

Project Risk Management

RSK-WI-005

Applicability

ARTC Network Wide	SMS
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1.0	26 May 2016	All	Development of Document
1.1	19 December 2017	Various	Removal of references to RMIS and inclusion of Central Risk Register. Clarification of wording. Update to reflect current project management practices.
1.2	19 February 2018	1.3	Change of title for document owner. Change Division/ Business Unit.
1.3	23 November 2018	Various	Incorporation of references to ARTC's new Enterprise Risk Management System and terminology changes arising from the system implementation. Inclusion of revised risk matrix.

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1 INTRODUCTION

1.1 Purpose

The purpose of this work instruction is to outline specific arrangements for identifying and managing risk in the context of a Project where these arrangements differ from the general requirements outlined in RSK-PR-001 Risk Management Procedure.

Examples of where this work instruction may be applied, include:

- Where a number of activities are being collectively undertaken as a Project
- Significant civil works, such as tunnel construction, bridge construction
- Technical operational changes, such as the introduction of new signal/track infrastructure
- Safety critical system changes, such as network control system changes

Risk can be defined as the effect of uncertainty on objectives and organisations of all types face internal and external factors that have the potential to impact on objectives. All activities within an organisation involve some degree of risk and risk management is a discipline that assists in the achievement of those objectives.

Risk management is conducted within ARTC to meet our company objectives through a clear, defined and continual process.

1.2 Scope

This work instruction is applicable to all ARTC programmes and projects.

This work instruction is consistent with 'best practice principles' via the risk management process that is aligned with International Standard ISO 31000:2018 Risk Management - Guidelines.

Note: An Enterprise Risk Management System (ERMS) is being progressively implemented across ARTC. Project risks not yet transferred into the system will continue to be managed via stand-alone project risk registers until the project has been transitioned into the system, where transition is deemed appropriate, or until the project end. Decisions will be made on a case by case basis as to whether project registers will be transitioned into the system.

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 enquiries relating to its application across the organisation.

1.4 Responsibilities

The following responsibilities are those specific to managing risks within the context of programmes and projects, for a full list of role responsibilities refer to RSK-PR-01 Risk Management.

Project Manager is responsible for:

- Provision of resources to enable required risk activities to be completed, including, if required, appointing a specific Programme or Project Risk Manager;
- Development of a Programme Risk Management Plan and/or Project Risk Management Plan(s);
- Implementation of the Programme Risk Management Plan and/or Project Risk Management Plan(s);
- Advising the Corporate Risk Manager of the need to create a Project Risk Register within ARTC's Enterprise Risk Management System;
- Establishing an appropriate risk matrix for the Programme and/or Project(s);
- Maintaining and managing an appropriate Programme and/or Project Risk Register(s) within the ERMS; and
- as Assigning Risk Owners and Risk Managers to individual risks in the Programme and/or Project Risk Register(s)

ARTC Corporate Risk Manager responsibilities specific to projects are:

- Creating the Programme and/or Project Risk Register(s) within the ERMS;
- Providing advice and reasonable assistance to Project Managers and Project Risk Managers, other workers and relevant external stakeholders on their risk management obligations;
- Documenting and communicating this work instruction to all relevant internal and external stakeholders; and
- Determining, along with project personnel, whether risks should be kept open and transferred to another appropriate party at the end of a project.

Project Risk Manager, where appointed, is responsible for:

- Development of the Project Risk Management Plan;
- Implementation of the Project Risk Management Plan;
- Maintaining and managing an appropriate Risk Register.

