Debt & Losses Reduction

FSC Process Flows

Table of Contents

1   Teams

1.1   Personal Banking, Cash & Bureau

Background- Personal Banking
Receive and log bank enquiries on dynamics to resolve customer enquiries regarding cash and cheque deposits. Depending on the result, Transaction corrections are occasionally issued to either debit the office or credit the bank (via settlement email) or vice versa.

Link

Card transactions processed in branch may result in a miskey. The Branch report the loss to NBSC who send an enquiry form to the Team to process an enquiry. If the miskey fits into the criteria for investigation, the bank is notified and we wait for a response. If the bank are successful in retrieving the money, they notify the Team who then inform Cashiers the money is expected and issue a TC to branch when confirmation comes though.

If the Bank is unsuccessful in retrieving the funds, the Branch stand the loss.

Santander

Card transactions processed in branch may result in a miskey. The Branch report the loss to NBSC who send an enquiry form to the Team to process an enquiry. If the miskey fits into the criteria for investigation, the bank is notified and we wait for a response. If the bank are successful in retrieving the money, they notify the Team who then complete the transaction on settlements and issue a TC to Branch.

If the Bank is unsuccessful in retrieving the funds, the Branch stand the loss.

Cash and Bureau

Work on GL open items, investigating the reason for an open item remaining in the GL.

 Cash in Pouches and Cash in Transit, also Bureau in pouches and Bureau in Transit – Working with the Cash Centre to issue TC's on their behalf for missing pouches, rejected pouches and pouches which are stuck following failure of the scanning card.

Glossary of Control Owners	
Job Title	**Control Owner**
FSC Team Leader	Sarah Parkes

TC - PERSONAL BANKING

Branch

Accepts TC in HORIZON

Yes

Sign off Month End Trading statement (Roll Over)

Accept TC in HORIZON

HORIZON

Ref App. 3

Ref App. 1

TC issued

TC Accepted

Month End ROLL OVER

Rejected/ unprocessed TC's ?

No

Interface

POLSAP

TC Issued G/L 6272**

TC Accepted G/L 6272**

UP / OP

CREDENCE

All transactions per customer held

Personal Banking Admin

Email into Dynamics

Incoming General inquiry

C4.9.a.17 FSC Team Manager Monthly monitor TC control account "629310 Cash"

C4.9.a.5 / C4.9.a.6 weekly FSC Team Operational meeting

Reconciliation & probity

View cases or create them in Dynamics (bank)

Team pick off cases by old to new in Dynamics

Identify nature of query

Confirm transaction in CREDENCE & Identify "session number"

Yes

Issue TC?

Fill in 'Personal Banking Settlement Breakdown sheet' (UP or OP)

e.mail (UP / OP) to Settlement team

C4.9.a.16 weekly FSC Team Manager meeting

D1.12.b.4 Finance

D1.12.b.5 Finance

C4.9.a.2 / C4.9.a.3 FSC (Monthly Prob. & Rec)

No

Resolution without TC, update the bank with info regarding case and close case.

SLA: resolved <2 weeks

Dynamics

Add activities in Dynamics

E.mail

Settlement Team

C4.9.a.21 Valid / approved Authority matrix

C4.9.a.20 TC issued as per Authority matrix

Process UP/OP in POLSAP

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Activity - Personal Banking

Chronological steps in the process:

1. Incoming General inquiry – fax / e-mail *(Personal Banking Admin)*
2. *Ensure all emails are processed in Dynamics on a daily basis. If enquiry originates from a Partner Bank, create a case in dynamics.*
3. SLA turnaround time is 12 days excluding weekends and bank holidays *(Personal Banking Admin)*
4. *2.5x Personal Banking Admin Team who process enquiries working oldest to newest.*
5. Identify nature of query *(Personal Banking Admin)*
6. Confirm transaction in CREDENCE system (today optional but make mandatory) *(Personal Banking Admin)*
7. Identify "session number" (Transaction number) in CREDENCE *(Personal Banking Admin)*
8. Send correct information to the bank to complete underpayment or permission for overpayment. If required issue TC to Branch
9. Fill in Personal Banking Settlement Breakdown sheet (UP or OP) *(Personal Banking Admin)*
10. Send (e-mail) "Settlement team for processing in POLSAP *(Personal Banking Admin)*
11. If a TC is required (very few) POSTMASTER checks HORIZON for new TC *(Branch)*
12. POSTMASTER accepts or rejects TC *(Branch). Appeal process is in place.*
13. POSTMASTER sign off end of month Trading statement (Roll over) *(Branch)*
14. POSTMASTER roll over in HORIZON (system prevents roll over if any pending TC's) *(Branch)*
15. End

Please note that IPSL is now Parseq, having moved in September 2018. Cheque deposit enquiries, they forgot to put In a process so we have an

Interim process where we send BCV request to the Project (Simon Woods) and he sends onto Barclays to process, there is no SLA for them to come

back to us.

Risk & Control   Personal Banking

Control(s): TC15.01
Risk: Personal banking queries are not investigated in a timely manner, resulting in SLA being missed (12 days - excluding weekends and bank holidays)
Control objective: To ensure timely monitoring and investigation of open items
Frequency: Daily
Control owner: FSC Team Leader (Sarah Parkes)
Control description: A "New Bank enquiry" spreadsheet is maintained on SharePoint with the status of all open queries. A daily review is performed to identify aged items on the list and these are flagged for further investigation as a priority, ensuring the 12 day (excluding weekends and bank holidays) SLA deadline is met in all cases.

Control(s): TC15.02
Risk: Customer fraudulently queries a banking transaction resulting in incorrect transaction correction
Control objective: To ensure open enquiries are investigated prior to transaction correction being processed
Frequency: Daily
Control owner: FSC Operations Manager (Sarah Parkes)
Control description: On a daily basis the personal banking team allocate queries amongst team and run a credence report for all new open enquiries, in order to confirm transaction occurred. The results of investigation are recorded in "New Bank enquiry" spreadsheet to evidence review process.

Control(s): C4.9.a.2 & C4.9.a.3
Risk: Balance sheet accounts are not reviewed resulting in error and misstatement or fraud
Control objective: To ensure that all BS accounts are reconciled and analysed and have evidence of balance justification
Frequency: Monthly
Control owner: FSC Operations Manager(s)
Control description: "All BS accounts within FSC area are reconciled at month end by the relevant Admin team members. Any open items are explained / annotated by the Admin team member and the reconciliation is sent to respective FSC Team Managers for review and approval. The FSC Team Manager(s) follows up any unreconciled/unexplained items with the respective Admin team member and once satisfied the reconciliation is approved (sign and dated as evidence) and forwarded to the FSC Operations Manager for final review and approval. The FSC Operations Manager reviews and queries where applicable with the FSC Team Manager(s) and sends/signs as evidence of final approval. The reconciliation(s) with approvals and any supporting documentation is dated, stored/printed and filed on Sharepoint."

Control(s): C4.9.a.5 & C4.9.a.6
Risk: Build-up of aged balances - unapproved aged balances of affected account resulting in loss of reputation to PostOffice.
Control objective: To ensure close monitoring of aged balances and prevent where possible any aged build-up of accounts affected.
Frequency: Weekly
Control owner: FSC Operations Manager(s)
Control description: "On a weekly basis the FSC Operations Manager performs an ageing analysis of all open items matching account per product area. The main objective is to prevent wherever possible any open item(s) falling into an aged (>3 months) category.
The respective Team Managers explains the analysis for their product area at the weekly Team Operational meeting. Open items are prioritised by highest value, date and/or other steer from Management.
Agreed actions are followed up with respective FSC Team Managers.

1.1.1　Online Banking – LINK

TC - Online Banking - LINK

Customer	Debit Card holder does either a cash deposit or withdrawal in a branch → receipt
Branch	Enter transaction into HORIZON → Print authorization receipt → MisKey? → No → End ... Accept TC
HORIZON	Record of Transaction ... TC Issued ... TC Accepted
NBSC	Miskey case logged → Send "Mis-key" form detailing the nature of the error
TESQA	Record of all Card transactions from Branch ... C4.9.a.21 Valid / approved Authority matrix ... C4.9.a.20 TC Issued as per Authority matrix
POLSAP	Record of Transaction ... TC Issued (Reference Number) Vendor A/C ... TC Accepted (Reference Number)
POL Treasury	Log into TESQA ... Transfer funds to POL ... POL receives funds from bank ... Send advise that POL has received amount with reference number ... C4.9.a.17 FSC Team Manager Monthly monitor TC control account "629310 Cash" ... C4.9.a.5 / C4.9.a.6 weekly FSC Team Operational meeting
Personal Banking Team	Check and verify information on Mis-key form in TESQA ... Determine error and amend the mis-key form where applicable ... E.mail mis-key form to card holders bank ... Bank investigates and resolves ... Check reference number and identify Open Case ... Issue TC with reference number ... Reconciliation & probity ... C4.9.a.16 weekly FSC Team Manager meeting ... D1.12.b.4 Finance ... D1.12.b.5 Finance ... C4.9.a.2 / C4.9.a.3 FSC (Monthly Prob. & Rec)
SharePoint	Log case in "Link Mis-key yyyy" spreadsheet (Sharepoint) ... Update "Link Mis-key yyyy" spreadsheet with TC reference number and date

Manual ... Print ... Yes, log mistake/transaction with NBSC

Interface ... Interface ... Interface

e.mail box "Linkenquiries@postoffice.co.uk

E.mail from box "Linkenquiries" **GRO**

E.mail

Activity - Online Banking

Chronological steps in the process:

1. Debit Card holder does either a cash deposit / (cheque deposit is dealt with Cheque team) or cash withdrawal in a branch, *(Branch)*
2. Branch (attempts) to enter transaction into HORIZON (either cash route or Cheque), *(Branch)*
3. Branch prints authorization receipts from HORIZON and gives this to the customer, *(Branch)*
4. Branch log mistake/transaction with NBSC (Network Business Support Centre), *(NBSC)*
5. NBSC (help line for Postmaster - part of POL) send to e-mail box "Linkenqueries GRO (restricted access) a "Mis-key" form detailing the nature of the error, *(NBSC)*
6. Check and verifies information on Mis-key form in TESQA system (shows all transactions made by card in a Branch), *(Personal Banking Team)*
7. Determine error and amend the mis-key form where applicable, *(Personal Banking Team)*
8. Log case in "Link Mis-key yyyy" spreadsheet (SharePoint and restricted to team access), this log contains all enquires coming from various sources, *(Personal Banking Team)*
9. E-mail mis-key form from "Linkenqueries GRO box to Bank (whichever was involved in the transaction) advising as per electronic copy of mis-key form (stored in restricted SharePoint) (no confirmation is received back from Bank source), *(Personal Banking Team)*
10. Receive advise from POL Treasury that they have received amount with reference number, *(Personal Banking Team)*
11. Check reference number and identify Open Case, *(Personal Banking Team)*
12. Issue TC in POLSAP – gives TC reference number – Vendor account, *(Personal Banking Team)*
13. Update "Link Mis-key yyyy" spreadsheet with TC reference number and date, *(Personal Banking Team)*
14. Branch accepts TC in HORIZON, *(Branch)*
15. Transaction error clears in POLSAP
16. End

Risk & Control   Online Banking Link

Control(s): TC13.01
Risk: Miskey's in relation to branch withdrawal or deposit are not investigated in a timely manner
Control objective: Monitor errors and ensure timely review
Frequency: As required
Control owner: FSC Team Manager (Sarah Parkes)
Control description: A "Link Mis-key yyyy" spreadsheet is maintained on SharePoint with the status of all open queries. This is updated as open items are worked on. A weekly review is performed to identify aged items on the list that require expediting / follow up.

Control(s): TC13.02
Risk: Miskey's in relation to branch withdrawal or deposit are not agreed with third party prior to correction, resulting in subsequent variances
Control objective: To ensure transaction corrections are confirmed with third party prior to processing
Frequency: As required
Control owner: FSC Team Manager (Sarah Parkes)
Control description: When a miskey resolution is concluded, a Miskey Form (MF) is sent to the relevant bank for them to investigate and resolve. Prior to issuing a TC, fund receipts from relevant bank are compared to MF details (stored in SharePoint file). SharePoint file is updated to record the tie through.

Control(s): C4.9.a.2 & C4.9.a.3
Risk: Balance sheet accounts are not reviewed resulting in error and misstatement or fraud
Control objective: To ensure that all BS accounts are reconciled and analysed and have evidence of balance justification
Frequency: Monthly
Control owner: FSC Operations Manager(s)
Control description: "All BS accounts within FSC area are reconciled at month end by the relevant Admin team members. Any open items are explained / annotated by the Admin team member and the reconciliation is sent to respective FSC Team Managers for review and approval. The FSC Team Manager(s) follows up any unreconciled/unexplained items with the respective Admin team member and once satisfied the reconciliation is approved (sign and dated as evidence) and forwarded to the FSC Operations Manager for final review and approval. The FSC Operations Manager reviews and queries where applicable with the FSC Team Manager(s) and sends/signs as evidence of final approval. The reconciliation(s) with approvals and any supporting documentation is dated, stored/printed and filed on SharePoint."

Control(s): C4.9.a.5 & C4.9.a.6
Risk: Build-up of aged balances - unapproved aged balances of affected account resulting in loss of reputation to Post Office.
Control objective: To ensure close monitoring of aged balances and prevent where possible any aged build-up of accounts affected.
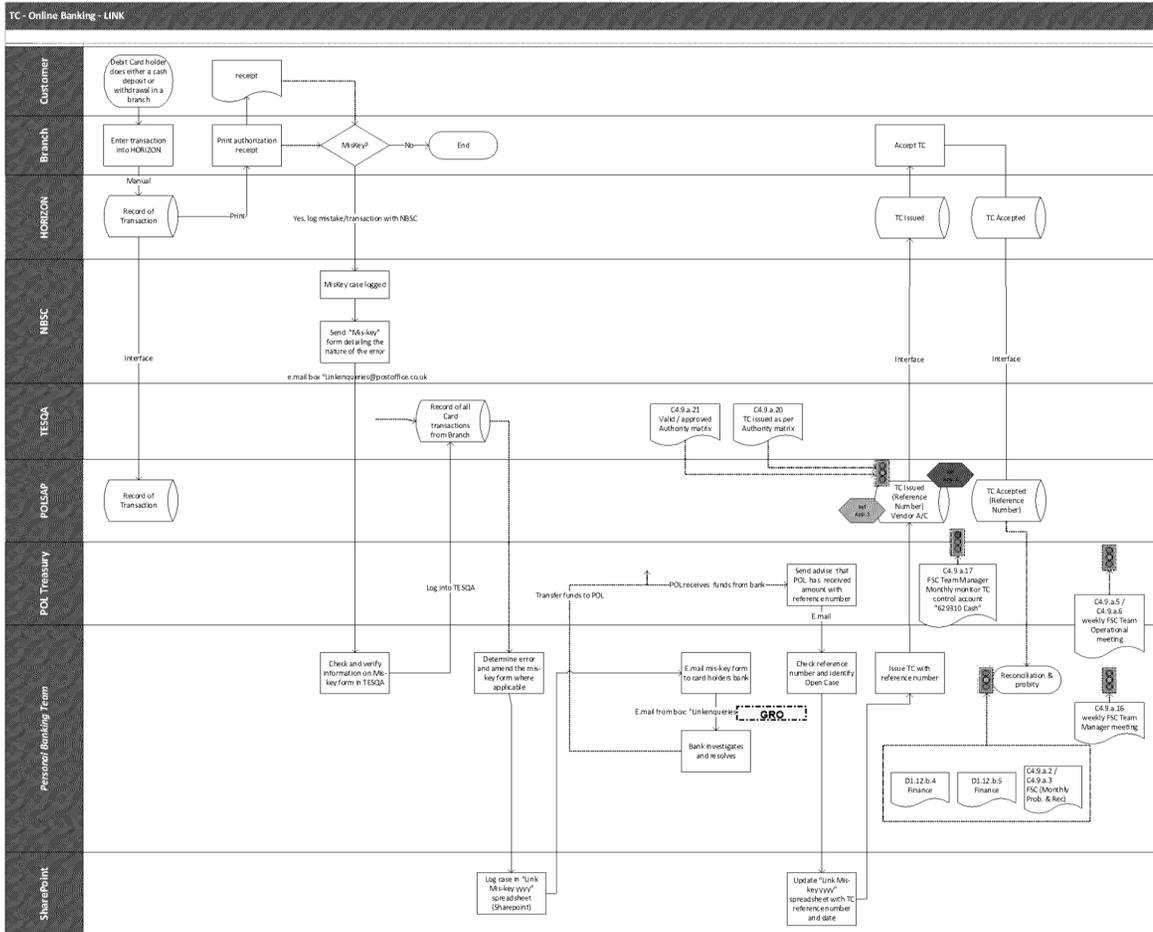**Frequency:** Weekly
Control owner: FSC Operations Manager(s)
Control description: "On a weekly basis the FSC Operations Manager performs an ageing analysis of all open items matching account per product area. The main objective is to prevent wherever possible any open item(s) falling into an aged (>3 months) category.
The respective Team Managers explains the analysis for their product area at the weekly Team Operational meeting. Open items are prioritised by highest value, date and/or other steer from Management.
Agreed actions are followed up with respective FSC Team Managers.
The FSC Operations Manager signs and dates the analysis and minutes from meeting with any other supporting documentation and retain as evidence."

Link Enquiry Process – Branch Enquiry Customer Unaware

FI

Receive non-Santander miskey error enquiry form

Contact Customer

Error Agreed

Yes

No

Corrective action undertaken

Notify cashier team

Notify FSC of outcome

Cashier Team

Notify FSC of reference number and amount

Receive notification of action from FI

FSC

Log receipt of miskey form

Check transaction details in TES

Save enquiry details in folder on SharePoint (per bank)

Populate non-Santander miskey error enquiry form to send via email to bank

Log outcome of case

Log reference number and amount

Advise office to make good shortage

Generate TC

Add TxnID and PAN to NBSC captured data

End

NBSC

NBSC advisor completes miskey form and sends via email

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Link Enquiry Process – POCA Enquiry

HP

Receive enquiry details and follow up with customer → Resolved?

Yes → End

No → 2nd Letter sent → End

FSC

Details recorded in spreadsheet → Investigate transaction in Credence → Investigate transaction in TES → Create Word document including enquiry details, TES screenshot, Credence screenshot → Save document in SharePoint in format OfficeName_FAD_Date → Email enquiry details to HP

NBSC

Enquiry sent in standard form

CJ Lang

Enquiry sent in standard form

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Link Enquiry Process – FI Originated

FI

Email sent from FI with form

Email sent from FI with enquiry details in body

Receive details and investigate → End

FSC

Enquiry details logged in spreadsheet on SharePoint → Check transaction details in Credence → Check transaction details in TES → Compile narrative and screenshots from TES and Credence to return to FI → Was the original enquiry in an email or form?

Email → Document narrative and supporting evidence and reply in body to original email

Form → Document narrative and supporting evidence and reply to original email with attachment of amended form

Link Banking Misskey process.pdf

(This may have been updated but unable to obtain or find out if a newer copy exists via Greg Lewis)

1.1.2   Personal Banking Santander- Branch Query

TC – Santander Online Banking part 1 (queries via Branch) (No SLA's).
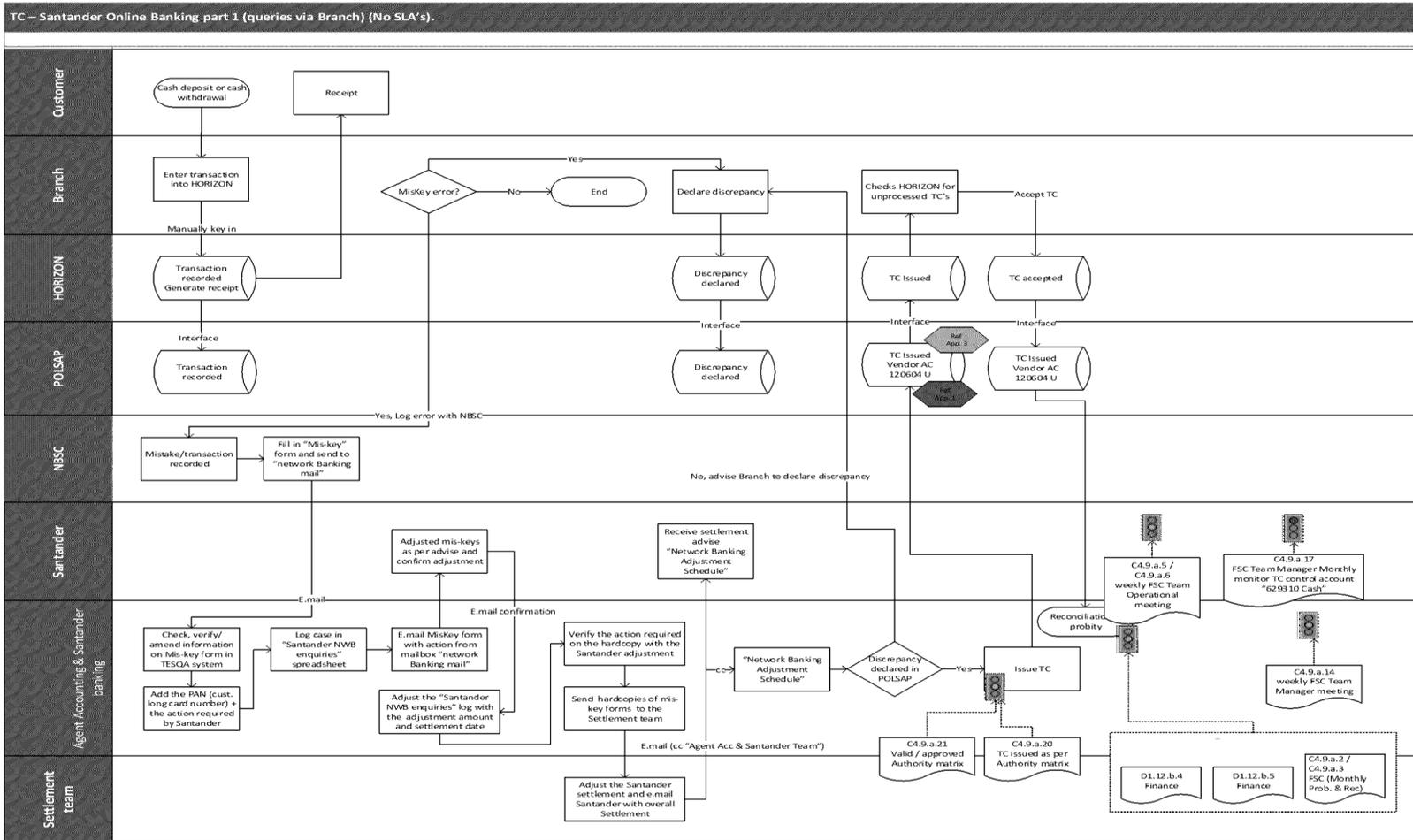
Activity - Santander Online Banking – part1

Chronological steps in the process:

Part 1 covers an error done in Branch and where Branch contacts Network Support centre regarding own mistake (mis key):

1. A Santander Customer does either a cash deposit or cash withdrawal in a PostOffice branch *(Customer)*
2. Branch enters transaction into HORIZON *(Branch)*
3. Branch issues receipts (generated via HORIZON) *(Branch)*
4. Mistake made in Branch? *(Branch)*
5. Branch log mistake/transaction with NBSC (Network Business Support Centre) *(Branch)*
6. NBSC send to "network Banking mail" (restricted access) box a "Mis-key" form detailing the nature of the error *(NBSC)*
7. Check and verifies information on Mis-key form in TESQA system (shows all transactions made by card in a Branch), *(Agent Accounting & Santander banking)*
8. Determine error and amend the mis-key form where applicable and add the PAN (cust. long card number – only visible in TESQA system) + the action required by Santander, *(Agent Accounting & Santander banking)*
9. Log case in "Santander NWB enquiries" spreadsheet (SharePoint and restricted to team access), *(Agent Accounting & Santander banking)*
10. E-mail mis-key form from "network Banking mail" box to Santander advising as per electronic copy of mis-key form (stored in restricted SharePoint), *(Agent Accounting & Santander banking)*
11. Receive Confirmation e-mail from Santander of adjusted mis-keys, *(Agent Accounting & Santander banking)*
12. Retrieve the hard copies of mis-key for cases being adjusted as per Santander e-mail, and verify the action required on the hardcopy with the adjustment advise as per Santander e-mail, *(Agent Accounting & Santander banking)*
13. Adjust the "Santander NWB enquiries" log with the adjustment amount and settlement date (always today + 1 business day), *(Agent Accounting & Santander banking)*
14. Bring hardcopies of mis-key forms for cases above to the Settlement team, *(Agent Accounting & Santander banking)*
15. Settlement team adjust the Santander settlement and e-mail Santander with overall Settlement -/+ any adjustments as per above and CC in Shaun., *(Settlement team)*
16. Checks that e-mail from Settlement team to Santander includes all transaction as per requested ("Santander NWB enquiries" log vs. Settlement teams spreadsheet "Network Banking Adjustment Schedule", *(Agent Accounting & Santander banking)*
17. Check POLSAP if discrepancy has been declared (Branch should declare discrepancy), *(Agent Accounting & Santander banking)*
18. If discrepancy has been declared and shows in POLSAP then issue a TC, *(Agent Accounting & Santander banking)*
19. If POLSAP does not show that the discrepancy has been declared contact the Branch and advise that a discrepancy declaration must be made before a TC can be issued., *(Agent Accounting & Santander banking)*
20. End

1.1.3   Personal Banking Santander- Santander Query

TC – Santander Online Banking part 2 (queries via Santander).
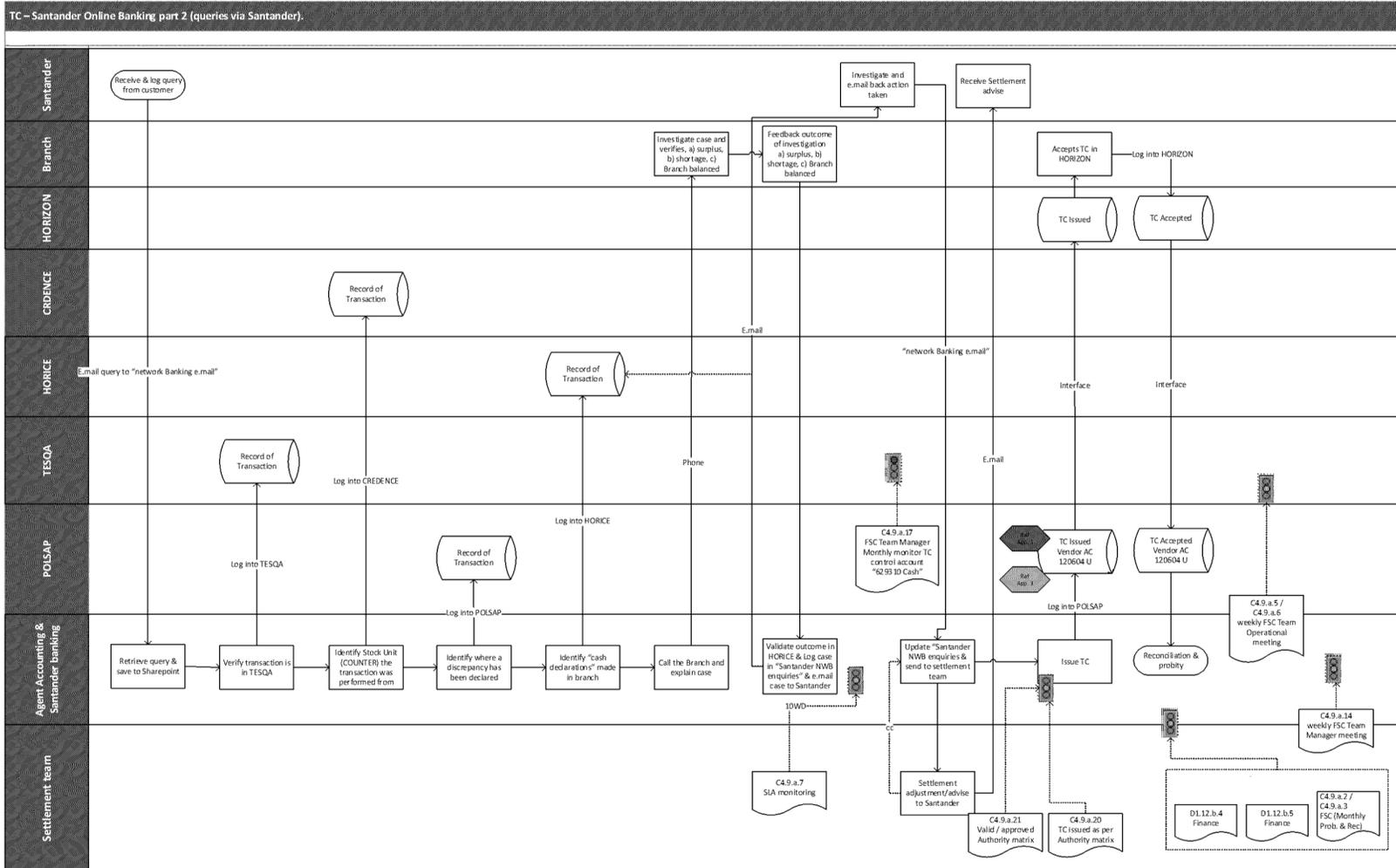
Santander mickeys (Shaun Wood) is now within Sarah Parkes team merged with Link duty.

