

## **7. RMG – Terms of reference**

### **1. MISSION**

To provide independent, objective risk assessment and evaluation of the effectiveness of risk management practices, internal control and corporate governance processes in all areas of the Group.

The department will work with management in achieving business objectives by creating solutions to improve operations, while remaining objective and independent.

### **2. OBJECTIVES**

- To deliver first class review services providing assurance on the adequacy of the Group's systems of internal control that is:
  - To comment on and recommend changes to the mechanisms put in place by management to ensure systems and activities achieve their objectives;
  - To follow up the implementation of agreed actions; and
  - To bring any deficiencies found to the notice of management and ultimately the Audit Committee.
- To facilitate the corporate risk assessment analysis by providing expert advice on risk management practices and assist the Audit Committee and the Chief Financial Officer in the corporate governance reporting process.
- To carry out such assessment, investigation and review work as may be requested by the Audit Committee.
- To administer the "Whistle Blowing Line" in conjunction with the Group Company Secretary.
- To deal with all suspected cases of fraud, financial malpractice and misappropriation.
- To liaise with the external auditors and report upon the soundness of internal controls.
- To advise management on cost effective controls for new systems, processes and activities.
- To highlight opportunities to reduce costs through greater economy and efficiency within systems, processes and activities.
- To challenge the status quo – for example to suggest other activities to mitigate the Group's risk.
- To monitor the effective application of the policies processes and activities related to internal control and risk management.

### **3. SCOPE OF WORK**

- All of the Group, including subsidiaries, joint ventures and third party service providers.
- Review work will cover all systems and activities in all departments and locations throughout the Group, both currently existing and under development.
- Work will be prioritised according to risk, the judgement of the Head of Risk management in conjunction with the Chief Financial Officer and the direction of the Audit Committee.
- Reviews may range from compliance work to operational reviewing reviews as appropriate and in consultation with senior management.

### **4. INDEPENDENCE**

The Head of Risk management reports directly to the Chief Financial Officer and the Chairman of the Audit Committee.

Members of management shall not amend Risk Management reports nor cause them to be amended before they are presented to the Chairman of the Audit Committee.

## **5. ACCESS**

Risk Management shall have unrestricted access to all books, records, systems, facilities and personnel needed to carry out its work on behalf of the Audit Committee.

A holder of highly confidential or sensitive information is entitled to allow access to the Head of Risk management alone.

The Head of Risk Management has right of access to all Board members, employees, contractors, suppliers, customers, and external advisors.

## **6. REPORTING**

- Risk Management will report on a quarterly basis on the status of the Group risk assessment process – including key risks highlighted and action plans.
- At the end of every review, Risk Management will report its conclusions to the Chief Financial Officer and the Audit Committee and state its recommendations that will have been made after consultation with Management.
- On an ongoing basis, it will report to senior management on results of review activities. (Monthly at the Executive operating reviews)
- At each scheduled meeting it will report to the Audit Committee on results of activity during the previous quarter or since the last meeting.
- At each scheduled meeting or since the last meeting it will report to the Audit Committee on the state of resolution of review issues.
- At each scheduled meeting or since the last meeting it we will report to management and the Audit Committee on emerging issues and trends affecting risk and internal controls.

**Andy Beach**  
**Head of Risk Management**  
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