

Handover note, Veronica Branton, March 2022**Board Manual and process notes**

CoSec processes and procedures are documented in the Board Manual so this is a good starting point in many instances and will provide more detail than the summaries in this note and some tasks not covered in this note:

<https://poluk.sharepoint.com/:f:/s/CoSec2/EhnDAKqIQgdAIL91F0oWNfYBLsRLAO3LH596rF8arjkqrQ?e=3ysJSt>

There is also a CoSec page on the intranet which includes the materials and guidance we provide for the business and it's worth having a look at that.

I will forward a number of emails that may be relevant to you, Rachel.

Board meetings

The meeting dates and deadlines are in the CoSec calendar and on the CoSec page on the intranet. We include the forward meeting dates in each Board pack.

The draft Board papers are discussed at the monthly GE meetings which are mid-month with Board meetings at the end of the month (where held). The draft agenda should also be finalised at this point at the latest and sent to Tim Parker (the Chairman) for sign-off.

There isn't a meeting with Tim to discuss the papers but I produce a Chair's agenda:

https://poluk.sharepoint.com/:f:/s/CoSec2/EIU7aKI2EGdFhZEHEGMqoSgBh6YCrDzrInpO9_VBs8desA?e=TkDOpm

As well as the minutes and action log (Rubia populates the latter and circulates actions and minute extracts) you need to produce a summary from Board meetings for the Senior Leadership Group (SLG).

The minutes go to the Chairman first and then to the Board. The summary should go to Nick Read for sign off.

There is a Board governance map which is the forward plan of items for the year and items which should be covered but haven't been assigned to a particular agenda. Agenda items and the Board meeting they go to change frequently (people aren't always great at letting CoSec know so it's worth checking whether items are still needed and looking out for references to future papers in Board and GE papers. It can at times also be a challenge to get people to explain why they need an item and what input they are looking for from the Board. Similarly, lengthy and late Board papers have been an issue and the Board would like that to be worked on. We do have guidance on producing Board papers and a training video but as the agendas don't get pinned down until the last minute it can be difficult to send timely reminders of the protocols to paper authors and sponsors).

[13.POL Board GovernanceMap 20220211.xlsx](#)

A sealing report goes to each Board meeting and Rubia produces this.

The Board and Board Committee meetings are generally face-to-face; however, some shorter meetings and those convened regularly, including the Historical Remediation Committee, are held on Teams.

GE

Monthly meeting – the monthly meeting takes place on Wednesdays and is mid-month so there is a couple of weeks before the Board meeting, where one is being held. The meeting is in the diary from 11:00 – 17:30 hrs. The draft Board papers are discussed at this meeting, where there's a meeting at the end of the month. A formal agenda is produced and minutes with actions included in the minutes rather than maintaining a separate action log. The minutes are included in the next month's pack. A summary of the meeting is produced for the Senior Leadership Group (SLG). The summary should first be shared with Nick and then with the GE (and relevant sections with the presenters if you need their input as well).

Tactical – these meetings take place on Wednesdays between 11:00 and 13:00 hrs. The agenda (which changes frequently) is in the meeting invitation. These meetings do include some decision items and a note of the key discussion points and decisions is kept but not full minutes. These notes are added to the GE Meetings Teams site. Again, there is a summary of these meetings for the SLG (exercising judgement on which items should or shouldn't be covered).

The GE meetings are face-to-face normally, though sometimes presenters will dial in.

Meeting dates and paper deadlines – information is included on the CoSec page on the intranet. Papers are due by 16:00 hrs on Fridays and the paper template is the same for GE and Board.

Remuneration Committee

The Remuneration Committee is chaired by Lisa Harrington, who has recently taken over from Ken McCall as Chair. Angela Williams (Interim Group Chief People Officer) and Paul Wood (Group Reward Director) have a hands on role in discussing the agenda and papers with the Chair. CoSec is less hands on with this Committee's work than I've been used to but does finalise the agenda, publish the papers, attend and minute the meetings. There are typically four or five scheduled meetings a year but there tend to be a couple of additional meetings called during the year.

