



POST OFFICE LIMITED

MINUTES OF A MEETING OF THE RISK AND COMPLIANCE COMMITTEE OF POST OFFICE LIMITED HELD ON THURSDAY 12 NOVEMBER 2020 AT 11:00 VIA MICROSOFT TEAMS

Present:	Attendees:
Alisdair Cameron (Chairman) (AC)	Helen Rhodes (People Shared Services Director) (observing) (HR)
Lisa Cherry (Group Chief People Officer) (LC)	Meredith Sharples (Director of Telecoms) (MS) : Item 3.3
Ben Foat (Group General Counsel) (BF)	Tony Jowett (Chief Information Security Officer) (TJ) : Item 4
Amanda Jones (Group Retail and Franchise Network Director) (AJ)	Rob Wilkins (Cloud Services Director) (RWI) : Item 4
Cathy Mayor (Finance Director, Commercial) (deputising for Owen Woodley) (CM)	Mark Underwood (LCG Operations Director) (MU) : Item 5
Jeff Smyth (Group Chief Information Officer) (JS)	Tim Perkins (Head of Security, Safety & Loss Prevention) (TP) : Item 6
Regular Attendees:	Christine Kirby (Financial Controls Manager) (CK) : item 7
Johann Appel (Head of Internal Audit) (JA)	Brian Kelly (Finance Director - Tax, Treasury and Working Capital) (BK) : Item 8
Mark Baldock (Head of Risk) (MB)	Declan Salter (GLO Director) (DS) : Item 9
Jonathan Hill (Compliance Director) (JH)	Graham Hemingway (Historical Matters Portfolio Lead) (GH) : Item 9
Tom Lee (Head of Finance Financial Accounting and Controls) (TL)	Ed Dutton (Post Office Insurance Managing Director) (ED) : Item 10
Rebecca Whibley (Senior Assistant Company Secretary) (RW)	Karl Oliver (Head of Commercial Partnerships) (KO) : Item 12
Apologies:	Dan Zinner (Group Chief Strategy and Transformation Officer) (DZ) : Item 13
Owen Woodley (Group Chief Commercial Officer) (OW)	Saira Burwood (Head of SPO) (SB) : Item 13
Nick Read (Group CEO) (NR)	Andrew Goddard (Payzone MD) (AG) : Item 14
	Sarah Gray (Group Legal Director) (SG) : Item 15
	Rod Williams (Head of Legal, DR & Brand) (RWIL) : Item 16
	Barbara Brannon (Procurement Director) (BB) : Item 17
	Ed Dyer (Working Capital and Cash Management Lead) (EDY) : Item 19

1.	Welcome and Conflicts of Interest	Action
	The Chair opened the meeting and advised that all papers would be taken as read. No conflicts of interest were declared.	
2.	Minutes and Action Lists	
2.1	The minutes of the Committee meeting held 10 September 2020 were APPROVED , subject to an amendment to paragraph 3.3 requested by Ben Foat such that it reads: "Legal – POL unable to comply with legislative and regulatory changes, resulting in fines, lost revenue, reputational and customer damage. It was noted that legal and regulatory changes are managed through the Law & Trends forum and reported to RCC and ARC to avoid this."	
2.2	Progress on completion of actions as shown on the action log was NOTED as follows: Action 1 from 10 September 2020 para 3.6 GLO/Freedom of Information Requests/GDPR: This action was covered the Data Governance item (see paragraph 16). The action was closed.	

