# POSTMASTER SUPPORT POLICIES

## Network Monitoring and Audit Support Policy

## Version – V1.5

Post Office is determined to reset its relationship with postmasters and has introduced policies that set out guidelines on how Post Office should support postmasters, specifically for use across twelve areas.

The policies stand on their own but should be reviewed in conjunction with each other. Support teams should have an awareness of all twelve policies and how they link together.

The twelve Postmaster Support Policies are listed in section 3.2 of this policy and can be found on the hub, here.

# 1.    Definitions

## 1.1. Definitions

1. **Audit Rationale Document (ARD)** - this document sets out the rationale behind a decision to audit, along with relevant supporting data, and is provided to a postmaster to explain the reason behind the audit

2. **Audit Reporting Tool (ART)** – This is a data capture form used to record the difference between the actual volume and value of cash, stock and currency in branch and the volumes and values as shown on Horizon.

3. **Announced Audit**– This is a comprehensive assessment of the current trading position of a Post Office[1] branch, and includes the verification of reported levels of cash, foreign currency (if applicable), stock items and vouchers as well as a compliance review, to check if mandatory business conformance and regulatory compliance controls are operating as intended.

4. **Closing Script** - This is a script for the Lead Audit and Support Advisor to follow to ensure the main points are communicated and feedback obtained at the end of the audit.

5. **Discrepancy** - Any difference between (i) the actual cash and stock position of a branch and (ii) the cash and stock position shown on Horizon as derived from transactions input by branch staff into the branch's terminals.

6. **Established Gain** - An event that causes a positive Discrepancy (i.e. the situation where the branch has more cash and/or stock than the derived figures for cash and/or stock on Horizon), which has been investigated by Post Office, or agreed by the postmaster, and found to be a genuine gain to Post Office.

7. **Established Loss** - An event that causes a negative Discrepancy (i.e. the situation where the branch has less cash and/or stock than the derived figures for cash and/or stock on Horizon), which has been investigated by Post Office, or agreed by the postmaster, and found to be a genuine loss to Post Office.

8. **Local Post Office Agreement** – These agreements are used in respect of branches that offer a reduced product set compared to branches governed by a Mains Post Office Agreement. If you are unclear whether an agreement is a Local Post Office Agreement, please consult a Contract Advisor.

9. **Main Post Office Agreement** – These agreements are used in respect of branches that offer all core products and services.  If you are unclear whether an agreement is a Main Post Office Agreement, please consult a Contract Advisor.

10. **Reason for Audit Script –** This is a script for the Lead Audit and Support Advisor to follow to ensure the main points are communicated and the postmaster or person in charge is clear on how the audit will be performed.

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[1] In this policy, "Post Office" means Post Office Limited.

11. **"Review or Dispute"** – This is the option on Horizon which moves a Discrepancy into the postmaster's centralised holding account at the end of the Trading Period or at the end of a financial audit.

12. **SPEAR Visit** – The aim is to **S**upport, **P**revent, **E**ducate, **A**ssure and **R**esolve any outstanding issues related to branch accounting. This is a supportive, face to face visit that is conducted if the Network Monitoring team and the postmaster both agree that it would be beneficial to encourage accurate accounting in branch.

13. **SPSO Agreement –** the Subpostmasters Contract, Community Subpostmasters Contract, Modified Subpostmasters Contract and the Company Operated Post Office Contract.

14. **Unannounced Audit** – The content of an Unnanounced Audit is the same as for an Announced Audit, but without notifying the postmaster in advance. Unannounced Audits will be carried out where Post Office cannot determine the accuracy and integrity of the cash and stock in a branch remotely or through an announced visit.

# 2.  Overview

## 2.1. Introduction by the Policy Owner

The Service and Support Optimisation Director has overall accountability to the Board of Directors for the design and implementation of controls and to manage risk, assure levels of cash and stock and reduce discrepancies and losses in the network[2]. Risk in the network is an agenda item for the Audit and Risk Committee and the Post Office board is updated as required.

This policy is a non-contractual document provided for information. It does not form part of the contract between postmasters[3] and Post Office.

## 2.2. Purpose

This Policy has been established to set the minimum operating standards relating to the management of network monitoring and audit support throughout the Post Office network.

