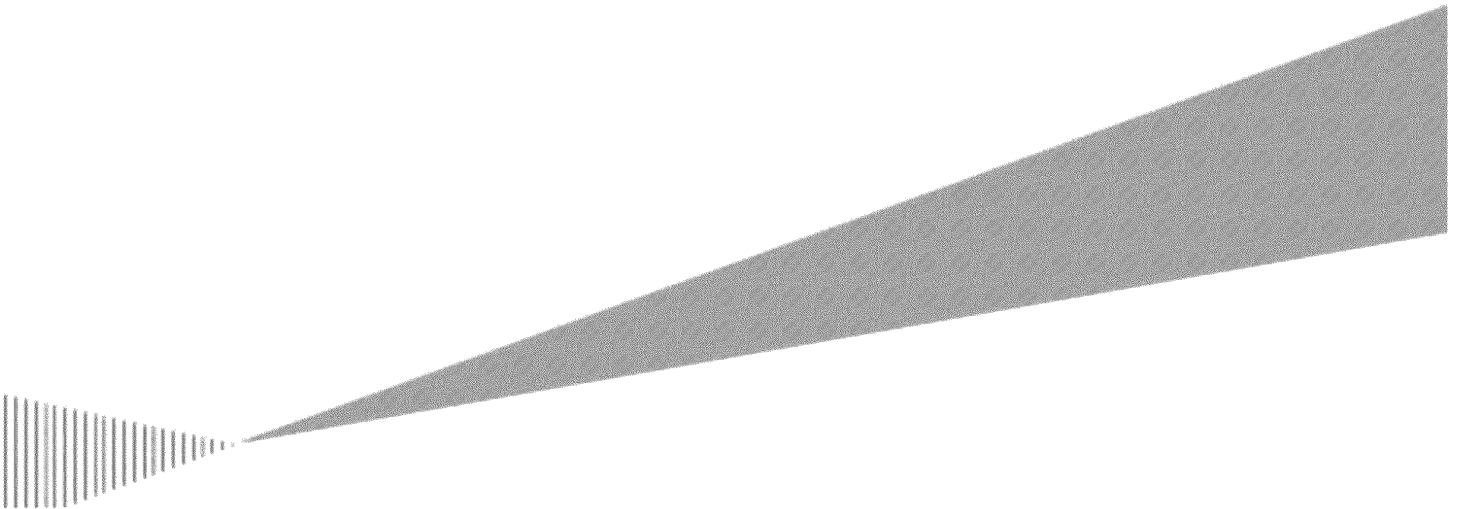


Speak Up ('Whistleblowing') function assessment

Post Office Limited ('POL')

Private and Confidential

26 April 2023





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Private and confidential
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26 April 2023

Dear John,

Review of POL Speak Up Function (SUF)

We are pleased to attach our draft report ('Report') setting out our assessment of the POL SUF¹.

Scope of our work

Our scope of work, as set out in our engagement letter dated 10 February 2023, covered three workstreams:

1. **Policy Assessment** – Assessment of relevant policy documents against best practice, using SYSC 18 as an indicative model;
2. **Implementation of process via Speak Up (SU) Investigation assessments** - Assess a sample of five investigation case files to establish whether the Post Office (POL) policies are operating as designed; and
3. **Feedback Gathering** - Interviews with a sample of up to six stakeholders of the SU process to establish their views on the process and possible areas for future development.

Our Report provides our observations on the POL SUF and recommendations for improvements.

Caveats

Our sources and types of information we have used in our work are set out at Appendix A. Unless specifically stated, we have not sought to confirm the accuracy of the information provided to us.

The receipt of further information may cause us to qualify or amend the observations reported herein. If, for any reason, we subsequently consider that the Report requires further qualification or amendment, we will notify you.

Our procedures did not intend, or seek, to express an audit opinion on the information and, therefore, does not constitute an audit and should not be relied on as such.

Limitations of use and distribution of the report

Our Report was prepared in line with the agreed scope solely for the purpose of this engagement and should not be relied upon for any other purpose. It should not be quoted, referred to or shown to any other parties unless so required by court order or a regulatory authority, without our prior consent in writing. We assume no responsibility whatsoever in respect of or arising out of, or in connection with, the

¹ Whistleblowing is commonly referred to as 'Speak Up' (SU) as the word whistleblowing has negative connotations attached to it. POL refer to their function as 'Speak Up', therefore 'Speak Up' and 'Whistleblowing' can and will be used interchangeably.

contents of this report to any other parties. If others choose to rely in any way on the contents of this report, they do so entirely at their own risk.

Structure of the Report

Section 1 is our executive summary. In Section 2 we set out the background to our work and summarise our approach. Section 3 sets out our observations and detailed recommendations which we have grouped into themes. Please note that the Report focuses on exceptions, rather than provide a detailed summary of all ongoing and planned SUF activities.

We appreciate your team's help in carrying out our work and look forward to providing our continued assistance.

We shall be pleased to discuss the observations set out in this Report with you. If you have any queries regarding our Report, please do not hesitate to contact me.

Yours sincerely

Spencer John
Partner
For and on behalf of Ernst & Young LLP

Abbreviations

Abbreviation	Definition
APPG	All-Party Parliamentary Commission
ARC	Audit and Risk Committee
CEO	Chief Executive Officer
CIU	Central Investigation Unit
CMS	Case Management System
FCA	Financial Conduct Authority
GIP	Group Investigations Policy
IM	Investor's Manual
KPI	Key Performance Indicator
NED	Non-Executive Director
NFSP	National Federation of Sub-Postmasters
PIDA	Public Interest Disclosure Act 1998
POL	Post Office Limited
POMS	Post Office Management Services Limited
PRA	Prudential Regulation Authority
SLA	Service Level Agreement
SU	Speak Up
SUC	Speak Up Champion (i.e., WBC)
SUF	Speak Up Function
SUR	Speak Up Reporter
SUT	Speak Up Team
SYSC 18	Senior Management Arrangements, Systems and Controls - Chapter 18
TCG	Tactical Coordinated Group
TOR	Terms of Reference
WBC	Whistleblowers' Champion
WPB v7	Whistleblowing Policy v7

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1. Executive summary

- 1.1 The POL SUF has undergone significant change and investment in recent years, including significant hiring activity, creating a bespoke Speak Up Team (SUT), and writing and refreshing policies and procedures.
- 1.2 Benchmarking exercises were carried out in February and November 2021 by the POL on a self-assessment basis (with Protect, the Whistleblowing charity) and POL has reported improvement between these two touchpoints.
- 1.3 EY was asked to assess POL's SUF, to enable POL to gain an external viewpoint over their current state and for EY to provide recommendations to further enhance the function.
- 1.4 We performed this work through a combination of:
 - ▶ An assessment of policy and procedure documents
 - ▶ A desktop assessment of five completed cases
 - ▶ Interviews with process stakeholders
- 1.5 Our work was performed on the current policies and procedures and has not sought to perform a lookback exercise to comment on earlier teams or processes.
- 1.6 We would like to note that all staff members or stakeholders that we have interacted with during this assessment have been open and proactive and have demonstrated a very constructive engagement with the assessment and with proposed recommendations.
- 1.7 This Report sets out in more detail the work we have performed, and Section 3 contains the detail of our observations, including observations and recommendations.
- 1.8 We have also noted overall themes to our work, set out below:

1) Tone from the top

The importance of engagement of senior leadership in a SU process cannot be overstated. We note from conversations with stakeholders that the POL is in a period of cultural change, which presents both opportunities and pressures for a SU process.

