



Post Office

Governance Review

• Executive summary



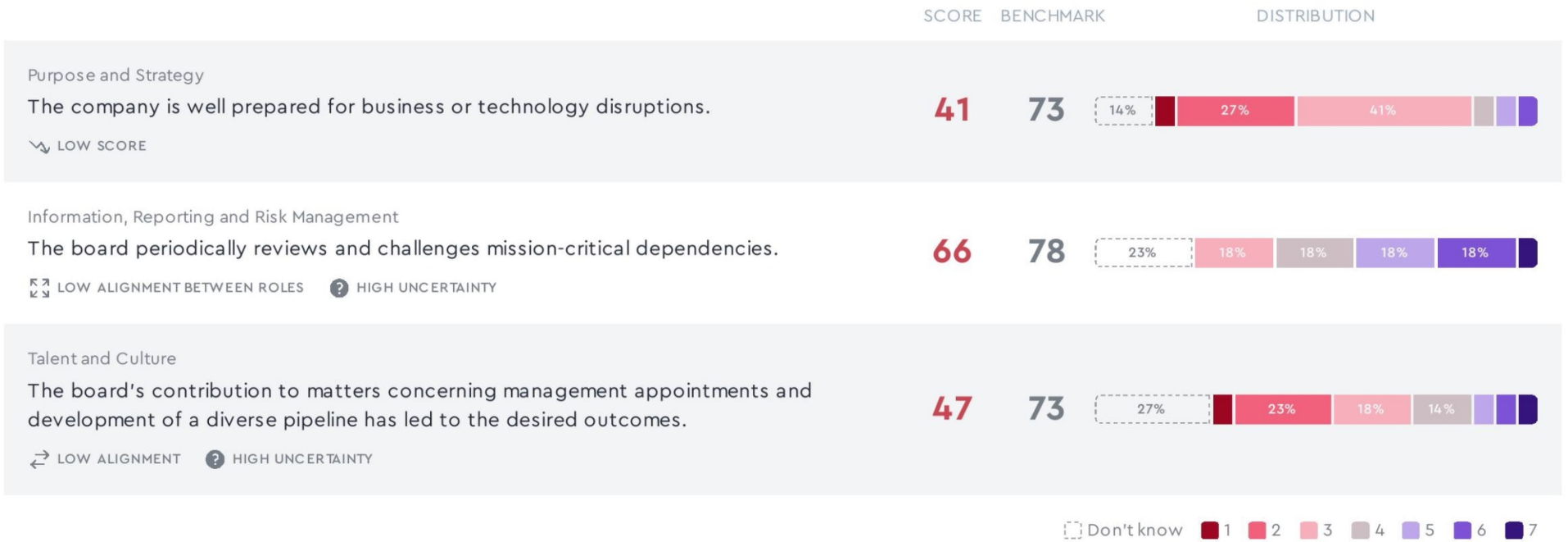
Your result lies **below** the BoardClic Value Benchmark

Executive summary - Actionable insights

	SCORE	BENCHMARK	DISTRIBUTION
<p>Talent and Culture</p> <p>The company's leadership and talent management evaluation and planning are in good order.</p> <p>LOW SCORE</p>	50	74	
<p>Talent and Culture</p> <p>We have a satisfactory succession plan for key roles in the management team.</p> <p>LOW SCORE</p>	49	64	
<p>Information, Reporting and Risk Management</p> <p>Investments are given appropriate and robust review.</p> <p>LOW ALIGNMENT</p>	56	79	
<p>Purpose and Strategy</p> <p>The board is quick to respond to changing business conditions.</p> <p>LOW ALIGNMENT</p>	58	82	
<p>Talent and Culture</p> <p>The board has a specific framework or approach in place to monitor culture in the organisation.</p> <p>LOW SCORE</p>	39	66	



Executive summary - Actionable insights



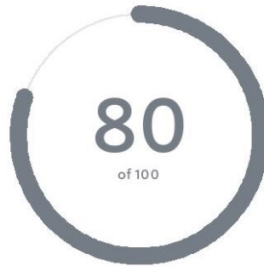
• Executive summary - Section drilldown

	YOUR SCORE	BENCHMARK
1 Purpose and Strategy	58	80
2 Board Agenda and Meetings	64	81
3 Talent and Culture	51	73
4 Board Composition and Dynamics	72	87
5 Information, Reporting and Risk Management	66	80
6 Decision Making	62	-

1. Purpose and Strategy



Section Score



Section Benchmark

Section findings

Based on score and priority.

High performance

No results qualified.