1.5 Parent Procedure

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

1.6 Subordinate Documents

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

- RSK-FM-005 Project Risk Management Plan Template
- RSK-GL-005 Project Risk Management Overview

1.7 Reference Documents

The following documents support this procedure:

- COR-PO-006 Risk Management Policy
- RSK-GP-006 Risk Appetite Statement
- AS/NZS ISO 31000:2018 Risk Management –Guidelines
- SA/SNZ HB 436:2013 Risk management guidelines – Companion to AS/NZS 31000:2009
- EGP-20-01 Project Management
- Major project guideline, Office of the National Rail Safety Regulator, November 2014

1.8 Definitions

The following terms and acronyms are used within this document:

Term or acronym	Description
ARTC	Australian Rail Track Corporation Ltd.
Causal & Contributing Factor	<p>A condition or set of conditions leading to a risk. It is often used to describe “what could go wrong”. Used in this document to describe the cause contributing to a risk.</p> <p>A causal factor is a factor which may alone cause the risk to eventuate. A contributing factor, is a factor which, when combined with other factors could cause the risk to eventuate.</p>
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.
CGR Foundation	The name of the proprietary governance, risk and assurance software developed by Corporate Governance Risk Pty Ltd and utilised by ARTC as its Enterprise Risk Management System. Its use to document and manage risks is mandated.
Context	The set of circumstances or facts that surround a particular event or situation, and/or, a clearly defined set of parameters that enable focussed risk assessment.
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 Owner	The person with the responsibility, authority and accountability to manage a control of a specific risk/s.
Current Risk Level	The risk level, given the effectiveness of controls currently in place.
Enterprise Risk Management System (ERMS)	A system that is utilised to record and manage risks, controls, treatments and actions across the whole of the organisation, including projects. CGR Foundation is ARTC’s mandated Enterprise Risk Management System.

Term or acronym	Description
Event	<p>Occurrence or change of a particular set of circumstances.</p> <ul style="list-style-type: none"> • An event can be one or more occurrences, and can have several causes. • An event can consist of something not happening. • An event can sometimes be referred to as an “incident” or “accident”. • An event without consequences can also be referred to as a “near miss”, “incident”, “near hit”, “close call” or “breach”.
Hazard	<p>A source of potential harm e.g. in terms of human injury, damage to property or other loss. A hazard can be a risk source.</p>
Hierarchy of Controls	<p>A sequence of options which offer you a number of ways to approach the control of hazards. The hierarchy is arranged in order of implementation preference.</p> <ul style="list-style-type: none"> • Elimination • Substitution • Isolation • Engineering controls • Administrative controls • Personal Protective Equipment (PPE)
Human Factors	<p>A discipline concerned with the interactions among humans and other elements of a system, where theory, principles, data, and methods to design in order to optimise human well-being and system performance.</p> <p>Synonymous with ergonomics.</p>
Inherent Risk Level	<p>The risk level without any controls in place, also known as “untreated risk”.</p>
Level of Risk	<p>Magnitude of a risk or combination of risks, expressed in terms of the combination of consequences and their likelihood.</p>
Likelihood	<p>A qualitative description of the chance of something happening.</p>
Major Project	<p>Project that has been determined as meeting the criteria of a Major Project as defined in the ONRSR publication Major projects guideline</p>
Objectives	<p>Organisational and/or project deliverables.</p>
Programme	<p>A group of projects and/or work activities selected, planned and managed in a coordinated way to achieve a common objective.</p>
Project	<p>A temporary organisation that is created for the purpose of delivering one or more business products according to a specified Business Case. A project has a start and finish date.</p>
Project Manager	<p>For the purpose of this Work Instruction, Project Manager is used as a generic term for the person ultimately responsible for the delivery of the programme or project.</p>
Project Risk	<p>A risk that is specific to the project being undertaken and is usually able to be closed at the completion of the project.</p>
Project Risk Impact Categories	<p>ARTC’s seven identified organisational areas of risk focus for projects; SAFERRS.</p>

