POL00447852

POST OFFICE LIMITED
AUDIT, RISK AND COMPLIANCE COMMITTEE REPORT

Title:	Audit, Risk and Compliance (ARC) Committee Evaluation 2022/23 – Status Update	**Meeting Date:**	29th January 2024
Author:	Marie Molloy, Senior Assistant Company Secretary	**Sponsor:**	Simon Jeffreys, ARC Chair

Input Sought: Noting & Discussion

The Committee is asked to:

- NOTE and DISCUSS the progress against the recommended areas and actions to address points raised for improvement.

Executive Summary

At the 16th May 2023 meeting, the ARC approved the recommended areas and actions to address points raised for improvement. We have summarised below the actions in evaluation and progress made against these.

Actions and status from the Committee Evaluation 2022/23

The actions from the Committee Evaluation 2022/23 and their status are as follows:

1. ARC coverage to ensure all key risk areas are reviewed to provide a holistic view of the control and operational risk environments within POL, particularly those exposed legal and regulatory environments.

   Status: In Progress. Significant improvements have been made to risk reporting, however more works needs to be done in ensuring POL coverage and timely visibility of risk and issues.

2. Strict enforcement of templates and ensuring papers in the reading room are appropriately cross referenced and or summarised in the main pack.

   Status: In progress. Updated templates have been circulated; however some areas are still not cross referencing reading room material appropriately.

The following changes were also to be considered:

i. Enhance coverage of lines of defence to ensure this is adequate to provide early warning/lead indicators.

   Status: In progress. Group assurance is in the process of embedding a continuous assurance model.

ii. Whether a balanced scorecard regarding Postmaster detriment should be developed

   Status: This is still under consideration. Group assurance has provided retail with some recommendations to significantly enhance their retail dashboard.

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iii. The Committee formally review the ‘ Forward Plan’ on a 6 monthly basis to ensure this remains in line with the risk profile of POL.

Status: Completed. The ‘Forward Plan’ is being reviewed in January 2024 and again in May 2024. The ‘Forward Plan’ is also a noting item at each ARC meeting.

Additional areas raised at the ARC meeting 16th May 2023:

iv. When reports were pushed back to later meetings, the presenter still attended ARC to provide an explanation.

Status: Completed. This is communicated via the agenda planning process.

v. Papers should be more action focused and include whether what should be being done was actually being undertaken.

Status: In progress. This is an iterative process but improvements are being made.

vi. More analysis, interpretation and recommendations in the papers.

Status: In progress. This is an iterative process but improvements are being made.

vii. A one page top sheet on issues the committee should consider.

Status: This template is still under consideration, content to be confirmed at January 2024 ARC.

Next Steps.

We will continue to monitor actions in progress and undertake a further assessment of progress against these actions in May 2024.

An externally facilitated evaluation will be undertaken on the Board and its Committees for 2023/24, therefore an internal evaluation will not be conducted this year.