

Conducting a Risk Review

RSK-WI-004

Applicability

ARTC Network Wide	SMS
-------------------	-----

Publication Requirement

Internal / External

Primary Source

N/A

Document Status

Version #	Date Reviewed	Prepared by	Reviewed by	Endorsed	Approved
1.2	19 February 2018	Corporate Risk Manager	GM Risk & Safety	Group Executive Corporate Services & Safety	Group Executive Corporate Services & Safety

Amendment Record

Amendment Version #	Date Reviewed	Clause	Description of Amendment
1.0	26 May 2016	All	Development of Document
1.1	19 December 2017	All	Removal of RMIS references. Change of titles for ARTC Executive
1.2	19 February 2018	1.3	Change of title for document owner. Change Division/ Business Unit.

© Australian Rail Track Corporation Limited (ARTC)

Disclaimer

This document has been prepared by ARTC for internal use and may not be relied on by any other party without ARTC's prior written consent. Use of this document shall be subject to the terms of the relevant contract with ARTC.

ARTC and its employees shall have no liability to unauthorised users of the information for any loss, damage, cost or expense incurred or arising by reason of an unauthorised user using or relying upon the information in this document, whether caused by error, negligence, omission or misrepresentation in this document.

This document is uncontrolled when printed.

Authorised users of this document should visit ARTC's intranet or extranet (www.artc.com.au) to access the latest version of this document.

Table of Contents

Table of Contents	2
1 INTRODUCTION	3
1.1 Purpose	3
1.2 Scope	3
1.3 Document Owner	3
1.4 Responsibilities	3
1.5 Parent Procedure	3
1.6 Subordinate Documents.....	4
1.7 Reference Documents	4
1.8 Definitions.....	4
2 SCHEDULED RISK REVIEW	6
2.1 Overview	6
2.2 Preparing for the Review.....	6
2.3 Conducting the Review	7
3 UNSCHEDULED RISK REVIEW	8
4 REVIEWING A CONTROL	8
5 UPDATING RISK ENTRY	9
6 DETERMINING NEXT REVIEW	9

1 INTRODUCTION

1.1 Purpose

This work instruction provides guidance in conducting reviews of risks and controls, consistent with ISO 31000:2009 Risk Management – Principles and guidelines.

1.2 Scope

This work instruction is applicable to all ARTC employees.

1.3 Document Owner

The ARTC Corporate Risk Manager is the coordinator of this work instruction and is the initial point of contact for all inquiries relating to its application across the organisation.

The ARTC Group Executive Corporate Services & Safety is the owner of this work instruction and accepts the responsibility for its accuracy and currency.

1.4 Responsibilities

ARTC Corporate Risk Manager is responsible for:

- Providing advice and reasonable assistance to Project Managers and Nominated Project Risk Managers, other employees and relevant external stakeholders on their risk management obligations;
- Documenting and communicating this work instruction to all relevant internal and external stakeholders;
- Notifying risk owners and nominated risk managers of upcoming scheduled reviews, for risks managed via the Central Risk Register; and
- Monitoring and managing information in the Central Risk Register to ensure information is current and relevant.

Nominated Risk Managers are responsible for:

- Ensuring risks and controls are reviewed, consistent with this work instruction;
- Providing information regarding any identified deficiencies of controls to Control Owners;
- Recording reviews of risks and controls within the applicable Risk Register, for risks not managed via the Central Risk Register; and
- Providing the Corporate Risk Manager with updates for risks and controls managed in the Central Risk Register.

Control Owners are responsible for:

- Taking remedial action to address identified deficiencies of controls, as agreed with Risk Owners and Nominated Risk Managers.

1.5 Parent Procedure

RSK-PR-001 Risk Management is the Parent Procedure for this work instruction.

