



## HSE Board Briefing

<b>Subject: <i>The HSE's Enterprise Risk Management [ERM] Policy and Procedures 2023</i></b>
<b>Submitted for meeting on:</b> 31 March 2023
<b>Name &amp; title of author:</b> Dean Sullivan, Chief Strategy Officer and Patrick Lynch, Chief Risk Officer [CRO]
<b>Why is this information being brought to the Boards attention?</b>  Approval of the HSE's risk management policy is a reserved function of the Board.
<b>Is there an action by the Board required, if so please provide detail?:</b>  The Board on the recommendation of the EMT and the ARC are asked to approve the <b><i>Enterprise Risk Management [ERM] Policy and Procedures 2023</i></b>
<b>Please indicate which of the Boards objectives this relates to;</b>  The development and implementing of an effective Corporate Governance Framework, incorporating clinical governance and a performance management and accountability system <span style="float: right;"><b>X</b></span>
<b>Brief summary of link to Board objectives.</b>  The HSE's objectives relate both to our day to day mission to provide the highest quality health and social care services for the population of Ireland and to our longer term ambition that these services and the experience of those waiting for, or who are receiving care, becomes demonstrably better. The HSE's objectives are articulated in the organisation's Corporate Plan, and the National Service Plan and are further defined in and delivered through a number of strategic programmes and priority actions which are set out in the annual <i>Board Strategic Scorecard [BSS]</i> .  Risks are the threats to an organisation achieving its objectives and Risk management is the structured approach organisations take to anticipating and managing those threats. The <b><i>Enterprise Risk Management [ERM] Policy and Procedures 2023</i></b> are designed to support the HSE in managing the threats to it delivering on its strategic objectives.

### 1. Background

The HSE's Risk Management Policy was last updated in 2017 and has served as an important framework and guide for the management of risk across the health service.

Since that time there have been a number of important developments within the HSE. These include: the establishment of the Board which in its governance role has responsibility for approving the HSE's risk framework and its principal risks; the publication of the HSE's Corporate Plan 2021 – 2024 which articulates the strategic objectives

of the HSE; and the focus of the Audit and Risk Committee [ARC] and the Executive Management Team [EMT] on improving the overall approach to managing risk.

In addition to the above developments, there have been two Risk Reviews undertaken in recent years. The first was the HSE's own review and the second an external review commissioned by the EMT and the ARC. Both of these reviews have guided the development of our risk management culture and practice since 2019. Many of the key recommendations from these reports have already been implemented including the appointment of a Chief Risk Officer [CRO], establishment of an Enterprise Risk Management [ERM] Programme, investment in building risk management expertise, development of the HSE's Risk Appetite Statement, significant refreshing of the HSE's Corporate Risk Register, improvements in our corporate risk process, enhanced risk oversight by the Committees of the Board as well as improved risk monitoring and reporting, supported by the introduction of a risk information system.

## 2. Development of the Policy

### 2.1 Revision of the Risk Management Policy

A review of the HSE's Risk Management Policy was a priority for the ERM Programme in 2022. The review process commenced in June 2022 and has concluded with the final draft Policy being recommended for Board approval by the EMT, the ARC and the CRO.

### 2.2 Consultation process

Central to the Policy Review was the dual requirement to ensure the revised Policy reflected best risk management practice, while at the same time serving as an accessible and practical guide for staff, clinicians, managers and professional risk managers at all levels of the health system. For this reason, a two phase consultation process commenced in June 2022.

**Phase 1:** Health service staff were invited to provide feedback on the 2017 Policy and suggested additions or amendments for inclusion in the revised ERM Policy. The submissions received were all reviewed and the final consultation draft of the revised ERM Policy reflected the feedback received in Phase 1.

**Phase 2:** A further invitation to provide feedback on the consultation draft of the revised ERM Policy issued in November 2022. The invitation included HSE funded agencies and their representative bodies. In total **571** items of feedback were received. Similar to the Phase 1 process, all feedback was reviewed and, where appropriate, reflected in the final draft.