	<p><u>Action 2 from 10 September 2020 para 4 Pensions Assurance:</u> Project Assurance Steerco has been created and was to meet monthly. Data was being recalculated and results would not be available until the end of November. An update would be provided to the Committee in January 2021. <u>The action remained open.</u></p> <p><u>Action 3 from 13 July 2020 para 7 Suspense Accounts:</u> This action was covered the Suspense Accounts item (see paragraph 5). <u>The action was closed.</u></p> <p><u>Action 4 from 13 July 2020 para 3.5 Compliance Report (TelCo):</u> An update was included in the Compliance Paper presented to the Committee. There was an error in the minutes for 13 July 2020 and the action should read: "<i>the Telco team was asked to consider ways to reduce the number of customers out of contract and to revert to the Committee with a statement/plan for November .</i>" <u>The action remained open.</u></p> <p><u>Action 5 from 5 May 2020 para 3.15 Fit & Proper Policy:</u> This policy would be presented to the Committee in January 2021 and HR have discussed involvement with Operations and it was agreed the policy was to be owned by Operations. <u>The action was closed.</u></p> <p><u>Action 6 from 7 November 2019 para 10.6 MRLO Report:</u> HMRC were still not conducting any meetings and the action was to be updated at the next meeting in January 2021. <u>The action remained open.</u></p> <p><u>Action 7 from 7 November 2019 para 3.2 Supplier Contracts Out of Governance (SSK):</u> SSK Procurement Project would now be formally closed and any future activity would sit under the Network Strategy workstream. Automation forms a clear part of this strategy and was fully backed by the Board. Network Strategy was due to go back to Board in January with an update on Automation and Technology (this included SPM dependencies and route to procure). In relation to the existing estate the procurement team were investigating a PCR compliant route to maintain the current estate and potential procurement of new with a target resolution date of 29/01/2021. The action remained open.</p> <p><u>Action 8 from 7 November 2019 para 3.3 Supplier Contracts Out of Governance (Brands/RAPP):</u> A compliant tender process has been run and the contract has been awarded to the incumbent provider, with operational costs reduced. Contracts were nearing finalisation with a target completion date of end November. <u>The action remained open.</u></p> <p><u>Action 9 from 7 November 2019 para 5.3 Cyber Security Incident Test:</u> A desktop exercise to bed in new processes would be conducted in November and then in subsequent months an external party (Nettitude) would be used to conduct live tests. This action would otherwise be updated as part of the regular updates to the Committee. <u>The action was closed.</u></p>	
3.	Risk, Compliance and Audit Update	
	Risk	
3.1	<p><u>Risk Dashboard:</u> Mark Baldock introduced the paper, which had been circulated previously and was taken as read. In response to questions from the Committee, it was explained that the enterprise risk structure mirrors the Orange Book of Risk Management and was thematic. It was not expected that the risks would change from one month to another. It was the linked risks where the detail changed more frequently: there have been 72 new linked risks over the last three months and 100 linked risks were closed at an intermediate and local level. The question was when the changes in these linked risks impacted the enterprise risk and there needed to be</p>	

	<p>a material change to impact the enterprise risk rating. The Chair highlighted that the dashboard needed to better highlight any changes in risk vs. the ongoing management of an existing risk. Ben Foat further commented that risk scores were given but the numbers were not defined. It was also highlighted that Declan Salter should be identified against the GLO risk and the impact score for the Starling and GLO risk should be five, not three. It was agreed that Mark Baldock would make these changes to the risk dashboard, including putting any new risks to the front of the dashboard moving forwards (from January 2021) and provide a verbal update on these elements to the Audit, Risk & Compliance Committee (ARC) in November.</p> <p>The Committee otherwise NOTED the Risk Dashboard for onward submission to the Audit, Risk & Compliance Committee (ARC).</p>	<p>Action: MB</p>
3.2	<p><u>Risk Policy</u>: The Committee <u>approved</u> the Risk Policy, incorporating the approach to Risk Appetite, for onward submission to the ARC, subject to the following changes:</p> <ul style="list-style-type: none"> - Compliance was to be added to the second line of defence. - It was to be made clear that the policy applied to the Historical Matters Unit (HMU). - The Board and ARC were not first line defence entities but sat above the defence line structure so should be removed as first line defence entities. - The Committee was to be added to the Risk Governance Structure. - The operational detail included on page 13 would be taken out placed in the Risk Management Framework such that it could be changed if needed without needing to revise the policy. <p>It was also confirmed that the policy did not apply to Payzone Bill Payments Limited and Post Office Insurance, although these entities will have regard to the policy. Both were to adopt their own Risk Policies and despite Post Office Insurance having its own ARC, the Group ARC still oversaw both entities with reports from Post Office Insurance to the Group ARC. Material risks for Post Office Insurance were also included in the Risk Dashboard.</p>	<p>Action: MB</p>
