

Post Office Ltd – Strictly Confidential  
**RISK AND COMPLIANCE COMMITTEE**

**06 April 2005 – Meeting Ref 04**

**Members:**

Sir Mike Hodgkinson (Chair)  
Peter Corbett

**In Attendance**

Rod Ismay  
Martin Ferlic  
Keith Woollard  
Michael Dadra

**Apologies**

Ian Anderson

**SUMMARY ACTION POINTS**

ITEM	ACTION	LEAD
0401	Suspensions – what is the indicative cost of a suspension in terms of cover pay and overheads?	RI
0402	Sevonoaks to be revisited now new BM and SAM are in place	MD
<b>Irrelevant</b>		
0404	Turners Hill – ensure property assets are investigated for recovery	RI
<b>Irrelevant</b>		
0410	Corporate Risk Chart - How did we get some of the monetary value – revisit using inherent risk/residual risk	RI
<b>Irrelevant</b>		

**1. MINUTES FROM LAST MEETING**

Meeting Ref 03 - minutes approved.

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## 2. STATUS OF ACTIONS FROM THE PREVIOUS MEETING

ITEM	ACTION	STATUS
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 from auditors/trainers/DMB staff – potential to widen scope and use Rapid Deployment team.	Ongoing, paper to board
0302	Tony Utting to supply an update to the forum on Turners Hill case.	Completed
0303	Turners Hill case details to be sent to Bob Wigley.	Completed
0304	Ensure that the remaining key controls are checked by year-end.	Agenda item next mtg
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.	Completed, planned to revisit
<b>Irrelevant</b>		
0308	Inform Sir Mike of the Home Office contact if support is required to speed up training process for financial investigators.	Completed
<b>Irrelevant</b>		

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

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

- 4.1 Branch control and Audit committee feedback
- 4.2 Branch Audit team
- 4.3 Banking and Financial Services compliance
- 4.4 Investigation team
- 4.5 Corporate risk register
- 4.6 Information Systems security

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**3.4.1 Branch control and Audit committee feedback**

Updates received from old cases: Turners Hill, Blackwood and Sevonoaks.  
New cases discussed Finsbury Park, Putney Bridge and Edgware.  
Development of the Branch Control forum was discussed.  
Post Office Saving Stamps frauds were discussed.  
Discussion regarding counterfeit notes and benefits of ultraviolet scanner was had.

**Action 0401**

What is the indicative cost of a suspension in terms of cover pay and overheads?

**Action 0402**

Sevonoaks to be revisited now new BM and SAM are in place.

**Irrelevant**

**Action 0404**

Turners Hill – ensure property assets are investigated for recovery

**Irrelevant**

**3.4.4 Investigation team**

Current fraud risks were discussed around cash cheques, Bureau de Change, PO Saving Stamps, fictitious deposit and deposit suppression.

**Irrelevant**

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# Irrelevant

## 3.4.5 Corporate risk register

Reviewed current risk register and discussed any movement of risks and causes.

### Action 0410

How did we get some of the monetary value – revisit using inherent risk/residual risk.

## 3.4.6 Information Systems security

Access to Horizon and other IT platforms was discussed.  
POL web site recently received a number of attacks.

### Action 0411

ID theft risk – provide further detail on risks including comparison of branch versus call centre channel risks.

### Action 0412

Bank account “theft & flight” – what sort of accounts are involved and how is the money being stolen?

## 4. DATE OF NEXT MEETING

7<sup>th</sup> July 2005  
Sir Mike's office

### Future agenda item

Key Controls  
DVLA actions from recent review  
ID theft and security of personal information

### Attendees to include

Sue Lowther – Head of Information Security