

**INTERNAL ONLY**  
**ISLHD PROCEDURE**  
**COVER SHEET**



<b>NAME OF DOCUMENT</b>	Enterprise Risk Management System - ERMS
<b>TYPE OF DOCUMENT</b>	Procedure
<b>DOCUMENT NUMBER</b>	ISLHD CORP PROC 42
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<b>FORMER REFERENCE(S)</b>	ISLHD OPS PROC 42
<b>EXECUTIVE SPONSOR or EXECUTIVE CLINICAL SPONSOR</b>	Chief Executive – ISLHD
<b>AUTHOR</b>	Director, Corporate Governance & Risk Management
<b>KEY TERMS</b>	Risk, Clinical Risk, Corporate Risk, IMS+, Mitigation, ERMS, Escalation
<b>FUNCTIONAL GROUP OR HUB</b>	All ISLHD directorates, divisions, hubs
<b>NSQHS STANDARD</b>	Standard 1
<b>SUMMARY</b>	This procedure provides detail regarding the governance, structures, roles & responsibilities in the use of the Enterprise Risk Management System (ERMS); for managing risk across ISLHD. This document is to be used by all staff, to implement an enterprise-wide risk management approach to risk throughout the Local Health District.

**COMPLIANCE WITH THIS DOCUMENT IS MANDATORY**

Feedback about this document can be sent to [ISLHD-Policies@health.nsw.gov.au](mailto:ISLHD-Policies@health.nsw.gov.au)

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**1. POLICY STATEMENT**

The Enterprise Risk Management System (ERMS) Procedure provides detail regarding the governance, structures, roles & responsibilities in the use of the ERMS register for managing risk across the Local Health District. This Procedure is directly aligned with the [Risk Management - Enterprise-Wide Risk Management Policy and Framework - NSW Health PD2015\\_043](#). This procedure is to be used by all staff, to implement an enterprise-wide risk management approach to risk throughout the Local Health District.

**2. BACKGROUND**

The [Risk Management - Enterprise-Wide Risk Management Policy and Framework - NSW Health PD2015\\_043](#) provides the minimum requirements for the management of risks & opportunities across NSW Health. ISLHD has identified the need to provide additional information and direction to assist staff and managers in the local application of the Enterprise-Wide Risk Management Policy & Framework.

**3. RESPONSIBILITIES**

**3.1 Line Managers/Network Managers/Service Managers:**

- Staff will use ERMS as the sole program to record, manage and review all risks and opportunities, including: Clinical, Corporate, Health Safety & Wellbeing, and Business, that could impact on ISLHD's ability to deliver a quality, accessible and efficient service.
- Subject to the requirements of the Enterprise-Wide Risk Management Policy & Framework [\[PD2015\\_043\]](#) taking precedent, the following Procedure will apply to Managers authorised to enter, accept, escalate, review or reject a risk or opportunities in the ERMS register. Prior to registering risks or opportunities, the NSW Health Risk Matrix must be consulted to determine the category of the risk.

**4. PROCEDURE**

**4.1 Delegations to accept risks/opportunities**

**(Delegations are identified on the ERMS link to the NSW Health Risk Matrix)**

- Extreme Risks; The Enterprise-Wide Risk Management Policy & Framework [\[PD2015\\_043\]](#) mandates that only the Chief Executive can accept an unmitigated extreme risk.
- 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 advised.

- 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. However, if a risk or opportunity remains unaddressed by the reviewing Manager, the following **default approval** process will be activated:

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

#### **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 risk owner.
- If a risk is escalated the reason/s will be provided to the Manager's Manager.
- All accepted 'extreme' risks will have a T2 Executive Member nominated as the 'custodian' for reporting purposes to the Chief Executive.
- Any extreme or high risk identified as having 'soft' (ineffective) mitigations/controls will 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.

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- The 'milestones' identified prospectively, will be used to assist in determining the success, or otherwise, of managing the risk and achievement of the reduction in the risk rating. The 'milestones' should be copied and pasted into the 'comments' section of the Risk Review page.
- Minimum review requirements of risks - ERMS will automatically generate a request, via email to the risk custodian to review the risk in accordance with the initial target & current risk rating;
- Extreme Risks: 30 days
- High Risks: 90 days
- Medium Risks: 180 days
- Low Risks: 360
- These reviews will be in addition to the set review date identified when the risk was established or last reviewed.
- The removal or transfer of a risk or opportunity to the "Completed" section of ERMS requires notification to your Manager 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 - ensure that the down loaded version of the risk register is NOT amended and to ensure the ERMS central repository remains 'live' and contemporary, all down loads should be either a PDF document or password protected against changes.
- The Manager, Enterprise Risk Management & Systems Change will download the Quarterly '*Extreme*' Risk Management Report for consideration of the Chief Executive and subsequent submission to the Ministry of Health.
- The lodgement of the Quarterly '*Extreme*' Risk Management Report by the Chief Executive with the Ministry of Health Corporate Governance & Risk Management Unit will be: '*for information*'.
- Any risk or opportunity identified for escalation to the Director General Ministry of Health will occur separately via the normal reporting process (Brief).
- The Quarterly '*Extreme*' Risk Management Report may identify state-wide risks and/or opportunities that ISLHD has identified for local initiatives/strategies.
- As there is no electronic interface between the Incident Information Management System (IIMS) and ERMS, the Clinical Governance Unit will be required to monitor

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IMS+ across ISLHD and look for incidents that should have been recorded and managed in ERMS.

**5. DOCUMENTATION**

NSW Health Risk Matrix

**6. AUDIT**

- Compliance with the delegation to accept risks is monitored by Manager, Enterprise Risk Management.
- Review by Internal Audit or external assessment occurs every two years.

**7. REFERENCES**

[Risk Management - Enterprise-Wide Risk Management Policy and Framework - NSW Health PD2015\\_043](#)

**8. REVISION & APPROVAL HISTORY**

<b>Date</b>	<b>Revision No.</b>	<b>Author and Approval</b>
September 2011	0	Michael Spence - Manager Enterprise Risk Management Approved for publishing by ISLHD Integrated Risk Management Steering Committee
March 2013	1	Michael Spence - Manager Enterprise Risk Management Approved for publishing by ISLHD Integrated Risk Management Steering Committee Incorporating Fraud Prevention Control
July 2017	2	Beverly Robb – Manager, Enterprise Risk Management
September 2020	3	Director, Corporate Governance & Risk Management