

Risk Management Statement

1. Purpose

The policy explains Gammatec NDT Supplies' underlying approach to risk management and documents the roles and responsibilities of the key parties. It also outlines key aspects of the risk management process and identifies the main reporting procedures.

2. Roles and responsibilities

Roles of key staff and volunteers are to:

1. Identify potential threats/hazards as part of the strategic plan.
 - i. Early identification of threats/hazards from all staff and reporting to HOD and EXCOM is key.
2. Evaluate inherent risks vs residual risks (impact and likelihood).
3. Implement internal controls.
4. Review the Inherent vs Residual risks against internal controls and address with mitigating actions if necessary.

3. 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 Gammatec to respond to a variety of operational, financial, environmental, and commercial risks. These elements include:

a) Risk Management Process

Gammatec operates a risk management process/framework that involves the following:

- i. Communicating and consulting
- ii. Establishing the context
- iii. Identifying risks
- iv. Analysing risks
- v. Treating Risks
- vi. Monitoring and reviewing

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

b) Policies and procedures

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

c) Reporting

Comprehensive reporting is designed to monitor key risks and their controls through an established risk register derived from the company Strategic Objectives. Decisions to rectify problems are made at regular meetings of the Risk Management Committee and the Board.

d) External audits and Third-party reports

External audits provide 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, human resources, information technology, procurement, and accounts. The use of specialist third parties for consulting and reporting can increase the reliability of the internal control system

4. Quarterly review of effectiveness

In making decisions the following aspects will be considered:

- a) Risk Owners and Risk Treatment Owners have key risks and control review and update responsibilities to ensure continued accuracy of information pertaining to their risks.
- b) Quarterly and annual review of the entire risk register will be undertaken, with review participation being broader than solely Risk Owners and Risk Treatment Owners
- c) The risk management framework itself will be reviewed annually, with results reported to the ARC and the Board.



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