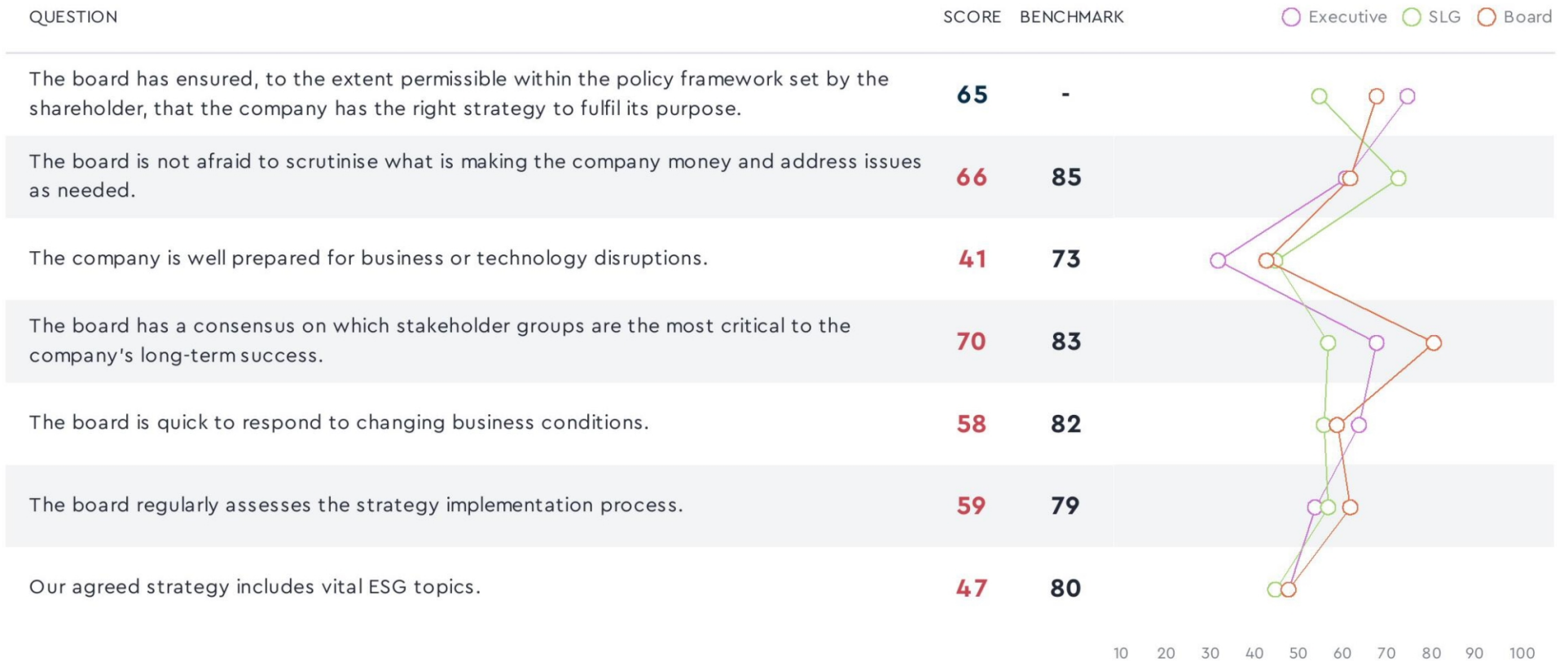
Low performance

The company is well prepared for business or technology disruptions.

41 **73**
YOUR SCORE BENCHMARK

1. Purpose and Strategy

58 **80**
SECTION SCORE BENCHMARK



1. Purpose and Strategy

58 80
SECTION SCORE BENCHMARK

QUESTION	SCORE	BENCHMARK	DISTRIBUTION
The board has ensured, to the extent permissible within the policy framework set by the shareholder, that the company has the right strategy to fulfil its purpose.	65	-	
The board is not afraid to scrutinise what is making the company money and address issues as needed.	66	85	
The company is well prepared for business or technology disruptions.	41	73	
The board has a consensus on which stakeholder groups are the most critical to the company's long-term success.	70	83	
The board is quick to respond to changing business conditions.	58	82	
The board regularly assesses the strategy implementation process.	59	79	
Our agreed strategy includes vital ESG topics.	47	80	

1. Purpose and Strategy

58 80
SECTION SCORE BENCHMARK

If you were the owner of the company, what would be your number 1 priority?

Establishing a commercially viable network whilst maintaining social purpose.

Have clarity as to whether we are a social purpose organisation or a commercial purpose organisation and how we achieve sustainability as an organisation

To reduce costs .

Define a clear strategy, execution plan, and funding required, and agree these with all stakeholders

Becoming more commercial, reduce overheads.

Having absolute clarity on what I want from the business, and not mixed messages that make it close to impossible to run the business properly. I would also be closer to the business so I understood it, and be better equipped resource-wise to do that.

To establish whether or not the business is to become a full department of the state or to be a truly commercial business. The continued conflict between providing a service to the communities of the UK and running a commercially viable post office network results in a muddled strategy implementation. The Board know what they need to do to make this a viable commercial entity but it appears that no Government is prepared to support the implications of this and so the management team influence at the edges rather than addressing the core problem in the business.

To obtain the correct amount of funding that would enable the company to deliver its agreed strategic priorities and properly managing its risks and controls to the standard that is expected by the good industry practice.

Cultural change – despite repeated feedback, the culture at the most senior levels still does not function as it should.

Strategy, but this is exceptionally difficult given the approach of the shareholder and the inevitable effect of a looming general election. This problem infects all other activities.

1. Purpose and Strategy

58 80
SECTION SCORE BENCHMARK

If you were the owner of the company, what would be your number 1 priority?

” Agreeing the core purpose of the Post Office – a commercial organisation subsidised by the government or an organisation that is part of society owned by the government delivering core key services across the country as a public service.

” Culture and governance

” Strategy

” Going faster in delivery of every activity. There is a terrible tendency to delay or fail to launch and projects are rarely on-time or on-budget and never both...this stems from a lack of strong leadership across the wider business and decision paralysis couple with a lack of direct accountability.

” Getting a future fit commercially viable strategy agreed with the shareholder. This is not in place.

” To take out cost, right size the network and improve the customer experience

” Agreeing a medium/long term strategy that pragmatically and realistically balances Commercial viability with Social Purpose.

” Ensure the Post Office is funded correctly to allow it to operate properly and that we know who the Customers is now and in the future and have the support to grow in that direction.

” Resolving the PM compensation issue and securing a new platform to replace Horizon.

” Cost and staff reductions; digital transformation

” The continued disintermediation by Royal Mail of products and services away from our branches, coupled with their continued poor performance in both letters and mail traffic. Great we now have alternative options but what happens if we loose just 10-15% of RM revenue

” Long-term consumer relevance – this is overlooked compared with the short-term interests of postmasters and external stakeholder concerns

1. Purpose and Strategy

58 80
SECTION SCORE BENCHMARK

Provide any additional comments on the board's work regarding purpose and strategy here:

” The Board is constrained by the policy parameters that the shareholder sets however is acutely aware of the social purpose the Post Office serves and the need for the implementation of strategy that fulfils this social purpose whilst ensuring that the company remains relevant.

” There are conflicts between achieving a social purpose and a commercial purpose. The shareholder policy framework drives certain decisions which may not be sustainable.

” There is growing perception that the board is not sufficiently independent from its Government Shareholder and that it is being used as a shield for Government. It would be helpful for DBT, UKGI and POL to continue to work together to clarify what is not within POL's authority and of course POL may need resource and to establish processes to address these changes in oversight and authority.

” The Board is capable, experienced and skilled but lacks the key direction from government in terms of what government want the Post Office to be.

