SESLHD PROCEDURE
COVER SHEET

NAME OF DOCUMENT	Enterprise Risk Management Procedure
TYPE OF DOCUMENT	Procedure
DOCUMENT NUMBER	SESLHDPR/304
DATE OF PUBLICATION	July 2021
RISK RATING	Low
LEVEL OF EVIDENCE	National Safety Standards 1 to 8
REVIEW DATE	July 2026
FORMER REFERENCE(S)	SESLHDPR/304
EXECUTIVE SPONSOR	Director, Corporate and Legal Services
AUTHOR	Christine Schlesinger - Chief Risk Officer Christine.Schlesinger@health.nsw.gov.au
POSITION RESPONSIBLE FOR THE DOCUMENT	Chief Risk Officer
FUNCTIONAL GROUP(S)	Corporate Governance
KEY TERMS	Enterprise Risk Management Key Terms
SUMMARY	This procedure supports the NSW Health – Enterprise-Wide Risk Management Policy and Framework/PD2015_043 by providing 'local' guidance in the governance, processes, roles and responsibilities for managing risk across SESLHD. The procedure is to be used by staff to implement a strategic approach to managing risk across SESLHD.

1. POLICY STATEMENT

The Enterprise Risk Management Procedure (the Procedure) provides 'local' guidance in the governance, processes, roles and responsibilities for managing risk across South Eastern Sydney Local Health District (SESLHD) in line with NSW Ministry of Health – PD2015_043 - Enterprise-Wide Risk Management Policy and Framework (the Policy).

The Procedure supplements the prescriptive Policy and together they should be used by all staff, and specifically Managers, to implement a strategic approach to risk management across SESLHD. Subject to the requirements of the Policy, this Procedure will apply to users who are authorised to enter, review, escalate, accept, or reject a risk or an opportunity in the Enterprise Risk Management System (ERMS).

2. BACKGROUND

The Policy provides the minimum requirements and processes for the management of risk and opportunity across the NSW Health System.

The Procedure outlines guidance to Staff, Managers and Executive in the local application of the Policy and use of ERMS.

3. DEFINITIONS

- **Executive** is a member of SESLHD Executive Team and is the Risk Sponsor for identified risk in their service area.

- **T3** is a manager who reports to a member of the SESLHD Executive Team and is the risk custodian for the identified risk in their service or area of accountability.

- **Risk Owner** is the nominated officer identified in the 'Risk Register' as being responsible for the administration of the risk and its mitigation.

- **ERMS** is the Enterprise Risk Management System or 'Risk Register.'

- **The Policy** is the NSW Ministry of Health – PD2015_043 - Enterprise-Wide Risk Management Policy and Framework

- **Approving Manager** – the manager who is accountable for the risk approval, escalation and review of the risk once entered.

4. RISK MANAGEMENT PRINCIPLES

Risk is the effect of uncertainty on objectives. Risk has the potential to impact on SESLHD's strategic objectives.

Managing risk is part of everyday activity across SESLHD. Effectively managing risk is to proactively identify, analyse and control risk to mitigate any negative consequences, or to realise the benefits of any opportunities.

SESLHD's approach to Enterprise Risk Management is based on the following three key principles. Risk management is:

1. The responsibility of all Executive, Managers and employees;

2. Integrated into all business activities and systems, and;

3. Established to comply with the Policy and ISO 31000:2018 (Risk Management – Principles and Guidelines).

As risk management guidance and principles are comprehensively detailed in the Policy, it should be referenced concurrently with the instruction provided under the local Procedure.

5. MANAGING RISK

5.1 Risk Identification and Assessment

It is important to establish if a potential 'risk' is a hazard or an operational issue that can be raised and managed at the local level and through alternate systems such as the Incident Management System (ims+) or Facilities and Maintenance Systems (BEIMS, Maximo, etc.). If an issue is not resolved after a reasonable period of time, through local processes or by the relevant manager/committee, undertaking a Risk Assessment will organise the detail required to input and escalate the identified risk in ERMS to a manager with the relevant risk delegation.

