



## What is RCA?

RCA is a team based collaborative approach to resolving problems and issues that have occurred or may occur in the organisation.

It involves dedicated and forensic examination of the problem and its causes before moving to solutions, rectification and prevention.

RCA is a mainstream approach to problem solving that is commonly used by Australian organisations (public and private sector).



## RCA workshop attendees 2012-2019

- AGL
- Bank of Sydney
- BHP Billiton
- CBA
- Department of Communities, Child Safety & Disability
- Department of Justice
- Endeavour Energy
- EWOV
- FICS (now AFCA)
- GE Money
- Institute of Internal Auditors in Australia and New Zealand
- Lifetime Care & Support Authority
- Melbourne Water
- Metro Trains
- Office of the Disability Commissioner
- Public Transport Ombudsman
- QBE Insurance (Australia) Ltd
- SA Power Networks
- Salvation army
- Sydney Trains
- Telstra Super
- Transport Accident Commission
- V/Line
- WA Energy Ombudsman
- Western Water

## Rationale for RCA

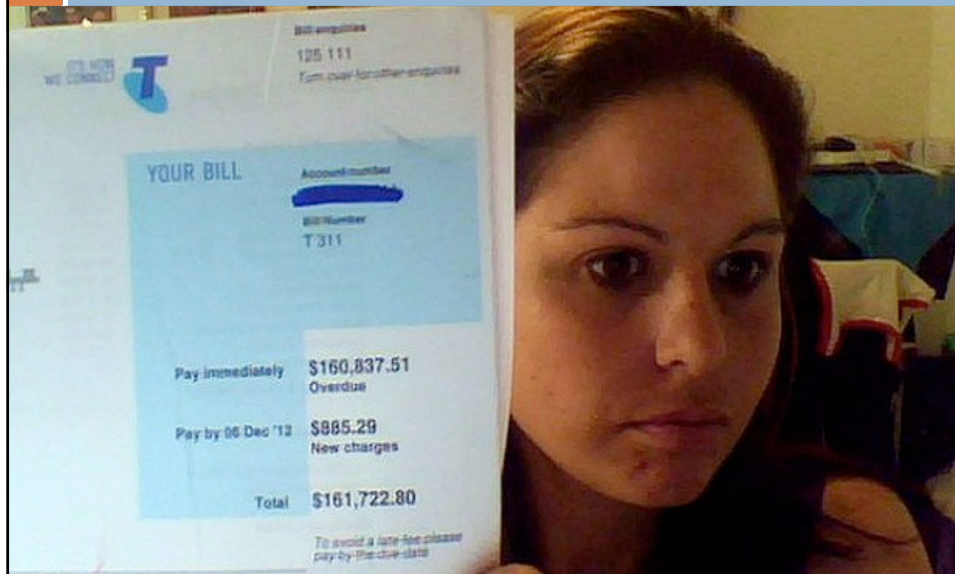
**smh.com.au**  
*The Sydney Morning Herald*

### **Telstra rebuked by watchdog for delay in fixing \$30m global roaming over-charging problem**

Lucy Battersby  
Published: September 16, 2013

Telstra has received a slap on the wrist from the communications regulator for over-charging hundreds of thousands of customers by \$30 million over six years.

Nella Panetta came home to this!



So, what happened?

- 2006 - over charging for global roaming
- 2009 - 2011 several complaints
- 2012 - internal investigation and audit
- 2012 - Telstra started issuing refunds to (existing and former) customers
- 2013 – negative media exposure

## Deflecting blame

“Despite the over-charging going back to 2006 and involving tens of millions of dollars, Telstra only became aware of the issue when it conducted an audit earlier this year (2012)

...a spokesman for the telco blamed international carriers.”

Sydney Morning Herald 21 December 2012

## The problem was undetected

"It is surprising that the inaccurate charging was undetected for six years and staggering to think of the number of bills Telstra will have had to review in order to provide refunds to consumer and business customers."

Elise Davidson of the Australian Communications Consumer Action Network (ACCAN)

## Group discussion Could this happen in your environment?



## When to use RCA

### RISK RANKING

Likelihood	Consequences				
	Insignificant	Minor	Moderate	Major	Serious
Almost certain	Yellow	Yellow	Yellow	Red	Red
Likely	Yellow	Yellow	Yellow	Red	Red
Possible	Green	Yellow	Yellow	Red	Red
Unlikely	Green	Green	Yellow	Yellow	Red
Rare	Green	Green	Green	Yellow	Yellow

**'Rare event' repeat: Overhead Tullamarine Freeway sign falls again**  
**The Age 23 February 2019**



RCA is recommended by the  
Complaints Standards

- All complaints should be classified and then analysed to identify systemic, recurring and single incident problems and trends.
- Root cause analysis is one method the organization can use to identify underlying reasons for complaints.