	Compliance	
3.3	<p>Jonathan Hill introduced the paper, which had been circulated previously and was taken as read. The specific items below were highlighted and discussed by the Committee.</p> <p><u>Telecoms Comms Incident</u>: Jonathan Hill confirmed that this was the fourth or fifth regulatory breach seen in the Telecoms area. Whilst it was serious, the number of customers impacted was low and it was hoped the penalty would be minimised. It was not clear how much the fine could be as it could be up to 10% of revenue but it was expected to be less than the fine for the Text Rely issue which was £175,000 as the present incident was not as serious, took less time to resolve and affected less customers. Meredith Sharples explained that the breach was caused by a Fujitsu system failure attributed to file size issues. The breach protocol was immediately instigated and the team engaged with Ofcom. The number of customers impacted was small and the team was working to recompense. Fujitsu were to bear the cost for the breach and a proposal was expected from them later this week. The Chair congratulated Meredith Sharples on dealing with the issue quickly but highlighted that the current contractual situation was untenable (the contract and systems were seven years old and there was no appropriate compliance team). Ultimately, what happens next depended on the on-going strategic discussions regarding the possible sale of the Telecoms business.</p> <p><u>Branch registration errors</u>: In response to questions from the Committee, it was confirmed that it was hoped there may little or no penalty for branches completing Travel Money transactions after having been de-registered from HMRC.</p>	

	<p><u>Money Service Business/Capita</u>: It has been identified that high risk suspicious cash deposits from a Money Service Business (a money transmitter) were being accepted, via the bill payment reseller client Capita. The Chair highlighted that a decision had been taken to not use Money Service Businesses and therefore this practice must stop as soon as possible. Jonathan Hill explained that he was meeting with Capita next week (w/c 16 November 2020) and that they would be told to stop and a timeline would be agreed. Jonathan Hill indicated that the business would be seeking immediate termination and the Chair agreed with this approach.</p> <p><u>Compliance Monitoring</u>: The Chair questioned whether it was right to pause mystery shopping due to the recent lockdown measures. Jonathan Hill explained that the decision was taken partly for safety (so mystery shoppers did not have to travel and go into branches), but also because no one was buying travel insurance due to the lockdown. As such, mystery shopping would recommence when travel was permitted.</p> <p><u>Anti-bribery and Corruption Training</u>: It was explained that completion by the HR business unit was at 81.7% (compared to 96.5% across the business) (subject to revised figures being provided). Lisa Cherry was asked to ensure colleagues in her area completed this training as soon as possible and Jonathan Hill would provide her with the latest list of those who had not yet completed it.</p> <p><u>Whistleblowing Update</u>: There were no thematic concerns and it was explained that the majority have been received from agent assistants and relate to allegations concerning Postmaster activity. A more centralised approach to Postmaster reported concerns was being taken (separate from the whistleblowing process) so as to ascertain any broad themes.</p> <p><u>Access to Cash</u>: The Committee asked that the draft of the responses to the call for evidence on Access to Cash were circulated to the Group Executive (GE).</p>	<p>Action: LC/JH</p> <p>Action: JH</p>
	Internal Audit	
3.4	<p>Johann Appel introduced the paper, which had been circulated previously and was taken as read. The specific items below were highlighted and discussed by the Committee.</p> <p><u>Controls over Manual Revenue Adjustments</u>: It was confirmed that third party data feeds were part of a separate audit planned for January 2021. The present audit has looked at manual revenue adjustments as a result of third party data but the team has not yet validated the third party data processes.</p> <p><u>Effectiveness of the Second Line during COVID-19</u>: Ben Foat questioned whether the work being undertaken to put a Controls Framework in place was happening quick enough, noting there had been some delays in getting the project to the Project Review Board. The audit report emphasised that there could not be any more delays. It was agreed that this work should be taken to GE to discuss the need to develop the Framework and the approach that should be taken.</p> <p><u>Joiners, Movers & Leavers (JML)</u>: The Chair stressed the importance of completing this work. The risks for internal movers needed to be mapped and resolved. Lisa Cherry was asked to take this away.</p> <p>Further actions were also highlighted as needed to be completed prior to the report being submitted to the ARC:</p>	<p>Action: RW (agenda) /JA/BF</p> <p>Action: LC</p>