Any potential risk or opportunity identified must be thoroughly assessed and consulted among key stakeholders before entering the new risk in ERMS. This can be documented in the Risk Assessment found in the 'Resources' section of the Risk Management area on the Intranet.

Once all risk detail has been consulted and agreed, and it is determined management is unable to resolve or mitigate the risk locally in a reasonable timeframe, then a Risk Owner is identified who is responsible for entering the new risk in ERMS and for managing all subsequent reviews.

5.2 Risk Register

SESLHD will use **ERMS** as the register to record, manage and review all risk and opportunity that could impact on SESLHD's ability to deliver quality, accessible, safe and efficient services.

System access and training is provided by the District Risk Management Unit, SESLHD-Risk@health.nsw.gov.au.

A new risk or opportunity entered (**Registered**) in ERMS is considered a **draft** until an Approving Manager, with the necessary risk delegation, 'accepts' the risk.

A Risk Owner cannot accept or approve a risk.

All risks entered in ERMS will be reviewed and quality controlled by the ERMS Administrator who will contact the Risk Owner and Manager if there are any questions or concerns about the integrity of the data.

The Risk Management Unit has authority to amend the risk detail for minor updates or where data changes do not require approval as per the delegations.

In accordance with the Policy, 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 accept the risk or opportunity by "default" will be made by the ERMS Administrator after consideration of the risk detail as well as the consequence and likelihood.

If a risk is **rejected** by the Approving Manager or determined as un-implementable the reason/s will be provided to the Risk Owner and Manager and documented in ERMS.

All **'extreme' and 'high' risks** must have a nominated T2 Executive Sponsor for governance and reporting purposes.

Any **extreme or high risks identified as having soft or ineffective actions / mitigations / controls** will require reassessment and will be returned to the Risk Owner as well as being escalated to the relevant Manager and Executive..

Entered risks or opportunities which identify **one-off and / or recurrent funding requirements** are not automatically allocated funding when a risk in 'accepted' by the Approving Manager. As part of the risk management and review process in ERMS, funding requests need to be identified and addressed through normal business processes noting the risk justification, as well as entering the progress and outcome of any resource requests in ERMS.

The Risk Management Unit will oversee risk movements and will advise and support the relevant stakeholders with the integrity of risk information registered in ERMS.

5.3 Risk Review

In accordance with the Policy '*Risk Owners shall review and moderate risks within their area of responsibility and accountability at minimum three (3) monthly intervals to ensure that the assessment and actions taken are reasonable, acceptable and within the tolerance and level of delegated accountabilities and responsibilities of the Risk Owner.'*

Every 90 days ERMS will automatically generate an email to the Risk Owner and identified Manager to initiate the review. Risk Owners are expected to **complete their own reviews and updates** in ERMS. Executive may delegate this responsibility to a Senior Manager or Executive Support Officer.

To meet compliance and audit requirements, risk reviews must be actioned within the three (3) monthly interval. ERMS Easy Guide provides step-by-step instruction in how to effectively document the review, with ongoing support provided by the District Risk Management Unit.

5.4 Risk Closure

In accordance with the Policy '*existing risks that have been fully addressed can be closed or removed from the Risk Register, after entering an appropriate record of the outcomes.*'

A risk can be closed when it has been eliminated, when the current risk rating reaches the target risk rating and/or the controls in place have been assessed as adequate for ongoing monitoring. It is important to detail this evidence in the 'Reason for Reviewing' risk field.

Risk Owners must receive approval from all risk stakeholders including the Approving Manager, Executive Sponsor or Committee, before closing a risk.

'Closed' risks generate an ERMS email notification and the risk moves to the 'Completed' risks view.

5.5 Risk Deterioration and Rating Escalation

When a risk deteriorates or the risk rating escalates from one level to the next as per the NSW Health Risk Matrix, the risk will require a new delegated risk acceptance – refer to Section 6 Responsibilities and Delegations.

6. RESPONSIBILITIES AND DELEGATIONS

The Policy and SESLHD's adopted risk management approach outlines the actions and delegation for new or escalated risk.

