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The Company Secretary
Institute of Internal Auditors
13 Abbeville Mews
88 Clapham Park Road
London
SW4 7BX

23/11/05

Dear Ms. Semple,

Complaint against Alan Rennie (IT Audit Manager, Scottish Widows, Edinburgh), Roger Cooper (Senior Audit Manager, Lloyds TSB, London), Howard Monks (Head of Audit (IT & Systems Audit, Lloyds TSB, London), Martyn Scrivens (Director of Group Audit, Lloyds TSB, London)

I am writing further to your letter of 9 November. I wish to make formal complaints against the above individuals who I believe are members of the IIA. The job titles given are those in 2002/3 and may have changed since then. The basis of my complaints is as follows:

Alan Rennie

- That in 2002 he was party to the amendment and re-grading of an audit report that I had prepared on the Scottish Widows Website to such an extent that it became misleading. I had concluded in this report that I was unable to form an opinion because I had not received adequate evidence. I was advised on this course of action by the Ethics Advisory Service of the ICAEW.
- That in 2002 he knowingly made a material misstatement of fact in another audit report about the security of E-Mail links between Lloyds TSB in London and Scottish Widows in Edinburgh. He reported that this E-Mail link 'ensures confidentiality' even though advised by me that this link was not secure.
- That in 2002 he was party to the compilation of a list of allegations against me including matters that he knew either to be untrue, were not against company rules or which were instances where I was acting on the specific advice of the Ethics Advisory Service of the ICAEW and that this and the subsequent investigation was part of a deliberate attempt to victimize and harass a whistleblower.

Roger Cooper

- That in 2002 he was party to the amendment and re-grading of an audit report that I had prepared on the Scottish Widows Website to such an extent that it became misleading. I had concluded in this report that I was unable to form an opinion because I had not received adequate evidence. I was advised on this course of action by the Ethics Advisory Service of the ICAEW.
- That in 2002 he took no steps about a material misstatement of fact made by Alan Rennie in another audit report about the security of E-Mail links between Lloyds TSB in London and Scottish Widows in Edinburgh, although advised by me of this matter.

Alan Rennie had reported that this E-Mail link 'ensures confidentiality' even though advised by me that this link was not secure.

- That in 2002 he was party to the compilation of a list of allegations against me including matters that he knew either to be untrue, were not against company rules or which were instances where I was acting on the specific advice of the Ethics Advisory Service of the ICAEW and that this and the subsequent investigation was part of a deliberate attempt to victimize and harass a whistleblower (see following item).
- That in 2002 he failed to follow up my concerns relating to the demutualization of Scottish Widows (relating to the possible misuse of the £1.5bn Additional Account).
- That in 2002 he refused to report to the Police a possible terrorist offence which I had reported to him in good faith, even though he had initially stated that he would do so.

Howard Monks

- That in 2002 he was party to the amendment and re-grading of an audit report that I had prepared on the Scottish Widows Website to such an extent that it became misleading. I had concluded in this report that I was unable to form an opinion because I had not received adequate evidence. I was advised on this course of action by the Ethics Advisory Service of the ICAEW.
- That in 2002 he was party to the compilation of a list of allegations against me including matters that he knew either to be untrue, were not against company rules or which were instances where I was acting on the specific advice of the Ethics Advisory Service of the ICAEW and that this and the subsequent investigation was part of a deliberate attempt to victimize and harass a whistleblower (see following item).
- That in 2002 he failed to follow up my concerns relating to the demutualization of Scottish Widows (relating to the possible misuse of the £1.5bn Additional Account).
- That in 2002 he refused to report to the Police a possible terrorist offence which I had reported to him in good faith, even though he had initially stated that he would do so.

Martyn Scrivens

I have made a complaint against Mr. Scrivens to the ICAEW and will await the result.

In your letter dated 9 November you asked me to specify which articles of the code have been breached. I believe, firstly, that their conduct falls within the scope of section 2.1.b of your disciplinary procedures in that their conduct was prejudicial to the reputation or standing of the Institute. I believe, secondly, that their conduct specifically breaches articles 1.1, 2.3 and 4.2 (refer, inter alia, to section 2320 of your Standards for the Professional Practice of Internal Auditing) of your Code of Ethics.

Naturally, I have evidence to support my claims but it is quite voluminous, including full transcripts of interviews with Group Fraud & Security (which will allow you to assess the allegations made against me). I enclose some E-Mails relating to the E-Mail security issue since I have printed them off.

I look forward to hearing from you.

Yours sincerely,

Graham Senior-Milne