Network monitoring and audit support activity helps to ensure the accuracy of branch accounting records, relating to cash and stock. It also helps to assure that the integrity of cash and stock in the Post Office network is maintained. Network monitoring is in place to identify branches where the integrity and accuracy of cash and stock, for that branch, could be at risk. This monitoring can then lead to a number of intervention activities (including audit support) which are designed to identify the risks and help the branch resolve any associated issues.

This policy explains how branches will be supported with any potential issues identified through network monitoring and how Post Office will help those branches maintain accurate records of cash and stock through their branch accounting. Monitoring branch compliance with accounting processes helps to identify any issues earlier and makes investigating the root cause of any issues easier for both branches and Post Office.

It is one of a set of policies which provide a clear risk and governance framework and facilitate an effective system of internal controls for the management of risk across Post Office. Compliance with these policies is essential to Post Office in meeting its business objectives and to balance the needs of postmasters, customers, clients, and other stakeholders including our shareholder.

## 2.3. Core Principles

Under agreements between postmasters and Post Office, postmasters  provide products and services to customers on behalf of Post Office. The cash and stock used to effect those transactions is owned and funded by Post Office, unless the branch is self-funded.

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[2] In this policy, "network" means branches not directly managed by Post Office

[3] In this policy, "postmaster" refers to the person or entity (which may be a company, sole trader or partnership) contracted with Post Office and any person acting on the postmaster's behalf (as applicable).

Post Office has an obligation to its customers and clients to ensure that all branches are providing a quality of service and adhering to agreed standards. Post Office is committed to supporting its postmasters in this process.

- Branch activity is monitored, particularly in relation to accounting of cash and stock, and data insights will be used to identify branches that are experiencing issues and to identify potential risks to the cash and stock in a branch.

- Support is offered to branches identified through network monitoring to help resolve any issues related to branch accounting and mitigate risk in the branch. Wherever possible, this support will be offered remotely in order to minimise disruption to the operation of a branch. If on-site support is requested by the postmaster, this request will be addressed by the Training and Onboarding team.

- Where Post Office cannot determine whether the branch's cash and stock records are accurate, audit support will physically attend a branch to carry out a full count of cash and stock assets. Post Office will provide support to the postmaster when carrying out the audit.

The guidelines will ensure these practices are carried out in good faith and apply principles of fairness, transparency, and professionalism (being the underpinning behaviours of Post Office).

## 2.4. Application

This Policy is applicable to all postmaster contracts[4] in the network.

## 2.5. The Risk

There are a number of risks that the Network Monitoring and Support team help mitigate.

Discrepancies in cash and stock in the network can cause difficulties for postmasters and customers. Issues identified through network monitoring and/or audit support may indicate that local branch accounting systems and processes are not robust, although it is recognised that there may be other reasons for discrepancies, including Post Office's accounting system. Some Discrepancies, once investigated, or agreed by the postmaster, may become Established Losses or Established Gains.

Post Office can recover losses from a postmaster when such losses are caused through negligence, carelessness or error of the postmaster and Post Office has carried out a reasonable and fair investigation, as set out in the Postmaster Accounting Dispute Resolution policy[5], as to the cause and reason for the loss and whether it was properly attributed to the postmaster. Postmasters are also responsible for losses caused by the negligence, carelessness or error of assistants. Network monitoring by the Network Monitoring and Support team and the activities carried out by the audit support team are considered to form part of these investigations.

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[4] In this policy, "postmaster contract" means contracts which relate to those branches not directly managed by Post Office

[5] The Postmaster Accounting Dispute Resolution policy can be found on the hub, here.

The risks in this area include:

- If network monitoring is not carried out, Post Office may not have visibility of the accuracy of a branch's cash and stock records.

- If exceptions are not identified, Post Office may not be able to offer sufficient and timely support to postmasters in the effective running of their branches.

- If exceptions are not investigated at the point of discovery, Post Office may not be justified in contacting the postmaster.

- If exceptions are not investigated at the point of discovery, this could cause irrecoverable balances through Discrepancies and potentially erroneous or fraudulent transactions not being investigated.

- If identified cash and stock accounting issues are not shared with support teams, (for example: early warning signs of a branch running into difficulty), additional support mechanisms may not be put in place promptly.

- If excess levels of cash and stock build up in the network, this may pose a security risk to individual branches and a funding risk to the business of Post Office.