Term or acronym	Description
Project Risk Manager	For the purpose of this Work Instruction, Project Risk Manager is used as a generic term for the person designated by the Project Manager to coordinate risk management activities on the project on their behalf
Project Risk Profile	A description of a set of risks relevant to Projects, and documented in RSK-GP-002 Project Risk Profile.
Project Risk Register	A risk register that is relevant to a specific project.
Proposed Treatment	A control that is not yet implemented.
Qualitative Assessment	Method of risk analysis used to describe the level of risk considering scaled consequences and likelihood, utilising the ARTC Risk Matrix.
Quantitative Assessment	Method of risk analysis used to numerically assess the nature, sources, and impact of a risk, and assess and quantify the overall impact of uncertainties.
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	Effect of uncertainty on objectives. An effect is a deviation from the expected, either positive and/or negative. Objectives can have different aspects (such as financial, rail safety, WHS and operation goals) and can apply at different levels (such as strategic, organizational, project and process).
Risk Assessment	The process of identifying, analysing and evaluating risk.
Risk Description	Structured statement of risk usually containing four elements: sources (eg hazards), events, causes and consequences.
Risk Identification	<p>Process of finding, recognizing and describing risks. Risk identification involves the identification of risk sources, events, their causes and their potential consequences.</p> <p>Risk identification can involve historical data, theoretical analysis, informed and expert opinions, and stakeholder's needs.</p>
Risk Impact Categories	ARTC's six identified organisational areas of risk focus; SAFERR.
Risk Management	Coordinated activities to direct and control an organisation with regard to risk.
Risk Management Framework	Set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation. The foundations include policy, objectives, mandate and commitment to manage risk.
Risk Management Policy	Statement of the overall intentions and direction of an organisation related to risk management.

Term or acronym	Description
Risk Management Process	The systematic application of management policies, procedures & practices to the tasks of: <ul style="list-style-type: none"> • Establishing the context of the risk • Identifying the risk • Analysing the risk • Evaluating the risk • Controlling the risk • Monitoring the risk • Communicating the risk
Risk Owner	Person or entity with the responsibility, authority and accountability to manage a risk.
Risk Profile	A description of any set of risks.
Risk Register	A collation of risk information that provides a record of identified risks relating to the objectives of the organisation, business unit or project. They provide assurance on the range of control measures and plans in place to address identified risks.
Risk Source	Element which alone or in combination has the intrinsic potential to give rise to risk.
Risk Tier	A structured method of describing the applicability of a risk throughout the organisation.
Safety Management System (SMS)	A comprehensive, fully integrated system to reduce safety risks through systematic application of safety management principles and processes.
Safety Impact	An impact to workers and/or the public incorporating impacts to: <ul style="list-style-type: none"> • Physical safety (e.g., from hazards such as machinery and plant); • Health and wellbeing; • Psychological health; • System and process safety (e.g. assets); or • Operational safety (e.g. railway operations).
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.
Stakeholder	Person or organisation that can affect, be affected by, or perceive themselves to be affected by a decision or activity. A decision maker can be a stakeholder.
Strategic Risk	A risk determined by the Executive as a key risk which can adversely affect the achievement of the company's objectives.
Target Risk Level	The risk that is expected to remain after implementation of Proposed Treatments.
Workshop Facilitator	A person who has sufficient training and/or experience to conduct a risk workshop. Sufficient training and/or experience includes: <ul style="list-style-type: none"> • The ARTC Risk Workshop Facilitator training course; and/or • External training course based on ISO 31000; and/or formal recognised qualifications that include risk management; and/or • Experience in the facilitation of previous risk assessments using bow tie methodology or quantitative risk analysis – whichever is relevant.

2 ARTC PROJECT RISK PROFILE

The key project risk categories and project risks that can have an effect on the achievement of objectives of an ARTC project are clearly defined in RSK-GP-002 ARTC Project Risk Profile.

The Project Risk Profile is comprised of seven Project Risk Categories:

- Safety
- Assets (Network Performance)
- Assets (Organisational Capability)
- Assets (Programme/Project Objectives)
- Financial
- Environment
- Regulatory
- Reputation
- Schedule

The ARTC Project Risk Matrix defines risk criteria for each of these Project Risk Categories (refer Section 7).

3 PROGRAMME / PROJECT RISK REGISTERS

Identified project risks are to be recorded in a project or program Risk Register in the Enterprise Risk Management System (ERMS). The register location within the ERMS register structure should be documented in the relevant Project Risk Management Plan (PRMP).

Some programmes and/or projects may have multiple relevant registers that are interrelated. Where this occurs, relationships between these registers should be identified and documented in the PRMP.

