

Safety Corner

What is ISO 31000:2009?

Similar to ISO 9000 and ISO 14000, which have become references for managing quality and environmental issues within organizations, the International Organization for Standardization is launching ISO 31000:2009 “Risk management – Principles and guidelines on implementation” (the Standard) to formalise risk management practices that facilitate broader adoption by organizations who require an enterprise risk management (ERM) framework.

The Standard, through the establishment of standard guidelines for the design, implementation and maintenance of risk management processes throughout an organisation, provides best practice structure and guidance to all operations concerned with risk management that are applicable and adaptable for "any public, private or community enterprise, association, group or individual." Therefore, this International Standard is generic and not specific to any industry or sector, management system or subject matter field in mind. On the same token, the Standard is not intended for certification.

ISO 31000, which is based largely on AS4360, seeks to provide a universally recognised model for practitioners and organisations employing risk management processes and to replace the large cache of existing standards, methodologies and systems that differed between industries, subject matters and locales. Some areas of risk management, such as the areas of safety, human health and environment management, impose criteria that follow legal and regulatory requirements and international norms for an aversion to negative consequences. The application of the risk management approach described in the Standard helps to ensure that those criteria are identified and applied. Therefore, the Standard also helps an organization to comply with legal and regulatory requirements and international norms as well as to improve on its performance.

Interestingly, ISO 31000 defines risk as “effect of uncertainty on objectives”, rather than the typical definition of risk is the product of likelihood and consequence. This approach implies a top-down approach and risk is neither positive nor negative. The Standard also attempts to provide definitions for terms that have been defined in many ways internationally. For instance, risk management is defined in the Standard as “coordinated activities to direct and control and organization with regard to risk.”

The Safety Specialist Committee will arrange a seminar on the Standard in the short future. Please visit our websites for upcoming events.

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