



POST OFFICE LIMITED

AUDIT, RISK & COMPLIANCE COMMITTEE REPORT

Title:	Policy Update	Meeting Date:	26 January 2021
Author:	Reena Chohan, People and Policy Compliance Manager	Sponsor:	Jonathan Hill, Director of Compliance Ben Foat, Group General Counsel

Input Sought: Decision

The Committee is asked to review and approve the Investigations Policy updated policies for the business to take forward.

Previous Governance Oversight

Risk & Compliance Committee (RCC) 12 January 2021

Executive Summary

This paper provides a summary of changes that have been made to the policies below as part of their annual review process for the Audit, Risk & Compliance Committee (ARC) to consider.

Questions addressed in this paper

1. Which policies were updated in this annual cycle review?
2. What updates were included and why?
3. What is Compliance's assurance view of the status / Minimum Controls Standards for each policy?

Which policies were updated in this annual cycle review?

1. In this review cycle the following policies were revised, reviewed and updated as per the annual review process.

Policy	Last Reviewed	Updates	GE Owner	Governance Approval Body
Investigations Policy	Sep 2016	Major amendments to the existing policy, which has been out of use for some time.	Group General Counsel	RCC & ARC
Postmaster Policies X 3	New Policies	To be discussed in a separate paper sent to RCC by Tim Perkins.	Retail and Franchise Network Director	RCC/ARC



What updates were included and why?

2. A summary that identifies the changes and updates to the policies and statements have been added below:

Investigations Policy:

3. The Investigation Policy has not been updated or been in use for some time. Whilst most internal investigations are conducted under local, subject-specific policies – such as disciplinary, or Dignity at Work - it is felt that there should be an overarching policy dealing with subjects that are not dealt with under such existing local policies.
4. Therefore this is a master Investigations Policy that brings back the principles of investigations for all other Group Policies that relate to it. Going forward there is going to be as part of the implementation process an Investigations Group being pulled together, which will consist of both the relevant Policy Owners where it is intended that they will review the underlying processes of the policy and the appropriate MI to ensure all Minimum Control Standards stated within the policy are being met consistently.
5. The former policy has been updated to:
 - a. Include detail on the processes and on responsibilities.
 - b. Provide that, where there are existing investigation procedures within other policies, they should be followed.
 - c. Define roles and responsibilities more, and specifically to have someone appointed with overall responsibility for the investigation, i.e., the Commissioning Manager, who is responsible for establishing terms of reference and identifying the policy, legal and regulatory requirements of the investigation, including any requirement for an investigation to be carried out under legal privilege.
 - d. Equally there would then be an investigator responsible for the actual investigation. Effectively they have delegated authority through the Commissioning Manager.
 - e. Included certain aspects as obligatory on the managers, including producing minutes of interviews and an investigation report.
 - f. Include minimum control standards
6. **Policy Compliance View:** As this policy has not been in use for some time the attestation on the policy performance will need to be made and carried out in the next annual review - some of the control standards are in place but some will need to be established soon and are currently under review.

Postmaster Policies:

To be discussed and approved in a separate paper present to the Committee by Tim Perkins.

7. Approval is being sought for three new postmaster policies to reflect how Post Office will provide support to postmasters in relation to their branch accounting.
8. The policies are:
 - **The Network Monitoring and Audit Support policy** sets out Post Office's network monitoring principles which aim to support postmasters with accounting practices, prevent postmasters from suffering discrepancies and protect both postmasters and Post Office from possible losses.



- **The Postmaster Account Support policy** sets out how Post Office will notify postmasters pro-actively when an accounting discrepancy has occurred and how it will offer support to help postmasters understand the reason(s) for any discrepancy. The policy also sets out how Post Office could deal with the recovery of losses if the loss is established (following investigation and/or acceptance by the postmaster).
 - **The Postmaster Accounting Dispute Resolution policy** sets out how Post Office will investigate and resolve accounting disputes raised by postmasters.
9. Four remaining postmaster support policies will be presented to the RCC in March, along with an overarching postmaster support document that links all the postmaster support policies and processes.

Assurance

10. Working with the Policy Owner of the Conflicts of Interest Policy we have started to pilot the assurance process and sample test the policy on a risk basis to review the policy standard and policy compliance.
11. Compliance is also working with Policy Owners and our subsidiaries to incorporate where and whom their policies apply to within the business to ensure we have a consistent approach to the language that is being applied to all policies throughout the Group.
12. The Internal Policy Template which is used by policy owners to draft their policies on, is currently under review and being amended to reflect current working practices as the previous one is outdated. The new template will include guidance notes for policy owners to help assist them in writing their policies. This is to ensure we have a consistent approach to policies been written and aligned in the same format throughout the Group.

Conclusion

13. We continue to work with Policy Owners and Company Secretariat to ensure we maintain our policy governance responsibilities and undertake assurance that the policies are working as expected. This is a key part of the wider Post Office controls work.

Appendices

1. Investigations Policy (Clean)
Confidential



2. Investigations Policy (Existing Policy)

Please see separate paper for the Postmaster Policies.