

Corporate governance continued



## Accountability Risk Committee

**Edward Peppiatt**  
Chairman of the  
Risk Committee



The Board has delegated to the Risk Committee the responsibility for identifying, evaluating and monitoring the risks facing the Group and for deciding how these are managed.

### Dear Shareholder

On behalf of the Risk Committee, I am pleased to present the 2018 Risk Committee report. This report sets out the composition, role and activities of the Committee in the period ended 31 March 2018.

### Composition of the Committee

Member	Date of appointment to Committee	Members' attendance 2017/18
Edward Peppiatt (Chairman)	20 October 2009	1(1)
Steve Brown	22 September 2015	1(1)
Jo Easton	22 September 2014	1(1)
Richard Hird	22 September 2015	1(1)
Rupert Middleton (stepped down from the Board 20 July 2017)	20 March 2012	0(0)
Selva Selvaratnam	22 September 2015	0(1)
Jitesh Sodha (resigned from the Board 19 March 2018)	10 August 2015	1(1)
Martin Sutherland	13 October 2014	1(1)
Martin Sutton	22 September 2015	1(1)

#### Note

Figures in brackets denote the maximum number of meetings that could have been attended.

A meeting which was scheduled to take place in March 2018 had to be moved to April 2018 and therefore fell outside of the period ended 31 March 2018.

### Activities during the period

During the period, the Risk Committee considered reports on:

- The principal risks of the Group (see the risk and risk management report on pages 36 to 41)
- Risk appetite
- Outputs from executive and functional risk workshops
- Specific operational risks of concern and the mitigations in place
- General Data Protection Regulation requirements

### Principal responsibilities

- Recommend the risk management policy and strategy
- Oversee development and maintenance of a Group-wide risk management framework for identifying and managing risks
- Identify and review all major risks faced by the Group and ensure that appropriate controls are in place to manage those risks
- Review the Group's ability to identify and manage new types of risks
- Promote a risk management culture and control environment
- Review the effectiveness of the Group's non-financial internal control systems in the management and reporting of risks

The Committee comprises all Executive Directors of the Board, the rest of the Executive Leadership Team members including Customer and Commercial Officer, Chief Operating Officer, Chief Technology Officer and Group Director of Human Resources, and Group Director of Audit, Risk and Assurance, as well as Group Director of Security. The Committee meets and reports to the Board at least annually.

Any Director may attend meetings and the Board may direct other members to join.

The Directors acknowledge that they have overall responsibility for the Group's system of internal control for managing risks associated with the business and markets within which the Company operates. Further details relating to how the Directors maintain overall control of significant strategic, financial, operational and compliance issues is set out in the risk and risk management report on pages 36 to 41.

In addition, the Board has delegated to the Risk Committee the responsibility for identifying, evaluating and monitoring the risks facing the Group and for deciding how these are managed.

At the period end, following review by the Audit Committee of internal controls and of the processes covering these controls, the Board evaluates the effectiveness of the risk management procedures conducted by senior management.

The Committee is assisted by Group Committees, which deal with specific areas of risk, such as health, safety and environment and security.

The Committee met once during the year.

**Edward Peppiatt**  
Chairman of the Risk Committee  
30 May 2018