

Terrorism Risk Review Case Study

The situation

On 19 September 2014, the Australia Government raised the National Terrorism Alert level to “high: a terrorist attack is likely”. Lupine Consulting’s client, a major urban rail operator had a number of plans that had been developed 4 years prior in case the alert level was raised. Since the initial plans had been developed, the rail operations and customer service had evolved and the security environment changed significantly.

Activating the existing plans had significant cost implications and, given the changing environment, would not have substantially reduced the risk to the operator’s customers, brand or other assets. Lupine Consulting was engaged to conduct a review of the current security environment, the client’s existing plans and their risk management capability. The purpose was to confirm the adequacy of security measures in place and recommending additional measures required to actively mitigate terrorism risks to an acceptable level.

Solution

Agile and responsive, Lupine was on the ground at the earliest possible point to support the client through the preliminary decision-making processes. We developed a three phase project that was designed to:

- a) Realign the risk mitigation measures in place with the risk environment;
- b) Reassure the executive and the public that all reasonable efforts were being undertaken to protect the lives of customers and staff from terrorist threats; and
- c) Set a foundation for continual improvement of the organisation’s broader security risk management and assurance capability.

Phase 1: Immediate issues

Phase one of the project was an immediate, risk-based assessment of several key issues related to security around station platforms. This involved several activities to realign the security measures in place with the risk environment:

1. Based on our understanding of government intelligence processes and the threat of terrorism in Australia, we analysed the revised terrorism alert level to generate a more nuanced understanding of the risk environment;
2. Based on the analysis conducted, we undertook an more fully-informed assessment about whether existing security plans were effective in mitigating the real risks to the client’s people and assets;



3. We then generated additional risk mitigation measures as required and commensurate with the real risks to people and assets; and
4. Lastly, we presented the findings in such a way that they were consistent with the client's business processes and their approach to stakeholders. This was to support informed decision-making in relation to resource allocation and efficient risk management.

Phase 2: Security Risk Management Review

In addition to the immediate areas of concern, the increased focus on security as a result of the elevated terrorism alert level meant it was a good time to review the broader security risk management capability. As with many organisations, the client's security requirements were well-served at the operational level, however there was a lack of an overarching, risk-driven approach to security planning. This meant that, while day-to-day security was functioning smoothly, broader issues such as the development of a security risk culture and effective security governance frameworks were neglected.

To address this, Lupine Consulting reviewed the existing governance structures and identified a range of areas for improvement including:

- Development of a security culture
- Refinement of the security management organisation and resourcing
- Security risk assessment processes
- Intelligence support and stakeholder outreach

A range of measures and next steps were developed as part of a security implementation plan to support improvement in these areas. These measures and next steps covered a range of areas:

- Security compliance regime in relation to various standards and government regulations around transportation security
- Stakeholder engagement plans
- Crisis and emergency planning
- Security organisational diagnostic
- Security workforce assessment
- Scalable security preparations in anticipation of future adjustments to the terrorism alert level
- Security training and awareness measures

Phase 3: Enterprise Risk Management and Assurance

A critical part of developing a security risk management culture is to ensure that security risk management activities are aligned with the broader organisational processes. As such, an important part of delivering improved assurance as to the organisation's effective risk mitigation was to align the security risk management arrangements with the broader enterprise risk management framework.

Working with the ERM team a range of refinements were developed for the ERM framework that would facilitate practical, outcomes-focused interaction between ERM and security risk management teams. This included:



adjustments to risk rating tables, assessment processes, risk communication and risk responses.

The Outcome

In response to the work undertaken, the client immediately established a project team charged with implementation of all recommendations across the organisation.

The benefits to the client from the process were manifold:

- A clear, risk-driven set of actions was developed which helped the organisation determine a path forward at a time of significant uncertainty;
- A level of reassurance was provided by the operational areas to the client executive about the actions being taken to address terrorism related risk;
- Reassurance was provided by the client executive to external stakeholders and the public about the organisation's management of terrorism-related risk;
- Greatly improved resource allocation was achieved through effective, practical prioritisation of risk treatment options and development of scalable security arrangements;
- Longer-term, the client is much better prepared to implement a systematic approach to risk-based security management; and
- The client has begun a process that will greatly enhance the security culture of the organisation.

In particular, the client praised Lupine's performance on several points:

- Rapid and flexible response to an immediate requirement
- Recommendations were broad-reaching and represented an organisation-wide response to the situation
- Deliverables were high-quality and directly matched requirements in terms of presentation and articulation of recommendations.

