

Risk Management and Internal Control Policy

The Board of Taylor Wimpey plc will monitor the effectiveness of this Policy and the Audit Committee will review and approve the Policy on a regular basis.

Approved by

Audit Committee

Taylor Wimpey plc
12 December 2014

Last reviewed

14 December 2018

Introduction and Objectives	The Board is responsible for the establishment of a Risk Management and Internal Control Framework within which all Group businesses are required to operate.
Risk Management	Risks are assessed at corporate (strategic), business (tactical) and project/site (operational) levels. The Group Finance Function prepares a risk report twice per year which details the risk methodology and processes followed across the Company. The Risk Report is reviewed by the GMT, Audit Committee and Board.
Internal Control	<p>Internal control is exercised through the definition and execution of processes and objectives, accountabilities and responsibilities for which are assigned to individuals. The vehicle for this is a combination of the Operating Framework and functional manuals such as for example, the Finance Manual; the Commercial Manual; and the Health and Safety Manual.</p> <p>Process owners are accountable for ensuring that their process meets their objective(s). Individuals responsible for the execution of a particular process are responsible for the control effectiveness.</p>
Compliance	<p>Compliance with policies, processes and procedures is a cultural imperative within an effective risk and control framework. The necessity for compliance runs beyond the dictates of risk management and internal control to the heart of business effectiveness and efficiency. Non-compliance can have material consequences leading to needless cost, expense and increased risk.</p> <p>Every employee is required to comply with the Group's stated policies. Specific responsibilities for compliance are identified at the process level and procedures are documented, where necessary, to help employees discharge this responsibility.</p> <p>Line management, the Group Management Team and ultimately the Board, are all responsible for ensuring compliance. The governance framework is flexible enough to encourage individual initiative, which can be exercised within the limits of the framework. Delegated authorities are an example.</p>
Assurance	<p>Assurance is the means by which management and, ultimately, the Board can be satisfied that the Risk Management and Internal Control Framework is operating effectively. Assurance takes a number of forms, including:</p> <ul style="list-style-type: none">• Management checks and enquiries;• Self-certification including compliance statements;• Regular framework status reports;• Internal Audit;• Investigation of Whistleblowing allegations; and• External and Regulatory Audits. <p>The Audit Committee and the Board are required to regularly review the effectiveness of the system of internal control and is, therefore, responsible for ensuring that adequate systems and resources are in place.</p>
Applicability	This policy applies globally and its principles apply in all areas of the Group's business.