For major projects / programmes where there are registers held by other stakeholder organisations (e.g. DIRD etc.), it may be appropriate to record risks within the ERMS in order to ensure that any risk actions assigned to ARTC employees are recorded and managed within the system. Guidance is to be sought from the Corporate Risk Manager.

Note: An Enterprise Risk Management System is being progressively implemented across ARTC. Project risks not yet transferred into the system will continue to be managed via stand-alone project risk registers until the project has been transitioned into the system, where transition is deemed appropriate, or until the project end. Decisions will be made on a case by case basis as to whether project registers will be transitioned into the system.

3.1 Risk Type and Risk Tier

Two types of risks are able to be created in the ERMS. Risks related to a programme or project are to be created as a Project risk type. Additionally, ARTC has a tiered risk structure that describes whether a risk is relevant to the entire organisation, part of the organisation, or to a specific location or project only.

Risks related to a programme are to have their Risk Tier recorded as Programme. Risks related to a single project are to have their risk tier recorded as Project.

Further information regarding the five risk tiers is provided in RSK-PR-001 Risk Management and RSK-GL-001 Risk Management Terms and Data Guideline.

OVERVIEW OF PROJECT RISK MANAGEMENT ACTIVITIES

4 OVERVIEW OF PROJECT RISK MANAGEMENT ACTIVITIES

Risk management activities undertaken for a project may vary depending on the nature, scale and scope of a project. Risk management activities that would typically be expected to be undertaken are depicted in Figure 1.

