



Northern Sydney
Local Health District

Enterprise Risk Management Strategy & Plan

2022 - 2024



ACKNOWLEDGEMENT OF COUNTRY

Northern Sydney Local Health District acknowledges the Cammeraygal people of the Guringai nations, the Wallemedegal peoples of the Dharug nations to the west, the Darkinjung peoples to the north and the clans of the Eora nations whose country and borders surround us.

We acknowledge and pay our respects to all Aboriginal and Torres Strait Islander peoples and to Elders past and present.

We acknowledge that past, current and future Aboriginal and Torres Strait Islander peoples are the continuing custodians of this country upon which we live, work and meet and that it is from their blood, courage, pride and dignity that we are able to continue to live, work and meet on this ancient and sacred country.

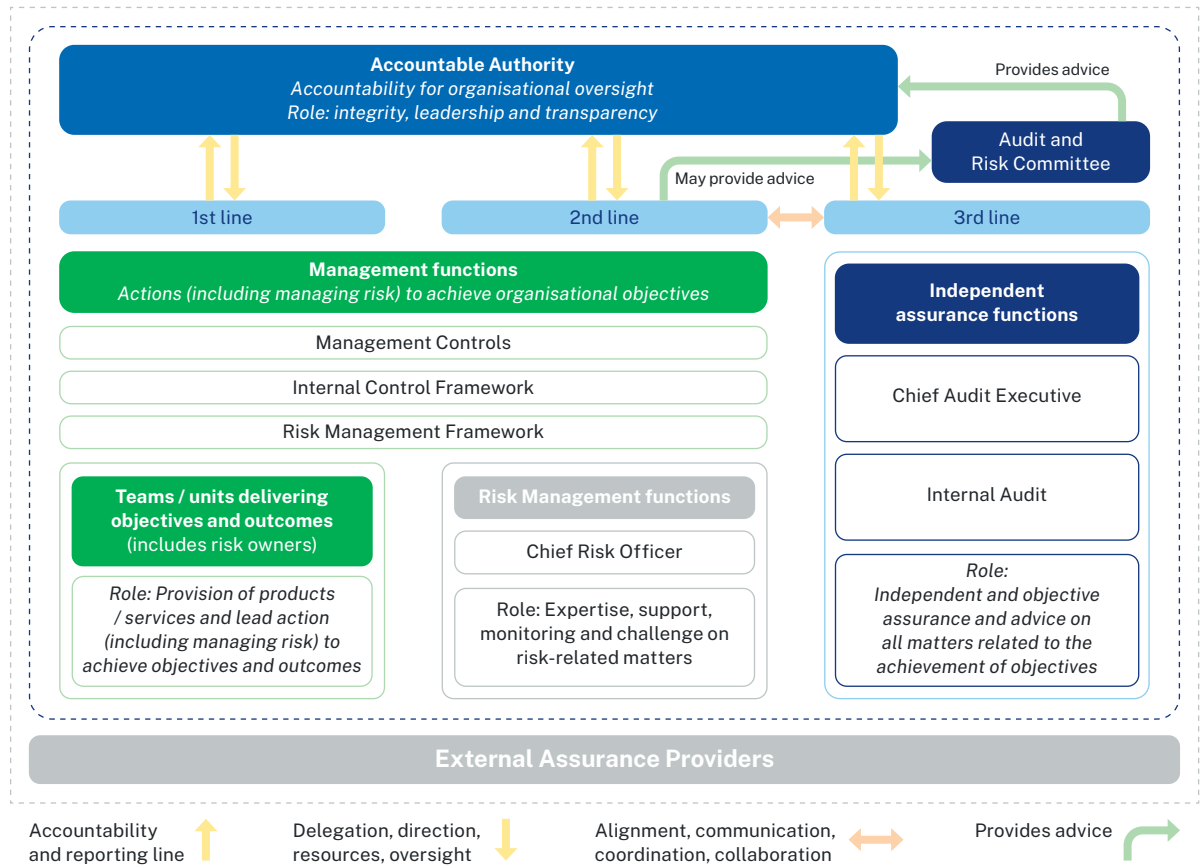
Introduction

The *Enterprise Risk Management (ERM) Strategy & Plan 2022 - 2024* documents the approach to risk management across Northern Sydney Local Health District (NSLHD), embeds expectations for risk management activity within this timeframe, and outlines anticipated enhancements.