Willis Towers Watson are our remuneration advisers and Paul Townsend and Hannah Summers attend the meetings.

Lisa asked for Angela and Paul to review the terms of reference to ensure they were clear on decisions taken by Remco and those taken by the CEO/ GE. The ToR are mostly derived from the ICSA model terms of reference but the comment the Committee made is that there are a bit "clunky" and that's a fair criticism. I have forwarded you the email with the proposed revisions.

There is a forward plan for the key items during the year. CoSec drafts the annual terms of reference review, the committee evaluation report, the annual review of NED fees and the forward plan.

Nominations Committee

The Nominations Committee is chaired by Tim Parker. There are typically four scheduled meetings a year which are usually short. There is a desire from the Board to discuss succession planning more, both at Board and GE and GE minus 1 levels. These discussions have sometimes taken place at the Board but should be factored into NomCo agendas as well.

NomCo also considers and approves the Board and Committee evaluation process and questionnaires each year. Every third year an independent facilitator should be appointed. CoSec runs that process but NomCo should be involved in the “beauty parade” and make the decision on which firm to appoint. This year’s review has been internally facilitated, as will next year’s, so it won’t be until 2023/24 that an external facilitator needs to be appointed.

The People Team supports the recruitment of Non-Executive Directors but CoSec helps with the process (which has to be signed off by UKGI/ BEIS) and the role description. We have a table with the Board members, their terms of office and committee memberships at:

[0 POL Board Composition 2012 - 2021 Final.docx](#)

Risk & Compliance Committee

The secretariat for this executive committee is usually provided by a Senior Assistant CoSec (post currently vacant) and is chaired by Al Cameron, Group CFO. Where there is going to be an ARC meeting, those papers and the draft agenda are first discussed at the RCC (ARC meetings are a couple of weeks after RCC meeting but there are more RCC meetings each year). The draft minutes from the RCC go into the ARC pack. Max Jacobi and Tom Lee are key contact points on the finance side. Jono Hill (Compliance Director) and Johann Appel (Head of Internal Audit and Risk) as well as Ben Foat (General Counsel) and Sarah Gray (Legal Director) are key contact points. For network topics Amanda Jones (Retail and Franchise Network Director) will know who is responsible for what as will her PA, Danni Lengthorn. Russell Hancock (Supply Chain Director) is a good first port of call on supply chain and operational issues.

The agenda has been drafted for the next RCC meeting on 14th March 2022 and Rubia is pulling together the papers. We need someone to minute the meeting:

[00 POL RCC Agenda 20220314 v1.docx](#)

Audit Risk & Compliance Committee

The secretariat for this executive committee is usually provided by a Senior Assistant CoSec (post currently vacant) and is chaired by Carla Stent. Meetings are held around every other Board meeting, plus in April and there are typically a couple of extra meetings to deal with final sign-off of the Annual Report and Accounts (the timelines for which have been disrupted by historical matters provisions and funding issues, so that this year we have a signing extension until 31 March 2022 and the final ARA will have to be sent to Parliament on 17th March 2022 following a short ARC and Board meeting).

An early agenda planning meeting takes place with Carla and the CoSec for ARC. A latter agenda planning meeting is held with Carla, Al, Ben, Johann, Jono and CoSec. There are some dates in the diary so it’s worth getting these in your calendar.

There are periodic closed sessions with the NEDs and external and internal audit.

The agenda for the ARC meeting on 29th March 2022 has been discussed and agreed with Carla:

[00 POL ARC Agenda 20220329 v1.docx](#)

Historical Remediation Committee

Tamara Feldman¹ provides the secretariat for this Committee which is chaired by Ben Tidswell. It was created last year after a long stretch of the Board dealing with all of the historical matters (hence the 52 meetings in 2020/21!). The Committee has fortnightly scheduled meetings which cover the Historical Remediation Scheme, decisions on stance for cases going to the Court of Appeal or the Crown Court, civil compensation for overturned cases etc.

