Family Partnerships of Central Florida

POLICY

Series:	**Board Governance**	**COA: RPM 2, 4, 6, 8; FIN 2, 3;**
		CFOP: 75-8, 180-2, 215-1, 215-5, 215-6

Policy Name: Risk Management
Policy Number: GOV203
Reviewed Date: 5/21/2025
Revision Date: 5/22/2025
Effective Date: 1/2004

Applicable to: Family Partnerships of Central Florida Family of Agencies (FPOCF FOA) Board of Directors, all Family Partnerships of Central Florida (FPOCF FOA) Staff, Officers, and Contracted Providers

SUBJECT: Risk Management

References: FPOCF Governance Policies and Procedures: GOV202, GOV212, OP-1144, RQ-501, RQ-502, RQ-504, RQ-505, RQ-506, RQ-507

P(URPOSE: Family Partnerships of Central Florida Family of Agencies will manage risk through the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Enterprise Risk Management framework. This process is defined as follows:

Enterprise risk management is a process, effected by an entity's board of directors, management, and other personnel, applied in strategy setting and across the enterprise, designed to identify potential events that may affect the entity, and manage risk to be within its risk appetite, to provide reasonable assurance regarding the achievement of entity objectives.

Source: COSO-ICSR-Report.pdf

POLICY:

The COSO Enterprise Risk Management (ERM) framework comprises both Objectives and Components. There is a direct relationship between objectives, which are what an entity strives to achieve, and enterprise risk management components, which represent what is needed to achieve them. The relationship is depicted in a three-dimensional matrix as shown on the following page:

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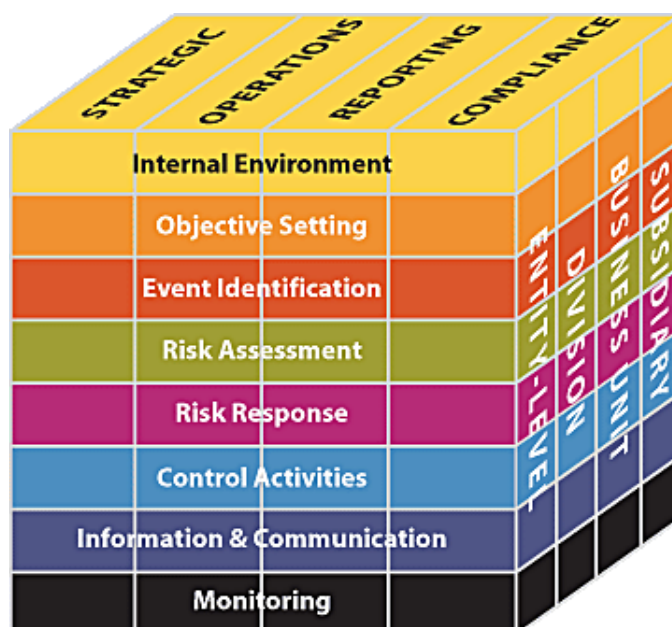
Management is responsible for implementing procedures that ensure that the ERM components are performing in a manner to ensure that ERM objectives are being achieved.

Objectives

The FPOCF Governance Board of Directors establishes the mission of FPOCF and sets the risk tolerance of the organization. The FPOCF Governance Board of Directors regularly reviews specific issues at the monthly Board meetings, and at the Board Risk Committee meeting and provides the risk tolerance accordingly.

Within the context of the mission for FPOCF, management has established strategic objectives, selected strategy, and set aligned objectives implemented throughout the organization. The ERM framework for FPOCF Family of Agencies is geared to achieving established objectives, set forth in four categories:

Strategic – High-level goals, aligned with and supporting FPOCF's mission.
Operations – Effective and efficient use of FPOCF resources.
Reporting – Reliability of capturing data for reporting and analysis.
Compliance – Compliance with applicable laws and regulations.

Management has established strategic objectives regarding risk tolerance and set strategy at a minimum annually prior to contracting services for each new fiscal year.

The FPOCF Governance Board realizes that objectives relating to reliability of reporting and compliance with laws and regulations are within the entity's control; therefore, ERM can be expected to provide reasonable assurance of achieving those objectives.

Achievement of strategic and operations objectives, however, is subject to external events not always within the entity's control; accordingly, for these objectives, the FPOCF Governance Board

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acknowledges that ERM can provide reasonable assurance that management, and the FPOCF Governance Board in its oversight role, are made aware, in a timely manner, of the extent to which the entity is moving toward achievement of the objectives.