- ▶ Socialisation and messaging- the replacement of the whistleblowers' champion (WBC) presents an opportunity to re-engage with all staff messaging. Positive and supportive statements on the process from senior leadership and stakeholders can help build confidence in the process
- ▶ Risk and data- the SU process can be an important data point for leadership to get a view of organisational health and can point to areas of underlying risk. During this engagement we heard varied messages about the prominence that SU is given in top level conversations about risk. To get full value out of this data, the right level of management information needs to be presented to the right committees (such as the Audit and Risk Committee (ARC) and the Group Executive Committee), and those committees need to consider and discuss the data on a regular basis.

2) Documentation

- ▶ We raise a number of recommendations to enhance the SUF's policy and procedure documents. A number of these changes were already in flight, with a refresh of the policy planned for later in 2023. Our recommendations centre around the level of detail included in the documents, clarity for the user of these documents and the need to formalise key decision points, such as triage and risk assessments.

Executive summary

► We also make some recommendations around documentation of the investigation process. Our case sample testing did not highlight any major gaps in the investigation of these cases, but there were points that we had to obtain details from the case investigator rather than the detail being evidenced in the files.

3) Training

In addition to all person trainings, where a role has responsibilities for operating the firm's internal programme, specific guidance is needed to ensure that the role holder is aware of their responsibilities and has the ability and resources to perform these responsibilities. This guidance could be in the form of web-based learnings, intranet-based guidance or in person trainings. Significant roles to consider are line managers, the WBC, and the Group Executive Members.

4) Case Volumes and Awareness

It was noted in interviews that the volumes received by the SU line were lower than expected. Low reporting of cases could indicate that there are no issues to report but could also indicate that potential reporters either are not aware of the SUF or do not want to raise issues to the SU line.

We have been informed that employee surveys have been performed and that further activity is planned to socialise the SU line to employees and other stakeholders. The results of these activities will be key to establishing whether all potential reports are being made.

5) Resourcing

Concerns have been raised to us on the resourcing of the SUT, as they are currently working on improving their processes, managing current caseloads, and assisting other parts of the business with their investigations. This could result in SU reports that are assessed as low risk being "parked" and not investigated on a timely basis.

In our experience, periods of organisational change tend to result in an increase in the number of SU reports. We have also seen cases increase when socialisation initiatives, such as roadshows and Executive Committee statements are made.

The structure and resourcing of the SUT will be key to ensuring the future robustness of this process.

2. Background

POL SUF Structure

- 2.1 The Speak Up Team (SUT) was set up approximately 18 months ago and comprises a SU manager, an analyst, and two full-time investigators.
- 2.2 The day-to-day management of SU is performed by the SU Manager - Claire Hamilton (CH), overseen by the Head of the Central Investigations Unit (CIU) - John Bartlett (JB). This team, which includes the SU Manager and nominated deputies, receive all reports raised, regardless of the channel used, assess any concerns raised and perform a triage assessment to determine the best course of action, if any. JB is also the Whistleblowing Policy Owner.
- 2.3 The SUT is part of POL's CIU which oversees all (i.e., SU and non-SU) internal investigations. JB and the Group Legal Director - Sarah Gray (SG) have overall accountability to the Board of Directors to oversee that a positive SU culture is proactively encouraged throughout POL and the current arrangements are challenged and assessed for areas of continuous improvement².
- 2.4 The Whistleblowing Policy Sponsor (Group Compliance Director) and Owner (JB) are accountable for the implementation of controls ensuring POL meets its SU obligations.
- 2.5 The Group General Counsel - Ben Foat (BF) has overall accountability to the Board of Directors for the design and implementation of controls in relation to internal investigations, including SU investigations. Following good market practice³, POL appointed an independent Non-Executive Director (NED) as WBC on 26 November 2019. The WBC's primary purpose is to be a point of assurance for the integrity, objectivity, independence, effectiveness, and evolution of the SUF in adherence with the Group SU Policy and associated procedures⁴.
- 2.6 SU is an agenda item for the ARC and the POL Board is updated as required.
- 2.7 The SUT is governed by a few key policy and procedure files, notably the Whistleblowing Policy, Group Investigations Policy, and Investigator's manual.

Case load and reporting

- 2.8 Between 2022 and February 2023 there have been a total of 148 cases referred to the SUT, of which 18 are classified as 'PIDA' (Public Interest Disclosure Act) cases, i.e., reportable concerns made by POL employees. The remaining 130 are classified as non-PIDA cases, i.e., reportable concerns made by non-POL employees who are protected by POL policies rather than legislation⁵, such as postmasters (POL franchise employees), or other cases investigated by the SUT.
- 2.9 Stakeholders such as employees are provided with several channels to raise SU concerns; including:
 - ▶ The POL SU mailbox (viewed by SUT members only);
 - ▶ Reporting via the SU web portal operated by Convercent (a third-party)
 - ▶ The Convercent hotline; or
 - ▶ Internal reporting (e.g., a line manager)⁶

² Whistleblowing Policy v7 page 3

³ Market practice observed at peer institutions and described in regulatory guidance such as SYSC18

⁴ NED Speak Up Champion TOR page 2

⁵ i.e., POL voluntarily extend these SU protections as an act of goodwill rather than legal duty

⁶ Stakeholders would also be able to write a letter to POL (e.g., to PO Head Office) which would then be shared with the SUT. This option is therefore not advertised as the preferred intake method is to use the SU web portal (which also allows for anonymous reporting).

Background

- 2.10 When raising a concern, SU Reporters (SURs) can choose to share their identity (referred to as making a 'confidential report') or remain anonymous (referred to as an 'anonymous report'). Maintaining the confidentiality of any SUR is considered a priority by the SUT and POL management.
- 2.11 We understand POL performed benchmarking exercises with Protect (SU charity)⁷ in February and November 2021, observing improvements in scores for each exercise. We further understand that a number of continuing improvement initiatives are underway or planned, such as an updated whistleblowing policy and procedure documents. We have acknowledged in our observations and recommendations where we are aware that changes are already being made.

⁷ [Protect - Speak up stop harm - Protect - Speak up stop harm \(protect-advice.org.uk\)](https://protect-advice.org.uk)

3. EY Scope and Approach

3.1 As set out in the SOW (see appendix E), our work was set out in three workstreams:

- ▶ Policy Assessment
- ▶ Sample Testing
- ▶ Stakeholder Interviews

Policy Assessment

3.2 We performed a desktop assessment of policy and procedure files (e.g., policy documents, relevant reports, and management information), listed under Appendix A. These documents were assessed against EY's knowledge of whistleblowing and speak-up teams in comparable retail entities, structured using the EY Speak-Up Methodology, and against SYSC 18 regulatory requirements.

