

# Serco Risk Oversight Group

## Terms of Reference

### Introduction

In order to enhance the Serco Group Board's ability to perform its responsibilities for compliance with the Turnbull recommendations, a Risk Oversight Group has been established to extend Serco Group's system of risk management and internal control. The Risk Oversight Group reports to the Group Board and reviews the strategic risks faced by Serco, ensuring that significant risks are effectively managed and coordinating the risk, crisis and safety management and internal control activities of Serco Group worldwide.

### Composition

Permanent members:

Chief Executive	Serco Group
Director, Assurance	Corporate Assurance Group
Director, Risk Management	CAG (Chairman)
Director, Aviation Safety	CAG
Company Secretary	Serco Group
Director, Human Resources & Change	Serco Group
Corporate Communications	Serco Group
Insurance	Serco Group
Security	Serco Defence
Information Security	Serco Group
Divisional Assurance Directors/Representatives	Business Divisions
Rail, Nuclear and Marine Safety Representatives	Operating Companies

Invited attendees:

- Specialist Safety Advisors (as required)
- Representatives from joint venture companies (as required)

### Responsibilities

The Risk Oversight Group has the following responsibilities:

- Review the Serco Group risk register and update as necessary
- Identify new and emerging risks facing Serco Group and its operating companies
- Review the operation of the risk and safety management activities within Serco worldwide
- Ensure that significant risks are being effectively managed
- Coordinate cross-functional activities to ensure that effective, efficient controls are developed and maintained
- Review the operation of internal controls within Serco worldwide and identify any gaps
- Recommend improvements to procedures and processes to reflect best business practice and the needs of the business
- Report to the Group Board on the adequacy of the risk management and internal control processes and identify any actions needed to correct deficiencies
- Undertake specific activities as directed by the Group Board.

## Reporting

The Risk Oversight Group reports to the Group Board and will meet every six months immediately before the May and November Group Board meetings. Minutes of the meeting will be available to the Group Board for their consideration as part of a review of risk management and internal controls.

## Agenda

The standard agenda for Risk Oversight Group meetings includes:

- 1 Actions from last meeting
- 2 Review of Group risk register
- 3 Review by area:
  - 3.1 Risk and crisis management
  - 3.2 Corporate governance
  - 3.3 Safety:
    - 3.3.1 Aviation
    - 3.3.2 Rail
    - 3.3.3 Marine
    - 3.3.4 Nuclear
  - 3.4 Occupational health, safety and welfare
  - 3.5 Environmental protection
  - 3.6 Physical, personnel and information security
  - 3.7 Insurance
  - 3.8 Public relations