Community Services of Northeast Texas, Inc.

Risk Assessment Executive Summary

Risk Management Basics

This segment of the executive summary contains recommendations related to Risk Management Basics, including the assignment of responsibility for risk management, risk oversight, and risk committees.

- Consider forming a risk committee to ensure a diverse array of perspectives in agency risk management. See the full report for tips to increase the effectiveness ofyour risk committee, or reach out to NRMC for Risk Help on this topic.

- Consider drafting a risk management policy statement that desscribes the overarching goals and scope of your risk management program.

- Follow-up with others at your agency to determine whether your organization currently purchases any property and casualty coverage. Once you have that information, change your answer to the Risk Assessment question on this topic to 'yes' or 'no.'

Governance Risk

This segment of your executive summary contains priority recommendations to strengthen your board.

- See the full report for suggestions to increase the engagement and dialogue during Finance Committee presentations.

- You indicated that your board delegates responsibility for risk management to staff, and that the board does not receive periodic or regular reports on risk management activity. This practice is common in small nonprofits, but increasingly rare in complex nonprofits. In a survey of nonprofit organizations conducted by NRMC in 2017, 40% of participants reported that their boards talk about risk management *more than once per year*, and an additional 15% indicated that the subjects of risk and risk management are discussed at *every board meeting*. We recommend that you consider engaging with your board about the risks facing your agency and the strategies in place to manage those risks. See the full report for suggestions and resources on this topic.

Facilities and Building Security

This section of your executive summary contains priority recommendations based on your answers to the questions in the Facilities and Building Security Module.

- Review your evacuation plans to ensure that they are comprehensive; a list of elements that should be included in a thorough plan can be found in your full report for this module.

- Consider developing a clear, bomb threat policy for your agency. See your full report for additional resources.

- Consider the value of requiring ID badges for all visitors. Explore affordable options and possible barriers to implementation. Solicit input from staff prior to implementing a new badge policy.

Human Resources and Employment Practices

This section of your executive summary notes priority recommendations based on your answers to the questions in the Human Resources and Employment Practices module.

- You indicated that when a new employment policy is developed, an addendum to the Employee Handbook is distributed. Distributing addendums to the Employee Handbook is risky in that--absent excellent recordkeeping--it increases the odds that an employee will receive an incomplete set of policies. To reduce this, consider storing your current Handbook on a shared drive, with recently updated items flagged, schedule reminder emails using 'read receipt,' and offer face-to-face or videoconference chats to announce new policies and entertain questions.
- Consider updating your Handbook on a regular basis (such as every 2-4 years) to reduce the number of addendums that must be distributed.

- We recommend that you consider updating your approach to organizing employee personnel files, using three categories: Basical Personnel Files, Confidential Employee Files, and Common Employment Files. See the final report for this module with information on these three categories.

Financial Reporting and Internal Controls

- See your full report for suggestions to improve financial reporting. Remember to also review Category 8 (Financial Operations and Oversight) of the COE Developed CSBG Organizational Standards to make sure that your team fully understands these expectations for community action agencies. As indicated in the narrative introduction, "The fiscal bottom line of Community Action is not isolated from the mission, it is a joint consideration."

- See your full report for suggestions to improve financial reporting. Remember to also review Category 8 (Financial Operations and Oversight) of the COE Developed CSBG Organizational Standards to make sure that your team fully understands these expectations for community action agencies. As indicated in the narrative introduction, "The fiscal bottom line of Community Action is not isolated from the mission, it is a joint consideration."

- Explore the feasibility of conducting criminal history background checks during the final stage of pre-employment screening for candidates offered any role with significant financial authority or cash handling duties. Remember to consider issues related to the timing of check, the development and adoption of disqualifying criteria before you order background checks, Fair Credit Reporting Act compliance, and the applicability of a 'ban the box' law in your state and locality.

Contracts

- This section of your executive summary features priority recommendations related to contracts and your nonprofit's contracting processes.

Client and Participant Safety

This section of your executive summary contains priority recommendations based on your answers to the questions in the Client and Participant Safety module.

- We recommend that you update your organization's policies to include specific instructions about appropriate and inappropriate hugging. For example, hugs should never be offered or given to meet the caregiver's needs, and hugs should only be from the side, over the shoulders, and never from the front.

Transportation

This section of your executive summary contains priority recommendations based on your answers to the questions in the Transportation module.