- If branches do not complete their daily cash declarations, there is a risk that they will not identify discrepancies in a timely manner, and they will not be sent the optimum amount of cash to enable the effective running of their branch.

- If branches do not complete their monthly branch trading statement, neither Post Office nor the postmaster have visibility of trading position of the branch.

- Non-adherence to the policy could result in financial loss, legal and regulatory risk, detriment to postmasters and reputational damage to Post Office.

Section 3.5 sets out the minimum control standards that the Post Office has implemented to control these risks.

# 3. Risk Appetite and Minimum Control Standards

## 3.1. Risk Appetite

Risk appetite is the extent to which the Post Office will accept that a risk might happen in pursuit of day-to-day business transactions. It therefore defines the boundaries of activity and levels of exposure that Post Office is willing and able to tolerate.

Post Office takes its legal and regulatory responsibilities seriously and consequently has:

- **Averse risk appetite** to corporate non-compliance with legal and statutory obligations.

- **Averse risk appetite** for financial crime to occur within any part of the organisation.

- **Averse risk appetite** in relation to unethical behaviour by Post Office staff.

- **Averse risk appetite** to litigation.

- **Cautious risk appetite** for inefficient or ineffective processes that result in: lost time, duplicated effort, and increased risk of financial loss or errors in any part of its business or core processes.

The Post Office acknowledges, however, that in certain scenarios, even after extensive controls have been implemented, a process may still sit outside the agreed Risk Appetite. In this situation, a risk exception waiver will be required pursuant to the Exemption Process details of which can be found here.

## 3.2. Policy Framework

This policy is part of a framework of postmaster support policies that has been established to set the minimum operating standards relating to the management of our postmaster contract risks throughout the business in line with Post Office's risk appetite. The framework includes the following policies:

- Postmaster Onboarding

- Postmaster Training

- Postmaster Complaint Handling

- Network Monitoring and Audit Support (this policy)

- Network Cash and Stock Management

- Network Transaction Corrections

- Postmaster Account Support

- Postmaster Accounting Dispute Resolution

- Postmaster Contract Performance

- Postmaster Contract Suspension

- Postmaster Contract Termination

- Postmaster Termination Decision Review

## 3.3. Who must comply?

Compliance with this Policy is mandatory for all Post Office employees[6] who perform network monitoring and audit activities.

Where non-compliance with this policy by Post Office employees is identified by Post Office, Post Office will carry out an investigation. Where it is identified that an instance of non-compliance is caused through wilful disregard or negligence, this this will be investigated in accordance with the Group Investigations Policy.

## 3.4. Roles and Responsibilities

- **Service and Support Optimisation Director** – is the policy owner, who must comply with the governance responsiblities set out at section 6.1.

- **Senior Manager, Network Monitoring and Support** – is accountable for the deployment of this policy and the support of the team that manages network monitoring and audit support. This role is also responsible for regularly reviewing the effectiveness of this policy and for drafting any amendments that may be required.

- **Network Monitoring Team Manager –** will lead a team of Network Monitoring Analysts in identifying branches with potential accounting issues using a risk based data model.

- **Network Monitoring Analysts –** will carry out desk-based investigations into branch accounts using branch data to identify potential accounting issues.  They will work with postmasters to review any identified issues, explain potential areas of concern, and agree with the postmaster solutions to any issues found ways to remedy the situation.

- **Area Audit and Support Managers -** will lead a team of Audit and Support Advisors in planning for and deploying audit support activity, including making phone calls and visiting Post Office branches in accordance with the standards set out in this policy. Area Audit and Support Managers are responsible for the quality assurance of these activities.

- **Audit and Support Advisors -**  will plan for and deploy audit support activity. During the audit they will  verify of assets in a Post Office branch and produce a

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[6] In this Policy "employee" means permanent staff, temporary including agency staff, contractors, consultants and anyone else working for or on behalf of Post Office and, for clarity, does not include postmasters or postmasters' staff.

factual, detailed and accurate account of the audit (including areas identified for improvement) to provide to the postmaster.

- **Casework Support –** this is the team that are responsible for scheduling visits and audits to branches, updating the Audit and Support Advisors on their schedule and providing points of contact. All cases are administered on MS Dynamics 365.

