Risk Management Plan

2022 – 2024

Purpose

The purpose of this risk management plan is to minimize risk to students and families served, employees, contractors, and Spaulding Academy & Family Services. The plan is intended to address risks, increase awareness to help identify risks and develop strategies to minimize risk while achieving the mission of Spaulding.

The overall goals of the risk management plan are:

1. Prevention of harmful events
2. Protection of people, Spaulding's reputation and assets
3. Ensure continuity of Spaulding Academy & Family Services in the event of adverse circumstances.

Overview of Spaulding Academy & Family Services' Approach to Risk

Spaulding Academy & Family Services is operating in an environment that includes a campus, community, regional and federal context. Risk is part of everyday operations. To minimize risk, Spaulding operates to be in compliance with various funder requirements, federal guidelines, the Worker's Compensation Board, the NH Department of Labor and the CARF accreditation standards. Internally, an Executive Management Team including the CEO reports directly to the Board of Directors. The Board of Directors is aware of the risk management responsibilities and delegates authority and responsibility to the CEO through governance policies.

Responsibility for the Risk Management Plan

The CEO or an authorized designee is delegated the responsibility to develop, manage and report on the plan. Additional individuals may also be involved in the development and implementation of the plan. The CEO or an authorized designee shall report to the Board annually on the risk management plan performance results.

Definition of Risk Management

Risk management often involves activities that deal with uncertainty and potential harmful future events. The risk management plan provides the opportunity to make responsible choices about how Spaulding Academy & Family Services conducts business and responds to unexpected events.

Risk Management Methods and Strategies to Address Areas of Risk

Providing training, proper equipment and tools, implementing policies and procedures, and setting clear expectations and controls, all contribute to minimizing risks. The following are some examples of how Spaulding Academy & Family Services minimizes risks:

1. Avoid: Discontinue the activity or service;
2. Modify: Change the approach/activity to reduce the level of risk to an acceptable level such as implementing policies and procedures and provide training;
3. Accept/Retain: Accept all or part of the risk and prepare for potential consequences;
4. Share: Purchase insurance, share responsibility with another organization, or contract services to another vendor;

Areas of Risk

Most identified areas of risk fall within the low range. Spaulding has identified trainings, policies, procedures and maintains adequate facilities management to decrease exposure. For areas that fall in the medium risk category, Spaulding is heavily insured, has thorough internal and external auditing methods, provides extensive training and retains an active Board that works closely with the CEO and executive management. All of these safeguards are utilized to insure that risks are identified and dealt with accordingly.

Communicating and Reporting Results

The performance and results of the risk management plan shall be reported to the Board of Directors annually. The Board of Directors, in consultation with the CEO or an authorized designee, will make adjustments and renew the risk management plan as necessary.

Risk Assessment Scoring Sheet

Scores for Likelihood

Score 1   Rare—unlikely to happen, may happen only under special circumstances.
Score 2   Unlikely—don't expect it will happen, but there is some possibility of it occurring.
Score 3   Possible—likely to occur some of the time, but not frequently.
Score 4   Likely—likely to occur, happens more often than not.
Score 5   Certain—occurs in the majority of cases.

Scores for Impact on the Organization

Score 1   Insignificant impact—little or no impact on the organization's operations or reputation. Complaints are unlikely, and there is only a remote possibility of litigation.
Score 2   Minor impact—potential for slight impact on the organization's operations or reputation. Complaints and litigation may be possible.
Score 3   Moderate impact—could lead to moderate disruption of operations or moderate negative publicity. Complaints and litigation are probable.
Score 4   Significant impact—operations would be disrupted, and adverse publicity would be certain. Formal complaints and litigation would be almost certain.
Score 5   Major impact—interrupts operations for a lengthy period and generates major negative publicity. Major litigation would be likely and senior management and/or resignations would be anticipated. This category may also reduce confidence in the organization's beneficiaries.

Scoring

Multiply the likelihood score by the impact score. For example, if you assigned a risk with a likelihood of 4 and an impact of 3, the initial risk score for that risk would be 12.