<u>**Components**</u>

ERM consists of eight interrelated components. These are derived from the way management runs an enterprise and are integrated with the management process. These components are:

- Internal Environment –
  The internal environment encompasses the tone of an organization and sets the basis for how risk is viewed and addressed by an entity's people, including risk management philosophy and risk appetite, integrity and ethical values, and the environment in which they operate.

- Objective Setting –
  Objectives must exist before management can identify potential events affecting their achievement. Enterprise risk management ensures that management has in place a process to set objectives and that the chosen objectives support and align with the entity's mission and are consistent with its risk appetite.

  Event Identification –
  Internal and external events affecting the achievement of an entity's objectives are identified, distinguishing between risks and opportunities. Opportunities are channeled back to management's strategy or objective-setting processes.

- Risk Assessment –
  Risks are analyzed, considering likelihood and impact, as a basis for determining how they should be managed. Risks are assessed on an inherent and a residual basis.

- Risk Response –
  Management selects risk responses – avoidance, elimination, reduction, sharing/transferring or acceptance of risk – developing a set of actions to align risks with the entity's risk tolerances and risk appetite.

- Control Activities –
  Policies and procedures are established and implemented to help ensure the risk responses are effectively conducted.

- Information and Communication –
  Relevant information is identified, captured, and communicated in a form and timeframe that enable people to fulfill their responsibilities. Effective communication also occurs in a broader sense, flowing down, across, and up the entity.

- Monitoring –
  The entirety of enterprise risk management is monitored, and modifications made, as necessary. Monitoring is accomplished through ongoing management activities, separate evaluations, or both.

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It should be remembered that ERM is not strictly a serial process, where one component affects only the next. It is a multidirectional, interactive process in which almost any component can and does influence another.

Roles and Responsibilities

All staff of FPOCF FOA have some responsibility for ERM. At a minimum, the following individuals are responsible for the ERM process as follows:

- The FPOCF Governance Board of Directors establishes the mission and risk tolerance of FPOCF.

- Annually the FPOCF Governance Board conducts an assessment of FPOCF risk to monitor and evaluate risk assessment, prevention, and management effectiveness. The Board assessment includes, at a minimum, a review of insurance coverage as well as risk assessments and responses prepared by management.

- The President and Chief Executive Officer is responsible for ERM and should assume ownership of the process. The President and Chief Executive Officer's role in ERM consists primarily of establishing the strategic objectives, selecting strategy to meet these objectives, and set aligned objectives to be implemented throughout the organization.

- The FPOCF Vice President and Chief Operations Officer, and/or the Chief Financial Officer, and/or the Chief Legal Officer and/or the Chief Communications Officer, and/or the Chief Administrative Officer or designee appointed by the President and Chief Executive Officer will assist the President and Chief Executive Officer in establishing the strategic objectives and selecting strategy for the ERM process. In addition, Executives of FPOCF FOA support the entity's risk management philosophy, promotes compliance with ERM procedures, and manage risks within their spheres of responsibility consistent with risk tolerances.

- The Chief Financial Officer coordinates the management and procurement of insurance coverage for FPOCF as determined necessary by the ERM process and FPOCF Governance Board directives. All insurances are competitively procured, most often through an insurance broker. Annually, the Chief Financial Officer prepares and distributes to staff and the FPOCF Governance Board a list of insurance coverages carried by FPOCF.

- The FPOCF Risk Management Committee is responsible for evaluating immediate and ongoing risks that include a review of critical incidents, accidents, and/or grievances related to administering or performing services for FPOCF clients. Additional committees may be established to evaluate any other immediate and ongoing risks.

- All other FPOCF FOA personnel are responsible for executing ERM in accordance with established directives and procedures.

Board Identified Risk

The FPOCF Governance Board assessment of risk for FPOCF includes, at a minimum, the following items listed below. Management has devised and implemented appropriate measures to appropriately respond to these risks:

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- Whistleblower Protection
  To meet the requirement of the Sarbanes Oxley Act in addition to State of Florida and Federal law, FPOCF provides protection for whistleblowers ("employees") who risk their careers by reporting suspected illegal activities within the organization. The system devised by management involves training, evaluation, supervision, monitoring, as well as an independent system for reporting up to the highest levels of the organization. All whistleblower reports will be delivered to the Board Executive Committee for review and, if required, for further action.

- Insurance Coverage
  During the ERM process, management procures insurance coverage to limit liability and reduce risks when warranted and monetarily feasible. Minimum limits of insurance coverage required by law will always be maintained, to include:

    - General Liability Coverage - $1 million per occurrence/$3 million per incident.

    - Automobile Coverage - Require all FPOCF FOA staff who transport children and families in their personal automobiles to fulfill their job responsibilities obtain minimum bodily injury liability insurance on their personal automobiles.