It is designed to help support NSLHD achieve its objectives by providing a resilient risk management framework. This aligns with NSW Treasury’s *Internal Audit and Risk Management Policy for the General Government Sector Policy and Guidelines Paper (TPP 20-08)* Principle 1: *Effective risk management arrangements should support the agency in achieving its objectives by systematically identifying and managing risks to increase the likelihood and impact of positive events, and mitigate the likelihood and impact of negative events.*

The figure below¹ provides the context within which a risk management function is positioned, and the role of the Chief Risk Officer.

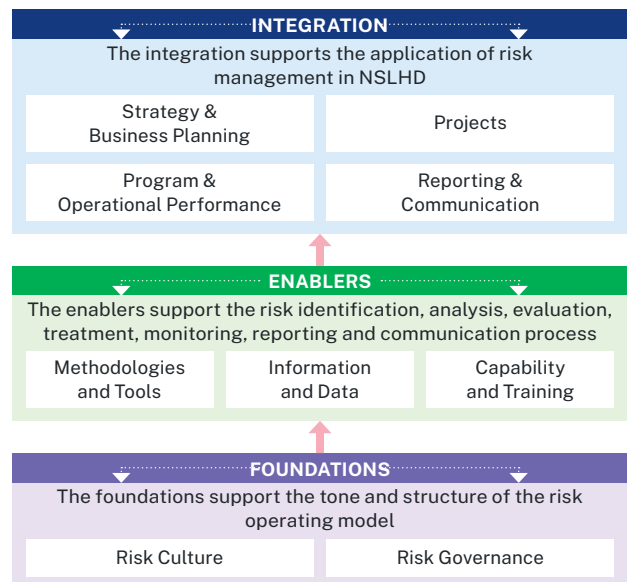
FIGURE 1: THREE LINES MODEL



The *ERM Strategy & Plan 2022 - 2024* also aligns with the requirements of the *NSW Health ERM Policy Directive* and ERM leading practice including *International Standard AS/NZ ISO 31000:2018 Risk Management*. It will be maintained to align with updates to these documents.

ERM Strategy & Plan 2022 - 2024 uses the nine Key Risk Attributes from the *NSW Treasury Risk Maturity Assessment Tool (TPP20-06)* as a basis for the framework.










FIGURE 2: KEY RISK ATTRIBUTES²



1 *Internal Audit and Risk Management Policy for the General Government Sector Policy and Guidelines Paper (TPP 20-08)*, NSW Treasury, p.8.

2 Adapted from *NSW Treasury Risk Maturity Assessment Tool (TPP20-06)*, NSW Treasury, p.1.

The table below applies the key attribute descriptions from TPP20-06. Each key attribute forms a strategy element in the *ERM Strategy & Plan 2022 – 2024*.

ELEMENT	KEY ATTRIBUTE	DESCRIPTION
Foundations	 Risk Culture	The set of encouraged and acceptable behaviours, discussions, decisions and attitudes towards taking and managing risk at NSLHD.
	 Risk Governance	The framework of rules, responsibilities, systems and processes by which risk management is structured at NSLHD (incl. risk tolerance).
Enablers	 Methodologies & Tools	The common approach to supporting applying a risk management framework and processes across NSLHD. Includes: <ul style="list-style-type: none"> » how NSLHD identifies, evaluates and assesses its risks » the relevant people involved » the reporting documentation, tools & templates used
	 Information & Data	The data and information required by NSLHD to support the application of the risk management framework / processes on an ongoing basis and the systems to support the efficient and effective availability of data to support risk based decisions.
	 Capability & Training	The risk capability, knowledge and experience of people across NSLHD.
Integration	 Reporting & Communications	The ongoing dialogue across NSLHD that supports the flow of risk related data, information and insights to those responsible and accountable for the management of key risks.
	 Programs & Operational Performance	Monitoring of key risks and their management over time relative to defined tolerances to support the delivery of NSLHD's operations and government programs.
	 Strategy & Business Planning	Considers the key risks and their management as an integral part of developing corporate and business plans based on the external environment.
	 Projects	Considers the key risks and their management as an integral part of delivering major projects and change initiatives that support the delivery of the agency's priorities.