	<ul style="list-style-type: none"> - The addition of Dan Zinner's comment to the Branch Hub (Programme Assurance) summary. - On the outstanding data privacy (document retention) action, it needed to be explained why the 31 October date had not been deliverable and what the new date was. If the issue could not be remedied, there needed to be detail as to what controls would be put in place. This should also be reflected in the Data Governance paper (see paragraph 16). <p>Further, it was requested that:</p> <ul style="list-style-type: none"> - Johan Appel send the headline details of the Special Investigation to the Chair. - Ben Foat and Jeff Smyth discuss offline the rules around deleting/not deleting data for legal reasons. <p>The Committee otherwise NOTED the Combined Compliance and Internal Audit updates for onward submission to the ARC.</p>	<p>Action: JA</p> <p>Action: JA/JS</p> <p>Action: JA Action: BF/JS</p>
4.	PCI-DSS and Cyber Security Update	
	PCI-DSS Programme Update	
4.1	<p>Jeff Smyth introduced the paper, which had been circulated previously and was taken as read. IN response to questions from the Committee, it was confirmed the Ingencio was to bear the cost of the programme over a certain threshold if they don't deliver. Fujitsu worked on a time/materials basis and the programme has previously signalled a £1.2m cost risk to the ARC. The team were now requesting some changes to the solution so more funding would be required and this was presently being costed. However, the programme was making good progress and was hitting its milestones. It was on track to go through accreditation and the payment solution had already passed accreditation with Global Payments. The Committee otherwise NOTED the PCI-DSS Programme Update for onward submission to the ARC.</p>	
	Cyber Security	
4.2	<p>Tony Jowett introduced the paper, which had been circulated previously and was taken as read. The Committee raised concerns about the number of people who had skipped the phishing training (178) and had been lured by the fake phishing campaign (391). It was explained that the numbers tended to go up and down a little, but ultimately, there was no real progress and as such the team were doing a deeper root cause analysis. The "volume" would also be "turned up" on the phishing comms. It was also highlighted that phishing has continued to be more prevalent in the external environment, particularly with COVID-19 scams.</p> <p>It was requested that Tony Jowett provide a list of all individuals who have not done the training to the relevant GE members. Jeff Smyth and Lisa Cherry also agreed to flag the need for comms with Nick Read and highlight the issue with the Leadership Group. Tony Jowett was further asked to update the paper for the ARC reflecting the action that was being taken.</p> <p>Tony Jowett also noted that his team were looking at tool to monitor culture shift and it was agreed that he would liaise with HR on the on-going culture work to build this into the business' longer term defence plans. The Committee otherwise NOTED the Cyber Security Update for onward submission to the ARC.</p>	<p>Action: TJ Action: JS/LC Action: TJ</p> <p>Action: TJ/LC</p>
	Joiners Movers Leavers (JML)	
4.3	<p>Tony Jowett introduced the paper, which had been circulated previously and was taken as read. At the request of Jeff Smyth, Johann Appel confirmed that the work undertaken was on track with the current roadmap, but that the roadmap was incomplete and needed updating as part of an outstanding audit action. The highest exposure areas were being prioritised (leavers and movers) due to the recent organisational design work. Lisa Cherry confirmed that all processes for leavers and movers were being reviewed to ensure all bases were covered and Tony Jowett and</p>	

	Helen Rhodes have weekly meetings with further regular touchpoints between the relevant teams. The regular list of leavers shared with IT has been expanded to include those at risk of redundancy such that this could also be monitored proactively. Tony Jowett was asked to put the detail relating to the focus on leavers and movers in the summary section of the paper for the ARC. The Committee otherwise NOTED the paper for onward submission to the ARC.	Action: TJ
	Belfast Data Center (Horizon) Disaster Recovery Post Test Briefing	
4.4	Gary Walker introduced the paper, which had been circulated previously and was taken as read. It was explained that each year the business is required to test disaster recovery at the Data Center in Belfast and this took place in August 2020. The test was partially successful with most transactions (48/52) being able to be traded out of the secondary site. Three transaction types failed and had to use the primary site. Post testing, the team have identified all root causes and implemented fixes. Smaller tests have then been carried out to check the fixes have worked. The current plan was to not to do another test of this size and scale this financial year but to ensure that as part of Belfast Exit there was equivalent activity in suitable point i.e. latter point of the next calendar year. The Chair commented that this was one of the business' biggest risks and felt that another test should be done at Easter given the recent test was only partially successful. Jeff Smyth explained that the test was expensive (circa £75,000) and also destroys all change programme activity hosted in the secondary data center. The Chair noted that £75k was a tiny sum compared to the cost and reputational damage of losing branch trading. It was agreed that the GE should agree the timing of the next test. The Committee otherwise NOTED the paper for onward submission to the ARC.	Action: RW (agenda) GW