POL's support/ engagement with the Public Inquiry work isn't part of its remit but many issues are intertwined and you'll hear discussions on how we are making sure that we are complying/ have a plan to get to a compliant position and sustain that with the findings of the Common Issues Judgment and the Horizon Issues Judgment at HRC, GE and Board.

Post Office Insurance (also referred to as Post Office Management Services Ltd)

Sarah Koniarski provides the secretariat for Post Office Insurance and will be able to brief you about this in detail, including current areas of focus like implementing the FCA's new requirements on pricing policy. POI has a Board and an Audit, Risk and Compliance Committee (which provides a report for each POL ARC meeting). There isn't a separate RemCo and NomCo but POI's Senior Independent Director leads on these matters and RemCo issues tend to be discussed in a separate section at the end of the Board meeting. Sarah also provides the secretariat for the POI ExCo.

FRES/ FRESH

Post Office has a joint venue with the Bank of Ireland (it is an evergreen agreement which has been the source of some discussion and debate over the years) on foreign exchange. A JVA is in place which sets out the arrangements on Board memberships, alternate directors, shareholder representatives etc. Ben Foat, our General Counsel, Chairs FRES.

The secretariat for this executive committee is usually provided by a Senior Assistant CoSec (post currently vacant) but Sarah K used to support FRES/ FRESH so is familiar with how it operates. Post Office attends and minutes the Board meetings and supports on other CoSec matters that arise and the usual governance pieces such as Board evaluations. Michelle Zabel, who is the executive assistant to Gary Fitton the FRES CEO, pulls together the Board packs and minutes the Audit Committee meeting and the team has always found her very helpful and knowledgeable on all matters FRES. The secretariat (and indeed POL directorships) has changed a lot for FRES so it would be helpful to provide some TLC and additional support in this area.

GRO

Executive Assistant

T:

GRO

M:

GRO

E:

GRO

Payzone Bill Payments Limited (PZBP)

PZBP was acquired by Post Office in 2018 and was set up as a separate entity. Its Board is chaired by Owen Woodley, POL's Chief Commercial Officer, and its other Board directors are Andrew Goddard,

¹ Tamara is leaving on 20th May.

a POL employee, and MD of PZBP, and Cathy Mayor, Finance Director, Retail. There are no non-executive directors. The Board meets four times a year and there are no board committees.

Cordelia Hagan provides the secretariat for PZBP.

Corporate Governance

Annual Governance Report to the Board

An annual governance report is prepared for the Board each March. Cordelia is pulling this together for Tamara to review and it will go to the Board meeting on 29th March 2022. The report covers the annual terms of reference reviews (considered by the Committees prior to the report being produced); Matters Reserved to the Board; Conflicts of Interest and Register of Interests; Spend Authorities and Authorised Signatories. We also ask the directors to review their biogs and make any changes required to the corporate website arising from that and any proposed changes to the ToRs.

The team produces the **Governance Report for the Annual Report and Accounts**, including the S172 Statement, each year. I've done this for the last couple of years but it would sit quite well as a task with the Senior CoSec role looking after the RCC and ARC. The report is reviewed by Ben Foat and goes through the ARC (usually on two or three occasions) before the ARA is approved for signing by the Board. Our filing deadline at Companies House is 31st December but this year we obtained an extension to 31st March.

Board and Committee Evaluations – the CoSec for each company drafts the report for review by the Senior Independent Director (POL) and Chair (POI and FRES). For POL the questionnaire is published on Diligent in December/ January and the report goes to the March Board. I have drafted the report and shared this with Zarin Patel, our Senior Independent Director; she is going to review and also discuss the draft with Tim (email forwarded to you, Rachel). The Committee scores and comments need to be shared with the Committee Chairs and after the Board discussion in March a report, including an analysis of the feedback, recommended actions and an update on steps taken to implement the actions from the previous year's evaluation, needs to be drafted for each Committee and the draft reviewed by the Chairs.