You indicated that your organization provides or sponsors transportation services or owns (or leases) vehicles. The following transportation issues were identified as concerns during the assessment. Look to the full report for details.

- Your organization may be directly or vicariously liable when volunteers or employees operate a vehicle on behalf of your organization. The conditions for each situation and the proper procedures are addressed in the full report.

- Creating a transportation risk management statement will provide an initial step toward richer risk management of transportation in your organization. The statement serves as a guide in creating other important items like policies or training programs.

- Pre- and post-use vehicle inspections help document vehicle conditions and assist with mainteance of your fleet. Consider creating an inspection procedure and documentation process to track.

- Remember that cargo is not typically covered under regular vehicle policy. Check with your broker to see if you have the appropriate policy for coverage (usually inland marine coverage).

Technology and Privacy Risk Management

This section of your executive summary contains priority recommendations based on your answers to the questions in the Technology and Privacy Risk Management module.

- We recommend that you adopt a Bring Your Own Device Policy that clarifies what agency information may and must never be accessed on personal devices, including whether employees may access Personally Identifiable Information (PII) on their personal devices.

- It is common practice to require users to change login practice on a regular basis. We recommend that you develop a policy as soon as possible that provides guidelines about the strength of passwords and the frequency of changes.

- We recommend that you begin providing periodic staff training and messaging to reduce the risk of social engineering losses at your agency. See the full report for suggested topics for this training.

- We recommend that you consider developing a data classification policy. A template policy is available in *My Risk Management Policies*.

- We recommend that you being offering training to all staff on how to avoid phishing scams and frauds, and that after completing your training that you begin to conduct exercises no less than annually to test employee vulnerability to social engineering frauds.

- We recommend that you take steps to become more familiar with data privacy practices and laws. See the full report for this module for additional information on this topic.

- See the report for this module for information on cyber liability insurance.

Special Events

This section of your executive summary contains priority recommendations based on your answers to the questions in the Special Events module.

- Hosting special events may require risk management efforts not normally associated with the normal operations of your organization. Be sure to consider the various components of the event and risks associated with these components. Doing so will help the event be successful and have a positive impact for your organization.

- Documentation is an important part of risk management in all phases of activity. We recommend you begin documenting risk management activities as soon as possible.

- Designate one person as 'safety officer' for your special event in order to provide risk management oversight.

- An absence of personnel devoted to security (and other emergency situations) at your event creates a liability for your organization. You should implement appropriate staffing internally or contract the appropriate vendor to provide security.

- Waivers may not be necessary for every special event activity, but you should consider using waivers for your events as a part of the overall documentation strategy.

- Verify that the documentation and procedures used for accident reporting is consistent with the requirements of your organization and those of any insurance providers for the event itself.

Crisis Management and Business Continuity Planning

This section of your executive summary contains priority recommendations based on your answers to questions in the Crisis Management and Business Continuity Planning module.

- To increase your confidence with respect to crisis planning, review the gaps in your crisis management plan identified in your full report for this module.
- Having key information available during a crisis will assist in providing for timely response. Look to the full report for examples of what to include in your crisis management plan.
- We recommend conducting a thorough review of your crisis communications plan within the next six months. See the full report for additional crisis communications tips.
- We recommend that you establish a timetable and appoint a small task force to assemble existing components of business continuity planning into a true BCP.

Volunteer Risk Management

This section of your executive summary offers priority recommendations based on your answers to the questions in the Volunteer Risk Management module.

- Reference checking is an important and potentially invaluable part of a thorough screening process for volunteers. We recommend that you add reference checking to your volunteer screening process. See the full report for additional information related to this recommendation, including suggested reference checking questions.

Fundraising and Resource Development

This section of your executive summary contains priority recommendations based on your answers to the questions in the Fundraising and Resource Development module.

- You indicated that your nonprofit may not be registered in all states where you solicit individual donations. We recommend that you make the resolution of this potential gap in policies a priority. See the full report for additional information and links to helpful resources.

- You indicated that your nonprofit does not have practices in place to manage the risk of non-compliance with the CAN-SPAM Act. See the full report for additional information on this federal law, including resource links.

- Nonprofits that have minimal experience with government contracts may be caught off guard and unprepared for some of the risks associated with such funding, including inadequate funding for infrastructure, late payment/reimbursement, and complex reporting requirements. Thoughtfully consider the range of risks and 'what ifs' before you seek any government contract.