**ISO 10,002-2014 clause 9.2 Analysis and evaluation of complaints**

## Auditors are required to do RCA

“A core competency necessary for delivering insights is the ability to identify the need for root cause analysis and, as appropriate, actually facilitate, review and/or conduct a root cause analysis.”

Source: The Institute of Internal Auditors Practice Advisory 2320-2

## Trend analysis vs RCA

TABLE 36: AREAS OF LAW FEATURED IN NEW COMPLAINTS

Area of law	2015-16*	2016-17	2017-18
<b>FAMILY/DEFACTO</b>	351 (26%)	411 (28%)	415 (24%)
<b>OTHER CIVIL</b> (combines Breach Legal Profession Act/Regulations, Civil Liberties, Debt Collection, Defamation, Equal Opportunity, Freedom of Information, Intellectual Property, Taxation, Trade Practices, Motor Vehicle Repairs/Claims, Other/Unsure. Includes new categories of Constitutional, Otherwise unfit.)	175 (13%)	249 (17%)	276 (16%)
<b>CONVEYANCING</b>	146 (11%)	163 (11%)	195 (12%)
<b>PROBATE/FAMILY PROVISIONS</b> (formerly Probate and estate)	162 (12%)	134 (9%)	178 (12%)
<b>COMMERCIAL/CORPORATIONS/FRANCHISE</b> (combines previous Commercial, Company, Banking)	125 (9%)	118 (8%)	138 (8%)
<b>CRIMINAL</b>	68 (5%)	58 (4%)	85 (5%)
<b>WILLS/POWERS OF ATTORNEY</b> (combines previous Wills, Guardianship/Administration)	34 (3%)	53 (4%)	56 (3%)
<b>PERSONAL INJURIES</b> (combines Personal Injury, Motor Vehicle Accident)	49 (4%)	46 (3%)	51 (3%)
<b>EMPLOYMENT</b> (formerly Industrial Relations)	43 (3%)	46 (3%)	46 (3%)
<b>BUILDING</b>	45 (3%)	29 (2%)	46 (3%)
<b>LEASES/MORTGAGES</b> (combines previous Leasing, Mortgages)	53 (4%)	45 (3%)	36 (3%)

Source: Victoria Legal Services Board & Commissioner Annual Report 2018 p 56



## Getting started

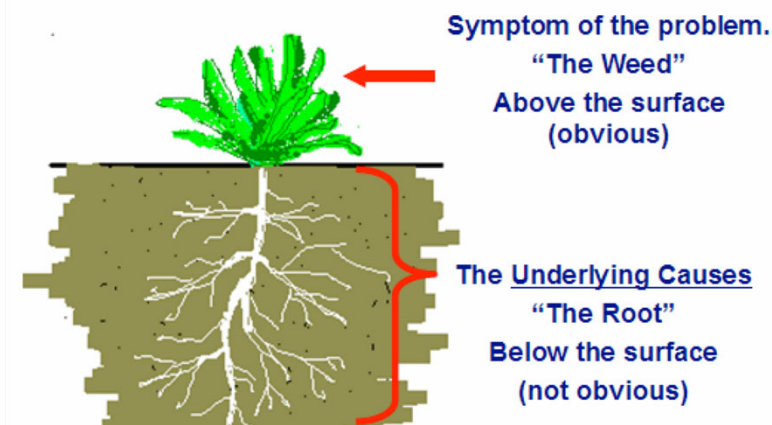
- Formulate a small team of people who know about the problem and can bring different perspectives
- Appoint a facilitator, scribe and someone to prompt on “5 whys”
- Bring sticky notes and marker pens to the meeting or set up a virtual alternative
- Agree on ground rules ie ‘no blame”



## Key principles of RCA

- A multitude of contributing causes align to create the problem. Responding to just one of the causes will not fix the problem.
- If you are only addressing the symptoms of the problem, it will not go away.
- Problems are multi-faceted and need a multi-disciplined collaboration. Bringing different perspectives to the table is important.

## Symptoms vs causes



## RCA process

1. Define the goal
2. Understand the problem
3. Identify root causes
4. Build a logic tree
5. Brainstorm corrective action
6. Evaluate outcomes & process

## 1. Define the goal

- Without direction and focus you will not get buy in
- Clarify the goal to determine the scope of the initiative and the resources required
- The existence of the problem is impacting on the goal

## 2. Understand the problem

- What is the problem?
- What are the indicators of the problem?
- What is the impact of the problem?



## Indicators of the problem

Complaints are a valuable source of information about how and where mistakes have occurred and can pinpoint weaknesses in the system.

What other indicators can you think of?

