Risk Management

Why is this important?

The regulatory bar is rising. APRA's expectations continue to evolve, and in today's complex environment, standing still is no longer an option. Boards are expected not only to comply but to demonstrate that risk is embedded in their decision-making and governance practices.

When risk is not effectively managed, the consequences can be severe:

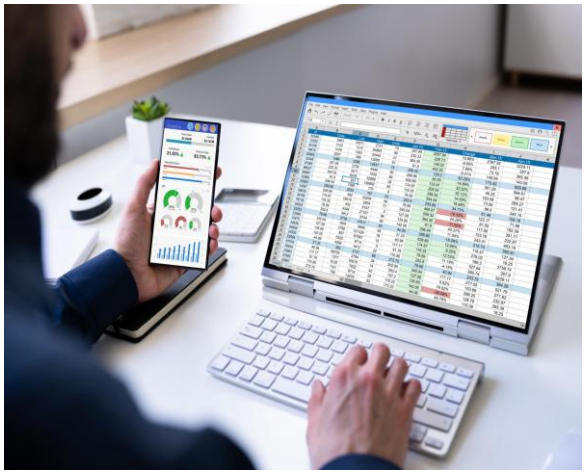
- Breach of CPS 220 or CPS 230 standards
- Reputational damage and loss of public trust
- Increased scrutiny and intervention from regulators
- Missed growth opportunities due to lack of forward-looking risk capacity

What good looks like

High performing risk management demonstrates:

An effective Risk Management Framework (RMF):
Implemented and actively used; appropriate for your current and future business strategy; supported by adequate resources — across both BAU and strategic risk; and linked to clearly articulated Risk Appetite and Tolerances.

Ongoing monitoring and reporting:
Regular scheduled compliance reviews; independent review and assurance on risks; calibration of risk appetites and tolerances; scenario and stress-testing; dashboards and risk registers; awareness of regulatory initiatives and change.



McGING ADVISORY & ACTUARIAL

Risk Management

"We will not hesitate to require action and highlight publicly, where appropriate, when entities do not meet these expectations."
- APRA

"Boards cannot afford to ignore the oversight of nonfinancial risks. We have seen first-hand the damage that can result when it is not made a priority."
- ASIC

Risk is an inevitable and complex feature of business operations. Strategic risk management is the key to safeguarding your future and building a competitive edge.

How McGing can help

Risk Identification, Assessment and Quantification Services

- Identify and quantify material risks in line with CPS 220 (Risk Management)
- Risk tolerance levels and Risk Appetite Statements - advice and review
- Risk profile and critical operations assessments
- Scenario analysis for operational risk events, as required by CPS 230 (Operational Risk Management)

Risk Monitoring, Controls and Reporting Services

- Risk Management Strategy and Business Plan - development and review
- Develop, update or review internal risk models (analytics, monitoring and reporting systems, controls and dashboards)
- In-house calculations and model reviews

Risk Review and Compliance Services

Perform APRA mandated tasks, including:

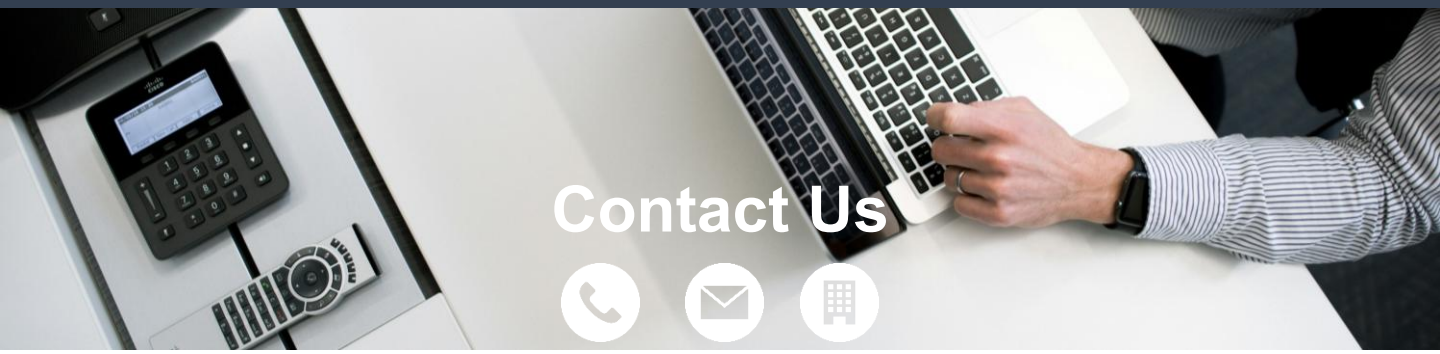
- Triennial Risk Management Framework Review (CPS 220)
- Operational Risk Management Review (CPS 230)
- Remediation strategy and calculations - advice and review

Additionally for superannuation funds:

- ORFR – calculation and/or review (SPS 114)
- Triennial IMF Reviews (SPS 250)
- Unit Pricing – RG 94 reviews
- Fees and disclosures – RG 97 Reviews

Climate Change risk

- Identify the risks and potential consequences of climate change
- Formulate policy options and strategies to address identified risks
- Design and implement the frameworks to manage these risks



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