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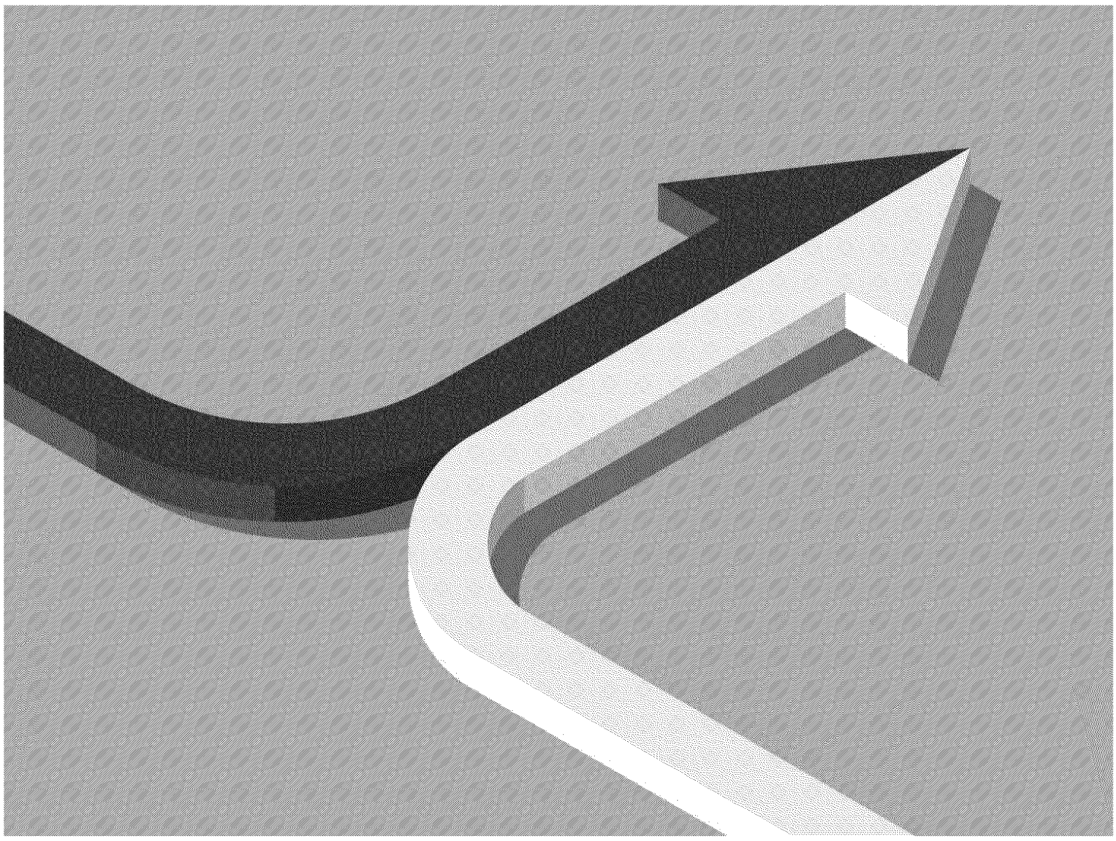

Group Assurance

Standard Operating Procedures

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1. Purpose

Group Assurance is part of the second line within the Three Lines of Defence model and is responsible for deploying activity and risk management techniques within an agreed assurance framework to provide Post Office Group, GE and the Board with assurance.

This document sets out the processes and procedures deployed by the team to provide assurance through:

- A standardised approach for risk management and control assessments
- Assurance objectivity by design
- Efficient/effective delivery of Integrated Assurance
- Timeliness of risk or gap identification and reporting
- End to end alignment and reporting.

2. Scope

The scope of Group Assurance includes (but is not limited to) the following Business Functions selected due to their criticality, co-dependencies and to ensure Senior Management have an E2E view and assessment of the POL universe:

- NBIT - Technical Assurance
- Retail Transformation Programme (RTP)
- Business Readiness - Critical Support Activities:
    - Finance
    - Data
    - Retail
    - Assurance and Complex Investigations /Speak-up
    - Contracting
    - Legal and regulatory compliance
- Culture
- Effective Governance

3. Processes and procedures

3.1 Planning

Each year assurance results, intelligence (incl. horizon scanning), KPI's and dashboards are reviewed to inform prioritisation of assurance reviews for the coming year considering:

- Business key priorities and deliverables
- The importance and complexity of the business function or deliverable, and the amount of effort (resource) likely to be required to perform assurance activity.

