THE REVISION OF ISO 31000 RISK MANAGEMENT – GUIDELINES
UPCOMING AS GERMAN DIN-ISO-STANDARD

Publication of ISO 31000:2018 and adoption of ISO 31000 in Germany

The revision of ISO 31000 has ended with its publication on February 15th. The standard is now having a shorter and more concise title: »ISO 31000:2018 Risk Management - Guidelines«. The German mirror committee to »ISO/TC 262 Risk Management«, DIN NA 175-00-04 AA, did not adopt ISO 31000:2009 as a national standard in Germany.[1] Now, last November, the technical committee has decided to adopt the standard as a German National Standard. A translation has been prepared in collaboration of DIN with ASI in Austria and SNV in Switzerland to provide a common »DACH-translation« for Germany (D), Austria (A) and Switzerland (CH).

Improvements

While there are some evident improvements

- value creation is now the overall principle of risk management,
- leadership and commitment are addressed more precise,
- the integrated approach is more dominant,
- more emphasis is put on the iterative nature of risk management,
- the wording of the document is shorter, and thereby clear and easy to read,

and while the decision followed in the revision was to reduce down to the fundamental concepts, the content and structure of the standard were maintained and ISO 31000:2018 is still providing generic guidance for risk management. The document is still based on three pillars:

Principles, Framework and Process

now shown in figure 1
in a modern
picture language:
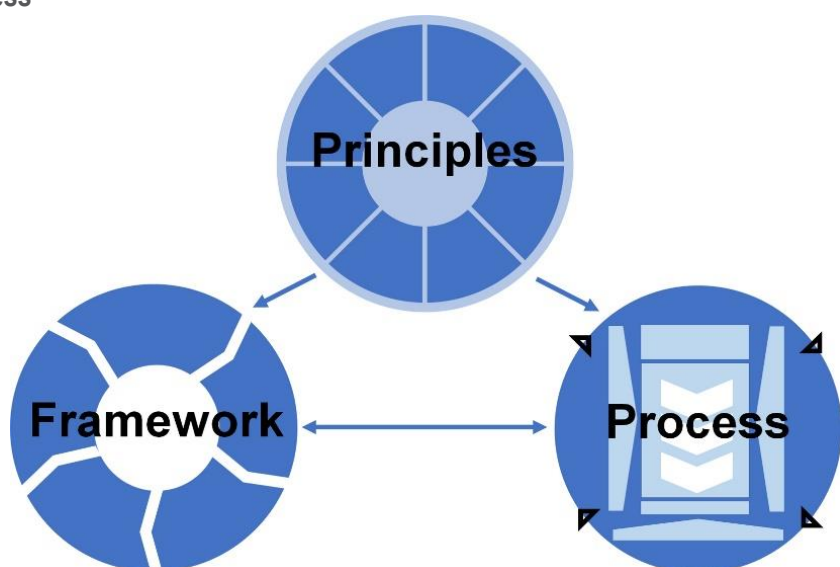
More than 3000 comments discussed in the revision

More than 3000 comments have been discussed during the revision and the experts struggled hard for a consensus acceptable globally. The document thus was improved step by step showing that the world of risk management was moved into a new paradigm where experienced experts were confronted with fundamental changes in their way of thinking and working with risk.

Terminology

Terminology has always been an issue between the experts, key concepts were confusing for some or even destabilizing for others. The fundamental terminology has therefore been reduced from 29 terms in the 2009 version down to 8 terms in the 2018 version. Instead of defining artificial terms, the concept was using a clear and generic language. Simple common language was privileged to jargon and complex expressions so that ISO 31000:2018 is accessible to all stakeholders.

Principles

There was significant debate on all eleven principles of the 2009 version of the standard: were they still relevant and necessary? In the end, there remained eight principles sitting at the heart of successful risk management. Value creation and protection in the 2018 edition is now the very center of the standard introducing the clause on principles. It has been placed in the center of the eight principles around which they are clustered.

Framework

The clause on framework has two central focal aspects: Leadership and Integration. Specific tasks are recommended for management and oversight bodies (e.g. supervisory boards). Integration starts with governance, external and internal relationships and rules, processes and practices. Everyone in an organization has the responsibility for managing risk.

Process

During the revision the text describing the process at times was »breathing« – being expanded and reduced again keeping it to the basics – and much focus was put on making the clause user friendly from a readability point of view. Probably the toughest discussion and the most comments received were on the figure presenting the process. Any graphic is connected with personal preference. In the end it was decided to go back from modern times to a version that was close to the traditional version of presenting a process with just a circle superimposed to keep it closer to the more modern figures in the rest of the standard. Only four small triangles are supposed to indicate the iterative nature of the process.

Further development

A publication of the German version of the standard is planned as soon as possible as ISO 31000 has a high global relevance. Publication can be expected this year in late summer or early autumn.