

IN CONFIDENCE

To:	From:	cc:
Elaine Ridge Contracts Advisor	Susan Swabey Field Support Advisor	Darryl Kennedy Fraud Team Manager Jane Rattue Field Support Team Leader Branchsupportteam GRO
Date: 12/12/12		

Audit of Post Office®Pulborough, Branch Code 276458.

On the 11th December 2012 I visited the branch to do an Intervention Cash Check which then proceeded into an audit. I was accompanied by my colleague Jane Gwilliam on the 11th December and on the 12th of December Jane Gwilliam and Keith Noverre – both also Field Support Advisors.

The purpose of this audit was to verify financial assets due to the Post Office®.

The audit revealed a shortage in the branch of £ 19669.53. A breakdown of the audit result and details of the audit findings are as follows:

£	18284.10	(-)	Identified as a difference in cash figures
£	1140.10	(-)	Identified as a difference in stock figures
£	163.02	(+)	Identified as a difference in postage figures
£	65.35	(-)	Identified as a difference in foreign currency figures
£	343.00	(-)	Discrepancy as per office snapshot
£	19669.53	(-)	Total Shortage

I arrived at the branch at 07:00 am and introduced myself to the Postmaster Mr Yogen Patel and advised that I was there to perform a cash check on behalf of Post Office Ltd.

Mr Patel allowed me access to the secure area, and was present in the secure area whilst the cash check was carried out.

I had earlier contacted the Network Business Support Centre (NBSC) at approximately 06.55am and advised that a cash check would be performed at the branch, and that it would remain closed until its conclusion. The nominated branches offered were: Storrington and West Chiltington and a notice placed on display at the branch detailing this information.

Mr Patel created me as a user and I obtained an office snapshot and other reports required to carry out a cash check..

The office is a one position open plan branch with a secure area in the rear of the shop containing the safe.

The counter cash was already in the open plan drawers and I counted this with Mr Patel in attendance. We both then went to the secure area and counted the cash kept in the safe. After counting all the cash on hand I asked Mr Patel if there was any other Post Office cash as it was apparent there would be a shortage in the branch in excess of approximately £21,000.00. Mr Patel confirmed that I had counted all the cash. I asked Mr Patel if he was expecting to be short of this amount, and he replied that he was expecting to be around seven or eight thousand pounds short.

I wrote a short note to this effect which Mr Patel signed and this has been forwarded to Darrell Kennedy in the Security Team.

I then phoned at approximately 08:45am my Line Manager – Field Team Leader Jane Rattue and reported that due to the pending cash shortage the cash check would have to be escalated to a full Tier 2 Audit. Jane Rattue then advised that she would request my colleague Jane Gwilliam to come and assist. I obtained additional reports from Horizon required to complete a full audit.

Jane Gwilliam arrived at approximately 09:45am and she proceeded to check all of the cash and stock and I also checked all of the stock. It was then evident that there were some stock discrepancies.

I then asked Mr Patel if there was any further cash or stock elsewhere that hadn't been included in the audit. His reply was that we had counted all of the cash and stock in branch.

Mr Patel was then advised that he should satisfy himself that the figures of the audit team were correct. Therefore, we asked Mr Patel if he would do his own independent count of all the cash on hand again, which he declined to do so as he said he had witnessed us counting all of the cash and stock and agreed with the outcome.

I then telephoned yourself at 12:19pm to report a preliminary suspected shortage of approximately £20,000.00 and that I would ring you back with the final figure once I had completed the audit.

I also notified Darrell Kennedy, Fraud Team Manager at 12:46pm to relay these initial findings.

You advised me that Mr Patel would be temporarily suspended and to secure all cash and stock in branch safe and to contact Romec to change the alarm codes

and to request all keys from Mr Patel. I contacted Romec at 14:00 and we tried to change code but were unsuccessful and I was advised that I would have to wait for an engineer to attend.

The decision taken was to precautionary suspend Mr Patel at approximately 15:00. The assets were secured in the safe and the keys taken by Susan Swabey Field Support Advisor along with the alarm code that was to be changed.

NBSC contacted the branch at approximately 15:45 and we advised that the office would remain closed until further notice.

It was then decided that as the weather conditions were deteriorating that my colleague Jane Gwilliam would need to leave due to a long car journey home and that we would return the following day (12th December 2012) to conclude the audit. I remained at the office to wait for the Romec engineer to arrive which was approximately 17:45. The alarm code was changed and I left the office at around 18:00.

On the 12th December 2012 I returned to the office at 09:00 with my colleagues Jane Gwilliam and Keith Noverre and the audit was concluded and the branch was rolled into TP 18 BP06 and a Final Account Produced.

The amount of £19669.53 was posted to Late Account.

I obtained from Mr Patel the last thirteen Branch Trading Statements and these were forwarded with a copy of the Event Balancing Log and the audit working papers to Darrell Kennedy.

No Compliance Tests were carried out at this audit other than those control gaps that were observed whilst on site

If you require any additional information, please contact me on the telephone number below

Name Susan Swabey
Lead Auditor