The next step is to assign an action level according to the following definitions:

Levels 1–8   Low risk. Accept the risk and manage it at this level.
Levels 9–16   Medium risk. Manage the risk with the goal of taking action to re-categorize it to a low risk.
Levels 17-25   High risk. Alert the upper management and/or the Board to this risk and discuss options for mitigating it.

SPAULDING ACADEMY & FAMILY SERVICES RISK ASSESSMENT

	Likelihood	Severity	Risk Level	Mitigation/Aggravating	Tracking/Reporting
FINANCIAL					
Improper Tax returns	1	2	2 - Low	All of Spaulding's tax returns are prepared by independent auditors.	Finance Office
Flow of Funds	3	3	9 – Med	Spaulding incorporates daily tracking and regular audits to monitor the flow of funds. There also internal controls and budgetary restrictions	Finance Office
Fraud/Theft	1	2	2 – Low	Internal controls, regular audits and segregation of duties are utilized to prevent fraud/theft	Finance Office
Matching gift abuse/fraud	1	2	2 – Low	Spaulding utilizes internal controls and regular audits to monitor this.	Finance Office
Unauthorized payments	1	2	2 – Low	Internal controls and segregation of duties as well as regular audits help prevent, identify and/or correct any unauthorized payments.	Finance Office
Conduct inconsistent with grants	1	1	1 – Low	Spaulding employs internal controls and comprehensive reporting to manage grants.	Finance Office
Breach of grant agreement	1	1	1 – Low	Grant terms and expenditures are tracked and regularly audited	Finance Office
Tax reporting	1	1	1 – Low	Segregated duties and regular audits are used	Finance Office
Individual grant purpose not achieved	1	1	1 – Low	Grant expenditures are tracked and there is regular communication with the Grantor	Finance Office
Loss on investment	3	1	3 – Low	Consultation with investment managers and investment oversight is utilized to minimize and loss on investments	Finance Office
Valuation risk (external/internal)	2	1	2 – Low	Investment managers and investment oversight are used to estimate what sort of funds would be required to cover possible losses.	Finance Office
Ability to seek grants	1	2	2-Low	Spaulding employs an individual to focus solely on writing and procuring grants.	Director of Development & Community Relations

	Likelihood	Severity	Risk Level	Mitigation/Aggravating	Tracking/Reporting
Financial					
Loss of Revenue: reduction of rates, reduction of census	3	4	9- Medium	Spaulding will maintain high-quality programming and adherence to the state all state regulations to ensure contract and license renewal. The referral and admission process is comprehensive to ensure that only youth with acceptable conditions/behaviors that Spaulding staff can manage are accepted into our program.	Executive Leadership
	Likelihood	Severity	Risk Level	Mitigation/Aggravating	Tracking/Reporting
OPERATIONAL					
Equipment Failures	3	2	6 – Low	Spaulding has spares for most major items, such as PCs, switches, and servers	IT Department
Building/Permit code violations	1	1	1 – Low	Spaulding has regular inspections with local officials and follows all necessary building codes/requirements. There is also a full-time Safety Coordinator who does daily inspections of all drills and regular safety drills.	Facilities and Grounds
Physical Disaster	2	3	6 – Low	Spaulding has an extensive Emergency Operations Plan that follows ICC protocols.	Emergency Response Team
Pandemic	2	3	6 – Low	Spaulding has an extensive Emergency Operations Plan that follows the ICC and CDC Protocols.	Emergency Response Team
Loss of key personnel	3	3	9 – Med	Spaulding has a current succession plan which is updated as needed.	CEO
Loss of key data	2	2	4 - Low	Backups of file servers and utilization of online methods of storing data (SharePoint, OneDrive), reduce the risk of key data being lost. In the event of a loss of key data, backups would be deployed and downtime would be limited.	Network and Systems Specialist
Violation of ethics policy	2	3	6 – Low	Employees are required to review the ethics policy at orientation and annually. Procedures are in place to manage any violations.	Vice President of Human Resources, Corporate Compliance Officer

