How can ISO Management System Standards contribute to mitigate business risks?

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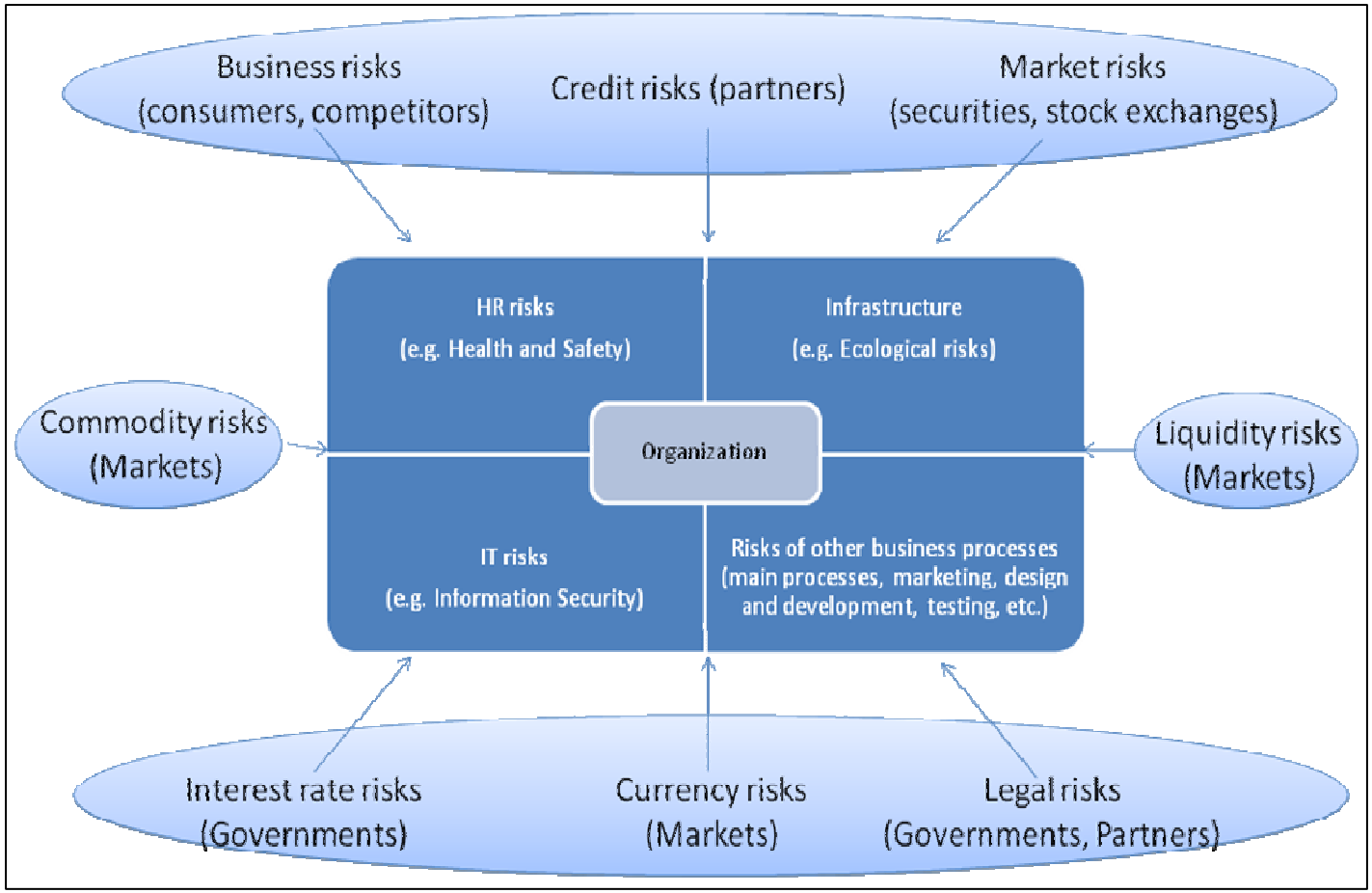
Issues of practical implementation

- ‘Nobel prize lectures’ vs. ‘buy low, sell high’, and ‘generic risk management process’
- Everybody manages risks – no need to convince
- How to make risk management efficient and effective?
  - Risks are timely identified and no risks are missed
  - Risk are properly evaluated
  - Risk management strategies are implemented effectively
  - Etc.