Rubia has collated the results from the FRES questionnaire for 2021/22 but we've asked for the report itself (which will need to be drafted) to be deferred until their June Board.

Annual Chairman's performance review – there is a SID led review with the NEDs annually but this did not happen last year because Independent Audit Limited sought feedback on the Chairman as part of their Board evaluation report. Zarin will lead the review this year and I have sent her information about how this was run the year before (email forwarded to you, Rachel), which was to ask for feedback in advance via a short questionnaire of Diligent with the outputs from this supporting the SID led discussion with the NEDS. The SID will then have a conversation with the Chairman to provide the feedback (Zarin is likely to do this around the Board meeting on 7th June 2022). The questions asked and responses and recommendations is at:

2019 20

A summary of the responses and recommendations can be provided to BEIS who also carry out an annual performance review. The approach to these has varied in different years but Tim met with the Permanent Secretary for this discussion in December 2021. BEIS also asks for commentaries against the objectives set out on in the Chair's letter provided by BEIS each year. Updates against

the objectives are usually sought twice a year (generally February and September). The process is that I draft the updates for Tim to review. The most recent update was provided is at:

[Chair's Letters BEIS 202021202122 ProgressUpdateFeb22.docx](#)

Annual NED appraisals – Tim had a discussion with each of the NEDs last year and that approach will continue. The forms from last year and the summary that was sent to UKGI are in this folder:

[Non-Executive Appraisals](#)

NED appointments and induction

Second term renewals for Zarin Patel and Lisa Harrington are due in Autumn 2022 and Spring 2023, respectively. The renewals should be discussed with the Chairman (who will discuss with the NED), sent to NomCo for approval, consent to re-appoint then needs to be obtained from BEIS, via UKGI (Siv is a very helpful contact point, contact details below) before the Board is asked to re-appoint. UKGI will need an overview of the NED's performance and what key skills and experience they would bring to their next term of office.

Siv Rajeswaran | Manager

UK Government Investments

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M: GRO

www.ukgi.org.uk

CoSec is involved in the first stage of the NED appointment process in creating the core role description in discussion with NomCo and the People Team; sometimes CoSec has led on getting the appointment process and timetable approved by UKGI/ BEIS and sometimes this has been the People Team but in either case once the process, timetable, interview panel (which includes POL NEDs, including our Shareholder representative and an independent assessor. Nick will typically meet the shortlisted NEDs during the process to provide a briefing on Post Office and provide his thoughts on candidates informally) and search agency have been confirmed the People Team support the process and liaise with the panel and search agency, although Di Blanchard generally gets the dates in diaries for the interviews. Once the interview process has concluded and the Panel is ready to make its recommendations CoSec gets involved again in seeking BEIS consent to appoint and then NomCo sign-off and Board approval. BEIS require quite a lot of information on the recommended candidate and evidence that appropriate due diligence has been carried out so it is worth making sure that is happening along the way so that we have the right information to hand when seeking Shareholder consent to appoint.

Once we have Shareholder consent and NomCo approval the on-boarding process can start with the formal approval of the appointment by the Board generally scheduled for the next Board meeting. Di Blanchard sets up a Successfactors account for the NED and triggers the vetting process, setting up an email account, getting a building pass, payroll etc. Rubia leads on obtaining the information we need from the new NED to allow us to apply for various licences needed, such as HMRC's fit & proper. Rubia will also set up a Diligent account and one of the Team will file at Companies House, once the NED has been formally appointed by the Board.

We have a core bundle of induction material but this needs to be reviewed and updated each time and I have produced a briefing note providing an overview of the key topics of focus for the Board at

that time (the last one was for Brian Gaunt, who joined us in January, so it's reasonably up-to-date:
[BriefingNoteforNon-ExecutiveDirectors BrianGaunt 202201 v1.docx](#)

Di gets dates in the diary for the core induction meetings, including with other NEDs and each GE member.