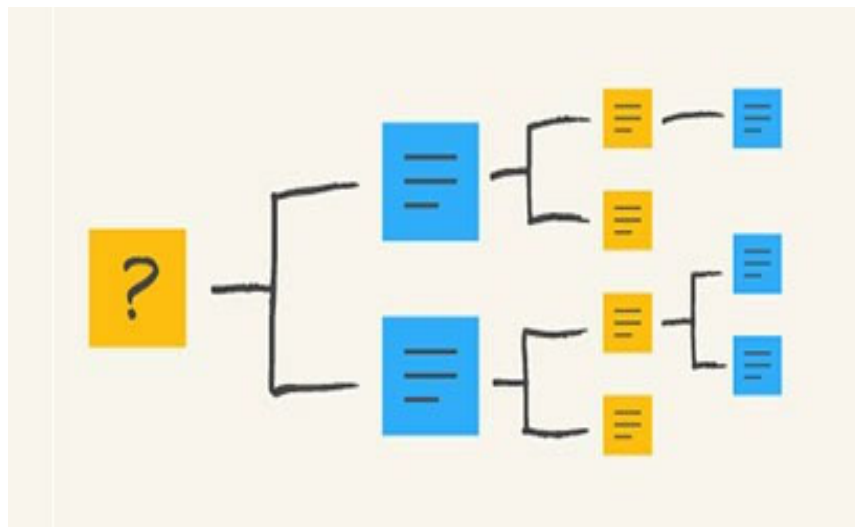
## How useful is your complaints data?

- What data are you collecting?
- Is it helping you achieve your objectives?
- Data should be specific enough to enable meaningful analysis so that the organisation can learn from the experience

### 3. Identify all causes

- What are the known facts?
- Can the facts be substantiated?
- Conduct further investigation into facts if necessary
- Delete all causes for which there is no evidence

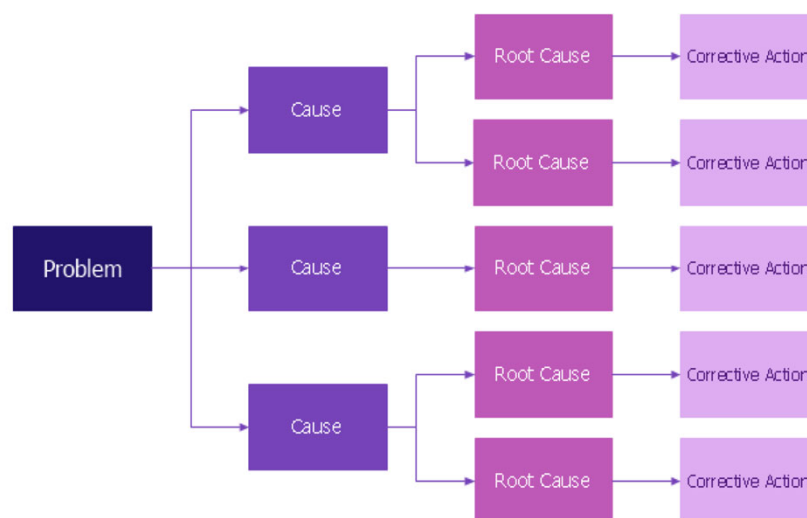
Use one post it note for each cause



## 4. Build the logic tree

- A logic tree is the graphical expression of cause and effect relationships that led to an undesirable outcome.
- Helps to determine what went wrong and why
- Start with the problem and ask “what are the 3 main reasons for this problem?”
- Start with broad possibilities and get more specific as you drill down.

## Problems have multiple causes



## 5 why's exercise

- Ask “why” until you get to the root of the problem
- Each answer forms the basis of the next question
- Avoid making assumptions
- Don't allow a plausible answer to keep you from continuing to ask “why”
- There are different ways to ask “why”

## 5. Brainstorm corrective action

- Brainstorm ideas to fix the causes
- No judgment – every idea is a good idea
- Identify the resources required and get authority
- Develop an implementation matrix

Corrective action	Responsibility	Timeframe
- Appoint a project manager
- Review progress and report



## 6. Evaluate outcomes & process

- How will you measure success?
  - ▣ Reduced number of complaints/claims
  - ▣ Positive feedback
  - ▣ Forums
- Establish a process to measure and assess whether the corrective actions have worked
- Report on the change
- Make it stick
- If no change, why not?

## RCA benefits

- RCA has enormous potential to positively impact the bottom line of organisations
- **Direct benefits** = cost savings through issue prevention, fraud prevention, reduction of compensation claims, penalties and complaint costs
- **Intangible benefits** = containment of negative PR, protection of the brand and the positive impact on corporate culture.



## Useful references

- ISO 10,002 – 2014
- IIA\* Practice Advisory 2320-2
- [www.socap.org.au](http://www.socap.org.au)
- [www.ombo.nsw.gov.au](http://www.ombo.nsw.gov.au)
- [www.cullaborate.com.au](http://www.cullaborate.com.au)

**Cullaborate**  
Creating positive outcomes together

**Nicole Cullen**

**E** [nicolecullen@cullaborate.com.au](mailto:nicolecullen@cullaborate.com.au)  
**W** [www.cullaborate.com.au](http://www.cullaborate.com.au)

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