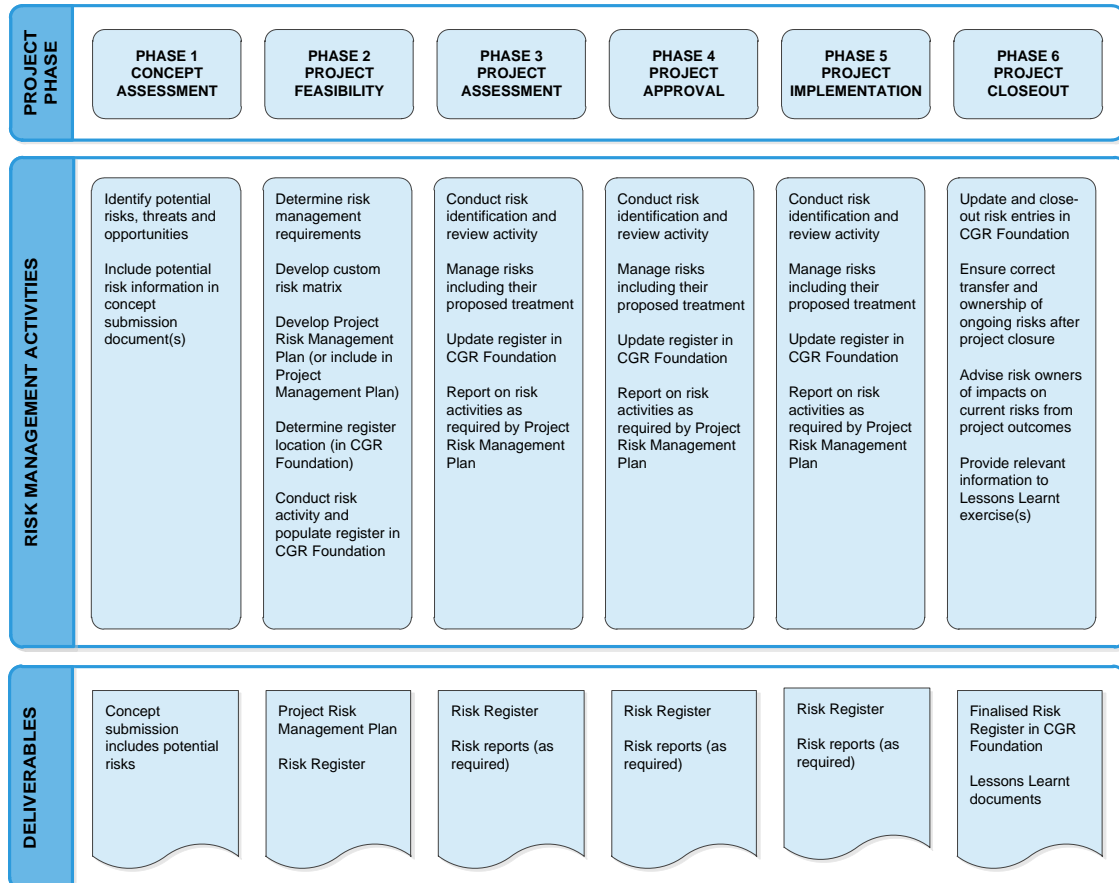


Figure 1 Project Risk Management Activities

For significant projects with major change impacts, potential high consequence risks and/or significant potential human factors considerations, it may be appropriate for specialised risk activities and risk assessments to also be undertaken as part of Phase 1 and Phase 2 activities.

Planned risk management activities for the project are to be documented in a Programme Risk Management Plan/Project Risk Management Plan or incorporated into the Programme Management Plan/Project Management Plan (refer Section 5).

Note: Figure 1 Project Risk Management Activities is aligned to Project Phases as defined in EGP-20-01 Project Management. An alternative diagram aligned to project phases utilised for systems and technology projects is also provided in RSK-FM-005 Project Risk Management Plan Template.

5 PROJECT RISK MANAGEMENT REQUIREMENTS

During project planning phases, requirements and arrangements for risk management for the project are to be determined and documented. This should include:

- Expected risk management activities to be undertaken including details of what will be undertaken and when
- Allocation of responsibility for risk management for the project
- Methods to be utilised for risk identification and risk management – e.g. risk studies, quantitative assessment, human factors assessment, review of previously identified risks etc.
- Requirements for any specialist expertise – e.g. assessments of quantitative risk, human factors and environmental considerations etc.
- An appropriate risk matrix including customised risk criteria for financial and schedule consequences, appropriate to the nature and scale of the programme or project,
- Determination of any tolerances set for quantitative risk assessment
- Arrangements for escalation / notification for High and Very High risks
- Determination of how and when risk reviews will be undertaken
- Arrangements for liaison/interaction with the ARTC Corporate Risk Manager

These arrangements may be incorporated into project documents (for example Project Management Plans) where no specialised risk studies, quantitative risk assessment or other specialised risk expertise is likely to be required. Appendix 1 provides minimum requirements if this method is chosen.

RSK-FM-005 Project Risk Management Plan Template provides a template for a stand-alone Programme Risk Management Plan/Project Risk Management Plan with pre-populated information included for ease of use. Instructions for completion are provided in the template indicated by blue or red text. Alternate formats may be utilised provided all requirements of this work instruction are met.

Where a separate Programme Risk Management Plan/Project Risk Management Plan is developed, appropriate references are to be included in relevant project documents (e.g. Project Management Plans).

For projects that have been determined to meet the criteria of a Major Project as defined in the ONRSR publication *Major projects guideline*, a Project Risk Management Plan must be developed. Additional information beyond those provided in RSK-FM-005 Project Risk Management Plan Template may also be required to be included depending on the nature of the Major Project.

Where a Business Unit undertakes frequent, small projects of a similar nature, a generic Project Risk Management Plan may be developed and used for these projects, provided that:

- The generic Project Risk Management Plan adequately describes the scope and attributes of projects that it may apply to; and
- A review of the generic Project Risk Management Plan is undertaken during project planning for each Project to which it will be applied; and
- The review determines that the generic Project Risk Management Plan is appropriate; and
- The generic Project Risk Management Plan is appropriately referenced in Project Management documentation (e.g. Project Management Plans etc.).

Where it is identified that the generic Project Risk Management Plan is not appropriate for the Project, specific risk management arrangements for the Project are to be determined and documented.

6 CONDUCTING RISK STUDIES

RSK-PR-001 Risk Management outlines a number of circumstances where it may be appropriate to conduct Risk Studies. Activities where this level of risk management activity is required are usually undertaken as Major Projects.

Specialist expertise is required to undertake risk study activity.

