

IN CONFIDENCE

To:	From:	cc:
Karen Arnold Contracts Advisor	Jeff Roper Field Advisor	Andrew Daley Fraud Team Manager
		Peter B Jackson Field Support Team Leader
		Outlet Intervention Team
Date: 03/09/10		

Audit of Post Office® Hightown, Branch Code 512323.

On the 3rd September 2010, accompanied by my colleague Richard Cross, I conducted an audit of the above named branch. The audit had been arranged as Tracey Bedford, Migration Support Officer, had found the cash to be short by £13624.41 the previous day and had therefore closed the office pending our visit.

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

The audit revealed a shortage in the branch of £14842.37. A breakdown of the audit result and details of the audit findings are as follows:

£	13577.34	(-)	Identified as a difference in cash figures
£	446.03	(-)	Identified as a difference in stock figures
£	14023.37	(-)	Total shortage on day of audit
£			Pending transaction correction, advised by Product & Branch
	819.00	(-)	Accounting on the day of the audit
£	14842.37	(-)	Total shortage

We arrived at the branch at 13.00 pm and introduced ourselves to the Postmaster Miss Alison Hall and advised that we were to perform an audit on behalf of Post Office Ltd®.

Miss Hall allowed us access to the secure area, and was present in the secure area whilst the audit was carried out.

Miss Hall said the loss had occurred due to Lottery accounting problems and produced a report from Lottery Accounting Chesterfield detailing errors (mainly activations on the Lottery terminal not all being remitted in on the Horizon system) going back 18

months. She had been accepting the Transaction Corrections, adjusting the instants on hand back down to the correct figure but not putting any money in to compensate. The Trading Statement copies printed (originals unreadable) all show a clear balance and Miss Hall stated these were adjusted to show clear before rolling over. Cash declarations together with snapshots produced indicate ONCH falsely declared for some considerable time. (A selection of these I have retained for forwarding as advised.) A call to Chesterfield revealed further Transaction Corrections due for - £819.00 mainly for Instants not remitted in. Three of these were found with no remittance advice attached to prove to Miss Hall the information supplied was correct.

The audit was completed revealing numerous discrepancies to stock and stamps on the Horizon snapshot in addition to the cash discrepancy. The audit loss on the day was £14842.37 which together with the amount of £819.00 for Transaction Corrections pending brings the Trading Position deficit to £14842.37.

Miss Hall was then advised that she should satisfy herself that the figures of the audit team were correct. Therefore, we asked Miss Hall if she would do her own independent count of all the cash on hand again. She said she had watched me count the cash and was happy the figure was correct. I double checked the stock recorded by my colleague.

Miss Hall then confirmed that the figures of the audit team were correct.

I then telephoned you at 16.30pm to report the shortage.

I also notified Andrew Daley, Fraud Team Manager on 3rd September 2010 to relay these findings.

The decision taken was to precautionary suspend Miss Hall and the assets were secured in safe until a relief could be found and the keys taken by myself along with the alarm code that had been changed.

No Compliance Tests were carried out at this audit.

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

Jeff Roper
Lead Auditor



GRO
Mobex GRO