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- The outcomes of previous assurance reviews of business functions or activities
- With the Risk function, identify changes in risk profile in the previous 12 months.
- The maturity of the function/activities controls and the level of control failures in the previous 12 months.
- Available resource and expertise

3.2 Approval

- The annual assurance plan is documented and presented to GE, RCC and ARC for approval prior to the start of the financial year and circulated to the business to inform them of the planned schedule of assurance activity.
- From time to time, changing business priorities may change the assurance schedule and any material changes are presented to GE, RCC and ARC for approval.

4. Preparation and planning

4.1 Prior to commencement of assurance activity, Group Assurance review the status and completeness of relevant risks and controls.

4.2 Where a function or activity has been subject to previous assurance the existing scope is reviewed with key stakeholders to identify changes and assurance questions and required artefacts amended accordingly.

4.3 Where a new function or activity is being assured, Group Assurance meet with key stakeholders to explain the process and:

- Hold workshops to review function or activity processes and MI and ensure full understanding of associated tasks, risks, and control maturity.
- Produce pre-review questions in preparation for the review.
- Based on the responses to the questions, design assurance questions and artefact requirements and timescales for assurance activity.

4.4 Head of Assurance reviews and approves assurance scope and questions, timescales and resource.

4.5 Date for commencement of fieldwork and provision of /access to artefacts agreed with stakeholders.

5. Fieldwork

5.1 Group Assurance gather relevant information and documentation, including policies, procedures, and records. Additionally, relevant systems are identified, and access obtained, if not already available.

5.2 An objective assurance assessment of the evidence provided is completed in the agreed timescales.

5.3 Meetings with relevant business area stakeholders arranged to gain further clarity on information gathered where required.

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- All evidence of findings is added to SharePoint – "4 – Assurance reports" > specific folder for the review.

5.4 Relevant files on Sharepoint follow agreed naming conventions and file formats.

6. Quality Assurance/Monitoring

6.1 Quality Assurance (Peer Review) activity completed on an ongoing basis on the planning and completion of assurance work including:

- Review of scope to ensure completeness.
- Review of Assurance questions to ensure completeness.

6.2 Ongoing monitoring of progress of the assurance review completed to ensure the review is on track and identify risks to completion.

6.3 The completed assurance review is checked for completeness and accuracy including a sample check of evidence.

6.4 Sample check of findings and recommendations from the assurance review to ensure completeness and accuracy.

6.5 Peer review of [evidence] documents and emails to ensure these are retained as agreed.

6.6 Peer review of evidence pertaining to completed actions to ensure completeness and retained as per filing convention.

7. Analysis and Reporting

7.1 The findings from the assurance review are analysed to identify areas for improvement, evidence of non-compliance and control deficiencies. This includes root cause analysis of non-compliance and control deficiencies to enable appropriate remediation action to be identified.

7.2 Head of Assurance reviews the report to ensure for completeness and accuracy of the findings.

7.3 Recommendations for corrective action based on the identified issues documented in a formal report. A draft report with preliminary findings and recommendations is shared with the relevant business unit/stakeholder.

7.4 Following issuance of the final report, the business unit/stakeholder is asked to formally accept the findings and provide an action plan to remediate issues identified.

7.5 Outcome of assurance reviews reported to RCC and ARC.

8. Report Rating

8.1 The overall report is rated based on the severity of issues identified and taking into consideration the ratings applied to the recommendations.

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Satisfactory	No or low-level findings, minor process changes or inefficiencies and no control weaknesses identified.
Needs Improvement	Improvements identified, some internal controls weaknesses such as processes, records or systems identified. Action required to address all issues and to mitigate future occurrences.
Needs Significant Improvement	Inadequate or failed internal control environment which could potentially lead to material or reputational loss. Actions required based on comprehensively addressing issues as a priority.
Unsatisfactory	Significant or high number of issues with internal and/or external standards, weaknesses in records, processes, systems, or controls. Immediate attention required to address any regulatory, contractual, reputational, or material loss as a priority.

