

Risk Management and ISO 31000 in Indonesia

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

Mohammad Mukhlis, Indonesian delegate to TC 262



Mohammad Mukhlis, M.T. is a Senior Vice President of Indonesia Stock Exchange (IDX). He has extensive experiences in major IT development projects, IT governance and practical implementation and integration of international system management standards. He was responsible for the development and implementation of good corporate governance, risk management and business continuity management and led the international system management standard implementation of ISO 9001, ISO 27001, ISO 31000, ISO 22301 in IDX. he is a member of National Technical Committee 03-10 Risk Management in The National Standardization Agency of Indonesia and member of National Mirror Committee - NMC ISO TC 262 Risk management.

isotc262.org: *Mohammad you were representing Indonesia at the ISO/TC 262 meeting in October 2016 in Amman. Can you briefly introduce the National Standardization Agency of Indonesia (BSN), your national standardization organization, please?*

Mohammad: The National Standardization Agency of Indonesia (Badan Standardisasi Nasional / BSN) was established by Presidential Decree No. 13 of 1997. Since 2014, standardization and conformity assessment is regulated by law. National standardization policy, including position, task and responsibility of government, BSN and other related institutions or parties related to standardization and conformity assessment are regulated by that Law.

BSN is a government institution with the task and responsibility of standardization and conformity assessment. The responsibility of BSN is to foster, develop and coordinate activities in the field of national standardization. BSN has to develop national standard system to achieve the primary objective of standardization: to protect producers, consumers, workers and the public from aspects of security, safety, health and environment conservation. Setting national standardization is done in order to build a national system capable of promoting and improving, guaranteeing the quality of goods

and / or services as well as to facilitate national product acceptance in global market transactions, to improve the competitiveness of products and / or services of Indonesia in the global market.

The tasks and functions of BSN in the field of accreditation is conducted by the National Accreditation Committee (Komite Akreditasi Nasional - KAN). The task of KAN is to establish an accreditation system and to give consideration and advice to BSN in establishing the accreditation and certification system.

Tasks and functions of the BSN in the field of measurement unit is carried out by the National Standards Committee for Units of Measure (Komite Standar Nasional untuk Satuan Ukuran - KSNSU). KSNSU has the task to give consideration and advice to BSN regarding national standards for units of measure.

isotc262.org: *What is the impact of risk management and in particular ISO 31000 in Indonesia?*

Mohammad: Risk management is very important to each organization in Indonesia. It could help the organization to achieve their objectives by managing the risks.

Indonesian National Standard (Standar Nasional Indonesia – SNI) SNI ISO 31000 is the national standard of risk management in Indonesia that has been adopted from the international standard ISO 31000. Since the middle of 2016, ISO 31000 has been translated into Bahasa Indonesia (Indonesian Language) so it is easy to understand the standard.

ISO 31000 provides a systematic approach as a guideline in implementing risk management. It helps organization to manage its risk with best practice guidelines.

isotc262.org: *Who are the key stakeholders of risk management in Indonesia?*

Mohammad:

Key stakeholders of risk management in Indonesia are the National Standardization Agency of Indonesia (BSN), Government, and any public, private or community enterprise, association, group or individual.

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

Mohammad: The biggest obstacles for integrating risk management in all organizational activities in Indonesia is the commitment of high level management in the organization. This high-level management's commitment is a foundation for developing risk culture. The awareness level of all stakeholders from internal and external organization is also the important thing for integrating risk management into all organization activities.

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?*

Mohammad: The future of the standard ISO 31000 is very good and will be accepted by many stakeholders. As long as organizations face dynamic changes in their internal and external environment, the existence of risk management is always needed in every organization, so organizations need a systematic approach to manage risk. ISO 31000 is the solution.

New advanced requirements from practitioner view, higher governance requirements especially from the regulator and the complexity of the integration with other system management standards, will be the new challenges for the standard to respond to.

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

Mohammad: The risk management community has to continuously improve cooperation, in order to exchange information and knowledge, develop member's competencies, improving effectiveness of standards implementation in organizations and to increase its role in standard development.

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

Mohammad: The parties should communicate actively with the members of national technical committee 03-10 risk management or National Mirror Committee – NMC ISO/TC 262 Risk Management in Indonesia about the work of ISO/TC 262.

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

Mohammad: You're welcome!