SANCERT

ISO 31000:2018 Risk Management

"Risks are opportunities in disguise. With ISO 31000:2018, we turn those opportunities into a standard, managing risks and embracing challenges with confidence and success. Let's face the future with resilience and assurance, one risk at a time."

Logo registered to Sancert.

ISO 31000:2018 is an international risk management standard. It provides a framework for organisations to manage risk in a systematic and transparent manner, to ensure that their objectives are met and that they are prepared to respond to unexpected events. ISO 31000:2018 covers the entire process for managing risk in any standard applied be it ISO 9001, ISO 14001 or ISO 45001.

The benefits of implementing ISO 31000:2018 include:

- Improved risk management by identifying, assessing, and addressing risk in a systematic and transparent manner.

- Improved decision-making by considering risk in the decision-making process.

- Better alignment of risk management with the organisation's objectives.

- Enhanced reputation and credibility with customers, stakeholders, and regulators.

- Improved resilience and preparedness to respond to unexpected events.

To implement ISO 31000:2018, an organisation must define and document its risk management policy and objectives, perform a risk assessment, implement controls to address the risks identified, and continuously monitor and review its performance.

ISO 31000:2018 certification is a third-party endorsement that a company has implemented and is following the ISO 31000:2018 risk management standard.

The certification process involves an audit by a certification body such as **Sancert** to verify that the organisation's ISO 31000:2018 risk management system meets the requirements of the standard.

The ISO 31000:2018 Risk management standard covers the following requirements:

1. *Establishing the risk management framework- This includes defining the scope of the risk management process, identifying stakeholders, and establishing roles and responsibilities.*

2. *Risk assessment- This involves identifying, analyzing, and evaluating risks to determine their potential impact on the organisation.*

3. *Risk treatment- This involves selecting and implementing appropriate strategies to manage risks, such as avoiding, reducing, transferring, or accepting risks.*

4. *Monitoring and review- This involves regularly monitoring and reviewing the risk management process to ensure its effectiveness and making necessary adjustments.*

5. *Communication and consultation- This involves engaging stakeholders and ensuring that risk management information is effectively communicated and shared throughout the organisation.*

6. *Continual improvement- This involves continuously improving the risk management process by learning from experiences and making necessary adjustments.*

It's important to note that these key points are interrelated and should be integrated into the overall risk management process to ensure its effectiveness. Additionally, the standard should be applied in a way that is consistent with the organisation's culture, structure, and operations.

Requirements for creating a risk methodology:

- *Identify Risks: The first step is to identify all potential risks that could impact the organisation. This can be done through a variety of techniques such as brainstorming, risk assessments, and stakeholder engagement.*

- *Analyse Risks: Once the risks have been identified, they need to be analysed to determine their potential impact and likelihood. This can be done by using tools such as a risk matrix, which plots the likelihood and impact of each risk on a grid.*

- *Assess Risks: The next step is to assess the risks to determine their overall level of risk. This can be done by combining the likelihood and impact scores, and assigning a risk rating (e.g. high, medium, or low) based on the results.*

- *Prioritize Risks: Based on the risk ratings, the risks should be prioritized so that the most significant risks receive the highest level of attention. This will help the organisation focus its efforts on managing the risks that pose the greatest threat.*

- *Develop Risk Response Plans: For each prioritised risk, the organisation should develop a risk response plan that outlines the steps that will be taken to manage the risk. The plan should consider strategies such as avoiding the risk, transferring the risk, reducing the risk, or accepting the risk.*

- *Implement Risk Response Plans: The final step is to implement the risk response plans and monitor the risks to ensure that they are effectively managed over time. The risk management process should be ongoing, and the organisation should continually assess and update its risk response plans as needed.*

It's important to note that this is a simplified version of a risk methodology process, and organisations may choose to adapt or modify the process based on their specific needs and circumstances.