3.3 We have incorporated our observations and recommendations in Section 3, below.

Sample Testing

3.4 We performed an assessment of a sample of five case files. These assessments were completed on site at the Post Office and in the presence of the SU manager, to comply with POL data protection requirements.

3.5 POL has received a total of 148 cases from the beginning of 2022 to February 2023 of which 18 are PIDA cases. Our sample was selected from the total POL population of cases. We agreed the sample with POL and selected cases selected to cover: PIDA and non-PIDA cases⁸, different intake methods (e.g., emails to CIU, Information Security Team, social media), different themes (e.g., accounting/regulation violations, compliance violations, and theft) and different impact ratings (e.g., medium, and high). We also ensured that all cases in our sample were investigated by the SU team. Following triage, some cases in the population were referred to other teams for investigation.

3.6 To assess the cases, we used documents listed in Appendix A (e.g., SU Policy) to form a list of expectations and controls governing the investigation process. We then tested our sample of cases against this list of controls through assessing case file data stored on Convercent and on the SUT SharePoint. In addition, we held follow-up discussions with either the SU Manager or investigator to clarify our understanding of each case.

3.7 Due to confidentiality, we are not able to provide investigation details, however, please see the below table for a high-level summary using non-identifiable data:

Non-identifiable data	Case 1: 0087aa22	Case 2: 0147aa22	Case 3: 0033aa22	Case 4: 0123aa22	Case 5: 0130aa22
PIDA or non-PIDA	PIDA	PIDA	PIDA	non-PIDA	non-PIDA
Reporter Identity	employee	employee	ex-employee	Internal Audit	Branch staff
Intake method	email (CIU/SUT)	email (CIU/SUT)	email (to Info Security)	internal meeting	social media
Theme	Accounting/Audit related	Compliance/regulation violation	Compliance/regulation violation	Theft	Compliance/regulation violation
Original Impact Category	High	Medium	High	High	Medium ⁹

⁸ The case sample contained three PIDA (Public Interest Disclosure Act 1998) and two non-PIDA cases

⁹ Case 071aa22 was initially chosen as a non-PIDA case, however on further consideration it was uncovered that the case was an investigation carried by the SU team which did not come from a SU concern. Therefore, it was replaced with case (130aa22)

- 3.8 We have incorporated our observations and recommendations in Section 3, below.

Stakeholder Interviews

- 3.9 We interviewed five senior stakeholders with roles related to the SUF, selected by POL. These interviews are summarised in the below table.

Interviewees	Title	Date	EY Attendees
Sarah Gray	(Group Legal Director)	Tue 7 Mar – 4pm	Michelle Acton-Phillips (MAP), Tom Bendor-Samuel (TBS)
Zarin Patel	(Speak Up Champion)	Thu 9 Mar – 3pm	Spencer John (SJ), MAP
Ben Foat	(Group General Counsel)	Mon 13 Mar - 4pm	MAP, TBS
Nick Read	(Group Chief Executive Officer)	Tue 14 Mar – 9am	SJ, MAP, TBS
Ben Tidswell	(Investigation Champion)	Wed 15 Mar – 11am	MAP, TBS

- 3.10 The objective of these interviews was to establish the interviewees' views on the current process, possible areas for future development and any challenges that they see on the horizon. These interviews also summarised our views on the process and emerging observations, discussion of which helped to confirm our understanding of existing processes, inform EY observations, and form additional recommendations. The standard agenda for the interviews is included as Appendix C, but each interview was tailored to each individual and their role.
- 3.11 We have incorporated our observations and recommendations from these discussions in Section 3, below.

Observation and recommendation themes

- 3.12 Our assessment has been guided by the EY Speak Up methodology which we use to assess SUFs. Our recommendations are aligned to the methodology themes and areas.
- 3.13 The below table offers examples of indicators of well-established SUFs:

SU theme / area	SU sub-theme / area	Examples of indicators for each theme / area
Monitor and review	Confidential reporting culture	<ul style="list-style-type: none"> - Integrity and compliance concerns is part of operating culture - Staff are confident to report matters of concern to managers - Surveys conducted to measure awareness and confidence of systems in place to report and resolve integrity concerns
	Tone at the top	<ul style="list-style-type: none"> - Leaders at all levels are recognised as role models for integrity throughout the organisation. - Support for raising concerns is reinforced through available media (e.g., webinars) - Leaders showcase positive whistleblowing examples as leading practice.
	Policy and guidance	<ul style="list-style-type: none"> - The policy assures support for those who report concerns. - Policy states that victimisation of anyone who raises a concern will be subject to disciplinary action. - The ways to report outside of line management is clearly described including to the FCA's own line.
	Oversight and reporting	<ul style="list-style-type: none"> - Compliance and integrity are embedded in the board's comprehensive risk-management, governance, and management-review processes.

EY Scope and Approach

		<ul style="list-style-type: none"> - Tested board procedures in place to conduct independent investigations and to manage related business, legal and reputational issues.
Awareness and training	Awareness and training	<ul style="list-style-type: none"> - The importance of raising concerns is actively promoted to employees, its appointed representatives and tied agents. - Compliance and integrity courses are delivered through a mandatory structured learning system. - Training is not solely web based and provides an opportunity for employees to ask questions.
Implementation of function	Accessibility/ ease of use of whistleblowing process	<ul style="list-style-type: none"> - A range of reporting options are provided, including phone, voicemail, web, email. - The service is available 24/7 365. - The system is accessible to staff of key contractors, appointed representatives and third parties outside the organisation.
	Triage and case management	<ul style="list-style-type: none"> - Triage process provides robust data for management and the board. - All disclosures, particularly those of a minor nature, are analysed to identify trends and patterns. - Processes are tested for effectiveness and potential improvement.
	Investigation	<ul style="list-style-type: none"> - Core investigation team coordinates all investigations to ensure escalation in cases where enhanced level of skill or experience or specialist external support is required. - Regular updates to SUR in accordance with policy.
Analysis of reports	Effectiveness	<ul style="list-style-type: none"> - Regular reports, including significant issues, made from all parts of the organisation. - Reports made via all available reporting methods. - Independent assessments of function effectiveness and efficiency; organization's processes for continuous improvement applied to SUF operations.

Throughout the process we have shared draft observations with the SUT to confirm factual accuracy and gauge the proportionality of draft recommendations. This ongoing feedback has been incorporated into the observations and recommendations in Section 3.

Additional Consideration: Post Office Management Services Limited (POMS)

- 3.14 The entity within the scope of this Report is the POL, however we understand that the subsidiaries of POL also rely on the POL SUF. Whilst POL is not regulated, one of the POL subsidiaries, POMS, is a FCA regulated firm and therefore might be required to comply with SYSC 18. Amongst other factors, our assessment has considered SYSC 18 for guidance purposes as it acts as a useful reference for gauging the maturity of SUFs, but we have not performed a full gap analysis for regulatory purposes.
- 3.15 POL should consult with those charged with governance of POMS to establish POMS' regulatory requirements, the extent to which the POL policies and controls comply with these requirements, and what additional policies and controls are in place at a POMS level to ensure regulatory compliance.