” It's a new board and we sit in the education phase but we need to move this forward. Having an annual strategy session in the current environment, is this sufficient? I'm used to 2 strategy sessions a year to continue to ensure we are where we are and the development of a published strategy document (which is tight and focused) but can be used for all key stakeholders....

” There is little update on our puts from strategy days until a long time later and whilst improvements have happened over the past couple of years, the clarity of purpose is not fully understood or embraced across the business and speed of strategic implementation is far too slow.

” The last strategy day was a disappointment – and did not go deep enough into how POL will address the myriad of challenges and opportunities it faces/sees over the next 5 years. A clearer distillation of key priorities is needed, such that these can be tracked/updated and debated at board.

” n

” I am not clear on what the Board's strategy is for POL.

1. Purpose and Strategy

58 80
SECTION SCORE BENCHMARK

Provide any additional comments on the board's work regarding purpose and strategy here:



Provide greater clarity to all colleagues within PO on what the board does, its members and how it helps shape and guide our future direction.

With a fairly new board could we align specific board members to each function within PO so that we can have a board champion that's fully immersed in each business area, helping to both promote and challenge us?

2. Board Agenda and Meetings



Section Score



Section Benchmark

Section findings

Based on score and priority.

High performance

No results qualified.

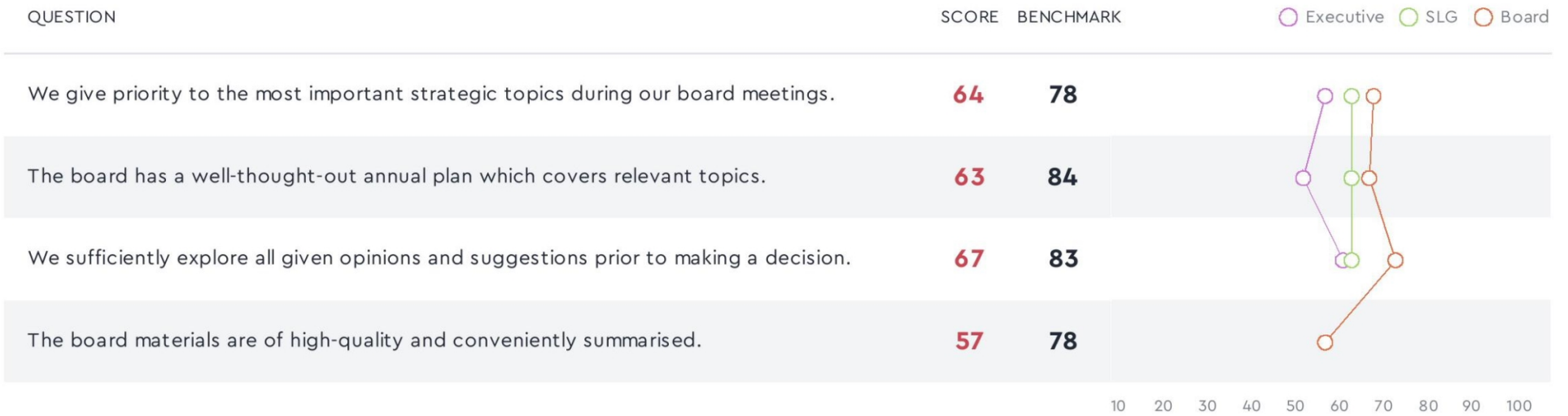
Low performance

We give priority to the most important strategic topics during our board meetings.

64 **78**
YOUR SCORE BENCHMARK

2. Board Agenda and Meetings

64 **81**
SECTION SCORE BENCHMARK



2. Board Agenda and Meetings

64 **81**
SECTION SCORE BENCHMARK

QUESTION	SCORE	BENCHMARK	DISTRIBUTION
We give priority to the most important strategic topics during our board meetings.	64	78	
The board has a well-thought-out annual plan which covers relevant topics.	63	84	
We sufficiently explore all given opinions and suggestions prior to making a decision.	67	83	
The board materials are of high-quality and conveniently summarised.	57	78	

2. Board Agenda and Meetings

64 **81**
SECTION SCORE BENCHMARK

The board's work is mostly...



3. Talent and Culture



Section Score



Section Benchmark

Section findings

Based on score and priority.

High performance

No results qualified.

Low performance

The company's leadership and talent management evaluation and planning are in good order.

50 **74**
YOUR SCORE BENCHMARK

3. Talent and Culture

51 **73**
SECTION SCORE BENCHMARK



3. Talent and Culture

51 **73**
SECTION SCORE BENCHMARK

QUESTION	SCORE	BENCHMARK	DISTRIBUTION
The company's leadership and talent management evaluation and planning are in good order.	50	74	
We have a satisfactory succession plan for key roles in the management team.	49	64	
The board has a specific framework or approach in place to monitor culture in the organisation.	39	66	
There is very good alignment between the board and the management team regarding core strategic priorities.	65	85	
Engagement mechanisms between staff, and between staff and the board, are effective.	55	74	
The board's contribution to matters concerning management appointments and development of a diverse pipeline has led to the desired outcomes.	47	73	

Don't know
 1
 2
 3
 4
 5
 6
 7

3. Talent and Culture

51 73
SECTION SCORE BENCHMARK

Provide any additional comments regarding the board's work on talent and culture here:

“ The last few years have placed many demands on Board time, particularly the Inquiry and Remediation matters, and the Board would wish to spend more time on succession planning. The Board has discussed company culture at many of its meetings and is pleased with the work Owen Woodley is leading in relation to the Ethos Programme.

“ There is a lot of talk about developing the right culture but no clarity as yet

“ We recently had a " Succession Planning " meeting which I much appreciated . We seem in good shape with respect to our Management talent .

“ A lot of the recent appointments made have not been made with board, it was has more of Nick's appointments. Regarding core strategies, I feel the board is presented something and the SLG implement something different which is convenient to them not necessarily what the business needs.

Regarding culture I still have not seen enough to show there has been progress.

“ There are a number of opportunities to improve the culture of the organisation but we are in danger of undermining GE so much which will make more difficult for them to effect change in the organisation.