Activity - Santander Online Banking – part 2

Chronological steps in the process:

<u>Part 2</u> **covers where a Santander customer contact and raise a query with Santander Bank:**

1. Customer raise a query with Santander *(Customer)*
2. Log query and e-mail case to "network Banking e-mail" *(Santander)*
3. Retrieve query, save to SharePoint and verify transaction is in TESQA, *(Agent Accounting & Santander banking)*
4. Verify transaction in CREDENCE and identify the Stock Unit (COUNTER) the transaction was performed from, *(Agent Accounting & Santander banking)*
5. Verify transaction in POLSAP to identify where a discrepancy has been declared, *(Agent Accounting & Santander banking)*
6. Verify transaction in HORICE to identify "cash declarations" made in branch for +/- dates near the transaction date as per enquiry form/ CREDENCE, *(Agent Accounting & Santander banking), access to HORICE is limited to Gill Hoyland)*
7. Call the Branch and explain case, *(Agent Accounting & Santander banking)*
8. Branch investigates case and verifies, a) surplus, b)shortage, c) Branch balanced, *(Branch)*
9. Feedback to Agent Accounting & Santander banking a, b or c as per above, *(Branch)*
10. Validate information from Branch in HORICE, *(Agent Accounting & Santander banking)*
11. Log case in "Santander NWB enquiries" spreadsheet (SharePoint and restricted to team access), *(Agent Accounting & Santander banking)*
12. Update hardcopy (as per 3) of case for Settlement use and electronic copy of case for Santander use, *(Agent Accounting & Santander banking)*
13. e-mail case to Santander – (electronic copy), *(Agent Accounting & Santander banking)*
14. e-mail action taken to "network Banking e-mail" with case reference *(Santander)*
15. Retrieve hardcopy of case and Update "Santander NWB enquiries" with Amount and Settlement date (next WD), *(Agent Accounting & Santander banking)*
16. Send hardcopies to Settlement team, *(Agent Accounting & Santander banking)*
17. Settlement team CC in *Agent Accounting & Santander banking* in e-mail settlement to Santander, *(Settlement team)*
18. Issue TC (via file automatic Transaction Corrections), *(Agent Accounting & Santander banking)*
19. Branch accept TC, *(Branch)*
20. End.

1.1.4   Personal Banking Manual

Risk & Control   Santander Online Banking part 1 & 2

Control(s): C4.9.a.7
Risk: SLA's are not met resulting in penalty and/or incurred loss to POL and/or reputational damage
Control objective: To ensure that all SLA's between POL and third party are met.
Frequency: Monthly
Control owner: Dawn Phillips
Control description: To ensure timely responses to Santander, all queries are logged in spreadsheet log "Santander NWB enquiries" with date of received and responded to Santander and stored on SharePoint with restricted access. Queries from Santander Bank to POL are subject to a SLA of 10 Business day's turnaround time for responses to Santander. To prevent any queries from Santander falling outside the SLA timeframe, the Team Leader Agent Accounting & Santander banking monitors and where applicable takes action on a weekly basis to ensure POL meets the SLA and/or explains any missed SLAs. On a monthly basis the Team Leader Agent Accounting & Santander banking signs, dates and uploads the log into TrAction.

Control(s): TC18.01
Risk: Errors for EBUF's are not agreed with third party prior to settlement, resulting in subsequent issues transaction correction, resulting in subsequent variances
Control objective: Agree correction with third party
Frequency: Weekly
Control owner: FSC Operations Manager (Jackie Whitham)
Control description: On a weekly basis a "RIZ 1" report is run, and compared to the Riz 3 report from Santander, received 10 days after the event. Variances are pulled together on a "Provcash" report and emailed to Santander on Monday. On Wednesday Santander email a response to FSC to confirm the balance to be settled. On Thursday the balance is settled with Santander in line with the Provcash confirmation.

Control(s): TC18.02
Risk: Miskey transaction corrections in relation to Santander branch withdrawal or deposit by customers are not agreed with third party prior to issuing transaction correction, resulting in subsequent variances
Control objective: To ensure transaction corrections are confirmed with third party prior to processing
Frequency: As required
Control owner: FSC Operations Manager (Dawn Phillips)
Control description: Agreement with third party: When a miskey resolution is concluded, a "Miskey Form" is sent to Santander for them to review. An email confirmation of the required adjustment is sent by Santander to Agent Accounting and Santander Banking Team prior to the case being fully resolved and processed.

Control(s): TC18.03
Risk: Incomplete or inaccurate transaction corrections are processed in relation to Santander branch withdrawal or deposit by customers, resulting in subsequent variances
Control objective: To ensure transaction corrections are confirmed with third party prior to processing and corrections are reviewed internally
Frequency: As required
Control owner: FSC Operations Manager (Dawn Phillips)
Control description: Review of corrections: When settlement confirmation for a miskey error is received from Santander, the Settlement Team (ST) email a "Network banking adjustments schedule" to Santander and copy in the Agent accounting and Santander banking team (AASBT), listing all corrections to be made for the day. The AASBT compare the schedule to the "Santander NWB Queries" log in order to verify completeness and accuracy of all corrections required. Evidence of review retained.

Control(s): C4.9.a.2 & C4.9.a.3

1.2   Cash & Bureau

Background

Cash rems from branch (POLSAP G/L acc. 553002 Cash in transit-notes and coin collect from branches)
Cash Control team
Purpose of process: (please fill in a paragraph)
The overall purpose is to send physical cash from Branch to central Postoffice as a Branch should only have a certain amount of cash in the Branch.

POLSAP GL accounts:
- 551100 – Cash held at branch
- 551200 – Cash (GBP) in pouches at branch
- 553002 – Cash (GBP) in transit from branch
- 553102 – Bureau (All) in transit from branch
- 552117 – Bureau (EUR) in pouches at branch
- 552118 – Bureau (USD) in pouches at branch
- 552119 – Bureau (Other) in pouches at branch
- 531222 – Shortages in Bureau (All) received at cash centre
- 539103 – Surplus in Bureau (All) received at cash centre
- 551000 – Cash held at cash centre
- 553001 – Cash (GBP) in transit from cash centre (CC) to branch
- 553101 - Bureau (All) in transit from cash centre (CC) to branch
- 539106/539202/539210/629507/629506/629510/629504/629503 – specific variance accounts when cash counted

Glossary of Control Owners	
Job Title	**Control Owner**
FSC Team Leader	Gillian Hoyland & Sarah Parkes
Cash Centre Manager	Bryan Flynn

TC - BUREAU & CASH REMS FROM BRANCH

Branch

- Bundle up cash (currency or GBP) in POUCHES
- Enter POUCH into Horizon
- Print "collection" receipt
- Place Pouches into "ibox" and sign collection receipt
- Picks up the TC in Horizon
- Accepts TC in HORIZON

CVIT

- Manual
- Hand empty "ibox" to branch
- Collect ibox, sign collection receipt and scan ACC card

HORIZON

- POUCH number identifies the POUCH
- Automatic
- Pouch moved to INTRANSIT – triggered by ACC card scan
- Courier CVIT
- TC Issued
- TC Accepted

POLSAP

- Interface
- Interface
- Match
- POLSAP pouch =ASSIGMENT "40 entry" (GL 551200 / 552117 - 552119)
- POLSAP CIT =ASSIGMENT "40 entry" (GL 553002 / 553102)
- Per assignment with a "50 entry" (GL 551000)
- GL Acc Line Item Display – any open items
- Interface
- Ref App 3
- TC Issued
- Interface
- TC Accepted
- Correcting entry in POLSAP without TC
- C4.9.a.17 FSC Team Manager Monthly monitor TC control account "629310 Cash"
- C4.9.a.5 / C4.9.a.5 weekly FSC Team Operational meeting

Cash Control Team

- TC04.04 Monthly review of cash in pouch
- Run report in POLSAP GL Acc Line Item Display
- Open items?
- Yes
- Issue TC? (Determine error resolution)
- No
- Yes
- No
- Reconciliation & probity
- Corrections in POLSAP without TC
- Month End
- C4.9.a.16 weekly FSC Team Manager meeting

Cash Processing Centre

- CC15.1 Aged cash in transit review
- Counts cash / enter in POLSAP
- CC15.4 Automatic system control - compare cash counted to cash entered
- C4.9.a.20 TC issued as per Authority matrix
- D1.12.b.4 Finance
- D1.12.b.5 Finance
- C4.9.a.2 / C4.9.a.3 FSC (Monthly Prob. & Rec)

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TC - BUREAU & CASH REMS TO BRANCH

Cash Processing Centre

Bundle up cash into POUCH

Scan pouches when collected by CVIT for despatch

CVIT

Automatic

Collect Pouches from cash centre → Deliver to branch

POLSAP

Transfer cash from 551000 to 553001

Transfer cash from 553001 to 551100 ····· Cash variance recorded

Automatic   Automatic

HORIZON

Pouch recognised in branch

Variance entered

Automatic

Branch

Take delivery of Pouch → Scan ACC Card → Count cash and identify variance

Cash Control Team

CC15.1 Aged cash in transit review

Auto TC issued daily

C4.9.a.17 FSC Team Manager Monthly monitor TC control account "629310 Cash"

C4.9.a.16 weekly FSC Team Manager meeting

C4.9.a.5 / C4.9.a.6 weekly FSC Team Operational meeting

D1.12.b.4 Finance

D1.12.b.5 Finance

C4.9.a.2 / C4.9.a.3 FSC (Monthly Prob. & Rec)

Activity - BUREAU

Chronological steps in the process (Branch to CC):

1. Branch performs 3 step process to move cash from till to Pouch:
   a) bundles up cash in POUCHES for shipment to Post Office cash centre *(Branch)*
   b) scan the pouch barcode in Horizon, recording the cash on Horizon as "Cash in Pouch", sub level "Packed" (551100 to 551200)
   c) Horizon produces 2 receipts, 1 for the pouch and 1 for the branch
2. Move pouch from "Packed" to "InSack" on Horizon (*Branch*)
3. Branch prints collection receipt, shows all pouches marked as "InSack" on Horizon.
4. CVIT scan ACC card on Horizon (or enter code), authorising collection. Triggers all "InSack" cash to move from 551200 to 553002. *(Courier CVIT)*
5. Branch place pouch in iBox (£26k max per time), viewed by CVIT.
6. CVIT sign the collection receipt next to the pouch.
7. CVIT take the cash to the van, scan the pouch on transtrack and deposit in the security box.
8. Section 5, 6 and 7 repeated for each pouch.
9. Pouch deposited at cash centre and scanned into POLSAP as receipted.
10. Processing in Cash Centre – (via surveillance cameras) – match up in POLSAP by POUCH number (POLSAP will reflect the 40 trans. Coming from Horizon and Cash centre match this per assignment with a 50 entry in POLSAP) *(Cash Processing Centre)*
11. To investigate what is outstanding run report GL Open Item Ageing Report (no variant) (classified as aged if > 3 months old, however the report shows all periods. *(Cash Control Team)*
12. Select from Ageing report own item as per Branch Code and run report GL Acc Line Item Display *(Cash Control Team)*
13. Run report in POLSAP GL Acc Line Item Display with variant. (Cash Control team)
14. Investigate and error resolution : *(Cash Control Team)*
    a. Resolution can be resolved within Cash Control Team
    b. Resolution needs a Transaction Correction to the Branch (TC issued from Cash Control Team)
15. Where applicable TC is issued in POLSAP *(Cash Control Team)*
16. Branch picks up the TC in Horizon and Accepts or Rejects (*Branch*)
17. Branch accepts in HORIZON and this triggers the 50 transaction in POLSAP (*Branch*)

19. Next day the error transaction will disappear from GL Open Item Ageing Report *(System)*
20. If rejected error resolution and where applicable escalation etc. resulting in acceptance. *(Cash Control Team)*
21. On a monthly basis (usually at month end) perform a probity (balance sheet showing all outstanding for the period) and reconciliation (breakdown, account specification with explanations) and this is being sent to Line Manager Dawn Wall who checks, keeps and files. *(Cash Control Team Lead)*

Chronological steps in the process (CC to Branch):
1) Cash Centre bag cash into Pouch
2) Pouch scanned when collected by CVIT
3) Cash delivered to branch and ACC card scanned at branch (triggering cash transfer)
4) Cash counted into till by Postmaster
5) Variance arises when value entered into Horizon by Postmaster (differs to Pouch value)
6) Auto TC issued to correct variances
7) Ageing review performed at month end and balances aged 3+ months investigated.

Risk & Control BUREAU & CASH REMS FROM BRANCH

Control(s): CC15.1
Risk: Classification of cash balances between cash centre and network is incorrect
Control objective: Identify cash lost or delayed in transit
Frequency: Daily
Control owner: Cash Centre Manager (Bryan Flynn)
Control description: On a daily basis a review is performed to identify pouches from cash centre to branch, and vice versa, which have been in transit for one week or more. All pouches identified are investigated to identify why the cash has not been rem'd in or out appropriately. Mitigating circumstances are documented where necessary, with follow up occurring for all other instances.

Control(s): CC15.2
Risk: Cash variances between branch and cash centre are incorrectly written off, resulting in fraudulent activity not being identified
Control objective: Ensure write-offs are fully investigated prior to processing
Frequency: As required
Control owner: Cash Centre Manager (Bryan Flynn)
Control description: Branches are advised of all discrepancies as they arise and have a week to dispute these. If the branch choose to dispute, and on investigation the cash centre is deemed liable, the balance will be written off subject to relevant authorisation within cash centre.

Control(s): CC15.3
Risk: Cash variances between branch and cash centre are incorrectly written off, resulting in fraudulent activity not being identified
Control objective: Ensure write-offs are fully investigated prior to processing
Frequency: Weekly
Control owner: Cash Centre Manager (Bryan Flynn)
Control description: On a weekly basis, a transaction report is run identifying all cash centre write offs. A write off form is produced for each cash centre based on the downloads. The write off form is reviewed to check for reasonableness of postings with follow up occurring for any unusual activity. The write off forms are subsequently forwarded to cash centre managers for approval (evidenced via signoff).

Control(s): CC15.4
Risk: Classification of cash balances between cash centre and network is incorrect
Control objective: Identify mismatch between cash recorded per branch and physical cash receipts at Cash Centre
Frequency: Annual
Control owner: Cash Centre Manager (Bryan Flynn)
Control description: Automatic - POLSAP performs an automatic reconciliation of the cash balance entered into Horizon by branch ("40 entry") to the cash counted and entered into POLSAP ("50 entry") by "Cash Processing Centre". The resulting variance is posted to GL 551000.

Control(s): TC04.04
Risk: Classification of cash balances between cash centre and network is incorrect
Control objective: Identify mismatch between cash recorded per branch and physical cash receipts at Cash Centre
Frequency: Monthly
Control owner: FSC Operations Manager (Sarah Parkes)
Control description: At Month end the Cash Control Team perform a review of cash sat in pouch at branch and compare to last cash collection date, thus identifying cash incorrectly held in pouch at month end. Items followed up accordingly.

1.2.1　Bulkcash

BULK CASH/COIN PROCESS

The Rule is that entries are posted to POLSAP by Cashiers and Cash Centres

Open GL Account

(1) GL Account 555011

(2) GL Account 555016

(3) GL Account 532300

(4) GL Account 532305

Decision how to clear entries

(5) Send Enquiry Form to Cash Centre/Cash Liason Management

Await return of Enq Form

See Sub Process Enter GL Acct Posting

(6) Adjust any errors which need posting to another GL account

(7) Clear Postings which Balance to Nil

See Sub Process POLSAP Clear GL Acc

(8) Clear Ledger

1.2.2   RMSD

Royal Mail Special Delivery Missing Items

E Mail from Belfast Cash
Centre giving details of
RMSD and branch code

See: Royal Mail Special
Delivery Process T/Finance/
Product and Branch
Accounting/Finance P&BA
Branch/cash Control/duty
Instructions

```
Open 553002 to look  →  Annotate open item  →  Enter the information  →  Complete RM  →  E Mail completed
for open item            with "missing RMSD      onto RM claims        spreadsheet – multi   sheet to RM
                         await receipt"          folder                claim form
```

Await RM notification of
payment

```
Photocopy PMR  →  Post value to 250753  →  ⏰  →  Complete JV to post
documents and send    and amend 553002            value to ESFS Group
to RM                 narrative                   accounts GL 29001

                                                  Update EXCEL
                                                  spreadsheet with RM
                                                  payment reference
```

1.3   Santander Transcash – High Level pre Dynamics

Santander Contact Centre Process

Phase

Santander Transcash

```
Contact Centre
email regarding          Customer Care          Check status of          Was the              Was a 2            Update customer
Transcash      ──►       or NBSC?      ─Customer Care─►  the Transaction  ──► transaction  ─Yes─► transaction  ─No─►  care that the       ──────────────►  END
transaction                                     using Credence           reversed?           carried out        money is in branch
                              │                                              │                    │
                            NBSC                                            No                   Yes
                              │                                              │                    │
                              ▼                                              │          Request the branch
                                                                            │          provide physical          Evidence           Issue TC to the      Update
                                                                            │          evidence of the    ─No─►   provided?   ─No─►   branch       ──►   Customer Care
                                                                            │          transaction being           │
                                                                            │          carried out               Yes
                                                                            │                                     │
                                                                            │                          Reply to Customer
                                                                            │                          Care confirming
                                                                            │                          transaction details
                              │                                              │
                              ▼                          Email Customer
      Query around                                       Care confirming the
      Santander      ──►      Resolve query              status of the
      Transcash                                          transaction
```

Contact Centre

Contact Centre

Santander Transcash To-Be

Phase

Santander Transcash team

Receive case regarding Santander Transcash → Does the case already exist? —No→ Create case using create case option or pick to create a case from email → N85C or Customer Care? —CC→ Check the status of the transaction using Credence → Attach Credence report to case → Was the transaction reversed? —No→ Update to show that the transaction went through → END

Does the case already exist? —Yes→ Add an activity to the existing case and attach/merge the inbound case/email

N85C or Customer Care? —N85C→ Resolve query around Transcash → Update case with the answer

Was the transaction reversed? —Yes→ Was a 2ⁿᵈ transaction carried out? —Yes→ Create a call activity and call the branch to request that the branch send physical evidence in → Was the evidence provided? —Yes→ Update the case with the evidence the branch has provided

Was the evidence provided? —No→ Update the case to show that the branch can't provide evidence → Update the case to show that the customer is to collect the money from the branch

Was a 2ⁿᵈ transaction carried out? —No→ Update the case to show that the money is with the branch → Refer the case back to Customer Care

Contact Centre

Contact Centre

END

END

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1.4   Camelot, Debits Cards & ATM Team

1.4.1   Camelot Auto TC Process Prize Payments

Glossary of Control Owners	
Job Title	**Control Owner**
FSC Team Leader	Andrea Green

Background

Camelot Auto TCs shows what has been paid out in prizes and the reconciliation between Camelot system and HORIZON – POLSAP. Daily open item reports are generated and from a comparison of Camelot & SAP system data and TC's are issued to rectify any open items.

Lottery tickets - 3 accounts: Cash prizes (manual), Online sales (automated) (Lottery), Scratch card activation (automated)

Branch divided into groups A B C D (each group represents roughly 4000 branches)

POLSAP GL accounts:

- 627012 – (CAMELOT Prizes) (Manual into HORIZON)

TC - CAMELOT

POL	CAMELOT send report SRC to POL → Receive & Upload SRC into CREDENCE
Branch	Cash prizes
CREDENCE	SRC / Manual
HORIZON	Cash Prizes
POLSAP	SRC (G/L 62 7012) / Cash Prizes / Daily CAMdd.mm.yy / Weekly TE OPEN (groups A B C D) / 6yyyy/mm/dd/P X (P=period) (X=group) / TC Issued GL acc 629310 (Outstanding Transaction Corrections)
Lottery Team	(see flow)

Upload

SRC — Interface

Interface

Cash Prizes — Interface

Variant "SALES PRIZE"

G/L acc display

Groups: A B C D

C4.9.a.21 Valid / approved Authority matrix

C4.9.a.20 TC issued as per Authority matrix

Ref App. 3

Ref App. 3

C4.9.a.17 FSC Team Manager Monthly monitor TC control account "629310 Cash"

"automatic TC correction"

C4.9.a.5 / C4.9.a.6 weekly FSC Team Operational meeting

Log into POLSAP →

| Daily retrieve the CAMELOT file | Rename file to : CAMdd.mm.yy | Rename the CAMdd.mm.yy file for TC issue – rename to TE OPEN | Run report G/L Acc Line Item | Download to Excel (FAD code for Branch and total amount of errors associated with the Branch) | For each group (ABCD) rename the TE OPEN to "6yyyy/mm/dd/P X (P=period) (X=group) (POLSAP) | Type in FAD code into POLSAP to bring up the total error | Identify error (open item) & Fill in template for TCs | Individual open item < £1 | Review items > £300 individually to ensure correction is valid | Upload TC template (test run & Final) | Reconciliation & probity |

Daily / Weekly

Yes

Create write off form and write off

C4.9.a.13 weekly FSC Team Manager meeting

D1.12.b.4 Finance

D1.12.b.5 Finance

C4.9.a.2 / C4.9.a.3 FSC (Monthly Prob. & Rec)

Activity - CAMELOT

Chronological steps in the process:

1. *Camelot sends report SRC (contains volumes of sales, prizes etc.) to PostOffice, ATOS (CAMELOT)*
2. *PostOffice uploads report SRC into CREDENCE (after validation checks over data)*
3. *CREDENCE interface to POLSAP (CREDENCE)*
4. *POLSAP interface HORIZON (POLSAP)*
5. *One G/L account 627012 – contains prizes (POLSAP)*
6. *Choose group of Branches (A, B, C, D) where each group represents roughly 4000 branches (Lottery team)*
7. *Each morning retrieve the CAMELOT file and rename to : CAMdd.mm.yy in POLSAP (Lottery team)*
8. *Weekly rename the CAMdd.mm.yy files for TC issue – rename to TE OPEN (the TE OPEN contains the total of all errors across all groups (A B C D) (Lottery team)*
9. *Run POLSAP G/L Acc Line Item with variant "SALES PRIZE", (Lottery team)*
10. *Download report to Excel – report shows FAD code for Branch and total amount of errors associated with the Branch, (Lottery team)*
11. *For each group (ABCD) rename the TE OPEN to "6yyyy/mm/dd/P X (P=period) (X=group) (POLSAP) , this splits the TE OPEN file as per step 8 into individual errors per group (A B C D), (Lottery team)*
12. *For each group (ABCD) rename the HORIZON file in POLSAP to "6yyyy/mm/dd/P X (P=period) (X=group) this splits the HORIZON file into individual errors per group (A B C D), (Lottery team)*
    a. *Query: how do you identify the total TE open into groups? Answer: It's via Branch lookup, where each Branch is identified as group A B C or D.*
    b. *Query: How do you identify the HORIZON file to be renamed? Answer: search in POLSAP for file "TE OPEN" and a date range of Month month.*
    c. *Query: Does POLSAP do any automatic matching within the file as it now has identical file names originating from 2 sources (HORIZON and POLSAP) Answer: No matching, however POLSAP now gives the total open per Branch, etc. Credits from CAMELOT postings and Debits from HORIZON.*
13. Anything less than 1 GBP (Deb/cr.) no TC is issued. Items < £1 written off (form created and retained) *(Lottery team)*.
14. Select from spreadsheet amounts over GBP 300, *(Lottery team)*. These are checked individually before auto TC is run.
15. Type in FAD code into POLSAP G/L acc display to bring up the total error, *(Lottery team)*
16. Identify error (open item) in Trading period
17. Fill in template for TCs (spreadsheet "Group x period yyyy" stored on Sharepoint)
18. TCs are issued monthly per Branch (per Group), working on a group per week so each group is covered during the month.
19. POLSAP screen "automatic TC correction" – meaning POLSAP uploads from TC template and posts automatically all TC's that has been filled.
20. Run first in Test run
21. When test run is successful – run in normal mode
22. TCs issued in POLSAP
23. Transaction posts in "Lottery Stock Unit", GL acc 629310 (Outstanding Transaction Corrections) Debit in Stock Unit OoH (Out of Hours) money in to Stock Unit, Credit paying money back to Branch (no physical transfer of money is happening between POL and Branch)

1.4.2 Camelot - Others Process Flow

Glossary of Control Owners	
Job Title	**Control Owner**
FSC Team Leader	Andrea Green

Background

Main purpose of this process is to monitor the below G/L accounts and keep Open items to a minimum. Any Open item > 90 days is considered aged. In POLSAP the matching is compared between the uploaded CAMELOT file and CREDENCE (via Interface to POLSAP) and data source coming from HORIZON

POLSAP GL accounts:

- 627016 - CAMELOT Online Sales Matching (Pinged into HORIZON automatically)
- 627011 - CAMELOT Scratch card activation acc (Pinged into HORIZON automatically)
- 627012 - CAMELOT Prizes (Manual into HORIZON)
- 622045/622046 - CAMELOT Barclay Cheques prizes (manual into HORIZON), max £500 in Cash and rest in Barclay cheque

Accounts that contain pinged data should match unless there has been a failure to deliver TAs (Transaction Acknowledgements) to branch.

TAs may then be recreated by POL IT suppliers or branches can be TCd in order to provide data entry.