4. Observations and recommendations

Ref	Observations	Recommendations
Confidential reporting culture		
1.	<p>Culture of speaking up</p> <p>POL appears to be taking steps to build a culture of speaking up. The SUT have and continue to hold training roadshows with different POL stakeholder groups to create further awareness of the SUF. The interviewees reported receiving fewer reports than expected for an entity of this size, and therefore further awareness exercises are planned.</p> <p>Overall awareness and culture</p> <p>Surveys</p> <p>EY understand that a staff survey was carried out in 2021 to gauge confidence and awareness in the SUF. We did not obtain the results of this survey.</p> <p>Case volumes</p> <p>EY note through interviews that there is a perception that case volumes are lower than expected for an entity of this size. It is difficult to establish an accurate expectation for case volume as this can be impacted by multiple internal and external factors such as culture, working environments or economic performance. According to the 2022 Navex Regional Whistleblowing Hotline Benchmark Report (page 8) the median report levels for European organisations is 0.5 reports per 100 employees. If we consider only direct employees, this is in line with POL reporting metrics, as POL shows an average of 0.5 reports per 100 employees (18 PIDA cases across 14 months for 3,380¹⁰ headcount in 2022).</p> <p>POL intranet homepage</p> <p>EY understand the contact details relating to SU available on the POL Homepage were out of date at the time of our assessment.</p> <p>Feedback to whistleblower</p> <p>We note in the SU Policy (page 8) the five working day deadline to confirm receipt of a concern with the SUR.</p> <p>SUR interactions</p> <p>We understand communication with the SUR is maintained on the SU SharePoint in the 'Decisions and Actions' log. Through case file testing, EY note SURs are being engaged with, but these discussions were not systematically summarised.</p>	<p>Culture of speaking up</p> <p>Overall awareness and culture</p> <p>Surveys</p> <ul style="list-style-type: none"> Following good market practice, we a) recommend staff surveys are carried out regularly to gauge confidence and awareness in the SUF, b) that analysis and actions are agreed and tracked to completion (e.g., in a SU Communication Plan) to further improve scores; and c) that results, and actions are shared with the board (e.g., in an annual report) for their awareness and input. <p>Case volumes</p> <ul style="list-style-type: none"> EY recommend that the SUT engage with their wider stakeholders to establish why there is the perception that volumes are too low, and whether these stakeholders have specific concerns about areas of the business or populations of potential reporters which could be addressed. EY recommend including and tracking case volumes against wider stakeholder groups (e.g., employees, postmasters etc.), particularly as the SUT prepare and share awareness campaigns with these audiences. EY understand this data is available in recent MI packs. If there is any expected increase in case volume, EY recommend consideration of the resourcing of the SUT in response to this expectation <p>POL intranet homepage</p> <ul style="list-style-type: none"> We recommend contact details are updated, including a link to the SU Intranet Site when it is available¹¹ <p>Feedback to whistleblower</p> <ul style="list-style-type: none"> Following the acknowledgement of receiving a concern (made within 5 working days), it is good market practice (based on the Whistleblowing EU Directive) that the SUR be informed of any action taken within three months of reporting their concern (where the Whistleblowing Team have the necessary contact details). <p>SUR interactions</p> <ul style="list-style-type: none"> We recommend a) including a section within the case strategy document to ensure these SUR interactions are summarised, or b) including a reference to the file (held on SharePoint) in which communications are logged and summarised b) Updating the 'Decisions & Actions Log' template to make clear (e.g., through a tick-box) which parties have been solicited during the investigations process such within POL teams (SUT, CIU, or other POL teams or SMEs), or discussions with external stakeholders (e.g., legal counsel).
2.	<p>Protection of those raising concerns</p> <p>EY note that POL consistently communicate that protecting confidentiality of SURs is vital, and that serious action will be taken against any individual who threatens or retaliates against SURs in any way.</p>	<p>Protection of those raising concerns</p> <p>Detrimental treatment</p> <ul style="list-style-type: none"> We recommend including a detriment assessment section within the case file to ensure systematic documentation at each step of the investigation process including post-

¹⁰ Headcount taken from the POL Annual Report & Consolidated Financial Statements 2021/22, page 12.

¹¹ EY have since received evidence that this recommendation has been completed by management.

Observations and recommendations

Ref	Observations	Recommendations
	<p>Detrimental treatment</p> <p>EY note that detriment assessments are taking place for cases, however it is not clearly documented that the detriment assessments are occurring at a) initial receipt of the case, b) during the investigation, c) at case closure, and d) post-closure (e.g., one to six months after closure).</p> <p>EY have not been able to obtain evidence of a bespoke guidance document or section within a document relating to detriment assessments.</p>	<p>closure</p> <p>► Following good market practice, we recommend management create a detriment assessment guidance document / section which will inform how the SUT (including investigators) or Internal Audit (if SUT is conflicted) should assess detriment at each step of the investigation, and document these 'detriment assessments' e.g., in the investigation report or communications log.</p>
Tone at the top		
3.	<p>EY note through interviews with senior leadership that efforts being made to instil a culture in which it is safe to speak up, and that the importance of 'tone from the top' is recognised as a key element of developing trust in the SUF.</p> <p>Board-level engagement</p> <p>Messaging</p> <p>EY have note that there is a message from the current WBC (Zarin Patel) dating April 2021 available via public web browsers, and a short message from Nick Read (CEO, Retail) on the SU web portal. EY understand POL plan to use World Whistleblowers Day (23 June) to promote awareness SU reporting channels.</p> <p>Roles and Responsibilities</p> <p>We note the WBC (Whistleblowing Champion) TOR (Terms of Reference) set out clear expectations for their role and responsibilities, however the same level of clarity is not in place with regards to expectations of Line Managers, and other senior staff members who have bespoke SU responsibilities (e.g., Head of CIU).</p> <p>Visibility</p> <p>EY note that a WBC message (dated April 2021) is available on public web browsers which creates awareness not only for employees but for all POL stakeholders. The message contains helpful guidance, however there is a promise that reporters will not suffer personal detriment for speaking up (c.2:50' into the message).</p>	<p>Board-level engagement</p> <p>Messaging</p> <p>► We recommend regular messaging from senior leaders on the importance of SU is shared with POL staff. Good market practice is to have videos and messages by Senior Leaders (e.g., CEO, board members, SU Team leaders) on the SU intranet site communicate the importance of SU.</p> <p>Roles and Responsibilities</p> <p>► We recommend per good market practice that the SU intranet site sets out clear expectations for Line Managers, as well as for any other senior staff members who have bespoke SU responsibilities (e.g., ARC Chairman).</p> <p>Visibility</p> <p>► We strongly recommend that the promise that SURs will not suffer detriment be removed from the message, as this is not a guarantee that can be made. We also note the role of WBC will soon be transferred, providing a good opportunity to re-record a message/video.</p>
Policy and guidance		
4.	<p>Speak Up policies and guidance</p> <p>EY note the existence of a mature SU Policy which assures support for those who report concerns, and states that victimisation of anyone who raises a concern will be subject to disciplinary action. It also presents options for raising concerns outside of line management (e.g., external options such as regulators). EY also note that the Policy and other procedure files are to be updated following consideration of this report.</p> <p><u>Speak Up Policy</u></p> <p>Language</p> <p>The Policy title is referred to as the Whistleblowing (WB) Policy, however the web-portal is referred to as Speak Up (SU), as is the intranet site for SU concerns. We understand that the policy is under review and will be renamed 'Speak Up Policy'.</p>	<p>Speak Up policies and guidance</p> <p>Speak Up Policy</p> <p>Language</p> <p>► Based on good market practice, we recommend consistency in language throughout all related Speak Up artefacts (e.g., Policy, Investigations Manual, Speak Up intranet site) to give clarity to the reader.</p> <p>► We recommend using the terms 'Speak Up' rather than 'Whistleblowing' considering the negative connotations attached to the latter.</p> <p>► We recommend POL adapt wording in the SU Policy to the effect of 'concerns will be kept confidential and disclosed only on a 'need to know' basis'.</p> <p>Reporting options</p> <p>► To enhance clarity for the reader, and based on good market practice we would recommend:</p> <p>a) moving these team contact details to the bottom of</p>

