

1. Committee minutes and matters arising

RCC 16 MARCH 2015

PAPER ONE

Post Office Ltd – Confidential

Risk and Compliance Committee (R&CC)		Reference: R&CC Jan 15
Date: 21 January 2015	Venue: Boardroom, 5th Floor, 148 Old Street	Time: 14:00 – 16:00
Attending:		
Chris Aujard	General Counsel - outgoing	Chair
Alisdair Cameron	Chief Financial Officer	Member
Piero D'Agostino	Head of Legal - Commercial	Report
Fay Healey	Head of HR	Member
Gavin Lambert	Chief of Staff	On behalf of the CEO
Alwen Lyons	Company Secretary	Member
Jane MacLeod	General Counsel - incoming	Observer
Jessica Madron	Head of Legal-Infrastructure & Dispute Resolution	Report
David Mason	Head of Risk Governance - outgoing	Observer
Henk Van Hulle	Acting Director Financial Services	On behalf of the FS Director
Arnout van der Veer	Head of Risk and Assurance	Report
Georgina Blair	Risk Business Partner	Secretariat
Apologies:		
Nick Kennett	Financial Services Director	Member
Paula Vennells	CEO	Member

Introduction

The Chair declared the committee quorate and opened the meeting.

Agenda Item 1, Committee minutes and matters arising

The committee reviewed the minutes from the last meeting and noted the actions.

With regard to action 1642 about vulnerable customers, it was noted that this issue had been mentioned at the last ARC, and that it was first necessary to define what was considered a vulnerable customer in each area of the business, and then define the end to end process. The matter of vulnerable customers has been passed to the Commercial Committee but it was agreed that the Chair would write to the Commercial Committee with these points, requesting an update for the next meeting (Action 1649). The committee agreed the minutes of the previous meeting and the attached actions.

Agenda Item 2, RCC terms of reference

The committee discussed the form and purpose of the RCC. It was noted that there was consensus that the committee had an important role in the enterprise risk framework, with the opportunity to further clarify its remit. It was also noted that there was a possible role for the RCC in central governance of compliance matters.

The committee requested that the Head of Risk and Assurance gather views from Committee members and provide an analysis of the key themes and proposed amendments to the terms of reference (Action 1650).

Agenda Item 3 , RCC rolling agenda

The committee reviewed the rolling agenda. It was noted that the review of the annual internal audit plan was too late in the timetable and that transformation risks should be reviewed more than once a year. The committee noted that the RCC should review papers going to the ARC, although this could be done via correspondence if meeting dates did not correspond. The committee requested that the rolling agenda be reviewed in line with their comments (Action 1651).

ERM framework implementation

The committee received an update on the ERM framework implementation. The committee noted that the current focus of implementation is on capturing the principal risks, which will be reported back to the RCC and then ExCo, as part of the risk activity which must be completed before the signing of the annual report. In addition an approach to embedding the risk appetite statements is being mapped out.

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The committee requested that a note clarifying the current approach to compliance with the Corporate Governance Code be prepared for use by the Chief Executive (Action 1652).

Agenda Item 5, Risk incident reporting de-minimis values

The committee reviewed the proposed approach to incident reporting. The committee noted that this was a work in progress and requested that the Head of Risk and Assurance gather views from committee members and provide an update (Action 1653).

Agenda Item 6, Overview of legal strategy

The committee received the presentation. The committee noted that the level of activity around Business Transformation produced an increased demand for legal and other support services. The committee requested that the Head of Risk and Assurance speak to the Business Transformation director and seek assurance that the resource needed to support Business Transformation had been properly scoped (Action 1654).

Agenda Item 7, Audit update

The committee received an update on significant audit findings. The committee noted the update.

Agenda Item 8, Whistleblowing update

The committee received an update on recent whistleblowing activity. The committee noted that call levels were very low and that marketing of the whistleblowing line is needed (Action 1655).

Agenda Item 9, Any other business

The committee briefly discussed the proposal to move the Anti-Money Laundering team from the Risk and Compliance team to the Security team.

The Chair noted that the noting paper on the new Finance Reporting Programme (FRP) did not provide assurance that the lessons learnt were being picked up by the Business Transformation programme. The committee requested an update on how the lessons from the FRP are being shared more widely (Action 1656),

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Action Summary and Updates				
Ref	Action	Lead	By	Update
1655	Prepare and implement a communications plan to raise awareness of the whistleblowing line	Arnout van der Veer	16 th March	Comms plan has been drafted. The Speak Up (whistleblowing) policy is being reviewed and once signed off comms plan will be implemented.
1654	Update on risks and assurance in respect of Business Transformation	Arnout van der Veer	16 th March	See item 5 on agenda.
1653	Gather views from committee members on incident reporting de-minimis limits and provide an update.	Steve Miller	22 nd April	
1652	Prepare note clarifying the current approach to compliance with new the Corporate Governance Code	Steve Miller	22 nd April	
1651	Review the RCC rolling agenda in line with the committee's comments	Arnout van der Veer	16 th March	See Item 2 on agenda
1650	Gather views from committee members on the RCC terms of reference and provide an analysis of the key themes and proposed amendments.	Arnout van der Veer	16 th March	See Item 2 on agenda
1649	Write to the Commercial Committee with the committee's comments on vulnerable customers, and request an update for the next meeting	Jane McLeod	16 th March	Done by Chris Aujard on 4th March. Martin George has acknowledged receipt. ACTION CLOSED
1648	Present an update on Project Sparrow in February or March.	Jane McLeod	16 th March	
1646	Provide a report on the list of policies that need to be approved	Jane McLeod	22 nd April	A list has been prepared and the next steps are being discussed with the new Head of Risk and Audit – action carried over
1645	Run a workshop to try and identify other IT problems that might go wrong.	Steve Miller	22 nd April	Workshops planned for April.
1644	Hold a scenario-analysis workshop to try and identify unexpected risks.	Arnout van der Veer	22 th April	Workshop to be held after year end.
1633	Provide an update on the resolution to the Travel Insurance problem.	Ross McGill	16 th March	Manual fix in place – Horizon fix due May. ACTION CLOSED
1631	Brief the Telecoms team on the importance of registering risks and provide an update on training on regulatory matters and the allocation of accountability for compliance with General Conditions within the Telecoms team.	Geoff Smyth	16 th March	BT changes have impacted the Telecoms team significantly with a number of individuals moving roles/VR - team will be confirmed by mid- Feb.