TC – CAMELOT - Other

Branch
- Sales / prizes
- Record sale in Lottery terminal
- Accept TC — Manual

Lottery Terminal
- Online Sales
- Scratch card activation
- Prizes
- Barclay Cheques
- Control: Weekly monitoring of balances aged 7 years +
- Automatic "PING" / Automatic "PING" / Manual / Manual

HORIZON
- Record of Transaction (POLSAP GL 627016)
- Record of Transaction (POLSAP GL 627011)
- Record of Transaction (POLSAP GL 627012)
- Record of Transaction (POLSAP GL 622045/622046)
- TC Issued
- TC Accepted

CREDENCE
- Upload via Acenture
- CAMELOT file
- Interface
- C4.9.a.21 Valid / approved Authority matrix
- C4.9.a.20 TC issued as per Authority matrix
- Interface / Interface

POLSAP
- Interface
- Record of transaction HORIZON source
- Record of transaction CAMELOT source
- Record of transaction
- Ref App. 1
- Ref App. 3
- TC issued G/L 627012
- TC Accepted
- Transaction corrected without TC

Lottery Team
- Check open items G/L Acc. Line Item display
- End — No
- Open items? — Yes — Investigate open items
- Issue TC — Yes — No, correct in POLSAP without TC
- C4.9.a.5 / C4.9.a.6 weekly FSC Team Operational meeting
- Reconciliation & probity
- C4.9.a.18 FSC Team Manager Monthly monitor TC control account "629320 Stock"
- C4.9.a.13 weekly FSC Team Manager meeting
- D1.12.b.4 Finance
- D1.12.b.5 Finance
- C4.9.a.2 / C4.9.a.3 FSC (Monthly Prob. & Rec)

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Activity - CAMELOT (Other)

Chronological steps in the process:

1. Customer buys/checks winning ticket lottery via "Lottery terminal" *(Branch)*
2. Transaction is recorded on Lottery terminal as a sale in CAMELOT
3. Lottery terminal "PINGS" automatically to HORIZON G/L 1 & 2, whereas 3 & 4 is entered manually)
4. Upload daily file from CAMELOT to CREDENCE *(ACCENTURE)*
5. Interface to POLSAP with daily total, *(POLSAP)*
6. Check open items G/L Acc. Line Item display in acc. 627016, 627011, 627012 *(Camelot team)*
7. Investigate open items (aged > 90 days) (POLSAP compare CAMELOT data vs. HORIZON), *(Camelot team)*
8. Issue resolution – either raise a TC or correct without TC
9. The data requires to be resolved, this could be;

   - A TP6 to Former Agents Debt
   - A Camelot query to investigate.
   - No customer line item due to HR process
   - Manually clearing POLSAP postings that don't net to zero due to some late postings.

1.4.3 Camelot Dynamics Process – General Branch Enquiries via Call Centre

Glossary of Control Owners	
Job Title	**Control Owner**
FSC Team Leader	Andrea Green

Background

Main purpose of this ad hoc process is to ensure that the POLSAP Camelot GL accounts contain correct accounting entries and branch queries are correctly resolved.

On occasion there may be contact between the FSC Lottery Team and Barclays the Camelot Prize Cheque issuing bank, adjustments may be made in APOP to cancel cheques should such a requirement arise. i.e. an office has printed two cheques but failed to spoil one so a live cheque, although secure in branch, is in existence.

Activity - CAMELOT (Dynamics Queries)

Chronological steps in the process:

1. Enquires received via MS Dynamics these could relate to a number of issues but mainly.
2. Queries regarding TAs (Transaction Acknowledgements) i.e. the branch does not agree with the value
3. Queries relating to Prize payments specifically cheques
4. POLSAP, Credence and for cheques APOP is investigated in order to form a conclusion and evidence may be created.
5. Contact is made with the branch to discuss conclusions formed to avoid posting hard copies.
6. Hard copy evidence is only sent if specifically asked for.
7. Once a satisfactory conclusion is reached remedial action is taken, this could be;
8. Issue resolution – either raise a TC or correct without TC
9. The data requires to be resolved, this could be;
   - A TP6 to Former Agents Debt
   - A Camelot query to investigate.
   - No customer line item due to HR process
   - Manually clearing POLSAP postings that don't net to zero due to some late postings.
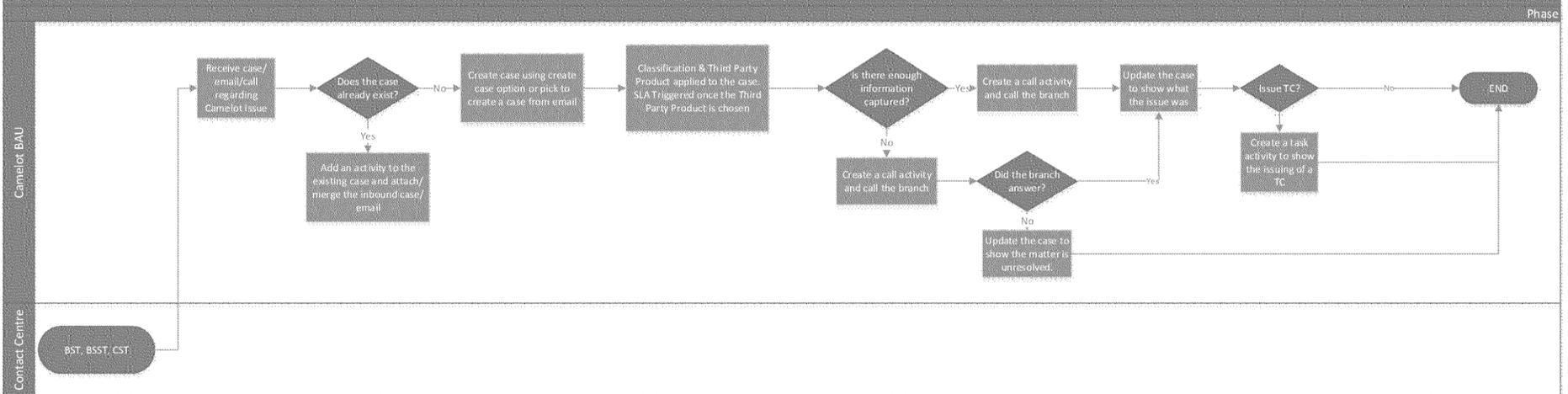
1.4.4   Debit Cards High Level Process Flow

Glossary of Control Owners	
Job Title	**Control Owner**
FSC Team Leader	Andrea Green

Background

Reconcile debit card accounts for all products/services either in a Branch or Online web services (e.g. top up a Drop & Go card). Majority of TCs are issued to refund money directly to Customers card (that was used for payment). Requests for refunds would normally come via MS Dynamics e-mail from NBSC.

GL Acc. – Bureau (555079), Retail (555078), Online Drop & Go (555083), Paystation (555080), Self Service Kiosk (555095), AMEX Bureau (555085), AMEX Retail (555084)

TC — Debit Card

Customer

Buy product / services in Branch → Card refunded

Global Pay

Process Card Payment

C4.9.a.8 POLSLA of 10 Business days response time

Request Global Pay for refund the card → Query? →No→ Process refund

Branch

Enter transaction in HORIZON

Accept TC — Picks up the TC in Horizon

HORIZON

Record of Transaction

TC Accepted   TC issued

FUJITSU / ACCENTURE

Interface   Run Weekly Sweep   Receive file from Global Pay   Interface   Interface

Yes Encrypted e.mail

POLSAP

Upload

Record of Transaction (HORIZON source)   Sweep   Record of Transaction (Global Pay source)   TC Accepted

TC Issued 555084 AMEX Retail 555085 AMEX Bureau 539107 Robbery & Burglary 627024 First Rate   Ref App. 3   Ref App. 1.

C4.9.a.17 FSC Team Manager Monthly monitor TC control account "629310 Cash"

Resolution without TC

C4.9.a.5 / C4.9.a.6 weekly FSC Team Operational meeting

GL Acc LI Display for GL - Open Items

Debit Card team

Run GL Acc LI Display for GL - Open Items   Investigate Open Items /Request for refund   Determine product & how Branch has accounted for it (e.g. reversal, cancellation, duplicates etc   Issue TC? →Yes→ Fill in spreadsheet "Refund Request Form" / clarify Global Pay query   →Month End→ Resolution without TC   Reconciliation & probity

Yes

C4.9.a.13 weekly FSC Team Manager meeting

No

NBSC

Requests for refund   E.mail

C4.9.a.21 Valid / approved Authority matrix

C4.9.a.20 TC issued as per Authority matrix

C4.9.a.1 FSC card refunds to customer are checked

D1.12.b.4 Finance   D1.12.b.5 Finance   C4.9.a.2 / C4.9.a.3 FSC (Monthly Prob. & Rec)

Activity – Debit Cards

Chronological steps in the process:

Debit Card Team

1. Customer uses a debit/credit card in a Branch to pay for a service/product *(Customer)*
2. Branch enters transaction into HORIZON *(Branch)*
3. HORIZON interface to CREDENCE & POLSAP *(HORIZON)*
4. Global Pay process card payments and send file through FUJITSU/ACCENTURE, *(Global Pay)*
5. Daily uploads file into POLSAP *(FUJITSU/ACCENTURE)*
6. Weekly Sweep file for all GL accounts in POLSAP that match *(FUJITSU/ACCENTURE)*
7. Run GL Acc LI Display for GL acc, and investigate Open item (majority of POLSAP can be resolved without TC) *(Debit Card Team)*
8. Requests for refunds – receive e-mail request for refund from NBSC (Call Centre - Helpline etc.) *(NBSC)* **_SEE DYNAMICS PROCESS 1.3.5_**
9. Determine product and how the Branch has accounted for the transaction (e.g. reversal, cancellation, duplicates etc. etc.) *(Debit Card Team)*
10. Based on type of error (as in 8 above) determine whether or not to issue a TC *(Debit Card Team)*
11. No TC Issued – resolution within FSC *(Debit Card Team)*
12. Issue TC in POLSAP – screen "Enter Outgoing Invoices" and fill in Branch, customer, date etc. *(Debit Card Team)*
13. POLSAP interface to HORIZON – Branch has pending TC – Accepts TC, *(POLSAP)*
14. Same day as Issuing TC – request Global Pay (fill in spreadsheet "Refund Request Form" in order to refund the card (that was used for the transaction) *(Debit Card Team)*
15. Encrypt spreadsheet and e.mail to Global Pay. *(Debit Card Team)*
16. Global Pay reviews request form and query (e.mail) if required, otherwise action the refund *(Global Pay)*
17. Global Pay payment file is reflected (interface into POLSAP) *(POLSAP)*
18. Branch accepts the TC in HORIZON and via Interface to POLSAP *(Branch)*

Debit card refunds enquiries are received from (see below) via MS Dynamics there is no other difference in the way and enquiry is handled.
GL Account files are received as follows.
Branch txn = occurs day 1
Horizon txn received day 2 in POLSAP
Global Pay txn file received in POLSAP day 3

REFUND BACK ONTO DEBIT CARDS IMMEDIATELY WULD BE THE BEST IMPROVEMENT, ALSO NOT REVERSING REFUNDING BILL PAYMENTS TXNS AT ALL WOULD ELIMNATE MANY FRONT END BRANCH ISSUES.

1.4.5 Debit Cards - Dynamics Process
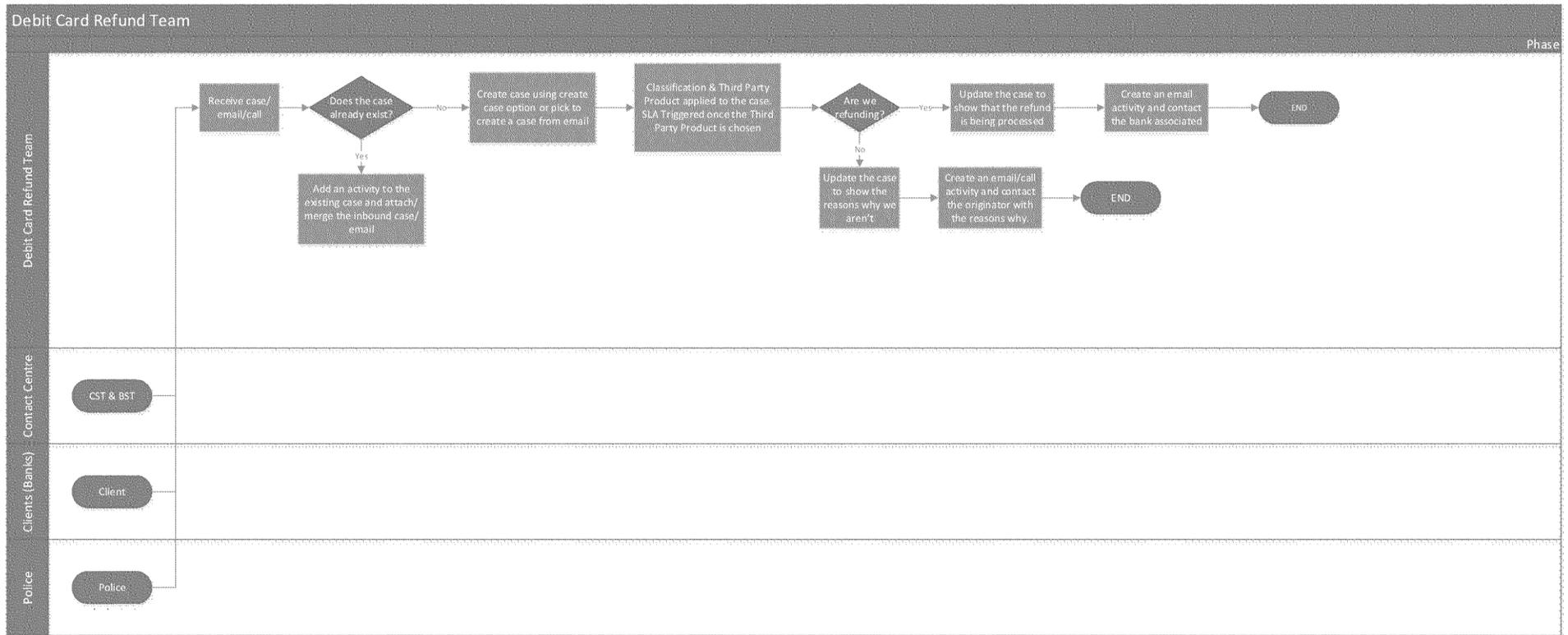
Control(s): TC07.01

Risk: Debit card transactions are incorrectly recorded and not identified as erroneous, resulting in incorrect financial reporting

Control objective: To ensure debit card transactions are matched to third party reporting

Frequency: Daily

Control owner: FSC Operations Manager (Andrea Green)

Control description: POLSAP performs an automatic reconciliation of the debit card transactions per Horizon (branch and online) to the transactions recorded by Global Pay. This occurs daily following upload of Global Pay file onto POLSAP by Fujitsu / Accenture. The resulting variance is posted to relevant GL accounts dependent on transaction type:

    - 555079 – Bureau

    - 555078 – Retail

    - 555083 - Online drop & Go

    - 555080 – Paystation

    - 555095 - Self Service Kiosk

    - 555085 - AMEX Bureau

    - 555084 - AMEX Retail

Control(s): TC07.02

Risk: Debit card transactions are incorrectly recorded and not identified as erroneous, resulting in incorrect financial reporting

Control objective: To ensure erroneous debit card transactions are identified and investigated

Frequency: Daily

Control owner: FSC Operations Manager (Andrea Green)

Control description: On a daily basis the Debit Card Team run a GL account query for all debit card GL's, highlighting open items. Open items are investigated and processed via TC or internal correction. Aged open items are included on the month end probity.

Control(s): TC07.03

Risk: Debit card transaction corrections are not agreed with third party, resulting in subsequent variances

Control objective: To ensure transaction corrections are confirmed with third party prior to processing

Frequency: As needed

Control owner: FSC Operations Manager (Andrea Green)

Control description: Where a transaction correction is required a "Refund request form" is sent to Global Pay confirming the proposed action. "No response" from Global Pay is taken as agreement to the correction. If Global Pay query the correction then they will contact the Debit Card Team via encrypted email and the correction will be revisited.

Control(s): C4.9.a.2 & C4.9.a.3

Risk: Balance sheet accounts are not reviewed resulting in error and misstatement or fraud

Control objective: To ensure that all BS accounts are reconciled and analysed and have evidence of balance justification

Frequency: Monthly

Control owner: FSC Operations Manager(s)

1.4.6 ATM High Level Process Flow

Glossary of Control Owners	
Job Title	**Control Owner**
FSC Team Leader	Andrea Green

Background

Process covers discrepancies between Branch and Client banks as per above. Normally approx. 10 weeks behind.

High value TC's must be issued within 90 days, as CREDENCE only keeps the breakdown for 90 days.

ATM
- Bank of Ireland (daily)
- YourCash (daily)
- Note Machine (weekly)
- TRMB (settlement do upload)

POLSAP GL accounts:
- 627046 – Bank of Ireland (BOI) ATM transaction account, recording all cash dispensed from ATM's
- 627047 – Variances arising between BOI and horizon, generated from 627046 and BOI report
- 627050 – Variances arising between Hanco and horizon for ATM transactions
- 627060 / 627061 / 627043 – Variances arising between Notemachine and horizon for ATM transactions

TC - ATM

Bank of Ireland

Daily e.mail all transactions dispensed from ATM

Hanco / Notemachine

Monthly e.mail all transactions from ATM – direct poll

Branch

Daily run ATM dispense report

Correct error in HORIZON

Accept TC

HORIZON

Manually enter report into HORIZON

Interface

Branch correction / Accept TC

TC Issued

Interface

Interface

POLSAP

Daily Bank of Ireland report (GL 627046)

Interface from HORIZON (GL 627046)

Yes

TC Accepted

Ref App. 3

TC Issued G/L 627047 (G/L 627050) (G/L 627060)

Ref App. 3

CREDENCE

Breakdown of HORIZON

Interface

Run report

10,000 - 250,000 signed by LM
>250,000 signed by senior LM

C4.9.a.17
FSC Team Manager Monthly monitor TC control account "629310 Cash"

C4.9.a.13
weekly FSC Team Manager meeting

C4.9.a.5 / C4.9.a.6
weekly FSC Team Operational meeting

ATM Team

Receive daily report

Upload report to POLSAP

Run POLSAP report G/L acc Line Item display

Investigate any open items

Enquiry form to Branch?

No

Issue TC

Month End

Reconciliation & probity

Daily POLSAP report Acc. 627047 – "BOI ATM Matching'"

Monthly POLSAP report Acc. G/L 627050 'Hanco ATM Matching' & G/L 627060 'Notemachine Matching'

C4.9.a.21
Valid / approved Authority matrix

C4.9.a.20
TC issued as per Authority matrix

D1.12.b.4
Finance

D1.12.b.5
Finance

C4.9.a.2 / C4.9.a.3
FSC (Monthly Prob. & Rec)

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Activity ATM

Chronological steps in the process:

1. Bank of Ireland e.mails ATM team all transactions dispensed from ATM machine belonging to Bank of Ireland (this is ATM machines physically located inside the Branch) (the report covers from 16:30 to 16:30 following day) (reports shows total dispense per ATM machine identified via Merchant ID)
2. Upload report into POLSAP (ATM team)
3. Branch runs ATM report (16:30) and manually keys into HORIZON the 16:30 figure from the ATM report
4. Check G/L account 627047 "Post Office ATM matching", should ideally balance to zero each day
5. Investigate any open items (in POLSAP transactions with RED.
6. Run CREDENCE report in order to get the breakdown of HORIZON entries.
7. Issue TC (<=GBP 10,000 - >10,000 fill in high value forms and signed by LM (up to 250,00) >250,000 senior LM)
8. If TC > 1,000 send enquiry form to Branch explaining the Branch error and turnaround time for Branch to correct in HORIZON is 10 WD
9. If Branch corrects in HORIZON this will then clear in POLSAP
10. If Branch do not correct in HORIZON an issue a TC
11. If by any chance both POL and BRANCH corrects, then POL will issue a compensating TC the following day
12. Evidence of HORIZON entries are download to excel and save on desk top
13. At month end do the reconciliation and probity (justifying the balance) Reconciliation of 627047 and 627046 (Settlement matching account) and save on Sharepoint and team lead reviews and signs and send to 2nd senior manager for their review.

1.4.7 ATM Branch Enquiry Form Process Flow

Inputs:
- BOI issue 16:30 figures report

Compare BOI report against Horizon report for differences.

Actions:
- Issue TC for amounts under £1000
- See authorisation for amounts over £1000

End of process.

greater than £10k an Enquiry Form is sent to the branch to give them time to take corrective action in Horizon, i.e. make the correct entry so upon receipt of the Horizon entry the open items will match and no TC has to be issued.

Risk & Control ATM

Control(s): TC01.01

Risk: Erroneous Erroneous ATM transactions resulting in incorrect cash balances

Control objective: Identify and investigate potentially incorrect ATM transactions

Frequency: Daily

Control owner: FSC Team Leader (Andrea Green)

Control description: On a daily basis the Bank of Ireland ATM transaction report will be uploaded into POLSAP by the ATM team. POLSAP can then automatically compare the Horizon transactions with the daily uploads. On a daily basis the ATM team run a POLSAP report to identify all potential mismatches - GL code 627047 - and investigate and follow up accordingly

Control(s): TC01.02

Risk: Erroneous ATM transactions resulting in incorrect cash balances

Control objective: Identify and investigate potentially incorrect ATM transactions

Frequency: Monthly

Control owner: FSC Team Leader (Andrea Green)

Control description: On a daily basis the Hanco/Notemachine ATM transaction report will be uploaded into POLSAP by the ATM team. POLSAP can then automatically compare the Horizon transactions with the daily uploads. On a monthly basis the ATM team run a POLSAP report to identify all potential mismatches - GL codes:
 - Hanco – 627050
 - Notemachine - 627060

Control(s): C4.9.a.2 & C4.9.a.3

Risk: Balance sheet accounts are not reviewed resulting in error and misstatement or fraud

Control objective: To ensure that all BS accounts are reconciled and analysed and have evidence of balance justification

Frequency: Monthly

Control owner: FSC Operations Manager(s)

Control description: "All BS accounts within FSC area are reconciled at month end by the relevant Admin team members. Any open items are explained / annotated by the Admin team member and the reconciliation is sent to respective FSC Team Managers for review and approval. The FSC Team Manager(s) follows up any unreconciled/unexplained items with the respective Admin team member and once satisfied the reconciliation is approved (sign and dated as evidence) and forwarded to the FSC Operations Manager for final review and approval. The FSC Operations Manager reviews and queries where applicable with the FSC Team Manager(s) and sends/signs as evidence of final approval. The reconciliation(s) with approvals and any supporting documentation is dated, stored/printed and filed on Sharepoint."

Control(s): C4.9.a.5 & C4.9.a.6

Risk: Build-up of aged balances - unapproved aged balances of affected account resulting in loss of reputation to PostOffice.

Control objective: To ensure close monitoring of aged balances and prevent where possible any aged build-up of accounts affected.

Frequency: Weekly

Control owner: FSC Operations Manager(s)

Control description: "On a weekly basis the FSC Operations Manager performs an ageing analysis of all open items matching account per product area. The main objective is to prevent wherever possible any open item(s) falling into an aged (>3 months) category.

The respective Team Managers explains the analysis for their product area at the weekly Team Operational meeting. Open items are prioritised by highest value, date

1.4.8 ATM Retracts High Level Process Flow

Glossary of Control Owners	
Job Title	Control Owner
FSC Team Leader	Andrea Green

Background

ATM (PostOffice + Bank of Ireland machines) retracts the cash that is being dispensed by customer back into the machines. This is due to "time out", if the physical cash is not taken within 59 seconds the ATM retracts the money and put in a "retract" tray within the machine. Customer account has been debited.

If there are communication failures on the machine, it can also happen that cash is never dispensed, however the customer account has been debited. A surplus can also consist of a combination of retracts and communication failures etc.

Bank of Ireland normally refunds customer within 3-5 WD.

POLSAP GL accounts:

- 626206 – Aged surplus balances (> 3 months old) reported by branch but refund not received by BOI
- 627077 – Surplus balances (< 3 months) reported by branch but refund not received by BOI

TC – ATM retracts

Customer

- Customer attempts to withdraw cash from ATM
- ATM retracts the cash or does not dispense cash
- Customer acc. debited despite no cash given out
- Customer raise query (Branch, own bank)
- On average a refund takes place 3-5 WD after event
- Card refunded

Branch

- Declare cash surplus in HORIZON
- Weekly balance and any re-tract should show as a surplus
- Checks HORIZON for unprocessed TC's
- Accepts TC in HORIZON
- Manual
- Scan
- Accept TC

HORIZON

- Surplus declared
- Weekly balance
- TC issued
- TC accepted

CREDENCE

- Interface
- Weekly balance
- Interface

POLSAP

- <<Auto matching in POLSAP>>
- Surplus declared
- Interface
- Interface
- Ref App. 1
- TC issued "auto TC" G/L 627077
- Ref App. 3
- Refund card
- TC recorded
- Bank of Ireland "refund file"
- "POLFS Automatic matching"
- G/L 627077 (Any open items)
- G/L 626206 "creditor holding" acc. (Aged > 3 months)
- Yes

Bank of Ireland

- LINK notifies of Retracts
- Receive notification of retracts
- Upload
- Weekly e.mail "refund file"
- Upload

ATM Team

- Log into CREDENCE and Run report "Weekly balance Sheet"
- Download report to excel and filter on "Surplus"
- SurPlus declared by Branch?
- No
- Issue TC in "auto TC" spreadsheet and weekly upload
- Upload "refund file" in POLSAP
- Run report "POLFS Automatic matching"
- Open item > 3 months?
- Yes
- Post item > 3 months to "balancing" acc.
- No
- Investigate and issue TC where required
- Res. without TC
- Reconciliation & probity
- Resolution with TC
- C4.9.a.21 Valid / approved Authority matrix
- C4.9.a.20 TC issued as per Authority matrix
- C4.9.a.17 FSC Team Manager Monthly monitor TC control account "629310 Cash"
- C4.9.a.13 weekly FSC Team Manager meeting
- C4.9.a.5 / C4.9.a.6 weekly FSC Team Operational meeting
- D1.12.b.4 Finance
- D1.12.b.5 Finance
- C4.9.a.2 / C4.9.a.3 FSC (Monthly Prob. & Rec)

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Activity - ATM Retracts

Chronological steps in the process:

1. Customer requests cash, however machine retracts the money (if cash is not taken within 59 seconds) / or money never comes out of the machine at all due to e.g. "communication error", machine jammed etc. etc. *(Customer)*
2. Raise enquiry with own bank or Branch *(Customer)*
3. Bank of Ireland automatically get alerted of re-tracts (via Link) *(Bank of Ireland)*
4. PostMaster should notice same day a £ surplus in their re-tract box and declare in HORIZON *(Branch)*
5. PostMaster does weekly balance and any re-tract should show as a surplus, *(Branch)*
6. Scan the "weekly balance" in HORIZON through APADC, *(Branch) This goes to BOI*
7. Log into CREDENCE and run report "weekly balance sheet" and download to excel, *(Camelot, Debit Card & ATM Team)*
8. Filter on "surplus" and verify in POLSAP if the Branch has declared the surplus , *(Camelot, Debit Card & ATM Team)*
9. *If "surplus" declared = End (POLSAP will balance)*
10. If not declared – issue TC, *(Camelot, Debit Card & ATM Team)*
11. Gather all TC's in auto TC spreadsheet and weekly upload to POLSAP (normally on Fridays), *(Camelot, Debit Card & ATM Team)*
12. *Branch accepts the TC in HORIZON, (acceptance of the TC replaces the "declare") (Branch)*
13. *Weekly e.mail "refund file" to Camelot, Debit Card & ATM Team (sent to individuals in the team and not a team box), (Bank of Ireland)*
14. Upload Bank of Ireland "refund file" directly in POLSAP, *(Camelot, Debit Card & ATM Team)*
15. Run report "POL FS Automatic matching" in POLSAP for applicable period, *(Camelot, Debit Card & ATM Team)*
16. Check any remaining open items G/L acc. display 627077 and investigate, *(Camelot, Debit Card & ATM Team)*
17. Issue a TC as a resolution and where necessarily utilise Acc. 626206 "creditor holding acc." in order to balance, *(Camelot, Debit Card & ATM Team)*
18. Probity and account reconciliation monthly, *(Camelot, Debit Card & ATM Team)*

Risk & Control ATM Retracts

Control(s): TC02.01
Risk: Cash surpluses arise from erroneous ATM transactions and are not investigated
Control objective: Identify potentially incorrect ATM transactions arising from ATM retracts
Frequency: Weekly
Control owner: FSC Team Leader (Andrea Green)
Control description: On a weekly basis a refund file is received from BOI and uploaded to POLSAP by the ATM team. POLSAP automatically matches surpluses declared by branch within Horizon against the refund file data. A report "POL FS Automatic Matching" is run weekly by the ATM team and all open variances are identified and investigated.

