CAN/UL 2984:2019 (R2024)

NATIONAL STANDARD OF CANADA

STANDARD FOR

Management of Public Risks – Principles and Guidelines

SCC FOREWORD

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Standard for Management of Public Risks – Principles and Guidelines, CAN/UL 2984

First Edition, Dated April 15, 2019

Summary of Topics

This reaffirmation of CAN/UL 2984 dated October 21, 2024 is being issued to update the title page to reflect the latest SCC approval dates as a Reaffirmed National Standard of Canada (NSC). No changes in requirements are involved.

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The requirements are substantially in accordance with Proposal(s) on this subject dated July 19, 2024.

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CAN/UL 2984:2019 (R2024)

Standard for Management of Public Risks – Principles and Guidelines

First Edition

April 15, 2019

This CAN/UL Standard consists of the First Edition including revisions through October 21, 2024.

This most recent edition of CAN/UL 2984 as a Reaffirmed National Standard of Canada occurred on October 21, 2024.

This standard has been designated as a National Standard of Canada (NSC) on October 21, 2024.

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Preface

This is the First Edition of the CAN/UL 2984 Standard for Management of Public Risks – Principles and Guidelines.

ULSE is accredited by the Standards Council of Canada (SCC) as a Standards Development Organization (SDO).

This Standard has been developed in compliance with the requirements of SCC for accreditation of a Standards Development Organization.

This CAN/UL 2984 Standard is under continuous maintenance, whereby each revision is approved in compliance with the requirements of SCC for accreditation of a Standards Development Organization. In the event that no revisions are issued for a period of four years from the date of publication, action to revise, reaffirm, or withdraw the standard shall be initiated.

Annexes A – D, identified as Informative, are for information purposes only.

In Canada, there are two official languages, English and French. All safety warnings must be in French and English. Attention is drawn to the possibility that some Canadian authorities may require additional markings and/or installation instructions to be in both official languages.

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This Edition of the Standard has been formally approved by the Technical Committee (TC) on Managing Risks to the Public Interest in a Regulatory Context, TC 2984.

This list represents the TC 2984 membership when the final text in this standard was balloted. Since that time, changes in the membership may have occurred.

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The intended primary application of this standard is stated in its scope. It is important to note that it remains the responsibility of the user of the standard to judge its suitability for this particular application.

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0 Introduction

Public risk, unlike other types of risk, is less organization specific and more multi-dimensional and complex. In most cases, the management of a public risk is undertaken in a multi-organizational context with many public risk stakeholders that hold different perspectives, mandates and priorities resulting in potentially conflicting mitigation strategies and requiring tradeoffs among public risks and objectives. For example, a new product could provide public health benefits but may also result in adverse outcomes for the environment.

Public risks also differ from organizational risks in that they usually involve intervention by a government or regulatory body that is responding to a market failure or a public policy objective (e.g., a government decision to reduce greenhouse gas emissions). When that government and its agencies intervene, it is to protect the public interest, rather than the interests of a single organization. However the public risks and costs of these interventions themselves are usually shared, complex and involve multiagency interactions across a variety of entities with a multitude of objectives that may impact the management of those public risks.

While all public risk stakeholders are accountable for managing risk, risk sources are different between public and private organizations, as is the management of those risks when the responsibilities are shared between them. The objectives and focus of organizations responsible for managing public risks (e.g., public sector or non-governmental organizations) also differ from organizations that manage only organizational risks (e.g., private sector organizations).

Private sector organizations are primarily focused on managing organizational risks to maintain or enhance their profitability. They are concerned with impacts to the organization itself and the perceptions of shareholders, financial markets or consumers that pertain to the organization’s ability to meet its objectives. Private sector organizations that are regulated may also have a legislated responsibility for managing public risk. For example, food processing companies are required to mitigate human health risks that could result from improper food processing. Their primary objective, however, is profitability and organizational risk management while complying with their regulatory obligations.

Public sector organizations are primarily focused on managing public risks, economic, financial and supply chain risks. A public sector organization’s focus is in managing risks that pose a threat to the public interest (e.g., ensuring public safety, safeguarding health, wellbeing or security) or advancing public policy objectives (such as environmental or social objectives). Those responsible for managing public risk also manage organizational risks since they may impact the organization’s ability to deliver on their mandate; making public risk management even more complex.

The lack of sufficient guidance related to public risk management can result in different approaches being implemented for the management of similar public risks across multiple organizations, leading to confusion among regulated entities, a lack of consistency across jurisdictions or regulators, and conflicting requirements across regulatory bodies which may lead to increased costs and inefficiencies for the regulated entity and, ultimately, undesired consequences.

Public risk management is complex and involves the balancing of multiple, sometimes conflicting objectives; it is unique and requires specific guidance – how to apply resources, manage and maximize benefits while minimizing the harm. A consistent or commonly understood set of definitions, guiding principles and additional guidance, tools, and a common approach beyond those used to address organizational risks is necessary for the governance and management of public risk to ensure coordination and consistency, to reduce duplication of effort, to reduce possibly conflicting approaches and to address gaps that may lead to undesirable circumstances and sub-optimal outcomes. This document is intended to provide guidance to those who manage public risk or are impacted by it. It is intended to complement the existing risk management literature by providing guidance focusing specifically on the unique aspects associated with public risk management.

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1 Scope

1.1 This guideline lays out the principles of and provides guidance for identification, analysis, evaluation and decision-making in the management of public risks to prevent, reduce or minimize public harm while maximizing the public good.

1.2 This guideline is written primarily for organizations responsible for the management of public risks, such as public sector organizations, government departments and agencies, regulatory agencies, crown corporations, non-profit organizations, professional licensing bodies, or regulated entities. The principles and guidance within this document may also be applicable to others who support the management of public risk.

1.3 This document provides guidance on the following key aspects:

a) Definitions for Public Risk Management;

b) Foundational Principles; and

c) Elements to be considered when undertaking Public Risk Management.

1.4 This guideline does not stipulate specific methods or techniques for risk management but identifies key elements and considerations for risk-informed decision-making essential for the management of public risk. The guideline identifies common resources, methods and techniques that may be used. Annex D provides additional resources that may provide readers additional guidance and examples.

2 Definitions

2.1 ACCEPTABLE PUBLIC RISK –
public risk deemed tolerable based on the values of society, the public good provided and the public harm being effectively managed.

2.2 EVIDENCE-BASED DECISION-MAKING –
a process for making decisions about a program, practice, or policy that is grounded in the best available data, research and experience from a variety of sources, including first hand and contextual qualitative information.

2.3 HAZARD –
A potential source of harm, injury or damage to the health of people, to property, or to the environment.

2.4 PUBLIC GOOD –
societal benefits shared amongst the public and which are provided to the community and potentially collectively regulated by the public sector. They are not divisible and cannot be appropriated individually or sold separately.

2.5 PUBLIC HARM –
adverse consequences (such as death, injury, loss, environmental damage) from which the public expects protection.

2.6 PUBLIC RISK –
combination of the likelihood of occurrence of a public harm and/or a public good and the impact of these public harms and/or public goods on societal objectives.

2.7 PUBLIC RISK ASSESSMENT –
a systematic process of identifying, analyzing and evaluating public risk from public risk sources.

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