Where it has been identified that it is appropriate for risk study(s) to be completed, this is to be documented in the Project Risk Management Plan, including:

- What type(s) of Risk Study(s) are required
- The scope and objective of the Risk Study(s)
- What internal and external expertise is required to complete the Risk Study(s)
- How information from the Risk Study(s) will be utilised and managed

Where this information is not known at the time of preparation of the Project Risk Management Plan, appropriate references are to be included regarding the anticipation that Risk Studies will be required. The Project Risk Management Plan is to be updated with this information when requirements are determined.

7 CONDUCTING RISK ASSESSMENTS

The process and requirements for identifying and assessing risk is described in RSK-WI-001 Application of Risk Management.

RSK-GL-005 Project Risk Management Overview provides a useful summary of ARTC risk management requirements that may be tailored for a project and utilised during risk assessment and review activity. An alternative format may be developed and utilised if deemed appropriate and of benefit to the project.

As a minimum, qualitative risk assessments will be undertaken.

Major projects with identified high risk elements may also require quantitative risk assessment to be conducted in addition to qualitative assessment.

Project risks are to be assessed utilising a customised version of the ARTC Project Risk Matrix (refer Figure 2). Risk criteria are to be established and documented for Financial and Schedule consequences appropriate to the nature and scale of the project and a customised matrix developed for the programme/project. These criteria may be expressed as:

- A fixed cost or time scale (e.g. \$50,000 - \$99,000, 1-2 weeks etc.); or
- A percentage (e.g. <5% approved project budget, <5% approved project schedule etc.); or
- Descriptive words.

Other elements of the risk matrix are to remain consistent with the ARTC Project Risk Matrix.

An editable version of the matrix can be obtained from the Corporate Risk Manager. Following approval of the customised programme / project matrix through approval of the PRMP, the customised matrix will be embedded into the applicable register in the ERMS.

CONDUCTING RISK ASSESSMENTS

			ARTC Project Risk Criterion				
			Consequence				
	Safety		Injury or illness with no impairment (may or may not require treatment)	Injury or illness with short-term impairment	Injury or illness with moderate but recoverable impairment	Injury or illness with long term to permanent impairment	One or more fatalities
	Assets: Network Performance		Immaterial disruption to non-critical track section	Material disruption to non-critical track section or Immaterial disruption to critical track section	Material disruption to a critical track section recoverable in the short-term	Material disruption to critical track section not recoverable in the short term	Material disruption to critical track section not recoverable in the short term with significant long term impacts on customers
	Assets: Organisational Capability		Manageable impact to internal operations, which may or may not require internal reallocation of existing resources	Missing short-term targets which may or may not require use of additional resources	Reduced ability to achieve business goals with some business impact	Material failure to achieve business goal(s) with significant business impact	Failure to achieve business goals with lasting impacts
	Assets: Programme/Project Objectives		Minor impact on a programme / project objective	Minor impact on more than one programme / project objective	Significant impact on a programme / project objective	Severe impact on a programme / project objective or significant impact on more than one objective	Severe impact on more than one programme / project objective
	Financial		Minor cost impact, that is able to be absorbed within existing project budget*	Minor cost impact to project budget*	Moderate cost impact to project budget*	Major cost impact to project budget*	Significant cost impact to project budget*
	Environment		Minimal environmental impact	Limited and recoverable environmental impact	Significant and recoverable environmental impact	Permanent impact to area of less than high environmental significance	Permanent impact to area of high environmental significance
	Regulatory		Expected to prompt regulatory interest	Increased oversight by regulator	Limited fine, official caution and / or direction to act	Formal regulatory action impacting on operating activities and / or material fine	Prosecution of the company and / or its office holders
	Reputation		Short term loss of confidence from other than key stakeholders	Sustained loss of confidence from other than key stakeholders	Short-term loss of confidence from a key stakeholder	Sustained loss of confidence from a key stakeholder	Loss of Shareholder support
	Schedule		*Schedule milestone exceeded with no significant impact on business objectives &/or cost	Schedule milestone exceeded with minor impact on business objectives &/or cost*	Schedule milestone exceeded with moderate impact on business objectives &/or cost*	Schedule milestone exceeded with major impact on business objectives &/or cost*	Schedule milestone exceeded with severe impact on business objectives &/or cost*
			Not Significant	Minor	Moderate	Major	Extreme
			1	2	3	4	5
Likelihood	Almost Certain	Once per month (Is expected to occur in most circumstances)	MEDIUM 1A	MEDIUM 2A	HIGH 3A	VERY HIGH 4A	VERY HIGH 5A
	Likely	Between once a month and once a year (Will probably occur in most circumstances)	LOW 1B	MEDIUM 2B	HIGH 3B	VERY HIGH 4B	VERY HIGH 5B
	Possible	Between once a year and once in five years (Might occur at some time)	LOW 1C	MEDIUM 2C	MEDIUM 3C	HIGH 4C	VERY HIGH 5C
	Unlikely	Between once in 5 years and once in 20 years (Could occur at some time)	LOW 1D	LOW 2D	MEDIUM 3D	MEDIUM 4D	HIGH 5D
	Rare	Once in more than 20 years (May occur in exceptional circumstances)	LOW 1E	LOW 2E	LOW 3E	MEDIUM 4E	MEDIUM 5E