STRATEGY ELEMENT
Risk Culture

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1.	RISK CULTURE	PLAN	ACTION(S)	TIMEFRAME
1.1	Recognise positive risk performance / leadership	Continue existing and implement new recognition mechanisms / initiatives	» Commence using NSLHD Compliments Portal	2022
			» Continue using Chief Risk Officer recognition through 1:1 communication (e.g. email, verbal)	2022
			» Consider, and if agreed, institute Chief Executive email recognition	2022
1.2	Augment integration of risk 'tone at the top' in Executive-level meetings	Add risk structure to Hospital and Service Performance meetings, and Chief Executive – Director 1:1s	» Establish a monthly Facility / Service / Corporate area snapshot report for the Chief Executive	2022
1.3	Assess risk values and behaviours	Executive and / or senior management survey	» Staff survey – to be determined (e.g. Executive, senior management, operational management)	2024
1.4	Continued Chief Executive leadership and risk culture sponsorship	Support the Chief Executive's strategic risk focus and current risk awareness	» Monthly Chief Executive-Chief Risk Officer meetings	2022 - 2024
			» Chief Executive sponsorship of key risk initiatives	



STRATEGY ELEMENT

Risk Governance

2.	RISK GOVERNANCE	PLAN	ACTION(S)	TIMEFRAME
2.1	Continue Chief Executive-led risk governance structure	<ul style="list-style-type: none"> » Chief Executive-sponsored NSLHD Executive Risk Committee (NSLHD ERC) 	<ul style="list-style-type: none"> » Monthly NSLHD ERC meetings » Increase Executive participation opportunities at NSLHD ERC (e.g. presentations, discussion of emerging risk, risk that sits across portfolios) » Annual review of NSLHD ERC Terms of Reference (August) » Annual NSLHD ERC governance calendar (November) 	2022 - 2024
2.2	Augment existing District – Facility / Services / Corporate risk governance structures	<ul style="list-style-type: none"> » Strengthen collaboration and lines of communication 	<ul style="list-style-type: none"> » Chief Risk Officer monthly visits / discussions with Facilities and Services » Risk as active agenda item in Service / Facility / Corporate – Chief Executive meetings » Review the Terms of Reference for the Risk Integration Committee » Chief Risk Officer acceptance of invitations to monthly / quarterly Facilities and Services meetings 	2022 - 2024 2022 2023
2.3	Integrate risk management system vertically and horizontally within NSLHD	<ul style="list-style-type: none"> » Expand risk software platform to capture frontline risks » Integrate risk vertically » Integrate risk horizontally 	<ul style="list-style-type: none"> » Software platform tender to include risk requirement ward-level and user testing » Consultation across Facilities and Services » Pilot roll out to one Facility (e.g. Ryde) – customisation phase » Sequential roll out to frontline for all Facilities, Services, Corporate areas » Commence formalised periodic frontline-level (and up) reporting across Facilities, Services, and Corporate areas to District 	Q1 - Q2 2022 Q3 - Q4 2022 2023 2024

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2.	RISK GOVERNANCE	PLAN	ACTION(S)	TIMEFRAME
2.4	Support Board-level Committee risk oversight	» Continue reporting to Board-level Committees	» Reporting to NSLHD Board Audit & Risk Committee (BARC), NSLHD Board, NSLHD Health Care Quality Committee (HCQC), and NSLHD Finance Risk & Performance Committee (FRAP)	2022 - 2024
2.5	Continue District level risk communication with Ministry of Health	» Manage NSLHD risk communications and actions (emerging system-wide risks, health-wide Risk Statements)	» Report emerging system-wide risks, risks that NSLHD needs Ministry of Health assistance with managing as they arise » Manage internal process and report on Risk Statements as per Ministry of Health deadlines	2022 - 2024
2.6	Continue to monitoring control design and operational effectiveness assessments	» Conduct periodic control (self) assessments	» Finish the 'light touch' control self-assessment (CSAs) on 'high' and 'extreme' current risks	Q1 2022
			» Conduct targeted CSAs based on risk (reactive)	2023
			» Conduct Chief Risk Officer initiated CSAs based on risk	2024
2.7	NSLHD risk appetite / risk tolerance alignment reviews	» Monitor NSLHD risk appetite / risk tolerance remains appropriate to the District's needs	» Initiate review discussion of risk appetite / tolerance with Chief Executive / NSLHD Board Chair on a two-yearly basis	Q4 2023
2.8	Review structure for notifications via the risk escalation notification process	» Chief Risk Officer monitoring and testing of new risks, changes to existing risks, closure of risks	» Chief Risk Officer monitoring and verification of risk, and escalation to Executives / Chief Executive as needed	2022 - 2024



