



A CODE OF PROFESSIONAL PRACTICE AND ETHICS FOR THE PROVISION OF RISK MANAGEMENT ADVICE AND SERVICES

1 Title

The Code may be cited as “A Code of Professional Practice and Ethics for the Provision of Risk Management Advice and Services” published by RiskNZ Inc.

2 Introduction

RiskNZ Inc (www.risknz.org.nz) was established to improve the knowledge and practice of risk management in New Zealand.

Risk management is an emerging discipline in which judgement, consideration of confidential information and technical competency are essential parts. As risk is associated with all things, significant decision making by organisations and governments involves consideration of the management of such risks. Risk management decisions are often commercially significant and have impacts on individuals, communities and society at large.

The Society therefore considers that those who seek and/or provide risk management advice and services will be assisted by a code of professional practice and ethics for the provision of such advice and services (“the Code”), which can be adopted either contractually or as a guide.

The Society acknowledges that in respect of particular types of service or advice, there may exist already relevant and comparable codes of practice and ethics – for example, those of some of the established professions. The Society’s core view is that good quality risk management practice will reflect clear professional principles and be ethical. Accordingly, it is advantageous that both those seeking and providing advice and services should be clear as to the professional principles and ethics that are to apply.

The Code comprises five fundamental principles and contains explanatory material intended to assist users to interpret and apply those principles. In any case of doubt as to the application of the Code to particular circumstances, the Code anticipates that those involved will interpret and apply the Code in a way consistent with that of a “reasonable person”.

For the purposes of this document, “risk management” and related terms, have the meanings set out

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in AS/NZS ISO 31000:2009 (the Australian and New Zealand Standard for Risk Management) as amended from time to time.

3 The Code

1. Integrity

Risk management advice and services should be provided with integrity.

Commentary: Integrity is about being honest and sincere when:

- (a) representing one's skills and expertise
- (b) obtaining facts
- (c) recording data
- (d) verifying information
- (e) attributing contributions from others
- (f) acknowledging mistakes
- (g) interpreting information
- (h) explaining the decision making methodology
- (i) reviewing the work of other risk management practitioners
- (j) reporting findings
- (k) communicating with the public.

2. Objectivity

Risk management advice and services should be provided with objectivity.

Commentary: Objectivity is about being fair, impartial and intellectually honest, free of prejudice and bias.

Any potential or actual conflict of interest, or other situation that could result in either actual or perceived bias or prejudice, should be disclosed and the situation managed openly and in a way that enhances objectivity (for example, employment of an independent expert).

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3. Professional Competence, Due Care and Timeliness

The level of skill and judgement should be appropriate to the task which should be completed with due care and timeliness.

Commentary: Those providing risk management advice or services should -

- (a) exercise initiative, skill and judgement to the best of their ability
- (b) identify any shortfall in their own ability that may become apparent and report this to those with responsibility for the task
- (c) not require any sub contractor to operate beyond their ability
- (d) apply published technical Standards unless these can be shown to be demonstrably inadequate
- (e) conform to the standards and practices of any other professional discipline relevant to the nature of the advice or services being provided
- (f) seek the advice of peers where there is uncertainty and it is appropriate
- (g) not make commitments to timely delivery that cannot be met and provide prompt notice should any commitment to timely performance become impossible to meet.

Note: In relation to risk management methodology and language, this Code suggests that where possible, those practicing risk management should apply the provisions of AS/NZS ISO 31000:2009 to ensure a consistent and rigorous approach to risk management and to facilitate peer review.

4. Confidentiality

The confidentiality of information acquired when providing risk management advice and services must be maintained.

Commentary: Information acquired in the course of providing risk management advice and services must not be disclosed to a third party without specific authority or unless there is a legal obligation to do so.

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5. Public Responsibility

Risk management practitioners, should be aware of their public responsibility to current and future generations in regard to cultural identity and the environment.

Commentary: This responsibility relates in particular to:

- (a) treating individuals with respect and dignity. This includes listening to and considering the views of others, having consideration for the values and cultural sensitivities of individuals and those of relevant communities.
- (b) having due regard to the health and sustainability of ecological systems and drawing attention to any adverse impacts relevant to the scope of risk management advice and services being provided.

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