5.	Suspense Accounts	
	<p>Mark Underwood introduced the paper, which had been circulated previously and was taken as read. In response to questions from the Committee, it was outlined that since submission of the paper advice had been received from HSF and Peters & Peters. This confirmed that the outcome of the review of suspense accounts did not mean that the Historical Shortfalls Scheme needed to be altered, but that investigators could consider issues relating to Moneygram and cheques. The Chair questioned whether the KPMG report could and should be published. Mark Underwood explained that a decision could be taken to disclose the entire report or a redacted version. There was a question around the extent to which the report and its findings could trigger disclosure obligations, although the vast majority of the report was not disclosable. Mark Underwood was requested to ask the GE whether they wished the report to be fully disclosed or a redacted version. (<i>Post meeting note: Mark Underwood has advised that the ARC would be asked to discuss whether the KPMG report should be disclosed at its November 2020 meeting</i>).</p> <p>In conclusion, Mark Underwood explained that KPMG's view was that any further investigation would not uncover anything more and as such no further work on this topic was recommended. The Committee otherwise NOTED the report for onward submission to the ARC.</p>	Action: RW (agenda) MU
6.	Notification of Transaction Correction error	
	Tim Perkins introduced the paper, which had been circulated previously and was taken as read. It was explained that an individual had posted transaction corrections without authorisation. The issue had been resolved and work was being undertaken to deal with the individual involved and discussions were being had with Accenture to see if a failsafe could be put in place to prevent this happening action. It was agreed that the outcome of the investigation into the error should be published in the interests of transparency (Tim Perkins to arrange). The Committee otherwise NOTED the paper.	Action: TP
7.	Financial Reporting Controls Framework Update	

	Tom Lee introduced the paper, which had been circulated previously and was taken as read. The Committee noted that there were no concerns highlighted in the report and NOTED the paper for onward submission to the ARC.	
8.	Agreed Upon Procedures	
	Tom Lee introduced the paper, which had been circulated previously and was taken as read. The Committee challenged the number of findings in the Note Circulation Scheme (NCS) area. Tom explained that the bulk of these related to evidence that was not available due to COVID-19. The remaining issues were not major concerns and had been shared with Bank of England, who were comfortable with the findings. A detailed action plan has been set up and would be fully implemented by the end of the month. Tom Lee was asked to include these points in the executive summary section of the report. The Committee otherwise NOTED the report for onward submission to the ARC.	Action: TL
9.	Historical Matters Unit (HMU) Governance Review	
	Graham Hemmingway and Declan Salter introduced the paper, which had been circulated previously and was taken as read. It was explained that much progress had been made to set up the Governance of the new HMU, but it was not yet finalised. It was noted that this should be made clear in the paper to the ARC. Further Ben Foat explained that the HMU would follow the usual business policies and would only have an exemption in terms of litigation. Notably Post Office has not signed up to the Crown Services legal panel so this should be corrected. It was further noted that work was ongoing to address the backfill and funding as business-as-usual resource was continuing to support the HMU. The Committee otherwise NOTED the paper for onwards submission to the ARC.	Action: GH
10.	Post Office Insurance Financial Conduct Authority Dual Pricing Change Impact	
	Ed Dutton introduced the report, which had been circulated previously and was taken as read. It was explained that the recent prohibition on "Price Walking" (competitive new business prices followed by renewal prices increasing during contract) in Motor and Home Insurance blows the traditional insurance business model out the water and fundamentally means you cannot charge new customers different prices to existing customers. It was expected that this prohibition would come into other markets in due course. Post Office Insurance was still working through what this meant for the business, but it was thought that there would still be opportunities for competition as there would still be different views as to what a customer would cost. A new business policy would also have a positive value, unlike before. There were also strict rules on avoidance, but you can give vouchers for money off. The Chair requested that the piece be brought back to the GE in due course from a commercial and strategic perspective. At present, Post Office Insurance was still working through what the changes meant for them and a Board Committee was being set up. The impact would be clearer by January 2021. The Committee otherwise NOTED the paper for onward submission to the ARC.	
