



KPMG Resilience & Culture as a Service

Strengthen your organization. Empower your people.



In November 2024, Canada's Office of the Superintendent of Financial Institutions (OSFI) published a Regulatory Notice on Culture Risk Management, mandating that financial institutions establish and uphold a strong process to manage culture of risk in their organization.

OSFI requires that Board members and executives now embed strategic and operational capabilities to identify, assess and manage any misalignments between your organization's stated desired culture and its actual culture that might prevent it from achieving its goals.

By focusing on values, mindsets, beliefs and assumptions that guide how your people behave, your organization is required to implement a consistent definition of culture risk, aggregate and remediate culture risks, and gather relevant data and report insights to the Board and senior management. This includes understanding root causes, impacts, consequences, effects on other risks and monitoring and reporting processes that continually provide insight on culture risks, and evaluating them so your organization can continually learn and improve.

As regulations evolve to address culture risks that could negatively impact your organization, how will you respond?

Effectively and proactively manage culture risk

Our Resilience and Culture Risk team helps you build the necessary foundation for a proactive culture risk program to further enhance your existing programs and capabilities, no matter your size or stage of maturity. We use KPMG's Culture Risk methodology, combining our expertise with leading industry technology, tools and accelerators to help you identify misaligned culture and behaviour at the individual and organizational level that may have negative outcomes.

How we look at culture risk

We believe your organization must have good insights on your behaviour, conduct, security and integrity risks to manage culture risk effectively. We recognize that effectively managing culture risk is more than looking at lagging indicators – it also includes understanding and identifying leading indicator.



Research-based

Based on our scientific analysis and research of 150+ cases of organizational misconduct, we've developed a model that identifies the cultural dimensions as significant influencers of behaviour within an organization.

'Hard' and 'soft' factors

It includes the behavioural and sentiment factors, as well as the risk, assurance, and reporting considerations related to regulatory scrutiny.

Comprehensive risk coverage

The framework provides a structured approach to proactively shape culture, identify emerging risks, and respond effectively when issues arise.

How we can help you

We can help you develop and integrate a formal program that provides direction and effective challenge within the boundaries of your culture. Our services empower your organization to proactively manage culture risk through analysis, assessment and evaluation, cross-enterprise collaboration, and an educated workforce.

Our end-to-end methodology includes:

Culture Key Risk Predictive Indicators

We help you identify and establish predictive/leading key risk indicators to understand potential misalignments in your culture.

Root Cause Analyses

Using predictive insights and analytics, we conduct root cause analyses to identify underlying factors contributing to your culture risk issues. This includes reviewing psychological safety, the 'speak-up' environment, leadership roles, and other areas so you can target, effectively address, and improve culture risk within certain processes, departments and/or teams.

Analytics and Insights Reporting

We provide technology-enabled insights into culture risk indicators related to the quality of your culture risk. These include the influence leaders have on your culture, speak-up and listen, and role modelling. And we develop customized dashboard reporting to

meet the requirements of your individual business units, Board, and senior management.

Culture Risk Program Assessments

We help you understand your existing culture risk management activities and determine if there are any gaps to OSFI's guidance and expectations. Our culture risk maturity models also help assess the current state and determine the desired future state of your culture risk management program. Our maturity model assessments focus on the entity and/or department level to help you evaluate and benchmark your organization against the market, and provide clear recommendations to mitigate culture risk.

Change Management and Ongoing Monitoring

We help you establish a culture risk program with the appropriate change management and communications capabilities to meet regulatory expectations and manage a robust culture risk management system.

Why KPMG?

- We're leaders in integrated risk and can help ensure you embed your culture risk program across your organization.
- Our experienced professionals combine KPMG's culture risk methodology with a leading technology vendor to establish, maintain and/or enhance your culture risk mitigation efforts.
- We understand the financial institutions industry and can help ensure your culture risk program meets OSFI's requirements now and as the culture risk landscape evolves.

Whether through governance reviews, risk frameworks, employee engagement, or monitoring and intelligent analytics, we're here to support your culture risk management journey.

We look forward to partnering with you to turn culture risk into a competitive advantage for your organization.

Contact us



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