance security provisions required both)	X	X	
Incorporate copies of Insurance related loss control inspection reports with the Compliance Matrix to document any applicable security related recommendations, observations, corrective actions for follow up (see <i>Chapter 17: Insurance</i> )	X	X	
Ensure regulators understand compliance with Regulations does not = “security”			X

