

IN CONFIDENCE

| To: | From: | cc: |
|-------------------------------------|------------------------------|---|
| Miss Janet Skinner Subpostmaster | Paul Field Branch Auditor | Vicky Harrison Contract & Service Manager Leeds Area Intervention Office Paul Dawkins Investigation Team Manager Shirley Hailstones Operations Manager |
| Date: 31 May 2006 | | |

Audit of North Bransholme Post Office® branch, Branch Code 174321**Section 1 - Introduction**

An audit of the above branch was led by myself on 31/00/2006. The purpose of this audit was to verify financial assets due to the Post Office® and confirm compliance with a range of Business processes, procedures and regulatory requirements.

Section 2 provides a management summary, including the financial audit result.

Section 3 details a breakdown of the result of the financial audit.

Appendix A details the areas of non-compliance to regulatory matters and Appendix B details areas of non-conformance identified during tests of selected policy and procedures. Both appendices include the actions agreed with during the closing meeting.

Section 2 - Management Summary

The financial audit revealed a current trading position of £ 59216.43 short, subject to a reconciliation of some figures (undertaken after the audit). A breakdown of this figure, including any pending transaction corrections or losses being settled centrally, can be found in section 3.

Due to findings revealed at audit, and a decision taken by the contracts and service manager to temporarily suspend you from your role as subpostmaster pending further enquiries, compliance testing was not carried out on this visit, therefore there are no appendices attached.

Section 3 - Result of the Financial Audit

Financial assets to the value of £15543.71 were physically verified compared to the amount due to Post Office® of £74760.14.

The difference between these figures is broken down as follows:

| | | | |
|---|-----------------|---|---|
| £ | 58942.41 | - | Identified as a difference in cash figures |
| £ | 274.02 | - | Identified as a difference in stock figures |
| £ | <u>59216.43</u> | - | Total shortage |

Comments:

The shortage of **£59216.43** is to be settled centrally.