“ Recruitment is still not routinely conducted on an open and transparent basis – see for example recent hires to GE. There is no structured approach to internal promotions, no framework as to skills, competencies etc for each level, no set requirement for the composition of sift or interview panels, no requirement for EDI training for interview panels etc

“ The organisation has suffered from a lack of continuity in the CPO role and also the immense distraction of remediation issues and the Inquiry, which have sucked up manage to capability and caused their own significant disruption to the culture of the company. However, the outcome of that is a lack of sufficient attention to many of these issues. One area where I think we could do better, notwithstanding these circumstances, is more time spent by the board and GE together.

“ I'd like to understand better from the Board what they believe their role in this is

3. Talent and Culture

51 73
SECTION SCORE BENCHMARK

Provide any additional comments regarding the board's work on talent and culture here:

” A clearer understanding of the skills needed to deliver a commercially viable strategy including execution is paramount. Recent strides have been made to strengthen the executive leadership team to support the CEO – however much work is needed to ensure that delivery is possible.

” There seems to be very little in the way of performance management in the business and very little done to tackle poor performance

” x

” What engagement between Board and management other than GE?

” The lack of diversity and strength in depth at a GE level suggests this isn't working....

4. Board Composition and Dynamics



Section Score



Section Benchmark

Section findings

Based on score and priority.

High performance

No results qualified.

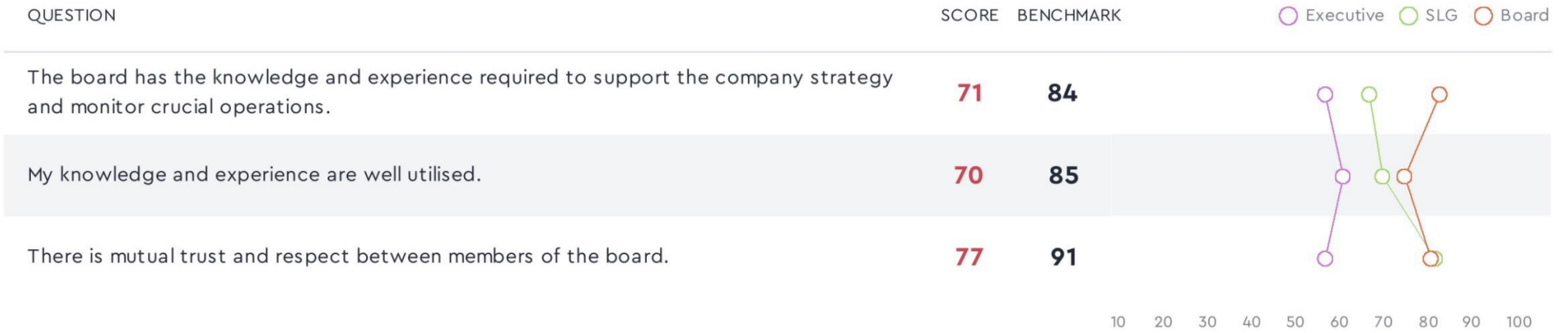
Low performance

The board has the knowledge and experience required to support the company strategy and monitor crucial operations.

71 **84**
YOUR SCORE BENCHMARK

4. Board Composition and Dynamics

72 **87**
SECTION SCORE BENCHMARK



4. Board Composition and Dynamics

72 **87**
SECTION SCORE BENCHMARK

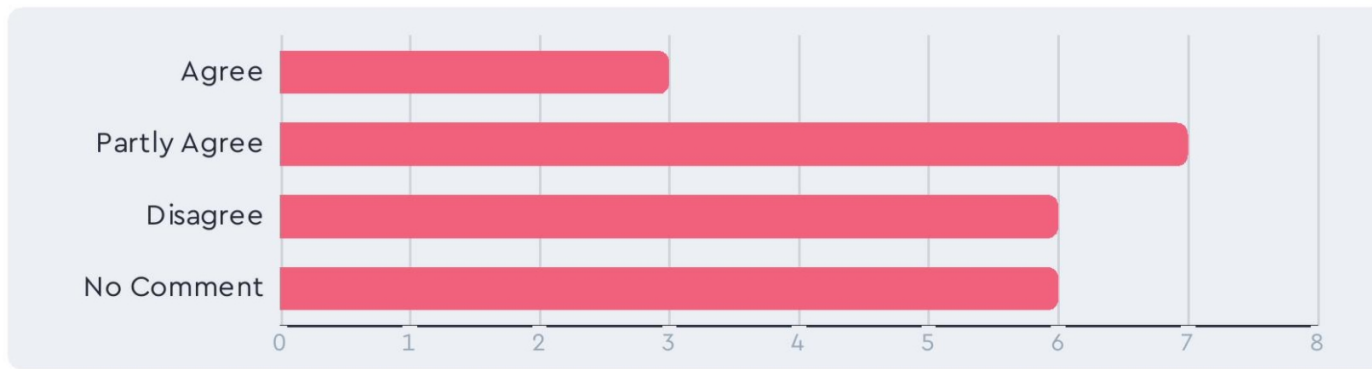
QUESTION	SCORE	BENCHMARK	DISTRIBUTION
The board has the knowledge and experience required to support the company strategy and monitor crucial operations.	71	84	
My knowledge and experience are well utilised.	70	85	
There is mutual trust and respect between members of the board.	77	91	

Don't know
 ■ 1
 ■ 2
 ■ 3
 ■ 4
 ■ 5
 ■ 6
 ■ 7

4. Board Composition and Dynamics

72 87
SECTION SCORE BENCHMARK

We regularly review the diversity of the board's senior leadership in regards to background, ethnicity, gender, and other minorities.



Comments from those who picked **Partly Agree**:

- “ The board is ultimately approved by Government Shareholder.
- “ It has been a focus from time to time but not necessarily a strong driver of appointments
- “ I say this but I don't know that we regularly review diversity.
- “ x
- “ I'm not sighted on this process

4. Board Composition and Dynamics

72 87
SECTION SCORE BENCHMARK

Comments from those who picked **Disagree**:

” No discussion that I am aware of

” I'm not sure this makes much sense. The Executive doesn't influence the makeup of the Board, but it isn't as diverse as it should / could be.

