

Jennifer,

As requested a copy a the email I sent to Lynn
Vicky

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----- Forwarded by Victoria Noble/e/POSTOFFICE on 07/07/2005 11:40 -----
Victoria Noble
04/07/2005 17:42

To: Lynn Hobbs/e/POSTOFFICE@POSTOFFICE, Kevin
Gilliland/e/POSTOFFICE@POSTOFFICE
cc:
Subject: URGENT Impact Transaction Correction and Branch Trading Issue

Lynn/Kevin,

Please see the attached document which details the positioning/viewpoints of the key stakeholders on the issue of what is called the " 42 day issue" upon which we need a business decision on how to move forward. I think that to put this into context would assist us in understanding the current concerns, and then I will outline the process as we in P&BA see it working for the future. I will then to give you a call to discuss your views in order to come to an agreed business approach before the next meeting with the NSFP on 11th July 2005

Background

As you may be aware, over the last couple of years we have been trying to strengthen the error/exception investigation and debt recovery processes, with a focus on getting Postmasters to bring to account errors and to make them good. Significant progress has been made in this area between P&BA as the debt recovery unit, with key assistance from NSS and the retail line, and many changes have been implemented which have been successful in reducing the over all level of debt in the business and the time taken to collect it. This has not been without resistance from many of the NFSP members and has been a difficult road to travel (as we know).

Over time the business has reorganised and the focus and accountability for this process now resides with P&BA with the retail line acting as a point of escalation in dealing with Postmasters who fail to conform on issues relating to suspense, discrepancies and other finance impacting issues etc. Following the recent reorganisation into Sales and Service I do not think that this "relationship" between P&BA and Service (on behalf of Sales) needs to change significantly and that the Service teams should only be used for escalation purposes to free them up to support the Sales teams. (we can discuss this Lynn but I think we agree on this)

The issue we now have is that with the implementation of IMPACT we are changing both the error notice process and the cash account process and replacing them with the transaction correction (TC) process and the Branch Trading (BT) process.

The TC process means that instead of an error notice a branch will receive an electronic TC at his branch which he will be expected to "action" before he is able to roll over his (now monthly) BT. He will be given a number of options (depending on the type of branch) which will include:
making good
requesting evidence
settle centrally

The issue appears to be that if the Postmaster does not action any of these and is not willing to do so, then the new process for BT means he cannot roll into the next period. Additionally if he does not roll his BT, then potentially as the system has been "sized" to hold data for roughly 42 days they may find themselves becoming "unstable" and therefore run a risk of not being able to maintain service (hence the 42 day issue)

Observations/Clarification

After speaking with Sue Harding, there is only a slight possibility that the 42 days issue would in actual fact cause system instability and therefore could be a bit of a red herring. However it is still a slight risk.

We believe that the issue of Postmasters "abusing" the potential of the changes should be no more than they currently do with the cash account process as the current production of the cash account each week does not force them to bring errors to account. We have tried to strengthen the control in bringing TCs to account by making the system not allow them to roll the BT account until all TCs have been actioned. Let us not forget that the BT process is now also monthly in support of reducing back office activities at branches to free time for selling. This means that, unless a TC is received very close to the BT date the Postmaster should have enough time to action appropriately and that as a business we expect them to do so immediately on receipt.

The process therefore as I believe it should work is as follows,

investigation in P&BA identifies a difference that requires a TC to be sent to a branch (this has to be done to a standard that allows the branch to understand the basis for the TC and how to action it appropriately). Branch receives TC and actions appropriately via the following options "accept and make good", "request more evidence"(if this option is available) or "accept and settle centrally".

If the branch does nothing - it may be followed up by P&BA if it is high value (though this process has yet to be discussed and defined)

If the branch still refuses to action this will then be a point for escalation into the service line for action but I think we have to clearly define what this escalation means as if we do this is must either be a conformance, audit or hardship type of issue and NOT seen as part of the normal process which should be operated by P&BA and the principles being supported by the business.

At a point when the BT is due to roll and there are still TCs outstanding

then as a matter of EXCEPTION only we can agree that the TC is actioned by the settle centrally option with an agreement on how to resolve, and by when, and the investigations required to agree the final action. A point to note - from the business perspective once we have it in debt recovery we can deduct from remuneration.

If there is still an issue that means the BT refuses to roll then it has to become a point of escalation but there should be within the system constraints enough time to do so.

I must strongly advise against a process that means we send reversal TCs so the roll the BT to re-issue later. We just will not have enough resource to do so and it sends the wrong messages. we need to get it right first time and ensure we get conformance to the process from branches. I also believe this process will work and is more efficient but we must have a will to properly address Postmasters who will not conform. To support this The P&BA team will as far as possible only issue TCs when there is clear indication from our investigations that the TC is right and proper to be issued.

I trust this helps with some clarity on how we in P&BA see the process working and will speak with you about is when we next meet or by phone.

Thanks and regards
Vicky

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----- Forwarded by Victoria Noble/e/POSTOFFICE on 30/06/2005 14:31 -----
Sue M Harding
15/06/2005 10:37

To: Victoria Noble/e/POSTOFFICE@POSTOFFICE
cc:
Subject: Urgent - the TC issue

Sorry Vicky I think I missed the attachment off!

There is a meeting with the fed on the 29th so I think we need a joined up business view before then.

sue

----- Forwarded by Sue M Harding/e/POSTOFFICE on 15/06/2005 10:35 -----
Alan Orpe
08/06/2005 11:04

To: Steve Grayston/e/POSTOFFICE@POSTOFFICE, sue.m.harding@postoffice.co.uk
cc:

Subject: Urgent - the TC issue

Steve, Sue

attached is a paper for your consideration. I'd appreciate any comments but also views on who this is issued to for a decision.

Thanks

Alan