
From: Chris Aujard[IMCEAEX-
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6F6FEAE19CC3F88@C72A47.ingest.local]
Sent: Fri 18/07/2014 1:28:20 PM (UTC)
To: Malcolm Zack[GRO]; Julie George[GRO];
David Mason[GRO]; Rod Ismay[GRO]
Subject: RE: Zebra - Key Points from the Meeting

Malcolm et al – Agreed, there is currently no need to go back to Deloitte. But just to be clear: a review is a review. That said, the actions that arise out of a review need to be allocated appropriately. We will discuss on Monday at the R&CC and consider next steps. Chris

From: Malcolm Zack
Sent: 18 July 2014 14:18
To: Julie George; David Mason; Rod Ismay; Chris Aujard
Subject: Re: Zebra - Key Points from the Meeting

The risk and compliance committee will review the paper on Monday. No commitment needs to be made to Deloitte at this point.

I have not taken ownership. This resides with Chris A and Lesley who initiated the review.

Next steps to be considered next week.

Sent from my Blackberry Wireless Handheld

From: Julie George
Sent: Friday, July 18, 2014 02:02 PM
To: Malcolm Zack; David Mason; Rod Ismay
Subject: FW: Zebra - Key Points from the Meeting

Hi,

Please see below from Deloitte, I have not agreed next steps, shall we meet up and discuss?

There are a number of things we will take forward ourselves but we need to establish where everything sits and ownership overall – which I see as being an overall IA task, cascaded down to appropriate areas, and Rod has already identified potential development areas in his function.

Jules

Julie George FBCS | Head of Information Security and Assurance Group

2nd Floor, 148 Old Street, London, EC1V 9HQ
GRO
GRO



From: James, Gareth (UK - Manchester) [REDACTED] GRO
Sent: 18 July 2014 11:46
To: Julie George; Rodric Williams

Cc: Westbrook, Mark (UK - Manchester)
Subject: RE: Zebra - Key Points from the Meeting

Morning both – as per the vm's I thought it worth re-sharing the notes below (in hindsight, it doesn't really call out the key outcome here, which is the response paper (if Rod can confirm that extracting information from section 6 into a stand-alone non-privileged doc is ok?). I know you're both busy / knocking on holidays.. so if Mark can I can take actions to help (at our investment), please do just ask.

Speak soon

Gareth

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From: James, Gareth (UK - Manchester)
Sent: 02 July 2014 23:16
To: Julie George; Rodric Williams [REDACTED] **GRO** [REDACTED]; Rod Ismay - Post Office Ltd
[REDACTED] **GRO** [REDACTED]; Malcolm Zack
Cc: Westbrook, Mark (UK - Manchester)
Subject: Zebra - Key Points from the Meeting

All,

Thanks for your time today. Notes that Mark and I took away on what we heard from you are below, which hopefully will be helpful to get the response paper started. Do let us know if you'd like any further supportive help on this.

Gareth

Actions

1. Deloitte to reflect Rod (W) feedback on v16, then provide editable version of the document so that section 6 text can be extracted to help shape the response paper.
2. Rod (W) to confirm if Section 6 also needs re-shaping into a standalone, non-privileged deliverable (eg: Sparrow references removed).

3. Julie to have discussion with David on Section C recommendations.
4. Gareth and Mark to progress meeting with relevant members of POL in relation to Section B. Julie to be invited if not already.

Thoughts on Individual Sections:

A1 – Detailed review of balancing transactions use – Rodric keen to progress work on this. Focused piece on a particular area of risk aiming to identify underlying root causes that can trigger the need for these, and procedures in place for initiating, approving, performing, monitoring them. To potentially include identification and testing of key controls (and how assurance sustained).

A2 – Verification work over key Horizon Features – Features identified in the Board report proposed as a ‘minimum baseline’ that needs testing validation. Workshop could be organised to (a) decide if any additional key features should be added (eg: 3 way system reconciliation activities in Fujitsu / matters relating to Centera hardware); (b) agree how items are best tested, and by whom (c) produce a testing plan / roadmap. It was agreed that different parties could perform this work, short term and longer term (eg: internal audit / Deloitte / via ISAE 3402).

A3 – Analytic testing on Audit Store Data – Three stage approach likely most appropriate – (1) Discovery exercise by Deloitte SMEs, looking at feasibility of data extraction and handling with Fujitsu and helping put some cost estimates to stage (2) and (3); (2) performing a pilot on a small extract of data (3 months?), exploring what scope POL could achieve and what is likely to add most value / be most insightful (from various perspective – Sparrow; Future System; Ongoing Risk/Control monitoring); (3) Scaling up over full 6 year data history – added benefit that this helps provide insight over the pre HGN-X processing environment, as year 5 and 6 of the data will be from pre 2010 (old Horizon system). This will help provide evidence that assertions re: the ‘pre’ world not being that different from the ‘current’ world can be formally supported.

A4 – FSC Process documentation + system reconciliation activities - Rod (I) saw significant validity in this area, and value in documentation for future system too supported by Julie. Rod was not convinced by the need to look at manual reconciliation controls between systems, as reliance should be placed on IT operations. See A2 above on discovery/testing of this key control.

B1 – Agreement that most of the A and C activities above and below have value from a future system perspective and matters need to be joined up to deliver this ‘through and into’ the project team. In particular the future system project needs to consider future system assurance requirements, and how the IT Assurance needs of POL are best setup (organisationally and scope wise). A meeting with the project team is progressing into diaries.

Section C – Not discussed at great length as David Mason needs engaging. Recognition to consider the principles of a “Head of Assurance”, who role it is to bring together all sources of assurance across POL’s risk landscape into a single, holistic picture for senior management. Page 33 matters to be picked up offline by David and Julie. Some discussion around C3 and how this marries up to A2 and A3 – though recognition that all aspects of “A” actions have implications for future, sustained assurance provision. Also query of how aspects of continuous / ongoing monitoring link into Project Horace (sp?) and other endeavours in the business to better analytically monitor / alert to key risks.