Observations and recommendations

Ref	Observations	Recommendations
	<p>Current language in the SU Policy states: 'To encourage the reporting of any concerns as soon as possible in the knowledge that Post Office will take all concerns raised seriously and investigate fully, and that the <u>confidentiality of all individuals will be respected</u>'. EY note it is not always possible to maintain confidentiality of the Speak Up Reporter (SUR).</p> <p>Reporting options</p> <p>We note in the SU Policy (page 4) team contact details are provided for matters which may not relate to Speak-Up concerns- e.g., details for Grapevine, BSC, Customer Complaints, and Exec Correspondence Team.</p> <p>We note in the SU Policy (page 8) Internal and External Disclosure contact details are separated.</p> <p>We note in the SU Policy pages 10 to 16 appears to be too detailed to be applicable to all staff and would sit more naturally in a Procedure / Standard document rather than the Policy. Good market practice observed is to have a short one- or two-page Policy file to which is easily digestible by staff. This would include key high-level overviews of the speak-up process, definitions, and contact details.</p> <p>Fair treatment of the accused</p> <p>EY also note that there is no explicit reference in current policies and procedures relating to ensuring fair treatment of any person accused of wrongdoing by a whistleblower.</p> <p>ARC chairman</p> <p>We note in the SU Policy (page 11) if the SU concern is defined as 'serious' (i.e., leading to a failure to meet legal and regulatory requirements), it should be escalated to the Chairman of the POL Audit and Risk Committee (ARC). EY note a) it is not documented on a systematic basis within reports whether cases are classified as serious or not; and b) it is not documented what the ARC Chairman's role and responsibilities once they made aware of a 'serious' case.</p> <p><u>Group Investigations Policy (GIP)</u></p> <p>The GIP states:</p> <ul style="list-style-type: none"> - Not every concern, suspicion or issue that is reported, identified, or otherwise arises will require formal investigation (page 8) <p>Legal privilege</p> <ul style="list-style-type: none"> - Commissioning Manager should consider whether the investigation should be conducted under legal privilege (page 10). Through case file testing, we have not been able to observe that this consideration is documented on a systematic basis within investigation reports. <p>Conflict of Interest (COI)</p> <ul style="list-style-type: none"> - There may be potential conflicts of interest at either the triage or investigation stage (page 10) <p>Representative or colleague in meetings</p> <ul style="list-style-type: none"> - SURs are given the option to be accompanied by a trade union representative or colleague at any meeting (page 30). Through case file testing, EY we have not been able to observe 	<p>the document, under 'other contacts', or</p> <ul style="list-style-type: none"> b) moving the Customer Complaints details to the bottom of the document under 'other contacts' and removing all the other contract details (Grapevine, BSC, and Exec Correspondence Team). This would ensure the Speak Up channel would be the central hub for concerns and could then be triaged out to the relevant functions. This could also enhance risk awareness within the POL through a greater ability to perform trend analysis, leading to enhanced MI and reporting. <ul style="list-style-type: none"> ► To enhance clarity for the reader, we recommend the External Disclosure section follow section 1.7 How to report Whistleblowing. The reader would therefore have all available reporting options on one page. ► We recommend either POL a) create a short one of two-page Policy file or b) move content which is not directly relevant to all staff into another SU artefact. <p>Fair treatment of the accused</p> <ul style="list-style-type: none"> ► As per good market practice (also set out in SYSC 18.3.4) we recommend management include content in relevant SU documentation regarding fair treatment of the accused. <p>ARC Chairman</p> <ul style="list-style-type: none"> ► We recommend in relation to the SU Policy page 11: <ul style="list-style-type: none"> a) include the assessment of whether a case is 'serious' as a new section in the investigation report template; b) clarify the ARC Chairman's role for 'serious' cases; and c) ensure their involvement is clearly documented within the investigation report (e.g., within the new reporting section suggested in recommendation a). <p>GIP</p> <ul style="list-style-type: none"> ► We recommend management include a requirement to inform the SUR if their concern is not being investigated. We note good market practice is to inform the SUR of who is investigating their concern, or to inform them if they need to re-direct their concern to another function (e.g., re-direct a grievance case to HR). We understand from conversations with the SUT that there is regular contact with the SUR. <p>Legal privilege</p> <ul style="list-style-type: none"> ► We recommend management document the key considerations for 'legal privilege' (e.g., if a case is classified as 'serious' etc.) and considerations for consulting legal counsel, and relevant escalation processes ► Per good market practice, we recommend a) updating the GIP, and b) include a new section in the investigation report template to address the assessment of legal privilege. <p>COI</p> <ul style="list-style-type: none"> ► EY recommend the conflicts of interest process is further formalised. Good market practice is to have a separate section in SU documentation, including flowcharts, roles and responsibilities, systems and teams involved. For example, if Internal Audit (IA) were requested to investigate, the policy would make clear the who/what/when/how questions such as where investigation material is stored, how confidentiality is maintained throughout the process (as IA do not have access to SU SharePoint used by the SUT for storing investigation materials), ensuring the IA investigator has the appropriate skills, experience, and oversight to conduct the investigation etc.

