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Marty Bennett
141.00 Jan Holmes
Post Office Counters Ltd
Myles Bennett
(Mason)
11th 10th January 2000

Dear Tony,

POCL Access to Audit Information

Need to discuss!

I have been contacted by Chris Paynter of our audit group over an issue that appears to be becoming deadlocked between him and Martyn Bennett. The issue relates to access to the transaction audit trail that is maintained by Pathway. I understand the concern to be that while Pathway are co-operating over "true" audit access, it is being claimed that such provisions do not extend to supporting investigations for security purposes. Martyn has also suggested that if such access were to be granted, then a charge would be levied.

Tony

I would have expected Pathway to be as concerned as POCL to ensure that potential misuse of the services are investigated. Neither POCL nor Pathway would wish to initiate such investigations without due cause (accepting that they may be time-consuming and distracting for both organisations), but nevertheless where there are grounds for suspicion, the issue must be investigated thoroughly. Without such an investigation we, jointly, could not be sure that the access controls and integrity of the Pathway services are not being breached.

Apart from this practical perspective, I think that denying such access is at variance with the provisions of the Codified Agreement. Pathway are required to retain the audit trail for a minimum of 18 months (R699), and longer if required by POCL in support of investigations or prosecutions (R829) - which begs the question of how POCL can ask for a longer retention if they have not previously seen what there is to be retained! R816 and its solution confirmed that the 18 months' worth of records will be available for retrieval and review.

In terms of supporting investigations I would point to clause 801.3 which provides (with my emphasis in bold):

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801.3 Without prejudice to the foregoing, **in the event of an investigation into suspected fraudulent activity or other impropriety** by the Contractor or any third party POCL reserves for itself, any statutory or regulatory auditors of POCL and their respective authorised agents the right of immediate access to the Records described in Clause 801.1 and Clause 801.2 above and **the Contractor agrees to render all necessary assistance** to the conduct of such investigation at all times during the currency of this Codified Agreement or at any time thereafter.

In terms of levying a charge for providing such assistance, The provisions of A03 include (again with my emphasis):

6.2 With respect to Clause 801.3, where the investigations find no evidence of fraudulent activity or other impropriety by the Contractor or the Contractor's agents, then **at the discretion of POCL**, the Contractor may be paid reasonable additional charges for its assistance.

This seems clear to me. Pathway should provide access and *may* be paid for their assistance.

Can I ask you to consider this and speak to Martyn? If there is a difference between our interpretations, perhaps we can discuss this at the next Contract Administration meeting

Yours sincerely,

GRO

Keith Baines
Head of Horizon Commercial