## 3.5. Minimum Control Standards

A minimum control standard is an activity which must be in place in order to manage the risks, so they remain within the defined Risk Appetite statements (as set out at section 3.1). There must be mechanisms in place within each business unit to demonstrate compliance. The minimum control standards can cover a range of control types, i.e. directive, detective, corrective and preventive which are required to ensure risks are managed to an acceptable level and within the defined Risk Appetite.

The table below sets out the relationships between identified risks and the required minimum control standards in consideration of Post Office's Risk Appetite.

| Risk Area | Description of Risk | Minimum Control Standards | Who is responsible | When |
|---|---|---|---|---|
| Network Monitoring | If network monitoring is not carried out, Post Office may not have visibility of the accuracy of a branch's cash and stock records.<br><br>If exceptions are not identified, Post Office may not be able to offer sufficient and timely support to postmasters in the effective running of their branches. | • The risk model that sits behind the Network Monitoring report is updated regularly.<br><br>• Network monitoring report is viewed for exceptions. | Senior Manager, Network Monitoring and Support<br><br>Senior Manager, Network Monitoring and Support | Daily<br><br>Daily |
| Exception investigation | If exceptions are not investigated at the point of discovery, Post Office may not be justified in contacting the postmaster. | • Desktop investigation takes place, including a wider review of accounting activity in the branch. | Senior Manager, Network Monitoring and Support | Upon identification of an exception |

| | If exceptions are not investigated at the point of discovery, this could cause irrecoverable balances through Discrepancies and potentially erroneous or fraudulent transactions not being investigated. | | | |
|---|---|---|---|---|
| Postmaster Support | If identified cash and stock accounting issues are not shared with support teams, (for example: early warning signs of a branch running into difficulty), additional support mechanisms may not be put in place promptly. | • Communicate with the Business Support Managers, in the first 6 months of the term of a postmaster's contract, and the Area Managers thereafter, to advise them that extra support may be required. | Senior Manager, Network Monitoring and Support | Upon identification of an exception |
| Excess cash and stock | If excess levels of cash and stock build up in the network, this may pose a security risk to individual branches and a funding risk to the business of Post Office. | Any excess cash and stock counted as part of a SPEAR visit or Audit will be sent back to the Cash Centre or Swindon Stock Centre. | Senior Manager, Network Monitoring and Support | During a SPEAR or Audit visit |
| Non-compliance of branch obligations | If branches do not complete their daily cash declarations, there is a risk that they will not identify discrepancies in a timely manner, and they will not be sent the optimum | • A daily report is created to show branches that have not declared cash for more than 10 consecutive days, and Network Monitoring contact the branch to offer support. | Senior Network Monitoring and Support Manager | Daily |

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|---|---|---|---|---|
| | amount of cash to enable the effective running of their branch.<br><br>If branches do not complete their monthly branch trading statement, neither Post Office nor the postmaster have visibility of trading position of the branch. | • A daily report is created to show branches that have not produced a branch trading statement in the last 60 days, and Network Monitoring contact the branch to offer support. | Senior Network Monitoring and Support Manager | Daily |
| Policy non-adherence | Non-adherence to the policy could result in financial loss, legal and regulatory risk, detriment to postmasters and reputational damage to Post Office. | • The Branch Reconciliation Team will be provided with training on this policy. | Senior Network Monitoring and Support Manager | Once approved and annually thereafter (or sooner in the event of material changes to the policy) |
| | | • The Senior Network Monitoring and Support Manager is accountable for ensuring that they and their team adhere to the policy, as it applies to their area. | Senior Network Monitoring and Support Manager | Daily |
| | | • The policy should be reviewed and updated as required. | Senior Network Monitoring and Support Manager | As required (but reviewed at least annually) |

# 4. Procedures

## 4.1  Network Monitoring

The Network Monitoring team carry out network monitoring using a risk-based model.  The model ranks the branches in order of risk so that the team can ascertain which branches are the most 'at risk' and investigate them as a priority.

The scoring rankings in the model are re-calculated on a weekly basis and the Network Monitoring team refresh the data used by the model on a daily basis.  The model can be used to 'search' for an individual branch and it allows the analyst to 'deep dive' and review potential trends and patterns in the data with respect to that branch.  The analyst can build a picture from the data to aid understanding of the accounting systems and processes at the branch before raising any issues or concerns with the relevant postmaster.