” We have not done this.

” The board and GE in particular are not diverse groups

Specify which skills and/or experience you feel needs to be brought to the board in light of the current strategy, circumstances, and life cycle stage.

” Given the delivery of NBIT over the next few years possibly a director with technical IT and large project delivery experience. The next recruit to the Board will be the SID who is being recruited for as a member who has senior public sector experience in order to assist with navigating with the government given anticipated funding requests over the next few years and potentially a change in government.

” Banking
Digital
Marketing to/understanding of generation Z and millenials
(But this depends on clarity as to strategy)

” Experience of dealing with Whitehall .

” Managing a government shareholder

” Technology and Retail, and real practical hard nosed business insight.

” A more commercial edge with government experience.

4. Board Composition and Dynamics

72 87
SECTION SCORE BENCHMARK

Specify which skills and/or experience you feel needs to be brought to the board in light of the current strategy, circumstances, and life cycle stage.

” The Board has recently appointed a new Chairman, 3 new NEDS's and is in the process of appointing 2 Postmaster NED's as well as a new SID over the next 12 months. given this turnover I believe that it is difficult at this time to suggest what skills or experiences may be lacking.

” crisis management support to executive and the organisation generally

” .

” Familiarity with government process and political decision making, which we have identified as a gap already.
We are also light on real IT transformation experience.

” Change

” .

” Strategy development
Stakeholder understanding and ways of working with them
Sponsorship of cultural change
Retail business acumen

” there are too many lawyers and accountants and not enough 'real business' people.

” More engagement with Whitehall to ensure goal congruence

” more operational experience in running businesses (rather than professional services)

” I don't know.

” New Board members will I feel add the value and experience required.

” A wider and more in-depth knowledge of IT and IT driven change programmes.

4. Board Composition and Dynamics

72 87
SECTION SCORE BENCHMARK

Specify which skills and/or experience you feel needs to be brought to the board in light of the current strategy, circumstances, and life cycle stage.

” Digital transformation; cost reductions

” I'm not close enough to the board to comment. We have a relatively new board with some members I've yet to meet and interact with. There is a gap between knowing who is on the board and the skills and experience they bring aligned to our key objectives and desired outcomes

” While we have plugged some of the gaps in retail experience (particularly through the addition of the postmaster NEDs), the Board is still missing credible experience in the postal sector and in digital business models

Specify skills, experience, or people that you think could be taken off the board in light of the current strategy, circumstances, and life cycle stage.

” No further appointments for those with professional services backgrounds is required at this point.

” We probably have too many accountants/lawyers but again this depends on clarity as to strategy and the conclusion of the Inquiry

” None

” None

” I would argue we're over-represented with older NEDs, and lawyers. There's a better balance to be struck in there somehow.

” The legal aspect is heavy and will not be needed once the Inquiry is over.

4. Board Composition and Dynamics

72 87
SECTION SCORE BENCHMARK

Specify skills, experience, or people that you think could be taken off the board in light of the current strategy, circumstances, and life cycle stage.

- “ none.
- “ -
- “ .
- “ Nothing obvious.
- “ None
- “ Someone with focus on culture and ethics.
- “ None noted at this stage
- “ as the public enquiry ends in 2024 – it would be good to replace a lawyer with a experience business leader
- “ None identified
- “ Sometimes the PM NEDs are too into the detail for a board room (particularly on specific points). We could do with more retail experience and public sector experience. We will miss Ben Tidswell's skill set and measured approach when he has gone.
- “ I don't know.
- “ x
- “ I am not clear on all of the skills of the current Board members
- “ N/A
- “ As question 5

4. Board Composition and Dynamics

72 87
SECTION SCORE BENCHMARK

Specify skills, experience, or people that you think could be taken off the board in light of the current strategy, circumstances, and life cycle stage.

Board still appears to be weighted towards regulated financial services experience, which is now a small part of our commercial portfolio – should be more weighted to retail / postal / digital

Provide any additional comments regarding improvements/suggestions relating to the board's composition (e.g. number of members, skin in the game, need for training, etc.) here:

It is really important to have postmasters on the board. We currently spend a lot of time looking at and being influenced by the past (understandable) but we do need to shift to the future. This requires support from the Shareholder.

We considered whether to add a NRD to the Board to lighten the load on the NEDS but decided to keep the numbers as we are .

I feel there should be more Postmasters on the board because they bring the realism on what's on the ground to board.

I enjoy working with the Board. They could benefit perhaps from being a little more understanding/ supporting of management having regard to the funding and context in which POL finds itself which is quite unique.

.

The board is probably as large as it ought to be. It is a very new board and would benefit from more time spent together outside of formal meetings, which are often time pressured. I think it is a pity there are not board dinners – I have always thought these were very good for building a sense of team.

4. Board Composition and Dynamics

72 87
SECTION SCORE BENCHMARK

Provide any additional comments regarding improvements/suggestions relating to the board's composition (e.g. number of members, skin in the game, need for training, etc.) here:

Why would you not have your GLC on the Board for legal advice?

Formalising position with CFO to ease exceptional decision making proces

Too much tactical discussions still go to Board.

The Board has too many members which causes long decisions and debate and is not fluid and agile.

The Board need to take more control of their agenda, all to often it is set by others. A good example is SPM, they should be looking for alternative means to deliver the change for less less cost and in a shorter timescale.

5. Information, Reporting and Risk Management



Section Score



Section Benchmark

Section findings

Based on score and priority.

High performance

No results qualified.