Control(s): TC02.02
Risk: Cash surpluses arise from erroneous ATM transactions and are not identified
Control objective: Identify potentially incorrect ATM transactions arising from ATM retracts
Frequency: Weekly
Control owner: FSC Team Leader (Andrea Green)
Control description: On a weekly basis the ATM team run a "Weekly balance sheet" report from Credence and filter by "Surplus" to identify ATM retracts for the week. Surpluses are compared to those declared in POLSAP by the branch and where the Branch has not declared a surplus the balance is placed into the "auto TC" spreadsheet and transaction correction is issued.

Control(s): TC02.03
Risk: Cash surpluses arise from erroneous ATM transactions and are not investigated
Control objective: Identify, monitor and investigate aged open items in relation to ATM retracts
Frequency: Monthly
Control owner: FSC Team Leader (Andrea Green)
Control description: Each month end, a transaction report is run for GL 627077 and all aged items (those not resolved in month or where TC not issued) are manually transferred to GL 626206 to allow further monitoring.

Control(s): C4.9.a.2 & C4.9.a.3
Risk: Balance sheet accounts are not reviewed resulting in error and misstatement or fraud
Control objective: To ensure that all BS accounts are reconciled and analysed and have evidence of balance justification
Frequency: Monthly
Control owner: FSC Operations Manager(s)
Control description: "All BS accounts within FSC area are reconciled at month end by the relevant Admin team members. Any open items are explained / annotated by the Admin team member and the reconciliation is sent to respective FSC Team Managers for review and approval. The FSC Team Manager(s) follows up any unreconciled/unexplained items with the respective Admin team member and once satisfied the reconciliation is approved (sign and dated as evidence) and forwarded to the FSC Operations Manager for final review and approval. The FSC Operations Manager reviews and queries where applicable with the FSC Team Manager(s) and sends/signs as evidence of final approval. The reconciliation(s) with approvals and any supporting documentation is dated, stored/printed and filed on Sharepoint."

Control(s): C4.9.a.5 & C4.9.a.6
Risk: Build-up of aged balances - unapproved aged balances of affected account resulting in loss of reputation to PostOffice.

1.4.9   First Rate Travel Money Card (TMC)

Glossary of Control Owners	
Job Title	Control Owner
FSC Team Leader	Andrea Green

Background

Travel money card is a card where you can load money on the card and use e.g. abroad. (Multi-currency card, e.g. can put multiple currencies on it). There are no day to day involvement from the team, only via queries from First Rate, Branch etc.

Settlement team would have an open item in case the team forgets to issue a TC or settle with First Rate.

POLSAP GL accounts:
- 627024 – travellers cheque matching account
- 555083 – currency sales made in branches

TC - First Rate – Travel Money Card / Cheques

Branch

Sell Travel Money card to Customer

Buy excess travellers cheque from customer

Receive proposed action/advise

Accept TC

Manual · Manual

Horizon

Record of transaction

Record of transaction

TC issued

TC Accepted

Interface · Interface · Interface · Interface

POLSAP

Record of transaction

Record of transaction

E.mail First Rate or Branch

TC issued

TC Accepted

RoK Apb. 1 · Ref App. 3

E.mail First Rate or Branch

CREDENCE

Upload via Accenture

Record of transaction from First Rate

C4.9.a.21 Valid / approved Authority matrix

C4.9.a.20 TC issued as per Authority matrix

C4.9.a.17 FSC Team Manager Monthly monitor TC control account "629310 Cash"

Automated Payments Enquiry Team

TC10.03 Weekly – run GL report of 627024 to identify variances

AP enquiry mailbox

Receive enquiry

Log query into "Enquiries spreadsheet"

Move Query from AP enquiry inbox to Travel Money Card mail folder

Investigate and establish nature of error (GL 627024)

Confirm proposed action with First rate/Branch

TC required? — No / Yes

Resolution without TC

Update "Enquiries spreadsheet"

Complete Settlement Sheet and advise Settlement team

Issue TC

Return Settlement sheet

Send Settlement sheet

TC10.04 Monthly – ageing review of GL 627024 and write off to P&L

End

C4.9.a.15 weekly FSC Team Manager meeting

Settlement team

Receive advise to debit/credit First Rate

Review, sign and date the Settlement sheet & return to sender

SharePoint

"Enquiries spreadsheet"

Update throughout

"Enquiries spreadsheet"

Activity - First Rate

Chronological steps in the process:

1. Customer buys Travel Money Card from branch
2. Branch input into Horizon……… (Branch)
3. Upload file to CREDENCE (Accenture)
4. Receive enquiry from First rate/Branch etc. (via AP enquiry inbox) (Automated Payments Enquiry Team)
5. Log query into "Enquiries spreadsheet", (Automated Payments Enquiry Team)
6. Move Query from AP enquiry inbox to Travel Money Card folder, (Automated Payments Enquiry Team)
7. Investigate and establish nature of error, check in CREDENCE, (Automated Payments Enquiry Team)
8. Confirm proposed action with First rate/Branch (Automated Payments Enquiry Team)
9. Determine if TC is required (Automated Payments Enquiry Team)
10. Where no TC is required – transaction seems OK and advise Frist rate/Branch (Automated Payments Enquiry Team)
11. If TC needed complete Settlement Sheet to inform Settlement Team to debit/credit First Rate accordingly and await signed sheet to be returned (Automated Payments Enquiry Team)
12. Update "Enquiries spreadsheet" , (Automated Payments Enquiry Team)
13. Issue TC in POLSAP (Automated Payments Enquiry Team)
14. Update "Enquiries spreadsheet" , (Automated Payments Enquiry Team)
15. Branch accept TC, (Branch)
16. End

Risk & Control   First Rate Travel Money Card

Control(s): TC10.01
Risk: First Rate travel money card transaction corrections are not agreed with third party, resulting in subsequent variances
Control objective: To ensure transaction corrections are confirmed with third party prior to processing
Frequency: As required
Control owner: FSC Team Leader (Andrea Green)
Control description: When a resolution is concluded, an email is sent to First Rate or Branch to confirm the proposed action. "No response" is taken as agreement to the correction. If First Rate query the correction then they will contact the automated payments enquiry Team via encrypted email and the correction will be revisited. Final email confirmation is sent once query resolved.

Control(s): TC10.02
Risk: Travellers cheque encashment balances are not recoverable from third party
Control objective: Agree encashment with third party
Frequency: Weekly
Control owner: FSC Team Leader (Andrea Green)
Control description: On a weekly basis a file containing all traveller's cheque encashment balances where support has been received by First Rate (FR) is obtained from FR and uploaded into POLSAP. Automatic matching is performed between the uploaded report and horizon transactions from branch.

Control(s): TC10.03
Risk: Travellers cheque encashment balances are not recoverable from third party
Control objective: Identify and investigate open items
Frequency: Weekly
Control owner: FSC Team Leader (Andrea Green)
Control description: On a weekly basis the FSC run a GL report (627024) to identify all unmatched cheque encashment balances. Balances identified are followed up with the relevant branches and TC's issued where errors identified.

Control(s): TC10.04
Risk: Travellers cheque encashment balances are not recoverable from third party
Control objective: Identify items for write-off
Frequency: Monthly
Control owner: FSC Team Leader (Andrea Green)
Control description: In the last week of each period an ageing review is performed on GL 627024 to identify all unmatched items in excess of 2 months aged. Where a TC has not been issued for these, the balance is written off to the profit and loss.

Control(s): C4.9.a.11-16 (same control, however assigned to 6 different Team Managers)
Risk: Workload and peaks are not monitored resulting in build up of back log.
Control objective: To ensure there are frequent monitoring of the teams workload and any necessarily actions are taken pro-activily.
Frequency: Monthly
Control owner: FSC Team Manager(s)
Control description: "The FSC Team Manager monitors on a weekly basis their teams workload and escalates areas of concern with their reporting line.

1.4.10 Travellers Cheques Process Flows

1.4.10.1 TRV Upload Process

Travellers Cheques – Upload Process

| Start | Weekly TRV file received from FRES | Detach the TRV file and save as a .csv | Open file, format and resave. | Upload file to SAP | End |

File is received every Thursday or Friday

1.4.10.2   Clear GL Process

Travellers Cheques – GL Clearing

```
 ┌─────────┐      ┌──────────────────┐      ┌──────────────────┐      ┌──────────────────┐
 │         │      │ In SAP run a GL  │      │                  │      │ In SAP goto      │
 │  Start  │──────│ Account Line Item│──────│ In SAP subtotal  │──────│ transaction      │
 │         │      │ report for GL    │      │ results          │      │ Clear GL Account │
 │         │      │ 14004            │      │                  │      │                  │
 └─────────┘      └──────────────────┘      └──────────────────┘      └──────────────────┘

                                            ┌──────────────────┐
                                            │ In SAP goto      │
                                            │ transaction      │
                                            │ Clear GL Account │
                                            └──────────────────┘

 ┌──────────────────┐      ┌──────────────────┐      ┌──────────────────┐      ┌─────────┐
 │ Enter GL Account │      │ Subtotal by      │      │ Select 'net      │      │         │
 │ and Execute      │──────│ Branch FAD code  │──────│ zeros' and       │──────│  End    │
 │                  │      │                  │      │ process          │      │         │
 └──────────────────┘      └──────────────────┘      └──────────────────┘      └─────────┘
```

1.4.10.3   Error Resolution Process
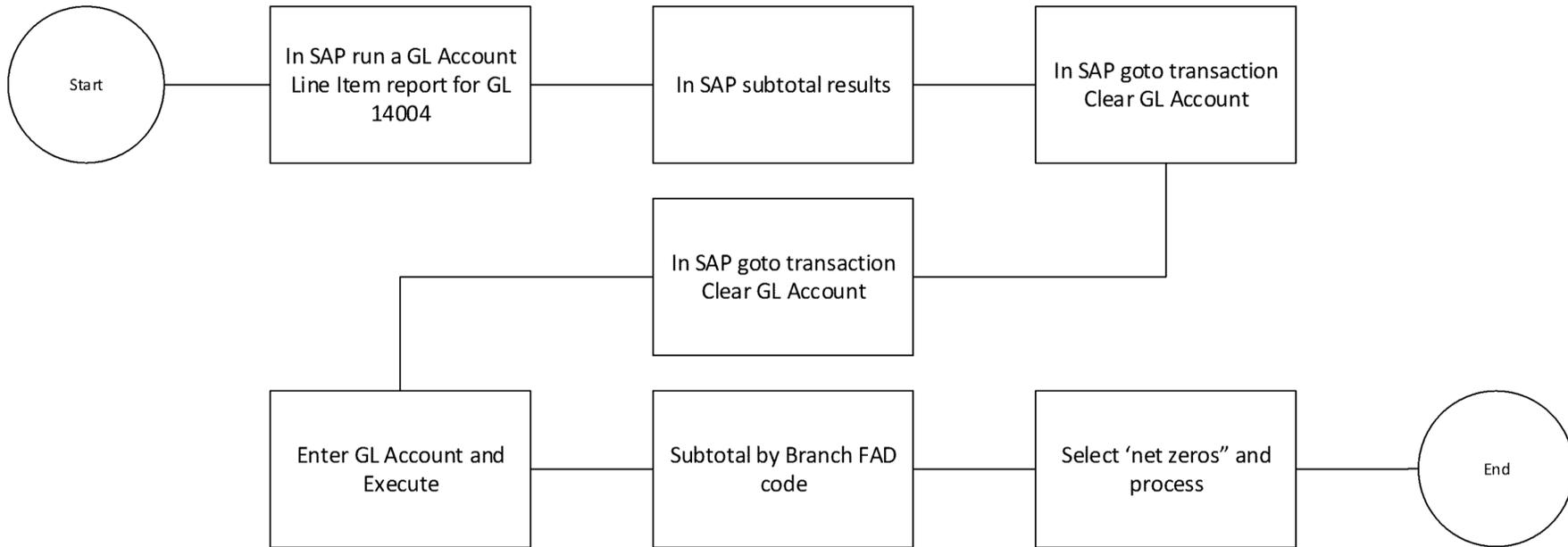
Travellers Cheques – Error resolution

Text fields that are not blank have previously been worked and annotated.

Start

Process to be started after the GL account clearing has taken place

Run a GL Account Line Item report for your account

Sort the report by assignment and then branch code

Subtotal by branch code

Scroll through the report looking for the first entry with a blank text field. Repeat process for each entry.

Inform FRES to make payment to POL via the missing list.

— YES —

Travellers Cheques already sent to FRES?

— YES —

Has the duty been able to speak to the branch?

Contact the branch to determine the location of the travellers cheques.

— YES —

Is this a Debit posting?

— YES —

Is the assignment date > 10 days old

NO

NO

NO

NO

Annotate the relevant line items in SAP with actions taken, dates sent to FRES

Instruct branch to return Travellers cheques to First Rate

Send letter to branch instruct Travellers Cheques are sent to FRES, if already done so provide evidence of return.

Note the branch code

Determine what actions led to a Credit posting in SAP

Open the missing Cheques spreadsheet on SharePoint and record actions taken.

Annotate the relevant line items in SAP with actions taken, dates sent to FRES

Has the value been previously written off?

— NO —

Credit relates to an incorrect Horizon entry in branch

FRES make payment to POL which clears the error in SAP.

Open the missing Cheques spreadsheet on SharePoint and record actions taken.

Once Travellers Cheques are received at FRES they will be recorded on the TRV file which when uploaded to SAP will clear the error.

YES

Write off the credit value annotating SAP.

Issue TC to branch.

End

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1.5   Cheques & Moneygram Team

Glossary of Control Owners	
Job Title	**Control Owner**
FSC Team Leader	Tracy Mather

Background

This is a debt recovery process as once a cheque has been received unpaid POL have the debt that they need to recover either by unpaying a customer's bill our requesting a debit to the customer savings/current account.

G/L accounts:

- 533306 PABA Unpaid Cheques Control
- 533301 Unpaid Cheques Branch non-conformance (TC)
- 533309 BOI Unpaid Cheques
- 533304 Royal Mail Business Redirection Unpaid Cheques
- 539594 Giro Schemes Unpaid Cheques (daily balance to zero)
- 554078 Unpaid cheques Bank account
- 533315 POL ISA Unpaid cheques
- 250701 Misc. losses returned cheques (internal POL acc)

TC - Unpaid cheques – Priority - by noon same day - (Early Warning process)

IPSL
- Scan all cheques into BANK TECH
- Sends fax regarding bounced cheques

Bounced cheques — Fax by 11AM same day

Scan

BANK TECH
- Cheques scanned (SORT, ACC, VALUE)

Log into BANK TECH

Cheque/MoneyGram team
- Receive fax from iPSL
- Retrieve cheque (as per fax) from BANK TECH system – by SORT CODE, ACC and Value
- Retrieve cheque from CREDENCE – FAD code (Office code) and date
- Product relates to Savings and Current? — Yes → Update "Early Warning spreadsheets" & e.mail to BoI → Reconciliation & probity
- No → End – part of Unpaid cheques Normal

E.mail by 3PM same day

C4.9.a.5 / C4.9.a.6 weekly FSC Team Operational meeting

Interface

CREDENCE
- Cheques scanned (FAD code and date)

Log into CREDENCE

C4.9.a.9 Unpaid/bounced cheques related to "Savings" or "Current" Accounts SLA of response to (BoI) by 3PM same business day

D1.12.b.4 Finance

D1.12.b.5 Finance

C4.9.a.2 / C4.9.a.3 FSC (Monthly Prob. & Rec)

C4.9.a.12 weekly FSC Team Manager meeting

Bank of Ireland
- Block customer Account → End

TC - Unpaid cheques – Normal (by noon next WD)

IPSL

Bundle up bounced cheques and produce list "returned Cheques Batch Order Report"

Branch

Picks up the TC in Horizon → Accepts TC → Investigate to establish Client → Client established

HORIZON

TC Issued / TC Accepted

CREDENCE

Courier by 4:45 PM

Scanned cheques

Interface / Interface

POLSAP

Ref App 3 / Ref App 1

TC Issued / TC Accepted

Log into CREDENCE

Adjust vendor (client) account

Log into POLSAP

C4.9.a.5 / C4.9.a.6 Weekly FSC Team Operational meeting

C4.9.a.17 FSC Team Manager Monthly monitor TC control account "629310 Cash"

C4.9.a.12 weekly FSC Team Manager meeting

Cheque/MoneyGram team

Receive and date stamp with todays date → Verify cheques received and reconcile to IPSL list "returned Cheques Batch Order Report" → Investigate each cheque in CREDENCE to establish Client (recipient) → Client Established? — Yes → Update "UNPAID daily" spreadsheet, sheet for unique client → Reconcile UNPAID total with cheques and total value → Photocopy all cheques and file together with clients "summary form"

No, issue TC

Reconciliation & probity

D1.12.b.4 Finance / D1.12.b.5 Finance / C4.9.a.2 / C4.9.a.3 FSC (Monthly Prob. & Rec)

Put hard copies in "In Tray"

Settlement team

C4.9.a.21 Valid / approved Authority matrix

C4.9.a.20 TC issued as per Authority matrix

In tray: pick up paperwork for settlement adjustments → Adjust client (vendor) settlement with UNPAID cheques → End

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Activity - Unpaid Cheques

Chronological steps in the process:

Unpaid Cheques <u>Priority</u> (e-mail Early Warning by noon same day, no TC issued in Early Warning process). The purpose of Early Warning process is a Pre-warning of bounced cheques and customer account has to be blocked as soon as possible in order no funds can be redrawn from cust. savings acc. etc..

1. Scan all cheques received into BANK TECH system *(iPSL)*
2. Post Office processing Centre (iPSL) sends fax to *Cheque/MoneyGram team* regarding returned cheques *(iPSL)*
3. Receive fax from iPSL by 11:00 or call iPSL by 12:00 to chase up *(Cheque/MoneyGram team)*
4. Retrieve the cheque (as per fax) from BANK TECH system – by SORT CODE, ACC and Value, *(Cheque/MoneyGram team)*
5. Retrieve from CREDENCE – FAD code (Office code) and date, *(Cheque/MoneyGram team)*
6. Investigate and determine if product relates to Savings and current, (yes) update "Early Warning spreadsheets" , SLA 3pm same day, (if No, process ends) *(Cheque/MoneyGram team)*
7. e-mail Bank of Ireland the "Early Warning spreadsheets", *(Cheque/MoneyGram team)*
8. Account blocked – *(Bank of Ireland)*

Unpaid Cheques <u>normal</u> (by noon next WD) (these are the same cheques as in Early warning Spreadsheet). The purpose of this process is to advise clients (e.g. BG, BT etc. etc.) of bounced cheques so they can correct customer account from PAID to UNPAID. The process is that when a customer pays a bill in a Post Office branch with a cheque, the Post Office stamps the bill as PAID and credit the client (BG, BT etc.) account. The consequence is that it is the Post Office who is bearing the payment until the cheque clears.

1. Bundle up bounced cheques and produce list "returned Cheques Batch Order Report", *(iPSL)*
2. Send via Courier bounced cheques & list to (Cheque/MoneyGram team), *(iPSL)*
3. Chase up iPSL if not received by 4:45 *(Cheque/MoneyGram team)*
4. Receive physical cheques & "returned Cheques Batch Order Report" and date stamp with today's date *(Cheque/MoneyGram team)*
5. Verify the number and amount of cheques received and reconcile to IPSL list "returned Cheques Batch Order Report", *(Cheque/MoneyGram team)*
6. Investigate each cheque in CREDENCE to establish Client (recipient) , *(Cheque/MoneyGram team)*
7. Update UNPAID daily spreadsheet, sheet for unique client (e.g. BT, BG etc.), *(Cheque/MoneyGram team)*
8. Reconcile UNPAID total for the day with number 5 (cheques and total value) (NB: a cheque can be split,), *(Cheque/MoneyGram team)*
9. Photocopy all cheques and file together with clients "summary form", *(Cheque/MoneyGram team)*
10. POLSAP entries: GL posting to individual vendors D, GL Control account Cr., D total of all individual Vendor GL accounts and Cr GL Bank acc., *(Cheque/MoneyGram team)*
11. Leave physical paperwork for the day in Settlement team In Tray. Who in turn will adjust the settlement to the client with the POLSAP G/L posting, *(Cheque/MoneyGram team)*
12. Transaction corrections: If there are any cheque in the pouch received where the client cannot be identified (as per step 5 above) then a TC is issued to the branch. It is then for the branch to accept the TC in HORIZON and do further investigation as to what client was the payment meant for. *(Cheque/MoneyGram team)*

Risk & Control   Unpaid Cheques

Control(s): TC23.01
Risk: Bounced cheques are not followed up timely, resulting in debt being incurred by the Post Office
Control objective: Reconcile bounced cheques report to physical cheques, to ensure completeness of items for investigation
Frequency: Daily
Control owner: FSC Team Leader (Tracy Mather)
Control description: On a daily basis the Cheque and MoneyGram team gather all bounced cheques couriered from IPSL the previous day, date stamp these and perform a reconciliation of cheques physically received to the IPSL listing per "returned cheques batch order report". These are followed up same day, with either TC issuance or paperwork being passed to Settlement team to update client.

Control(s): C4.9.a.2 & C4.9.a.3
Risk: Balance sheet accounts are not reviewed resulting in error and misstatement or fraud
Control objective: To ensure that all BS accounts are reconciled and analysed and have evidence of balance justification
Frequency: Monthly
Control owner: FSC Operations Manager(s)
Control description: "All BS accounts within FSC area are reconciled at month end by the relevant Admin team members. Any open items are explained / annotated by the Admin team member and the reconciliation is sent to respective FSC Team Managers for review and approval. The FSC Team Manager(s) follows up any unreconciled/unexplained items with the respective Admin team member and once satisfied the reconciliation is approved (sign and dated as evidence) and forwarded to the FSC Operations Manager for final review and approval. The FSC Operations Manager reviews and queries where applicable with the FSC Team Manager(s) and sends/signs as evidence of final approval. The reconciliation(s) with approvals and any supporting documentation is dated, stored/printed and filed on SharePoint."

Control(s): C4.9.a.5 & C4.9.a.6
Risk: Build-up of aged balances - unapproved aged balances of affected account resulting in loss of reputation to Post Office.
Control objective: To ensure close monitoring of aged balances and prevent where possible any aged build-up of accounts affected.
Frequency: Weekly
Control owner: FSC Operations Manager(s)
Control description: "On a weekly basis the FSC Operations Manager performs an ageing analysis of all open items matching account per product area. The main objective is to prevent wherever possible any open item(s) falling into an aged (>3 months) category.
The respective Team Managers explains the analysis for their product area at the weekly Team Operational meeting. Open items are prioritised by highest value, date and/or other steer from Management.
Agreed actions are followed up with respective FSC Team Managers.
The FSC Operations Manager signs and dates the analysis and minutes from meeting with any other supporting documentation and retain as evidence."

Control(s): C4.9.a.11-16 (same control, however assigned to 6 different Team Managers)
Risk: Workload and peaks are not monitored resulting in build-up of back log.
Control objective: To ensure there are frequent monitoring of the teams workload and any necessarily actions are taken pro-actively.
Frequency: Monthly
Control owner: FSC Team Manager(s)
Control description: "The FSC Team Manager monitors on a weekly basis their team's workload and escalates areas of concern with their reporting line.
Issues affecting the team's ability to process workloads are flagged by the FSC Team Manager and discussed in the weekly FSC Team Leader meeting.
On a monthly basis the FSC Team Manager signs, dates and retains the "weekly Stats" as evidence."

1.5.1   Bulk Cheques

Bulk Cheques – High Level Process

The open item identified is the Horizon rem out compared to the cheques processed by IPSL (currently).

The investigation is made using Credence, BankTec

```
Start → Open item identified on POLSAP → Investigate
```

Investigate branches:
- Fraud → Closed. (Resolved with postmaster, TC issued etc.)
- Missing Cheque → Closed. (Resolved with postmaster, TC issued etc.)
- AP Adjustment
- Former Agents → Closed. (Resolved with postmaster, TP6 issued)
- Cashiers → Adjustment made
- Closed. (Resolved with postmaster, TC issued etc.) → End

Bulk Cheques: AP Adjustments

Bulk Cheques: AP Adjustments

```
                    ┌─────────────────┐
                    │ Log onto Credence│
                    │ and run the report│
                    │ Security Sales   │
                    │ Transactions.    │
                    └─────────────────┘

 ┌───────┐   ┌──────────────┐                    ┌──────────────┐   ┌──────────┐   ┌───────┐
 │ Start │───│ Investigate  │                    │ Complete AP  │───│ Issue TC │───│  End  │
 │       │   │ error found  │                    │ Adjustment   │   │          │   │       │
 │       │   │ in SAP       │                    │ Form and     │   │          │   │       │
 └───────┘   └──────────────┘                    │ email to AP  │   └──────────┘   └───────┘
                                                 │ Team         │
                    ┌─────────────────┐          └──────────────┘
                    │ Log onto BancTec│
                    │ to compare the  │
                    │ Horizon figures │
                    │ with the cheques│
                    │ received.       │
                    └─────────────────┘
```

Bulk Cheques

Bulk Cheques

Start

Check POLSAP GL line item display to see figure the office remmed out on Horizon.

Check BCV and BancTec and investigate mismatched items. Ensure that the BCV and Cheques match in volume and value

Open credence report and compare with mismatched items. Looking at what volume and value of cheques were received and remmed out.

Complete the relevant paperwork based upon findings and pass to the relevant team for further action*

*Either;
Missing cheque
AP adjustment
Or
Cashiers for an adjustment
Issue TC
Or
Contact IPSL regarding an encoding error (misread cheque)
Or
Line adjustment in SAP due to timing issues of postings
Or
CC106 to refund the customer (cheque writer)

End

Annotate SAP with error code and description of actions taken and date, change assignment if TC issued.

Bulk Cheques: IPSL (Barclays) Processing Errors

Bulk Cheques: IPSL (Barclays) Processing Errors

Error at processing centre (Barclays).

Emails from IPSL are filed

IPSL Find Error —— Email details of error to Carol (bulk chq enquiries).

Investigate error in SAP./ Credence/BancTec and respond to IPSL

Start

Error exists

Who finds the error?