    - Fidelity ("Crime") Bond Coverage

    - Other insurance coverage that the FPOCF Governance Board requires management to procure in adequate amounts as determined by the ERM process includes the following: Directors and Officer's Liability, Professional Liability, Automobile (Owned & Non-owned) Liability and Property Liability coverages.

  Further, management will require subcontractors to procure and maintain insurance coverage as required by Florida Statute 409.993.

- Legal Representation
  The agency maintains a consultant attorney in cases where there is an identified need after consultation with the President and Chief Executive Officer and the Chief Legal Officer. This attorney, in concert with the Chief Legal Officer, will refer FPOCF to legal experts and representation as needed.

- Security of Information
  FPOCF has procedures in place to ensure the safety and security of all records; either written or electronic. The agency limits access to these records to those staff and others who have legal authorization to view the data.

- Contact with the Media
  The President and Chief Executive Officer or designee are responsible for ensuring that media requests are responded to in a timely manner while maintaining the confidentiality and privacy of those persons who are involved. A potential media alert is considered a critical incident and warrant notification within one hour to the President and Chief Executive Officer. The President and Chief Executive Officer or designee then notifies the FPOCF Governance Board as well as appropriate Department of Children and Families (DCF) staff regarding the media inquiry.

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- Confidentiality & Retention of Records
  FPOCF Family of Agencies follows all applicable confidentiality and retention of record laws pertaining to data maintained by the organization. No FPOCF FOA personnel will knowingly destroy a document with the intent to impede or hamper an investigation or legal inquiry of data in question. The Chief Legal Officer or designee is the single point of contact for records requests.

- Financial Reserves/Line of Credit
  FPOCF pursues access to financial reserves, bank line of credits or financial risk sharing with sub-contractors great enough to pay the claims of the network providers and to manage the operational expense of the organization for a minimum of one calendar month.

- Critical Incident Reporting
  Incident reporting is the duty of all personnel associated with FPOCF FOA in providing direct client services or support services for children and families. FPOCF FOA staff and providers are required to provide pertinent information concerning critical incidents within appropriate timeframes. All critical incidents are reported to the President and Chief Executive Officer or designee and to appropriate DCF staff verbally, followed by written confirmation. Critical incidents include, at a minimum, the following:

  - Death
  - Serious Injury, or Serious Illness of a Child
  - Potential Media Coverage
  - Altercation
  - Elopement
  - Escape
  - Abuse/Neglect/Abandonment/Threat of Harm
  - Suicide Attempt
  - Theft/Vandalism/Damage
  - Other incident of a serious nature that poses physical or emotional danger to client, family members or staff.

- Provider Compliance
  FPOCF, through its QA/QI process and contract monitoring, collects and analyzes data on each provider's utilization, performance, and other variables affecting client service.

- Communication with Stake Holders and Providers
  FPOCF regularly communicates with the following entities around operational issues to ensure the best quality of care and decrease risk to the organization:

  - FPOCF Governance Board
  - DCF
  - Leadership
  - Provider Network
  - Together in Partnership (TIP)

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- Client/Customer Satisfaction
  A client/customer satisfaction reporting process has been implemented for visitors, stakeholders (courts, GALs, providers, foster parents), clients, and their families to communicate concerns regarding FPOCF FOA formally or informally at least annually.

- Client Rights
  Procedures are implemented to ensure clients the right to impartial access to services regardless of race, religion, gender, sexual orientation, ethnicity, age, or disability.

  Disaster Plan
  FPOCF Family of Agencies management implements procedures that will enable the organization to deal with a disaster affecting the clients of Brevard, Seminole, Orange, Osceola County. The Emergency Disaster and Preparedness Plan is updated annually. A disaster is defined as a natural, technological, or civil emergency proclaimed by Brevard, Seminole, Orange, Osceola County, the Governor of the State of Florida, or the President of the United States.

- Employee Practices
  The following human resource practices are considered essential for FPOCF and the Family of Agencies:

  - Affirmative Action Plan
  - Job Descriptions
  - New Employee Orientation
  - Worker's Compensation
  - Americans with Disability Act Family and Medical Leave Act
  - Sexual Harassment Awareness
  - Protection from Wrongful Termination
  - Compliance with Safety Guidelines
  - HIPAA
  - Conflict of Interest Disclosure and Operating Procedure

Approved by the Family Partnerships of Central Florida Governance Board of Directors on May 22, 2025.

AS APPROVED BY THE BOARD OF DIRECTORS:

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ERIC AUSTIN
Board Chair

BY DIRECTION OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

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PHILIP J. SCARPELLI
President and Chief Executive Officer
Family Partnerships of Central Florida

Signature Date: __5/30/2025__

Signature Date: __5/30/2025__