



The Institute of Internal Auditors, Risk Management and ISO 31000

Interview conducted for isotc262.org with

Douglas J. Anderson, CIA, CRMA, liaison representative of The Institute of Internal Auditors with TC 262

Douglas is a Certified Public Accountant, a Certified Internal Auditor (CIA) and has a Certification in Risk Management Assurance from The IIA. He worked for 10 years at PWC before starting in the internal audit function of Dow Chemical Company, later becoming a Business Finance Director and then their Corporate Auditor. He currently is Managing Director CAE Solutions at The Institute of Internal Auditors Inc. previously having been Assistant Professor – Accounting at Saginaw Valley State University.

isotc262.org: *Douglas you were the liaison representative of The Institute of Internal Auditors (IIA) at the ISO/TC 262 meeting in October 2016 in Amman. Can you briefly introduce IIA please?*

Douglas: The Institute of Internal Auditors (IIA) is the internal audit profession's most widely recognized advocate, educator, and provider of standards, guidance, and certifications. Established in 1941, The IIA today serves more than 185,000 members from more than 170 countries and territories. The IIA's global headquarters are in Lake Mary, Fla. Members work in internal auditing, risk management, governance, internal control, information technology audit, education, and security.

isotc262.org: *What is the impact of risk management and in particular ISO 31000 as seen by The IIA?*

Douglas: Risk management is an integral part of decision-making for any organization. As internal audit is engaged in providing assurance and consulting to add value and improve an organization's operations, risk management is a critical focus for internal audit. ISO 31000 is a widely-recognized standard for risk management that many of our members' organizations use. The IIA is also a proponent of the COSO ERM Framework. When understood, and implemented properly, both ISO 31000 and COSO

ERM should improve decision-making by organizations, which is a key goal for internal auditors.

isotc262.org: *Who are the key stakeholders of risk management in the view of The IIA?*

Douglas: As risk management is integral to decision-making, the key stakeholders include management personnel who are responsible for decision-making, those who have oversight of management, and those who provide assurance to the oversight body that risk is properly managed in the organization.

isotc262.org: *What are the biggest obstacles for integrating risk management in all organizational activities for managers in the judgment of The IIA?*

Douglas: The primary obstacle is the thinking that risk management is a program that has to be integrated into an organization's activities. Risk management is already occurring with every decision. Sometimes it is done well; sometimes it is done poorly. The ISO 31000 standard, like the COSO ERM framework, should help improve risk management so decision-making is improved. Implementation of a robust risk management system is not a separate process executed by risk management professionals. It is an activity refined and strengthened throughout the organization with the assistance of risk management experts.

isotc262.org: *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?*

Douglas: ISO 31000 has been well known for a number of years as it addresses a critical aspect of every organization. While the standard is not overly complex, risk management is not fully understood and implemented as well as it should be in many organizations. ISO 31000, along with other tools, can have an important role in improving risk management, and it will need to evolve as the maturity of risk management evolves.

isotc262.org: *What message do you want to give to the risk management community?*

Douglas: Risk management is not the sole domain or expertise of professional risk managers. Those who focus on risk management can support their organizations' efforts to improve decision-making in concert with other parties, such as internal audit. We are all aligned to the same goal – helping our organizations improve.

isotc262.org: *What advice can you give to interested parties in The IIA membership who want to offer their input to the work of ISO/TC 262 and who should they address?*



Douglas: Unlike other frameworks, best practices, and regulations, ISO standards are promulgated and overseen by national standard-setters. Each internal auditor should explore which body in their country is engaged with TC 262 and consider offering their assistance to that body.

isotc262.org: **Thank you very much!**

Douglas: You're welcome. I was impressed with the expertise, engagement, and professionalism of the members of TC 262 at the Jordan meeting. The IIA looks forward to supporting this committee in the future where we can be of assistance.