	Likelihood	Severity	Risk Level	Mitigation/Aggravating	Tracking/Reporting
Computer System Crash	3	2	6 - Low	Spaulding has spare PCs and laptops on hand, and we utilize a standard setup for all PC's. All critical machines have redundant backups.	Network and Systems Specialist
Unauthorized network access	2	4	8 – Low	Spaulding utilizes enterprise grade firewalls and VPN access is limited to required staff only. There is no remote network access without a VPN.	IT Department
Loss of privacy/personal information	2	4	8 – Low	Spaulding employs the principle of least privilege for access to all information, limiting access to sensitive information. Encryption is available for emails that are sending PII or PHI.	IT Department/ Network and Systems Specialist
System down/hacked	2	4	8 – Low	There are multiple backups of critical servers. Principle of least privilege helps to protect sensitive data and limit infiltration. Dual ISPs with failover limit the likelihood of Spaulding's network being offline for an extended period of time. VPN access being limited to required staff only with no other remote access to Spaulding's network reduces likelihood of infiltration. MSP support via GraVoc for recovery	IT Department/ Network and Systems Specialist
Sharing of logins/passwords	4	2	8 – Low	Spaulding's policy prohibits any login or password sharing by staff.	Department Director
Ability to attract and retain donors	3	2	6-Low	Spaulding has a full-time Director of Development & Community Relations whom along with Executive staff are active in community activities.	Director of Development &
Personal injury in the workplace	4	2	8- Low	Spaulding provides comprehensive training to staff in safety management. Spaulding has a very active Safety Committee and Facilities team to ensure the campus is safe.	Department Directors
WORKFORCE					
Employment Claims (fed/state)	2	4	8 – Low	Spaulding works closely with all managers and employees to ensure compliance with federal and state statues. HR staff receive regular updates from multiple sources to remain aware of changes.	Human Resources
ERISA claims (retiree/health plans)	1	2	2 – Low	Spaulding works closely with their Broker to maximize employee benefits.	Human Resources

	Likelihood	Severity	Risk Level	Mitigation/Aggravating	Tracking/Reporting
HIPPA/Privacy claims	2	4	8 – Low	Spaulding has a comprehensive Confidentiality Policy that all staff are trained on at orientation and at least annually. Any concerns regarding violations are immediately investigated.	Human Resources
Improper time recording	3	2	6 – Low	Spaulding has an electronic time management system. All time that is imputed into the system is checked by supervisory staff and/or the scheduler.	Human Resources
Unauthorized payroll changes	1	2	2 – Low	Changes to payroll are closely tracked and documented to ensure any changes are authorized and approved	Payroll / Finance
Staff safety/employment claims	2	4	8 – Low	Spaulding staff receive training on Everyday Behavioral Tools, PCM, TBRI as well as Choose Love and SEL. There are policies and procedures in place to minimize exposure to unsafe situations. Spaulding has a full-time facilities department that maintains the buildings and groups to ensure a safe work environment as well as a full-time Safety Coordinator that performs checks in all buildings daily.	Human Resources
Discrimination/Harassment	3	5	15 – Med.	Spaulding's focus on and commitment to a culture of inclusion and equity is supported by regular training and multiple avenues for staff to discuss concerns, including free EAP services	Human Resources
Inability to attract enough qualified staff	5	3	15- Med	Spaulding has increased our onboarding process and social media presence to explore other avenues to recruit staff. Spaulding is working on developing realistic job preview videos. Spaulding is initiating targeted candidate pipelines. Spaulding is exploring staff housing.	Human Resources
Developing and maintaining staff retention/morale	3	3	9- Med	Spaulding hired a Vice President of Human Resources to focus on management training to create teams that are supportive and work well together. Spaulding has a robust recognition plan.	Human Resources ELT SLT
Failure to meet background criteria of regulatory agencies	1	5	5 – Low	Our hiring practices and policies include background checking on all staff including regular rechecks.	Human Resources