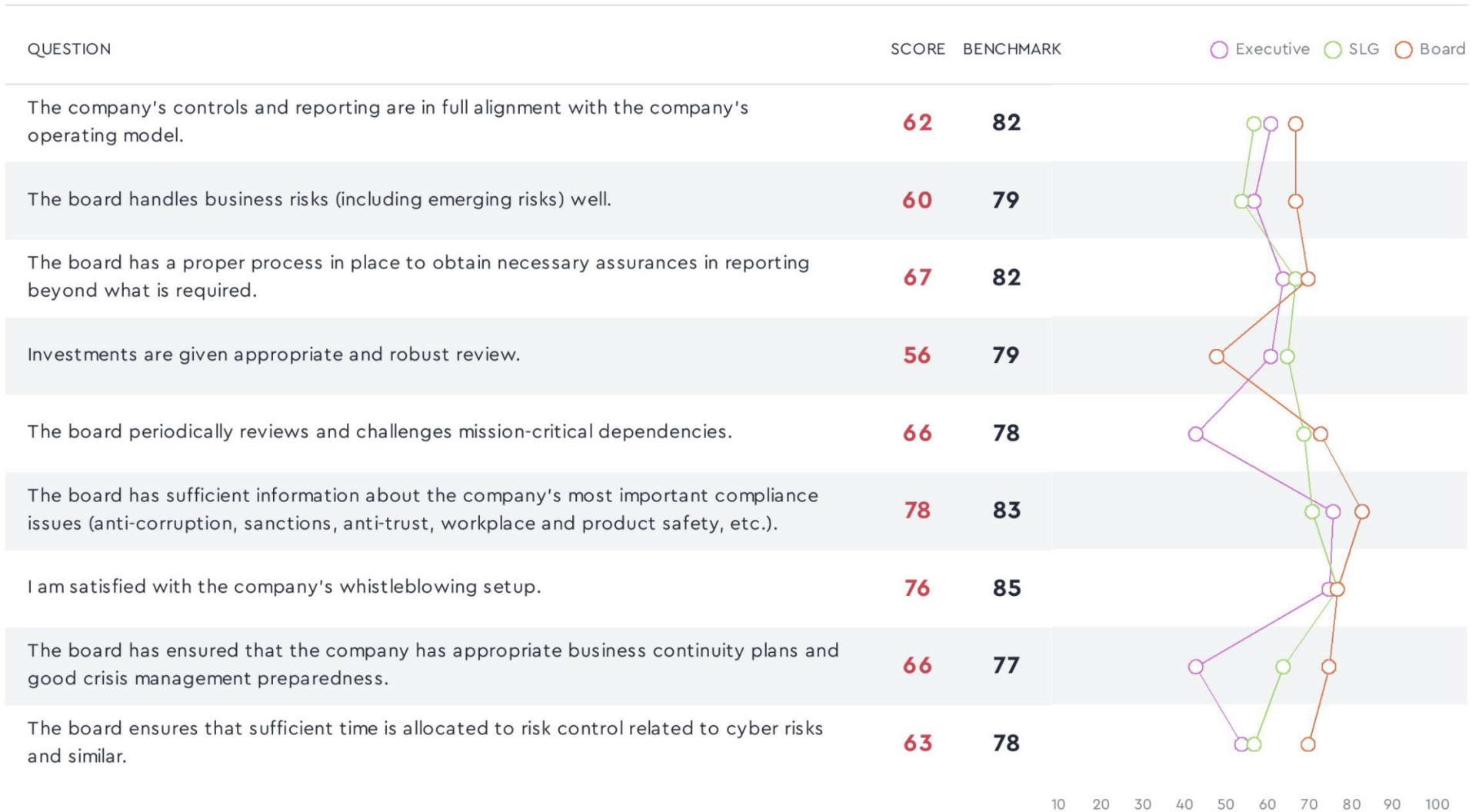
Low performance

The company's controls and reporting are in full alignment with the company's operating model.



5. Information, Reporting and Risk Management

66 **80**
SECTION SCORE BENCHMARK



5. Information, Reporting and Risk Management

66 **80**
SECTION SCORE BENCHMARK

QUESTION	SCORE	BENCHMARK	DISTRIBUTION
The company's controls and reporting are in full alignment with the company's operating model.	62	82	
The board handles business risks (including emerging risks) well.	60	79	
The board has a proper process in place to obtain necessary assurances in reporting beyond what is required.	67	82	
Investments are given appropriate and robust review.	56	79	
The board periodically reviews and challenges mission-critical dependencies.	66	78	
The board has sufficient information about the company's most important compliance issues (anti-corruption, sanctions, anti-trust, workplace and product safety, etc.).	78	83	
I am satisfied with the company's whistleblowing setup.	76	85	
The board has ensured that the company has appropriate business continuity plans and good crisis management preparedness.	66	77	
The board ensures that sufficient time is allocated to risk control related to cyber risks and similar.	63	78	

5. Information, Reporting and Risk Management

66 80
SECTION SCORE BENCHMARK

What could you do individually to improve the board's work and contribution regarding information, reporting and risk management?

Ensure the design of appropriate balanced score cards in order to ensure correct information is reported to the Board in order to provide sufficient oversight.

Our review of our major risks in Remediation and Systems are covered by two separate Board Committees . That is a significant improvement in our control of Risk .

Spend more time at POL

I am still getting up to speed with the way POL works so I would like to spend more time with management, particularly in Finance, and attend some ARCs
I have recently been appointed Speak Up champion and will work with the teams to see how we can speed up investigations

na

Top down risk assessment; coordination of Risk and the business; getting business areas to own their risk.

Very difficult to establish how I could achieve anything on an individual basis. Given my time commitment as an NED I rely on the provision of accurate and pertinent information to be given by Executive management. I haven't got the time to validate this information or to seek information within the business.

Continue to ensure the right risks are escalated in a timely way. making use of off-line reporting where needed due to gaps in Board meetings (eg no meeting between Nov-Jan).

A lot of, the heavy lifting in this area is done at ARC, which I don't sit on. I spend a fair amount of time with the legal teams and some parts of the compliance teams, so have the ability to support there.

To have a regular compliance signing process.

I feel there needs to be a more collaborative approach with our share holder. There are certain risk eg: IT which need funding, but it seems like the shareholder doesn't understand these. From an individual perspective I find the pre-brief very useful on topics because they provide valuable context which has been missed in previous board.

5. Information, Reporting and Risk Management

66 80
SECTION SCORE BENCHMARK

What could you do individually to improve the board's work and contribution regarding information, reporting and risk management?

