

Terms of Reference Audits

FSA	Date	Branch
FTL		

Objective

To develop FSA's to deliver consistent quality audits with the minimum disruption to the customers of the branch and the Postmaster.

Core Themes

Observation QAR

Check List

Question	Yes/No n/a	Comment
Has adequate planning taken place prior to audit i.e. all auditors contacted with access time.		
Has one FSA (if not single person audit) been instructed to bring lap top as a backup?		
Does the lead auditor arrive in good time to conduct the audit?		
If applicable do other auditors arrive in good time to conduct the audit?		
On arrival at branch has a text message been sent to the		

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Contract Advisor to provide notification of the audit taking place?		
On arrival at branch, if the branch is not open, do the team stay on site? (I.e. no leaving site for coffee etc.)		
Are all reasonable steps taken to prevent access by Postmaster/ staff members without the knowledge of auditors, i.e. if inside a retail area FSA positioned where access door to secure area can be seen, if outside all possible access points (front and rear) observed? NB an alarm trigger (white oval with a black rubberised centre) generally indicates the access door.		
Does the lead FSA allocate task prior to access e.g. bureau, ATM but advises that this may change due to circumstance once the audit commences,		
Does the lead introduce the other team members and advise of the purpose of the visit to the Postmaster/OIC either on arrival at the branch or when the Postmaster/OIC arrives. (see audit process manual chapter 3 for suggested wording)		
If asked does the lead auditor advise the Postmaster/staff of the reason for the audit e.g. reported excess cash holdings. (NB the reason for the audit should not be disclosed)		
If the Postmaster/OIC wishes to verify the identity of the auditors on entering the branch are they advised not to access the safe or Horizon until the auditors have access to the premises?		
On entry does the lead auditor ask if the branch operates as individual stocks or a shared stock unit?		

If individual unit does the lead auditor ask if access is available to all stock units (i.e. spare keys) NB Post Office assets should be available for PO auditors to verify at any time. If stocks cannot be accessed then attempts should be made to contact the staff member to bring keys in, every effort should be made to access the stocks. If all attempts failed was the CA contacted?		
At the commencement of the audit is the audit purpose explained to the Postmaster/OIC? NB it is important that the auditee is aware of the purpose of the audit i.e. to perform asset verification and compliance audit- but they should not be told specifically why they have been selected for an audit.		
At the commencement of the audit are all present introduced to the Postmaster/OIC?		
Does the lead FSA request that the Postmaster /OIC add them to Horizon as a User?		
Is any access made to Horizon using anyone else's ID? It is acceptable for the FSA to add themselves to the system whilst the OIC/Postmaster observed but no reports etc. should be produced using anyone's User ID except the auditors own. As a last resort the FSA's global user should be used.		
Is there any conversations about anything unrelated to the audit prior to the branch opening?		
Are any unnecessary telephone calls made/accepted prior to the branch opening?		
Are the FSAs attending wearing name badges?		
Is the lead auditor prepared i.e. working papers printed, door notice to hand?		

Has the lead auditor notified NBSC that the branch is closed for an audit? NB this may not be required if branch is closed only briefly and no customers turned away or if the branch is open at normal time and therefore should be discouraged until actually required.		
Does the lead auditor use all means at his/her disposal to reduce loss of customer service to a minimum?		
Do the auditors consider safeguard of POL assets? ie no cash counted on top of open plan positions, roller cash or ATM not accessed whilst branch is open unless a secure area is available.		
Is the check of cash and stock undertaken in the presence of the stock holder? Both auditor and stock holder should acknowledge the accuracy of the figures following the check.		
Is the audit conducted in a professional manner? Noise volume kept to a minimum etc.		
Is the auditee advised of the audit progress with regular updates?		
Is all cash and stock counted returned in the same condition as accepted? EG all stock in the same packaging as accepted neatly.		
Are the audit results fed back to the Postmaster/OIC away from the counter if possible?		
Is the Postmaster/OIC given the opportunity to discuss/check the audit findings?		
Does the lead auditor establish how any shortfall will be made good?		
Are the CAT questions asked in an 'open' format.		
Are the CAT findings (gaps identified) fed back to the		

Postmaster/OIC away from the counter if possible? Are good compliance points mentioned as well as the gaps identified?		
Is the Postmaster/OIC given the opportunity to discuss CAT findings?		
Are any responses made documented?		
Is an Kendata form provided for the auditee, is it completed and posted whilst the FSA is on site?		

Additional Tick List for Tier 2 audits

Once an issue is identified is the Contracts Advisor (CA) contacted immediately? (I.e. not left until the final discrepancy is known)		
Is a record of conversation document completed to record any admissions made?		
Does the FSA have the knowledge to complete a Tier 2 FAT?		
Is the time waiting for the CA to reach a decision properly utilised? i.e. all stock units adjusted, balanced and rolled.		
If the decision is made to precautionary suspend the Postmaster are any apologies for this action made by the lead auditor? (NB there should not be)		

Follow Up Actions

Discuss feedback from Postmaster or others on the audit conducted. How does the FSA feel the audit went?
Conduct coaching session, ideally away from branch. Complete Observation QAR and provide feedback to FSA.
Discuss at the next 121.

Consider completing FAT and CAT QARs
Shadow/Buddy process.

Outcomes

Safeguard of POL assets
Minimise loss of customer service during an audit
Improved audit skills of FSA