

Post Office Ltd – Strictly Confidential

**RISK AND COMPLIANCE COMMITTEE**

**05 January 2005 – Meeting Ref 03**

**Members:**

Sir Mike Hodgkinson (Chair)  
Peter Corbett  
Ian Anderson

**In Attendance**

Tony Utting  
Keith Woollard  
Michael Dadra

**Apologies**

Rod Ismay

**SUMMARY ACTION POINTS**

ITEM	ACTION	LEAD
0301	Investigate how Subpostmasters appointment and suspension/reappointment process can be improved to reduce risk - lessons learnt from Sandbach case. To include developing our own internal pool of interim branch managers.	PC/IA
0302	Tony Utting to supply an update to the forum on Turners Hill case.	TU
0303	Turners Hill case details to be sent to Bob Wigley.	PC
0304	Ensure that the remaining key controls are checked by year-end.	MD/RI
0305	To confirm what action the Retail line manager for Sevenoaks has taken in response to the audit findings and that a programme of supervisory checks of stocks is deployed.	MD
<b>Irrelevant</b>		
0308	Inform Sir Mike of the Home Office contact if support is required to speed up training process for financial investigators.	TU
<b>Irrelevant</b>		

**1. MINUTES FROM LAST MEETING**

Meeting Ref 02 - minutes approved.

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## 2. STATUS OF ACTIONS FROM THE PREVIOUS MEETING

ITEM	ACTION	LEAD
<h1>Irrelevant</h1>		
0208	Date of incident, fraud type, total loss and POL exposure to be added to sheet for future meetings	Ongoing
0209	Tony Utting to attend next forum to discuss potential fraud PO Card Account	Completed
Irrelevant		
0211	Future minutes to be copied to Bob Wigley	Ongoing

## 3. MATTERS DISCUSSED AT THE MEETING AND NEW ACTIONS REQUESTED

The issues discussed included the following items (which are expanded on as shown):

- 3.1 Branch Control
- 3.2 Key controls
- 3.3 Team updates
- 3.4 DVLA report

**3.1 Branch Control - Major Issues**

Updates received from old cases: Sandbach, Blackwood and Sevonoaks.  
Letter sent to Bob Wigley about Sandbach was discussed and issues relating to interim Sub postmasters.  
New cases discussed: Turners Hill and Corbylands Road.

**Action 0301**

Investigate how Subpostmasters appointment and suspension/reappointment process can be improved to reduce risk - lessons learnt from Sandbach case. To include developing our own internal pool of interim branch managers.

**Action 0302**

Tony Utting to supply an update to the forum on Turners Hill case.

**Action 0303**

Turners Hill case details to be sent to Bob Wigley.

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# Irrelevant

### 3.3 Team Updates

**3.3.1 Audit and Inspections** Michael Dadra reported that Sevenoaks was recently re-visited as part of the annual certification of compliance process and given the major loss at this branch it is of significant concern that the Branch manger had signed false declarations stating that supervisory controls were in place when they clearly were not. To date there has been no response from the retail line manager.

#### Action 0305

To confirm what action the Retail line manager for Sevenoaks has taken in response to the audit findings and that a programme of supervisory checks of stocks is deployed

**3.3.2 Anti Money Laundering (AML) and FSA** Keith Woollard updated the forum on current initiatives in the team. The Financial Services Compliance report Nov 2004 was discussed. No current major issues of concern but continued close monitoring required.

#### Action 0306

Confirm that the value of transaction where identification is required for purchasing foreign currency has been uniformly communicated and understood.

# Irrelevant

**3.3.3 Internal Crime** Tony Utting gave a broad overview of the team dynamics for Internal Crime.

There are over 600 cases at present spread over 39 investigators. Financial investigations (freezing proceeds of crime) were discussed and issues around Home Office training. £1.2 M recovered so far this year. An overview of the security features for Post Office Card account was discussed. DWP cash cheques and liabilities were discussed. New risk model for profiling Subpostmasters was discussed.

#### Action 0308

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Inform Sir Mike of the Home Office contact if support is required to speed up training process for financial investigators.

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# Irrelevant

**5. DATE OF NEXT MEETING**

6<sup>th</sup> April 05  
10:00 - 11:30  
Sir Mike's office

**Future agenda item**

How we cover Post Office Ltd liabilities for Cash Cheques to be discussed at next forum.