

Message

From: Paula Vennells
on behalf of Paula Vennells
Sent: 02/03/2013 08:25:06
To: Chris M Day [REDACTED] **GRO**
CC: Lesley J Sewell [REDACTED] **GRO**; Susan Crichton [REDACTED] **GRO**; Sarah Hall [REDACTED] **GRO**; Susan Barton [REDACTED]
Subject: Re: Management Control Audit - SAS70 for Fujitsu

GRO

Goodness - "you may remember..." Is a little mild?!

I am scarred! I remember very vividly the discussions at the RMHB trying to convince Donald and Paul Murray that we would resolve this with Fujitsu. At least 10% of my grey hairs are down to this one!

So, I am delighted! Thank you Lesley very much indeed. Please also pass on my appreciation to whoever led in your team with Fujitsu.

As I was in fairly frequent contact with Duncan at the time, if you don't mind I would like to drop Him a note. Could you draft me something?

Thank you again - really well done.

Paula

Sent from my iPad

On 1 Mar 2013, at 20:54, "Chris M Day" [REDACTED] **GRO** wrote:

Thanks Lesley - good result. I spoke to Angus Grant today who confirmed that this and IT controls generally are looking in much better shape than a year ago, and that he's not currently anticipating any MLPs or further cost overruns - which makes me doubly happy!

Thanks also to Sarah & team for their work in this area.

Chris

Sent from my iPhone

On 1 Mar 2013, at 17:06, "Lesley J Sewell" [REDACTED] **GRO** wrote:

Paula, Chris, Susan

You may remember some of the challenges we had with the last Management Control Audit which E&Y completed for Fujitsu and our drive towards a SAS70 (now International Standard on Assurance Engagements (ISAE 3402)) control framework – this was a particular challenge and we were committed to get to this outcome as part of this year's audit approach.

We agreed, and at Fujitsu's cost, that they would separately engage Ernst & Young to endorse their IT controls and to produce an ISAE 3402 report. This provides a description of their total IT support processes and controls operated in managing the Post Office Account for Horizon on-line and POLSAP. The good news is that Ernst & Young have undertaken this review and have endorsed these controls.

This is very exciting and positive news for the Post Office. In all of the control objectives tested by Ernst & Young, a total of 65 individual objectives, there was only one deviation discovered, that required a minor adjustment to a password policy. Which meant the outcome was a report with no deviations at all in the Fujitsu environment. This was endorsed independently by Ernst & Young.

This will feed into our annual Management and Control audit for IT, and I met with our external auditors yesterday who were extremely pleased with the outcome. Our auditors are now engaging within Post Office to ensure that the compensating and complimentary controls operated within the Post Office environment are indeed in place and operating effectively to match those in Fujitsu. This is underway and the field work is on-going which is due to complete by early March.

Credit needs to be given to Fujitsu who funded this exercise, and whose controls were tested and passed by Ernst & Young. This is a really positive step for the Post Office as not only does it show the controls in place for Horizon and POLSAP are of good standard, it should also reduce the time and cost of future audits.

I have passed Post Office's thanks to Fujitsu for supporting this activity.

All in all a very positive outcome.

Regards

Lesley

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