

SESLHD PROCEDURE COVER SHEET



Health
South Eastern Sydney
Local Health District

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POSITION RESPONSIBLE FOR THE DOCUMENT	Manager Enterprise Risk Management
KEY TERMS	Glossary of key terms is available via; http://internal.health.nsw.gov.au/cgrm/rmra/risk_management/8_glossary.pdf
SUMMARY	This procedure supports the NSW Health Risk Management – Enterprise-Wide Risk Management Policy and Framework/PD2015_043 by provides additional 'local' detail regarding the governance, structures, roles & responsibilities to be used for managing risk & opportunities across SESLHD. This document is to be used by all Staff, especially Managers, to implement an enterprise-wide risk management approach throughout the Local Health District.

COMPLIANCE WITH THIS DOCUMENT IS MANDATORY

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1. POLICY STATEMENT

The Enterprise-Wide Risk Management Procedure provides additional 'local' detail regarding the governance, structures, roles and responsibilities to be used for managing risk across SESLHD. This Procedure is directly aligned and is subservient to [NSW Health Risk Management – Enterprise-Wide Risk Management Policy and Framework/PD2015_043](#)

The Enterprise-Wide Risk Management Procedure is to be used by all Staff, especially Managers, to implement an enterprise-wide risk management approach to risk throughout the SESLHD.

2. BACKGROUND

The [NSW Health Risk Management – Enterprise-Wide Risk Management Policy and Framework/PD2015_043](#) provides the minimum requirements for the management of risks and opportunities across NSW Health. SESLHD has identified the need to provide additional information and direction to assist Staff and Managers in the local application of the Risk Management Policy and Framework. The SESLHD Procedure must work in absolute harmony with the above NSW Ministry of Health Policy.

2.1 DEFINITIONS

- **Executive:** A Member of the Local Health District Executive Team
- **Tier 2:** An Officer who on the Organisation Chart reports to the Chief Executive.
- **Tier 3:** An Officer who on the Organisation Chart reports to a Tier 2 Executive Director / Manager.
- **Responsible Position:** The nominated Officer identified in the Risk Register as being responsible for the risk.
- **LHD:** Local Health District
- **ERMS:** Enterprise Risk Management System [Risk Register]
- **IIMS:** Incident Information Management System

3. RESPONSIBILITIES & PROCEDURE

SESLHD will use Enterprise Risk Management System as the sole **program to record, manage and review all risks and opportunities**, including:

- Clinical
- Service Delivery
- Health Safety and Wellbeing
- Corporate and / or
- Business

that could impact on SESLHD's ability to deliver a quality, accessible, safe and efficient service, will be entered into the ERMS risk register.

Subject to the requirements of the [NSW Health Risk Management – Enterprise-Wide Risk Management Policy and Framework/PD2015_043](#) taking precedent, the following Procedure will apply to Managers authorised to enter, review, escalate / accept / reject a risk or opportunities in the ERMS Risk Register.

4.1 Delegations to accept risk / opportunities:

4.1.1] The NSW Health Risk Management Policy PD2015_043 identifies the following delegation:

- Extreme Risks; mandates that only the Chief Executive can accept an unmitigated extreme risk

4.1.2] SESLHD delegation to accept or reject a risk / opportunity;

- A Tier 2 Executive Member can **accept an extreme risk** if they can immediately apply mitigations/controls within their delegation and available resources, to reduce the risk below 'extreme'. When a Member of the Executive has accepted an extreme risk the Chief Executive will need to be advise
- A Tier 2 Executive Member can accept a High risk
- A Manager who reports directly to a Tier 2 Executive Member can accept a Medium Risk
- All Managers can manage a Low Risk subject to acceptance by their Manager that it is a Low Risk

4.2 Review of 'risks' by the nominated Manager:

A risk or opportunity entered (**Registered**) into ERMS is considered a **draft** until a Manager, with the necessary delegation, 'accepts' the risk. The following sets out the timeframes for risk or opportunity to be addressed by the reviewing Manager;

- Extreme Risks: One working day plus two additional working days after the second e-mail reminder.
- High Risks: Two working days plus five additional working days after the second e-mail reminder
- Medium Risks: Five working days plus five additional working days after the second e-mail reminder
- Low Risks: Ten working days plus five additional working days after the second e-mail reminder

In accordance with *NSW Health Risk Management – Enterprise-Wide Risk Management Policy PD2015_043*, if a risk or opportunity remains unaddressed by the reviewing Manager the *"failure to make this decision means the risk has been accepted by default"*.