Too many risks to manage: standards come from different spheres

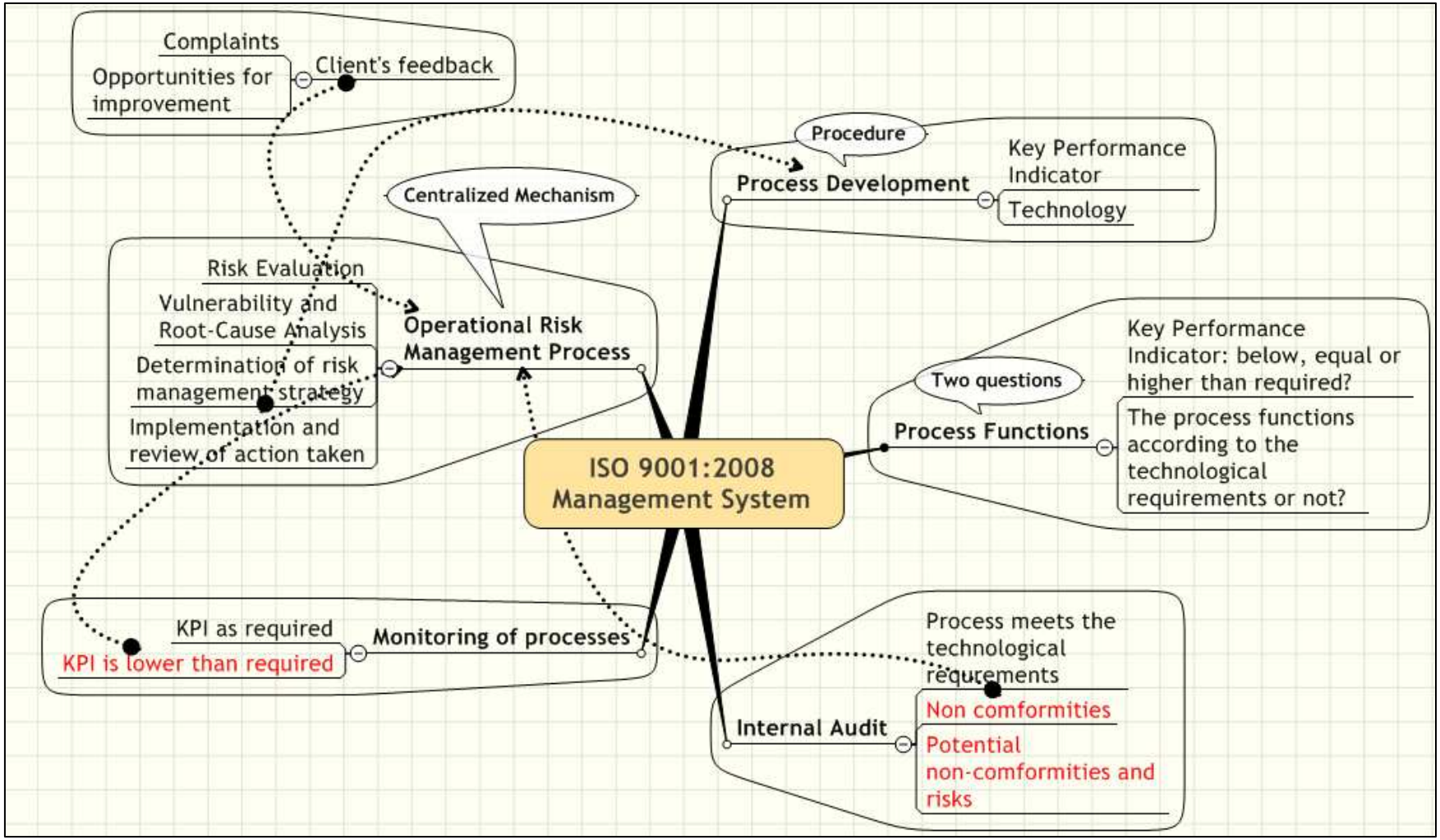


Necessary conditions to build a RM System

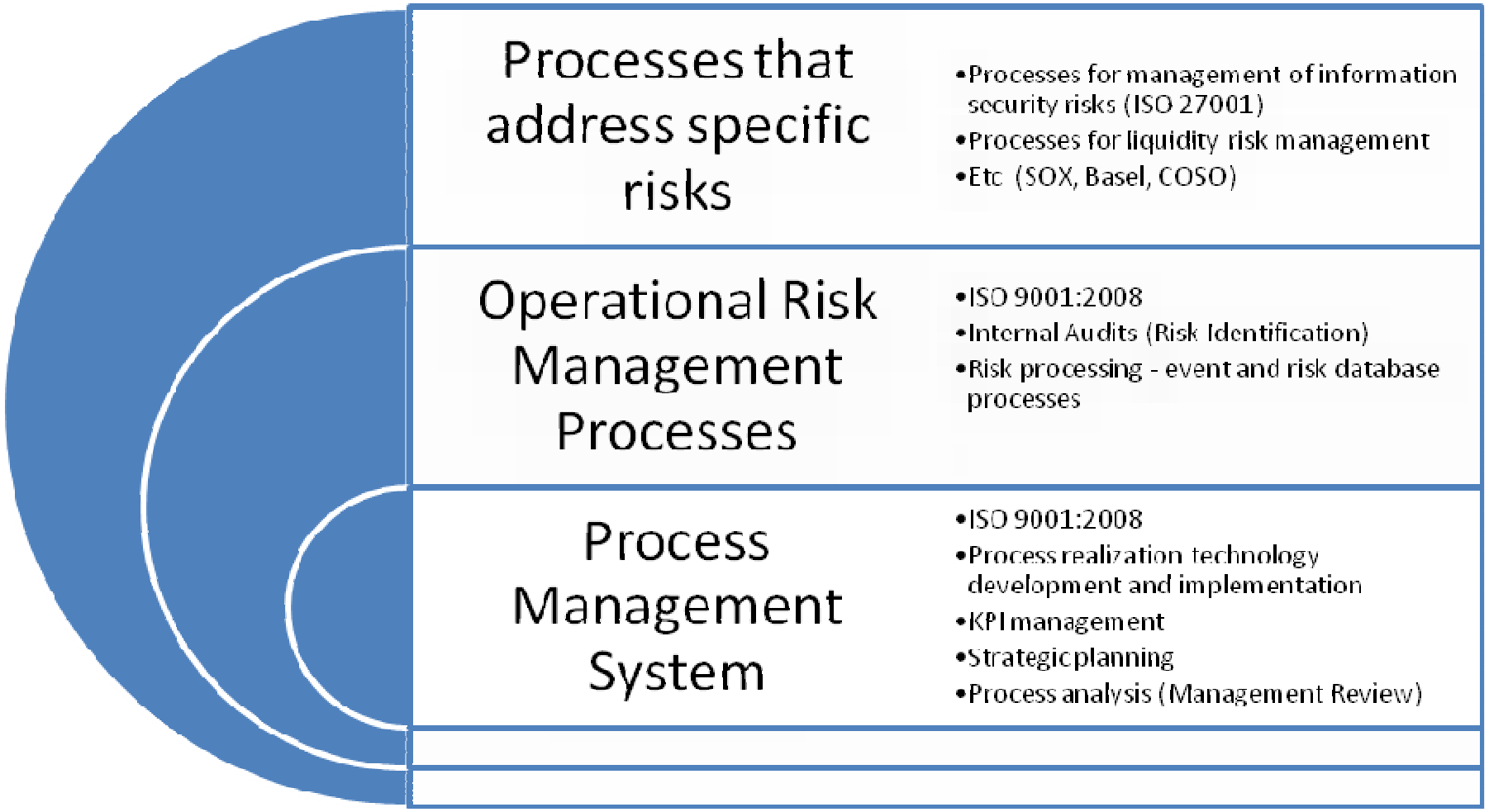
1. Process management framework
   – Risks are managed by business processes
2. Operational risk management system
   – Risks ‘reside’ in the business processes

- ISO Management System Standards are very helpful – risk management system is already there

