

## **MANAGEMENT RISK & COMPLIANCE COMMITTEE TERMS OF REFERENCE**

### **1. Constitution**

The Risk & Compliance Committee is a Management Committee reporting via the Audit Risk & Compliance Committee to the Board of Directors. It considers all prudential and conduct related matters.

### **2. Authority**

The Committee is under the Authority of the Chief Executive to investigate activity within its terms of reference.

The Committee is authorised to obtain external legal or other professional advice and to secure the attendance of anyone it considers has relevant experience expertise or knowledge.

Minutes of each meeting are issued to all members, to the Audit Risk & Compliance Committee and to the Board.

### **3. Membership**

Mr. S. Penlington (Chief Executive) (Chairman)  
Mrs. A. Kos (Finance Director)  
Mrs K. Roby (Customer Services Director)  
Mr. S. Melbourne (Head of Risk)  
Mrs. D. Wilson (Head of Compliance)  
Mr. D. Shelley (Head of Finance)  
Mrs. A. Egginton (Head of Products and Marketing)  
Mrs. J. Goodwin (Head of Business Development)  
Mr. M. Hume (Head of IT)  
Mrs. J. Wilding (HR Manager)  
Ms. L. Pearson (Head of Lending)  
Mrs. R. Reid (Head of Retail)

#### **Attendees**

Ms. J Chatwood (Minute taker)

The Chairman will chair the meeting. In his absence a member of Executive shall take the chair.

#### **4. Attendance at Meetings**

The quorum necessary for the transaction of the business of the Committee shall be three Committee members.

All matters shall be decided by a majority of votes. Every Member present, including the Chairman shall have one vote. In the event of a tie, the Chairman shall have a second and casting vote.

#### **5. Frequency of Meetings**

The Committee meets monthly.

#### **6. Purpose of the Committee**

The purpose of the Committee is to:

- (i) oversee the Society's implementation of compliance programmes and risk & compliance policies and procedures required to meet legal, compliance and regulatory requirements
- (ii) assist the Audit Risk & Compliance Committee in fulfilling its oversight responsibility for the Society's compliance programmes, risk framework and risk & compliance policies and procedures; and
- (iii) perform any other duties as directed by the Board or the Audit Risk & Compliance Committee.

#### **7. Duties**

##### **Risk**

- \* to review and challenge the risk management framework of the Society
- \* to review and challenge the risk register
- \* to review and challenge the risk dashboard
- \* to receive regular department risk reports
- \* to review internal audit reports prior to their submission to the Audit Risk & Compliance Committee
- \* to ensure all audit actions are tracked and validated through to completion
- \* to consider emerging risks and their impact on the Society
- \* to ensure that the Society has a comprehensive risk management framework, by working with risk owners to ensure that risk management processes are implemented as agreed per policy and plan
- \* to prepare regular and relevant reports for the Board and Audit Risk and Compliance Committee
- \* to receive assurance that risk is embedded in the Society's culture

##### **Compliance**

- \* to receive regular updates assessing progress of the Compliance Function against the Compliance Monitoring Plan
- \* to review internal Compliance reviews prior to their submission to the Audit Risk & Compliance Committee
- \* to review, agree and recommend to the Audit Risk & Compliance Committee for approval, on the Compliance Monitoring Plan on at least an annual basis

**Data Protection**

- \* to receive regular updates on Data Protection issues

**Policy Statements**

To approve the following policies on at least an annual basis:-

- \* Social Media
- \* Training & Competency regime
- \* Outsourcing

To review, agree and recommend to the Audit Risk & Compliance Committee and Board for approval, the following policy statements on at least an annual basis:-

- \* Risk Appetite
- \* Risk Management Framework
- \* Cyber Security
- \* Cyber Incident Response Plan
- \* Information Security
- \* Data Protection
- \* Compliance Operating
- \* Conduct Risk Framework
- \* Financial Crime
- \* Anti-Bribery and Corruption
- \* Anti-Money Laundering

**Other matters:**

- \* to review, agree and recommend for approval to the Audit Risk & Compliance Committee and Board, the Terms of Reference of the Risk & Compliance Committee
- \* to oversee the performance of any relevant GOSPA projects

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