

Chapter:	Governance and General Administration		
Title:	Risk Assessment & Risk Planning		
Policy: <input type="checkbox"/>	Review Cycle: Triennial	Adopted Date: 03.2023	Related Policies: Risk Management Administrative and Service Environment Management & Emergency Preparedness Confidentiality and Privacy Record Retention Protected Health Information
Procedure: <input checked="" type="checkbox"/>	Author: Chief Executive Officer	Review Date: 03.2023	

Purpose:

Hopeful Horizons' (HH) procedure provides organization, structure, and clarity to the adopted risk assessment process. Together with the risk management policy and other related/referenced policies and/or procedures, it constitutes the organization's risk management program.

Scope:

This procedure applies to

- All HH Staff
- Selected HH Staff, as specified:
- HH Board Members
- HH Volunteers
- Other: Sub-contract Providers

Procedure:

HHs' risk management assessment shall reflect a holistic approach that considers appropriate/necessary policies, procedures, and performance monitoring for all areas of potential risk including, but not limited to:

- Strategic direction,
- Reputation,
- Compliance,
- Liability and exposure,
- Health and safety,
- Human resources,
- Contracting,
- Technology, security & information management,
- Service delivery & treatment, and
- Finance and fund development.³

Risk Assessment Process

HHs' risk assessment shall include:

- A. Risk/Hazard Identification: Accomplished through committee discussion, unit risk assessment, stakeholder input processes, education, and outreach throughout the institution on a regular basis. Program risk assessment is a process intended to identify individual risks based on likelihood of occurrence and potential institutional impact should they occur. Priorities for assessment are based on several factors including the number and complexity of risks involved, the interdependence of different risks and their sources and the degree to which a department's risks impact the institution. Strategically critical departments should be assessed every three years at minimum.

- B. Existing Control Measures: Includes identification of existing practices, processes, and key measures in place to support detection and or management of the identified risk.
- C. Risk Analysis and Evaluation: Is performed on qualitative and quantitative data derived from risk assessments, stakeholder input, relevant internal/external events/incidents. Risk analysis should result in well-defined indicators that provide adequate data to recognize shifts in internal and external risk patterns. Evaluation should be sufficient to inform decision-making regarding risk prevention/mitigation/remediation. This is primarily accomplished through periodic comparison of current risk ratings with previous ones as well as looking at actual results/outcomes.

Risk Planning

- A. Risk Prioritization: Understands that all risk issues cannot be addressed concurrently and provides an objective assessment for prioritization purposes. Probability reflects the likelihood that an identified risk/hazard will occur. Impact level considers the scope (people, facilities, equipment, costs, etc.) of a risk/hazard. Based on prioritization and other risk evaluation all risk/hazards should have a defined outcome of one of the following:
 - 1. Address: A specific plan for prevention/remediation is established including activities, key measures, responsible staff, and timeframes
 - 2. Refer: Assigned for further assessment or consultation
 - 3. Defer: The risk is considered sufficiently low impact and/or probability or it is determined that adequate existing controls are in place that no further action is required.

Note: Some level of risk is not only expected in normal everyday activities but can be beneficial. However, acceptance of risk shall not include:

- Willful exposure of clients, employees, or others to unsafe environments or activities
- Intentional violation of federal, state, or local laws
- Willful violation of contractual obligations or
- Unethical behavior³

- B. Risk Prevention/Remediation Activities & Measures: Prevention, detection, mitigation, and remediation emphasizes continual improvement using appropriate measures to modify risk exposure and the review and subsequent modification of processes, systems, and resources. It is a cyclical process involving the formulation of mitigation/remediation plans, the evaluation of their efficacy, the generation of new plans as necessary and the subsequent assessment of the new measures.
- C. Project Management: Includes assignment of responsibility for action and monitoring of progress based on establish outcomes and defined due dates.

Assessment & Plan Review Approval and Ongoing Monitoring

The HH CEO shall present the assessment and plan for Risk Management to the Board for input and approval. The Board may approve the assessment and plan in whole or in part if recommendations for additional action is required.

Plan measures shall become part of routine program evaluation and be presented to the Leadership Team at least semi-annually. The CEO shall keep the Board apprised of emerging risk issues, significant disruption to operations/mission achievement, and trends in key risk measures as determined necessary by the Board.

Communication and Training:

HHs’ staff and Board members receive initial orientation inclusive of the organization’s policy and approach to Risk Management. As policies and procedures are reviewed and updated staff and Board members shall receive information about related changes. Employees shall receive routine annual training on policies, procedures and processes regarding the health & safety and client rights protection aspects of the HHs’ risk management program.

Definitions:

1. Risk Prevention: Risk prevention aims to systematically reduce the likelihood of risk occurrence.
2. Risk Mitigation: Risk mitigation is the process of planning for disasters and having a way to lessen negative impacts.
3. Risk Remediation: Remediation is the process of creating and implementing a planned strategy specifically designed to address adverse outcomes resulting from a risk event.

Other Related Materials:

Hopeful Horizons’ Triennial Risk Assessment
Incident Reporting and Investigation Procedure
Data and Information Management, Use, and Security

References/Legal Authority:

1. Risk Prevention and Management Standards, Council on Accreditation, 2022.
2. 8 Types of Insurance That Nonprofits Can Buy, Donorbox Blog, May 2022.

Change Log:

Date of Change	Description of Change	Responsible Party
3.2023	New Procedure	Chief Executive Officer/Designee