11.	Committee Terms of Reference	
	The Chair introduced the paper which had been circulated previously and was taken as read. The Committee APPROVED the draft Terms of Reference for onward submission to the GE, subject to the following amendments: <ul style="list-style-type: none"> - It should be specifically called out that the Committee has oversight of the HMU; and - The membership should be updated to include: Alisdair Cameron, Ben Foat, Jeff Smyth, Lisa Cherry, Amanda Jones and Cathy Mayor. 	Action: RW
12.	Deepdive: Multiple Partner financial stability update	
	Amanda Jones introduced the paper, which had been circulated previously and was taken as read. In response to questions from the Chair, it was explained that the use of an external consultant was considered to provide insight as to what was really	

	<p>happening in a particular organisation vs. what can be ascertained from information in the public domain. This was support with looking at trading statements and brokers to help the business synthesise this information. The Chair was sceptical that this would make much difference, but agreed that it could be used to show early "red lights."</p> <p>Amanda Jones further explained that small retailers had done better than expected during the COVID-19 crisis. However, WH Smiths were having some difficulties but thought they were financially strong and well placed to recover. They have announced 25 high street closures, including six Post Offices. The business was already aware of two of these. There was likely to be some noise around these as they were recent franchises (Amanda Jones was asked to check the legal position regarding WH Smith closing recently franchised branches). WH Smith had also indicated that there were 400 leases due to expire in the next 2.5 years and they have negotiated with their landlords to get a 45% reduction in rates. They have indicated there would be 25 store closures every year for the next three years. Furthermore, new core hours have been formalised from January 2021 and the plan was to maintain these hours rather than see more closures. The Committee otherwise NOTED the paper for onward submission to the ARC.</p>	Action: AJ
13.	Deepdive: Transformation Office Change Update 2020	
	<p>Dan Zinner introduced the paper, which had been circulated previously and was taken as read. It was explained that the ARC had asked for programme update and specifically wanted to know more about the Change Controls Framework. Saira Burwood further outlined that the paper was seeking ARC support for the future work to ensure sponsors and project leads were aware of their obligations under the change lifecycle. Ultimately, the paper was an update on what had been achieved thus far and the focusses for the next few months. The Committee NOTED the paper and the only comment was that it might benefit from being shortened.</p>	
14.	Payzone Risk Report	
	<p>Andrew Goddard introduced the paper, which had been circulated previously and was taken as read. On the whole, the risk management in Payzone had improved and there was now a better culture alongside monthly reviews of risks. The only area of concern was network resilience (cyber security) and it was confirmed that Post Office It has not yet done a comprehensive review of the Payzone network, but Andrew Goddard explained there had been disaster recovery work done for its Vodafone datacentres. A "hack" into the system was scheduled but had been postponed due to COVID-19. Ben Foat noted the good progress Payzone had made with respect of adopting Group Policies and questioned what operational processes were in place to implement the policies. Andre Goddard confirmed that policy implementation was part of management responsibilities and policies were being built into ways of working, but the work was on-going. Mark Baldock further noted that work with the Payzone Risk team had also gone well and the team were using the Post Office GRC tool. The Committee otherwise NOTED the Payzone risk report for onward submission to the ARC.</p>	
15.	Law & Trends Update	
