



**Actuaries
Institute**

Actuaries Institute Insights Session

Embedding a Sound Risk Culture

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- Increasing attention - risk governance & culture
- Effective risk governance - fundamental
- Board: leadership on risk governance and culture

Effective risk culture - drivers



- Risk appetite clear and unambiguous; widely used
- Espoused values clear and consistent with the risk appetite and business strategy
- Values embraced; decisions consistent with values;
- Decision-making clear; consistent with risk appetite and business strategy.



Challenge for APRA: forming a view of the quality of risk governance and risk culture

- interaction with boards – formally and informally
- reliance on board's own assessments of risk governance and risk culture

For consideration by board



- RA, risk & business strategy - consistent, embedded?
- Values - tone at top/bottom?
- Risk culture - aspiration? Assessment?
- Rem & KPIs support risk culture?
- Decision-making quality & consistency?
- Info complete, accurate & timely?
- Quality of risk governance - assessment?
- CRO & business - balance?
- Risk/return balance - credible challenge?