Business process and operational risk management system

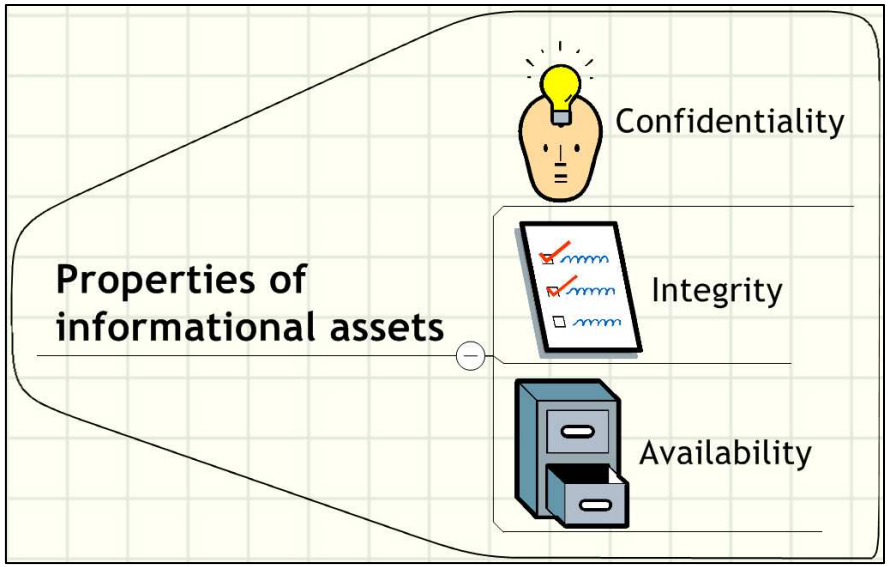


Three-layer Risk Management System

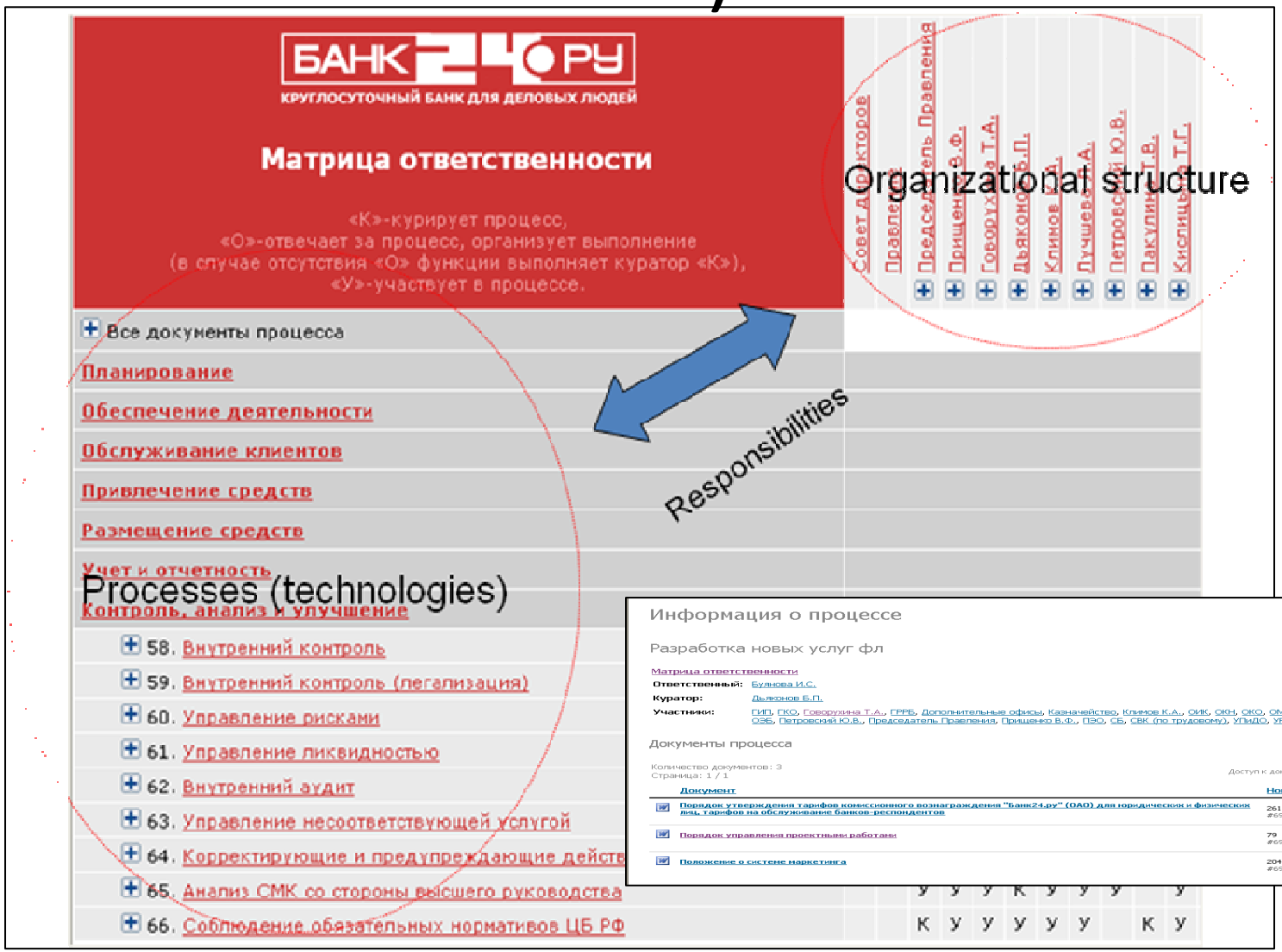


Case study

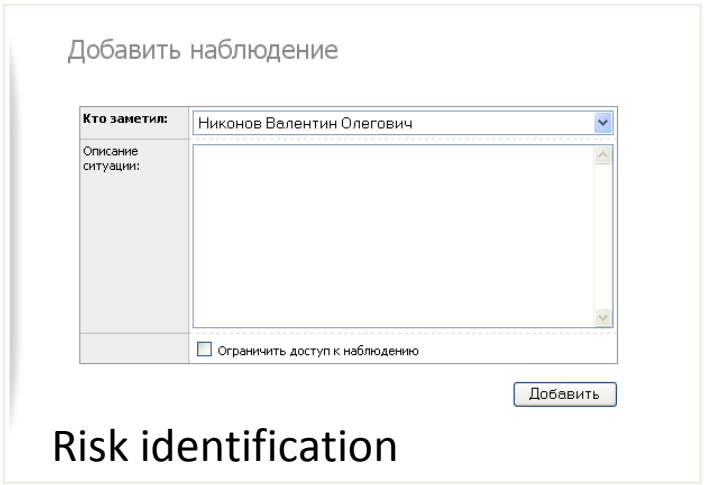
- Operational risk management on the basis of ISO 9001:2008
- Integrating Information Security Risk management processes (based on ISO 27001:2005)



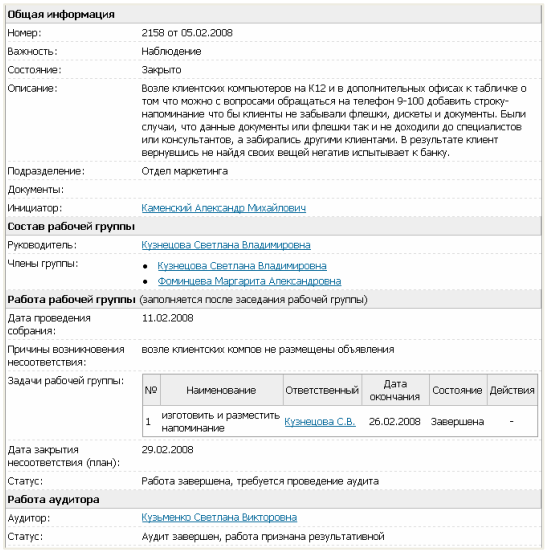
Business Process Management (ISO 9001)



Operational Risk Management System (ISO 9001)



Risk identification



Risk assessment

Risk management strategy

Internal Audits (8.2.2 ISO 9001:2008)