More detail on all of this is included in the process note in the CoSec Manual.

Chairman appointment and induction

Tim is due to step down at the end of September 2022. BEIS are leading the appointment process (unlike other POL NED appointment processes) but one or more POL NED will be on the interview panel. Gatenby Sanderson has been appointed as the search agency. POL will have to pay these costs and these will come out of the CoSec budget (James Parkhouse, our Finance business partner, is aware of this but it would be helpful to ask Siv what the fees are going to be and let James know).

CoSec will need to lead on the induction process and it would make sense to discuss this with NomCo and with Nick and Al. Lisa Harrington has sent me some suggestions on the induction process which are in the following file (some of the points are already covered but Lisa started just as lockdown set in which will have upset a number of the normal arrangements):

[14 InductionMaterial](#)

Decision log and attendance table:

The table is a helpful way of tracking back decisions and includes the Boards and Committees across the group.

[20190516 Group DecisionAttendanceFilingLog.xlsx](#)

UK Government Investments (UKGI)

BEIS is POL's shareholder but our day-to-day contact is through UKGI who are responsible for oversight of government assets. Tom Cooper, our shareholder representative, is a director at UKGI and has a team that supports him in his oversight role of POL. You're likely to get questions and information requests from the team from time-to-time and need to provide assurance that we've met our governance requirements on things like carrying out the annual board and committee evaluations, NED appraisals, Chair appraisal etc.

LCG Lead Team meetings & 1-2-1s

There is a monthly meeting (in person), typically on a Thursday. Ben's Lead Team comprises Sarah Gray, Legal Director, Jonathan (Jono) Hill, Compliance Director, Mark Underwood, Operations Director, Fintan Canavan, Public Inquiry Director, Simon Recaldin, Historical Matters Unit Director and Di Blanchard, Ben's PA, who is also PA to the Chairman and supports the other NED's with diary matters etc.

I have a 1-2-1 with Ben each month and Sarah G, Mark, Jono and I have a quick catch up each week on a Friday.

CoSec Team meetings & 1-2-1s

We have a 30 minute catch-up on Mondays and Thursdays. I have a 30 1-2-1 with each team member fortnightly. Rubia reports into Di but I have a lot of day-to-day contact with both Rubia and Di.

Senior Leadership Group (SLG) meetings

The SLG (c 60 – 70 people) meetings are fortnightly alternating between face-to-face and virtual. These are usually held on Thursdays. They include updates on business performance and other key topics.

Adopt an Area

Each SLG member is assigned an area an Area Manager (Matt Edgar has been mine) and each quarter you go on a number of branch visits to get the chance to meet and speak with Postmasters, understand the issues on the ground, helping to resolve and escalate where you can. All employees spend a number of days each year as helpers in branch or at the call centres around our peak trading period in December.

Companies House filings

The Companies House filings are fairly limited but Sarah and Cordelia tend to deal with these, including director appointments and resignations, confirmation statements, payments practices and share allocations.

(Contract Approval Process) e-CAFs & Contracts

To be blunt, this is the bane of CoSec's life and I get away lightly because my involvement is generally limited to signing contracts and witnessing deeds and talking to individuals or escalating to their managers when someone is behaving badly. Ben is keen that you escalate to him if this happens. Essentially, CoSec is meant to administer a process whereby we arrange for an authorised signatory (often me) to sign a contract once the submitter has completed the e-CAF process to show that it has been signed off by Finance, Procurement (under £500k)/ Legal (over £500k) and the Contract Owner. There are some additional requirements for consultancy spend and rules around liabilities. Who can be contract owner or sign off the spend links to the spend authorities (£5m or over requires Board approval; up to £5m CEO approval; up to £4m CFO approval; up to £2m GE member approval and each GE member can delegate authority up to their spend limit but different GE members have selected different approval limits). Our app has to factor all of this in and we have to get changes made via Fujitsu.

