

# Rethinking the Risk Function

Why transforming your risk function matters

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The need to secure sustainable growth has become a strategic priority for C-level executives across organisations. Navigating an uncertain and constantly evolving environment requires a renewed focus on how the organisation generates sustainable value and manages risk outcomes. Given the risk function's central role in this process, leading organisations have already embraced the necessity of a profound transformation to build a flexible, sustainable, and cost-efficient risk function — one that is resilient and future-proof for the decade ahead.

## Key Challenges Facing the Risk Function

### Emergence of new, complex, and interconnected risks

Risk functions must address evolving threats such as cyber, third-party, ESG, reputational risks and disruption events such as pandemics or climate-related crises often without historical data or precedent.

### Fragmented risk ownership and lack of accountability

Risks are often managed in silos, with limited integration across departments and unclear roles and responsibilities.

### Legacy risk frameworks not fit for new realities

Many risk functions still rely on static, compliance-driven frameworks that are not agile enough to respond to fast-changing environments.

### Growing regulatory scrutiny and reporting complexity

Risk functions must comply with expanding regulatory requirements and manage diverse reporting obligations (e.g. ESG, governance, data).

### Pressure to do more with less

Risk functions are expected to enhance risk oversight and strategic impact while reducing operational costs and increasing efficiency.

### Need for real-time, data-driven decision-making

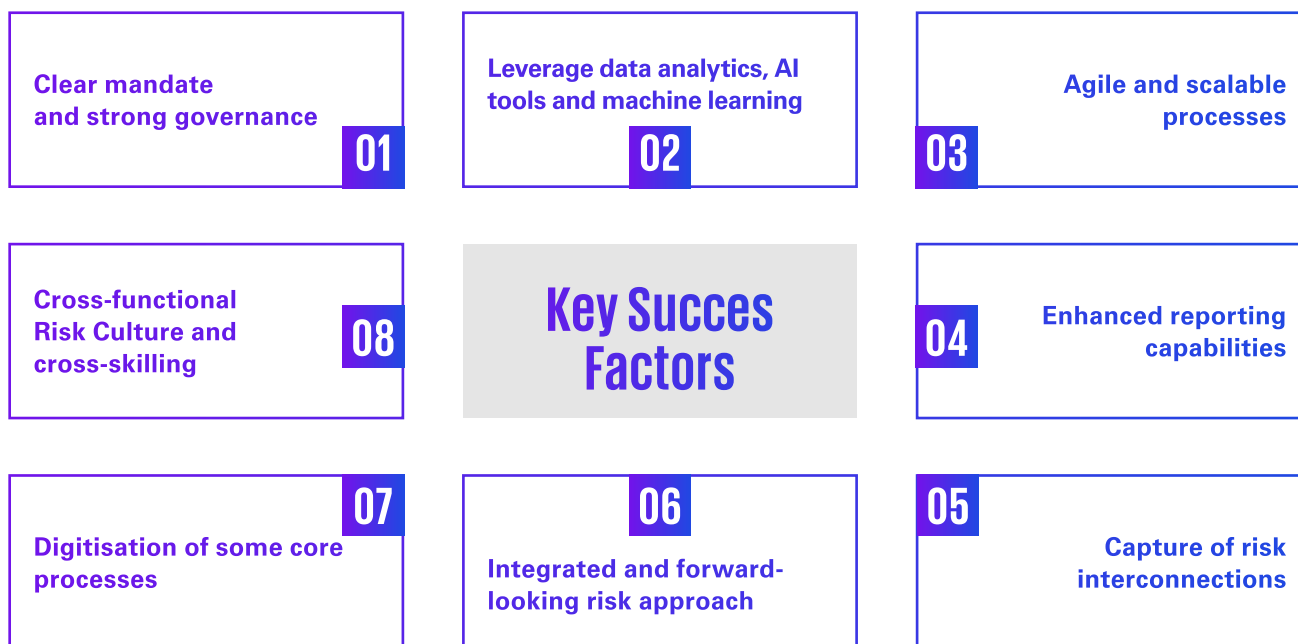
Traditional risk reporting cycles no longer suffice. Risk functions must enable real-time risk intelligence through advanced analytics and digital tools.

### Integration of risk into strategic decision-making

Boards and executive committees expect the risk function to be a strategic partner, not just a control function — requiring a shift in mindset, mandate, and capabilities.