- ” Improve and regularise risk reporting
- ” Evolve risk reporting
- ” ARC reporting is much improved now it is under new leadership.
- ” None identified
- ” continue to push to improve the quality of risk reporting
- ” Push back on small/lower level risks reaching Board review.
- ” x
- ” Contribute to a balanced score card for the organisation to review performance against a single and agreed set of metrics
- ” Regular verbal briefings; simple dashboards
- ” More visibility of board discussions, purpose and outcomes – how do help with our overall forward direction? The board is very risk adverse in my opinion and that can and does stifle opportunity, innovation and drives cautious a too cautious approach in areas that might benefit with a little more freedom.
- ” Provide more regular data and insights on branch profitability and network sustainability, together with future risks to both. These are the critical risks facing the business

5. Information, Reporting and Risk Management

66 80
SECTION SCORE BENCHMARK

Provide any additional comments regarding information, reporting and risk management here:

As a result of our recent history the Board is acutely conscious of our risk profile and the information presented to it reflects that .

Induction for new NEDs should be reviewed to see what improvements can be made to ensure that NEDs get access to relevant information.

The company has been advised in a number of areas that there are inadequate controls; lack of clarity around GE accountabilities and organisational governance; lacking in a comprehensive controls framework for years; poor data management and governance for years; there is inadequate funding provided to address these and other BAU issues; still non-conformance with GLO despite IDGv2. Consequently, some risks have crystallised and that trend is likely to continue. There are also emerging People risks which do not appear to be mitigated. I'd encourage a new approach of holding the accountable areas of the business to own their risks and present to ARC with the support of Risk, Compliance and Assurance. I have confidence that Simon Jeffries will get this in hand by seeing what risks can be mitigated; what can be tolerated but ultimately ensuring that the Shareholder is clear on the residual risks. There is strong sentiment across the business that there is inadequate funding / financing to manage the risks within the Board's current risk appetite and to the standard that POL is expected to operate publicly. POL needs to be clear with its shareholder regarding this (building on Carla Stent's letter to the Shareholder).

5. Information, Reporting and Risk Management

66 80
SECTION SCORE BENCHMARK

Provide any additional comments regarding information, reporting and risk management here:

” The board remains somewhat overwhelmed with backward looking matters. At the same time, funding constraints have created a set of risks outside of appetite and to some extent the normal business as usual compliance and risk considerations are eclipsed by these issues.
I don't understand the second question so have answered "don't know".

” None identified

” Our risk profile is incredibly restrictive.

” x

” We have a comprehensive risk process but it gets stalled and is seen as a barrier to delivery rather than a key management tool.

6. Decision Making



Section Score

Section findings

Based on score and priority.

High performance

No results qualified.

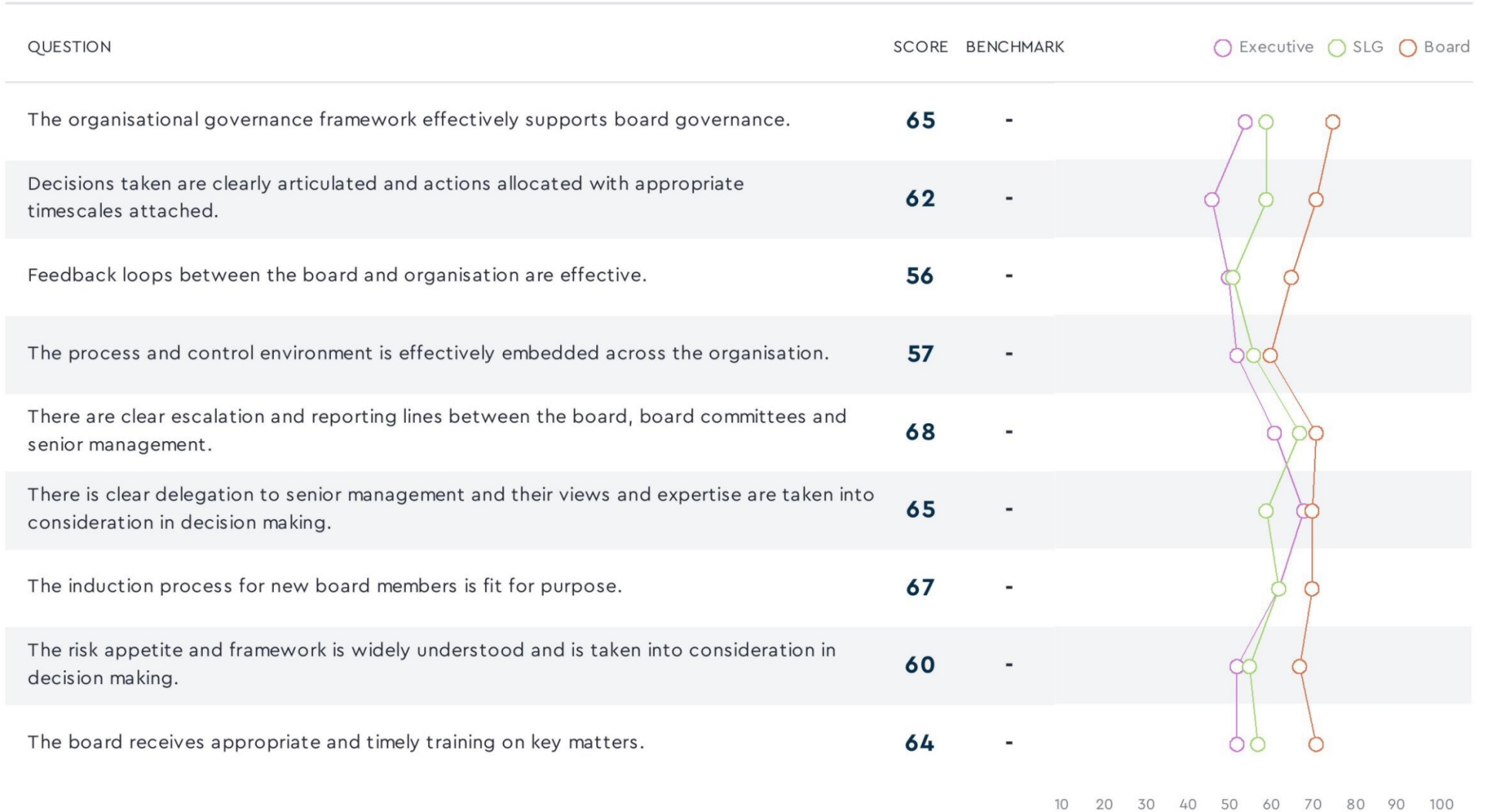
Low performance

Feedback loops between the board and organisation are effective.