	<p>Ben Foat introduced the paper, which had been circulated previously and was taken as read. The main issue that was highlighted related to the HMRC announcement in September 2020 that VAT should be charged on settlement payments made to third parties. The impact of this on recent settlements made to Postmasters as part of GLO and otherwise was still being worked through and was further complicated by the fact that some Postmasters had been employees. There was a need to work through all settlement payments made since 2016. The Department of Business, Energy and Industrial Strategy (BEIS) and UKGI were already aware. The Committee otherwise NOTED the Law & Trends Update for onward submission to the ARC.</p>	
16.	Data Governance	

	<p>Jonathan Hill introduced the paper, which had been circulated previously and was taken as read. It was explained that the update was requested by the ARC after the 31,000 boxes came to light that were previously unknown to the wider business to consider the broader lens of data management and accountabilities. At present, the remediation plan was outlined, but the sampling of the boxes had not yet started. The challenge was the way Post Office currently structures its data and information</p> <p>The Committee felt that the business needed to be sure that there was no data that was otherwise unknown to the wider business being stored elsewhere. The following points were discussed:</p> <ul style="list-style-type: none"> - The Committee requested that Procurement check that there are no other contracts for data storage or archiving other than those with the Postal Museum and Oasis. - Writing out to branches for data might not be successful but that Tracy Marshall (Postmaster Effectiveness Director) was to take ownership of these requests to branches and Jonathan Hill was already working with Tracy to agree how best to do this. - A Record Retention programme had been completed earlier this year and person was being undertaken to realign data owners to new roles. - An individual needed to be assigned to go into each admin building to check cupboards and rooms to ensure there was no data that was unknown. - Jeff Smyth highlighted that this work could never be complete unless electronic data was also considered (which would include digitising paper records and tagging appropriately). - Rod Williams explained that colleague's emails when they leave can be retrieved, but OneDrive data was harder to retrieve as this was deleted very quickly. There needed to be debate on what was kept and for how long considering data protection obligations. <p>Accordingly, the Legal, Data Protection, IT and Ruk Shah (MI & Analytics Director) were asked to work on a coherent recommendation on how the data retention policy should evolve and how it will be implemented. This should return to the RCC and ARC in January 2021. Further, the current paper needed to articulate the next steps and process that will be worked through.</p> <p>The Committee otherwise NOTED the report and APPROVED the next steps of:</p> <ul style="list-style-type: none"> - to complete the remediation activity on an expedited basis in coordination with the Post-Conviction Disclosure Exercise and Historical Shortfall Scheme Activity; - for the legal team to conclude the agreed actions in respect of the assessment of all boxes stored at Oasis, on behalf of Post Office; and - for the GE to agree overall data governance accountability; <p>for onward submission to the ARC.</p>	<p>Action: BB</p> <p>Action: JH</p> <p>Action: BF/JH/JS</p> <p>Action: JH</p>
17.	Procurement Governance & Compliance Report	
	<p>Barbara Brannon introduced the paper, which had been circulated previously and was taken as read. The following points were highlighted:</p> <ul style="list-style-type: none"> - <u>End User Computer Services (EUC)</u>: the project was re-baselined and as a result the revised plan targeted April 2021, which was later than the date provided to the Board. The Public Contract Regulations (PCR) risk was unchanged but the exit service risk was higher and IT were looking at the plan. - <u>Common Digital Platform (CDP)</u>: The tender process has slipped and at present the application support and development services were unlikely to have been completely retendered or moved to other existing PCR compliant contracts by December as proposed to GE and Board and there were concerns in respect of resourcing and funding. 	