There is a separate contract management system (Web 3) so the final contracts also have to be added to this system by the e-CAF submitter and they need to include the Web 3 reference number in their CAF. CoSec has produced a lot of guidance on the CAF process (FAQ, training videos, training sessions [but these haven't been run for a while] etc and I've suggested the team offer some drop in sessions) but there are a number of systems/ processes in the organisation that don't always speak to one another and quite a lot of new employees trying to navigate the system but also some regular users who just won't follow the process and we end up having to repeatedly reject CAFs (e.g. the final version of the contract isn't attached) and deal with lots of enquiries. It also a difficult area to work out the right resourcing because we can't control the demand or always anticipate the peaks (though calendar year end and financial year end are two) and we get quite a lot of "urgent" requests (some of which are and some of which are where people just haven't planned ahead) which drive a cart and horses through our two working day SLA. At the moment Cordelia spends the majority of her time on CAFs and Yasmin Gregory is with us via Vario/ Pinsent Masons supporting until April (at least initially).

Record retention, Postal Museum & Archiving Service

The folder below provides information on our approach to data retention and the requirements of the Public Records Act etc. The Postal Museum provides our archiving service and I have quarterly meetings with Gavin (Gav) McGuffie, Senior Archivist, and his Team about the archiving work they do for Post Office.

There is a broader piece of work on data governance going on at Post Office with a team led by Matt Taylor. The records we need to provide to the Postal Museum needs to be woven into this.

09 Records Retention**Public Inquiry; Information Rights**

The CoSec Team has already provided a lot of documents to the Public Inquiry Team and there are current requests for information which Tamara is co-ordinating (and she has signed a confidentiality undertaking). I think you will need to sign a confidentiality undertaking and can then have a look at what we're being asked for. I met with Joyce (Jay) Abai from the team this week to answer questions about our corporate governance arrangements (there were quite a lot I couldn't answer pre-dating my joining Post Office in 2018). There will be a number of documents that the CoSec team need to provide following this discussion and I'm sure Jay will be in touch.

The volume of FoIAs has been increasing and that's likely to continue but if we receive requests for information it's worth checking with Rubia what we've already provided.

ServiceNow internal controls attestations

The CoSec is required to provide attestations and documentation to evidence the efficacy of a number of our internal controls annually but you'll be contacted when this is required.

Budget

The CoSec Budget and NED budget are fairly limited but we receive updates from the Finance Team and I have periodic catch-ups with James Parkhouse, our finance business partner. I will email the latest budget.

CoSec risks

CoSec is asked to update its risks periodically and make amendments as required in Service Now <https://poluk.sharepoint.com/:x/s/CoSec2/Ebd1oMg9FXJLIR6hrHI5s9QBccXDn8Hqya9dXvKapMyQlg?e=ODyeyc>

CoSec policies

CoSec are owners of the Contract Execution process and policy and the Conflicts of Interest Policy which are reviewed annually and approved by the ARC.

06 CoSec Owned Group Policies**Board portal procurement**

We need to initiate a procurement/ extension process and Sarah K and Rubia will be able to talk you through this.

Director indemnity

We have agreed a director indemnity and I've have sent you an email about this with the proposed approach to sign and witness around the Board meeting on 29th March bar for Tom Cooper and Brian Gaunt who will be joining the meeting remotely.

CoSec Team

The Team will brief you fully about their roles but I wanted to flag that while Sarah and Rubia have permanent roles, Cordelia is on a second 12 month contract (starting Jan 22) and Tamara is on a 12 month contract (starting 29 November 2021). Yasmin is with us from Vario/ Pinsent Masons, initially until the end of April, to help support on CAFs. We now have on vacant Senior Assistant CoSec role (covering RCC, ARC and FRES) and another coming when Tamara leaves on 20th May (HRC, Public Inquiry requests).