

ISO 31000:2009 Risk Management -

Principles and Guidelines

The ISO Technical Management Board (TMB) set up the ISO Working Group on Risk Management (WGRM) in June 2005 for the purpose of developing an international Risk Management (RM) standard that would harmonize RM standards worldwide. The Singapore WGRM was formed as a mirror WGRM of the 27 participating countries, namely, Australia, Austria, Brazil, Canada, China, France, Germany, Ireland, Italy, Japan, Netherlands, New Zealand, Singapore, UK, Sweden, India, Spain, Argentina, Columbia, Denmark, Indonesia, Israel, Malaysia, Mexico, Norway and Spain. SLP was invited by SPRING Singapore to participate in Singapore's WGRM to represent the views from industry. The Singapore WGRM is part of SPRING Singapore's Management System Standards Committee.

The ISO 31000:2009 Risk Management – Principles and Guidelines was published on 15 November 2009 with the following objectives:

- It provides principles and guidelines on Risk Management
- It is not intended for certification use
- It replaces existing national RM standards such as AS/NZS 4369, JIS Q2001:2001, BS31100, CAN/CSA-Q850:1997, Austrian ONR 49000, and International Risk Governance Council (IRGC)

The standard provides universal benchmark guidelines for RM which is applicable to all types and sizes of organizations in all industry sectors.

The key highlights of the ISO31000:2009 are:

- Relationship between the principles, framework and process in RM
- Framework for managing risks
- Risk management process

In the meantime, ISO Guide 73:2009 Risk Management – Vocabulary was also published. It replaced the ISO/IEC Guide 73:2002 Risk Management – Vocabulary “Guidelines for Use in Standards”. This Guide provides definitions on terms relating to RM such as Risk, Risk Management Process, Risk Assessment, Risk Identification and Risk Treatment. For example:

- Risk – “Effect of uncertainty on objectives” (with qualifying statements on “effect”, objectives”, and how “risk” is expressed in terms of a combination of the consequences and likelihood of the occurrence of an event
- Risk Management – “ Coordinated activities to direct and control an organization with regard to risk”
- Risk Management Framework – “A set of components that provides the foundation and organizational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management processes throughout the organization.

The ISO 31000:2009 and ISO Guide 73:2009 were launched at SPRING Singapore's seminar on 8 February 2010.

(This article was written by Ong See Hee, President of SLP. See Hee was our representative on the Singapore WGRM. Participation in SPRING Singapore committees is one of the objectives of SLP as a responsible professional society. We are also represented on committees set up by MOM and SCDF.)

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SLP Secretariat

14 Robinson Road 13-00 Far East Financial Building Singapore 048545
Mobile: 9893 0746 Fax: 6483 5418 E-mail: secretariat@slp.org.sg
<http://www.slp.org.sg>