Observations and recommendations

Ref	Observations	Recommendations
	<p>that the communication of this option is documented on a systematic basis within investigation reports.</p> <p><u>Law enforcement policy (LEP)</u></p> <p>LEP page 12 refers to the previous WB service third party provider (NAVEX / EthicsPoint). EY understand this policy is under review.</p>	<p>Representative or colleague in meetings</p> <ul style="list-style-type: none"> ▶ We recommend management ensure there is documented evidence the SUR is given the option of being accompanied to meetings. This could be achieved through adding text to the automated response sent to SURs when their case is received or included as templated language for the SUT to use when contacting the SUR in the first instance. <p>LEP</p> <ul style="list-style-type: none"> ▶ We recommend including the correct/proper contact details of the WB provider (currently - Convercent). EY understand management are reviewing this policy and are making this change.
Oversight and reporting		
5.	<p>Speak Up personnel structure</p> <p>EY note the development of a dedicated SUT who have access to other investigative resources (CIU) when required. We also note that ARC and the POL Board are furnished with regular SU MI and packs.</p> <p><i>Those responsible for operating the firm's programme.</i></p> <p>We note that as the SUT is a new team, the SU Manger (CH) is responsible for a) oversight of the SUF, which includes triage of reports, overseeing the SU Intranet site development, increasing awareness and confidence in the SUF through training and awareness campaigns, developing MI and reporting to the Board, and enhancing SU Policies and Procedure documentation, as well as responsible for b) acting as Commissioning Manager for many investigations – i.e., has responsibilities for assessing and progressing investigations work.</p> <p>Oversight</p> <p>We understand two SUT members triage cases sent to the SU mailbox, however there are no documented controls in place to ensure all qualifying reports are added to Convercent (system used for reporting and MI). We under an assurance process is set up until the new data system is put in place (replacing current CMS provider: Convercent)</p> <p>EY note a detailed list of minimum control standards are set out in the SU Policy (page 11). We requested evidence of how control testing has been carried out, however we were not able to obtain this evidence, e.g., testing carried out either through internal (POL employees) or external (e.g., SU specialist organisations) parties.</p> <p>Reporting</p> <p>EY note Whistleblowing is an agenda item for the Audit and Risk Committee (ARC) and the POL Board who receive MI on a monthly basis. We understand GE are requested to read the MI packs; however, the content is not discussed in every monthly meeting. EY understand the SUT have not regularly received follow-on questions from these forums which would have indicated critical engagement with these updates. EY note that an annual report has not been shared with either ARC or the POL Board as the SUT has recently been formed and therefore has not shared its first annual report to the Board.</p>	<p>Speak Up personnel structure</p> <p><i>Those responsible for operating the firm's programme.</i></p> <ul style="list-style-type: none"> ▶ Considering the nature of these roles, the workload and caseload, we would recommend: a) conducting a review into the threat of self-review (i.e. one person creating policies and standards against which investigations are assessed, being the point of contact with the SUR, performing the investigation and assessing its completeness and accuracy) and the requirement for segregation of duties, documenting the conclusions of this review; and b) conducting a review on the expectations of completing this volume of work by only one member of staff. <p>Oversight</p> <ul style="list-style-type: none"> ▶ We recommend management consider adding and documenting controls in place to ensure all qualifying cases are added to Convercent e.g., spot checks by another member of the SUT. ▶ We recommend POL produce a controls testing plan to ensure each control is reviewed timeously and by individuals with the requisite experience. Good market practice would be to ensure controls testing is carried out by SU Team and non-SU Team members (e.g., internal audit or compliance) for an independent assessment. <p>Reporting</p> <ul style="list-style-type: none"> ▶ As per good market practice (e.g., SYSC 18.3.1 f) and with regards to ARC and the Board, we recommend a) ensuring MI packs contain trend and theme analysis to better enable strategic decisions (e.g., sharing trends on confidential vs anonymous reporting rates as an indirect measure of trust in the SUF). This may be achieved through sharing thematic quarterly as well as monthly updates which may enable greater strategic engagement with the data; and b) that preparation and issuance of reports (e.g., quarterly to ARC and to the Board) is tracked, e.g., in a SU Communications Plan.

Observations and recommendations

Ref	Observations	Recommendations
6.	<p>FCA/PRA regulations [POMS consideration]</p> <p>EY note POL are not a regulated entity however management have shown appetite to use best market practice and guidance to improve the SUF, such as the guidance in SYSC18.</p> <p>EY note that it is not communicated in the POL employee handbook or other equivalent document (e.g., POL Code of Business Standards) that UK-based employees may disclose reportable concerns to the PRA or the FCA and the methods for doing so.</p> <p>EY understand that POMS (POL Management Services Ltd) rely on POL for its SUF, however as POMS is out of scope, we did not obtain evidence that additional policies and procedures are in place to ensure POMS' compliance with regulatory requirements.</p>	<p>FCA/PRA regulations [POMS consideration]</p> <p>► EY note POL is not FCA regulated however EY recommend that the POL employee handbook or other equivalent document (e.g., POL Code of Business Standards) reflect that UK-based employees may disclose reportable concerns to the PRA or the FCA and the methods for doing so if the equivalent POMS document does not contain such guidance (SYSC 18.3.6 R).</p>
7.	<p>Whistleblowers' Champion (WBC) role</p> <p>Although not regulated, POL have considered best practice and created a WBC role held by someone of sufficient seniority to discharge duties of a WBC as laid out in SYSC18 regulation. We note the current WBC has a wealth of relevant SU experience and demonstrated subject matter expertise during our interview.</p> <p>The WBC TOR states the WBC <i>'will also be an additional point of escalation for complaints or feedback regarding the Speak Up function from other parts of the organisation'</i>; however, it is not clear how staff would contact the WBC, and what steps the WBC should take if this situation occurs.</p>	<p>Whistleblowers' Champion (WBC) role</p> <p>► We recommend a) Include guidance on how staff are able to contact the WBC, as details are not included in the Policy. Good market practice is to share WBC contact details (e.g., on the SU intranet site) as another communication route available to the reporter; and b) provide guidance for what the WBC should do if such a situation occurs.</p>
Awareness and training		
8.	<p>Raising awareness</p> <p>EY understand SUT perform roadshows to increase SU awareness both for its employee and non-employee (e.g., postmasters) populations.</p> <p>EY understand POL do not have a responsibility to share SU materials with non-employees such as postmasters, but that there are plans to present on SU to the NFSP (National Federation of Sub-Postmasters) and to create posters for postmasters to use in their branches to raise awareness of SU.</p>	<p>Raising awareness</p> <p>► We recommend such activity of increasing awareness with non-employee groups be included in the SU Communications Plan, and that a variety of communication methods are explored such as posters, talks, messages from leadership, option training programmes etc.</p>
9.	<p>Training</p> <p>EY understand that POL provide training in multiple formats, such as through roadshows (as previously referred to in the above area #8 Raising Awareness), which provide employees with opportunities to raise questions and concerns but also web-based training. Through interviews, EY also understand POL provided its SUT with training from external SU specialists.</p> <p>All staff, Managers, and Employees responsible for operating the firm's internal programme</p> <p>EY have been informed that SU training for POL employees and line managers is provided through an e-training module.</p> <p>EY have not been able to confirm how SU training is accessed by the following groups: 1) employees responsible for operating the firms' internal</p>	<p>Training</p> <p>All staff, Managers, and Employees responsible for operating the firm's internal programme</p> <p>► We recommend:</p> <ol style="list-style-type: none"> assessing whether relevant training is in place for these groups and that access to this training is clearly signposted. Good market practice is to maintain training material in the SU intranet, we note this would exclude non-employees such as postmasters from accessing training therefore an alternative site would be recommended for non-employees. We are also aware that training is maintained in the POL LCG academy. documenting that those with responsibility over SU arrangements should review the WBC TOR and clarify their responsibility to assist the WBC when asked to do so (SYSC18.3.4 G 3 c). <p>Tracking</p>