1.6 Subordinate Documents

The following template, whilst not mandatory, may assist with meeting the requirements of this work instruction:

- RSK-FM-003 Risk Review Template

1.7 Reference Documents

The following documents support this procedure:

- COR-PO-006 Risk Management Policy
- RSK-WI-003 Determining Effectiveness of Controls
- ISO 31000:2009 Risk Management – Principles and guidelines
- SA/SNZ HB 436:2013 Risk management guidelines – Companion to ISO 31000:2009

1.8 Definitions

The following terms and acronyms are used within this document:

Term or acronym	Description
Consequence	<p>Outcome of an event affecting objectives.</p> <ul style="list-style-type: none"> • An event can lead to a range of consequences. • A consequence can be certain or uncertain and can have positive or negative effects on objectives. • Consequences can be expressed qualitatively or quantitatively.
Central Risk Register	A consolidation of non-project risks into a single ARTC risk register that is managed by the Corporate Risk Manager.
Control	A measure that modifies risk by either preventing the risk or reducing (mitigating) the consequences of the risk. Controls may include any process, policy, device, practice or other action which modifies risk.
Control Effectiveness	A term that addresses the question of whether the controls are adequate and operating as intended.
Control Effectiveness Criteria	Specific criteria that describes the attributes for each of the levels of Control Effectiveness.

Control Objective	The goal or intent of a control in relation to the risk. The objective of a control may be to: <ul style="list-style-type: none"> • Avoid the risk • Remove the risk source • Change the likelihood • Change the consequence • Share the risk • Accept the risk
Control Owner	The person with the responsibility, authority and accountability to manage a control of a specific risk/s.
Critical Control	Means that if the control was absent or failed, the risk would eventuate.
Current Residual Risk Level	The risk level, given the current effectiveness of controls that are in place.
Inherent Risk Level	The risk level without any controls in place, also known as "untreated risk".
Level of Risk	Magnitude of a risk or combination of risks, expressed in terms of the combination of consequences and their likelihood.
Likelihood	A qualitative description of the chance of something happening.
Objectives	Organisational and/or project deliverables.
Review	Activity undertaken to determine the suitability, adequacy and effectiveness of the subject matter to achieve established objectives. Review can be applied to a risk management framework, risk management process, risk or control.
Risk Owner	Person or entity with the accountability and authority to manage a risk.
SFAIRP	So Far As Is Reasonably Practicable –The likelihood and consequences of a risk must be weighed against the availability, effectiveness and cost of measures to eliminate or reduce the risk. Further information on SFAIRP is provided in <i>RSK-WI-002 Determining if Risk is Reduced So Far As Is Reasonably Practicable (SFAIRP)</i>

2 SCHEDULED RISK REVIEW

2.1 Overview

Scheduled reviews are undertaken as a planned activity in the risk management cycle (refer *Figure 1 ARTC Risk Management Process*).

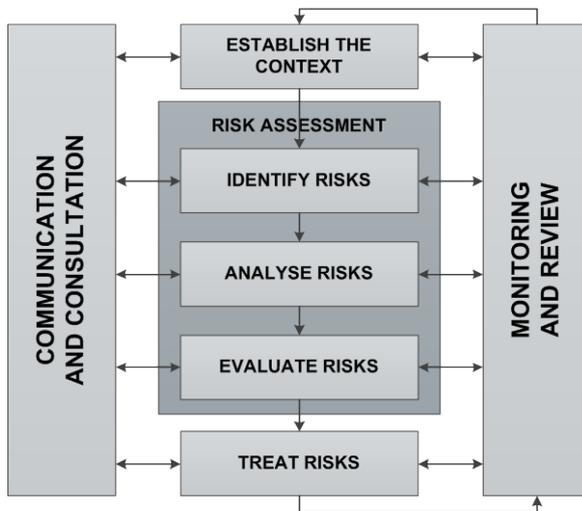


Figure 1: ARTC Risk Management Process

Depending on the nature of the risk, risk level and the activity for which it has been identified, it may be appropriate for reviews to be scheduled to occur:

- At a set timeframe
- At a certain stage of activity, for example at completion of a Project Phase, or a Project Hold Point
- At a time when it is anticipated additional treatments will be fully implemented and operational.

Requirements for minimum timeframes for scheduled risks are prescribed in *RSK-PR-001 Risk Management*.

Scheduled reviews and their planned due date are to be documented in the Risk Register.

2.2 Preparing for the Review

Preparing for a risk review is undertaken in a similar way to preparing for a risk assessment workshop.

Consider who needs to contribute to the risk review. This could include:

- The Risk Owner
- Relevant Control Owners
- Subject Matter Experts

Gather any information that may be required to be considered during the review. This could include:

- Relevant audit reports
- Investigation reports
- Incident data
- Updates on the progress of implementation of additional treatments

Consider whether any information needs to be distributed prior to the review. Depending on the risk, attendees and confidentiality of any information to be utilised during the review, it may be appropriate to have reference material available at the review, but not distributed in full to all attendees.

