



BT Compliance Committee Bulletin

Issue 13

May 2021

Introduction

Welcome to Issue 13 of the BT Compliance Committee Bulletin, in which we provide an update on the BT Compliance Committee's (BTCC) April 2021 meeting.

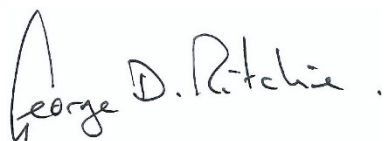
Our guest speakers at the April meeting were Katie Milligan, MD Customer Commercial and Propositions, Openreach and Olly Kunc, MD Service Delivery, Openreach.

The BTCC also heard about, and discussed, the following topics:

- The customer-supplier relationships between Openreach and BT's Consumer division,
- BT's progress on the Broadband USO programme,
- Monitoring reports on the financial planning and strategy development processes and the status of Openreach's FTTP pricing proposals, and
- The operation of BT's compliance and controls framework as they apply to the Commitments.

In addition the BTCC considered and decided on two cases (two trivial breaches of the Commitments) and received an update on remedial actions in previously decided cases.

The BTCC's next meeting will be in July 2021. If you would like to get in touch in the meantime, please contact us via cao@bt.com.

A handwritten signature in black ink that reads "George D. Ritchie". The signature is written in a cursive style with a large initial 'G'.

George Ritchie
Commitments Assurance Director
18 May 2021

1. BTCC focus areas

1.1. Views from Openreach

The guest speakers at the April 2021 meeting were Katie Milligan, MD Customer Commercial and Propositions Openreach and Olly Kunc, MD Service Delivery Openreach. They shared Openreach's perspectives on the progress of Physical Infrastructure Access and the views of Service Delivery on maintaining service throughout the Covid-19 pandemic for Openreach's 20 million end customers.

1.2. Broadband USO and Consumer / Openreach Relationship

Christian Thrane, MD Marketing, Consumer, reported on the progress made by the Broadband USO programme. The Committee also heard from Adam Coughlan, Head of Openreach Partnership, Consumer, about Consumer's work to enhance its commercial partnership approach when working with Openreach.

1.3. BT Update

Cathryn Ross, Group Director Regulatory Affairs, updated the Committee on developments since the February 2021 meeting, including:

- Group Regulatory Affairs (GRA) is working to ensure recent organisational design changes (the formation of the new Digital and Networks corporate units within BT Group) are implemented in a way that respects the Commitments framework.
- GRA is supplementing this with a senior leadership engagement programme to maintain awareness of the Commitments rationale as BT's senior leadership changes.
- GRA is progressing a number of housekeeping changes to keep the Commitments current, including recent organisational design changes and enabling Openreach to use Artemis (a new pan-BT Group risk management system). Note, we will publish the detail of the changes in our next bulletin, once completed.
- On Broadband USO, GRA continues to support the activities of Openreach and BT Group to support the delivery of good consumer outcomes across Openreach and non-Openreach solutions (e.g. Fixed Wireless Access).

1.4. The Compliance & Controls Frameworks

The Committee heard from BT's Group Director of Ethics & Compliance and the Senior Manager, Communications Regulation Compliance (CRC) in relation to the updated progress of BT Group's Compliance Framework. The enduring risks have been identified, key controls are being documented in a controls matrix and a new risk rating process applied to the CRC annual assurance plan, to focus on the higher risk areas.

1.5. Monitoring and Compliance Report

1.5.1. Embedding the Commitments

BT is in a period of significant organisational and leadership change. It is aware those changes have the potential to impact upon BT's Commitments culture and recognises the need for proactive steps to ensure

the Commitments remain front and centre in the minds of BT people and that BT continues to demonstrate it is living up to the letter and spirit of the Commitments. The Committee heard that the CAO has engaged with BT in a number of ways. The CAO Director has participated in Commitments induction sessions for the new members of the Executive Committee (and will do so with the new Chair of BT Group, when appointed). Work is still in progress to define the next levels of the organisational design in Digital and Networks and the CAO is continuing to monitor this. The CAO has also engaged with the Group HR team responsible for the induction programme for new senior BT executives and made suggestions to enhance the Commitments messaging. And the CAO will be reporting to the next BTCC on a review of whether the learning from the issues raised by the OBARCC last year (reported in previous bulletins) is now embedded in BT.

