

ISO 31000 Quo Vadis?



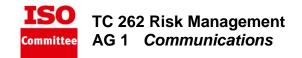
This is isotc 262's report on the status of the ongoing revision of ISO 31000 with input from the ISO/TC 262 WG 2 Amman Task Group leaders and a wrap up by the WG Convenor. The document has been circulated as a Draft International Standard on February 17th and is available for public review by contacting the National Standardization Bodies.

In September 2013 ISO/TC 262 decided in Chicago to carry out a limited revision of ISO 31000 'Risk Management – Principles and Guidelines' with the intention to avoid any major technical changes. However, eighteen months later in March 2015 at a Working Group 2 meeting in Paris it was concluded, after detailed study, that it would be confusing for end-users to have to deal with the limited scope of the adopted changes while at the same time learning that a full revision was to be started directly after publication of the revised standard, therefore ISO 31000 moved to a full revision.

Since then, at meetings in Rio de Janeiro, Moscow and Amman, work has progressed and a DIS (draft international standard) has been sent out to the National Standard bodies for comment and ballot on February 17th, 2017. The face of the DIS has primarily been forged at the Amman meeting in October 2016 by four task groups. Here are the key changes compared to the 2009 version and discussion why those changes have been made:

Introduction Scope and Terminology

What appeared through received comments, particularly in the terminology section and to a lesser extent in the Introduction and Scope, was the need to provide more detailed and precise information in the standard. This produced many terms, with specific meaning



or sectorial jargon important for certain end users. The question for the Amman Terminology Task Group, which was also debated at great length in the first Terminology Task Group in Rio, "was whether the generic character of ISO 31000 should be consolidated or should a more detailed and comprehensive language and content be developed". The decision by the group was clear from the first session, "Reduce the terminology section in ISO 31000 down to the fundamental concepts (definitions) necessary for using ISO 31000 and move specific terms (jargon) to Guide 73". The work of the group on the Introduction and the Scope followed the same objective of simple language to communicate clearly the fundamental ideas. In the case of the Scope this was to clearly identify WHO is the standard for, to do WHAT and what should ISO 31000 PROVIDE.

What made our task group work easier was a similar approach in the other task groups and valuable feedback from other task groups on the text we were producing.

For readers of the DIS document it should be noted that what we experienced was the convergence of some very different points of view of the experts in the group, and in some cases the Mirror Committees, towards a shared vision of best practice in global risk management. The strengthened generic quality of the standard and provided a basis for confidence between experts and end users who each have specific problems in risk but need to understand and communicate with others stakeholders.

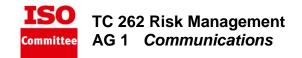
Framework

Our vision was to phrase a framework clause that provides guidance which is relevant for every possible user of the standard. This vision was formed at the earlier meeting in Moscow and we stuck to it while discussing the comments on the latest draft in Amman. The most common theme we found in the comments was the addition of concepts or examples specific to countries or industries. Our main challenge was to find a fair and sensible balance between supplementing the chapter with necessary concepts and not losing sight of all other users.

The message our group would like to pass on to the reader of the DIS is to critically assess if the current draft can provide the guidance required while remaining relevant to all organizations in all countries. It is important to keep in mind that we are not drafting an American or European standard, a public sector or financial services standard, but much rather a generic international standard.

Process

The clause on process has probably been the section that has received most comments since the revision started. The biggest challenge for the task group was to be able to go through views and ideas without rushing the discussion.



In the end, it was agreed unanimously that there was a need to reduce the text quite a lot but it was a question of finding the appropriate balance between giving guidance with enough details and not turning the text into a school book.

The DIS text has not drastically changed anything from the 2009 version and all steps in the process have been kept intact. A lot of rather complicated language has been reduced and the new text is shorter and more precise and possibly the user will find it much simpler to read.

Principles and Annexes

Working on the comments resulted in a focus on making sure the descriptors provided with each of the 9 Principles were clear and succinct.

In respect of Annex A the conclusion was that the Task Group agreed with the many of the comments that suggested what was prior suggested for the Annex (risk management maturity) should form the basis of a new work item proposal rather than stay in ISO 31000. Annex A was therefore removed from the draft.

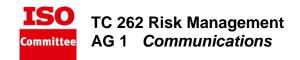
Wrap Up

Before being sent to ISO the draft of the DIS was endorsed by the working group and reviewed by an editorial team who checked for any typographic issues and internal consistency across the different sections. The new DIS is even shorter than the original version from 2009 and at the same time more precise and easy to read. There are some substantial improvements: The importance of human and cultural factors as well as the embedding of risk management within decision making is emphasized. And the title has slightly changed as well: "ISO 31000 Risk management – Guidelines". The overall message of ISO 31000 stays the same: The risk management process is an integrated part of strategic and operational management.

The next steps of the revision process are translation into French followed by comments and ballots from the National Standardization Bodies. The Working Group meets next time on July 10th – 14th, 2017 in San Francisco to work on finalizing the revision. We can expect that the new version of ISO 31000 will be published at the end of 2017 or early in 2018.

Conclusion

The major task to accomplish in Amman was finding the appropriate balance between giving guidance with enough details and writing a textbook. »Reduce down to the fundamental concepts « was the decision taken by all Task Groups in Amman and in doing so they jointly created a shorter, clearer and more concise document that is easier to read



and widely applicable. The success of the Amman meeting gives rise to the hope that the DIS will be accepted by national standards bodies.

ISO/TC 262 Risk management was created in 2011. Its scope is "Standardization in the field of risk management". The objective of ISO/TC 262 is to produce and maintain high quality standards and other publications in the field of risk management, to provide for high-level advice and service on the management of risk. The intention is to promote harmonization within ISO documents with respect to risk and its management. There are four standards under the direct responsibility of ISO/TC 262 which has four active working groups, 52 participating countries and 16 observing countries. For more information go to riskmanagement.isotc262.org.

Contact: ISO/TC 262/AG 1 Communications;

Dr. Frank Herdmann (Tel.: +49 30 771 90 312)

E-mail: auxilum@herdmann.de

Dr. Frank Herdmann with reporting contributions by Steve O'Brien, Prof. Dr. Bruno Brühwiler, Fiona Davidge and Dorothy Gjerdrum, Marco Lustenberger and as well as Dr. Stefan Tangen

February 18th, 2017