STRATEGY ELEMENT

Capability & Training

3.	CAPABILITY & TRAINING	PLAN	ACTION(S)	TIMEFRAME
3.1	Support a risk aware workforce	» Develop an ongoing risk training program for staff that provides practical risk management fundamentals	» Develop risk training packages to respond to requests for general risk training	2022 - 2023
			» Formalise a standardised risk education program (e.g. around delivered packages, identified gaps)	2024
3.2	Support specialised risk positions	» Develop tailored risk education for positions requiring specialised knowledge and skills	» Develop ERM education for key clinical risk positions (e.g. quality managers)	2024
			» Develop ERM education for key positions who coordinate for their Directorate (e.g. Executive Assistants)	2024
3.3	Offer bespoke risk training program	» Different options to suit identified need (e.g. PowerPoint, workshop, roundtable)	» Develop risk training packages to respond to requests on bespoke risk areas	2022 - 2023
			» Formalise a bespoke risk areas learnings library	2024

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3.	CAPABILITY & TRAINING	PLAN	ACTION(S)	TIMEFRAME
3.4	On-boarding risk orientation for new staff, management, Executive, Committee members	» Ensure new staff and senior members are streamed into a fit-for-purpose risk on-boarding	» Develop standardised tailored risk orientation packages for Board- level Committee members, Executive, Senior Management positions	2022 - 2023
			» Formalise bespoke orientation modules, PowerPoint presentations, 1:1 discussion agendas	2024
			» Establish a 'new manager' notification arrangement with People & Culture	2024
3.5	Support workforce use of risk management software system	» Consider how tender criteria can support workforce use of software system	» Tender process to consider how to maximise use of embedded software tools (e.g. instructions whilst performing risk tasks, intuitive design)	2022
			» Develop risk software use training package	Q4 2022
		» Risk software use training package	» Implement risk software use training package, starting with key users in Q1 2023	2023



STRATEGY ELEMENT

Data & Information

4.	DATA & INFORMATION	PLAN	ACTION(S)	TIMEFRAME
4.1	Risk software platform supports efficient and effective risk management	» Dedicated fit-for-purpose risk management system that is integrated as needed with other modules (e.g. internal audit)	» Tender documentation to include requirements for dynamic integrated risk process, automated configurable work flows, assessment process, and reporting	Q1 - Q2 2022
			» Software platform to capture frontline risks	Q3 - Q4 2022
			» District-level risk software customisation, with go-live 1/1/2023	Q3 - Q4 2022
			» Facility-level risk pilot and rollout	Q1 2023
4.2	Ensure availability of risk data to support risk decision making	» Balance risk ownership silos with risk data dissemination outside siloes	» Tender documentation / discussions to require software platform design to enable select positions to have wider risk 'view' access	Q1 - Q2 2022
			» Enable availability of risk information beyond ownership areas to inform decision making	2023
4.3	Risk trend information supports risk decision making	» Capture and disseminate trend changes from risk information	» Risk data on increased, decreased, new, closed risks used for reporting to the NSLHD ERC and Board-level Committees	2022 - 2024
			» Provide annual risk trend statistics and analysis to ERC	Q3 2022 - 2024

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4.	DATA & INFORMATION	PLAN	ACTION(S)	TIMEFRAME
4.4	Management of contract with software platform provider	» Maximise data / information extraction tools in software system	» Regular issues resolution meetings with contract provider	2022 - 2024
4.5	Data security management	» Maintain appropriate security settings	» Chief Risk Officer add / remove people but not change of access without due consideration	2022
			» Software tender to capture ICT requirements (e.g. single sign-on / PSAF compliance)	Q1 - Q2 2022



STRATEGY ELEMENT

Methodologies and tools

METHODOLOGIES AND TOOLS				
5.		PLAN	ACTION(S)	TIMEFRAME
5.1	Ensure NSLHD risk methodologies and tools* align with Ministry of Health's Policy Directive**	» Review NSLHD Procedure's*** continued alignment once Ministry of Health's updated Policy Directive is released	» Participate in Ministry of Health stakeholder consultation on draft updated Policy Directive	2022
			» Update the NSLHD Procedure	2022
			» Provide information sessions / material to key internal stakeholders	2022
			» Update software platform	2022
			» Ensure updates are made to tender specifications (if needed)	2022
5.2	Augment consistency of use of methodology and tools across District	» See 3.1 – 3.5 Training & Capability	» See 3.1 – 3.5 Training & Capability	2023 - 2024
5.3	Foster common understanding of methodologies and tools – vertically and horizontally across NSLHD	» See 2.3 Risk Governance » See 3.1 – 3.5 Training & Capability	» See 2.3 Risk Governance » See 3.1 – 3.5 Training & Capability	2023 - 2024
5.4	Ensure risk software reflects required methodology	» See 3.1 – 3.5 Training & Capability	» See 3.5 Training & Capability	2022 - 2024

