Risk Management Group (RMG)

Structure and resourcing

RMG, which forms the second line of defence, is an independent and centralised function responsible for assessing, accepting and managing risks across Macquarie. RMG designs and oversees the implementation of the risk management framework. RMG is structured into specialist teams, depicted below, and employs an integrated approach to risk analysis and management across risk classes. RMG’s assessment and monitoring of risks involves a collaborative effort across the teams to ensure a detailed analysis takes place both at the individual and aggregate risk level.
As at 31 March 2019, there were 797 staff in RMG, a 9% increase from FY2018. The ratio of RMG staff to total MGL staff is 5.4%, which is broadly similar to previous years.

Over half of RMG’s staff are based outside of Australia, which is consistent with the location of Macquarie’s businesses. All offices are subject to the same risk management controls and standards, supported by regular staff communication and visits to international offices by senior RMG staff.

Consistent with the concept of Operating and Central Service Groups owning the risk, specific day-to-day operations are discharged and embedded within each Group. This applies particularly to the management of compliance and operational risk. The majority of these functions are discharged within the Operating and Central Service Groups as follows:

- A significant number of RMG Compliance staff are co-located with the business and confirm that day-to-day compliance obligations are discharged at the business level. These staff report into the Regional Head of Compliance and ultimately into the Head of RMG Compliance.

- Operating and Central Service Group Heads appoint Business Operational Risk Managers (BORMs) to represent them on operational risk management matters. BORMs act as their delegate in ensuring that operational risk and associated management processes are addressed appropriately within their area of responsibility.