



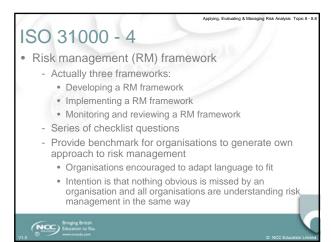
Applying. Evaluating & Managing Risk Analysis Tope 8 - 8. Learning Outcomes By the end of this topic, students will be able to: Generate risk assessment maps and tables; Analyse findings; Create risk responses; Evaluate actions proposed; Create risk databases; Report conclusions; Provide reasoned recommendations; Name and discuss examples of risk management international standards; Name examples of international institutes concerned with risk management.

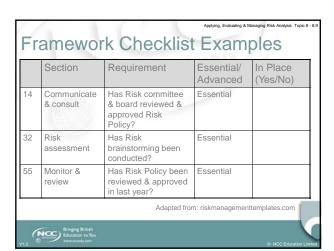
International Standards Few industry recognised standards for risk management exist Three risk management standards: ISO 31000 Risk Management Standard COSO2 Focus on the first two standards

Applying, Evaluating & Managing Risk Analysis Topic 8 - 8.5 ISO 31000 - 1 International organisation for standardisation Official name ISO 31000:2009 Launched 2009 Has own terminology guide: 73 Replaces AS/NZS 4360 from 2004 Australian standard Aim: Provide a best practice structure for risk management

Not a certifiable standard More of a benchmark Applying, Evaluating & Managing Risk Analysis Topic 8 - 8.6 ISO 31000 - 2 Objectives: To replace all existing standards, methodologies and approaches to risk management To provide one generic standardisation across all industries regardless of subject area Not a certifiable standard More of a benchmark

Potential benefits: Increased likelihood of achieving objectives Encourages proactive management Increases awareness of risks International norm Establishes reliable decision making and planning basis Encourages effective resource allocation and use





Risk Management Standard -1

- · Created by:
 - Institute of Risk Management (IRM)
 - The Association of Insurance & Risk Managers (AIRMIC)
 - The Public Risk Management Association (ALARM)
- Published 2002
- Later adopted by Federation of European Risk Management Associations (FERMA)
- Developed in United Kingdom
- · Non certifiable standard
- · Organisations aim to be 'in compliance'



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Applying, Evaluating & Managing Risk Analysis Topic 8 - 8

Risk Management Standard - 2

- · Objectives of standard is to agree:
 - Terminology
 - Risk management process
 - Risk management organisation structure
 - Risk management objective
- Acknowledges the many approaches available to achieving objectives



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Risk Management Standard - 3

- · A 'best practice' standard
- Updated when ISO 31000 launched in 2009
 - 'A structured approach to Enterprise Risk Management (ERM) and the requirements of ISO 31000'.
- IRM, AIRMIC & ALARM still remain loyal to original Risk Management Standard
- Own risk management process



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Risk Management Standard - 4 • 7 step process with sub steps: 1. Organisation's strategic objectives 2. Risk Assessment • Risk Analysis - Risk identification - Risk description - Risk estimation • Risk evaluation 3. Risk reporting 4. Decision 5. Risk treatment 6. Residual risk reporting 7. Monitoring

International Institutes • Many risk management institutes worldwide, such as: - Institute of Risk Management (IRM) - Federation of European Risk Management Associations (FERMA) - International Federation of Risk & Insurance Management Associations (IFRIMA) - The Association of Insurance & Risk Managers (AIRMIC) - Public Risk Management Association (ALARM) • There are also other organisations that have special interest groups (SIG) in risk management, such as: - Project Management Institute (PMI) - Chartered Institute for IT (BCS).

International Federation of Risk & Insurance Management Associations • Known as IFRIMA • Founded 1984 • An 'Association of Associations' - International umbrella organisation for RM Institutes • Operates as a forum for RM Institutes • Members from over 30 countries • Supports ISO 31000 - Agrees with benchmarking approach - Did not support Certification

Focus Risk management education Applying, Evaluating & Managing Risk Analysis Topic 8 - 8.16 IFRIMA - 2 Goals Improve the 'value' of risk managers Encourage and assist in creation of new risk management organisations globally Promote organisation cooperation Specifically the exchange of ideas Focus Risk management education

Project Management Institute Known as PMI Published own standard named project management book of knowledge (PMBOK) Risk management is one of nine recognised knowledge areas

Project Management Institute PMBOK • Breaks risk management down into six processes: 1. Plan risk management 2. Identify risks 3. Perform qualitative risk analysis 4. Perform quantitative risk analysis 5. Plan risk responses 6. Monitor and control risks

BCS Chartered Institute for IT Known as BCS Previous name British Computer Society "Mission is to enable the Information Society" Special Interest Group (SIG) Information Risk Management & Assurance Group (IRMA)

BCS IRMA Information Risk Management & Assurance Group (IRMA) Established 1965 Objectives: Encourage research and promote development Provide a forum Promote efficiency, effectiveness and economics Represent information risk management to other organisations

References Project Management Institute (2008). A Guide to the Project Management Body of Knowledge (PMBOK® Guide). 4th Edition. Project Management Institute. www.ifrima.org www.theirm.org www.pmi.org www.bcs.org

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Topic 8 – Applying, Evaluating & Managing Risk Analysis
Any Questions?
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