



POST OFFICE LIMITED

AUDIT, RISK & COMPLIANCE COMMITTEE REPORT

Title:	Postmaster Policies	Meeting Date:	26 January 2021
Author:	Jo Milton, Senior Operational Improvement Manager	Sponsor:	Tim Perkins, Service and Support Optimisation Director and Amanda Jones, Retail and Franchise Network Director

Input Sought: Decision

The Committee is asked to approve:

- i. the three new Postmaster policies set out in the Appendices, namely:
 - Network Monitoring and Audit Support Policy;
 - Postmaster Account Support Policy;
 - Postmaster Accounting Dispute Resolution Policy;
- ii. that, moving forwards, these policies be reviewed and approved annually by the Risk & Compliance Committee (RCC) only.

Previous Governance Oversight

RCC on 12 January 2021

Executive Summary

Following the Group Litigation Order (GLO), Post Office set about ensuring that its processes complied with the findings of the GLO.

The focus on processes has delivered a large number of changes to the support that Post Office offers postmasters over the last 20 months. However, this work has mainly been done without updating the policies that sit over the processes. This has often been the case because no policy existed in the first instance or the policy was so dated that it was irrelevant to the processes undertaken pre or post the GLO.

Having policies in place for the support Post Office provides postmasters will bring Post Office in line with best practice franchise businesses. The purposes of the policies are to provide guidance, set down principles and highlight risk areas, while also ensuring that Post Office is able to support postmasters effectively and compliantly with the GLO.

As part of an overall review of postmaster support policy requirements, this paper seeks approval for three new postmaster policies to reflect how Post Office will provide support to postmasters in relation to their branch accounting. There were previously no policies in this area.

Questions addressed

1. What policies are required to support the changes made to postmaster support following the GLO?



2. What policies have recently been developed and now require approval?
3. What further policy work is required to ensure there is a full complement of postmaster support policies in place and how will these be continually reviewed in the future?

Report

1. Following the Common Issues Judgment and Horizon Issues Judgment in the GLO, Post Office focused on improving processes to ensure compliance with the outcomes of the judgments.
2. Whilst process improvements were delivered, Post Office has identified that there was an absence of overarching policies for these processes to sit under. Where policies previously existed, they were often very aged and did not bear relevance to the processes that Post Office had improved.
3. As such, Post Office has set about developing a set of postmaster policies across key areas of postmaster support.
4. Post Office has identified that a comprehensive suite of postmaster policies is required to demonstrate and ensure GLO compliant support to postmasters in the following areas:
 - a. Network Monitoring and Audit Support
 - b. Network Cash and Stock Management and Transaction Corrections
 - c. Postmaster Account Support
 - d. Postmaster Accounting Dispute Resolution
 - e. Postmaster Contractual Performance
 - f. Postmaster Suspension
 - g. Postmaster Termination
 - h. Postmaster Appeals
 - i. Postmaster Accountability
 - j. Postmaster Complaint Handling
5. The policies relating to Contractual Performance, Postmaster Suspension and Termination are already approved and in use.
6. This paper seeks approval of the policies relating to Network Monitoring and Audit Support, Postmaster Account Support, and Postmaster Accounting Dispute Resolution. These policies can be found in the appendices to this paper.
7. The Network Monitoring and Audit Support policy sets out Post Office's network monitoring principles which aim to support postmasters with accounting practices, prevent postmasters from suffering discrepancies and protect both postmasters and Post Office from possible losses.
8. The Postmaster Account Support policy sets out how Post Office will notify postmasters proactively when an accounting discrepancy has occurred and how it will offer support to help



postmasters understand the reason(s) for any discrepancy. The policy also sets out how Post Office could deal with the recovery of losses if the loss is established (following investigation and/or acceptance by the postmaster).

9. The Postmaster Accounting Dispute Resolution policy sets out how Post Office will investigate and resolve any accounting disputes raised by postmasters.
10. The remaining postmaster support policies identified above (Network Cash and Stock Management and Transaction Corrections, Postmaster Appeals, Postmaster Accountability and Postmaster Complaint Handling) will be presented to the RCC in March, along with an overarching postmaster support document that links all the postmaster support policies and processes.

Next Steps & Timelines

11. Following approval of the three policies, Post Office will ensure that:

- all relevant teams are fully trained on the new policies by the end of February 2021;
- the policies will be reviewed annually, for approval at RCC, beginning March 2021; and
- an overarching postmaster support document, linking all the relevant policies and processes, will be prepared for review by the end of March 2021.



Appendices

1. Network Monitoring and Audit Support Policy
2. Postmaster Account Support Policy
3. Postmaster Accounting Dispute Resolution Policy