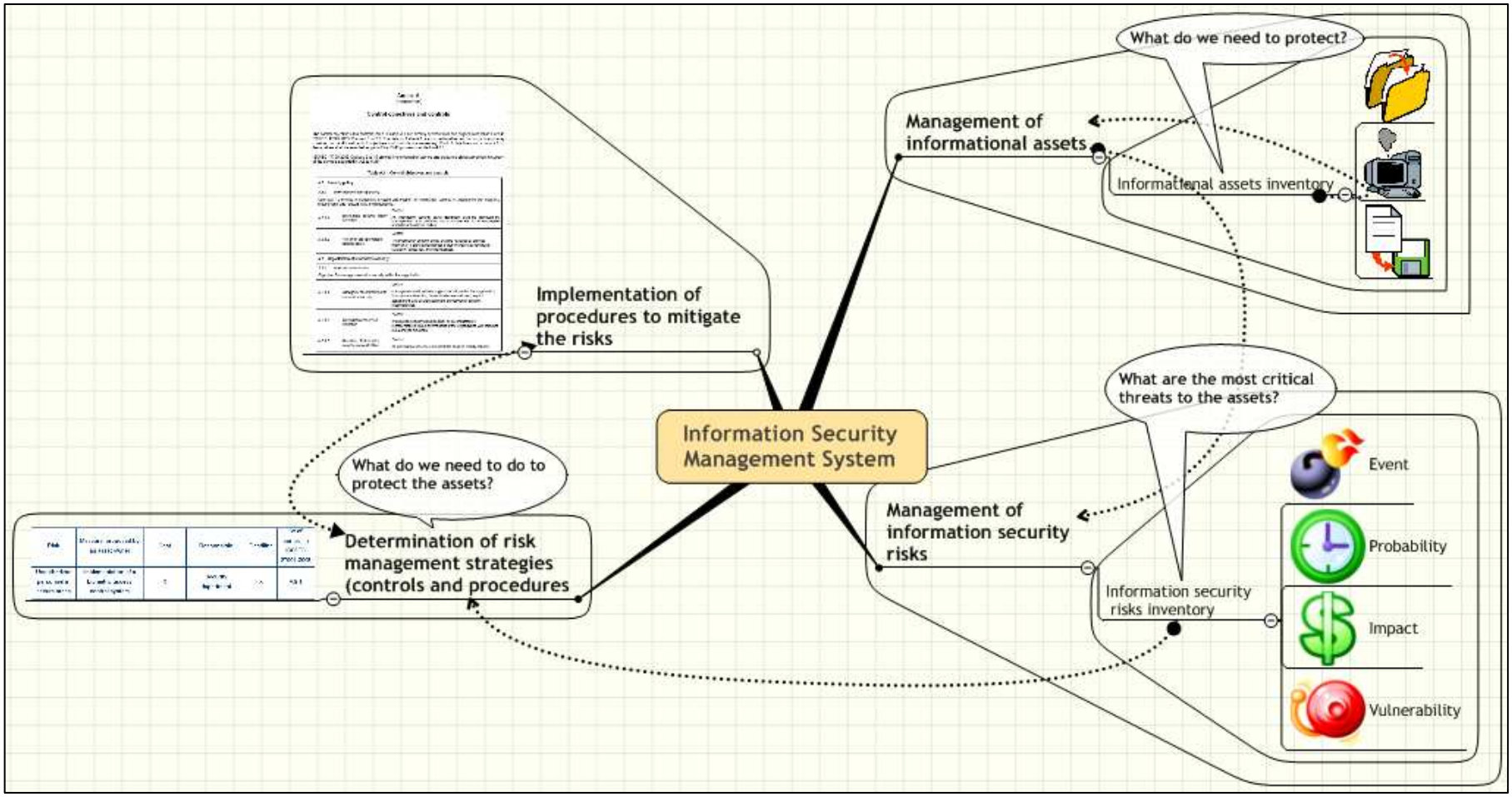
Observations from employees (8.5.2,8.5.3 ISO 9001:2008)

Operational risk management process (ISO/IEC 9001:2008)

Information security risks (ISO/IEC 27001)!

Customer feedback (8.2.1 ISO 9001:2008)

Adding processes for specific risks - Information Security (ISO 27001:2005)



ISO 27001:2005 Information Security Management System

Management of informational assets

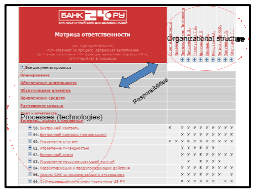
Name	Confidentiality	Integrity	Availability	Criticality	Owner	Users
Clients database	*High*	*High*	*High*	*High*	*The head of sales division*	*Sales division*

Management of informational risks

Risk	Measure, proposed by an asset owner	Cost	Responsible	Deadline	№ of control in ISO/IEC 27001:2005
Unauthorized personnel in secure areas	Implementation of a biometric access control system	X	Security department	X	A.9.1

Annex A

- Security policy
- Organization of information security
- Asset management
- Human resources security
- Physical and environmental security
- Communications and operations management
- Access control
- Information systems acquisition, development and maintenance
- Information security incident management
- Business continuity management
- Compliance



'New lines' in the process table – raising business efficiency

Conclusion

- ISO MS Standards application forms a ground for implementation of a three layer enterprise-wide risk management system, which provides effective and consistent management of risks;
- Though different organizations manage different risks, the structure of a Risk Management System is the same for organizations of all types;
- Further development of risk management tools and methods on the basis of existing ISO standards would be beneficial for risk management promotion and application at all levels.