56 -
YOUR SCORE BENCHMARK

6. Decision Making

62 -
SECTION SCORE BENCHMARK



6. Decision Making

62 -
SECTION SCORE BENCHMARK

QUESTION	SCORE	BENCHMARK	DISTRIBUTION
The organisational governance framework effectively supports board governance.	65	-	
Decisions taken are clearly articulated and actions allocated with appropriate timescales attached.	62	-	
Feedback loops between the board and organisation are effective.	56	-	
The process and control environment is effectively embedded across the organisation.	57	-	
There are clear escalation and reporting lines between the board, board committees and senior management.	68	-	
There is clear delegation to senior management and their views and expertise are taken into consideration in decision making.	65	-	
The induction process for new board members is fit for purpose.	67	-	
The risk appetite and framework is widely understood and is taken into consideration in decision making.	60	-	
The board receives appropriate and timely training on key matters.	64	-	

6. Decision Making

62 -
SECTION SCORE BENCHMARK

Are there any best-practice suggestions from other boards or other forums you would like to be introduced?

- Higher quality board papers with more analysis, conclusions and recommendations
- I would like to see improved forecasting
- Organisational governance (not board /enterprise governance) has been repeatedly called out as an area which requires continued focus and cultural acceptance of its importance... as well as having a controls framework across the organisation.
- .
- New Boards usually want to progress new strategies and visions for an organisation – I've not seen this appetite from the Board wanting to drive the strategic agenda in an overt way. They usually want the 3-5 year plan, where the business is going.....
- None identified
- Restrict document length to Board.
- x

Specify whether you think the current organisational governance framework enables effective decision making across the organisation?

- The timetable for agreeing funding needs to be improved.
- At the enterprise governance level, POL has articles of association, framework agreement, terms of reference for committees and sub-committees which are regularly reviewed. Assurance is conducted over enterprise governance. Board and GE are managed in accordance with good corporate practice. Board evaluations are conducted etc.

6. Decision Making62 -
SECTION SCORE BENCHMARK

Specify whether you think the current organisational governance framework enables effective decision making across the organisation?

However, there is / has been a disconnect between Board/GE and the rest of the organisation ie how (good/ethical/commercial) decision are made within the organisation. POL operates with a decentralised model using Delegated Authorities (which is not uncommon). However, the Delegates have not, until recently, started to demonstrate that there their decision making forums are appropriately constituted with appropriate artefacts such as agendas, TOR, actions logs, coordination with other accountable parts of the business, (good) decisions are being made and documented; processes established to ensure fair and ethical decisions are reached within their delegated authorities; and reporting back to GE and Board on those decisions such that Board and GE can have proper effective oversight over the organisation. Prioritisation/focus on Retail and IT has occurred (although it was met with considerable push back and delay, and the team felt like it was "pulling teeth" over what are basic organisational governance processes that would be expected in other organisations). POL is on the journey to view governance and compliance culture as basic operating practice. Board is very supportive; GE and SLP has mixed commitment as some don't see it as a priority.

” There is a wholesale lack of clarity amongst GE members as to who is accountable for what in terms of governance. This needs urgent rectification. The current process requiring decision making at committee level, then approval at GE before going to Board is clunky, slow and does not allow real-time decision making on reactive issues. An emergency or expedited process needs to be introduced for such matters.

” There has been a tendency for the board to become quite executive given what has happened in recent years. I think that has to some extent been reversed and the Chair is doing a good job of reinforcing the roles of the senior exec and the board.

” I think it does but worry about the top down nature of control at Post Office. Too much is required to go to GE and board making them a bottle neck and reflective of what GE/Board confidence they have in the SLG.

” there is a lack of speedy and decisive decision making and a lack of accountability for the outcomes.

” This needs to be reviewed to allow more efficiency and timeliness of decision making

6. Decision Making

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SECTION SCORE BENCHMARK

Specify whether you think the current organisational governance framework enables effective decision making across the organisation?

“ I often get the impression execs feel like the board is there to be got through, rather than learned from.

” x

“ No, it is overly bureaucratic with too many issues being escalated to Board for a decision e.g. do Board really need to be consulted on a contract for safes because the value is over £5m?

“ One thing the business (including the Board) chronically underestimates is the cost of indecision and delay – this needs to be factored more explicitly into decision making processes

Provide your comments on the key strengths and development areas related to the board and committee structures?

“ Better visibility of committee work across the board, more openness and transparency. All board members should have access to all committee papers

“ The board is relatively new and so more time getting to know each other would be good.

“ The Board and GE committees (enterprise governance) are generally strong given all the controls and processes within Company Secretary and legal instruments and assurance (save for Remco who understandably operate in a more siloed environment

with little executive oversight and involvement). ARC continues to be effective under excellent leadership of Simon Jeffries. However, the problem is two fold:

1. poor organisation governance (ie decision making and oversight of those who has been given Delegated Authority ie the business areas accountable for making (good) documented decisions and reporting back to GE and Board to enable proper oversight and challenge. By way of example, is Board currently comfortable on where POL is for HIJ conformance and what is likely to be articulated at the Inquiry? What oversight does Board have over our current HNGA system – is it sufficiently robust (to Board's comfort?..)

6. Decision Making

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SECTION SCORE BENCHMARK

Provide your comments on the key strengths and development areas related to the board and committee structures?

2. There is a strong view held by many that risks can not be managed within board appetite given the lack of funding from Government. No amount of cost cutting, "efficiency reviews " or strategic prioritisation is going to enable the business to build the foundation in some cases (e.g data management and governance), change the culture in others (culture of compliance; controls management at the first line), or ultimately manage its risks to the standard expected. This should be explored further by Board and senior management.

A recent sprint exercise showed significant gaps in business level governance structures with the absence of committees in key areas, lack of basics like ToFR etc. needs a thorough review.

See above

Good number of sub-committees that are working well.

x

Accountability and devolved decision making.