



Risk Management and ISO 31000 in Ireland

Interview conducted for isotc262 with

Gerard Joyce, Chairman of the Irish mirror committee to TC 262

Gerard Joyce has 30 years' experience working in the IT sector and a very broad business and senior management record. He has worked throughout Europe which gives him a multicultural, and multilingual background. Gerard participated since 2006 fully in the development of ISO 31000 and is the chairman of the Irish risk management mirror committee since 2007.

isotc262.org: *Gerard, you are a member of the Irish mirror committee to ISO/TC 262. Can you briefly introduce NSAI the National Standards Authority of Ireland, your national standardization organization, please?*

Gerard: The National Standards Authority of Ireland (NSAI) is Ireland's National Standards Body and a member of ISO. NSAI is a Government agency under the Department of Jobs, Enterprise and Innovation. NSAI describes its mission as: »NSAI enables innovation, promotes trade, facilitates fair competition and protects consumers through measurement accuracy and the development, promotion and application of standards«.

isotc262.org: *You have been a »regular« at TC 262 meetings in the past but were prevented from coming to Amman – will you be back at the next meeting and what is Ireland's principle message regarding the last drafts of ISO 31000?*

Gerard: I would like to attend the next meeting (in Mountain View CA July 10-14), but the significant costs associated with the travel are a barrier. I will not know until closer to the date if it will be possible to attend. Regarding the last drafts of the ISO 31000 our principle message is: We would have liked to have seen more guidance on how Boards can do better "oversight" and would have liked to have seen more guidance on how to address the human and cultural factors that we know affect risk.

isotc262.org: *What is risk management based on in Ireland (e.g.: are there any laws, regulations, national standards or other rules)?*

Gerard: In my experience in Ireland, organisations only take the management of risk seriously when there is a strong regulatory reason. i.e. when a regulator (e.g. financial) demands that the institutions be able to demonstrate that they are managing risks in systematic / considered manner. Most organisations have not yet realized that risk management “creates and protects value” and is worth doing... even if a regulator is not demanding it. What does this say about standards? We need to better communicate that the ISO 31000 standard is not a “limiting standard” but an “enabling standard”. “A well controlled environment gives you the licence to do more”. (Visa CEO). I often tell my customers that “Brakes allow a car to go fast”!

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

Gerard: We have seen a growing interest in risk management in general in Ireland as a result of regulation. However, the regulators are not familiar with the language of ISO 31000 and do not mention it in their communications. Consequently, the impact of ISO 31000 has been light. There are just a small number of large organisations in Ireland that use ISO31000 as a guide.

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

Gerard: Assuming the question is about key stakeholders in organisations in Ireland, then I would answer: Risk and Compliance officers. As with my answer above there is a strong link between risk management and compliance management.

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

Gerard: Incorrect perception is a big obstacle. Many feel that risk management is a limiting activity and reducing their freedom to act and thus perceived as a negative. But perhaps the biggest obstacle is the poor understanding at the top of the organization (The Board) as to the benefits of organization-wide risk management. If the members of the board don't understand it they will not demand it and it will not get done.

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?*

Gerard: If you change the “will” to a “should” I can answer this question as follows: Here's my wish list for future changes to the standard:

1. In the Principles section explain why risk management is good for organisations and how the principles might be applied in practice.... Could be an annex.
2. Framework is about formal management arrangements, show how these integrate / co-exist with other management arrangements... Could be an annex

3. Process. Don't see much change here
4. Reporting. We need to give more guidance on reporting. We need to give guidance on what a Board should be looking for from management and we need to guide management in what they should be telling the Board.
5. The Human and Cultural Factors. The aviation industry has done a lot of research in this area and we should learn from their work. We know that despite policies, procedures and other controls, the same humans react / behave differently on different days. ISO 31000 needs to include some guidance (not just mentioning the phrase) on how to recognize, measure, monitor and influence the human effects.

isotc262.org: *Is there a message that you want to give to the risk management community?*

Gerard: By "risk management community" I'm going to assume you mean beyond the TC262 group, to the people that we want to reach and encourage to do risk management better. I would say: "You are doing a lot of this already and if you follow the guidance in the standard you will do it better and you will improve the performance of your organization."

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

Gerard: The NSAI National Mirror Committee for ISO/TC 262 already operates very well as a Consultative Committee and is always open to requests from Irish interested stakeholders and experts. Information on the national secretary and the online application form is available on www.NSAI.ie

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

Gerard: You know, standards in general and risk management in particular give organisations the feeling that you are somehow limiting the scope of their activities. They often shy away from using a standard because they see it as costing time and money and not improving the bottom line. If we want a better, more enthusiastic take up of the standard then we got to get the message out there that risk management is good for business... it will increase your profit margin. Then the Boards might take more notice and then it might get done (better) in organisations.