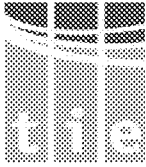


Risk Management Procedure Stage 3 Risk Treatment



Version	Summary	Date	Modified	Checked	Approved
2.0	Reviewed with minor amendment	13/11/08	MH	SC	SB
1.0	Approved	11/06/2007			MC
0.3	Updated with comments from MC	23/04/2007	OO'R		
0.2	Comments incorporated (SC)	10/04/2007	OO'R	NC	
0.1	Draft for internal comments	02/03/2007	NC	SC/ TC /GG/OO'R	

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1. Purpose

This procedure provides a systematic approach for treating risk on the Edinburgh Tram Project (ETP) to a point that they are As Low As is Reasonably Practicable (ALARP).

2. Scope

This procedure applies to all specified risks relating to the ETP. It does not provide guidance on use of the ARM system.

3. Principles

- tie's policy is to treat all risks to a point where they become ALARP (As Low As is Reasonable Practicable). This point is defined as the level at which risk treatment becomes more costly than the expected exposure.
- A key principle and aim of risk management is to treat a risk before the start of its exposure period. There should also be a fallback plan that can be implemented should the primary risk treatment strategy be unsuccessful.
- Each risk should be treated as a "mini-project" by the Risk Owner. Objectives for risk treatment should be clear and associated actions appropriate and carried out on time.
- The Risk Owner does not have to carry out all treatment actions themselves and may assign treatment actions to Action Owners. The Risk Owner is responsible for co-ordinating the action plan and ensuring that actions are carried out on time.

4. Definitions

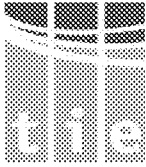
ALARP: This point is defined as the level at which risk treatment becomes more costly than the expected exposure presented by the risk. It is tie's policy that all risks are treated to a point that their impacts are ALARP.

See [Risk Management Master Procedure](#).

5. Responsibilities

Risk Owner: As the individual best able to manage the risk, the Risk Owner is responsible for developing and implementing the Treatment Plan including the selection of a risk treatment strategy, development and assignment of treatment actions, a fallback plan and for monitoring and reporting on treatment progress. The Risk Owner is also responsible for revising the treatment strategy if it is deemed ineffective or inappropriate. The Risk Owner is

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- responsible for updating the ARM system accordingly as treatment progresses.
- Action Owner:** As an individual who has been assigned a risk treatment action by a Risk Owner, the Action Owner is responsible for carrying out the required risk treatment action on time.
- Project Manager:** The Project Manager manages the activities on which a risk will impact. They are responsible for understanding the risks that will impact on their activity, whether or not they own them, and for liaising with the relevant Risk Owner in particular about risks that are nearing their exposure start dates.
- Project Risk Manager:** The Project Risk Manager is responsible for reviewing the adequacy and progress of the Risk Treatment Plan in liaison with the Risk Owner.

6. Monitoring

Treatment plans are reviewed throughout the period with the Project Risk Manager and relevant Project Managers. Treatment plans are reported on by Project Managers as part of their period reports and are discussed at the periodic Project Directors Review. Treatment plans are also highlighted in the Transport Scotland report.

7. Process

See flowchart in Appendix A.

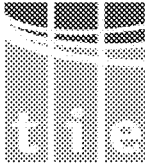
8. Records

Data relating to risk treatment is stored in the ARM database.

9. References

	<u>Document Number</u>	<u>Title</u>
1.	COM-Project Controls-54	<u>Risk Management Plan</u>
2.	COM-Project Controls-90	<u>Risk Drawdown Procedure</u>
3.	COM-Project Controls-92	<u>Delegated Authority Rules</u>
4.	COM-Project Controls-65	<u>Risk Management Master Procedure</u>

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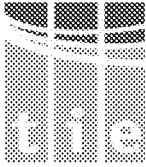
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10. Attachments/Forms

None.

