



SA/SNZ HB 436:2013  
**Risk management guidelines—**  
**Companion to AS/NZS ISO 31000:2009**



## **SA/SNZ HB 436:2013**

This Joint Australian/New Zealand Handbook was prepared by Joint Technical Committee OB-007, Risk Management. It was approved on behalf of the Council of Standards Australia on 29 November 2013 and on behalf of the Council of Standards New Zealand on 4 December 2013.

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We also welcome suggestions for improvement in our Standards, and especially encourage readers to notify us immediately of any apparent inaccuracies or ambiguities. Please address your comments to the Chief Executive of either Standards Australia or Standards New Zealand at the address shown on the back cover.

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SA/SNZ HB 436:2013

# Handbook

## **Risk management guidelines— Companion to AS/NZS ISO 31000:2009**

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## PREFACE

This Handbook was prepared by the Joint Standards Australia/Standards New Zealand Committee OB-007, Risk Management, to supersede HB 436:2004, *Risk management guidelines—Companion to AS/NZS 4360:2004*.

This Handbook provides guidance on the implementation of AS/NZS ISO 31000:2009, *Risk management—Principles and guidelines* (hereafter referred to as ‘the Standard’).

AS/NZS ISO 31000:2009 (the Standard) defines the concept of risk, explains how it comes about, and describes the principles, framework and process that allow risk to be managed effectively. It also provides an internationally agreed terminology and criteria against which the effectiveness of risk management activity can be judged.

This Handbook expands on and explains these elements and provides advice about applying the Standard, including using it to evaluate and improve existing risk management practice.

The vocabulary in this Handbook is aligned with the defined terms in the Standard and other terms in ISO Guide 73:2009, *Risk management—Vocabulary*. These terms and their definitions are given in Appendix F of this Handbook.

The structure of the Handbook follows the structure of the Standard. Each Clause of the Standard, with the exception of Clause 2 (the terms and definitions) which is reproduced in its entirety in Appendix F, is replicated in a grey-shaded box and is followed by related guidance. Similar clause numbers are used for the guidance in the Handbook to the clause numbers of the Standard to which they relate. There are additional appendices—one providing a change methodology to assist organizations to transition from present risk management practices to practices aligned with the Standard, one providing examples of risk management policy statements, one providing guidance on qualitative and quantitative approaches to establishing risk criteria, one providing additional guidance for communication and consultation, and one providing guidance on integration. To avoid confusion between the ‘appendices’ of the Handbook and the single ‘annex’ of the Standard, the latter is replicated and explained in its own section (Section 6) of this Handbook.

To help explain the concepts and the application of the Standard, the Handbook has numerous examples and illustrative templates. However, these need to be used thoughtfully and care is needed before they are directly applied to any particular risk management activity. The setting of their intended use should be carefully considered and where appropriate modifications or adjustments made, provided that the amended technique is consistent with the Standard.

### **Audience for this Handbook**

This Handbook is intended for those who are—

- responsible for tasks associated with establishing risk management in a new organization or aligning risk management in an existing organization with the Standard;
- responsible for the application of risk management and its components to support the decision making in the strategic and day-to-day activities of the organization; or
- seeking to acquire skills in risk management.

## **Relationship of AS/NZS ISO 31000:2009 to AS/NZS 4360:2004**

The introduction to the Standard explains that it is an international standard that has drawn on many aspects of the previous joint Australian and New Zealand Standard (AS/NZS 4360), first published in 1995 with revisions in 1999 and 2004. Users of these earlier documents will recognize the similarities.

Even so, there are important improvements that have resulted from the international collaboration and consultation that occurred in the development of the international standard, a standard that both Australia and New Zealand have adopted in place of AS/NZS 4360. Principal amongst these improvements are the following:

- Risk is now defined in terms of the effect of uncertainty on objectives.
- The principles that organizations need to follow to ensure they ‘manage the risk associated with managing risk’ have been made more explicit.
- There is much greater emphasis and guidance on how risk management should be implemented and integrated into organizations through continuous improvement of the framework that delivers both the mandate and capability to manage risk effectively.
- An annex that describes the outcomes that are achieved by effective risk management (in effect a critical test of success) and sets out key attributes by which the organization can judge the way it acts in relation to risk has been included. These attributes will ultimately determine success.

## **Companion documents**

Progressively, Standards Australia and Standards New Zealand are revising and republishing companion guideline documents (whether these were Standards or Handbooks) that had been prepared to expand on the earlier Standards. The replacement documents will align with the new Standard. Examples that have been completed at the time of publication of this Handbook include the following:

AS/NZS

5050:2010 Business continuity—Managing disruption-related risk

HB

89 (2013) Risk management—Guidelines on risk assessment techniques

141 (2011) Risk financing guidelines

158 (2010) Delivering assurance based on ISO 31000:2009 Risk management—Principles and guidelines

203 (2012) Managing environment-related risk

246 (2010) Guidelines for managing risk in sport and recreation organizations

266 (2010) Guide for managing risk in not-for-profit organizations

327 (2010) Communicating and consulting about risk

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