1.5.2. Strategy Development and Financial Planning Process

The Committee received a report from the CAO on its monitoring of these two key Commitments processes. Both processes continue to operate well at a working level. The CAO and Openreach's Commitments Monitoring Office (CMO) continue to work together and both offices are satisfied that the processes in place are working and being respected, and the CAO's monitoring has not highlighted any issues of concern. The Committee noted the CAO's recommendation that, nearly 2 years after being [published](#), BT should look at refreshing these Guidance Notes to reflect the evolution of these processes in practice and personnel and organisation design changes.

1.5.3. Commercial Processes: Pricing, Products and Projects

The Committee heard an update on the Commercial Processes: Pricing, Products and Projects Guidance Note. A review by Group Internal Audit in 2020 presented some recommendations to enhance the recording of the operation of the process and the Committee heard how these are being implemented.

1.5.4. FTTP Engagements and Pricing

The Committee received a report from the CAO about its monitoring work alongside Openreach's CMO around Openreach's FTTP pricing, following approval of the FTTP investment case earlier in 2021. The CAO and CMO are in regular contact with stakeholders in Openreach and BT Group around how any FTTP pricing proposals are developed and proceed through governance, so this can be monitored in real time.

1.5.5. SAP – Making Finance Brilliant

The Committee heard that the CAO and CMO have jointly kept the introduction and operation of SAP (BT's new finance system) under review. The Committee heard from CRC that there had been a slight delay (just under 2 weeks) in implementing compliance monitoring of access rights in SAP via BT's User Access Audit Tool (UAAT) monitoring (see also section 2.2 for a related breach case). The Committee also heard about process enhancements already implemented to provide visibility to Openreach of the nature of information that is accessible to Group Strategy via SAP, and about Group Internal Audit's draft findings from its review of the effectiveness of existing controls. The CAO will continue to monitor the roll out and operation of the SAP system and the operation of the associated compliance controls.

1.5.6. CAO External Effectiveness Review

The Committee received an update from the CAO on the Smith & Williamson and CAO transformational work. The three first order issues (Compliance Monitoring Tool, Assurance Mapping and Information Sharing Controls) have been addressed. The CAO is now progressing the second order issues most of which are now complete, including the review of the Deep Dive monitoring framework and the CAO's Memorandum of Understanding with Openreach's CMO.

1.6. Consumer Fairness

Sabine Chalmers, Group General Counsel, together with Cathryn Ross, Group Regulatory Affairs Director and Jonny Bunt, Regulatory Affairs Director, Consumer presented proposals to the BTCC around its future monitoring of how BT lives up to Ofcom's *Fairness for Customers* Commitments, following the amendment in March 2021 of the [BTCC's Terms of Reference](#) to include this.

2. Quick Checks and Breaches Report

2.1. Quick Checks

No new “quick checks” provided to the BTCC at its April meeting.

2.2. Cases notified to the BTCC for consideration

The BTCC considered two cases referred by BT’s Senior Manager, CRC, at its April meeting.

The Committee agreed with the recommendations from BT and decided that both cases were trivial breaches of section 10 of the Commitments (information sharing):

- **Case CAO-33: SAP Finance Systems User Access.** Prior to launch of the new SAP finance systems on 18 October 2020, BT arranged for a ‘bulk upload’ of users who would be given access to the appropriate areas of the system via (and subject to user access and profile controls) on launch. As part of CRC’s assurance activities, the SAP systems were added to the User Access Audit Tool (UAAT) monitoring process which audits users’ access to systems and identifies potential issues based on a set of pre-defined compliance rules. The first UAAT system audit (completed on 16 December 2020) identified three individuals (who had been part of the bulk upload) as having system profiles which allowed access to financial reports containing Openreach Commercial Information (CI) after they had changed roles and moved to different Customer Facing Units (they were entitled to this information in their old roles). The accesses were removed by 19 January 2021 and there is no evidence that any information was accessed.
- **Case CAO-34: Openreach Information Sharing with Enterprise CEO.** The Director of Corporate Strategy accidentally emailed a slide deck containing Openreach CI to the Enterprise CEO instead of the redacted version of the slide deck. The email was copied to the Insights Director, who had an appropriate Regulatory Compliance Marker. The slides contained high-level bullet point information on progress of Openreach’s FTTP rollout. The Insight Director flagged that the non-redacted deck had been sent, and the Director of Corporate Strategy then contacted the Enterprise CEO to request that he delete the email and file, which he confirmed had been done. There is no evidence that any information had been accessed and the information shared was of a high level.

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