	Likelihood	Severity	Risk Level	Mitigation/Aggravating	Tracking/Reporting
Policy violations	3	3	9 – Med	Spaulding shares policies and revisions with staff through their Learning Management system and/or reviews with their managers.	Human Resources / Compliance Coordinator
Employee Death on the job	1	5	5- Low	Spaulding has a comprehensive safety and training program to ensure the safety of all staff that aligns with all of Spaulding policies and procedures.	Human Resources Executive Leadership
Employee Death off the job	3	2	6- Low	Spaulding has a comprehensive health and wellness plan and employee assistance program and policies and practices to support employee's well-being.	Human Resources Wellness Committee
Other legal issues	2	5	10 – Med	Spaulding is heavily insured and has several policies and procedures in place to minimize legal issues and risk.	Organizational
CLIENT RISKS					
Student Safety	4	3	12 – Med	Staff and students are trained in areas of physical management and appropriate safe and unsafe touch for the students. The students receive an orientation and review the Student Bill of Rights. All evacuation routes are clearly labeled and posted throughout all areas and regular safety drills happen on all shifts.	Senior Leadership Team, Safety Coordinator
Medical Errors	3	3	9- Med	Medication administration is a very serious procedure, staff are trained initially and annually on medication administration. Whenever possible, Health Services staff administer medications. Medication occurrences are documented and training is provided for all staff that make a medication occurrence.	Health Services
Employee malpractice (abuse)	2	3	6 – Low	Spaulding has a Corporate Compliance Plan and policies that address employee conduct and ethics, which are reviewed with staff. All critical incidents are reviewed by supervisors and any reports of questionable behavior by staff are fully investigated and reported to Central Intake if warranted.	Corporate Compliance Officer / Leadership
Discrimination/Harassment	2	3	6 – Low	Spaulding has a detailed discrimination and harassment policy that is presented to staff at orientation and reviewed annually or as needed	Human Resources

	Likelihood	Severity	Risk Level	Mitigation/Aggravating	Tracking/Reporting
Misuse of Students belongings/money	1	2	2 – Low	Students earned allowance is tracked and signed in and out. Spaulding has a policy regarding student individual and program funds.	Department Directors
Parent/Family Concerns	3	3	9 – Med	Families are asked to contact their case manager as their point of contact. Concerns are either immediately mitigated or it is run up the chain of command to ensure that all concerns are addressed. Policies are in place and parents/families are oriented to these policies, so they know what to do if there is a concern. Grievance forms are completed and analyzed.	Executive Leadership, Corporate Compliance Officer
Inconsistent Treatment Practices	2	2	4- Low	Spaulding staff are all trained in a consistent approach with regard to best practices for student treatment, trauma-informed practices, and evidence-based practices. If a staff member does not apply a consistent treatment approach, supervisors will be notified, and the staff member will receive additional training and observation.	Senior Leadership Team
Client Student Death	3	5	15-Med	Given the nature of the students that Spaulding serves, students with medical complexities and youth with significant self-injurious and suicidal behaviors. Spaulding staff are trained in preventive measures to always minimize this risk. The referral and admission process is comprehensive to ensure that only youth with acceptable conditions/behaviors that Spaulding staff can manage are accepted into our program.	Organizational
REPUTATIONAL					
Failure to abide by conflicts of interest policy	2	3	6 – Low	Spaulding has a policy for the ethical code of conduct which is embedded in the Corporate Compliance Plan that is reviewed upon hire and annually.	Executive Leadership Human Resources

	Likelihood	Severity	Risk Level	Mitigation/Aggravating	Tracking/Reporting
Misuse of social media	2	2	4 – Low	Spaulding has a strong social media policy which is reviewed by staff regularly. All social media posts are distributed by our marketing/development department. Spaulding also has strong confidentiality policies that are reviewed with staff.	Executive, Director of Development and Community Relations, Human Resources
Inaccurate Press release	2	3	6 – Low	All press release information is published by the Center's contracted marketing vendor or our development department. Spaulding also has a media policy that designates the CEO or their designee as the spokesperson for the agency.	Executive Director of Development and Community Relations
Negative community impact	3	3	9 – Med	Spaulding has a media policy and a Director of Development and Community Relations to assist in any negative community impact.	Director of Development and Community Relations
Public awareness of organizational errors	3	2	6 – Low	Spaulding maintains a website, social media platforms and other electronic means with pertinent information that is overseen by the Director of Development and the contracted marketing vendor therefore any publicity of organizational errors will be dealt with by a team of professionals	CEO, Director of Development and Community Relations