



Department for
Business, Energy
& Industrial Strategy

Nick Read
Chief Executive Officer
Post Office Ltd
20 Finsbury Street
London
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06 September 2019

Alex Chisholm
Permanent Under-Secretary of State
1 Victoria Street
London
SW1H 0ET

Our ref: AC/0P1252

Dear Nick,

ACCOUNTABLE PERSON: INSTRUCTION FROM BEIS PERMANENT SECRETARY TO THE CEO OF POST OFFICE LTD ON ACCOUNTABILITIES AND RESPONSIBILITIES

Congratulations on your appointment as Chief Executive Officer of Post Office Limited (POL). I look forward to working with you as the Post Office continues its ambitious programme of modernisation, to ensure it is successful and sustainable for both the Shareholder and for consumers throughout the UK.

Your appointment as CEO carries with it the responsibility of being the Accountable Person of Post Office Limited. As the Principal Accounting Officer, I hereby designate you as POL's Accountable Person and, as such, you are to take personal responsibility for running the organisation in accordance with the principles of regularity, propriety, value for money and feasibility set out in Managing Public Money, while recognising that as a Public Corporation operating in commercial markets POL needs to take investment and other financial decisions in accordance with common business principles and practices.

The standards to ensure that your organisation follows are summarised in **Managing Public Money Box 3.1: Standards Expected of the Accounting Officer's Organisation**:

"Acting within the authority of the minister(s) to whom he or she is responsible, the accounting officer should ensure that the organisation, and any ALBs it sponsors, operates effectively and to a high standard of probity. The organisation should:

governance

- *have a governance structure which transmits, delegates, implements and enforces decisions*
- *have trustworthy internal controls to safeguard, channel and record resources as intended*
- *work cooperatively with partners in the public interest*
- *operate with propriety and regularity in all its transactions*
- *treat its customers and business counterparties fairly, honestly and with integrity*
- *offer appropriate redress for failure to meet agreed customer standards*
- *give timely, transparent and realistic accounts of its business and decisions, underpinning public confidence;*

decision-making

- *support its ministers with clear, well-reasoned, timely and impartial advice*
- *make all its decisions in line with the strategy, aims and objectives of the organisation set by ministers and/or in legislation*
- *take a balanced view of the organisation's approach to managing opportunity and risk*
- *impose no more than proportionate and defensible burdens on business;*

financial management

- *use its resources efficiently, economically and effectively, avoiding waste and extravagance*
- *plan to use its resources on an affordable and sustainable path, within agreed limits*
- *carry out procurement and project appraisal objectively and fairly, using cost benefit analysis and generally seeking good value for the Exchequer as a whole*
- *use management information systems to gain assurance about value for money and the quality of delivery and so make timely adjustments*
- *avoid over defining detail and imposing undue compliance costs, either internally or on its customers and stakeholders*
- *have practical documented arrangements for controlling or working in partnership with other organisations, as appropriate*
- *use internal and external audit to improve its internal controls and performance."*

The Committee of Public Accounts may invite you to attend as a witness at its evidence sessions. This is not optional, and it is only with specific agreement of the Chair of the Committee that you may defer your attendance or send a substitute.

Your designation is in line with latest HM Treasury advice on Public Corporations. The Office for National Statistics (ONS) has classified POL as a Public Corporation. As such, POL is not in scope for standard Cabinet Office controls, except as agreed with HMG and the Shareholder, and it is recognised that POL needs to take investment and other financial decisions in accordance with common business principles and practices. Where any government fiscal controls may apply, it is POL's responsibility to identify these, with assistance from BEIS and UKGI.

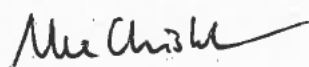
Any funding received from BEIS or any other Government Department should only be used in accordance with the terms and conditions attached to the relevant Funding Agreement and you should provide any assurance required by the relevant Funding Agreement. Any other income received should be treated as public money and have the same standards applied to it as set out in Managing Public Money. As the newly designated Accountable Person, I recommend that you undertake Accounting Officer training, which my officials can help to arrange for you.

For further guidance, please refer to the following Treasury issued handbooks:

- **The accounting officer's survival guide:** the main accounting officer's responsibilities;
- **Parliamentary scrutiny of public spending:** practical guidance on engagement with the National Audit office and the Committee of Public Accounts; and
- **Regularity, Propriety and Value for Money:** learning examples for accounting officers

I look forward to working with you on the Post Office and value the huge contribution that I am sure you will bring to the role.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Alex Chisholm', with a long horizontal flourish extending to the right.

Alex Chisholm