POL00066457

To: Dave Posnett
Internal Crime Manager
Post Office Ltd

Copy: Elaine Wright
Retail Line Manager

From: Paul Bosson
Security & Audit

Date: 04 September 2014

Audit of Walton On Thames 090 023

An audit was undertaken at the above office by myself and supported by Sue Le May on Friday 7th March 2003 as a result of discrepancies that were highlighted in post audit checks relating to rems following the last audit conducted on the 15th November 2002.
The audit commenced at approx 08:55 at which point Mr Yates was not present and the office had been prepared by one of the counter assistants. I informed him of our intention to complete an audit of the office and that the office would remain closed until a result had been reached. Mr Yates arrived at approx 09:05 where I informed him of the process of the day as previously discussed with the counter assistant. I asked Mr Yates to print an office snapshot from the Horizon system which indicated an overall office cash holding of £410354.67. I then asked him to provide me with the previous nights ONCH declaration. This indicated a total holding of £43566.00. I asked Mr Yates why there was such a large variance between what had been declared to that on the office snapshot. He informed me that he had sent a rem the previous day but had not booked it out on the Horizon system. I asked him to produce both the rem undercopies P884 and the CIT collection receipts which he was unable to do. At this point Mr Yates admitted that he had not sent any rems the previous day and that the audit would reveal a shortage in the region of £350k.
I informed the Operations Manager Mr Michael Dadra of the position who contacted Paul Dawkins the Internal Crime Manager for that geographical area who arranged for Dave Posnett and Rob Fitzgerald to attend and interview the subpostmaster.

The audit revealed a total shortage of £359325.71 which is broken down as follows-

Cash short from snapshot	£356541.35
Nat Lottery Tickets disallowed (Out of date)	£483.00
Littlewoods Tickets disallowed (Out of date)	£650.00
National Lottery Tickets short from snapshot	£208.00
Charge error notice bta on audit	£112.00

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Claim error notices bta on audit	-	£512.28
Previous weeks surplus not withdrawn	-	£144.20
Net shortages in stock from snapshot		£1987.84
Total		£359325.71

The audit shortage was transferred to the late account and the cash and stock secured and overlocked in the safes pending the Retail Line Manager Elaine Wright arranging the office to be transferred to a temporary subpostmaster.

During the audit 5133 mvl discs were discovered in the counter insert safe. These were dated from August 1999 to February 2003. From discussions with the subpostmaster it would seem that these were booked out on the office reconciliation but never sent. I made checks with the reconciliation duty in Chesterfield on the day who confirmed that there were returns which had not been confirmed by Hemel although there does not seem to be any evidence of follow up action to date. No reconciliation could be produced by Mr Yates in order that a reconciliation of discs could be performed on the audit.

Paul Bosson
[redacted]