Where an accounting issue is identified, the Network Monitoring team will, wherever possible and appropriate, contact the postmaster with a view to helping the postmaster to rectify that issue. This support may be provided through a telephone call, the arrangement of a SPEAR visit by a member of the Audit and Support team and, occasionally, through an Announced Audit or an Unannounced Audit. A combination of these support options may be deployed.

The Network Monitoring team will produce an Audit Rationale Document at this stage of the investigation in circumstances where an audit is required. This document is sent to the relevant Audit and Support Advisor.

The Network Monitoring team will open a case on the case management system (Microsoft Dynamics 365) for each desktop investigation.  They will populate the case with any all actions that are taken in relation to that case, including phone calls made to the postmaster and the record and results of any visits made.

## 4.2  Non-Suspension Monitoring

The Network Monitoring team carry out continued monitoring of any issues identified following a non-suspension decision by a Contract Advisor over a defined period of time, with any further or escalating issues being flagged to the Contract Advisor.

## 4.3  Scheduling supportive visits and audits

The Casework team are responsible for scheduling visits and audits to branches. They will schedule these visits at the earliest opportunity based on the priority of the visit and the resources required to carry out the visit.  At least two auditors will be scheduled to attend a full audit (whether an Unannounced Audit or an Announced Audit).

In order to complete a full verification, it is necessary to close a Post Office branch for the duration of the audit. As a result, it is essential in order to expedite the process and cause minimum disruption to postmaster and their customers that Post Office use the optimum number of auditors.   Factors that may inform the number of auditors required, for a full

verification audit, are the cash holdings in the branch at the time of the visit, whether the branch has an ATM machine and whether the branch holds foreign currency.

In the case of SPEAR visits and Announced Audits (including closure audits and transfer audits), the Casework Team will book the visit, and the auditor will contact the branch in advance and will check with the postmaster that the scheduled date is suitable, contacting the Casework team to amend where necessary.

Where an Unannounced Audit is being conducted but the postmaster is not on site, the auditor will try to contact the postmaster and invite them to attend the audit. If the postmaster is willing to attend, the lead auditor will allow a reasonable time for them to arrive at the branch and attend the audit. If the lead auditor is uncertain as to what is a reasonable amount of time, they can discuss this with their Area Audit and Support Manager. The postmaster can nominate a staff member to represent the postmaster during the audit or visit or the postmaster may be represented by its partner or director if it is a partnership or company.

## 4.4   Carrying out an Audit

A lead auditor will attend each audit. Lead auditors are responsible for preparing for the audit, managing the audit and completing the final audit report. The lead auditor will liaise with the postmaster or the postmaster's representative throughout the visit. They will engage in a discussion with the postmaster or representative following completion of the Reason for Audit Script. As a minimum, the lead auditor will go through the Audit Rationale Document with the postmaster or representative and explain any discrepancies that have been identified and the accounting processes behind them.

The lead auditor will explain why the Audit Reporting Tool (ART) is used as an independent verification tool. They will: (i) talk through the relevant event history; (ii) establish where all the assets are held in branch; (iii) explain why they need to access the Horizon Online system at the branch; and (iv) encourage questions throughout the process.

The lead auditor will provide regular updates throughout the audit and perform the closing meeting, during which they will explain the result and findings, in doing so following the Closing Script. The lead auditor will delegate necessary tasks to the other auditors in attendance, making the most efficient use of resources to ensure that there is minimum disruption to the branch and its customers.

The lead auditor will print various reports from the Horizon Online system so that the audit team can understand the value of the cash, stock and foreign currency being held in branch. These reports are detailed in the Audit Chapter 03, available on the Knowledge Centre. The lead auditor will conduct a physical count of the same and will manually record both sets of figures. They will repeat this process for each stock unit and then calculate the totals for the branch. A second auditor will repeat this process and check the figures generated, and the audit team will invite the postmaster or representative to check the figures independently.

The auditors will prepare any excess cash and or stock or obsolete stock for removal from the branch once it has been counted and verified.

The figures from the cash and stock count sheets will be transferred onto the Audit Reporting Tool at the audit. A final copy of the report will be emailed to the

postmaster/branch. The lead auditor will retain the manual records of the cash and stock counts for a period of 60 days.

The auditors will discuss any discrepancy found at audit with the postmaster or representative in order to ascertain their understanding behind it. If they are uncertain about the reason for the discrepancy, or wish to dispute it, the auditor will arrange for the discrepancy to be moved to the centralised holding account, so that the postmaster or representative can instigate an investigation.