Risk Rating	Action Required	Timeframe (working days)	Delegation to Accept Risk
Extreme	Escalate to Chief Executive	One (1)	Chief Executive*
Extreme	District Executive can action if mitigations and controls can be immediately applied to reduce the risk rating from extreme. Advise CE.	One (1)	District Executive [T2]
High	Escalate to Senior Management. A detailed action plan must be implemented to reduce the risk rating.	Two (2)	District Executive [T2] General Manager [T3]
Medium	Specify Management Accountability & Responsibility. Monitor trends and put in place improvement plans.	Five (5)	Senior Manager [T3], [T4]
Low	Manage by routine procedure. Monitor trends.	Ten (10)	Line Manager

* Escalate to Ministry of Health

Any **risk or opportunity identified for escalation** to the Ministry of Health will occur separately via the normal Chief Executive reporting and escalation processes.

7. RISK REPORTING

The [ERMS Easy Guide](#) and [ERMS Help Function](#), found in the Resources section of the SESLHD Risk Intranet, provides comprehensive guidance on the use of ERMS and its functions. The guide and the introductory training provided by the Risk Management Unit enables users to effectively navigate the system and reporting functions at any time.

Ongoing review of the Risk Profile is undertaken by the district Risk Management Unit with risk data reported to the appropriate Committee, Facility, Executive or Manager for action. Risk Owners are expected to be diligent in the review of risks assigned to them and be thorough with their evidence against the actions and milestones when detailing their reviews in ERMS.

The Risk Management Unit will download and process data from ERMS for monthly reporting and compliance reporting as required. In addition to operational reporting, regular SESLHD Risk Management Reports are required by the NSW Ministry of Health which identify the District's Key Strategic and Operational Risks, as well as any risk that has potential to impact the NSW Health System more broadly.

8. OTHER DATA SYSTEMS AND TOOLS

ERMS is a standalone system which requires the contribution of data from other sources, however there is no electronic interface.

In recognising that SESLHD utilises the electronic [Incident Management System (ims+)](#) for incident notification and management, all nominated Quality and Safety Managers, and management staff who access and enter information in the Incident Management System are responsible to:

- Monitor, assess and identify any trends in ims+ across the Hospital / Service / District;

- Raise and discuss with Operational Managers, and Executive as required, the ims+ notifications and/or trends that should be assessed and escalated within ERMS;

- Follow up with the relevant manager to ensure the information and risk has been entered in ERMS, and escalate to the relevant Governance Committee when required.

9. DOCUMENTATION

Resources and information can be accessed on the SESLHD Intranet > Support and Corporate Services > Risk Management.

10. AUDIT

This Procedure will be reviewed in line with legislative changes and as required under the scope of SESLHD's Enterprise Risk Management Strategy.

11. REFERENCES

- NSW Ministry of Health – PD2015_043 - Enterprise-Wide Risk Management Policy and Framework
- ERMS Easy Guide - Version 4 - June 2020 [T20/49443]
- ERMS Help Function - June 2020 [T20/15471]
- ISO 30001:2018 – Risk Management Guidelines
- Risk Assessment tool - July 2020 [T20/45529]
- SESLHD Enterprise Risk Management Strategy 2019 – 2021 [T19/67679]
- SESLHD Risk Management Plan and Calendar of Activities 2020 – 2021 [T20/38503]

12. REVISION AND APPROVAL HISTORY

Date	Revision No.	Author and Approval
September 2011	0	Michael Spence, Manager Enterprise Risk Management
May 2014	1	Approved by DET & Chief Executive
October 2015	2	Revised by Michael Spence, Manager Enterprise Risk Management.
November 2015	2	Re-formatted by District Policy Officer. Submitted to the Deputy Chief Executive for approval.
November 2015	2	Submitted to the DET for information.
November 2015	2	Minor changes to procedure. Executive Sponsor endorsed to publish.
January 2021	3	Major review commenced. Substantial revision following system and framework updates.
February 2021	3	Draft for comment period.
June 2021	3	Final version approved by Executive Sponsor. To be tabled at Corporate Executive Council for approval.
July 2021	3	Approved at Corporate Executive Council.