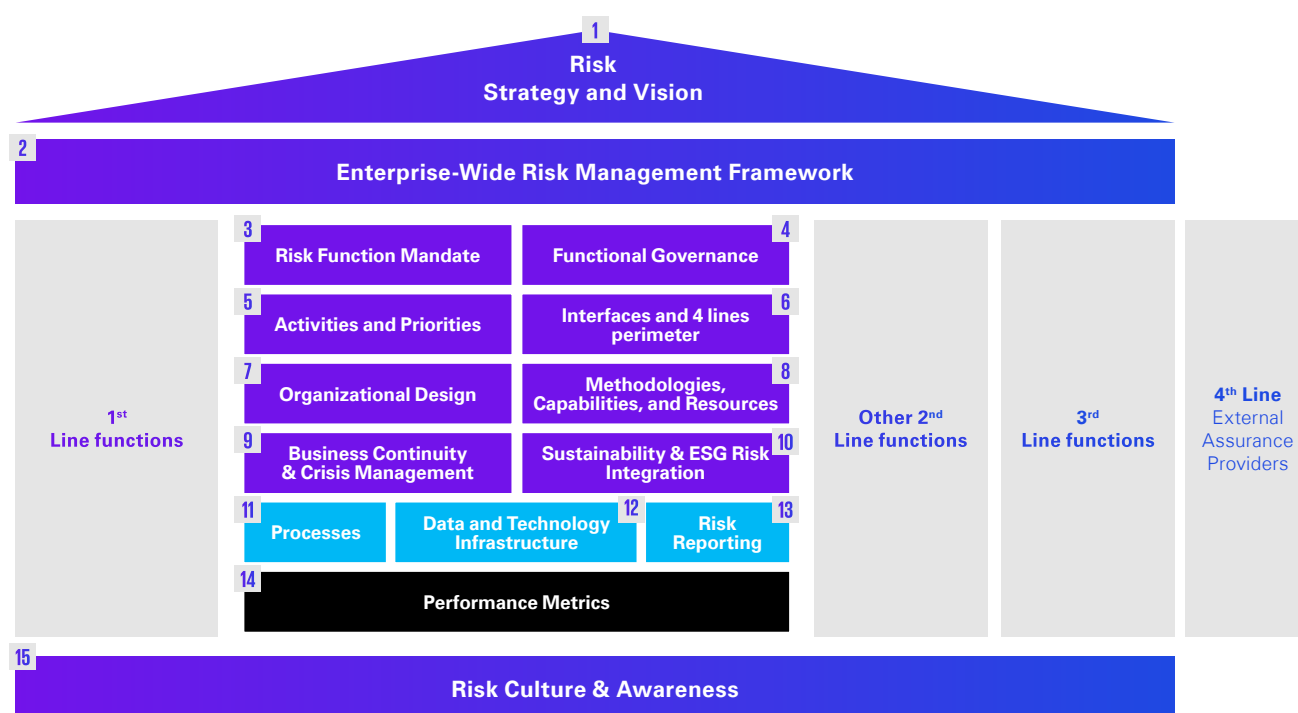
# Key Success Factors



## KPMG's Solution

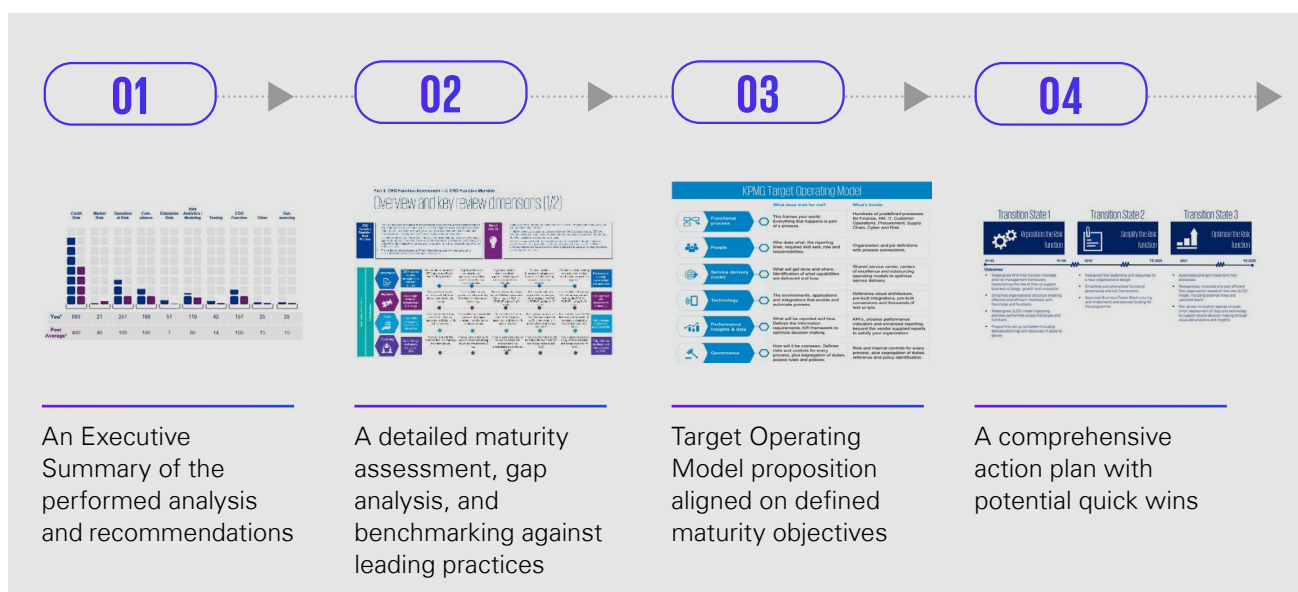
To meet today's rising expectations around **resilience, transparency, and risk-based decision-making**, organisations must rethink the role and positioning of their risk function. The growing complexity and interconnectivity of risks — combined with regulatory, technological, and societal pressures — calls for a **more agile, forward-looking, and embedded capability**.

