## **Closure REPORT**



**PROJECT VENUS** 

CONFIDENTIAL CLOSURE REPORT

CHANGE EXCELLENCE FRAMEWORK

## **Background**

1.	<ol> <li>Project Venus was a confidential investigation into POL's Non-Executive Director (NED), Ellic Jacobs about:</li> </ol>		
		The fact that he did not appear to have declared debts owed by his Postmaster Company ( ) to POL at the point of becoming a NED.  That despite an apparently increasing debt owed to POL (understood to be as as of June 2023), neither he nor appeared to be engaging with POL about the debt or servicing the debt.  That he attended a meeting of POL's board in which legal and commercial issues in relation to POL's approach to outstanding branch balances was discussed but failed to disclosure any conflict of interests.	
Invest	gation		
2.		Chair commissioned POL's (and to investigate natters.	
3.		roduced two reports, an interim report dated 20 November 2022 and a final report dated 30 023. ** s final report made seven recommendations. Recommendation 1 was:	
	a.	to consider terminating the NED's/Corporate Postmaster's contract to run Post Office branches; and	
	b.	to review the NED's suitability to remain a NED.	
4.	Separately, on 28 July POL's more closely. The report concluded only a small proportion of report total outstanding balances (more) were an Established Loss (i.e. a loss capable of being sufficiently evidenced under POL's standard approach). The Report also noted that steps had been taken at the commercial level (and that an action plan was being progressed) to address the concerns about the Corporate Postmaster's approach to discrepancies/outstanding balances and that the NED/Corporate Postmaster was co-operating in relation to addressing the concerns.		
Legal <i>i</i>	Advice		
5.			
Outco	me		
6.	After considering the reports, the report, and report, and decided that:		
	a.	EJ would be requested to repay the approximately debt that was confirmed to amount to an "Established Loss" under the report.	
	b.	There was no clear evidence of impropriety that warranted further action by POL either to terminate its relationship with the NED or the Corporate Postmasters.	

c. Nevertheless, mindful of the shortcomings identified by 's investigation POL would take actions in respect of 'recommendations 2 – 6, as follows:

	Recommendation	Action / Date
R2	to provide training to all staff in the Corporate Postmaster's branches, including on remittance of stock, cash balances and trading periods.	TBC by the relevant team, noting that the report recognises progress in respect of the Corporate Postmaster's approach to discrepancies/outstanding balances
R3	training to be provided to all Post Office directors on the completion of statutory director declarations.	Training to be completed by April 2024 when director's declarations will next be sought. The incoming Postmaster NEDs would not be appointed by this time so personal training should be provided to them on this as part of their induction programme.
R4	advice to be provided to Postmaster NEDs on how to manage conflicts of interest at Board meetings relating to their role as individual Postmasters	Training to be provided as part of the onboarding of the new postmaster NEDs (together with training on 'related property transactions and stat decs')
R5	to be mindful of setting a precedent in relation to this case, particularly in a context where the Horizon to NBIT migration is likely to crystallise other Postmaster shortfall issues	Noted
R6	to consider changing POL's procedures in relation to shortfalls to reduce the scope for abuse by Postmasters.  It was recommended that this be replaced by POL being free to recover any shortfall once investigated by the Team	The approach to be taken toward Postmaster shortfalls is a live issue. A question around the approach towards civil recovery still has to be taken by the GE.

7. Finally, PwC have been instructed to advise on the extent to which any 'related party transactions or associated write-offs in respect of the debt owed by Follow to POL or any associated write offs would need to be declared in POL's Annual Report and Accounts for 23/24.