IPSL will adjust

End

Bulk Cheque Duty Find Error —— Investigate and identify any errors in Open items in SAP

Phone call to Processing Centre Helpline to notify of error and error details.

Open items in SAP will be annotated with appropriate reference supplied by IPSL

Bulk Cheques: Personal Banking Cheques

Bulk Cheques: Personal Banking Cheques

This could have been a personal banking manual cheque deposit or a BOI savings acct deposit

Inputs

Receive cheque in post that is made payable to customer.
Recipient want to post cheque to current account, sometimes there's an error and the cheque value is posted to Bulk Cheques GL

Start

Receive cheques in post. See note.

If the customer bank accepts underpayments. PB do an underpayment and take credit from Bulk GL and credit the recipients account.

Type of intended cheque deposit? — PB

Andrea has conversation with PB team – she has a credit in GL that shouldn't be there. Depending upon the type of cheque different actions may be required.

Personal Banking

If the customer bank does not do underpayments and bank details are available (reverse of cheque). Complete CC106 and refund customer.

End

Unidentifiable cheque

If the customers acct or any transaction cannot be identified shift to customer creditor GL awaiting customer query.

Put credit into GL 626 205 awaiting phone call from customer to claim cheque.

GL 626 2017 if the cheque was made out to POL

1.5.2   Missing Cheques

Missing Cheques: Cases

Missing Cheques Cases

Start → Receive forms from Bulk Cheques Duty → Open Missing Cheque Log on SharePoint. Key and create new case entries based upon Forms received form Bulk Cheques. Each case is given a sequential unique reference number. → Go into POLSAP into GL 533281 and search for the posting as per the form data and update with the unique reference number in the text field i.e. nnnnDB or nnnnZT → Run Credence report 'Option 2 AP and Paystation' to look for a previous txn that the customer has used cheque as the MOP. If possible Bulk Cheques will have already done this and added the AP number. → Before any cust correspondence a query is made to the branch to locate the cheque → **End**

Cheque Located? — No → If a date can't be found on Credence, send a first letter to customer via the client. This is a standard letter to client that requests to forward another enclosed letter to the customer → Update case file with actions taken.

Cheque Located? — Yes →

In the future when working on cases (sending letters, making phone calls), they are updated via the Missing Chq Log s.sheet.

End ← Save updated version of Missing Chq Log s.sheet to SharePoint. Open letter mail merge, print and collect letters and send ← Save updated version of Missing Chq Log s.sheet to SharePoint. Open letter mail merge, print and collect letters and send ← Missing Chq form and copy of cheque and any other details then go into an open case (paper based) and are stored in safe place. Filing. ← Fill in Missing Chq Log s.sheet i.e. customer address, comments, letter type, letter date. This is for mail merge later in process. ← Find a copy of cheque on BancTec. Use customer details from cheque and search for customer on 192.com. If details can't be found, send request to the client. ← If a date is displayed in Credence, log onto BancTec, perform a BCV search with a +/- 5 day range either side of the date found on Credence. Bulk cheques may have done this.

Missing Cheques: Cheque to IPSL (Barclays)

Missing Cheques to IPSL (Barclays)

Start

Receive duplicate cheque in post from, this would be the reply to a 1st, 2nd or 3rd letter.

This will contain case number from customer.

Usually receive them every day and have a number of cheques to work on. Completed first thing every morning.

Check on Missing Cheque Log s.sheet and search for case on s.sheet.

Case status?

Open — Look at status of cheque, should be 'Open'. Change status to 'Awaiting credit' and update comments with 'Cheque sent to IPSL'. This chq is that just received from cust (duplicate).

Closed — If status on s.sheet is closed, investigate why – look on case comments. This will tell you why the case was closed, original turned up, paid by debit card instead etc

Open 'Cheques to IPSL' s.sheet from SharePoint site. Input details from cheque onto s.sheet.

Print off copy of cheques to IPSL s.sheet, get a photocopy of cheque and attach to letter that is then sent to IPSL. Fill in a BCV cheques slip and send along with other documents in letter.

You a keep a paper copy of what is sent

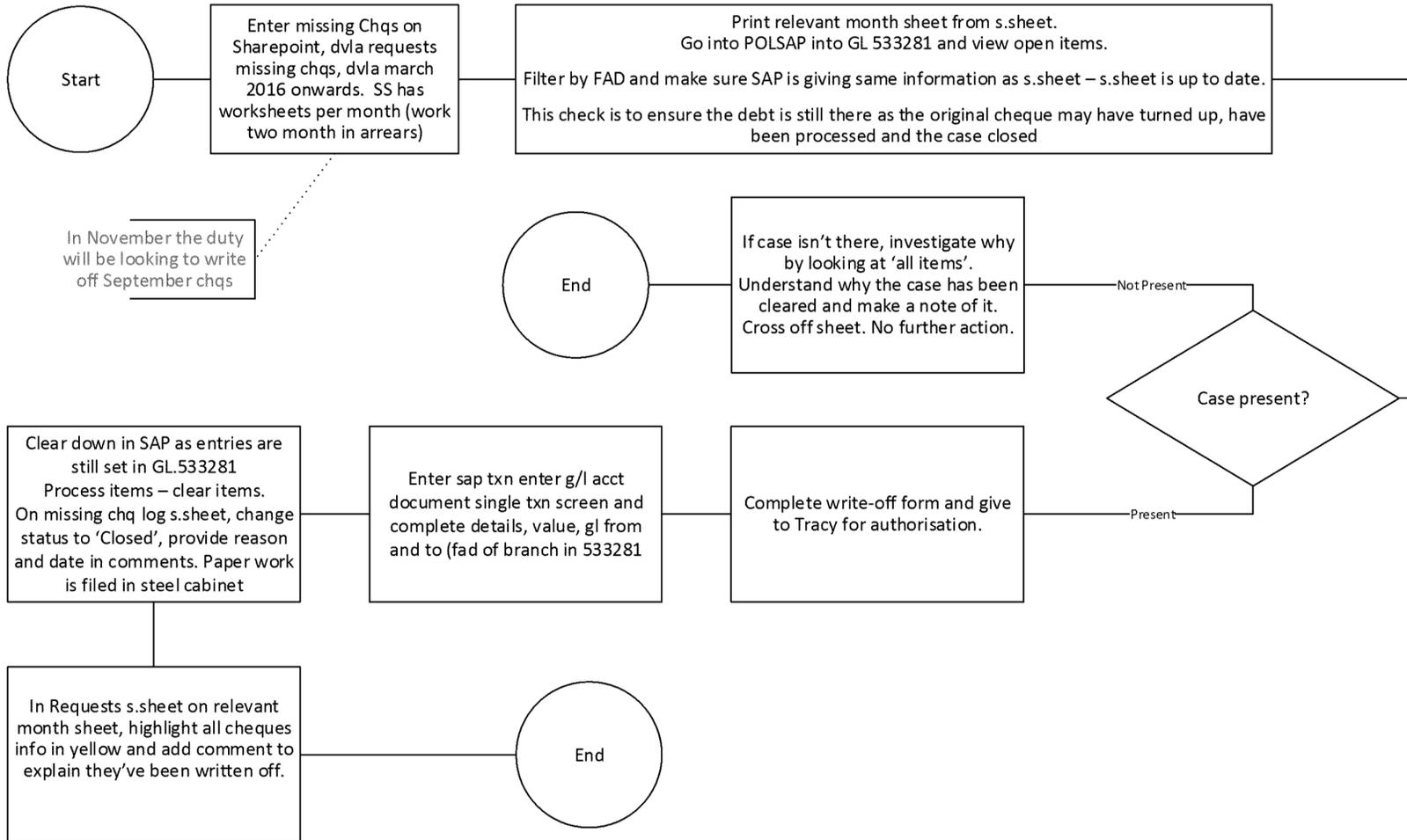Upon receiving cheque, IPSL make posting into Bulk Cheques.

When credits are posted Missing Cheques duty will move from 553040 and credit 533281 and manually clear down as it is not open item managed back onto the missing cheques log change from awaiting credit to closed and update reason for closure and then file in FSC steel cabinets until destruction date is met

End

Missing Cheques: Period End Write Offs

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Missing Cheques Period End Write Offs

These are period end write offs for DVLA only. Write offs for other products occur as soon as we realise a case can't progress further

Start

Enter missing Chqs on Sharepoint, dvla requests missing chqs, dvla march 2016 onwards. SS has worksheets per month (work two month in arrears)

In November the duty will be looking to write off September chqs

Print relevant month sheet from s.sheet.
Go into POLSAP into GL 533281 and view open items.

Filter by FAD and make sure SAP is giving same information as s.sheet – s.sheet is up to date.

This check is to ensure the debt is still there as the original cheque may have turned up, have been processed and the case closed

End

If case isn't there, investigate why by looking at 'all items'.
Understand why the case has been cleared and make a note of it.
Cross off sheet. No further action.

Not Present

Case present?

Present

Clear down in SAP as entries are still set in GL.533281
Process items – clear items.
On missing chq log s.sheet, change status to 'Closed', provide reason and date in comments. Paper work is filed in steel cabinet

Enter sap txn enter g/l acct document single txn screen and complete details, value, gl from and to (fad of branch in 533281

Complete write-off form and give to Tracy for authorisation.

In Requests s.sheet on relevant month sheet, highlight all cheques info in yellow and add comment to explain they've been written off.
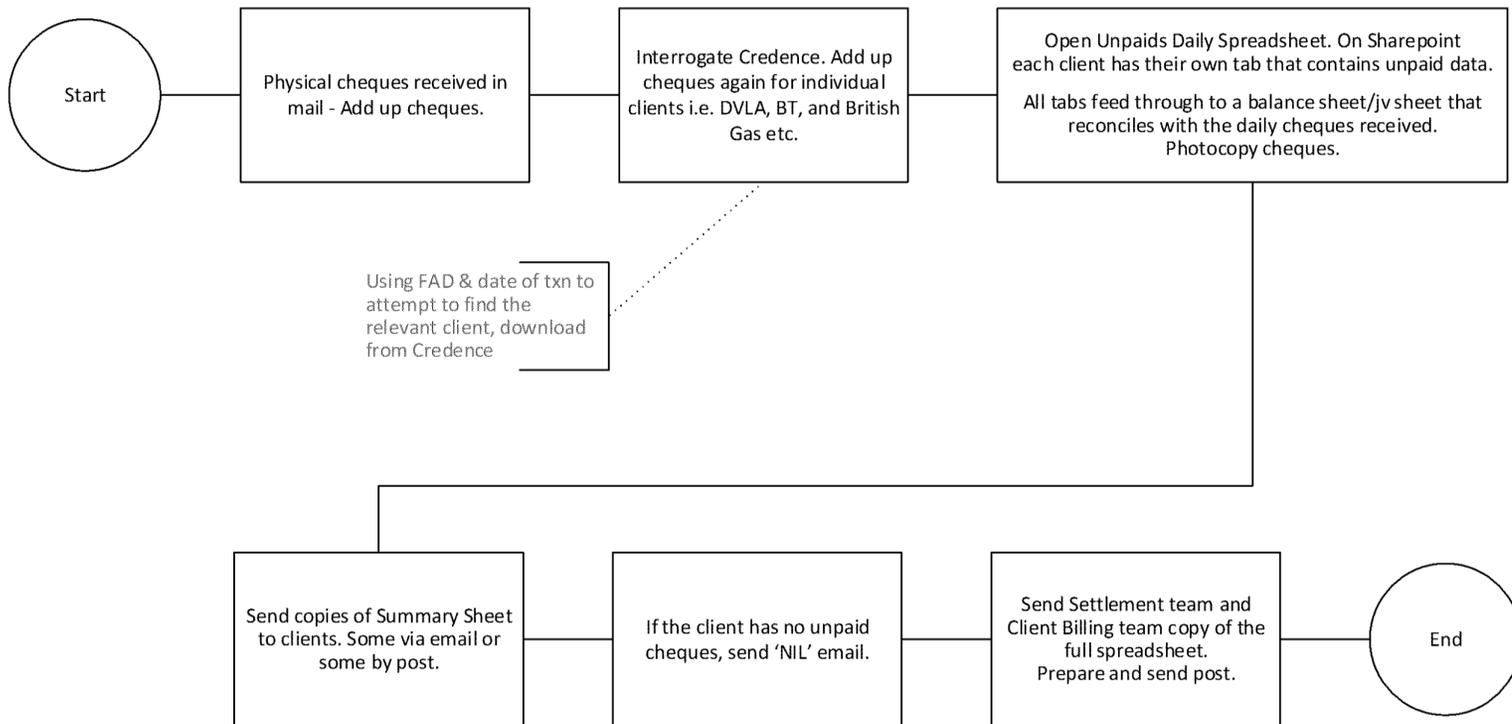
End

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1.5.3   Unpaid Cheques

Unpaid Cheques: Balancing Cheques
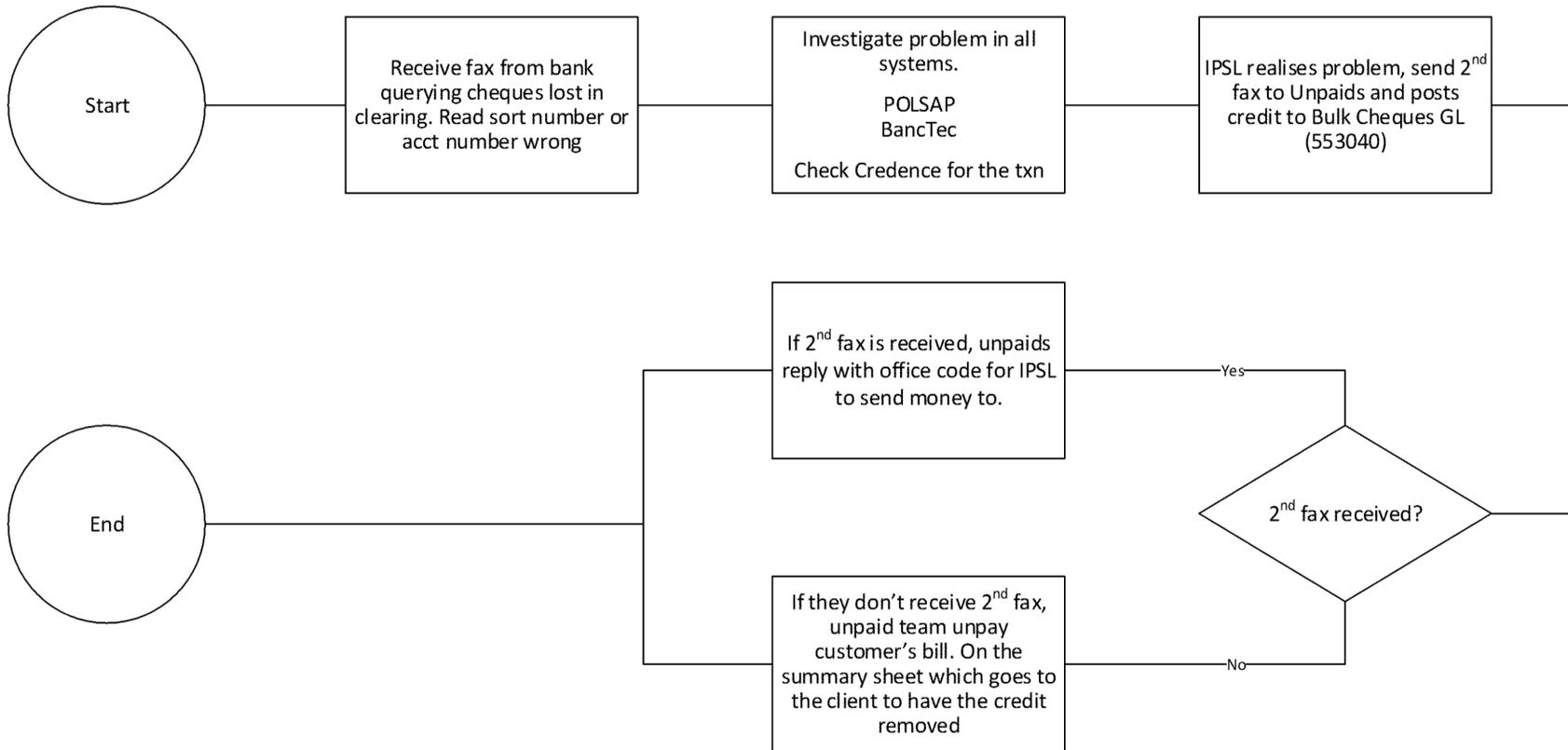
Unpaid Cheques – Balancing Cheques

PO Savings, BT, Credit card, ISA, PO telecoms, PO current account (Ad-hoc, only if they haven't been notified the day before. clients need it to be sent before 12:00 EON, N-power, SSE, PO invoicing, Client settlement, DVLA (2 adhoc- capita and Westminster as and when we get cheques) clients have the file sent to them after 12:00.
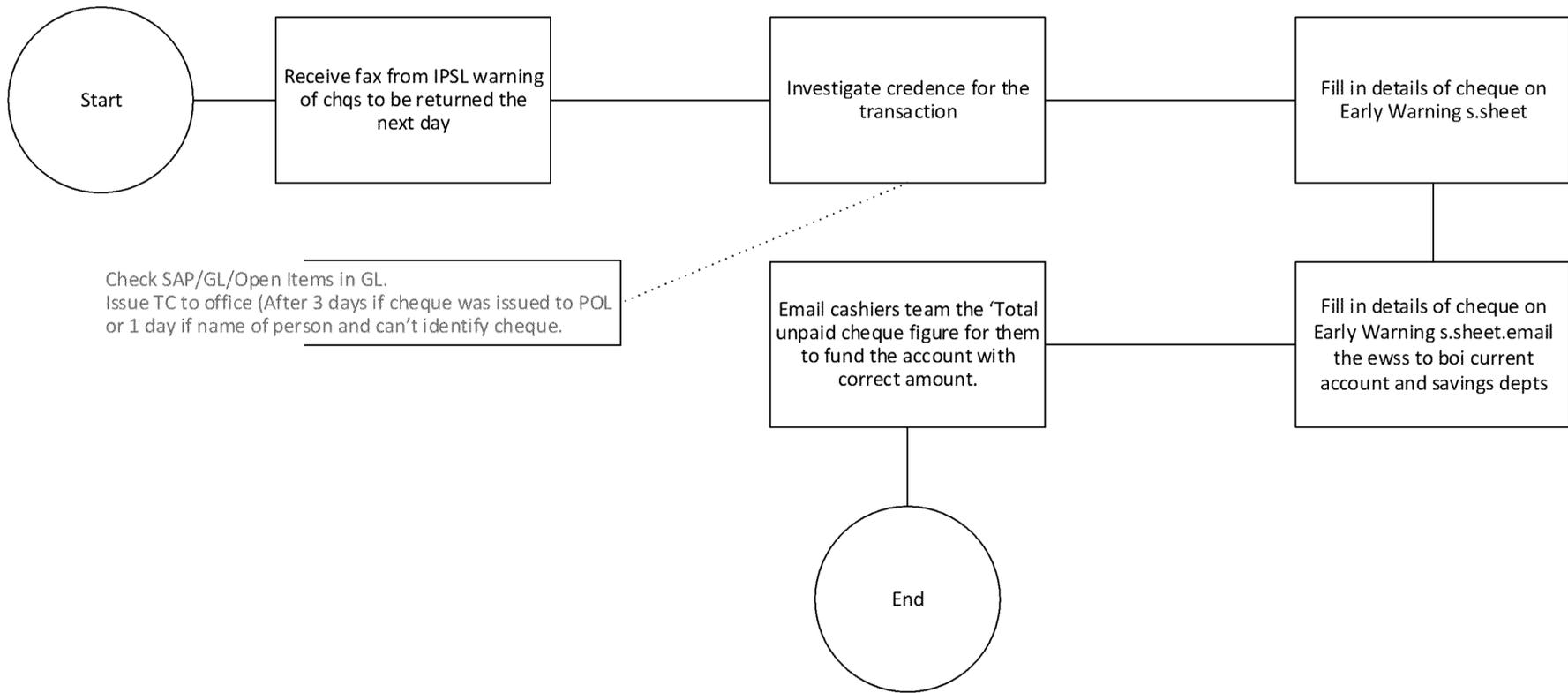
Start → **Physical cheques received in mail - Add up cheques.** → **Interrogate Credence. Add up cheques again for individual clients i.e. DVLA, BT, and British Gas etc.** → **Open Unpaids Daily Spreadsheet. On Sharepoint each client has their own tab that contains unpaid data.**

All tabs feed through to a balance sheet/jv sheet that reconciles with the daily cheques received. Photocopy cheques.

Using FAD & date of txn to attempt to find the relevant client, download from Credence

Send copies of Summary Sheet to clients. Some via email or some by post. → **If the client has no unpaid cheques, send 'NIL' email.** → **Send Settlement team and Client Billing team copy of the full spreadsheet. Prepare and send post.** → **End**

Unpaid Cheques: Cheques lost in clearing

Unpaid Cheques – Lost in Clearing

Start

Receive fax from bank querying cheques lost in clearing. Read sort number or acct number wrong

Investigate problem in all systems.

POLSAP
BancTec

Check Credence for the txn

IPSL realises problem, send 2nd fax to Unpaids and posts credit to Bulk Cheques GL (553040)

If 2nd fax is received, unpaids reply with office code for IPSL to send money to.

2nd fax received?

Yes

No

If they don't receive 2nd fax, unpaid team unpay customer's bill. On the summary sheet which goes to the client to have the credit removed

End

Unpaid Cheques: Early warning fax.

Unpaid Cheques: Early warning fax

* After 11:30am

```
┌─────────┐     ┌──────────────────┐     ┌──────────────────┐     ┌──────────────────┐
│         │     │ Receive fax from │     │                  │     │                  │
│  Start  │─────│ IPSL warning of  │─────│ Investigate      │─────│ Fill in details  │
│         │     │ chqs to be       │     │ credence for the │     │ of cheque on     │
└─────────┘     │ returned the     │     │ transaction      │     │ Early Warning    │
                │ next day         │     │                  │     │ s.sheet          │
                └──────────────────┘     └──────────────────┘     └──────────────────┘
```

Check SAP/GL/Open Items in GL.
Issue TC to office (After 3 days if cheque was issued to POL
or 1 day if name of person and can't identify cheque.

Email cashiers team the 'Total unpaid cheque figure for them to fund the account with correct amount.

Fill in details of cheque on Early Warning s.sheet.email the ewss to boi current account and savings depts

End

Unpaid Cheques: Settlements

Unpaid Cheques: Settlements

*Completed after 11:30. GL is cleared daily

Start

Using the Unpaids Daily s.sheet JV tab from SharePoint. and GL in POLSAP.

Open polsap and goto gl account postings, using the jv tab post to all relevant gl/ vendor accounts

Clear down the GL 533306 any boi, redirection and cac need to be posted back to the account (this is 1500 dr cleared against 1200 cr use clear with posting to clear the two values and post back the 300 dr) unidentified chqs are posted to 533301 and the TCs are issued from this account (533301). TC if Nikki cannot find to which client the cheque belongs (branch has not correctly filled in chq rear)

If they have cashed a chq in back office i.e remmed out then cashed and the chq has bounced results in TC

Txn not chq acceptable

End

1.5.4   Moneygram High Level Process

Glossary of Control Owners	
Job Title	**Control Owner**
FSC Team Leader	Tracy Mather

Background

Investigates differences between MoneyGram system and Horizon system

MoneyGram transactions in POLSAP are identified with doc type KC whereas Horizon transactions in POLSAP are identified with doc type RV. The team also receives a breakdown of Horizon and MoneyGram files and these are downloaded to Excel and saved in SharePoint. Majority of all TCs issued for MoneyGram are related to SEND transactions. MoneyGram send the file via e-mail to our Settlement team who then upload it into POLSAP

POLSAP GL accounts:
- 627030 – Unmatched MoneyGram transfers (send)
- 627031 – Unmatched MoneyGram transfers (receive)

TC - MoneyGram

Branch
- Sell MoneyGram to Customer
- Manual
- Receipt to Customer
- Accept TC

HORIZON
- Record of Transaction
- Manual
- TC issued
- TC Accepted

MoneyGram
- Record of Transaction(s)
- Produce reference number receipt
- Where applicable respond/resolve queries
- Interface
- Interface

POLSAP
- Record of Transaction (HORIZON source)
- Match?
- Record of Transaction (MoneyGram source)
- Doc type = KC MoneyGram and Doc type RV = Horizon
- Queries
- Ref App 1
- Ref App 3
- TC Issued
- TC Accepted

Cheque and MoneyGram team
- Log into POLSAP
- Check POLSAP G/L 627030 (Send) and G/L 627031 (Receive)
- Open items?
- Yes
- Investigate and establish cause of difference
- Issue TC?
- Yes, issue TC
- No
- End
- No
- Correct error without TC
- C4.9.a.17 FSC Team Manager Monthly monitor TC control account "629310 Cash"
- Reconciliation & probity
- Send MoneyGram file to POL
- Upload file to POLSAP
- C4.9.a.21 Valid / approved Authority matrix
- C4.9.a.20 TC issued as per Authority matrix
- C4.9.a.5 / C4.9.a.6 weekly FSC Team Operational meeting
- C4.9.a.12 weekly FSC Team Manager meeting

Settlement team
- Receive MoneyGram File
- D1.12.b.4 Finance
- D1.12.b.5 Finance
- C4.9.a.2 / C4.9.a.3 FSC (Monthly Prob. & Rec)

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Activity - MoneyGram

Chronological steps in the process:

1. Customer require a cash sum to be sent (normally abroad)
2. Customer fills in form, name, address, etc.
3. Postmaster takes the money from customer and enter into HORIZON
4. A transaction reference receipt is generated from Horizon and this reference number is the customers proof of purchase
5. Post Office must be sure that no transaction reference is given to the customer if customer has not paid the money (because the transaction can be "live" in the MoneyGram system.
6. Customer send the reference to end receiver
7. End receiver goes to either a post office or MoneyGram agent with ID and transaction reference number and funds are paid out.
8. In POLSAP doc type = KC is MoneyGram and RV comes from Horizon

1. Receive MoneyGram file daily and upload into POLSAP *(Settlement team)*
2. Log into POLSAP G/L account 627030 (Send) transaction and G/L 627031 (Receive) transaction. (*Cheque and MoneyGram team*)
3. POLSAP screen shows wherever there is a discrepancy between MoneyGram and Horizon
4. Download into excel HORIZON file and save in SharePoint, (*Cheque and MoneyGram team*)
5. Download into excel MoneyGram file and save in SharePoint, (*Cheque and MoneyGram team*)
6. TC for SEND – a TC is issued to correct Branch account in POLSAP by either placing liability or receivable back to Branch. E.g. A Transaction has been reversed in HORIZON but not cancelled in MoneyGram (Branch needs to retrieve money back from MoneyGram or take the hit), or a transaction has been cancelled in MoneyGram and not reversed in Horizon, TC is issued to replace the missing reversal., (*Cheque and MoneyGram team*)
7. Issue TC to Branch, (*Cheque and MoneyGram team*)
8. Accept TC *(Branch)*

Risk & Control   MoneyGram

Control(s): TC12.01

Risk: Variances arise in MoneyGram transactions that are not investigated, resulting in aged open items

Control objective: To identify potentially incorrect MoneyGram transactions and highlight for investigation

Frequency: Annual

Control owner: FSC Team Leader (Tracy Mather)

Control description: On a daily basis a transaction report is received from MoneyGram which is uploaded to POLSAP. POLSAP automatically matches send and receive transactions declared by branch within Horizon against the MoneyGram report. A list of remaining open items is generated and recorded within GL codes:
- 627030 – Send
- 627031 – Receive

Control(s): TC12.02

Risk: Variances arise in MoneyGram transactions that are not investigated, resulting in aged open items

Control objective: Identify and investigate open MoneyGram items

Frequency: Daily

Control owner: FSC Team Leader (Tracy Mather)

Control description: On a weekly basis the FSC run a GL report on 627030 and 627031 to identify all unmatched MoneyGram transactions. Balances identified are followed up with the relevant branches / MoneyGram and TC's issued where errors identified.

