



Hanley
ECONOMIC
Building Society

2021

**Leadership Risk Committee
Terms of Reference**

Policy Date: February 2021
Author: Risk Officer
Committee: Leadership Risk
Next review: February 2022

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1 LAST REVIEW

| Date of change | Section | Description of change | Author |
|----------------|---------|---|----------------|
| 2/03/2020 | | Aligned headings in accordance with Risk Committee terms of reference | Emma Greenwood |
| 2/03/2020 | 3 | Included risk management section in relation to 3 lines of defence | Emma Greenwood |
| 2/03/2020 | 4 | Amended membership to state job roles | Emma Greenwood |
| 2/03/2020 | 6 | Adjusted frequency of meetings to reflect quarterly | Emma Greenwood |
| 2/03/2020 | 9 | Updated MI to reflect accurate reporting within pack | Emma Greenwood |
| 15/02/2021 | 2 and 3 | Reporting to Risk Committee and removal of reference to 3 line of defence as repeated from RMF | Anna Guy |
| | 4 | Reference to a chair of the committee | |
| 15/02/2021 | 6 | Change of frequency from 4 times per year to monthly | Anna Guy |
| 15/02/2021 | 7 | Included RMF and policies, Internal Audit actions changes approval, and approval of Risk monitoring plan | Anna Guy |
| 15/02/2021 | 8 | Included status reports for Regulatory Communication actions, DSAR ,Financial Crime and Fraud report and monitoring | Anna Guy |

2 CONSTITUTION

The Leadership Risk Committee is constituted as a Committee of the Leadership Team of the Hanley Economic Building Society (The Society).

The Committee is a management committee reporting to the Risk Committee.

3 PURPOSE

The Leadership Risk Committee ensures the Society operates within the Board's risk appetite limits, reviews and monitors risk in accordance with it and the Risk Management Framework Policy.

4 MEMBERSHIP

All members of the Leadership Team will be appointed to the Committee. The Chair of the Committee will be Head of Risk as appointed by the Risk Committee. In the absence of the Committee Chair, the remaining members present shall elect one of themselves to chair the meeting.

4.1 ATTENDEES

Risk Officer

Other Line Managers may be invited to attend.

5 QUORUM

Three members of the group must be present. One of these members must be either the Chief Executive, Finance Director or Head of Risk.

There is an open invitation to directors and members of the line management team who may wish to attend meetings.

6 FREQUENCY OF MEETINGS

To be held monthly The Committee may if required meet at short notice outside the scheduled meetings.

7 COMMITTEE RESPONSIBILITIES:

- Discuss and review operational risk management to highlight areas of weakness and potential improvements;
- Monitor and review operational resilience MI;
- Monitor and review current prudential, conduct and emerging risks;
- Review the outcome of Risk Monitoring across business areas;
- Identify and discuss emerging key risks to ensure adequate controls are in place to prevent risk crystallisation;
- Review and evaluate near miss risks and risk events that have occurred in the reporting period;
- Escalate to Executive/ Risk Committee risks whether emerging or crystallised which may/could impair continuing operations or reaching the society's strategic goals.
- In line with the Society Risk Management Framework, challenge, approve and recommend policies to the Risk Committee.
- Approve annual monitoring plan
- Review and approve and recommend internal audit deliverables deadlines or extensions or changes to the Audit and Compliance Committee

8 MANAGEMENT INFORMATION

The Committee will receive the following reports at each meeting:

- Internal Audit actions status report
- Risk Monitoring update and actions status report of outstanding action ;
- Risk appetite dashboard;
- Operational Resilience MI;
- Complaints report plus an annual RCA
- Regulatory activities Training and Competency status update Risk radar and horizon scanning;
- Operational risk radar;
- Internal risk reporting (Risk events, near misses and data breaches).
- Regulatory Communication actions status report
- DSAR status report
- Financial Crime and Fraud report and monitoring status report

9 MINUTES AND ADMINISTRATION

Minutes will be itemised with action points and circulated within 10 working days.

The Terms of Reference will be reviewed annually and approved by the Risk Committee.