## 4.5  Contract Advisor Involvement

On the day of the audit to ensure that a postmaster gets the necessary support an auditor will contact a Contract Advisor, if:

- the discrepancy is over £2000, and the postmaster is on a Local Post Office Agreement or a SPSO Agreement; or
- the discrepancy is over £5000, and the postmaster is on a Main Post Office Agreement.

The requirement to contact a Contract Advisor is two-fold (and not connected to recovery of the discrepancy):

- An assessment of the situation is needed to be taken in line with the Postmaster Contract Suspension Policy[7] and a decision taken whether there is a requirement to suspend the agreement; and
- if suspension is not deemed appropriate the Contract Advisor may be required to ensure that any further activity (including support for the postmaster) is undertaken.

Where the postmaster is on a Local Post Office Agreement or a SPSO Agreement and the discrepancy is under £2000 or where the postmaster is on a Main Post Office Agreement and the discrepancy is under £5000 and over £1000, the Contract Advisor will review the audit reports. This is to establish whether there is further activity required to support the postmaster or address contract breaches that may have been identified and, if so, ensure that this is followed up with the postmaster.

## 4.6  Closure Audits

The case management team will agree a date with the outgoing postmaster for the closure audit to take place. A closure audit is carried out when a postmaster contract is terminated by either party. The outgoing postmaster will be contacted by the Audit and Support Advisor no more than 5 working days after they have notified Post Office of the planned closure. The Audit and Support Advisor will check if there are any unresolved accounting issues and, if there are, they will work with the postmaster or its representative to aim to have these rectified by the time of closure. Audit and Support Advisor will ask the outgoing postmaster to reduce the holdings of cash and stock at the branch and return any excess cash and stock to Post Office prior to the date of closure.

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[7] The Postmaster Contract Suspension Policy can be found on the hub, here.

All cash and stock will be prepared, by the branch, for despatch on the day of audit for its subsequent removal from the branch and a full final balance of the accounts will be completed.  The auditors will discuss any discrepancy found at audit with the postmaster or the postmaster's representative in order to ascertain the postmaster or representative's understanding behind it. If the postmaster or representative is uncertain about the reason for the discrepancy, or wishes to dispute it, the auditor will arrange for the discrepancy to be moved into the centralised holding account and the postmaster/representative can instigate an investigation.

## 4.7   Post Security Incident Audits

In the event of a security incident, such as a robbery or burglary, an auditor will conduct a security incident audit at the branch if the loss is valued at more than £1000.

Post security incident audits will be scheduled as soon as is practicable following the incident to ensure that the postmaster is properly supported. The audit's purpose is to ascertain the cash and stock holdings in the branch immediately after the incident. The audit process is the same as a full audit, but any discrepancies recorded at these audits will be posted to the Robbery & Burglary suspense account.

## 4.8   Reference Materials

All written materials relevant to audits, including the instructions on how to complete an audit and relevant scripts, are stored in the Knowledge Centre SharePoint which is accessible to all Audit and Support Advisors and Managers. These are reviewed annually as a minimum.

## 4.9   Quality Assurance

The Area Audit and Support Managers are responsible for quality assuring audit activities. Each Audit and Support Advisor will have a minimum of one audit quality assured by an Area Audit and Support Manager per quarter. Area Audit and Support Managers perform monthly monitoring of phone call activity between postmasters being audited and Audit and Support Advisors.

The Senior Manager, Network Monitoring and Support is responsible for ensuring that the Area Audit and Support Manager for each team conducts the Quality Assurance Review (QAR) exercise on the Audit and Support Advisors in their own area.

When observing an audit, the Area Audit and Support Manager will attend in person and will review the manner in which the audit is carried out, including engagement with the postmaster and adherence to the process.  They will then complete an observational Quality Assurance Review form and use it to provide feedback to the auditor as soon as possible after the audit.  The Area Audit and Support Manager will also check the audit paperwork, such as the count sheets and report generated figures.

The Quality Assurance reviews are spot checked by the Senior Manager, Network Monitoring and Support.

## 4.10 Reporting

Post Office create reports to show how the Post Office network is preforming against agreed cash and stock accounting practices. The reports which are generated daily include:

- Number of branches making daily cash declarations;
- Number of branches completing regular branch accounting;
- Number of branches not up to date with branch accounting deadlines; and
- Amount of cash in the network.

