

## Message

**From:** Jo Milton [GRO]  
**on behalf of** Jo Milton <[GRO]> [GRO]  
**Sent:** 14/01/2020 14:01:29  
**To:** Alison J Clark [GRO]; Simon Talbot [GRO]  
**CC:** Tim Perkins [GRO]; Zoe Brauer [GRO]  
**Subject:** FINAL Revised Audit Chapters 1, 3, 5, 6, 6b, 9 and 11  
**Attachments:** Chapter 03 Performing a Branch Audit v8.0 July 2019.docx; Chapter 01 Audit Plan Scheduling V8.0 Oct 2019.DOCX; Chapter 05 Closure Audit (All Models) V8.0 Sep 2019.DOCX; Chapter 06 Robbery Burglary Audits V8.0 Oct 2019.DOCX; Chapter 06b Robbery Burglary Workaid V8.1 Jan 2020.docx; Chapter 11 Quality Assurance V7.0 October 2019.doc; Chapter 09 Retention of Papers v5.1 Jan 2020.DOCX

Hi all,

Please find attached the revised audit chapters.

Those that we sent to legal are signed off – there are some areas where they had commented, we'd gone back with an explanation and they said "noted". I've talked through these with Alison and collated the comments so you can see these below – please don't forward the comments on. The documents with the comments on are held by legal.

The attached versions are clean copies and should be uploaded to SharePoint and trained out to all audit advisors and the Casework Support team.

Please note that we need to retain these documents for 7 years, so the existing ones should only ever be archived, (and Simon has since confirmed this happens), and later sent to the Postal Museum. I've spoken to Alison who will start a review into the retention of working papers of 60 days, which is considered too short and should be extended considerably. Once process around increased retention for working papers is agreed, most chapters will need to be updated to reflect this.

- Please consider if the Training and Onboarding Team need to see Ch 3 to use it in conjunction with the Transfer Chapter, or is the Transfer Chapter enough alone?
- And can we check that Training and Onboarding have no access to the OLD versions of these docs (any access they have should be the most up to date)?
- I have made the review dates of all of these documents Jun 2020 as although they were written between July/Oct, they've only been signed off for use in December.
- As the legal review of these is complete, this draws a line in the sand – we can continue to review and improve as necessary and don't need to wait until June. The orange ones below should be considered for immediate review.

### Chapter Summary

Chapter Number	Area Covered	Version	Status	Notes	Comments to consider
Chapter 1	Audit Plan Scheduling	8.0	Approved by legal Ready for use	Re-written by us	No comments remaining on this chapter
Chapter 2	Working papers	TBA	Currently in use	Updated by Simon Talbot. No legal review as this is a collation of working papers. May need to	Not reviewed by legal

				make changes when Transfer Ch work is complete.	
<b>Chapter 3</b>	<b>Performing a Branch Audit</b>	8.0	Approved by legal Ready for use	Re-written by us	<ol style="list-style-type: none"> <li>1. It was recommended POL update contracts to include a more comprehensive audit clause - so all the necessary rights etc. are drawn together in one place. This should sit with legal.</li> <li>2. They asked that we check if the audited branch is a claimant so this has been added to Ch.1 processes and confirmed with Alison and Rachelle.</li> <li>3. WBD - "Making good" in relation to TAs was queried but I explained in this case it referred to standard practice used to account for Paystation and services not linked to Horizon where the money is held for a day.</li> </ol>
<b>Chapter 4</b>	<b>Transfer</b>	TBC	Review in progress	Some outstanding questions. Jo working with Hugo.	In progress
<b>4b Transfer Workaid</b>	<b>Transfer</b>	TBC	Review in progress	Some outstanding questions. Jo working with Hugo.	In progress
<b>Chapter 5</b>	<b>Closure Workaid</b>	8.0	Approved by legal Ready for use	Closure chapter without Horizon and Closure Work aid have been merged	<ol style="list-style-type: none"> <li>1. It was queried why we need to check if there are unresolved items that need TCs. We replied to say that this is an action to help reflect the assets physically present at the time of the audit closure and that we would be doing this in plenty of time to arrange for the relevant balancing TCs to be sent.</li> <li>2. It was pointed out that POL were criticised on relying on the Official Secrets Act to destroy things as this is the basis on which the outgoing Pmr should destroy obsolete docs. We advised "The responsibility for destruction lies with the</li> </ol>

Operator. Post Office advise them to keep trading statements for 6 years, Moneygram for 5 and all other for 2. At closure, these items that are still required to be retained are sent to Oasis and archived. Any older items need to be destroyed and this is the responsibility of the Operator. As a separate piece of work, the Audit team are reviewing their data retention policy."

3. The following statement was queried "Discrepancies to be resolved prior to remitting out all cash and stock by selling or reversing." They said "We would need further information as to how this process works, and at what point Post Office will be "remitting out all cash and stock" in order to advise how this ties in with the CIT Judgment. Will this be after a proper investigation in line with the new CIT Judgment?" We replied, "As with the normal audit process, this is an action to reflect the current assets physically present at the time of the audit. Once the audit is complete, Discrepancy 1 after termination would be sent which offers a chance of dispute." Alison also has a bigger piece of work on this regarding selling and reversing.
4. Paystation accounting was queried - "This will tell you how much cash to secure from the retail side of the branch and place this in the PO account. ( Any cash discrepancy will be accounted as a final account surplus as per normal practise against the outgoing Agent/Postmaster)  
"Again we will need further information as to the process that is followed in order to determine if any changes need to be made in light of the CIT



					Judgment. What steps are taken if a discrepancy is identified?" We advised "As with the normal audit process, this is an action to reflect the current assets physically present at the time of the audit. Once the audit is complete, Discrepancy 1 after termination would be sent which offers a chance of dispute."
Chapter 6	Robbery & Burglary	8.0	Approved by legal Ready for use	Re-written by us	No comments remaining on this chapter
6b Robbery & Burglary Workaid	Robbery & Burglary	8.0	Approved by legal Ready for use	Re-written by us	<ol style="list-style-type: none"> <li>1. Advised Tim, Michelle and Alison re R&amp;B self-funded process for recovery (in that it should follow the same guidelines etc. as any investigated discrepancy)</li> <li>2. POL were advised against destroying papers after 60-days as this is too short a retention rate. I responded "The 60 days relates to notes and working papers but not the record that is informed by this information. POL data Protection advise this is reasonable for such papers, but the audit team are undergoing a review of their retention policy in detail." and they said "Noted", but Alison Clarke is reviewing this process to extend the retention period.</li> </ol>
Chapter 7	Cash Centre Audit	N/A	No longer in use	Process now owned by the Cash Centres	N/A
Chapter 8	How to fill in an Audit Report	TBC	No change	Should we have reviewed?	Not reviewed by legal
Chapter 9	Retention Policy	V5.1	Reviewed by legal – recommend further review of policy	Retention Policy – amended 5 year retention to 7 years where applicable, and 12 month QAR to 7 years. <b>60 day retention of working papers needs review.</b>	There was a concern that the 60 day retention period was too short. Alison Clarke is reviewing this process to extend the retention period.

Chapter 10	How to fill out a P250	TBC	Review in progress	Working with on boarding	Not reviewed by legal
Chapter 11	Quality Assurance	V7.0	No comments from legal	Updated by Simon Talbot. No legal comments on this	No comments on this chapter

Please can you confirm back to me when they've been rolled out?

Thanks  
Jo



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