

# RISK APPETITE STATEMENT

## CLINICAL EXCELLENCE COMMISSION

### Purpose and Intent

This statement describes the Clinical Excellence Commission's (CEC) attitude towards risk and outlines the level of risk the organisation is willing to accept in order to achieve its objectives.

A clear risk appetite statement:

- Allows for a better understanding of our strategic goals, culture, context and sensitivity to risk
- Contributes to the embedding of a risk culture that supports strategic planning and decision making processes
- Facilitates a proactive risk management approach to mitigate risks that impact strategic and operational objectives.

The CEC is committed to ensuring its Risk Management Framework promotes accountability through good corporate governance and effective risk management practices.

### Risk Tolerances

Risk tolerances are the boundaries for risk taking. The risk appetite statement informs the development of risk tolerances for the CEC and provides guidance on how the risk appetite statement is to be applied in everyday business activities and decisions.

Extent of Risk Appetite	Risk Tolerance Level	Risk Management Approach
<b>High Appetite (Open)</b> The CEC will operate in this area or in this way after all options are considered and the most appropriate option selected for an acceptable level of reward or value for money.	High Tolerance	Innovate / venture / explore
<b>Moderate Appetite (Acceptable)</b> The CEC will operate in this area or this way after risks have been effectively mitigated in order to pursue opportunities.	Moderate / Medium Tolerance	Confident
<b>Low Appetite (Tolerable)</b> The CEC may operate in this area or in this way where the value is assessed as worthwhile, and only after risks have been effectively mitigated or uncertainty minimised.	Limited / Low Tolerance	Conservative
<b>No Appetite (Unacceptable)</b> The CEC will not operate in this area. No willingness to take on any risk.	Zero Tolerance	Avoid

## Risk Appetite Statement

The CEC recognises that acceptance of some risk is necessary to foster innovation and efficiencies in business practices, and the CEC will take some risks in pursuit of its strategic objectives and service to the public.

**Quality of Deliverable:** There is a low appetite for risks that may result in the CEC providing misleading advice, especially when this advice could lead to an adverse impact on clinical care and/or patient safety in the NSW health system.

**Organisational Performance:** The CEC has a moderate appetite for decisions in relation to the core deliverables outlined in the Performance Agreement with the NSW Ministry of Health, and for decisions in relation to its organisational work plan.

**Corporate Governance:** There is a low appetite for activity that may result in non-compliance with legislation, statutory obligations and government policies. The CEC has a zero tolerance for deliberate non-compliance with legal, statutory and policy requirements.

**Financial:** The CEC has a low appetite for decisions that could have a negative impact on the organisation's financial sustainability.

**Fraud:** There is low appetite for fraud risk and zero tolerance for fraud incidents. The CEC has developed a Fraud Control and Anti-Corruption Plan to minimise the potential for instances of fraud and corruption.

**Information Communication Technology (ICT) and Information Security:** The CEC has a low appetite for risk that could lead to information or data security breaches and a low appetite for system failures that could disrupt normal business. The CEC has no appetite for activities that may increase its exposure to threats on its assets arising from external malicious attacks.

**Information Management:** The CEC has a low appetite for activities that may compromise processes governing the use of information, its management and publication. The CEC has zero tolerance for the deliberate misuse of its information.

**Work Health & Safety:** The CEC has no appetite for risks to the health and safety of its workers, which cannot be eliminated or minimised so far as reasonably practicable.

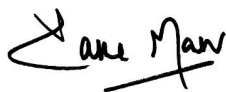
The CEC works with the NSW Ministry of Health, Local Health Districts, Specialty Health Networks and other stakeholders that influence its work. Further, the majority of CEC's ICT systems are provided via agreement with eHealth NSW. These factors may give rise to risks that are beyond the CEC's ability to directly control.

## Responsibility

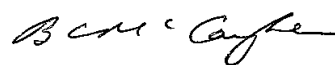
The Audit and Risk Management Committee is responsible for reviewing this Statement and recommending its endorsement by the Board, annually.

## Signed

Chief Executive:



Board Chair:



Date: 20 June 2019

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