- [Narrator] Control activities. The third component of the CRMF is to implement control activities. Controls are the actions that a commercial cannabis business puts in place to minimize risks while actively achieving business goals. These should be put in place before a new product or service is offered to reduce risk at, or below, the identified risk tolerance. Remember risk tolerance is the specific amount of risk your business is willing to accept even after addressing risks. The risk officer and risk steering committee are responsible for establishing the guidelines for control activities within the commercial cannabis business. Control activities require three specific elements. Implementation of a management control structure, control standards, and oversight. A management control structure is the combination of the policies, procedures, and processes, that are implemented to achieve business objectives and minimize risk. Specifically, the management control structure establishes ownership and responsibility to specific managers and stakeholders. This assignment of ownership and responsibility ensures that every stakeholder within the commercial cannabis business understands the risks they own and consequences of not managing those risks. The control standard establishes the risk management expectation of management to assure reduction of their risks through control activities while still accomplishing their business objectives. Control standards should be risk-based to the inherent risk. For example, a low-risk control may require a single employee to conduct a task that is otherwise not set to a scheduled review cycle, where a high-risk control may require dual control, detective controls, onboarding training, and periodic quality assurance. Last, establishing oversight allows management to hold stakeholders accountable for managing their risks. Oversight is important because as risks change within a commercial cannabis business, either because of changes within the internal environment or because of external factors, you need to ensure that the controls in place are still sufficient.