	<ul style="list-style-type: none"> - <u>Smith & Williamson</u>: This contract was just being finalised with Finance and would be submitted to the Board. - <u>Audit Contract</u>: A compliant extension option existed to extend but PWC were currently working at risk preparing an audit plan for 2020/21 while commercial terms are being negotiated. - <u>Cheque Clearing</u>: (<i>Greg Lewis joined for this update only</i>) A risk exception was submitted to Board in June 2020 to extend our cheque clearing services with Barclays (12 month non-compliant extension). The service was needed as Post Office has a contractual obligation to provide under the Banking Framework until 2022 and have obligation with DLVA to accept cheques until to 2023. It was a loss making service so the business has been exploring a digital alternative. The recommendation was to complete an RFI before Christmas to understand the market and this would require a six month extension to the contract to adequately define requirements, allow for a process to be run, and a possible transition process. <p>The Chair requested that these items should be covered in the paper for the Board, noting that the business needed to be as transparent as possible. The paper submitted to the Committee could be used, but should be cut down.</p> <p>It was then explained that the ARC approved the following approach to Procurement Risk Exceptions in September 2020:</p> <ol style="list-style-type: none"> 1. Subthreshold exceptions (<£189,000) would be retrospectively reported to RCC and ARC every two months. This will become a standing item at ARC rather than an annual report. ARC will review this position within 6 months. 2. Above threshold risk exceptions (>£189,000) would continue to require prior approval from Board 3. Above threshold Pipeline risks, sourcing options and recommendations, progress reports for material procurements, and bi-annual strategic pipeline report would continue to be reported to the Board. <p>Prior to March 2020, subthreshold exceptions were approved by the relevant GE member and SLP; and the Procurement Director. These exceptions were logged, with mitigation plans to bring into compliance where exceptions were made for an ongoing requirement rather than a one-off event. The Committee was asked what approach they now preferred for the subthreshold exceptions given the ARC approved approach. The Committee discussed the approaches including: RCC approval, continuing with GE, SLP and Procurement Director approval and GE approval. Ultimately, it was felt that the ARC approved approach was to instil more proactive and transparent behaviours and therefore having GE overnight would add value to the approach.</p> <p>Accordingly, the Committee:</p> <ul style="list-style-type: none"> - NOTED the that no Procurement Risk Exceptions have been submitted to the Post Office Limited Board since September 2020 and the contracts in the Procurement pipeline; - APPROVED the approach to the cheque processing contract and the proposed next steps as outlined, subject to this being included in the paper for the Board; - NOTED the alteration in governance approved by the ARC; and - APPROVED that GE should approve any subthreshold risk exception requests moving forwards at its monthly meetings. <p><i>Post meeting note: It was agreed with the Company Secretary that as the Board report on Procurement would be near identical to the ARC report that the report would</i></p>	<p>Action: BB</p>
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	<i>only be presented to the ARC but would also be shared separately with Lisa Harrington as the only member of the Board not on the ARC.</i>	
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18.	Policies for Approval:	
	<p>Jonathan Hill introduced the paper, which had been circulated previously and was taken as read. It was highlighted that the Freedom of Information (FOI) Policy was a new policy and a lot of work had been done to operationalise it. It had been developed as Information Commissioner's Office (ICO) Guidance recommended such a policy and it provided a framework for colleagues to help them understand the importance of FOI requests. Cathy Mayor flagged that the policy should include guidance on when FOI requests would not be granted and it was explained that this was dealt with under the roles and responsibilities section.</p> <p>It was also noted that the Committee felt Post Office had too many policies.</p> <p>As such, the following policies were APPROVED for onward submission to the ARC:</p> <ul style="list-style-type: none"> • Change Management; • Conflicts of Interest; • Protecting Personal Data; and • Freedom of Information & Environmental Information Regulations. 	
19.	Directors & Officers Insurance Renewal	
	Ed Dyer introduced the paper which had been circulated previously and was taken as read. It was confirmed that all insurance cover was now full in place. The Chair congratulated Ed on his hard work, particularly as the commercial insurance market was very difficult at the moment. All cover is fully in place. The Committee otherwise NOTED the report for onward submission to the ARC.	
20.	Review of draft Audit, Risk and Compliance Committee meeting agenda for 24 November 2020	
	The draft ARC agenda for 24 November was NOTED .	
21.	Any other Business	
	There was no other business.	