Control(s): C4.9.a.2 & C4.9.a.3

Risk: Balance sheet accounts are not reviewed resulting in error and misstatement or fraud

Control objective: To ensure that all BS accounts are reconciled and analysed and have evidence of balance justification

Frequency: Monthly

Control owner: FSC Operations Manager(s)

Control description: "All BS accounts within FSC area are reconciled at month end by the relevant Admin team members. Any open items are explained / annotated by the Admin team member and the reconciliation is sent to respective FSC Team Managers for review and approval. The FSC Team Manager(s) follows up any unreconciled/unexplained items with the respective Admin team member and once satisfied the reconciliation is approved (sign and dated as evidence) and forwarded to the FSC Operations Manager for final review and approval. The FSC Operations Manager reviews and queries where applicable with the FSC Team Manager(s) and sends/signs as evidence of final approval. The reconciliation(s) with approvals and any supporting documentation is dated, stored/printed and filed on SharePoint."

Control(s): C4.9.a.5 & C4.9.a.6

Risk: Build-up of aged balances - unapproved aged balances of affected account resulting in loss of reputation to Post Office.

Control objective: To ensure close monitoring of aged balances and prevent where possible any aged build-up of accounts affected.

Frequency: Weekly

Control owner: FSC Operations Manager(s)

Control description: "On a weekly basis the FSC Operations Manager performs an ageing analysis of all open items matching account per product area. The main objective is to prevent wherever possible any open item(s) falling into an aged (>3 months) category.

The respective Team Managers explains the analysis for their product area at the weekly Team Operational meeting. Open items are prioritised by highest value, date and/or other steer from Management.
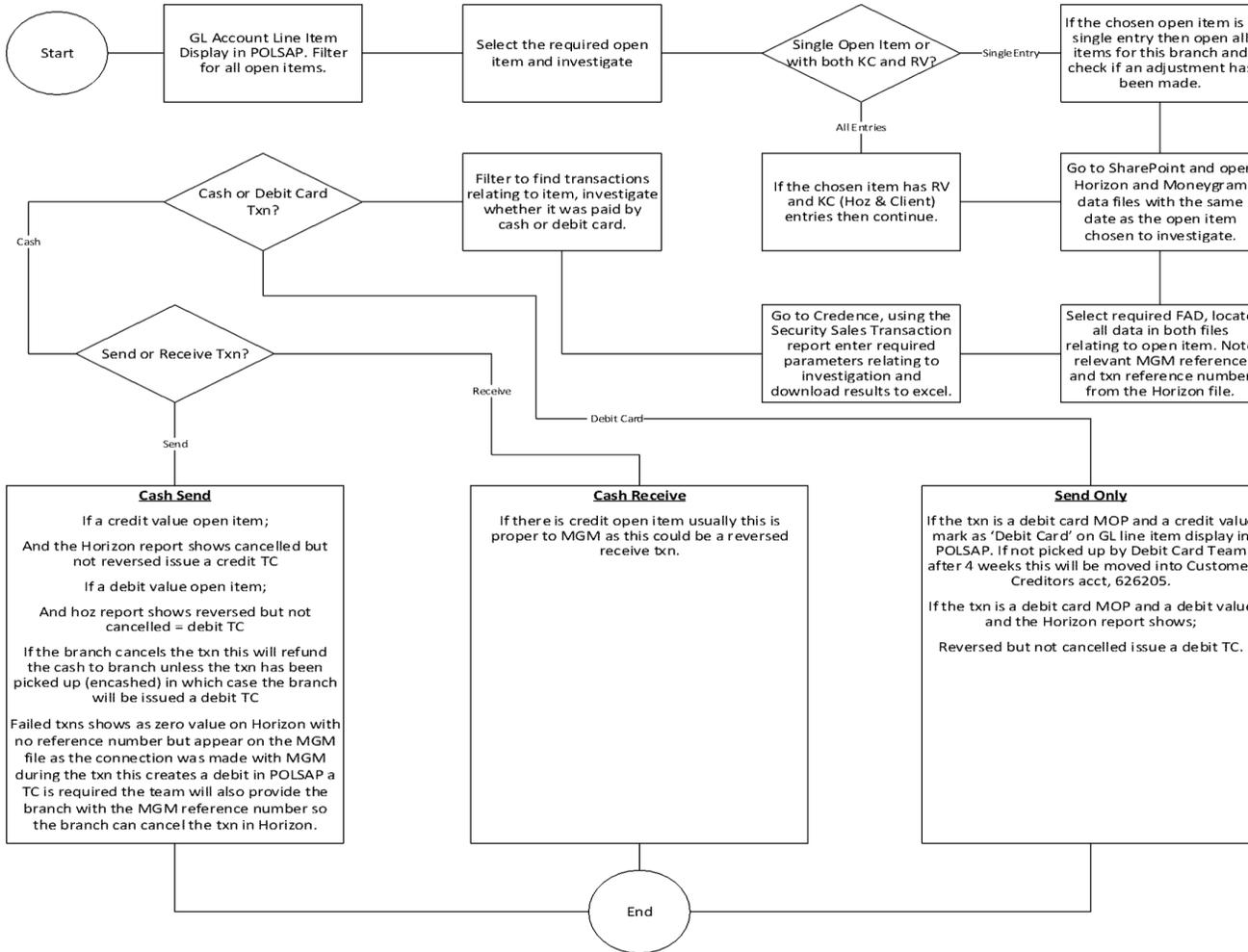
Agreed actions are followed up with respective FSC Team Managers.

1.5.5   Moneygram Open Items – Send or Receive

Moneygram (MGM)

Start

GL Account Line Item Display in POLSAP. Filter for all open items.

Select the required open item and investigate

Single Open Item or with both KC and RV?

— Single Entry →

If the chosen open item is a single entry then open all items for this branch and check if an adjustment has been made.

— All Entries —

If the chosen item has RV and KC (Hoz & Client) entries then continue.

Go to SharePoint and open Horizon and Moneygram data files with the same date as the open item chosen to investigate.

Cash or Debit Card Txn?

— Cash —

Filter to find transactions relating to item, investigate whether it was paid by cash or debit card.

Go to Credence, using the Security Sales Transaction report enter required parameters relating to investigation and download results to excel.

Select required FAD, locate all data in both files relating to open item. Note relevant MGM reference and txn reference number from the Horizon file.

Send or Receive Txn?

— Send —
— Receive —
— Debit Card —

Cash Send

If a credit value open item;

And the Horizon report shows cancelled but not reversed issue a credit TC

If a debit value open item;

And hoz report shows reversed but not cancelled = debit TC

If the branch cancels the txn this will refund the cash to branch unless the txn has been picked up (encashed) in which case the branch will be issued a debit TC

Failed txns shows as zero value on Horizon with no reference number but appear on the MGM file as the connection was made with MGM during the txn this creates a debit in POLSAP a TC is required the team will also provide the branch with the MGM reference number so the branch can cancel the txn in Horizon.

Cash Receive

If there is credit open item usually this is proper to MGM as this could be a reversed receive txn.

Send Only

If the txn is a debit card MOP and a credit value mark as 'Debit Card' on GL line item display in POLSAP. If not picked up by Debit Card Team after 4 weeks this will be moved into Customer Creditors acct, 626205.

If the txn is a debit card MOP and a debit value and the Horizon report shows;

Reversed but not cancelled issue a debit TC.

End

1.6   AP Clients Enquiries

Background

Customer pays a bar coded bill or swipe card to pay a utility bill, council, tax, rent etc. Responding to queries being raised etc.

A dedicated team member updates the "Enquiries spreadsheet", the log has macros for SLA and turnaround times.

POLSAP GL accounts:
- 627211 – payments from customers to be passed on to bank to pay vendors
- 620119 – Holding account for AP miss-keys noted, prior to issuing TC

Glossary of Control Owners	
Job Title	**Control Owner**
FSC Team Leader	Tracy Middleton

TC – Automated Payments

Lane	Content
NBSC/Customer care/Client(s)	Customer settles third party invoice · Raise query (AP9 form) · Receive and supply information request · Receive updated AP9 form
Branch	Take payment and enter transaction in horizon
Horizon	Record payment in Horizon
CREDENCE/Bank TECH	Interface · E.mail AP enquiry mailbox · Interface · Record of Transaction(s) · Yes · E.mail · Check in CREDENCE/BANK TECH · Branch picks up TC and accepts
POLSAP	Interface from Horizon (GL 627211) · Settlement processed (GL 627211) · C4.9.a.21 Valid / approved Authority matrix · C4.9.a.20 TC issued as per Authority matrix · TC Issued (ref number=incident number) · TC Accepted (ref number=incident number)
Automated Payments Enquiry Team (APET)	Daily settlement figure calculated · Process settlement for previous day · Receive & Log query into "Enquiries spreadsheet" · Move Query from AP enquiry inbox to relevant subfolder · Investigate and establish nature of error · further information/ documentation required? · No · Yes · Update any AP9 form and return to client · Fill in form "POL/ CLIENT incident report" · Update log "Enquiries spreadsheet" with Status · Print 3 hardcopies, keep 1 and file, 2 copies to settlement team intray · Receive and file 1 signed, dated copy from Settlement team · Issue TC? · No · File case · Update log
Sharepoint	"Enquiries spreadsheet" · Status: (1=Require pre-approval from "re-sellers", 2=Sent to Settlement, 3=Completed) · 2 copies in Settlement team intray · Hard Copy · C4.9.a.17 FSC Team Manager Monthly monitor TC control account "62931D Cash" · "Enquiries spreadsheet"
Settlement team	Daily settlement report emailed to Santander · Email confirmation with agreement of settlement · Receive "POL/ CLIENT incident report" · Review, sign and date
Team Manager Automated Payments Enquiry Team	C4.9.a.15 weekly FSC Team Manager meeting · Weekly Team Huddle · Monitoring
Santander	Agree settlement figure and confirm with APET

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Activity - Automated Payments

Chronological steps in the process:

1. Receive enquiry from NBSC/Customer care/Client(s) (AP9 form) (via AP enquiry mailbox) (Automated Payments Enquiry Team)
2. Log query into "Enquiries spreadsheet", (Automated Payments Enquiry Team)
3. Move Query from AP enquiry inbox to relevant subfolder, (Automated Payments Enquiry Team)
4. Investigate and establish nature of error, check in CREDENCE/BANK TECH, (Automated Payments Enquiry Team)
5. Where required request further information/documentation from Client, (Automated Payments Enquiry Team)
6. Update any AP9 form and return to client and fill in form "POL/CLIENT incident report" (Overpayment / Underpayment) (all form have incident number), system generated incident number and add own initial and (A=TC, E=Internal adjustment,) (Automated Payments Enquiry Team)
7. Update log "Enquiries spreadsheet" with Status (1=Require pre-approval from "re-sellers", 2=Sent to Settlement, 3=Completed (form received back from Settlement and TC issued where required)
8. Print 3 hardcopies, keep 1 and file, 2 copies to settlement team in-tray, (Automated Payments Enquiry Team)
9. Receive 1 signed and dated copy back from Settlement team (they have actioned what was on the form), (Automated Payments Enquiry Team)
10. File signed copy from Settlement team in team folder, (Automated Payments Enquiry Team)
11. Determine next step: a)No action and file, b)Action with TC
12. Where applicable issue TC in POLSAP with ref number=Incident number
13. Branch accept TC
14. End

Risk & Control Automated Payments

Control(s): TC03.02

Risk: Transaction correction is incorrectly issued

Control objective: Ensure TC is issued in line with automated payment query resolution

Frequency: As needed

Control owner: FSC Team Leader (Tracy Middleton)

Control description: Once a resolution is determined, the "Automated payments enquiry team" (APET) print 3 copies of the "POL client incident report" (PCIR). One copy of the PCIR is retained and two copies are passed to the "Settlement team" (ST). The ST review, sign and date the PCIR as evidence of approval. One copy of the PCIR is retained by the ST and the final copy is passed to the APET who compare this to the original document and use the approved figures for issuing the TC (incident number is used as TC reference - allows tracking).

Control(s): C4.9.a.11-16 (same control, however assigned to 6 different Team Managers)

Risk: Workload and peaks are not monitored resulting in build up of back log.

Control objective: To ensure there are frequent monitoring of the teams workload and any necessarily actions are taken pro-activily.

Frequency: Monthly

Control owner: FSC Team Manager(s)

Control description: "The FSC Team Manager monitors on a weekly basis their teams workload and escalates areas of concern with their reporting line.

Issues affecting the team's ability to process workloads are flagged by the FSC Team Manager and discussed in the weekly FSC Team Leader meeting.

On a monthly basis the FSC Team Manager signs, dates and retains the "weekly Stats" as evidence."

Control(s): C4.9.a.17

Risk: Control accounts are not monitored on a regular basis resulting in unjustified and unexplained aged balances.

Control objective: Control accounts are monitored on a regular basis and action taken to clear any aged items without unnecessarily delay.

Frequency: Monthly

Control owner: FSC Team Manager

Control description: "The FSC Team Manager monitors on a monthly basis all outstanding TC's over 5 weeks on control account 'A/C 629310 Outstanding Transaction Correction Cash'. All issued TC's related to "Cash" are also posted on Control account 'A/C 629310 ' to enable overall monitoring, and an e.mail reminder is automatically sent each month to TC issuer for all open TC's > 5 weeks. The TC issuer annotates for own area of responsibility an explanation/action against each open TC. The information from each TC issuer with open TCs are collated, monitored and followed up with TC issuer via control 'A/C 629310'.

Once satisfied that all open TCs have a justification with action - the FSC Team Manager signs, dates and files the open item report on control 'A/C 629310' as evidence of review."

1.6.1   General Client Enquiries (BAU)

High level of the process when using Dynamics ie BG contact POL re a bill payment

Process below how to work an enquiry.

No paper based internal process as all is completed in Dynamics

One duty holder opens all enquiries in the Dynamics inbox then sense checks all of the info and creates the cases in Dynamics

All internal and external comms are sent using email via Dynamics

Automated Payment Enquiry Process

None of the above now exist all via dynamics

1.6.2   Passports – Gov Services?

Passport Enquiries process

Sense checked by Team all data provided

Originator NBSC via dynamics

Email Team inbox in dynamics now

Is their information provided

Y

N

Request more information from the source

Data Capture on the case
 Ref Number
- Date(Trans)
- FAD Code
- Branch Name
- Value
- Date Raised
- Passport number

END

Close in Dynamics

Once duplcate identified Issue Credit TC in Polsap within 2 weeks
Polsap

Duplicate

Look for duplicate on a database or mismatch
Report

Open UKPA database SQL
SQL Database
All NBSC enq

Provided POL has not charged them a credit transaction correction can be issued
Polsap

Mismatch

Issue TC via POLSAP

If we have been charged call to the branch try 3 times

No contact from Branch

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1.6.3   Paystation

Background

Payment terminal used for payments of certain bills, top up of Mobile phones and Energy top up etc.

POLSAP GL accounts:

- 627236 – Paystation ping transactions
- 629122 – Paystation holding account

Glossary of Control Owners	
Job Title	**Control Owner**
FSC Team Leader	Tracy Middleton

Below relates to an NBSC call raised by branch for missing TAs

Process relates to an IMR where a branches Paystation terminal has ceased working and they have raised a call with Ingenico. The branch has been asked to submit their branch copy receipts for Ingenico to recreate the TA for the branch, however, if there are missing receipts the IMR form is raised by Ingenico for AP Team to issue a TC to create the Horizon postings. Or relates to a gen case is this IMR = NO stream. File case should be closed in Dynamics.

TC - Paystation

Branch/ NBSC/ Customer care
- Raise query
- Branch: Accept TC — Interface via HORIZON
- Branch: Accept TC — Interface via HORIZON

POLSAP
- Interface via HORIZON
- TC issued (G/L acc. 627236)
- TC Accepted (G/L acc. 627236)
- Creditor Holding G/L acc 629122
- TC14.01 Annual ageing review and write off
- Ref App. 1
- Ref App. 3
- TC issued (ref number=incident number)
- TC Accepted (ref number=incident number)
- Interface via HORIZON

CREDENCE / BANKTECH
- E.mail AP enquiry mailbox
- Yes

Automated Payments Enquiry Team
- Receive & Log query in "Workflow System"
- Move Query from AP enquiry inbox to relevant subfolder
- Query related to IMR?
- Yes
- No
- Update log with Status 1=Require pre-approval from "re-sellers", 2=Sent to Settlement, 3=Completed
- Receive and review IMR form from Ingenico
- Issue TC where applicable
- Verify TC is Accepted
- Move TC from G/L 627236 to Creditor Holding acc 629122
- File case
- Update log
- Investigate and establish nature of error
- Fill in form "POL/ CLIENT" incident report
- Print 3 hardcopies, keep 1 and file, 2 copies to settlement team intray
- Issue TC?
- No
- File case
- Update log
- Receive and file 1 signed, dated copy from Settlement team
- Reconciliation & probity

Workflow System
- Update log
- Workflow system
- TC14.02 Weekly – review of workflow to ensure all actionable items performed
- C4.9.a.17 FSC Team Manager Monthly monitor TC control account "629310 Cash"
- 2 copies in Settlement team intray

Settlement Team
- C4.9.a.21 Valid / approved Authority matrix
- C4.9.a.20 TC issued as per Authority matrix
- C4.9.a.15 weekly FSC Team Manager meeting
- C4.9.a.5 / C4.9.a.6 weekly FSC Team Operational meeting
- Receive "POL/ CLIENT" incident report
- Review, sign and date
- D1.12.b.4 Finance
- D1.12.b.5 Finance
- C4.9.a.2 / C4.9.a.3 FSC (Monthly Prob. & Rec)

Activity - PayStation

Chronological steps in the process:

1. Receive enquiry from Branch/NBSC/Customer care, **IMR form these will all land in Dynamics**
2. Log query into |Dynamics and create the case
3. Review query
   a. Query related to **IMR** – receive IMR form from Ingenico
   b. Review IMR form and Issue TC (where applicable)
   c. Update Dynamics and check that TC is accepted on G/L acc. 627236
   d. Once TC is accepted move TC from G/L 627236 to Creditor Holding acc 629122
   e. Update Dynamics and end.
4. Investigate and establish nature of error, check in CREDENCE/BANK TECH, (Automated Payments Enquiry Team)
5. Fill in form "POL/CLIENT incident report" (Overpayment / Underpayment) (all form have incident number), system generated incident number and add own initial and (A=TC, E=Internal adjustment,) (Automated Payments Enquiry Team)
6. Update Dynamics with activities
7. Print 3 hardcopies, keep 1 and file, 2 copies to settlement team intray, (Automated Payments Enquiry Team)
8. Receive 1 signed and dated copy back from Settlement team (they have actioned what was on the form), (Automated Payments Enquiry Team)
9. File signed copy from Settlement team in team folder, (Automated Payments Enquiry Team)
10. Determine next step: a)No action and file, b)Action with TC
11. Where applicable issue TC in POLSAP with ref number=Incident number
12. Branch accept TC
13. End

Risk & Control   PayStation

Control(s): TC14.01
Risk: Paystation variances become aged and are not investigated and resolved
Control objective: To ensure aged balances are reviewed and cleared down periodically
Frequency: Annual
Control owner: FSC Team Leader (Tracy Middleton)
Control description: An annual ageing review is performed on Paystation variances (GL 629122) arising on non-polled terminals with write off being performed for all balances aged in excess of 3 years.
Control(s): TC14.02
Risk: Queries in relation to Paystation are not investigated in a timely manner, resulting in incorrect aged balances and loss of goodwill
Control objective: Monitor and investigate open items
Frequency: Weekly
Control owner: FSC Team Leader (Tracy Middleton)
Control description: When a query is received in relation to Paystation, the enquiry is entered into the workflow system. An actionable date is placed on the system and this is updated each time the query is worked on. A weekly review is performed on the "workflow" system to ensure all actionable dates are reasonable and that items are being processed in line with the system schedule - amendments are made to dates and workflow where required.
Control(s): TC14.03
Risk: Paystation variances become aged and are not investigated and resolved
Control objective: Monitor and investigate open items
Frequency: Weekly
Control owner: FSC Team Leader (Tracy Middleton)
Control description: On a weekly basis the Automated Payments Enquiry team review GL 627236 and transfer all accepted transaction corrections into 629122 to allow monitoring and aging review. Where transaction correction is not accepted this is followed up as per the workflow system timings.

Control(s): C4.9.a.2 & C4.9.a.3
Risk: Balance sheet accounts are not reviewed resulting in error and misstatement or fraud
Control objective: To ensure that all BS accounts are reconciled and analysed and have evidence of balance justification
Frequency: Monthly
Control owner: FSC Operations Manager(s)
Control description: "All BS accounts within FSC area are reconciled at month end by the relevant Admin team members. Any open items are explained / annotated by the Admin team member and the reconciliation is sent to respective FSC Team Managers for review and approval. The FSC Team Manager(s) follows up any unreconciled/unexplained items with the respective Admin team member and once satisfied the reconciliation is approved (sign and dated as evidence) and forwarded to the FSC Operations Manager for final review and approval. The FSC Operations Manager reviews and queries where applicable with the FSC Team Manager(s) and sends/signs as evidence of final approval. The reconciliation(s) with approvals and any supporting documentation is dated, stored/printed and filed on SharePoint."

Control(s): C4.9.a.5 & C4.9.a.6
Risk: Build-up of aged balances - unapproved aged balances of affected account resulting in loss of reputation to Post Office.
Control objective: To ensure close monitoring of aged balances and prevent where possible any aged build-up of accounts affected.
Frequency: Weekly
Control owner: FSC Operations Manager(s)
Control description: "On a weekly basis the FSC Operations Manager performs an ageing analysis of all open items matching account per product area. The main objective is to prevent wherever possible any open item(s) falling into an aged (>3 months) category

1.6.4   Pre Order Foreign Currencies

Background

This process is for pre-order of foreign currency.

Customer can either:

PRE ORDER - Order direct from Branch

CLICK AND COLLECT - Order direct Online with First rate and pick up in Branch, or order direct via phone to First rate and pick up in Branch.

POLSAP GL accounts:

- 629310 – Outstanding Transaction Corrections (The whole Branch Corrections team uses this account)

Settlement team would have an open item in case the team forgets to issue a TC.

TC – Pre Order

Lane	Content
Branch / First Rate / Customer care/Client(s)	Raise query (AP9 form)/ First Rate use email — Receive Query and advise POL — Receive proposed action — Accept TC (Branch) — Via Horizon & Interface to POLSAP
APOP	Record of Transaction — Supporting documentation
POLSAP	If a Branch, order check APOP — If a First rate pre order, contact Branch — E.mail First rate/Branch — Ref App. 3 — Ref App. 3 — TC Issued — TC Accepted
Automated Payments Enquiry Team	Receive & Log query into Dynamics — Investigate and establish nature of error — Order done in Branch or First rate ? — Gather supporting documentation — Confirm proposed action with First rate/Branch — Issue TC? — Yes — No — Transaction seems OK and advise First rate / Branch — Advise (after TC accepted) to Debit/Credit First rate sttlement — File case — Supporting documentation — Update log
Dynamics	Updates into Dynamics — Update log with Action – TC / No TC etc. — E.mail — Update Dynamics
Settlement team	C4.9.a.21 Valid / approved Authority matrix — C4.9.a.20 TC issued as per Authority matrix — C4.9.a.17 FSC Team Manager Monthly monitor TC control account "629310 Cash" — Debit / Credit First rate — Monitoring
Team Manager Automated Payments Enquiry Team	C4.9.a.15 weekly FSC Team Manager meeting — Weekly Team Huddle

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Activity – Pre-Order

Chronological steps in the process:

1. Query raised due to currency error.
2. Automated Payments Team logs query into MS Dynamics.
3. Automated Payments Team investigate error; is this a Branch or First Rate pre order.
4. If First Rate contact First Rate and advise of Query – await response.
5. If a Branch pre order investigate APOP.
6. Gather supporting documentation.
7. Contact First Rate or Branch and discuss proposed actions, issue evidence.
8. If no TC is required confirm with Branch or First Rate everything is okay and update Dynamics, close case.
9. If TC is required issues TC.
10. Branch accepts TC.
11. Advise Settlement Team to Debit or Credit First Rate, based upon TC type issued.
12. File and Close case on Dynamics.

Control(s): C4.9.a.11-16 (same control, however assigned to 6 different Team Managers)

Risk: Workload and peaks are not monitored resulting in build-up of back log.

Control objective: To ensure there are frequent monitoring of the teams workload and any necessarily actions are taken pro-actively.

Frequency: Monthly

Control owner: FSC Team Manager(s)

Control description: "The FSC Team Manager monitors on a weekly basis their team's workload and escalates areas of concern with their reporting line.

Issues affecting the team's ability to process workloads are flagged by the FSC Team Manager and discussed in the weekly FSC Team Leader meeting.

On a monthly basis the FSC Team Manager signs, dates and retains the "weekly Stats" as evidence."

Control(s): C4.9.a.17

Risk: Control accounts are not monitored on a regular basis resulting in unjustified and unexplained aged balances.

Control objective: Control accounts are monitored on a regular basis and action taken to clear any aged items without unnecessarily delay.

Frequency: Monthly

Control owner: FSC Team Manager

Control description: "The FSC Team Manager monitors on a monthly basis all outstanding TC's over 5 weeks on control account 'A/C 629310 Outstanding Transaction Correction Cash'. All issued TC's related to "Cash" are also posted on Control account 'A/C 629310 ' to enable overall monitoring, and an e-mail reminder is automatically sent each month to TC issuer for all open TC's > 5 weeks. The TC issuer annotates for own area of responsibility an explanation/action against each open TC. The information from each TC issuer with open TCs are collated, monitored and followed up with TC issuer via control 'A/C 629310'.

Once satisfied that all open TCs have a justification with action - the FSC Team Manager signs, dates and files the open item report on control 'A/C 629310' as evidence of review."