In addition, reporting is carried out on a monthly basis to give visibility of team performance. The reports which are generated monthly include:

- Number of branches monitored within a period;
- Number of branches contacted by phone;
- Number of supportive visits conducted;
- Number of audits completed by type; and
- Value and volume of discrepancies recorded at audit.

# 5. Where to go for help

## 5.1 Additional Policies

This Policy is one of a set of policies. The full set of policies can be found on the SharePoint Hub under Postmaster Support Policies.

## 5.2 How to Raise a Concern

Any postmaster (whether a limited company, partnership, limited liability partnership or an individual), any postmaster's staff or any Post Office Employee who suspects that there is a breach of this Policy should report this without any undue delay.

If a postmaster or the postmaster's staff are unable to raise the matter with the area manager of the relevant branch or if a Post Office Employee is unable to speak to her or his line manager, any person can bring it to Post Office's attention independently and can use the Whistleblowing channels for this purpose. Any person can raise concerns anonymously, although disclosing as much information as possible helps ensure Post Office can conduct a thorough investigation.

For more details about how and where to raise concerns, please refer to the current Whistleblowing Policy which can be found on The Hub under Post Office Key Policies, accessed here.

## 5.3 Who to contact for more information

If you need further information about this policy or wish to report an issue in relation to this policy, please contact the Service and Support Optimisation Director, Tim Perkins, by emailing GRO

# 6. Governance

## 6.1  Governance Responsibilities

The Policy sponsor, responsible for overseeing this Policy is the Retail and Franchise Network Director of Post Office Limited.

The Policy owner is the Service and Support Optimisation Director who is responsible for ensuring that the Senior Manager, Network Monitoring and Support conducts an annual review of this Policy and tests compliance across the Post Office. Additionally, the Service and Support Optimisation Director, the Senior Manager, Network Monitoring and Support and their team are responsible for providing appropriate and timely reporting to the Risk and Compliance Committee.

The Audit and Risk Committee are responsible for approving the Policy and overseeing compliance.

The Board is responsible for setting the Post Office's risk appetite.

# 7.   Control

## 7.1   Policy Version

| Date | Version | Updated by | Change Details |
|---|---|---|---|
| 1st October 2020 | 0.1 | Alison Clark | Draft Version |
| 8th October 2020 | 0.2 | Tim Perkins | Revised draft |
| 8th December 2020 | 0.3 | Jo Milton | Revised draft – updated definitions and job roles |
| 15th December 2020 | 0.4 | Jo Milton | Footnotes added |
| 26th January 2021 | 1.0 | Jo Milton | Final Version approved by ARC |
| 29th March 2021 | 1.1 | Alison J Clark | Annual review<br><br>2.3, 2.5, 3.4, 4.5, 4.6, 4.7, 4.9 expansion on existing content<br><br>Section 3 -Added in Risk Appetite Statements 3.1, added in Policy Framework 3.2, added in "Who must comply" 3.3, added in Minimum Control Standards 3.5<br><br>Alignment to other postmaster support policies |
| 26th April 2021 | 1.2 | Jo Milton | Text amendments following internal and external legal review |
| 4th May 2021 | 1.3 | Jo Milton | Risk appetite amendment |
| 13th May 2021 | 1.4 | Jo Milton | Replacement of "settled centrally" language<br><br>Rewording of section 4.4 (penultimate para) |
| 25th May 2021 | 1.5 | Jo Milton | Added linked policy statement to front page<br><br>Added reference to the Group Investigations Policy to section 3.3 Who Must Comply?<br><br>Updated link to section 5.1<br><br>Added footnotes to link to other policies referred to in this policy. |

## 7.2  Policy Approval

**Oversight Committee:** Risk and Compliance Committee and Audit and Risk Committee

| Committee | Date Approved |
|-----------|---------------|
| POL R&CC | 12th January 2021 |
| POL ARC | 26th January 2021 |
| POL R&CC | |
| POL ARC | |

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|---|---|
| **Policy Sponsor:** | Retail and Franchise Network Director |
| **Policy Owner:** | Service and Support Optimisation Director |
| **Policy Author:** | Senior Manager, Network Monitoring and Support |

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| **Next review:** | 31 MAR 2022 |

Company Details