

th July 2013

The Manager – **DO WE KNOW THE SPMR'S NAME?**
Merthyr Dyfan Post Office



Dear **Sir/Madam**

Re Branch Discrepancies

As a result of central data reviews in the Post Office Finance Service Centre, we have identified a small number of branches whereby a system error in data archiving processes has led to an error in the calculation of losses and gains at branch level. Your branch is one of that small number affected.

We apologise for any confusion this matter may have caused and we want to assure that we have subsequently worked with our suppliers to understand the root cause of the issue and to take action to resolve it. You may, however, not have been aware of this matter at the time but we nevertheless felt it important to make you aware of the incident and of its resolution.

The purpose of this letter is to summarise the outcomes of this review and to confirm the remaining steps which we will be taking to conclude this incident.

- 1 | ~~Before going any further I would like to confirm that there is no loss of~~
~~£9,799.88 payable.~~ The occurrence of this amount as a discrepancy has been confirmed as relating to a specific and unusual set of circumstances which are certainly not due to any mistake by yourself.

Our investigations have determined that there was an isolated error in the data archiving process in Horizon. In very rare situations of a branch deleting a stock unit at a particular point in time in the month, this conflicted with the archiving process. It led to genuine loss or gain values in the deleted stock unit, in an earlier year, reappearing on their anniversary date in subsequent years.

This has impacted only 14 branches and we are issuing similar correspondence to all parties concerned to confirm that the issue is understood and that proper remedial action has been taken.

- 2, 3 | In summary, one of the stock units in your branch ~~declared-cleared~~ a ~~gains-~~
 4 | ~~loss~~ of £160.92 in ~~November-December~~ 2010 (Trading Period 8 – TP8).
 5, 6 | The stock unit that ~~declared-cleared~~ the discrepancy ~~and placed it into-~~
 | ~~Local Suspense~~ was deleted on or before 10th December 2010.
- 7 | ~~In the same period, other stock units in your branch reported net gains,~~
 | ~~leading to a total net loss of £3,463.01 for your office for TP9. You then~~
 | ~~followed the necessary steps to make good that loss.~~
 8 | ~~In the normal course of events, the loss you had declared would have~~
 | ~~moved smoothly through discrepancy accounts into Local Suspense and~~
 | ~~through to settlement, with no recurrence in future periods. However,~~
 9 | ~~Due to the system error and its impact when a branch deletes a stock unit,~~
 | the value of £160.92 reappeared in TP9 in the two following years – but
 | this time as a gain. Where there were other true losses and gains at that
 | time, it appeared as part of the net total.
- 10 | ~~In the interim, you have declared other gains and losses in the ordinary~~
 | ~~course of business – a gain of £72.47 in 2011 and a loss £39.57 in 2012.~~
 | ~~In light of the archiving issue, the net gain from these two matters (£32.90)~~
 | ~~had been blocked centrally with the other values under investigation.~~
 11 | ~~We will now rectify this by including the £32.90 in your next month's~~
 | ~~remuneration. This will not be taxable and general advice has been issued~~
 | ~~to branches regarding the treatment of such non-taxable items on~~
 | ~~remuneration slips.~~
 12 | Both TP9 gains recorded at your branch were made good by you removing
 | cash from the branch. Post Office Ltd will not be looking to recover these
 | sums from you and you may keep the gains.

In conclusion, we apologise for this incident and for any confusion and concern it may have caused you.

We are pleased to confirm that the technical issue has been resolved and the erroneous gain for your branch has been dealt with.

Yours sincerely

Andy Winn
Relationship Manager,
Product & Branch Accounting
1 Future Walk
Chesterfield
S49 1PF

Cc Branch Support team

Track Changes

1	Delete	<i>Andrew Parsons, 01/07/2013 07:00 PM</i>
2	Change	<i>Andrew Winn, 02/07/2013 12:53 PM</i>
3	Change	<i>Andrew Winn, 02/07/2013 12:53 PM</i>
4	Change	<i>Andrew Winn, 02/07/2013 12:54 PM</i>
5	Change	<i>Andrew Winn, 02/07/2013 12:54 PM</i>
6	Delete	<i>Andrew Winn, 02/07/2013 12:54 PM</i>
7	Delete	<i>Andrew Parsons, 01/07/2013 06:58 PM</i>
8	Change	<i>Andrew Winn, 02/07/2013 12:55 PM</i>
9	Insert	<i>Andrew Winn, 02/07/2013 12:55 PM</i>
10	Delete	<i>Andrew Parsons, 01/07/2013 06:58 PM</i>
11	Delete	<i>Andrew Parsons, 01/07/2013 07:00 PM</i>
12	Insert	<i>Andrew Parsons, 01/07/2013 07:00 PM</i>