1.6.5   Pre-Order

Relates to case logging/creation/update in Dynamics
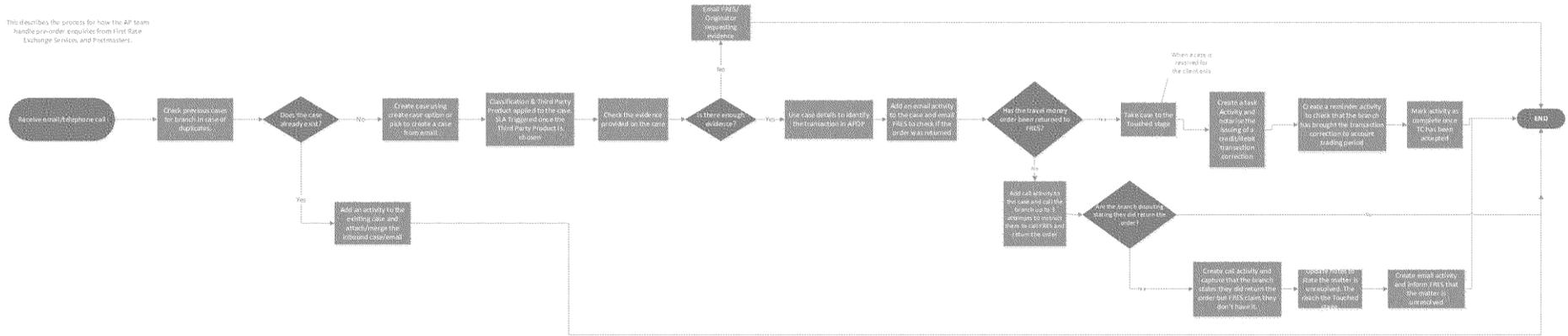
1.6.6   Online Order

Relates to case logging/creation/update in Dynamics
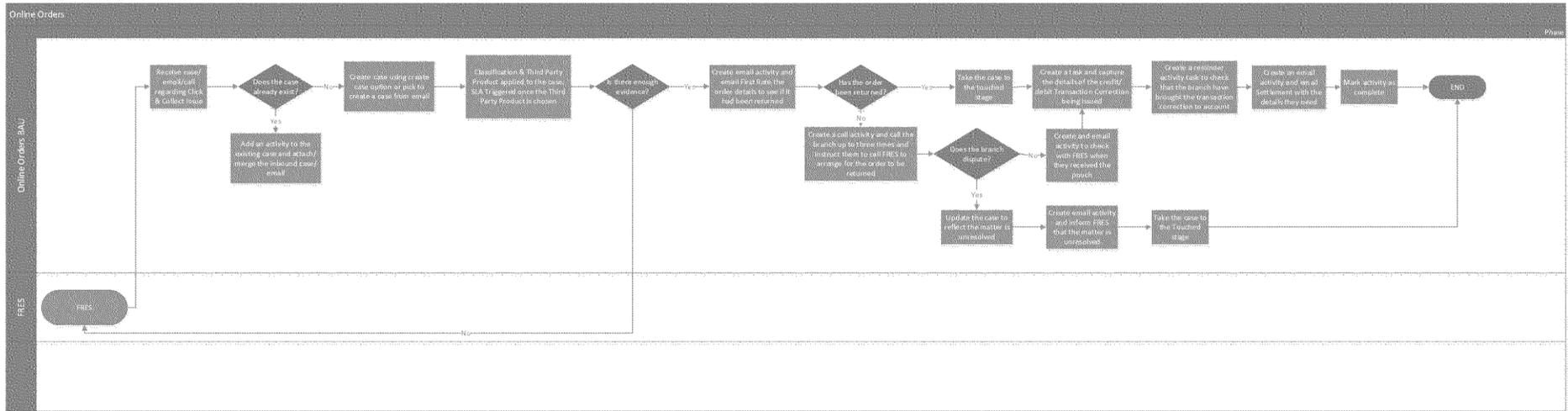
1.6.7 Click and Collect

Relates to case logging/creation/update in Dynamics
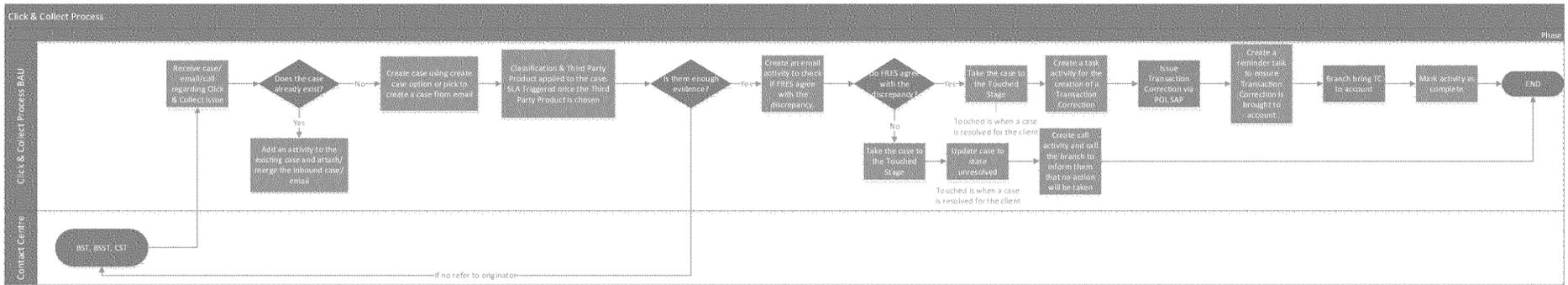
1.6.8   TMC & Currency

Background

Travel money card is a card where you can load money on the card and use e.g. abroad. (Multi-currency card, e.g. can put multiple currencies on it). There are no day to day involvement from the team, only via queries from First Rate, Branch etc.

Settlement team would have an open item in case the team forgets to issue a TC or settle with First Rate.

POLSAP GL accounts:
- 627024 – travellers cheque matching account Travellers' Cheques
- 555083 – currency sales made in branches TMC

Glossary of Control Owners	
Job Title	**Control Owner**
FSC Team Leader	Tracy Middleton TMC
FSC Team Leader	Andrea Green Travellers' Cheques

TC - First Rate – Travel Money Card / Cheques

Branch

- Sell Travel Money card to Customer
  - Manual
- Buy excess travellers cheque from customer
  - Manual
- Receive proposed action/advise
- Accept TC

Horizon

- Record of transaction
- Record of transaction
- TC issued
- TC Accepted

POLSAP

- Interface → Record of transaction
- Interface → Record of transaction
- Interface → TC issued (Ref App. 1)
- Interface → TC Accepted (Ref App. 3)

E.mail First Rate or Branch

CREDENCE

- Upload via Accenture → Client Fi`les Record of transaction from First Rate
- C4.9.a.21 Valid / approved Authority matrix
- C4.9.a.20 TC issued as per Authority matrix
- C4.9.a.17 FSC Team Manager Monthly monitor TC control account "629310 Cash"

Automated Payments Enquiry Team

- AP enquiry mailbox
- Receive enquiry → Log Enquiry into Dynamics → Confirm proposed action with First rate/Branch → TC required?
  - No → Resolution without TC email First Rate or Branch → Update Dynamics end case
- Complete Settlement Sheet and advise Settlement team
- Issue TC
- End
- TC10.04 Monthly – ageing review of GL 627024 and write off to P&L
- C4.9.a.15 weekly FSC Team Manager meeting

Travellers' Cheques

- TC10.03 Weekly – run GL report of 627024 to identify variances → Investigate and establish nature of error (GL 627024) → TC required?
  - Yes

Settlement team

- Receive advise to debit/credit First Rate settlement → Review, sign and date the Settlement sheet & return to sender

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Activity - First Rate

Chronological steps in the process:

1. Customer buys Travel Money Card from branch
2. Branch input into Horizon……… (Branch)
3. Upload file to CREDENCE (Accenture)
4. Receive enquiry from First rate/Branch etc. (via AP enquiry inbox) (Automated Payments Enquiry Team)
5. Log query into "Enquiries spreadsheet", (Automated Payments Enquiry Team)
6. Move Query from AP enquiry inbox to Travel Money Card folder, (Automated Payments Enquiry Team)
7. Investigate and establish nature of error, check in CREDENCE, (Automated Payments Enquiry Team)
8. Confirm proposed action with First rate/Branch (Automated Payments Enquiry Team)
9. Determine if TC is required (Automated Payments Enquiry Team)
10. Where no TC is required – transaction seems OK and advise Frist rate/Branch (Automated Payments Enquiry Team)
11. If TC needed complete Settlement Sheet to inform Settlement Team to debit/credit First Rate accordingly and await signed sheet to be returned (Automated Payments Enquiry Team)
12. Update "Enquiries spreadsheet" , (Automated Payments Enquiry Team)
13. Issue TC in POLSAP (Automated Payments Enquiry Team)
14. Update "Enquiries spreadsheet" , (Automated Payments Enquiry Team)
15. Branch accept TC, (Branch)
16. End

Risk & Control   First Rate Travel Money Card

Control(s): TC10.01
Risk: First Rate travel money card transaction corrections are not agreed with third party, resulting in subsequent variances
Control objective: To ensure transaction corrections are confirmed with third party prior to processing
Frequency: As required
Control owner: FSC Team Leader (Tracy Middleton)
Control description: When a resolution is concluded, an email is sent to First Rate or Branch to confirm the proposed action. "No response" is taken as agreement to the correction. If First Rate query the correction then they will contact the automated payments enquiry Team via encrypted email and the correction will be revisited. Final email confirmation is sent once query resolved.

Control(s): TC10.02
Risk: Travellers cheque encashment balances are not recoverable from third party
Control objective: Agree encashment with third party
Frequency: Weekly
Control owner: FSC Team Leader (Andrea Green)
Control description: On a weekly basis a file containing all traveller's cheque encashment balances where support has been received by First Rate (FR) is obtained from FR and uploaded into POLSAP. Automatic matching is performed between the uploaded report and horizon transactions from branch.

Control(s): TC10.03
Risk: Travellers cheque encashment balances are not recoverable from third party
Control objective: Identify and investigate open items
Frequency: Weekly
Control owner: FSC Team Leader (Andrea Green)
Control description: On a weekly basis the FSC run a GL report (627024) to identify all unmatched cheque encashment balances. Balances identified are followed up with the relevant branches and TC's issued where errors identified.

Control(s): TC10.04
Risk: Travellers cheque encashment balances are not recoverable from third party
Control objective: Identify items for write-off
Frequency: Monthly
Control owner: FSC Team Leader (Andrea Green)
Control description: In the last week of each period an ageing review is performed on GL 627024 to identify all unmatched items in excess of 2 months aged. Where a TC has not been issued for these, the balance is written off to the profit and loss.

Control(s): C4.9.a.11-16 (same control, however assigned to 6 different Team Managers)
Risk: Workload and peaks are not monitored resulting in build up of back log.
Control objective: To ensure there are frequent monitoring of the teams workload and any necessarily actions are taken pro-activily.
Frequency: Monthly
Control owner: FSC Team Manager(s)
Control description: "The FSC Team Manager monitors on a weekly basis their teams workload and escalates areas of concern with their reporting line.
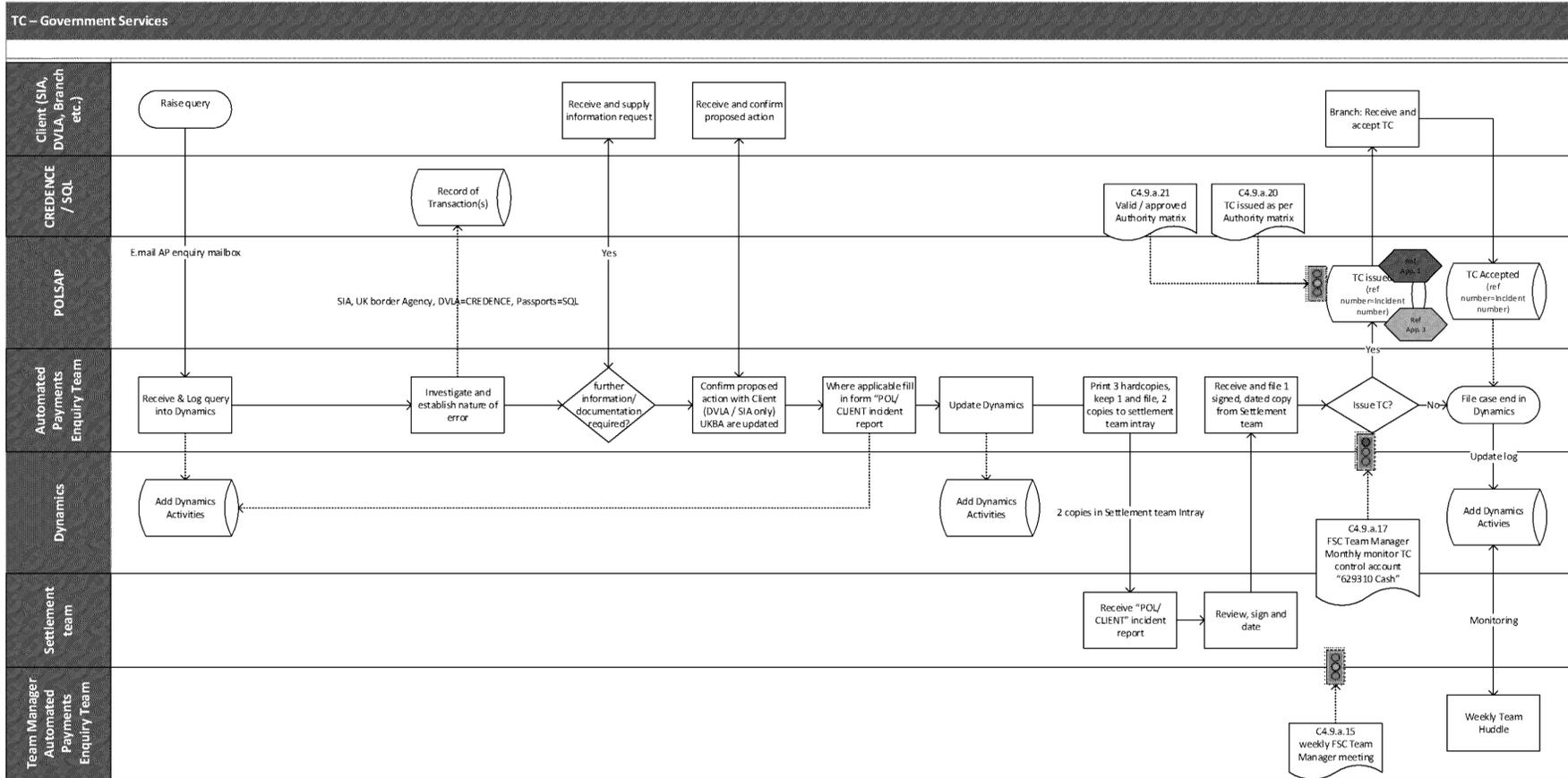
This relates to case updating on Dynamics
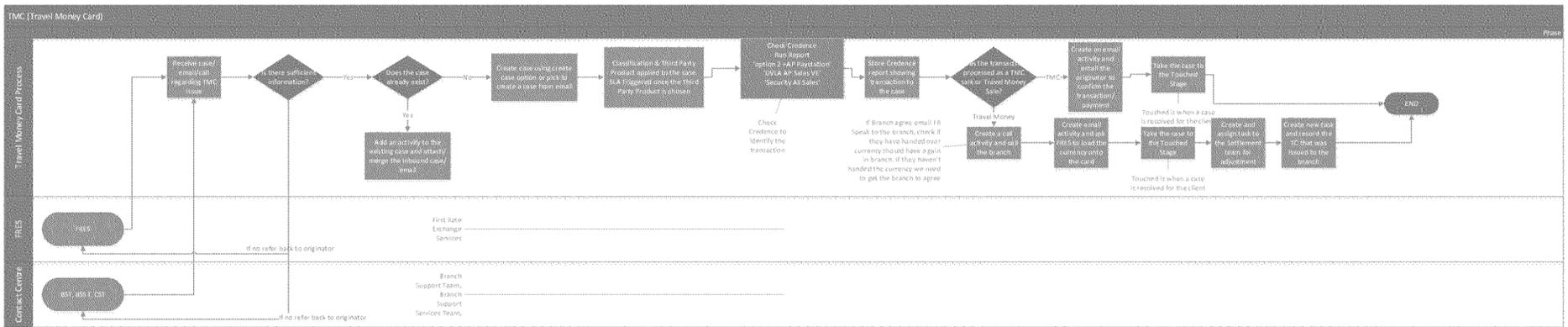
1.6.9   Government Services

> **Background**
>
> License applications for e.g. UK Border Agency, SIA Security Industry Authority & Driving Licences.

Glossary of Control Owners	
Job Title	**Control Owner**
FSC Team Leader	Tracy Middleton

TC – Government Services

Lane	Content
Client (SIA, DVLA, Branch etc.)	Raise query · Receive and supply information request · Receive and confirm proposed action · Branch: Receive and accept TC
CREDENCE / SQL	Record of Transaction(s) · C4.9.a.21 Valid / approved Authority matrix · C4.9.a.20 TC issued as per Authority matrix
POLSAP	E.mail AP enquiry mailbox · SIA, UK border Agency, DVLA=CREDENCE, Passports=SQL · TC issued (ref number=Incident number) · TC Accepted (ref number=Incident number) · Ref App.1 · Ref App. 3
Automated Payments Enquiry Team	Receive & Log query into Dynamics · Investigate and establish nature of error · further information/ documentation required? · Confirm proposed action with Client (DVLA / SIA only) UKBA are updated · Where applicable fill in form "POL/ CLIENT incident report" · Update Dynamics · Print 3 hardcopies, keep 1 and file, 2 copies to settlement team intray · Receive and file 1 signed, dated copy from Settlement team · Issue TC? · File case end in Dynamics
Dynamics	Add Dynamics Activities · Add Dynamics Activities · 2 copies in Settlement team Intray · C4.9.a.17 FSC Team Manager Monthly monitor TC control account "629310 Cash" · Update log · Add Dynamics Activies
Settlement team	Receive "POL/ CLIENT" incident report · Review, sign and date · Monitoring
Team Manager Automated Payments Enquiry Team	C4.9.a.15 weekly FSC Team Manager meeting · Weekly Team Huddle

Yes · No · Yes

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Activity - Government Services

Chronological steps in the process:

1. Receive enquiry from Client (e.g. SIA, DVLA, Branch etc.) (via Dynamics) (*Automated Payments Enquiry Team*)
2. Log query into Dynamics (*Automated Payments Enquiry Team*)
3. Investigate and establish nature of error , check in CREDENCE for (SIA, UK border Agency, DVLA renewals), (For Passport enquiries check database SQL) (*Automated Payments Enquiry Team)*
4. Confirm proposed action with Client, for SIA/DVLA only (If query is from Branch fill in Incident report), (*Automated Payments Enquiry Team*)
5. Fill in form -where applicable for Client- the "POL/CLIENT incident report" (Overpayment / Underpayment) (all forms have incident number), system generated incident number and add own initial and (A=TC, E=Internal adjustment,) (*Automated Payments Enquiry Team*)
6. Update Dynamics and add activities (*Automated Payments Enquiry Team*)
7. Print 3 hardcopies, keep 1 and file, 2 copies to settlement team Intray, (*Automated Payments Enquiry Team)*
8. Receive 1 signed and dated copy back from Settlement team (they have actioned what was on the form), (*Automated Payments Enquiry Team*)
9. File signed copy from Settlement team in team folder, (*Automated Payments Enquiry Team*)
10. Determine next step: a) No action and file (Code=E), b)Action with TC (code=A), (*Automated Payments Enquiry Team*)
11. Where applicable issue TC in POLSAP with ref number=Incident number, (*Automated Payments Enquiry Team*)
12. Branch accept TC, *(Branch)*
13. End

Risk & Control - Government Services

Control(s): C4.9.a.11-16 (same control, however assigned to 6 different Team Managers)
Risk: Workload and peaks are not monitored resulting in build up of back log.
Control objective: To ensure there are frequent monitoring of the teams workload and any necessarily actions are taken pro-activily.
Frequency: Monthly
Control owner: FSC Team Manager(s)
Control description: "The FSC Team Manager monitors on a weekly basis their teams workload and escalates areas of concern with their reporting line.
Issues affecting the team's ability to process workloads are flagged by the FSC Team Manager and discussed in the weekly FSC Team Leader meeting.
On a monthly basis the FSC Team Manager signs, dates and retains the "weekly Stats" as evidence."

Control(s): C4.9.a.17
Risk: Control accounts are not monitored on a regular basis resulting in unjustified and unexplained aged balances.
Control objective: Control accounts are monitored on a regular basis and action taken to clear any aged items without unnecessarily delay.
Frequency: Monthly
Control owner: FSC Team Manager
Control description: "The FSC Team Manager monitors on a monthly basis all outstanding TC's over 5 weeks on control account 'A/C 629310 Outstanding Transaction Correction Cash'. All issued TC's related to "Cash" are also posted on Control account 'A/C 629310 ' to enable overall monitoring, and an e.mail reminder is automatically sent each month to TC issuer for all open TC's > 5 weeks. The TC issuer annotates for own area of responsibility an explanation/action against each open TC. The information from each TC issuer with open TCs are collated, monitored and followed up with TC issuer via control 'A/C 629310'.
Once satisfied that all open TCs have a justification with action - the FSC Team Manager signs, dates and files the open item report on control 'A/C 629310' as evidence of review."

1.6.10   DVLA

Background
Vehicle tax payments to DVLA.

Glossary of Control Owners	
Job Title	Control Owner
FSC Team Leader	Tracy Middleton

TC – DVLA

Lane	Content

NBSC/ Customer care/DVLA
- Raise query (AP9 form)
- Receive and supply information request
- Receive updated AP9 form
- Receive "POL/ CLIENT incident report"

Branch picks up TC and accepts

CREDENCE/ Bank TECH
- Record of Transaction(s)
- C4.9.a.21 Valid / approved Authority matrix
- C4.9.a.20 TC issued as per Authority matrix

POLSAP
- E.mail AP enquiry mailbox
- Check in CREDENCE/BANK TECH
- Yes
- E.mail DVLA
- E.mail DVLA
- TC issued (ref number=incident number)
- TC Accepted (ref number=incident number)
- Ref App. 1
- Ref App. 3

Automated Payments Enquiry Team
- Receive & Log query into Dynamics
- Investigate and establish nature of error
- further information/ documentation required?
- No
- Update any AP9 form and return to client "
- Fill in form "POL/ CLIENT incident report
- Update Dynamics
- Print 1 hardcopy for own filing, e.mail form to Settlement team/DVLA
- Receive and file signed, dated copy from Settlement team
- Issue TC?
- Yes
- No
- File case – Update Dynamics
- Update log

Dynamics
- Add Dynamics Activities
- Add Dynamics Activities
- E.mail
- Hard copy
- C4.9.a.17 FSC Team Manager Monthly monitor TC control account "629310 Cash"
- Add Dynamics Activities

Settlement team
- Receive "POL/ CLIENT incident report
- Print, review, sign and date
- Monitoring

Team Manager Automated Payments Enquiry Team
- C4.9.a.15 weekly FSC Team Manager meeting
- Weekly Team Huddle

Activity - DVLA

Chronological steps in the process:

1. Receive enquiry from NBSC/Customer care/client (AP9 form) (DVLA) (via AP enquiry inbox) (Automated Payments Enquiry Team)
2. Log query into "Enquiries spreadsheet", (Automated Payments Enquiry Team)
3. Move Query from AP enquiry inbox to relevant subfolder, (Automated Payments Enquiry Team)
4. Investigate and establish nature of error, check in CREDENCE/BANK TECH, (Automated Payments Enquiry Team)
5. Where required request further information/documentation from Client, (Automated Payments Enquiry Team)
6. Update any AP9 form and return to client and fill in form "POL/CLIENT incident report" (Overpayment / Underpayment) (all form have incident number), system generated incident number and add own initial and (A=TC, E=Internal adjustment,) (Automated Payments Enquiry Team)
7. Update log "Enquiries spreadsheet" with Status (1=Require pre-approval from "re-sellers", 2=Sent to Settlement, 3=Completed (form received back from Settlement and TC issued where required)
8. E.mail "POL/CLIENT incident report" to Settlement team and DVLA and print 1 hardcopy for own filing, (Automated Payments Enquiry Team)
9. Receive 1 signed and dated hard copy back from Settlement team (they have actioned what was on the form), (Automated Payments Enquiry Team)
10. File signed hard copy from Settlement team in team folder, (Automated Payments Enquiry Team)
11. Determine next step: a)No action and file, b)Action with TC
12. Where applicable issue TC in POLSAP with ref number=Incident number
13. Branch accept TC
14. End

Risk & Control DVLA

Control(s): C4.9.a.11-16 (same control, however assigned to 6 different Team Managers)

Risk: Workload and peaks are not monitored resulting in build-up of back log.

Control objective: To ensure there are frequent monitoring of the teams workload and any necessarily actions are taken pro-actively.

Frequency: Monthly

Control owner: FSC Team Manager(s)

Control description: "The FSC Team Manager monitors on a weekly basis their team's workload and escalates areas of concern with their reporting line.

Issues affecting the team's ability to process workloads are flagged by the FSC Team Manager and discussed in the weekly FSC Team Leader meeting.

On a monthly basis the FSC Team Manager signs, dates and retains the "weekly Stats" as evidence."

Control(s): C4.9.a.17

Risk: Control accounts are not monitored on a regular basis resulting in unjustified and unexplained aged balances.

Control objective: Control accounts are monitored on a regular basis and action taken to clear any aged items without unnecessarily delay.

Frequency: Monthly

Control owner: FSC Team Manager

Control description: "The FSC Team Manager monitors on a monthly basis all outstanding TC's over 5 weeks on control account 'A/C 629310 Outstanding Transaction Correction Cash'. All issued TC's related to "Cash" are also posted on Control account 'A/C 629310 ' to enable overall monitoring, and an e-mail reminder is automatically sent each month to TC issuer for all open TC's > 5 weeks. The TC issuer annotates for own area of responsibility an explanation/action against each open TC. The information from each TC issuer with open TCs are collated, monitored and followed up with TC issuer via control 'A/C 629310'.

Once satisfied that all open TCs have a justification with action - the FSC Team Manager signs, dates and files the open item report on control 'A/C 629310' as evidence of review."

1.7   Stock & Mails

Glossary of Control Owners	
Job Title	**Control Owner**
FSC Team Leader	Tracy Middleton

Background

Monitoring of Royal Mail stock products, (Stamps) and adjustments.

REMIT IN is a means of accounting for received stock (stamps) and has no cash effect on the Branch, whereas a Stock adjustment has a Cash effect. When a branch receives stock it should always be REMIT IN. The ownership of stamps sits with Royal Mail and the Branch gets a commission for each stamp sold.

Wrongful stock adjustments could potentially lead to misstatement of sales data from Royal Mail.

TC – Part 1 Stock - Non Rem

Branch

Courier – CVIT Stamps delivery

Receive delivery → Check content and REMIT IN → Sales → End of Month balancing (Physical stock count vs. HORIZON) → Balance? (Physical vs. HORIZON)

End

Yes

No → Sale / Sale reversal

Advise of REMIT IN → REMIT IN and adjust stock

Manually — Manually — Print off balance

Manually

Manually

HORIZON

REMIT IN Pouch ⟷ Record of Transaction ⟷ Stock balance ⟷ Record of Transaction ⟷ REMIT IN & Stock adjustment

Interface

Interface

CREDENCE

Record of all transactions — Non Sales Report — Compare — Record of all transactions

Advise Branch

GALAXY

Record of despatched

Run Non Sales report

C4.9.a.4 Erroneous stock adjustments

Log into GALAXY

C4.9.a.5 / C4.9.a.6 weekly FSC Team Operational meeting

Mails and Stock team

Run Daily Report in Credence & download report to excel. Check for Branch Stock adjustments → Save report in Sharepoint and filter on highest value → Identify the Stock products that have been adjusted. All "cases" are logged in MS Dynamics. → Log into GALAXY and verify what has been physically despatched → Compare non sales report in CREDENCE to despatched stock from GALAXY → Advise Branch to take corrective action. i.e. REMIT IN and adjust stock or do sales reversal and adjust stock → Re-run following day the Non Sales report → Have Branch corrected → Yes → "Cases" closed in MS Dynamics. End

No, chase up Branch

C4.9.a.18 FSC Team Manager Monthly monitor TC control account "629320 Stock"

C4.9.a.15 weekly FSC Team Manager meeting

D1.12.b.4 Finance   D1.12.b.5 Finance

TC – Part 2 Stock - Non Rem

Branch

Negative /positive Stock adjustment —Manually

Accept TC —Manually

HORIZON

Value of Stock adjustment (+ / -)

TC Issued

TC Accepted

POLSAP

Interface — Record of transactions

Record of transactions (suspense account)

Interface — TC Issued

Ref App. 3

Interface — TC Accepted

Ref App. 3

Mails and Stock Team

AD HOC requests

Receive request for aid with Stock Discrepancy

Investigate and establish the nature of error

Relates to "Open Postage"

Issue a Volume TC to reduce stock.