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5.	METHODOLOGIES AND TOOLS	PLAN	ACTION(S)	TIMEFRAME
5.5	Continue to strengthen tools and methodologies to support risk analysis	<ul style="list-style-type: none"> » Continue to use existing tools » Develop new tools and methodologies (e.g. horizontal / vertical linking of related risks) 	» Continue to provide system-generated reports to key stakeholders and decision-makers	2022
» See 8.2 Reporting & Communication			2022 - 2024	
» Develop a methodology for clustering risks that sit in multiple locations (e.g. several Facilities), or where primary risk is owned in Corporate, but manifests in operational area(s)			2023 - 2024	

* Includes: risk categories, risk matrix, risk consequence and likelihood descriptors, risk register components, review frequency requirements

** Policy Directive: Enterprise-wide Risk Management (PD2022_023)

*** NSLHD Procedure PR2010_065 in response to update of Ministry of Health's Policy Directive: Risk Management – Enterprise-Wide Policy & Framework (PD2015_043)



STRATEGY ELEMENT

Strategy & Business Planning

6

STRATEGY & BUSINESS				
6.	PLANNING	PLAN	ACTION(S)	TIMEFRAME
6.1	Executive is apprised of the potential for risk to impact on achieving the objectives of the Strategic Plan	» Align and test risks against new Strategic Plan	» Update the selection field for Strategic Plan objectives in risk software platform	2022
			» Ensure updates are made to tender specifications / customisation phase (if needed)	2022
			» Apply a risk lens to the strategic objectives whilst under development (if needed)	2022
			» Review risks against new Strategic Plan objectives	2022
			» Executive workshop to consider mapping analysis outcomes	2022
6.2	Stakeholders understand the potential for risk to impact on achieving elements of the Accreditation Standards	» Analyse and test risks against the Accreditation Standards	» Embed Accreditation Standards into the tender specifications / customisation phase (if needed)	2022
6.3	Strategic Risk reporting	» Maintain and refine existing processes and visibility for NSLHD ERC, and Board-level Committees	» See 2.1 and 2.4 – Risk Governance	2022 - 2024



STRATEGY ELEMENT

Programs & Operational Performance

7

PROGRAMS & OPERATIONAL PERFORMANCE				
7.	PERFORMANCE	PLAN	ACTION(S)	TIMEFRAME
7.1	Develop meaningful Key Risk Indicators (KRIs)	<ul style="list-style-type: none"> » Identify where KRIs would add value to risk management (IMS+ data, staff vacancies data, budget milestones) » Identify data / information sources that would support KRIs 	» Analysis and consultation piece to identify suitable risks where KRIs would add value to management of the risk (e.g. where quantifiable KRI useful)	2024
			» Align with Ministry of Health driven performance indicators and other data	2024
			» Include KRI monitoring as part of risk monitoring and reporting	2024



STRATEGY ELEMENT

Reporting & Communication

8

8.	REPORTING & COMMUNICATION	PLAN	ACTION(S)	TIMEFRAME
8.1	Use of tools to support risk reporting	» Introduce new tools and augment existing tools to support risk reporting (e.g. heat maps, risk dashboards, risk reports, risk registers)	» Include reporting tools and outputs in tender specifications	2022
			» Consult key report recipient stakeholders	2023
			» Implement changed reports	2023
8.2	Use of tools to support effective risk management	» See 8.1	» See 8.1	2022 - 2023



STRATEGY ELEMENT

Projects

9

9.	PROJECTS	PLAN	ACTION(S)	TIMEFRAME
9.1	Support standardised project risk management across NSLHD	» NSLHD-led projects have robust risk processes, consistent risk descriptors, and risk registers	» Trial project risk descriptors	2022
		» Develop standardised project risk registers for use across projects	» Include project risk in scope of tender specifications	
9.2	Support workforce use of risk to support management of projects	» Provide project risk training and capability development	» See 3.3 Training & Capability	2023

