performance indicator basis, i.e. it may appear that the infrastructure is not broken down into risk classes which subsequently results in to problems.

Key high risk assets may not be maintained at a high enough standard and therefore the risk of failure is high which causes safety, financial and business continuity risk to rise. Non-key assets may often be over maintained. This eliminates safety and business continuity risk but heightens financial risk from a perspective of wasted resources.
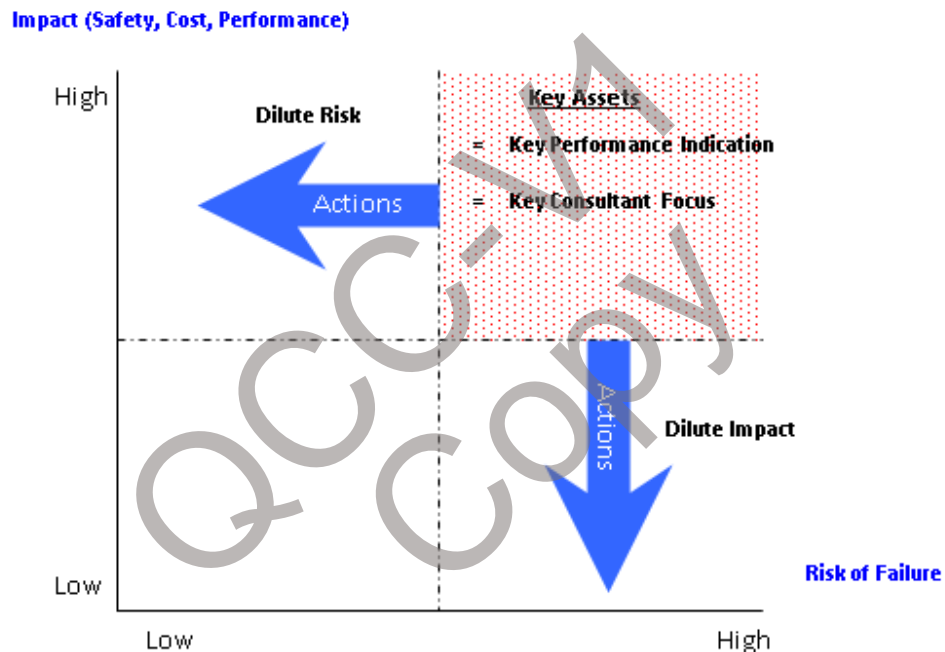Figure 12.1 below highlights the strategic approach to identifying and managing risk.



**Figure 12-1: Approach to Identifying and Managing Risk**

In order to eliminate these problems a structured analysis shall eventually be undertaken to help classify and manage the risks. A proposed framework for Risk Management should be based upon a simple approach through using desk studies and based on the historical information generated by the Asset specific AM regime.

To undertake risk studies a considerable amount of failure records are required, however it is possible to apply 'generic models' and or 'judgment in analyses'. This provides an alternative practical way of assessing probability of failure.
Figure 12.2 below highlights the probability of failure.