

<b>IN CONFIDENCE</b>
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<b>To:</b>	<b>From:</b>	<b>cc:</b>
Paul X Williams Contracts Advisor	Tim Gordon- Pounder Field Advisor	Lesley Frankland Fraud Team Manager  Karen Walker Area Sales Manager  David Patrick Field Support Team Leader  Branchsupportteam
<b>Date: 6<sup>th</sup> January 2012</b>		<b>GRO</b>

<b>Audit of Post Office®Fazakerley, Branch Code 214420.</b>
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Fazakerley is a busy branch in the suburbs of Liverpool. We have visited this branch more than any other branch during the last few years and always find it to be well run and welcoming.

On the 6<sup>th</sup> January 2012, accompanied by my colleague Richard Cross I conducted an audit of the above named branch. Also present were Steve Bradshaw & Kevin Ryan from the Security Team.

This was a special request audit by the Security Team and the purpose of this audit was to verify financial assets due to the Post Office®.

The audit revealed a surplus in the branch of £559.07. A breakdown of the audit result and details of the audit findings are as follows:

£	457.01	(+)	Identified as a difference in cash figures
£	97.95	(+)	Identified as a difference in stock figures
£	4.21	(+)	Discrepancy as per office snapshot
£	559.07	(+/-)	Total Shortage/surplus (delete as appropriate)

I had contacted the Network Business Support Centre (NBSC) at approximately 08.30 am and advised that an audit would be performed at the branch, and that it would remain closed until its conclusion. The nominated branches offered were: Longmoor Lane & Walton Vale and a notice placed on display at the branch detailing this information. I also asked the NBSC to notify the Outlet Intervention Office that an audit was being performed and that the branch would remain closed until it's conclusion.

We arrived at the branch at 08.15 am and introduced ourselves to a member of staff on the shop counter, she referred us to the Post Office counter where a member of staff was sat in the dark behind the counter. I knew this was one of the members of staff I had previously met but she was not her normal welcoming self. The other member of staff arrived at 08.45am and she was slightly upset. As I had very little information of why we were completing an audit so soon after a similar audit (performed 2<sup>nd</sup> December 2011) I told them that and advised that we were to perform an audit on behalf of Post Office Ltd®. They told me they knew why the audit was happening and that they were sorry for causing us problems and sorry for misleading us at previous audits (there were tears). I asked them to open the safes so we could complete the audit.

At around 09.15, Steve Bradshaw and Kevin Ryan from the security team arrived to speak to the 2 staff members and we carried on with the audit.

At around 11am Steve Bradshaw asked us to check around the branch as the staff had told him that they had concealed some Transcash paperwork (deposits etc) in the cupboards. We spent about 10 minutes looking but couldn't find anything. One of the staff members was lead through to the secure area and immediately located the paperwork which she handed to Steve Bradshaw.

The staff agreed to leave with the Security Team and before they left they were allowed to collect any personal items from behind the counter. Again they apologised and said sorry for all they had done and that they felt terrible.

The SubPostmaster – Ali Asker was informed that the branch was closed and the staff were no longer allowed behind the counter. We asked him to attend the branch but he was in Sheffield and so he sent a member of staff from one of his other branches (who was known to us as we had met her at a previous audit) to secure the branch and take the keys from us.

I then telephoned myself at 15.30 am to report a preliminary figure for the audit and to confirm that the office was secure and that I would email the audit report to confirm the final figure once I had completed it. This I did at 8<sup>th</sup> January 2012 at 20.30 PM to report an overall surplus in the branch of £559 07. Some of this could be partly explained by a £200 ATM retract that hadn't been enveloped and kept separate as per ATM instructions.

I advised the person who picked up the keys to call the NBSC the next day to confirm that the branch would be re-opening.  
No Compliance Tests were carried out at this audit because there were no staff left to test.

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

Tim Gordon-Pounder  
Lead Auditor



**GRO**

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