KPMG offers a **modular and scalable diagnostic approach** built around **15 key components** to assess the risk function's maturity, identify improvement levers, and ensure alignment with **strategic and operational priorities**.

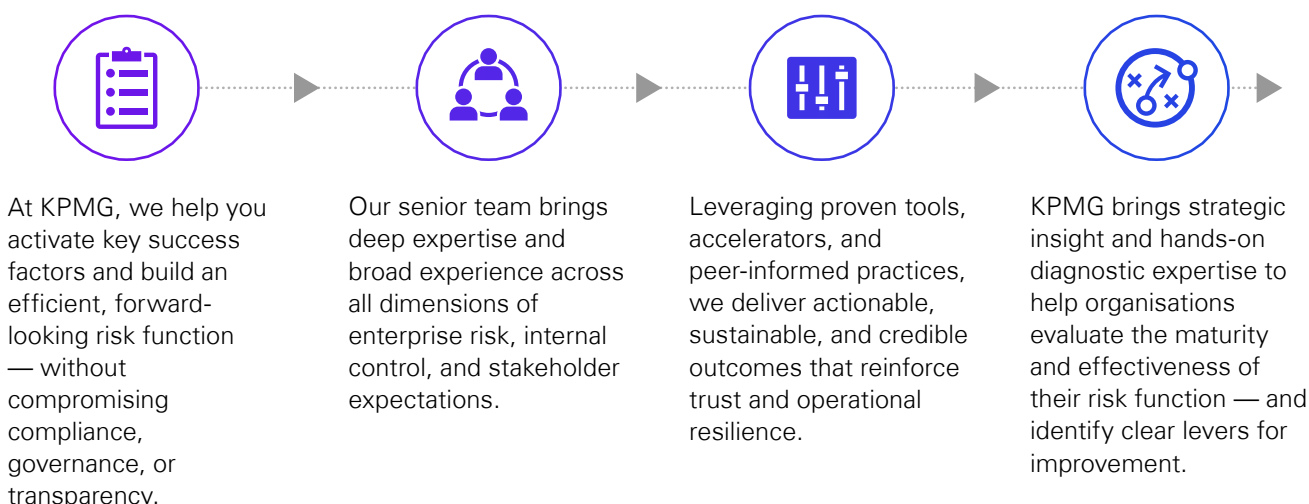


To support the maturity assessment of your risk function, we provide benchmarking against your most relevant global peers.

## A Maturity Assessment of your risk function results in four deliverables:



## Why KPMG ?



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