



Expert commentary

BS 31100:2021 — *Risk management — Code of practice and guidance for the implementation of BS ISO 31000:2018*

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1 Overview

BS 31100:2021, the third edition of this standard, technically revises, cancels and replaces the second edition – BS 31100:2011. It provides recommendations for implementing risk management principles, framework and processes described in BS ISO 31000:2018. It provides a basis for understanding, developing, implementing and maintaining proportionate and effective risk management throughout an organization, therefore strengthening the likelihood of that organization achieving its objectives.

This standard is intended for use by anyone with responsibility for, or who is involved in:

- ensuring an organization achieves its objectives and enhances decision making
- ensuring risk are proactively managed in specific areas or activities
- overseeing risk management in an organization
- providing assurance about the effectiveness of an organization's risk management and/or
- reporting to stakeholders

The level of change from the 2011 edition is high. The main changes compared to the previous edition are:

- an explanation of the amended risk management principles from BS ISO 31000:2018 in which the number of principles had been reduced from 11 to 8 compared to the previous edition
- an expansion of the text so that each risk management principle is explained in a clause section
- closer alignment of the clauses in the update with those in BS ISO 31000:2018 to enable easier cross-reading of the two documents
- update of diagrams to match amended text
- addition of a new Annex A — *Emerging risk*
- replacement of Annex B — *Incorporating potentially positive consequences of risk* with Annex B — *Risk tools*
- addition of a new Annex C — *Assessing progress and risk maturity*

1.1 Reasons for change

The main technical reason for the revision of BS 31100:2011 was to ensure that this implementation document was amended and updated to reflect the changes made in the updated revision of BS ISO 31000 in 2018. In addition, it allowed the addition of more up to date and relevant examples of good risk management practice.

1.2 Summary

- an explanation of the amended risk management principles in BS ISO 31000:2018
 - closer alignment of the clauses with those in BS ISO 31000:2018 to enable easier cross-reading of the two documents
 - update of diagrams to match amended text
 - a new Annex A — *Emerging risk*
 - replacement of Annex B — *Incorporating potentially positive consequences of risk* with Annex B — *Risk tools*
 - a new Annex C — *Assessing progress and risk maturity*
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2 Main commentary

2.1 Scope of BS 31100:2021

The scope of the standard has not changed. It is intended for use by anyone with responsibility for, or who is involved in:

- ensuring an organization achieves its objectives and enhances decision making
- ensuring risk are proactively managed in specific areas or activities
- overseeing risk management in an organization
- providing assurance about the effectiveness of an organization's risk management and/or
- reporting to stakeholders

2.2 Terms and definitions

There have been several changes made to the terms and definitions made in this document. The number of definitions has been considerably reduced from 47 to 13. The rationale is that many of the 47 definitions were amply explained in the text