2.3 Conducting the Review

Depending on the nature, scope and context of the risk, a number of factors will need to be considered during the review.

Factors commonly considered include the following:

General Factors

- Is the risk still a current valid risk?
- Is any amendment required to the risk owner, risk manager, business unit, location etc.?
- Is the risk assigned to the correct risk tier?
- Is the risk adequately and appropriately described?

Context

- Have any external factors changed? For example, legislative changes, changes to customers, environment changes etc.
- Have any internal factors changed? For example, new internal requirements (standards, rules, procedures etc.), organisational changes, operations changes etc.

Related Incidents

- Have there been any related incidents? What happened? What was the outcome of investigation?
- Any new (or previously unidentified) causal or contributory factors?
- Were controls effective or not effective for those incidents?
- Are incident numbers trending upwards or downwards? What does this indicate about control effectiveness?

Related Audits

- Have there been any audits relevant to the risk and/or controls?
- If so, what were the findings?
- Are there any recommendations that could be considered as additional potential treatments?

Controls and Treatments

- Are all current controls adequately described with information completed correctly?
- Are there additional treatments that are being implemented, that are not documented?
- Are there any indications that effectiveness of current controls have changed?
- Are controls in place for all causal and contributory factors? What else could be done?
- Are there treatments that have been previously rejected? If so, is it feasible for them to now be considered?
- Is safety provided SFAIRP?

Once all factors have been considered, the risk level is to be assessed, and modified if required.

RSK-FM-003 Risk Review Template provides a format that may be utilised to assist with facilitating and recording the details of the review.

3 UNSCHEDULED RISK REVIEW

A review of a risk may be required to be conducted prior to the scheduled review. Examples of where it may be appropriate to conduct an unscheduled risk review include:

- Following a significant related incident
- Following an audit where significant findings have been identified
- As part of change management processes
- Where a new (or previously unidentified) causal or contributory factor has been identified
- Where there has been a change to the internal or external context that significantly impacts the risk

Unscheduled risk reviews are performed in a similar manner to a scheduled risk review however the scope of the review may be more limited and focused on a particular area of interest.

Where this occurs, the limited scope should be appropriately documented and retained in the risk entry.

4 REVIEWING A CONTROL

Sometimes it is appropriate to review a control independently of a full risk review. This is particularly the case where a control is applicable to a number of separate risks.

A review of a control is undertaken for a number of reasons:

- To determine the effectiveness of a control
- To determine compliance with the control, for example where administrative controls are in place
- Following implementation of a new control or following implementation of changes to a control
- As part of change management processes, where a change is intended to be made to the control
- To identify why a control has failed or not been effective, for example as part of an investigation.

How the control review is conducted often depends on why the review is being undertaken. There are a number of different ways in which a control may be reviewed, including:

- Audit
- Inspection
- Data monitoring or analysis
- Investigation
- Review at a regular risk management or safety / environmental meeting
- Talking to affected people to get feedback on the effectiveness of the control.

Where the control review is conducted following the implementation of a new control or changes to the control, the review needs to include determining effectiveness of the control, and whether new risks, or changes to other existing risks, have occurred.

5 UPDATING RISK ENTRY

Following the review, the risk entry in the Risk Register is to be updated to reflect any changes or additional information identified during the risk review or control review.

A reference to the date and scope of the review should also be made in the notes section of the risk entry and/or control entry, and if appropriate relevant records uploaded (or referenced).

RSK-GL-001 Risk Management Terms and Guideline gives guidance on where information is to be recorded and appropriate formats for notes.

6 DETERMINING NEXT REVIEW

Appropriate timing for the next review will depend on the type of review that has been conducted, and the scope of that review.

Where a control review has been undertaken with limited scope (i.e. not all relevant controls for the risk were considered) a full scheduled review of the risk is still required to occur in accordance with *RSK-PR-001 Risk Management Procedure*.

Where an unscheduled risk review has occurred, if the review was conducted with sufficient scope to be considered a full review, then the next scheduled risk review may be calculated based on the date of the unscheduled risk review. Where an unscheduled risk review is conducted with a narrow, limited scope, the planned date for next scheduled review is to remain as originally scheduled.

Where scheduled risk reviews are conducted, timing for the next review will be calculated in accordance with *RSK-PR-001 Risk Management Procedure*.