Enterprise Risk Management

What is it?

Safety is one of many factors that influences the decisions you need to make. You have business objectives that must be achieved. Risks to achieving these objectives must be managed while trying to optimise opportunities. Enterprise Risk Management (ERM) principles according to ISO 31000:2009 can be used to minimise the risks and maximise the opportunities that influence how successful you are in achieving your rail system objectives.

ERM can be a useful tool for your organisation if you want to:

- Meet and exceed business objectives;
- Be clear and explicit about its risk appetite;
- Be transparent and ethical in your decision making
- Increase performance and revenue;
- Reduce risk and reduce costs;
- Reduce incident frequency and impact;
- Go beyond being compliant.

Why is it important?

Work streams for offices, accommodation, leisure, IT facilities and retail branches need to ensure they are working at their optimum to meet the organisation's objectives. An ERM approach can be used, alongside the client's objectives, to deal with specific issues of a service line (i.e. mechanical and electrical, façade or structural engineering). Business resilience, including IT facilities and associated infrastructure, is one of the two pillars on which business continuity relies. Business Continuity Management is a fundamental obligation of organisations in order to protect the business, its employees, shareholders and customers. In some sectors this is a regulated activity and compliance must be demonstrated at all times.

What we do

We can work with you to understand and articulate both the positive and negative impacts of any options on the table, so that you can effectively manage your risks and achieve your goals.

- Design and implement an ERM framework tailored to your operation
- Prepare Enterprise Risk Management Plans for for Divisions or Business Units
- Design and deliver training courses for your ERM champions
- Chair ERM workshops
- Risk Management Maturity Assessments

Our work

CRA has considerable experience in Enterprise Risk Management - ISO 31000:

- Design, development, implementation and maintenance of ERM Framework for Rail Operators, including Policy, Standards, Procedures, Guidelines, Risk/Opportunity Matrix/Table;

1. Consequence Assessment

Consquence Types

- Financial
- Environment
- Operational Performance
- Contractual KPIs
- Capability/Resourcing
- Project delivery
- Reputation
- Health & Safety
- Security

Contractual KPIs

	Rating	Description						
Positive (Opportunity)	O6	Substantially exceed RSC KPI performance measures in all areas.	F	G	G	H	H	H
	O5	Exceed RSC KPI performance measures in all areas.	F	F	G	G	H	H
	O4	Exceed RSC KPI performance measure in numerous areas.	E	F	F	G	G	H
	O3	Exceed RSC KPI performance measure in a key operational or other critical area.	E	E	F	F	G	G
	O2	Exceed RSC KPI performance measure in more than one minor area.	E	E	E	F	F	G
	O1	Exceed RSC KPI performance measure in a minor area.	E	E	E	E	F	F
Negative (Risk)	C1	Minor failure to achieve RSC KPI performance measure in minor area.	D	D	D	D	C	C
	C2	Minor failure to meet RSC KPI performance measure in more than one minor area.	D	D	D	C	C	B
	C3	Failure to meet RSC KPI performance measure in single area.	D	D	C	C	B	B
	C4	Failure to meet RSC KPI performance measure in numerous areas.	D	C	C	B	B	A
	C5	Failure to achieve RSC KPI Performance measures resulting in financial penalties.	C	C	B	B	A	A
	C6	Major failures in RSC KPI Performance measures resulting in major financial and reputational impact.	C	B	B	A	A	A

2. Likelihood Assessment

			L1	L2	L3	L4	L5	L6
Likelihood	Qualitative		Not expected to occur	Would ony occur under exceptional circumstances	May occur only in unusual circumstances	Could occur but more than likely it won't	Likely to Occur	Occurs often
	Probability		Less than 1% probability of occurring	10% probability of occurring	25% probability of occurring	50% probability of occurring	75% probability of occurring	95% or greater probability of occurring
	Frequency		Less than 1 every 1,000 years	Once every 100 to 1,000 years	Once every 10 to 100 years	Once every 1 – 10 years	More than once per year up to and incl. 10 times / year (occurs quarterly or monthly)	More than 10 times a year (occurs daily or weekly)

- Contract and Fleet Management System - Enterprise Risk Workshop - Chair and Scribe.

Identification					Control Strategy	Assessment						Treatment Tasks		
Risk Ref.	Risk (Something occurs...)	Cause(s)	Leading to (Description of Consequences)	Risk Owner	Existing Controls	Consequence Type	Consequence Rating	Likelihood	Risk Rating	Safety or Environmental Impact	Status Open/Closed	Further Actions	Task Owner	Date Required
54.1	Prolongation of On-Set capabilities. Run out of money (project not delivered before money is exhausted)	Recent move of the Supplier, OEM source code testing delays and bug fixes to be addressed have compounded the issue.	Will continue to consume budget, defer the implementation of Telemetry functions and delay Transition to Comms. & Control.(Must be completed before Comms. & Control will take ownership). Increased manual effort e.g. timetables loading onto set. Delay expenditure current financial year forecast spending; additional funding required for next financial year. Impact amount forecast $X.	Project Director	Work arounds in place due to lack of the capability, (these are not supportable in the long term). Train info system to be implemented in June/July this year	FI	C2	L5	B	-	Out of scope (with Project)	1. Continue with testing and joint collaboration working groups 2. Project Engineer to bridge gap between Delivery and Transition Monitor via weekly PPP Director's meeting	J Blogs	xx
54.2	Operator unable to use the 'retrieve CCTV' capability	Retrieval of post event CCTV was de-scoped from the delivery of Set Data Requestor and Telemetry system	Operator will be criticised for wasting Supplier time when this capability is unavailable Increases time and costs for recovery of CCTV footage. Lost business opportunity afforded by timely retrieval of CCTV e.g. inability to make quality and timely decisions leading to Service delays/cancellations. Public/Political criticism for non delivery of promised capabilities. Industrial relations (built into working agreements) Safety/Security issues where there are delays introduced in responding to an incident (a few days)	COO	Post incident manual recovery of footage	B	C3	L5	B	Yes. Safety	Open	Assess scope, timeliness and costs for TCP and ICT to implement enhancements. Commence detailed requirements specification Manage expectations of Project and Suppliers	J Doe	xx