

PROCEDURE

Series:	Risk Mgmt/Quality Assurance	COA: RPM 2, 4.01, 4.03, 9.01-02, 9.05-.06 10; GOV 6, 6.03, 6.04, 6.06, 6.08 HR 3.03; FIN 2, 3 CFOP: NA
Procedure Name:	Risk Assessment Process	
Procedure Number:	RQ-505	
Reviewed Date:	2/19/12, 10/01/12, 8/22/16, 12/13/19	
Revision #/Date:		
Effective Date:	1/1/09	
Applicable to:	All BFP FOA Staff	

SUBJECT: Identifying and Resolving Risk

PURPOSE: To establish a process within the COSO Enterprise Risk Management framework (ERM) to identify potential risk exposure and to develop an appropriate response whereby the organization's risk tolerance threshold established by the Board of Directors will be achieved.

PROCEDURE:

References

BFP Policies/Procedures: CG-301, GOV-203, GOV-203, PR-901, RQ-502

Risk Management Tool

Risk Management Committee Review Form

Service Provider Risk Assessment Form

Definitions

Risk: A possible event or circumstance that can have a negative influence on the BFP FOA's.

COSO: Committee of Sponsoring Organizations of the Treadway Commission

Commodity/Good/Product: A tangible article of trade or commerce; a product as distinguished from a service.

Service: The performance of any duties or work for another; helpful or professional activity.

Vendor/Provider/Contractor: An individual or organization that sells goods or services.

Child and Family Services: Goods or services that are incurred for a specific purpose or to meet a specific objective identified for a child or family being served by the BFP FOA.

Commencing Risk Assessment

To integrate ERM objectives and components, risk assessment will be performed, at a minimum, for each of the following business functions of BFP FOA:

1. Initial procurement of any project, contract, or event to be engaged by the BFP FOA.
2. Monitoring of executed child and family service contracts.
3. Monitoring of service delivery to BFP FOA clients.
4. Re-procurement of any existing project, service, contract, or other event to be engaged by the BFP FOA.

1. Initial Procurement Risk Assessment

A risk assessment should be completed on any project, contract or other event to be engaged by the BFP FOA's as determined by the senior management staff initiating the procurement. It should be noted that risk assessment is a subjective matter and should be pursued in the most reasonable manner possible. Such reason should include consideration, at a minimum, for the following:

- The BFP FOA's Board of Director's risk tolerance is set at zero.
- The foreseeable harm to the BFP FOA by not assessing risk.
- The extent of a risk exposure.
- The probability a risk will take place.
- Consider human factors.
- Be part of any procurement decision making process.
- Frequency of the event.

At a minimum, a risk assessment should take place when the initial procurement of the project, contract, or other event meets one of the following criteria:

1. The value to procure or promote the item exceeds \$50,000.
2. The item is to provide commodities or services directly to clients of the BFP FOA.
3. All vendors/providers seeking a rate agreement to provide services directly to clients of the BFP FOA will, at a minimum, have their State Professional license verified to be in good standing with the issuing government regulator. If there are no outstanding violations or reports of abuse, etc., no further risk assessment need take place. If the vendor is not required to have a State Professional license to perform services, then a more in-depth risk assessment is required as with items qualifying under numbers 1 or 2 above.

When an item is to provide commodities or services directly to clients of the BFP FOA, it is required that the risk assessment be performed by a team, not just the staff initiating the procurement.

To perform the risk assessment, the staff initiating the procurement will use the Risk Management Tool (RMT).

The RMT must be available for review by the Chief Executive Officer (CEO) prior to executing any project, contract or other event that meets any of the above two requirements.

Risk Management Tool Instructions

The RMT is utilized as follows:

Risk Identification

Pages 2 – 11 are used specifically to identify potential risk factors.

Page 2 is the Risk Identification Categories List. The project, contract or other event being assessed for risk factors should be entered on the line located in the upper right corner of page 2. All risks identified should be listed under each category applicable on the list. If more risks are identified than slots available, another Risk Identification Categories List may be used. Only the number sequence for the slots will need to be changed as applicable.

Pages 3 – 11 are simple reference pages suggesting several different types of risk exposure that can be encountered in each risk category.