The decision to enact the acceptance of a risk or opportunity by “default” will be made by the Manager, ERM.

4.3 Manager Review Process:

- If a **risk is declined** by the reviewing Manager or determined as un-implementable the reason/s will be provided to the Manager who entered the risk.
- If a risk is **escalated the reason/s** will be provided to the Manager of the Manager who entered the risk into ERMS.
- All accepted **‘extreme’ and Strategic risks will have a Tier 2 Executive Member nominated as the ‘risk custodian’** for reporting purposes to the Chief Executive.
- Any **extreme or high risk identified as having ‘soft’ (ineffective) mitigations / controls** would require reassessment and would not normally be ‘accepted’.
- Risks or opportunities which have identified one – off and / or recurrent funding requirements are **not automatically allocated funding** when a risk is ‘accepted’ by their Manager. Allocation of funding will occur via normal business processes.
- The **‘controls’, identified prospectively**, measurable outcome / milestones that will be used to assist in determining the success or otherwise of managing the risk / opportunity and achievement of the reduction in the risk rating.
- **Minimum review requirements** of ‘risks’. ERMS will, every 90 days, automatically generate a request, via e-mail to the risk custodian, to review a risk in accordance with the initial, target and current risk rating.
- These reviews will be in addition to the set review date identified by the Risk – Owner when the risk was established or last reviewed.
- The **removal or transfer of a risk or opportunities to the “Completed” section** of ERMS risk register requires notification to ‘approving’ Manager and/or the appropriate Governance Committee of the date and evidence that the target reduction or elimination of the risk has been achieved.

4.4 ERMS Reports:

- **Downloading the risk register** (all or in part) into Excel: To ensure that the downloaded version of the risk register is NOT amended and to ensure the ERMS central repository remains ‘live’ and contemporary, all downloads should be either a PDF document or password protected against changes.
- The Manager, Enterprise Risk Management will download from ERMS the **Quarterly Top 10 Risk and Opportunity Management Report** for consideration and approval by the Chief Executive and subsequent submission to the NSW Ministry of Health.
- The **lodgement of the Quarterly Top 10 Risk and Opportunity Management Report** by the Chief Executive, Legal and Regulatory Services with the NSW Ministry of Health Corporate Governance and Risk Management Unit will be: **‘for information’**.

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- Any **risk or opportunity identified for escalation** to the Secretary Ministry of Health will occur separately via the normal reporting process (Brief from Chief Executive).
- The **Quarterly Top 10 Risk and Opportunity Management Report** may identify state-wide risks and/or opportunities that SESLHD has identified local initiatives/strategies.

5. Incident Management IIMS & Risk Management – ERMS

There is **no electronic interface between the critical incident reporting system IIMS and ERMS**. The Clinical Governance Units at an Operational level will be required to;

- Monitor, assess and identify any trends in IIMS across the Hospital / Service / SESLHD that need to be considered as a prospective risk.
- Identify incident/s that should have been prospectively recorded and managed in ERMS.
- Discuss with Operational Managers IIMS notifications and/or trends that could require prospective management via ERMS.

6. DOCUMENTATION

Compliance with the delegation to accept risks is monitored and actioned by Manager, Enterprise Risk Management.

7. AUDIT

Review by annual assessment of the *NSW Health Implementation Checklist* by Audit and Risk Management Committee and external assessment occurs three years.

8. REFERENCES

[Risk Management - Enterprise-Wide Risk Management Policy and Framework - NSW Health](#)

9. REVISION AND APPROVAL HISTORY

Date	Revision No.	Author and Approval
Sept 2011	0	Michael Spence, Manager Enterprise Risk Management
May 2014	1	Approved by DET & Chief Executive
Oct 2015	2	Revised by Michael Spence, Manager Enterprise Risk Management.
Nov 2015	2	Re-formatted by District Policy Officer. Submitted to the Deputy Chief Executive for approval.
Nov 2015	2	Submitted to the DET for information.
Nov 2015	2	Minor changes to procedure. Executive Sponsor endorsed to publish

