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POLARC15 (2nd)
15/13 – 15/17

POST OFFICE LIMITED
(Company no. 2154540)
(the Company)

Minutes of a meeting of the AUDIT, RISK AND COMPLIANCE COMMITTEE
held at 13.50pm on 25 March 2015
at 20 Finsbury Street, London EC2Y 9AQ

Present:
Alasdair Marnoch Chairman of the Committee
Neil McCausland Senior Independent Director
Tim Franklin Non-Executive Director

In attendance:
Alisdair Cameron Chief Financial Officer (CFO)
Jane MacLeod General Counsel (GC)
Alwen Lyons Company Secretary

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INTRODUCTION

- (a) A quorum being present, the Chairman of the Committee opened the meeting and welcomed those present.

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INTERNAL AUDIT PLAN 2015/16

- (a) The Chairman introduced the Internal Audit Plan for 2015/16 and asked Members of the ARC if they had any comments or questions.

- (b) The Committee asked for the following clarifications:
- What was the scope of the data protection work and did this include cyber security? The Business was asked to explain how this review would be undertaken.
 - Was the current FS review being undertaken by PwC included in the 17 per cent allocated to FS in the plan?
 - How would the 12 un-resourced elements of the plan be completed and would there be a problem if the work was not undertaken?
 - What was the difference between top' and 'high' priority?
 - Was there enough resource and capability in the Business Transformation assurance plan?
- (c) • Did the Towers Procurement review cover all IT including Front and Back Office?

ACTION:
GC

- (d) The Committee asked that the Anti-Money Laundering and Common Digital Platform reviews be given higher priority in the plan to ensure they were completed in 2015/16.

ACTION:
GC

- (e) The GC explained that Julie George, Head of Information Security, worked closely with external consultants to provide assurance for the Business which was outside the audit plan, it was agreed that the GC would send a note to the ARC to confirm how this assurance was fulfilled.

ACTION:
GC

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- (f) The Committee discussed the embedding of risk within the Business Transformation programme and was pleased that the programme budget contained significant funding for external assurance.

The CFO explained that the big IT transformation programme also included budget for assurance and that this did not appear in the Internal Audit plan. The Business would ensure that this was undertaken by qualified and

- (e) heavy hitting external resource.

Taking into account the discussion, the Committee approved the Internal Audit Plan for 2015/16.

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HEAD OF AUDIT AND RISK

- (a) The GC reported that Arnout Van Der Veer had resigned as interim Head of Audit and Risk. The Business had identified a candidate, Mike Morley-Fletcher, for the permanent role who would hopefully join the Business at the beginning of July. He was an excellent candidate with experience as an auditor with EY and was currently working for John Lewis.
- (b) The Committee asked if he was aware of the challenges in the Business and the less than mature risk framework. The GC assured the Committee that he was well aware of the challenges.
- (c) The GC explained that to cover the vacancy, Steve Miller had agreed to extend his interim contract as Head of Risk and Garry Hootton would continue to run the internal audit function, but working to the GC as direct reports. The GC would continue to use PwC to review the internal audit function and there was the possibility that Mike Morley-Fletcher would be available for one day a week.
- (d) The ARC supported the proposed plan.

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DATE OF NEXT MEETING

The next meeting would take place on the 20th May 2015.

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CLOSE

There being no further business, the meeting was declared closed at 14.30 pm.

GRO