Risk Assessment

Page 13 is the Risk Assessment Chart. This form is used to record the following items on any risk(s) that has been identified for a specific project, contract or other event:

- Probability of the risk occurrence.
- Impact of the risk occurrence.
- Response to mitigate the risk.

To eliminate the need to rewrite each identified risk, the risk can be referenced by citing its corresponding slot number as listed on the Risk Identification Categories List from page 2. The risk's slot number should be written in the column labeled: Identified Risk.

The probability of a risk occurring should be determined by using the Risk Prioritization – Probability Chart located on page 14.

The impact of a risk should be determined by using the Risk Prioritization – Impact Chart located on page 15.

Any BFP FOA staff or others participating in the risk assessment should be listed on the Risk Assessment Chart. The staff charged with initiating the item should be circled.

Once the probability and impact of the risk(s) has been determined, an appropriate response must be decided. To quickly and accurately determine a response to the risk(s), the Risk Assessment Grid on page 16 should be utilized as follows:



- The slot number for each risk should be entered into the area of the chart that corresponds to the risk’s identified probability and impact score.
- Any risk that is entered into a Grid area that is identified with either/or a probability or impact written in red, immediate action must be taken to mitigate or eliminate the risk factor.
- Again, the project, contract or other event being assessed should be entered on the line located in the upper right corner of page 16.

The response to each identified risk from the Grid on page 16 should be determined by using the Risk Response Chart located on page 18.

Implementation of Risk Response

Once the Risk Assessment Chart has been completed for the project, contract or other event being assessed, the determined responses must be implemented. The BFP staff charged with initiating the procurement of the said item will coordinate the implementation of the risk response unless otherwise directed by the CEO. If otherwise directed, the BFP FOA staff member charged with coordinating the implementation of the risk(s) response should be noted on the Risk Assessment Chart.

Filing of Risk Management Tool

If a risk assessment is completed, all documents used in the risk assessment process should be maintained in the Procurement file as outlined in procedure PR-901: Procurement of Commodities or Services. At a minimum, these documents should include the following:

- Page 2 - Risk Identification Categories List
- Page 13 - Risk Assessment Chart
- Page 16 - Risk Assessment Grid

2. Monitoring of Executed Child and Family Contracts

The Contract Department will utilize the Service Provider Risk Assessment Form for the monitoring of executed contracts for child and family services. This material may be referenced during the initial phase of risk assessment during the procurement process if deemed appropriate. Reference procedure CG-301, Contract Monitoring.

3. Monitoring of Service Delivery to BFP Clients

To ensure the health and safety of the children and families receiving services, the Risk Management Committee will review selected delivery of service data to identify trends and to formulate training to confirm continuous quality improvement of services and the mitigation of risk.

4. Re-procurement Risk Assessment

Upon re-procurement of any existing project, service, contract, or other event to be engaged by the BFP FOA, the following minimum risk assessment should be completed:

1. An analysis should be done on the prior delivery of the commodity or service to BFP and/or their clients as recorded in the monitorings of sections 2. and 3. outlined above. Client relations issues should also be reviewed and considered. Any citation should be noted and analyzed in respect with the criteria listed in section 1. outlined above.
2. A full risk assessment should be completed using the RMT when the project, contract or other event meets one of the following criteria:
 - The value to re-procure or continue to promote the item exceeds \$50,000.
 - The item is to provide commodities or services directly to clients of BFP.

Reporting Risk Management Activities

As required by policy number GOV-203, Risk Management, ongoing the Executive Team compiles and reports on any relevant risk assessment activity to the BFP Board Risk Management Committee and to the BFP Board of Directors. Annually reports are provided to the BFP Board of Directors that includes (but is not limited to): a review of the insurance and liability, compliance with legal requirements, information regarding confidentiality issues, annual employee survey results and any human resource practices, annual contract monitoring report that includes contracting practices and compliance of subcontracted providers, financial risk, annual audit results, and conflict of interest.

BY DIRECTION OF THE CHIEF EXECUTIVE OFFICER:



PHILIP J. SCARPELLI
Chief Executive Officer
Brevard Family Partnership Family of Agencies

APPROVAL DATE: 1/29/2020