



## Risk Management and ISO 31000 in Canada

Interview conducted for isotc262.org by  
Dr. Frank Herdmann with

### Liane Sauer, Head of the Canadian delegation to TC 262

Liane Sauer is the Director General, Strategic Planning with the Canadian Nuclear Safety Commission and is responsible for strategic policy, Aboriginal Consultations, international, research, evaluation, and planning and performance. Prior to this, she was with the Canada Border Services Agency (CBSA) and with the Canada Revenue Agency (CRA). She has a Master of Science in International Relations from the London School of Economics. Liane Sauer is the Chair of the Standards Council Canada/CSA Group's harmonized Risk Management Technical Committee and has represented Canada at the ISO level for the past three years.

**dfh:** *Liane you were the head of the Canadian delegation to the ISO/TC 262 meeting in October 2016 in Amman. Can you briefly introduce the Standards Council of Canada, your national standardization organization, and yourself please?*

**Liane:** The Standards Council of Canada (SCC) is a federal Crown corporation that is mandated to promote efficient and effective standardization in Canada. The organization reports to the Canadian Parliament through the Minister of Innovation, Science and Economic Development Canada and oversees Canada's national standardization network. In 2011, SCC along with the CSA Group harmonized the risk management work and created the standards mirror committee (SMC) to ISO/TC 262. I am the chair of this Committee.

**dfh:** *What is the impact of risk management and in particular ISO 31000 in Canada?*

**Liane:** Canada has a long tradition of risk management and standards. For example, prior to ISO31000:2009, we had the CAN/CSA-Q850-97 *Risk Management: Guideline for Decision-Makers*. Canada was an active participant at the ISO level in support of the development of 31000 and we continue to see strong leadership and support for this standard from a wide range of stakeholders.

That said, according to a 2016 study conducted by the Chartered Professional Accountants of Canada (CPA Canada) and the Canadian Financial Executives Research Foundation (CFERF) – *the State of Enterprise Risk Management in Canada* – researchers found that for those organizations that have adopted a risk management framework, COSO remains the most popular followed by ISO 31000 (at least according to the financial executives that participated in the study). As such, we realize that ongoing efforts are required to promote the value of ISO31000.

**dfh:** *Who are the key stakeholders of risk management in Canada?*

**Liane:** Here in Canada, we have a diverse risk management community of practice. Practitioner stakeholders span major professional, industry and regulatory bodies and a wide range of individual organizations, large and small, across public, private and other sectors. Non-practitioner stakeholders include academic institutions and other organizations that provide education and training in risk management.

**dfh:** *What are the biggest obstacles for integrating risk management in all organizational activities for managers in Canada?*

**Liane:** There are many obstacles for integrating risk management within organizations. The ones that come to mind include lack of senior management commitment, the belief that everyone is a “risk expert”, the fact that it is hard to quantify the value of risk management, implementation is often rushed, it is often treated as a separate discipline (i.e. not integrated), there is no champion or home grown expertise, and it is not tailored to the organization’s needs and requirements.

**dfh:** *ISO 31000 quickly became one of the bestselling and most well recognized standards in ISO. What do you think about the future of the standard and how will it change to adapt to new challenges?*

**Liane:** I believe that ISO 31000 is an excellent document and certainly fulfils an important need for organizations committed to risk management. There are, however, three big challenges facing the standard:

- Effort must be made to reconcile longstanding differences among key stakeholders (e.g., those who manage organizational risk on behalf of organizations vs. those who manage public risk on behalf of societies), disciplines (e.g., negative consequences only vs. positive consequences as well) and address omissions (e.g., fully integration with organizational and societal decision making). Some changes are relatively easy while others are more challenging (e.g., public risk, risk definition, decision processes, etc.).

One of the issues we are coming to terms with in Canada is that the risk management community of practice is characterized by diverse disciplines with competing — and

often conflicting — claims (e.g., engineering, insurance, finance, accounting, project management, etc.), along with competing — and often conflicting — practices for different situations and contexts (e.g., decisions and actions). We are seeing these tensions more and more within both the ISO 31000 and IEC/ISO 31010 revision processes. If we cannot reconcile these differences, we are very concerned that ISO 31000 will lose the support of key stakeholders.

- Organizations are at different levels of risk management maturity and it is challenging to write a standard that meets the needs of all.
- the world is changing rapidly and for standards to remain relevant, they must evolve with the times. The question will be whether or not ISO 31000 will be able to keep up with the rest of the world.

**dfh:** *What message do you want to give to the risk management community?*

**Liane:** I firmly believe that risk management is a critical element of success for everyone, from individuals to organizations and societies. And as such, risk practitioners fulfill an important role, but it is often a tough one. Whether it is organizational culture, lack of senior level commitment, siloed processes, etc., risk practitioners should never get discouraged. All their time and effort will eventually pay off. I would also say that risk management standards are an important tool in the practitioner toolkit. ISO 31000 has demonstrated value for stakeholders and will continue to do so as long as we, as leaders of the community of practice, work together to improve it over time.

**dfh:** *What advice can you give to interested parties in Canada who want to offer their input to the work of ISO/TC 262 and who should they address?*

**Liane:** Anyone in Canada who wishes to become involved in the work we do for ISO/TC 262 should contact SCC directly at the following link:

<https://www.scc.ca/en/standards/committees/iso-tc-262-risk-management>

We are always open to experts who wish to volunteer their time to further the standardization process.

**dfh:** **Thank you very much!**