

Background

Following various allegations made by former Subpostmasters, Post Office agreed with the Justice For Subpostmasters Alliance (JFSA) for the appointment of Second Sight Forensic Accountants as an independent body to review specific allegations. Second Sight's work has, amongst other things, led to a request for more understanding of the "Client Suspense Account" operated by Post Office. This is within the context of a question from Second Sight as to "whether the release of credits from Post Office's client suspense accounts could have disadvantaged subpostmasters."

Post Office's expectation under the agreements with Second Sight is that their questions would arise from specific examples raised by applicants to the Mediation Scheme. In practice, however, Post Office considers a number of requests to have been of a generic nature not necessarily attributable to a specific transaction or event in question by a specific applicant. Post Office has therefore felt it not within the scope of the agreement with Second Sight to release bulk data, but rather to seek to agree on more specific instances directly related to the specific applicants.

Nevertheless, Post Office wishes to break the stalemate on the suspense area by facilitating an independent review of data in the period 2010/11 to 2014/15 in line with annual release values for those years disclosed to Second Sight.

As this is considered beyond the scope of Second Sight's own engagement, Post Office considers it appropriate to invite a fresh independent party to review and opine on such data.

Objectives

To provide an independent opinion as to Post Office management's rebuttal of the presumption that subpostmasters have been disadvantaged, recognising that management have indicated that it is not possible to definitively say no such instances may have occurred, but that Post Office does not, based on its own analysis to date, consider such situations may have arisen. To do so by reviewing the postings and supporting information for the the Client Suspense Account for 2010/11 to 2014/15.

Scope

Review of postings to Client Suspense and supporting evidence for the period 2010/11 to 2014/15.

Deliverables

Opinion in respect of management assertion / or / Statement of findings based on review of postings to Client Suspense in the period 2010/11 to 2014/15. Such deliverable to be shareable with Second Sight and therefore potentially requiring a tripartite engagement?

Timescale

Review to be concluded by end February 2015.

Question I think for a firm doing this will be whether this is an "opinion" or performance of specified procedures with comment on findings as opposed to an opinion.

Draft 1 – RI – 11 Feb 2015