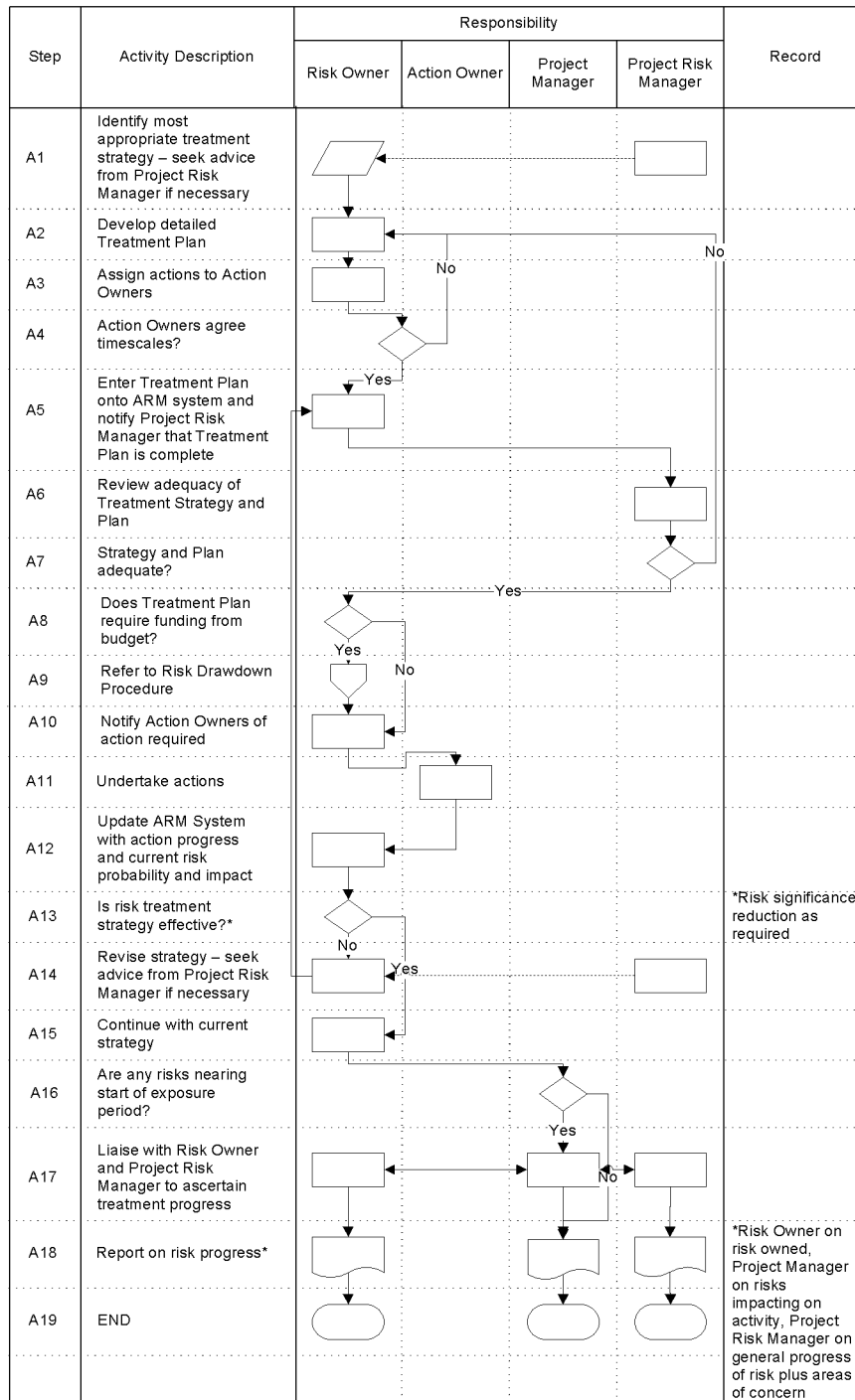
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Process Flowchart – Risk Treatment



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