

## RISK ENVIRONMENT EXPECTS MORE FROM RISK PROFESSIONALS

In looking at the world over the last 2 years, one can deduct that the pressure is on for Risk Professionals. It is well documented that in the wake of massive risk management failures, the risk environment are expecting more from corporate risk managers. In fact at a recent IRMSA awards Dinner, Dr Gert Cruywagen of the Tsogo Sun Group indicated that Risk Managers need to be called risk professionals, thus the expectations above are aimed at all risk professionals.

Risk Professionals will in future be asked to broaden the scope of their programmes and in addition provide more detailed data and analysis to support better decision making. These growing demands in addition to the accelerated pace of business necessitates an industry guidance to help organize risk management efforts. The development and implementation of the ISO31000:2009 (released November 2009) is most welcome in this regard, as it provides a simplified reference guide, and is extremely accessible and user friendly. Although the new standard is worthy of its early praise, risk professionals need to keep in mind that the success of ISO31000 will depend on the level of endorsement it receives from industry associations, regulators & government bodies, as well as the level of its adoption by corporations worldwide. It is critical to understand what the framework will and will not provide for risk professionals who adopt it.

ISO31000 will help risk professionals to implement Risk Management Tools and Practices. However it will not help you to:

1. Determine how your organisation measures risk – risk professionals will still have to work out ways to properly mine data and expertise that create reliable risk information.
2. Ensure that all important risk areas are considered
3. Develop risk documentation and reports – ISO31000 explains the elements that should be included in tools to use as templates when designing risk taxonomies, heat maps, etc, but risk professionals will for now have to rely on consultants, product vendors or industry peers for assistance.
4. Make the business case for a comprehensive risk management programme describing the elements of risk management and its context within the business will most certainly help frame what a risk management programme should include. This does not in itself justify what will likely become a significant investment in time and resources.

What should risk professionals do?

Risk Professionals who want to take full advantage of the ISO31000 standard should:

- Focus on short-term wins and incremental improvement. Knowing what ISO 31000 can and cannot help you with, it's worth reviewing the framework with your risk management team and adjusting your internal processes accordingly.

Full adoption — especially incorporation of opportunity management — will not be an immediate priority for most organizations. Incremental process improvements and greater ability to communicate goals and expectations, however, will be quick wins.

- Work to quickly translate ISO 31000 into tangible business benefits. Adoption will only raise the level of expectations from these stakeholders, who may confuse more formal risk management processes with more effective risk management. That is, they will assume it decreases the risk profile. Risk professionals will have to work hard to make sure that adoption of ISO 31000 translates into tangible benefits — such as more timely identification of risks, improved risk insight, justification of controls, and ultimately, better business performance.
- Make the business case using focused examples. Starting with a specific project, product line, or business unit will offer a helpful proof of concept to justify investments and changes to the risk management process. Demonstrating value in terms of performance (e.g., a more lucrative sales pipeline, better customer satisfaction scores, fewer safety violations) will provide strong evidence to support your case.
- After adopting ISO 31000 principles, turn to ISO 31010 for practical guidance. ISO/IEC

31010:2009 Risk management — Risk assessment is a supporting standard for ISO 31000. It provides helpful details on the elements of risk analysis and presents a wide range of risk assessment techniques and examples. Use this document to help identify and develop practices that fit your specific needs and available resources.

Audit Intelligence product range include the BEAR application, which as a solution can be tailored to assist in the implementation of the ISO31000. Contact Audit Intelligence for any further information with regard to the BEAR solution.



**Gareth Britz**

Marketing Executive  
Audit Intelligence (Pty) Ltd  
Tel: 012 844 0600  
Fax: 086 547 1443  
Cell: 082 418 7132  
E-mail: [garreth@auditintelligence.co.za](mailto:garreth@auditintelligence.co.za)  
Web: <http://www.auditintelligence.co.za>