



The SES Group understands that risk management underpins every business decision and is key to the security professional and the day to day work involved in each security operation.

Therefore the SES Group are of the opinion that a risk not managed becomes a threat to the business.

The SES Group uses the below key considerations when managing risk:

- What events might happen?
- What are we going to do to stop them happening?
- If we cannot stop them happening, how can we minimise the likelihood of it happening?
- How do we minimise the impact?
- What opportunities does an event present to us?

Purpose of this document

- The policy forms part of the SES Group internal control and governance arrangements.
- The policy explains the SES Group underlying approach to risk management, documents the roles and responsibilities of the Board and other key parties. It also outlines key aspects of the risk management process, and identifies the main reporting procedures.
- In addition, it describes the process the Board will use to evaluate the effectiveness of the SES Group internal control procedures.

Underlying approach to risk management

- The following key principles outline the SES Group approach to risk management and internal control.
- The Board has responsibility for overseeing risk management within the SES Group as a whole.
- An open and receptive approach to solving risk problems is adopted by the Board.
- Staff and associates support, advise and implement policies approved by the Board.
- The SES Group makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks.
- all staff are responsible for encouraging good risk management practice within their areas of work
- Key risks will be identified by the Board and closely monitored on a regular basis.

Role of the Board

The Board has a fundamental role to play in the management of risk, Its role is to:

- Set the tone and influence the culture of risk management within the SES Group. This includes:
- Communicating the SES Group approach to risk
- Determining what types of risk are acceptable and which are not
- Setting the standards and expectations of staff with respect to conduct and probity.

Determine the appropriate risk appetite or level of exposure for the SES Group.

Approve major decisions affecting the SES Group risk profile or exposure.

Identify risks and monitor the management of fundamental risks to reduce the likelihood of unwelcome surprises.

Satisfy itself that the less fundamental risks are being actively managed, with the appropriate controls in place and working effectively.



Annually review the SES Group approach to risk management and approve changes or improvements to key elements of its processes and procedures.

Role of Key Staff

Roles of key staff are to:

- Implement policies on risk management and internal control.
- Identify and evaluate the fundamental risks faced by the SES Group for consideration by the Board.
- Provide adequate information in a timely manner to the Board and its sub-committees on the status of risks and controls.
- Undertake an annual review of effectiveness of the system of internal control and provide a report to the Board.

Risk management as part of the system of internal control

The system of internal control incorporates risk management. This system encompasses a number of elements that together facilitate an effective and efficient operation, enabling the SES Group to respond to a variety of operational, financial, and commercial risks. These elements include:

Policies and procedures.

Attached to fundamental risks are a series of policies that underpin the internal control process. The policies are set by the Board and implemented and communicated to staff. Written procedures support the policies where appropriate.

Reporting.

Comprehensive reporting is designed to monitor key risks and their controls. Decisions to rectify problems are made at regular meetings of the Board.

Business planning and budgeting.

The business planning and budgeting process is used to set objectives, agree action plans, and allocate resources. Progress towards meeting business plan objectives is monitored regularly.

External audits and Third party reports.

External audit provides feedback to the Board on the operation of the internal controls reviewed as part of the annual audit.

From time to time, the use of external consultants will be necessary in areas such as health and safety, and human resources. The use of specialist third parties for consulting and reporting can increase the reliability of the internal control system.

Risk Management Process.

The SES Group operates a risk management process/framework as follows:

- A review/appraisal of the previous year's risk management report
- A 'risk identification' exercise for the year ahead
- Evaluation of identified risks using risk assessments
- Manage risks through application of risk management techniques
- Record and monitor risks using risk registers
- Assigning responsibility for risks to appropriate personnel.



Risk identification is not an annual process. Board/Staff members are encouraged to report and update risk registers and carry out assessments throughout the year.

Annual review of effectiveness

The Board is responsible for reviewing the effectiveness of internal control of the SES Group, based on information provided by the senior employees. Its approach is outlined below.

For each fundamental risk identified, the board will:

- Review the previous year and examine the SES Group track record on risk management and internal control
- Consider the internal and external risk profile of the coming year and consider if current internal control arrangements are likely to be effective.

In making its decision the Board will consider the following aspects.

Control environment:

- The SES Group objectives and its financial and non-financial targets
- Organisational structure and calibre of the staff
- Culture, approach, and resources with respect to the management of risk
- Delegation of authority

On-going identification and evaluation of fundamental risks:

- Timely identification and assessment of fundamental risks
- Prioritisation of risks and the allocation of resources to address areas of high exposure.

Information and communication:

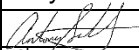
- Quality and timeliness of information on fundamental risks
- Time it takes for control breakdowns to be recognised or new risks to be identified.

Monitoring and corrective action:

- Ability of the SES Group to learn from its problems
- Commitment and speed with which corrective actions are implemented.

The delegated member of staff responsible for risk management will prepare a report of its review of the effectiveness of the internal control system annually for consideration by the Board.



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1	RK	TB	13/02/17	N/A First Issue