RCC 1 MAY 2015   PAPER ONE

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Risk and Compliance Committee (R&CC)		Reference: R&CC March
Date: 16 March 2015	Venue: Boardroom, Finsbury Dials	Time: 14:00 – 16:00
Attending:		
Jane MacLeod	General Counsel	Chair
Alisdair Cameron	Chief Financial Officer	Member
Neil Hayward	Group People Director	Member
Nick Kennett	Financial Services Director	Member
Gavin Lambert	Chief of Staff	On behalf of the CEO
Alwen Lyons	Company Secretary	Member
Steve Miller	Head of Risk - incoming	Observer
Arnout van der Veer	Head of Risk and Assurance - outgoing	Report
Georgina Blair	Risk Business Partner	Secretariat
Paul Beaumont	Risk Business Partner	Report
Garry Hooton	Head of Audit – incoming	Report
Apologies:		
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 and actions from the last meeting.

The following amendments to actions were noted:
Action 1655 – Whistleblowing comms plan to be brought back to the next meeting.
Action 1649 – Commercial Director to give his view on vulnerable customers at the next meeting.
Action 1646 - Produce a paper on what the policy governance process should be (for May meeting).
Action 1645– Workshops no longer needed given the other risk assessment activity in place. Action to be closed.
Action 1631 – Head of Telecoms to confirm that he knows who is responsible for compliance in his team.

The committee agreed the minutes of the previous meeting and the attached actions subject to the amendments noted.

Agenda Item 2, Updated Terms of Reference & Rolling Agenda

The committee discussed the updated terms of reference. It was noted that there was inconsistency in the reporting from sub-committees to the RCC and the committee requested that an appropriate form of reporting was agreed with the chairs of the sub-committees (**Action 1656**).

The committee discussed the rolling agenda. The Head of Risk and Assurance explained that it was based on a meeting frequency of six times a year. It was noted that it had been intended for RCC meetings to coincide with Group Executive Team meetings, and to take up the last two hours of the GE meeting agenda, but that this was not yet possible due to current pressures on the GE agenda. The Committee noted that the timing of reporting from sub-committees needed to be clarified and that the risk team was working on an incident reporting process.

It was noted that there were a number of the scheduled items which could potentially include reports on POMS (eg. AML compliance). It was agreed that further discussion was required as to the interaction between POMS and POL on these items, given that the POMS board would also require assurance around these matters it was agreed that the Chair would discuss this with the Financial Services Director (**Action 1657**).

1

RCC 1 MAY 2015   PAPER ONE

Post Office Ltd – Confidential

The committee agreed the terms of reference and rolling agenda.

Agenda Item 3, POL risk management progress and key principles
The Head of Risk and Assurance introduced the risk management key principles, noting that fundamental parts of the principles were: • A general review of risks and upward reporting to RCC and GE to take place twice a year • A risk champion in a frontline role in each part of the business • Management confirmation that the assessment of risks and controls is accurate (to start in September 2015). The committee discussed the principles. The Group People Director noted that the risk management guidance (Paper 3, Appendix A) that had been issued by the risk team had been very useful to his team when they were considering their own risks. The committee requested that a risk management session be provided for the SLT at the next appropriate opportunity (**Action 1658**).   The committee endorsed the key principles.

Agenda Item 4, Key Risks for POL
The committee discussed the key risks. The committee noted that the aggregation of risks obscured their meaning and requested that they be disaggregated in order to provide greater transparency over the individual risk. The committee also asked that the likelihood and impact scores for each risk be reviewed (**Action 1659**).

Agenda Item 5, Business Transformation Assurance
The committee reviewed the proposed approach to Business Transformation Assurance. It was suggested that the hard reporting line for the two Business Transformation risk and assurance roles should be to the General Counsel and/or Head of Risk and the dotted line to the Head of Transformation, which is the reverse of the current situation. Chair and Head of Risk to discuss with the Transformation Director **(Action 1660).**

Agenda Item 6, Risk and Assurance at POMS
The committee discussed the papers.

Agenda Item 7, Internal Audit Plan 2015/16
The committee reviewed the Internal Audit Plan and requested some amendments (**Action 1661**).

Agenda Item 8, FOIA request on EUC tower – for noting
The committee noted the paper and that the FOI process is under review.

Agenda Item 9, Joiners, Movers and Leavers access policy – for noting
The committee discussed the paper and requested further investigation into the seriousness of the problem. Group People Director to review the external audit report on adherence to the joiners, movers and leaver processes. Head of Audit to provide external audit view to Group People Director (**Action 1662**).

Any other business
The General Counsel gave an update on Sparrow.

2

RCC 1 MAY 2015   PAPER ONE

Post Office Ltd – Confidential

Action Summary and Updates					
Date	**Ref**	**Action**	**Lead**	**By**	**Update**
03/15	1662	Provide external audit view on adherence to joiners, movers, leavers processes as referenced in Joiners, Leavers, Movers Policy to Group People Director.	Garry Hooton	1st May	Done – ACTION CLOSED
03/15	1661	Amend audit plan in accordance with feedback from committee members	Garry Hooton	1st May	Done – plan approved by ARC in March 2015 – ACTION CLOSED
03/15	1660	Discuss reporting lines of Business Transformation risk and assurance roles with the Transformation Director.	Jane MacLeod/ Steve Miller	1st May	Done – ACTION CLOSED
03/15	1659	Revise presentation of principal risks in line with feedback from committee members	Steve Miller	1st May	See agenda item 4
03/15	1658	Provide a risk management session for the SLT at the next appropriate opportunity	Jane MacLeod/ Neil Hayward	22nd June	
03/15	1657	Discuss interaction between POL and POMS with regard to reporting at RCC with Financial Services Director	Jane MacLeod	1st May	POMS RCC to report to POL RCC – format to be agreed.
03/15	1656	Develop proposal for sub-committee reporting to RCC and discuss at GE	Steve Miller/ Alwen Lyons	22nd June	
01/15	1655	Prepare and implement a communications plan to raise awareness of the whistleblowing line.	Steve Miller	22nd June	Whistleblowing framework currently under review. Action point carried forward to next meeting.
01/15	1653	Gather views from committee members on incident reporting de-minimis limits and provide an update.	Steve Miller	1st May	See agenda item 5
01/15	1652	Prepare note clarifying the current approach to compliance with new the Corporate Governance Code	Steve Miller	1st May	See agenda item 3
01/15	1649	Write to the Commercial Committee with the committee's comments on vulnerable customers, and request an update for the next meeting. **Updated March 2015**: Commercial Director to give his view on vulnerable customers at the next meeting.	Jane MacLeod	1st May	See agenda item 6

3

RCC 1 MAY 2015   PAPER ONE

Post Office Ltd – Confidential

12/14	1646	Provide a report on the list of policies that need to be approved. **Updated March 2015:** Produce a paper proposing an appropriate process.	Steve Miller	1st May	See agenda item 7
12/14	1644	Hold a scenario-analysis workshop to try and identify unexpected risks.	Steve Miller	22nd June	
10/14	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. **Updated March 2015**: Head of Telecoms to confirm he knows who is responsible for compliance in his team.	Geoff Smyth	1st May	Head of Telecoms has confirmed that he is the accountable individual within POL and provided the name of the accountable individual within Fujitsu. –ACTION CLOSED

4