Observations and recommendations

Ref	Observations	Recommendations
	<p>arrangements, and 2) Senior Leadership Team.</p> <p>EY note that non-employees (such as postmasters) receive awareness guidance, such as through roadshows rather than formal training.</p> <p>Tracking</p> <p>EY understand the SUT provide awareness to POL teams, however there is no process in place to ensure that 1) all POL employees, 2) line managers; and 3) employees responsible for operating the firms' internal arrangements have a) attended SU training, and b) confirmed their understanding of their responsibilities.</p>	<p>► In line with good market practice (also set out in SYSC 18.3.4) we recommend a) management ensure a mechanism is put in place to demonstrate all POL staff, line managers, and those responsible for the SUF, have completed relevant SU training (e.g. create training log showing completion rates); and b) that the population of those responsible for operating the firms' internal arrangements is clearly tracked, and that training is shared with any personnel who may have to be involved in the SU process due to a conflict of interest (e.g. Internal Audit).</p>
Accessibility/ease of use of whistleblowing process		
10.	<p>Accessibility</p> <p>EY note a range of reporting options are provided, including phone, voicemail, web, and email. EY note the SU web portal service is available 24/7, all year. EY note there are options available to the general public (rather than solely for POL employees) which is a positive step forward.</p> <p>External – web browsers</p> <p>EY note that the Code of Conduct (which includes a link to the secure online SU web portal) is shared with third parties working with the POL, however the web portal (which offers the option of anonymity) is not available through the publicly available POL website. Furthermore, EY note when using key search terms 'Post Office' and 'Speak Up', 'Whistleblower' and 'Whistleblowing' on public search engines (e.g., Google) that the first hits are either not from the POL website (e.g., a link to an old version of the POL SU Policy from a Freedom of Information request) or contain links to articles which do not include links to the POL SU Policy or SU web portal.</p> <p>Internal – POL intranet</p> <p>EY note the SU web portal is not one of the first hits when using key SU search terms on the POL SharePoint (intranet) search function.</p> <p>We note the POL SU intranet site is undergoing reconstruction.</p>	<p>Accessibility</p> <p>External – web browsers</p> <p>► In line with good market practice (also set out in SYSC 18.3.1), we recommend updating existing search hits on public search engines (e.g., Google) e.g., provide a link to the current POL SU Policy and link to the POL SU web portal when using key search terms 'Speak Up', 'Whistleblower' and 'Whistleblowing'. This will enable non-employees to understand the SU process and raise concerns more easily.</p> <p>Internal – POL intranet</p> <p>► We recommend updating internal POL SharePoint search hits to ensure employees are able to easily access SU information (e.g., on the SU Intranet site) and have the option of making anonymous reports.</p> <p>► We recommend prioritising the completion of this reconstruction as the intranet serves as a one-stop shop for employees and is a key source of information and giving employees confidence in using the system, as it demonstrates the organisation is taking SU concerns seriously.</p>
Triage and case management		
11.	<p>Triage</p> <p>EY note there is a dedicated role to manage the speak up process and that all disclosures received, regardless of source, are recorded and assessed. EY note there is a triage process set out in guidance documents, including flow charts, and that documentation in this area is evolving.</p> <p>Per the Investigator's Manual (page 36) we note: The Speak Up Manager and Intelligence Analyst triage all information and reports received via the reporting process.</p>	<p>Triage</p> <p>► In line with good market practice, we recommend: a) documenting in the Investigator's Manual that the SU Manager has responsibility of 1) deciding whether a case is a Speak Up case or not, and 2) informing the SUR of this decision (i.e., confirm with the SUR whether the SUT or another function will investigate the concern); b) documenting in the Manual the decision tree process for when a case is not considered a Speak Up case; and c) documenting triage decisions (e.g. maintaining a triage log).</p>
12.	<p>Case management system (CMS)</p> <p>EY note there is a CMS in place which is used to track progression of all SU cases and can produce MI for analysis of the SUT and senior leadership</p>	<p>Case management process</p> <p>► EY recommend that SUT are informed (e.g., by procurement or IT teams) if there are any regular service level agreement (SLA) reviews are performed with new</p>

Observations and recommendations

Ref	Observations	Recommendations
	<p>teams.</p> <p>EY understand POL use Convercent – a third party who manage the SU web portal ('front-end') and ('back-end') case management system (CMS). EY also understand POL are considering replacing Convercent with new third parties.</p>	<p>current and any new third parties to ensure the systems are fit for purpose and that data security (e.g., tested through penetration testing) and confidentiality measures are maintained.</p>
Investigation		
13.	<p>EY note all disclosures are investigated in proportion to risk by investigators with relevant experience. We also note the existence of investigation templates which are used to drive consistency in approach, and that escalation points exist in 'conflict of interest' situations.</p> <p>Investigation process</p> <p>We understand SURs receive an automated response from Conversant when logging a concern. This is then followed up with by a personalised communication from the SUT.</p> <p>SUR feedback</p> <p>We note the SUT provide SURs with an opportunity to have a follow-up (e.g., email or call) with the SUT to discuss wellbeing / detrimental treatment following the closure of the investigation, however there is no systematic process in place to evidence these discussions.</p> <p>Malicious claims</p> <p>EY note SYSC 18.3.2 G stipulates a firm may wish to clarify in its written procedures for the purposes of SYSC18 that nothing prevents firms taking action against those who have made false and malicious disclosures.</p>	<p>Investigation process</p> <p>► We recommend:</p> <ul style="list-style-type: none"> ► A) adding complementary information in the initial automated and/or personal response sent to the SUR e.g., a) a brief introduction on investigation process; b) informing them of the possibility of having a trade union member, or colleague join them in any discussions relating the concern; c) internal and external mental health / wellbeing resources (e.g., Protect charity), and d) for employees – link to the intranet site which includes more SU details. ► B) Creating a script/template to be used when informing the SUR of case closure. This will ensure consistency of communication and ensuring the SUR is aware of any further options <p>SUR feedback</p> <p>► Per good market practice we recommend SURs are given the opportunity to complete a written feedback assessment once the investigation is completed. In this assessment, the SUR is offered the opportunity for a follow-up with the SUT (e.g. one month following investigation completion), as well as invited to feedback on the interactions with the SUT (i.e., quality assessment of the SUT's performance, e.g., 'Was the SUT responsive? Did you feel supported throughout the process? etc.)</p> <p>Malicious claims</p> <p>EY recommend that the POL considers if they would like to communicate to employees (e.g., in the SU Policy) that nothing prevents the firm taking action against those who have made false and malicious disclosures.</p>
Effectiveness		
14.	<p>Further to our case file testing, EY note SURs are making confidential rather than only anonymous claims, which demonstrates trust in the SUF. EY note MI shows that reports are made from a variety of locations on a variety of topics (e.g., fraud, policy violation and harassment).</p> <p>Effectiveness of whistleblowing process</p> <p>Investigation case files - Impact rating</p> <p>EY note:</p> <ul style="list-style-type: none"> a) the Impact Grading Model suggests that all PIDA cases (i.e., Speak Up cases) are automatically rated High Impact. Further to conversations with John Bartlett (Head of CIU) and Claire Hamilton (SU Manager) we understand that not all PIDA cases are automatically classified as High Risk. b) The Impact rating (High / Medium / Low) is not consistently documented within investigation reports. EY understand this section in the manual is currently under review (e.g., updating terminology from 'risk' to 'impact'). c) The manual does not detail what impact the Impact rating has on procedure (e.g., how a High Impact case should be treated differently to a Low 	<p>Effectiveness of whistleblowing process</p> <p>Investigation case files - Impact rating</p> <p>► We recommend updating the Manual to rectify the observations, e.g.:</p> <ul style="list-style-type: none"> ► a) clarifying PIDA cases do not always sit in the High-Impact category; ► b) Include Impact Rating section in the Investigation report template which will then ensure processes defined in b) are followed; and ► c) clarifying what additional procedures are needed in an escalated situation depending on the impact category; <p>Recommendation log</p> <p>Recommendation: Creation of a 'Recommendation log' TOR setting out roles and responsibilities in the compliance team. We also recommend that the TOR clarifies how confidentiality of the subjects is maintained, as recommendations are distributed to other teams.</p>