### 2.3 Quality assurance process

The final draft document has been quality assured by the central ERM Team, with the support of the Risk Management Leads within each national Team. The CRO also established a separate quality assurance process prior to the final draft being completed.

## 3. Features of the ERM Policy

Features of the revised Policy include:

**Key messages:** The ERM Policy is intended to be a practical and accessible resource for all healthcare workers, including clinicians and managers, with the aim of supporting them as they navigate the many uncertainties they face in their roles. The two-page key messages section provides a non-technical description of the purpose of and steps in the risk management process.

**Focussing on objectives:** The Policy makes it clear that risk relates to achieving objectives. As objectives provide clarity on the organisation's direction and focuses the efforts of the organisation on its most important priorities, identifying and managing the risks to those objectives is the focus of Risk Management. This also serves a practical purpose in

that it is impossible to anticipate every threat we will face, however we can try to anticipate the most consequential.

**Understanding the risk:** The risk management process can often be viewed as a necessary but burdensome process, which doesn't always add much value to our day to day management and decision making. Very often this is the result of not identifying or understanding the real threats we face. As understanding and then describing a risk in a way that is precise and unambiguous, is so fundamental to every other part of the risk process, the Policy provides a more structured approach to articulating a risk by breaking it down into its three essential components, that is the Risk Event, the Cause of the risk and the Impact of the risk.

**Controls:** The type and strength of measures [controls] we put in place to prevent or reduce risk is at the heart of managing risk. For this reason the Policy emphasises, defines and provides examples of the four control types [**Proactive controls** – [i] Preventative, [ii] Directive and **Reactive controls** – [iii] Detective and [iv] Corrective]. This section explains why some control types are stronger than others.

**Explaining the risk register:** The Policy talks more about the risk register as being the central repository of critical risk information. It emphasises the importance of the risk register/ report with the aim that in the same way managers rely on a standard suite of reports [e.g. performance reports, financial reports] to provide critical insights into how their area of responsibility is performing and which inform the decisions they have to make, those who are responsible for managing risk can rely on the risk register in the same way.

**Tools for Understanding Risk:** A set of practical tools that support each stage of the risk process have been included.

**International Standards:** The Policy is based on the *ISO31000 2018 Risk Management Guidelines and ISO31010 2019 Risk Assessment Techniques* standard.

**HSE Risk Reviews:** The Policy addresses many of the areas identified for improvement in the two risk reviews referred to earlier.

## 4. Next steps

### 4.1 Policy launch

The provisional date for the launch of the Policy is Wednesday 19 April 2023 in the Boardroom, Dr. Steevens' Hospital.

### 4.2 Policy briefing sessions

Following the official launch, a series of briefing sessions will be facilitated by the ERM Programme Team in Dublin, Galway, Cork and Donegal. Several online webinar dates will also be made available for staff who cannot attend the in-person events scheduled.

### 4.3 Risk Management training

A key objective of the Enterprise Risk Management Programme in 2023 is to develop and deliver training to support the implementation of the *Enterprise Risk Management Policy and Procedures*, and to build the HSE's capacity and capability to effectively manage risk.

This training programme which is currently being developed will demonstrate the key steps in the Risk Management process. A suite of practical and worked examples of risk management techniques [e.g. Risk Assessment Forms] will be developed and made available to staff in workshop training events and webinar tutorials. This training programme will be tailored to the role of staff with responsibility for identifying, managing, controlling and reporting on risk across all disciplines and at all levels of the HSE.

## 5. Conclusion

The development of any Policy, while critical in that it sets expectations and provides a framework within which the organisation works, is only as valuable as the extent to which it is complied with. The level of interest in and

engagement with the policy development process from right across the health service, augurs well for its implementation.

It is the hope that it will also serve as a useful resource to the Board as it seeks to ensure the HSE minimises the risks that could deflect us from providing the highest quality health and social care services to the population of Ireland.

## **6. Recommendation**

It is recommended that the Board approve the ***Enterprise Risk Management [ERM] Policy and Procedures 2023***.