

## ISO 31000:2018 will be adopted in Germany

Interview conducted for isotc262  
with

**Prof. Dr. Udo Weis, Chairman of DIN  
NA 175-00-04 AA, the German mirror  
committee to ISO/TC 262**



Prof. Dr. Udo Weis was trained as a chemist and later earned a MBA in international business. After working for over 15 years in industry, he joined SRH University Heidelberg as a professor for business engineering. He is currently director of the Steinbeis Institute of International business and Risk Management in Heidelberg, Germany and CEO of IFNEK GmbH. Prof. Weis has worked for over 25 years in several national and international standardization committees.

isotc262.org: *Prof. Weis you are the chairman of DIN NA 175-00-04 AA, the German mirror committee to TC 262. Last March you introduced DIN, Deutsches Institut für Normung e.V., your national standardization organization in Germany to us. Can you please explain the basis for risk management in Germany today?*

**Prof. Weis:** There is a long tradition of risk management in Germany which became part of codified law with KonTraG (the law for controls and transparency in companies dated may 1<sup>st</sup>, 1998 demanding the implementation of a system monitoring at an early stage developments putting the continuity of a company at risk) and was further developed in BilReG (Bilanzrechtsreformgesetz) demanding the assessment of risks and their explanation in the annual statements of incorporated companies in 2004 and BilMoG (Bilanzrechtsmodernisierungsgesetz) in 2009 demanding an explanation of the internal control and risk management system with regard to their reporting system in the annual reports of capital market oriented companies.

In some cases, the risk management system will be audited together with the annual reports. This audit will follow IDW PS 340 the auditing standard last updated on September 11<sup>th</sup>, 2000 by IDW (the Institute of Public Auditors in Germany) and which is very similar

to ISO 31000. Recently IDW PS 981 was published which gives guidance on the principles of sound and orderly auditing of risk management systems. Of course, organizations are well advised to look at those standard and implement their system accordingly before the auditor start doing his or her job.

isotc262.org: *DIN did not adopt ISO 31000:2009 as a national standard – what were the reasons?*

**Prof. Weis:** At the ISO/TC 262 WG 2 meeting in London in April 2014 those reasons were dubbed the German basket concerns. They were laid out in detail in the national preamble and the national footnotes to the draft translation published in January 2011 in the adoption procedures: the definition of risk, the handling of safety aspects, protection of human health and environmental protection and certification were some major concerns.

isotc262.org: *What was the decision of the German mirror committee on the FDIS published in October?*

**Prof. Weis:** On November 24<sup>th</sup>, DIN NA 175-00-04 AA met and discussed the FDIS and how to vote on it. While it is not a perfect standard the new version has improved a lot in comparison with the 2009 version. Therefore, two decisions were taken: Germany approves the FDIS with only one comment and DIN starts procedures to adopt the new version of ISO 31000 as a national standard in Germany.

isotc262.org: *What are the improvements in the new version of ISO 31000 that facilitated this new approach?*

**Prof. Weis:** The new version while retaining what has facilitated the global success of the standard provides clear concise guidelines to interested parties confronted with risk management. It is using shorter and more precise and easily to understand wording. In particular the Scope, Terminology and Principles Sections are much shorter now: after setting the scene in Scope emphasizing that it can be used by any organization the fundamental terminology has been reduced from 29 terms to 8 defined terms and the Principles which are the success criteria of risk management were specifically addressed by streamlining the wording and merging some of the old principles. Value creation and protection has become the very heart of the standard surrounded by a list of eight principles.

Leadership and integration form further central elements which are addressed more precise and dominant and the brevity of the new wording in Framework and Process eliminated basically the German Basket Concerns. Also, greater emphasis is put on the iterative nature of risk management.



**isotc262.org:** *What are the procedural steps for the adoption and publication of the standard in Germany?*

**Prof. Weis:** Naturally, the first step is to translate the standard into German – and as there is more than one German speaking member in TC 262 we want to make sure that there will be a unified translation for all of them. Therefore, we plan to coordinate the German version with our colleagues from ASI in Austria and SNV in Switzerland. This should be accomplished by the time of the publication of the standard by ISO. At that time the German Version will be circulated for comment and ballot and depending on the results it might be officially adopted and published already in Summer next year.

**isotc262.org:** *Do you expect any new developments in Risk management in Germany following adoption of ISO 31000?*

**Prof. Weis:** Adoption of the standard will reduce the strain of organizations who now still have to deal with intentional best practice which is not officially adopted in Germany. In particular this will improve life for German companies having subsidiaries or branches abroad or being otherwise internationally active. While today ISO 31000 plays a minor role in Germany it will be in the focus of organizations in the future.

**isotc262.org:** *Who should interested parties in Germany address to offer their input to the work of DIN NA-175-00-04 AA?*

**Prof. Weis:** They should contact DIN's project manager for the mirror committee on risk management principles Dr. Christian Thom. His coordinates can be found on DIN's website for [NA 175-00-04 AA](http://www.din.de/na/175-00-04-aa).

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