Observations and recommendations

Ref	Observations	Recommendations
	<p>Impact case), except for prioritisation purposes (i.e., High cases would take priority over Low cases).</p> <p>Recommendation log</p> <p>We understand that any recommendations following investigation closure are shared with Compliance via an Excel document ('recommendations log') which lists all recommendations which need to be tracked to completion. We understand it is Compliance's responsibility to ensure a) recommendations are distributed to the relevant teams (e.g., HR or Internal Audit) and b) recommendations are closed out.</p>	

Appendix A Documents Received and Interviews

Documents received

Document title	Date received
10.3b_Law enforcement policy (Clean ver)_POL_Board_20200922 (final pdf v.	Feb-23
2021-03-15 Group investigations policy v.1.2 - inc POL comments	Feb-23
CIU MI DIVISIONAL REPORT December 2022	Feb-23
CIU MI REPORT December 2022 - Sensitive	Feb-23
Code of Business	Mar-23
Investigator's Manual	Feb-23
NED Speak Up Champion	Feb-23
P019 - Grievance Policy	Mar-23
POL artefacts in response to EY queries #1-6	Mar-23
Whistleblowing Policy v.7 March 2022	Feb-23
CIU_SpeakUp -	Mar-23
P009 - Code of Business Standards	Mar-23
Speak Up and CIU presentation to Audit and Support Advisor Team	Mar-23
Screenshot (35) – list of POL teams where SU was provided via training roadshow	Mar-23
Screenshot (38) – list of Convercent users	Mar-23
Screenshot (39) – list of SUT ShareDrive member	Mar-23

Stakeholder Interviews

In addition to the five interviews with senior leaders listed in Section 4. EY Scope and Approach, we spoke with the following personnel:

Name	Title
Claire Hamilton	Speak Up Manager
John Bartlett	Head of CIU
Mark Tress	SUT Investigator

Appendix B Interview agenda items

The following agenda items were tailored according to the interviewee:

- ▶ Awareness of EY engagement
- ▶ Role at POL and main responsibilities with regards to SU
- ▶ Ability to discharge your SU duties under the current framework, and if not, what areas would you like to see enhancements to?
- Referencing items such as: MI, Training, Culture, Confidence in current process, Independence/conflicts, and Whistleblower protection
- ▶ Understanding of the POL SUF, and what your SU responsibilities are (as you understand them) under this framework
- Confirm how they / an employee would raise a concern anonymously (how would they find the SU webpage)
- Confirm understanding of POL/their SU responsibilities towards employees (including providing protection to reporters)
- Confirm understanding of POL/their SU responsibilities towards non-employees (e.g., franchise employees, and how they provide protection for these)

Appendix C SU regulatory backdrop

SU programmes are now an established component of an organisation's compliance framework and a key risk management tool. Further, several recent high-profile media reports have shown a societal shift against remaining silent in the face of inappropriate conduct. In response to this trend, countries across the globe have introduced or strengthened whistleblowing related regulation and legislation.

In September 2016, the UK Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA) introduced rules that required specified regulated firms to have in place whistleblowing programmes (referred to as "whistleblowing arrangements" by the FCA). The rules have evolved since their inception in 2016 and are set out in SYSC 18 (Appendix B).

The FCA published the findings of its thematic review into Retail and Wholesale Banking Whistleblowing Arrangements in November 2018¹², which for the first time set out the FCA's expectations in this area which go beyond simple compliance with SYSC18.

In April 2019, the European Parliament adopted a Directive that required all member states to have whistleblowing legislation in place by December 2021. By February 2023 only 19¹³ of the 28 members had this whistleblowing legislation in place. As at the date of this Report the UK's Whistleblowing Bill advanced by the All-Party Parliamentary Commission (APPG¹⁵) for whistleblowing is undergoing parliamentary scrutiny. Whilst we do not know how each individual EU state will interpret the Directive or when the UK's Bill will obtain Royal Assent, it is probable that they will have implications on what is considered good industry practice, highlighting the need to have the flexibility to respond to the changes to come.

¹² <https://www.fca.org.uk/publications/multi-firm-reviews/retail-and-wholesale-banking-review-firms-whistleblowing-arrangements>

¹³ [EU Whistleblowing Monitor](#)

¹⁴ [Whistleblowing Bill - Parliamentary Bills - UK Parliament](#)

¹⁵ [APPG Whistleblowing | Home](#)

Appendix D Statement of Work (SOW)

As per the Engagement Letter signed 10th February 2023, the following SOW was carried out:

1. Policy Assessment

- ▶ Assessment of relevant policy documents, specifically the Whistleblowing Policy v.7 March 2022 and the Speak Up Champion (also known as the Whistleblowing Champion (WBC)) Terms of Reference (ToR). This assessment will compare policies against SYSC 18 regulatory requirements and to best practice, based on EY's knowledge of whistleblowing and speak-up teams in comparable entities.

2. Implementation of process via SU Investigation reviews

- ▶ Review of a sample of five investigation case files, performed since the Whistleblowing Policy v.7 March 2022 was put in place, to establish whether the Post Office (PO) policies are operating as intended. This sample is to be agreed between the EY and the POL teams and will include a representative view of the high/medium and low risk cases typically encountered by the POL.
- ▶ For each case, EY will follow the path of the case as it progressed from initial report through to conclusion and will include considerations such as data capture, triage, investigatory steps, communication with and protection of the whistleblower, reporting and review.

3. Feedback Gathering

- ▶ Interview with a sample of up to six key stakeholders of the SU process to establish their views on the process and possible areas for future development. The interviewees will be agreed between EY and the POL team.

Based on the activities at 1) to 3) above, this written report provides:

- ▶ An assessment of the current state of the PO's whistleblowing policies, processes and controls compared to SYSC 18 regulatory requirements and to best practice, based on EY's knowledge of whistleblowing and speak-up teams in comparable entities
- ▶ An assessment of the sample of five PO's whistleblowing investigations against the PO's whistleblowing policies, processes, and controls
- ▶ A comparison to financial services best practices, to include both whistleblowing and information gathering
- ▶ Recommendations as to possible areas of process improvements

In addition to the above scope, we will provide a briefing session to the Board and CEO of the Post Office Limited to cover their speak-up responsibilities, best practice to establish an effective tone from the top and highlighting key messages and learnings from this EY review.

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