* parameters to be defined by project

Figure 2: ARTC Project Risk Matrix

7.1 Quantitative Risk Assessment

Quantitative risk assessment analyses objective measurable data to determine a numerical rating of the likelihood and consequence of risk to project objectives.

In the case that quantitative risk assessment is required for a project, suitable qualified specialist expertise will be utilised.

Where specific tolerances are required to be set, these are to be established and documented in the Project Risk Management Plan. If tolerances are unable to be determined at the time of development of the Project Risk Management Plan, the Project Risk Management Plan must include an appropriate reference to how and when they will be established.

ONRSR publication *Major projects guideline* provides guidance on circumstances where it may be appropriate to conduct quantitative risk assessment.

7.2 Risk Identification

A risk is made up of a number of components. These usually include a source (e.g. a hazard), cause and event. There may be a number of causal factors leading to the risk event. The risk level is defined in terms of consequence and likelihood.

The aim of risk identification is to generate a comprehensive list of sources of risks and events that might have an impact on the achievement of each of the objectives.

Risk identification methods used as part of the risk assessment process may include checklists, brainstorming, experience and historical records, stakeholder consultation, flow charts, systems and scenario analysis and systems engineering techniques. It may also be appropriate to review risks identified in previous similar projects.

The approach taken will depend on the type of activities under review and is at the discretion of the Project Manager.

7.2.1 Specific Project Risks

Project risks are specific to the project being undertaken and are usually able to be closed at the completion of the project. Identifiable risks that exist only for the life of the project typically include:

- Risks related to specific activities that are being undertaken
- Risks that may impact on budget
- Risks that may impact on delivery of required project objectives
- Risks that may impact on timeframes for project delivery

RSK-GP-002 Project Risk Profile provides a summary of project risks that may be anticipated to exist for a project.

Project risks are assessed utilising the ARTC Project Risk Matrix (refer Figure 2).

7.2.2 Ongoing Risk Impacts

Implementation of a project may also have ongoing risk impacts after project completion, for example:

- Risks to operations or business objectives
- Safety or environmental risks during operation, maintenance and decommissioning

Where new ongoing risk impacts are identified, these are to be identified and assessed in accordance with RSK-PR-001 Risk Management and the ARTC Risk Matrix. These must be discussed with the Corporate Risk Manager to ensure that any project risks and controls that cannot be closed are transferred to another appropriate risk owner and register in the ERMS.

Impacts to existing known risks may also arise as a result of change, for example:

- Where a new causal or contributory factor is introduced to a current known risk
- Where a current control is removed or otherwise have a reduction in effectiveness

Changes arising from a project may also have a positive impact such as removing a current risk source (hazard) and therefore eliminating a current risk, or introducing a new control to a current known risk that may reduce likelihood or consequence.

Where impacts are identified as relevant to a current operational / enterprise wide / strategic risk(s), a record should be noted. Additionally, the current risk owner should be made aware of the updated risk advice to be considered in the risk.