9. Remediation/Action Plans/A&CI Recommendations

9.1 Remediation/Action plans are checked for completeness ensuring the plan provides detailed information on activities being taken to remediate the issues identified.

9.2 Agreed plans are monitored to ensure actions are completed on a timely basis, overdue actions are escalated to the stakeholder/Head of Function.

9.3 Group Assurance will also monitor recommendations from A&CI investigations and Quality Assurance activity completed by A&CI on areas of the business.

9.4 Business approval is obtained where actions cannot be immediately completed or are likely to be incomplete.

9.5 Timelines

9.5.1 Completion of actions/recommendations will be monitored against the original timelines.

9.5.2 Where completion dates are re-forecast, this will be noted on the action tracker and update provided in monthly reporting, however the status of the action/recommendation is reported against the original closure date.

9.6 Monitoring the status/progress of committed management actions.

Weekly –

Group assurance action tracker will be monitored, and updates requested for any actions due in the next seven days.

On the 5th working day of each month, Group Assurance will provide data to the key stakeholders in the relevant business areas of their open and overdue actions.

Mid-month, Group Assurance will provide an update showing the position – i.e., improvement/no improvement.

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9.7 Review response and evidence received for actions on Group Assurance tracker

If acceptable – change to “To be QA’d” and save the evidence to the “Group assurance action tracker” folder > “Action evidence” folder.

If unacceptable – follow up with the stakeholder, escalate if not resolved in an acceptable manner.

9.8 Updates provided for the Quality Assurance Framework recommendations are managed by the A&CI team.

Where recommendations have been accepted and confirmed as operational, the A&CI team will re-run the same set of tests every 2 or 3 months to gather evidence of compliance.

10. Management reporting and MI

10.1 Group Assurance reporting includes:

- Status of the assurance plan against delivery
- Status of key risks and related assurance opinions
- An aggregated net risk position for in scope areas and whole of POL
- Trend analysis including metrics on key themes from all assurance reviews and repeat findings.

11. Evidence and Document Management

11.1 **Folder Creation:** the folders created for each assurance review will include:

- **Folder Naming:** name a folder for each Assurance review using the following naming convention: Review Name DDMMYY where "Review Name" represents the name of the review, and "DDMMYY" denotes the date of the review initiation.
    - Example: "CIJ Review 08.09.23 Review evidence
- **Document Naming:** Documents saved as part of the review (i.e., evidence) should use the following naming convention: Review Name DDMMYY where "Review Name" represents the name of the review, and "DDMMYY" denotes the date of the review initiation.
    - Example: CIJ Review 08.09.23 Action evidence #1

11.2 **Folder Location:** all review folders are in a centralized and easily accessible location within the Group Assurance team site.

11.3 **Document Inclusion:** the documents included in the folders are:

- **Scope Plans:** the initial and revised review plans will be saved in the respective review folder which is accessible to the team.
- **Working Papers:** all working papers generated during the assurance review. Each working paper should be properly labelled and dated for easy reference.

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- **Evidence:** all evidence gathered during the review process will be included in the team's folder. All evidence will be saved within the subfolders of each review, if necessary, based on the type of evidence or source.
- **Version Control:** all reports, review plans and revisions produced during the review process will include the use of version control. The draft versions start at 0.1 with changes to each iteration whilst the final version will be labelled 1.0 to indicate its status as the complete version.
- **Sensitivity Labelling:** all Assurance reports will be assigned sensitivity labels based on their confidentiality. The header or footer of the document may include "Confidential", "Strictly Confidential" or "Internal Use Only" to ensure easy visibility.

11.4 **Reports and Storage:** All reports will be kept in the Assurance Reports folder with a copy in the relevant review folder.

Document Control

Date	Version	Updated by	Reviewed by	Change details
20/09/23	1.0	Feyisola Omisore	Jayshree Patel	New document
14/02/24	1.1	Jayshree Patel	Sean Farrow	Additions
20/02/24	2.0	Sean Farrow	Jayshree Patel	Updated version
05/03/24	2.1	Jayshree Patel	Andrew Morley	Amends section 9.7 and added 9.8
11/03/24	3.0	Jayshree Patel	Andrew Morley	Final version following above amends