8 RISK NOTIFICATION & ESCALATION

RSK-PR-001 Risk Management provides requirements for notification and escalation of identified risks based on Risk Level.

However due to the nature, scale and scope of a Project, these requirements may not be appropriate for project related risks.

Appropriate notification and escalation requirements for project related risks are to be defined and documented.

New ongoing risks that are identified as a result of project activities or change impacts (as described in Section 7.2.2) are to be notified and escalated in accordance with requirements specified in RSK-PR-001 Risk Management.

Where a project risk is determined to have a High or Very High potential risk to ARTC as an enterprise, the risk is also required to be notified and escalated in accordance with requirements specified in RSK-PR-001 Risk Management, including notification to the Board Risk Committee.

9 MONITORING & REVIEWING RISKS

RSK-PR-001 Risk Management provides guidance on appropriate time periods for review of risks, based on the Risk Level. Due to the limited time duration of a project, these time frames are inappropriate for project related risks. Arrangements for risk reviews for the project are to be determined and documented in the Project Risk Management Plan.

The method of risk review may vary depending on the nature, scale and timeframe of the project. Reviews may be undertaken as scheduled formal reviews or it may be appropriate for risk review to be a regular agenda item in project meetings etc.

Where a project's size and complexity merits, it will be appropriate to schedule more regular risk reviews. Where Projects have ongoing risk reviews, detailed 'deep dive' reviews of individual risks can be scheduled on a rotating basis.

As a minimum, risk review should occur at:

- Project Gate Reviews / Hold Points
- Where significant changes are made to the project that may impact risk including, but not limited to, changes to:
 - project scope
 - project / site conditions
 - stakeholders
 - project activities
 - process or work methods
- Investigation / review of a major incident
- Where there is a change in the effectiveness of a control

Appropriate records of reviews are to be kept in accordance with RSK-WI-001 Application of Risk Management.

10 PROJECT COMPLETION

A number of activities are required to be undertaken as part of the project closeout phase. This includes ensuring that all information is up to date, risk ownership is correct and information is appropriately stored for future reference.

10.1 Update of Risk Entries

Prior to project close-out, all risk entries in the Risk Register relevant to the project are to be updated with correct information. This includes:

- Ensuring action status is correct
- Ensuring information regarding the risk is correct
- Ensuring correct allocation of responsibility for Risk Owner and Risk Manager

10.2 Close-out of Project Risks

Where possible project risks should be closed out during the project lifecycle. For example a risk that is only applicable during the Project Approval phase should be closed at the time of transition to the Project Implementation phase.

All other project risks are to be closed as part of the Project Closeout phase.

On occasion some project risks may not be able to be closed. This includes, but is not limited to:

- Where some activity related to the project is continuing, however a decision has been made to officially closeout the project
- Where actions related to risk controls have not been fully completed and remain open

Where there are new ongoing residual risks that have arisen from a programme or project, the risk type within the ERMS is to be changed from project to non-project and the risk tier reallocated. Where this occurs, the risk is to be discussed with the Corporate Risk Manager to ensure that any project risks and controls that cannot be closed are transferred to another appropriate owner and/or location in the ERMS.

APPENDIX 1

Where a stand-alone Project Risk Management Plan has not been developed, arrangements for risk management for the project are to be incorporated into the Project Management Plan.

As a minimum, the following are to be addressed in a section entitled “Project Risk Management”

Project Risk Management Activities

This section must include an overview of the project risk management activities that are to be undertaken.

Risk Management Methodology

This section must include:

- references to risk management procedures that the project will comply with
- the applicable Programme/Project Risk Matrix, including customised risk criteria for Financial Risk and Schedule Risk
- arrangements for notification and escalation of identified risks
- arrangements for risk reviews, including when risk reviews will be conducted

Risk Management Resources, Roles and Responsibilities

This section must include:

- Documentation of the name of the Project Risk Manager
- Responsibilities of Project Risk Manager
- Any required specialist expertise
- Any requirements for liaison and support from the Corporate Risk Manager

Requests for specific liaison and assistance from the Corporate Risk Team must be made to the Corporate Risk Manager and agreed to, prior to documentation in the Project Management Plan.