No

Yes

Advise Branch to do a stock adjustment and enter loss into Suspense. Issue TC to offset POLSAP Suspense (Open Postage)

TC

End

C4.9.a.5 / C4.9.a.6 weekly FSC Team Operational meeting

MS Dynamics

Log request/query with supporting documentation

C4.9.a.18 FSC Team Manager Monthly monitor TC control account "629320 Stock"

C4.9.a.21 Valid / approved Authority matrix

C4.9.a.20 TC issued as per Authority matrix

C4.9.a.15 weekly FSC Team Manager meeting

Update Case in MS Dynamics

D1.12.b.4 Finance

D1.12.b.5 Finance

Activity - Stock non Rem

Chronological steps in the process:

1. Scheduled delivery / Request for extra (additional to already scheduled) Stamps to NBSC Helpline *(Branch)*
2. Swindon courier (CVIT) a Pouch and despatch to Branch *(Swindon)*
3. Check content and REMIT IN (manually) into HORIZON *(Branch)*
4. Selling of stamps enter into HORIZON *(Branch)*
5. End of Month (Balancing period) take physical stock count *(Branch)*
6. Print off balance in HORIZON and compare to physical stock *(Branch)*
7. If any difference – do a sale or a sale reversal *(Branch)*
8. Run daily report in CREDENCE and download to excel to check for Branch Stock adjustments (report shows all stock adjustments made by all Branches) *(Mails and Stock team)*
9. Save daily report in SharePoint "Stock Adjustments dd.mm.yy", *(Mails and Stock team)*
10. Filter on highest positive value/volume (Positive means increase in stock, negative means decrease in stock), *(Mails and Stock team)*
11. Run non sales report in CREDENCE to identify the Stock products (within Stamps), *(Mails and Stock team)*
12. Log into GALAXY and verify what has been physically despatched from Swindon, *(Mails and Stock team)*
13. Compare non sales report in CREDENCE to despatched stock from GALAXY, *(Mails and Stock team)*
14. If not REMIT in, advise branch to REMIT IN and advise to do a Negative Stock adjustment (in order to balance the REMIT IN), *(Mails and Stock team)*
15. Update daily report in SharePoint "Stock Adjustments dd.mm.yy" with stock product, volume, value, contact person in Branch and advice given. *(Mails and Stock team)*
16. REMIT IN and Adjust the Stock in HORIZON, *(Branch)*
17. Re-run following day the Non Sales report in CREDENCE to verify that Branch has REMIT In and adjusted Stock. *(Mails and Stock team)*

TCs are AD HOC and involves receiving requests for TC from Branch, Audit, NBSC. G/L account 539106 "REM shortages Suspense" and G/L 629452 "REM Surplus Suspense" – these accounts are monitored for aged balances by the Cash Team.
Transaction Corrections:

1. Receive request for a TC, via e-mail, calls, NBSC spreadsheet (Branch, Audit team, NBSC), *(Mails and Stock team)*
2. Log request/query in hardcopy sheet with supporting documentation, (log from NBSC is electronic) *(Mails and Stock team)*
3. Investigate and establish the nature of error, *(Mails and Stock team)*
4. If error relates to "Open Postage" – Branch do a negative/positive Stock adjustment in HORIZON *(Branch)*
5. The value of Stock Adjustment is posted in HORIZON against a suspense in HORIZON *(Branch)*
6. Interface to POLSAP (suspense account)
7. Issue TC to offset POLSAP Suspense (Open Postage), *(Mails and Stock team)*
8. If error does not relate to "Open Postage", do a Volume TC, *(Mails and Stock team)*
9. Branch accepts TC

1.7.1 Stock & Mails

Risk & Control	Stock non Rem	

Control(s): TC19.01
Risk: Royal mail stock sales are incorrectly recognised, resulting in incorrect commission for sales
Control objective: To ensure accuracy of royal mail stock sales
Frequency: Daily
Control owner: FSC Team Manager (Tracy Middleton)
Control description: On a daily basis the mails and stock team run a "non sales transaction report" in Credence. The report is compared to stock shipments from Swindon to branch, per Galaxy system. Where stock deliveries have been booked at branch via a stock adjustment instead of "remit in", the branch is contacted to correct the transaction. All adjustments and associated advice is recorded on SharePoint spreadsheet "Stock Adjustments dd.mm.yy".

Control(s): TC19.02
Risk: Royal mail stock sales are incorrectly recognised, resulting in incorrect commission for sales
Control objective: To ensure accuracy of royal mail stock sales
Frequency: Daily
Control owner: FSC Team Manager (Tracy Middleton)
Control description On a daily basis the mails and stock team run a "non sales transaction report" in Credence. The report is compared to the previous days SharePoint spreadsheet "Stock Adjustments dd.mm.yy" to identify any corrections recommended the previous working day that have not been processed by branch. The mails and stock team contact the relevant branch to follow up on issues accordingly.

Control(s): C4.9.a.2 & C4.9.a.3
Risk: Balance sheet accounts are not reviewed resulting in error and misstatement or fraud
Control objective: To ensure that all BS accounts are reconciled and analysed and have evidence of balance justification
Frequency: Monthly
Control owner: FSC Operations Manager(s)
Control description: "All BS accounts within FSC area are reconciled at month end by the relevant Admin team members. Any open items are explained / annotated by the Admin team member and the reconciliation is sent to respective FSC Team Managers for review and approval. The FSC Team Manager(s) follows up any unreconciled/unexplained items with the respective Admin team member and once satisfied the reconciliation is approved (sign and dated as evidence) and forwarded to the FSC Operations Manager for final review and approval. The FSC Operations Manager reviews and queries where applicable with the FSC Team Manager(s) and sends/signs as evidence of final approval. The reconciliation(s) with approvals and any supporting documentation is dated, stored/printed and filed on Sharepoint."

Control(s): C4.9.a.5 & C4.9.a.6
Risk: Build-up of aged balances - unapproved aged balances of affected account resulting in loss of reputation to PostOffice.
Control objective: To ensure close monitoring of aged balances and prevent where possible any aged build-up of accounts affected.
Frequency: Weekly
Control owner: FSC Operations Manager(s)
Control description: "On a weekly basis the FSC Operations Manager performs an ageing analysis of all open items matching account per product area. The main objective is to prevent wherever possible any open item(s) falling into an aged (>3 months) category.
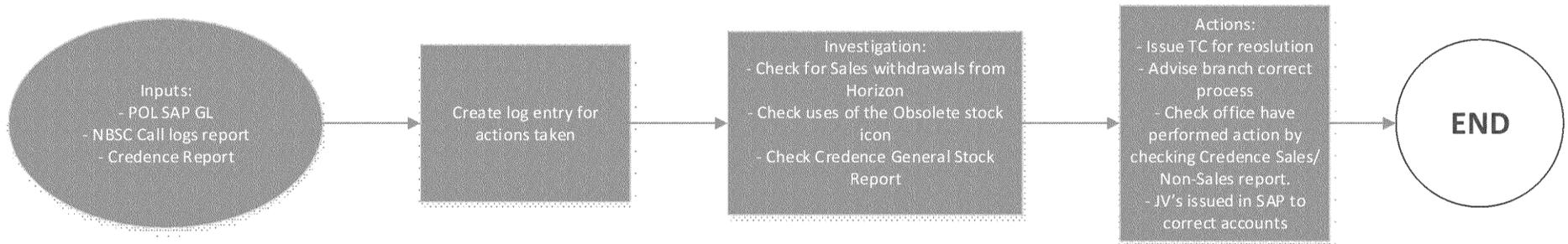The respective Team Managers explains the analysis for their product area at the weekly Team Operational meeting. Open items are prioritised by highest value, date and/or other steer from Management.
Agreed actions are followed up with respective FSC Team Managers.
The FSC Operations Manager signs and dates the analysis and minutes from meeting with any other supporting documentation and retain as evidence."
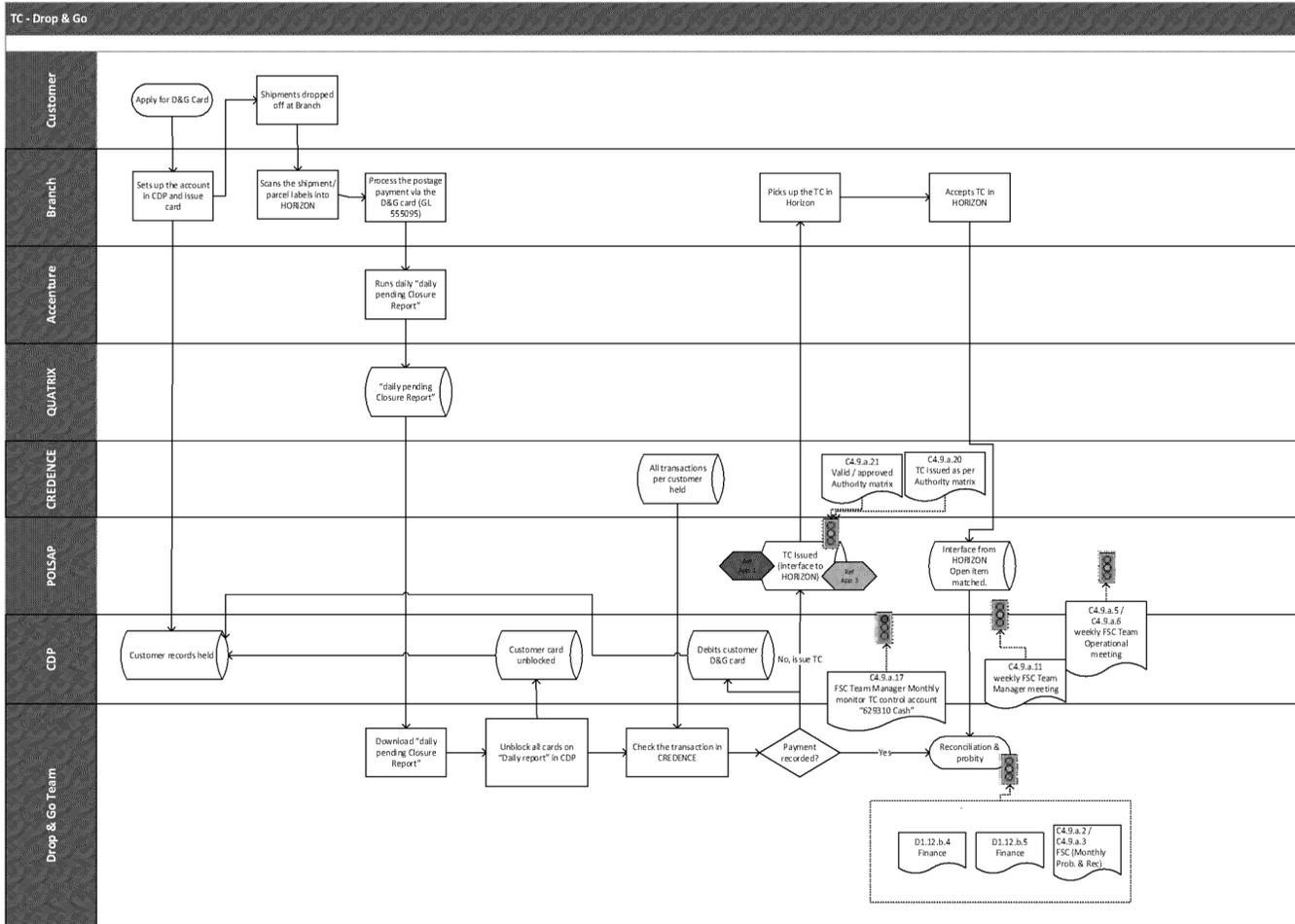
1.7.2 Obsolete Stock

Inputs:
- POL SAP GL
- NBSC Call logs report
- Credence Report

Create log entry for actions taken

Investigation:
- Check for Sales withdrawals from Horizon
- Check uses of the Obsolete stock icon
- Check Credence General Stock Report

Actions:
- Issue TC for reoslution
- Advise branch correct process
- Check office have performed action by checking Credence Sales/ Non-Sales report.
- JV's issued in SAP to correct accounts

END

1.8 Postal Orders, Drop & Go

Glossary of Control Owners	
Job Title	**Control Owner**
FSC Team Leader	Carol King

Background

Drop and Go is a service where one apply for a D&G card (up to GBP 750) to be used for postage. This service is specially geared towards e.g. eBay sellers etc. who have frequent parcels to ship. They don't need waiting in a queue and can drop off parcels quickly.

POLSAP GL accounts:
- 555095 – self-service post and go machines
- 555083 – online top up

TC - Drop & Go

Customer
- Apply for D&G Card
- Shipments dropped off at Branch

Branch
- Sets up the account in CDP and issue card
- Scans the shipment/parcel labels into HORIZON
- Process the postage payment via the D&G card (GL 555095)
- Picks up the TC in Horizon
- Accepts TC in HORIZON

Accenture
- Runs daily "daily pending Closure Report"

QUATRIX
- "daily pending Closure Report"

CREDENCE
- All transactions per customer held
- C4.9.a.21 Valid / approved Authority matrix
- C4.9.a.20 TC issued as per Authority matrix

POLSAP
- TC Issued (interface to HORIZON)
- App 1
- Ref App 3
- Interface from HORIZON Open item matched.

CDP
- Customer records held
- Customer card unblocked
- Debits customer D&G card
- No, issue TC
- C4.9.a.5 / C4.9.a.6 weekly FSC Team Operational meeting
- C4.9.a.11 weekly FSC Team Manager meeting

Drop & Go Team
- Download "daily pending Closure Report"
- Unblock all cards on "Daily report" in CDP
- Check the transaction in CREDENCE
- Payment recorded?
- Yes
- Reconciliation & probity
- C4.9.a.17 FSC Team Manager Monthly monitor TC control account "629310 Cash"
- D1.12.b.4 Finance
- D1.12.b.5 Finance
- C4.9.a.2 / C4.9.a.3 FSC (Monthly Prob. & Rec)

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TC - Drop & Go (online payments – not TC)

Customer

Top up card online

Global Pay

Daily download of payments made

Accenture

Daily download of online sales made

Fujitsu

Receive file from Global Pay

Upload

POLSAP

Upload

Record of transactions - Credit

· · Auto matching · ·

Record of transactions - Debit

Drop & Go Team

Weekly – run GL display to identify unmatched items (555083)

Identify unmateched items > 1 week

Transfer balances to "customer creditors" (626205) to allow further monitoring

Activity - Drop & Go

Chronological steps in the process:
(Cheque and MoneyGram team)
Part of APOP (Automated Payments Out Payment) team

Drop and Go is a service where one apply for a D&G card (up to GBP 750) to be used for postage. This service is specially geared towards e.g. e.bay sellers etc. who have frequent parcels to ship. They don't need waiting in a queue and can drop off parcels quickly.

CREDENCE shows all transactions that has happened in HORIZON

1. Customer applies/sets up an account with CDP (Accenture supported system) (where transactions are recorded and balances held) *(Customer)*
2. The branch scans the parcel labels and enters into HORIZON (postage paid) *(Branch)*
3. Branch process the postage payment part via the D&G card which debits the card balance *(Branch)*
4. *Accenture sends daily "daily pending Closure Report" sitting on QUATRIX system (Accenture)*
5. D&G team logs on to QUATRIX system and download daily reports to excel *(Drop & Go team)*
6. *Unblock all cards on report in CDP system (D&G team) (Drop & Go team)*
7. Check the transaction in CREDENCE using a) Office code, b) date, to identify the amount of the error *(Drop & Go team)*
8. Enter into CDP system and double check that the payment has not gone out *(Drop & Go team)*
9. Issue a credit TC (in POLSAP) to the Branch and debits the customer drop and go card *(Drop & Go team)*
10. The branch will see the TC in HORIZON next day and need to accept in order to clear transaction. *(Branch)*

Each day all items are resolved.

Risk & Control   Drop & Go

Control(s): TC08.01
Risk: Customer's post and go account is not unblocked in a timely manner, resulting in reputational damage
Control objective: Identify and investigate unrecorded transactions
Frequency: Daily
Control owner: Drop and Go Team
Control description: On a daily basis the Drop and Go team download a "Daily Pending Closure" report from Quatrix. All related cards are unblocked on CDP and transaction records are compared to Credence. Variances are investigated and followed up.

Control(s): C4.9.a.2 & C4.9.a.3
Risk: Balance sheet accounts are not reviewed resulting in error and misstatement or fraud
Control objective: To ensure that all BS accounts are reconciled and analysed and have evidence of balance justification
Frequency: Monthly
Control owner: FSC Operations Manager(s)
Control description: "All BS accounts within FSC area are reconciled at month end by the relevant Admin team members. Any open items are explained / annotated by the Admin team member and the reconciliation is sent to respective FSC Team Managers for review and approval. The FSC Team Manager(s) follows up any unreconciled/unexplained items with the respective Admin team member and once satisfied the reconciliation is approved (sign and dated as evidence) and forwarded to the FSC Operations Manager for final review and approval. The FSC Operations Manager reviews and queries where applicable with the FSC Team Manager(s) and sends/signs as evidence of final approval. The reconciliation(s) with approvals and any supporting documentation is dated, stored/printed and filed on SharePoint."

Control(s): C4.9.a.5 & C4.9.a.6
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Control objective: To ensure close monitoring of aged balances and prevent where possible any aged build-up of accounts affected.
Frequency: Weekly
Control owner: FSC Operations Manager(s)
Control description: "On a weekly basis the FSC Operations Manager performs an ageing analysis of all open items matching account per product area. The main objective is to prevent wherever possible any open item(s) falling into an aged (>3 months) category.
The respective Team Managers explains the analysis for their product area at the weekly Team Operational meeting. Open items are prioritised by highest value, date and/or other steer from Management.
Agreed actions are followed up with respective FSC Team Managers.
The FSC Operations Manager signs and dates the analysis and minutes from meeting with any other supporting documentation and retain as evidence."

Control(s): C4.9.a.11-16 (same control, however assigned to 6 different Team Managers)
Risk: Workload and peaks are not monitored resulting in build-up of back log.
Control objective: To ensure there are frequent monitoring of the teams workload and any necessarily actions are taken pro-actively.
Frequency: Monthly
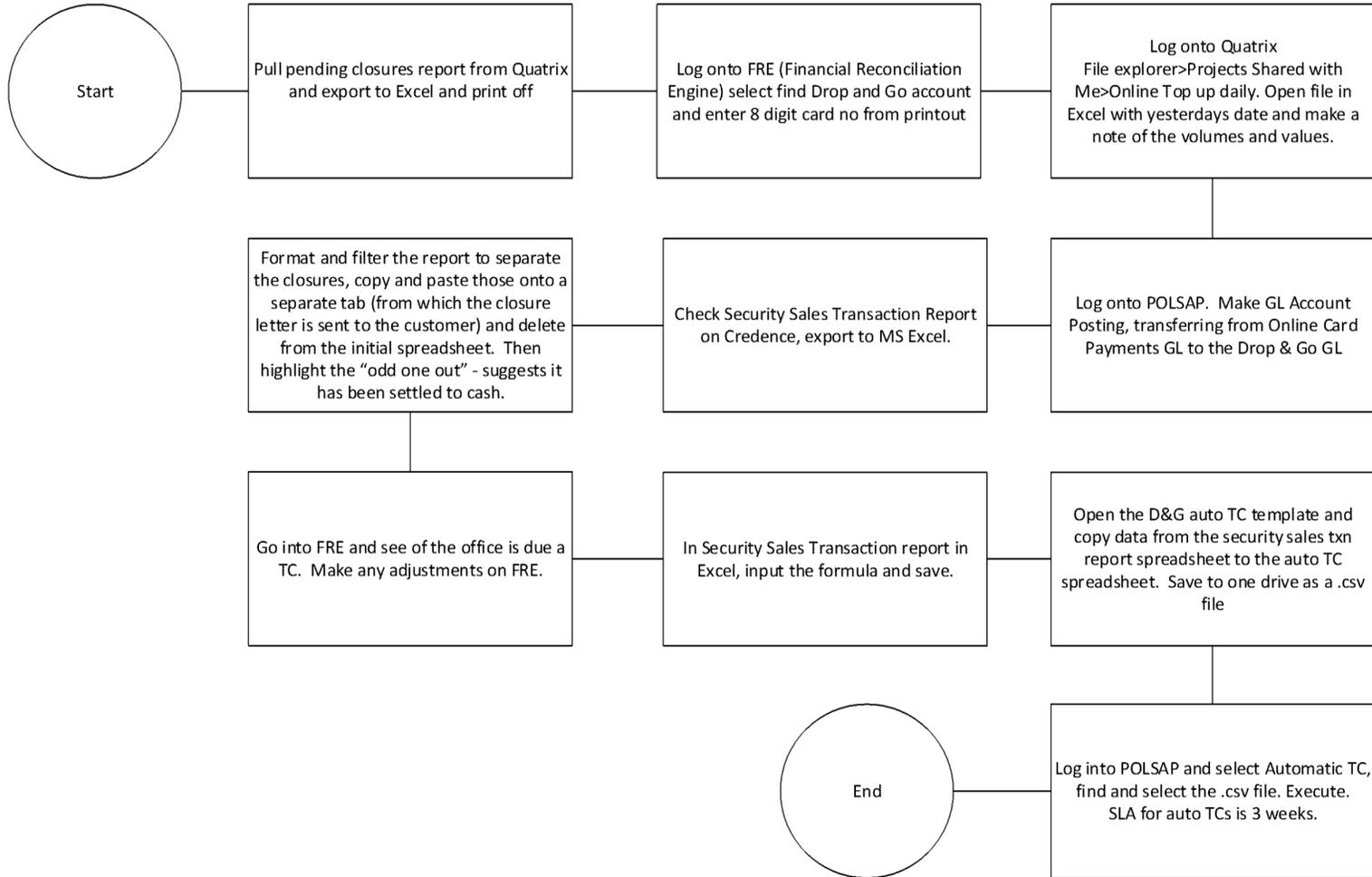**Control owner:** FSC Team Manager(s)
Control description: "The FSC Team Manager monitors on a weekly basis their team's workload and escalates areas of concern with their reporting line.
Issues affecting the team's ability to process workloads are flagged by the FSC Team Manager and discussed in the weekly FSC Team Leader meeting.
On a monthly basis the FSC Team Manager signs, dates and retains the "weekly Stats" as evidence."
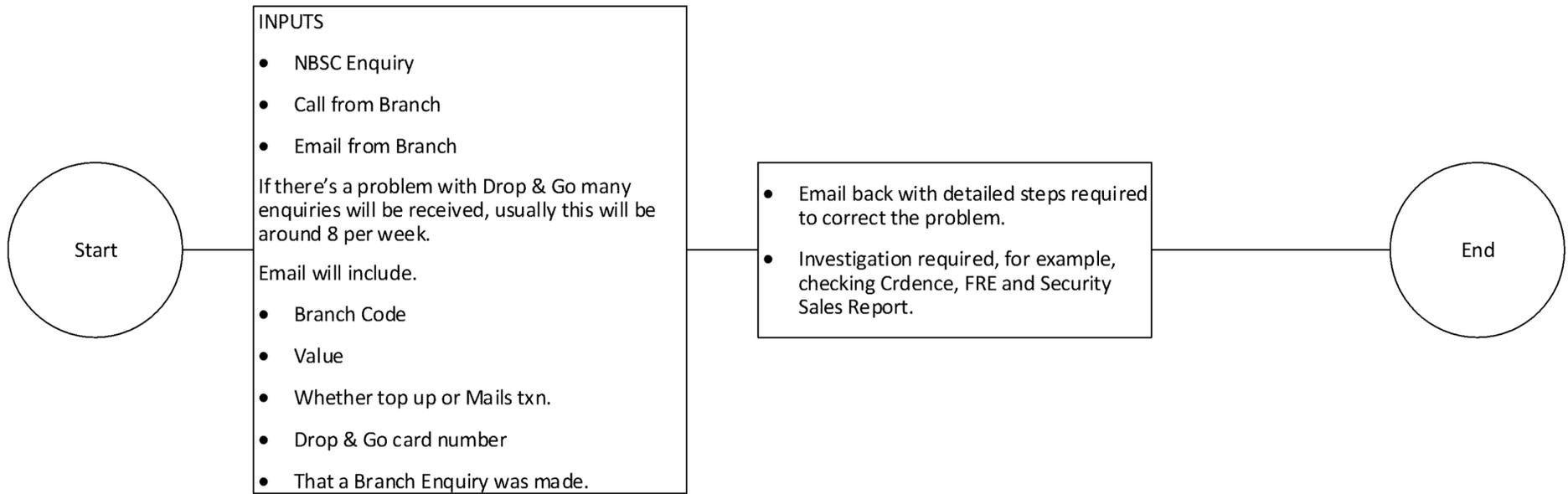
1.8.1   Drop & Go daily process

Drop & Go daily process

```
┌──────────┐      ┌─────────────────────────┐      ┌─────────────────────────┐      ┌─────────────────────────┐
│          │      │ Pull pending closures   │      │ Log onto FRE (Financial │      │     Log onto Quatrix    │
│  Start   │──────│ report from Quatrix     │──────│ Reconciliation          │──────│ File explorer>Projects  │
│          │      │ and export to Excel     │      │ Engine) select find     │      │ Shared with             │
│          │      │ and print off           │      │ Drop and Go account     │      │ Me>Online Top up daily. │
└──────────┘      │                         │      │ and enter 8 digit card  │      │ Open file in            │
                  │                         │      │ no from printout        │      │ Excel with yesterdays   │
                  └─────────────────────────┘      └─────────────────────────┘      │ date and make a         │
                                                                                     │ note of the volumes     │
                                                                                     │ and values.             │
                                                                                     └─────────────────────────┘
```

Format and filter the report to separate the closures, copy and paste those onto a separate tab (from which the closure letter is sent to the customer) and delete from the initial spreadsheet. Then highlight the "odd one out" - suggests it has been settled to cash.

Check Security Sales Transaction Report on Credence, export to MS Excel.

Log onto POLSAP. Make GL Account Posting, transferring from Online Card Payments GL to the Drop & Go GL

Go into FRE and see of the office is due a TC. Make any adjustments on FRE.

In Security Sales Transaction report in Excel, input the formula and save.

Open the D&G auto TC template and copy data from the security sales txn report spreadsheet to the auto TC spreadsheet. Save to one drive as a .csv file

End

Log into POLSAP and select Automatic TC, find and select the .csv file. Execute. SLA for auto TCs is 3 weeks.

1.8.2   Drop & Go Enquiry Process

Drop & Go Enquiry Process – High Level

Start

INPUTS

- NBSC Enquiry

- Call from Branch

- Email from Branch

If there's a problem with Drop & Go many enquiries will be received, usually this will be around 8 per week.

Email will include.

- Branch Code

- Value

- Whether top up or Mails txn.

- Drop & Go card number

- That a Branch Enquiry was made.

- Email back with detailed steps required to correct the problem.

- Investigation required, for example, checking Crdence, FRE and Security Sales Report.

End

1.8.3   Postal Orders

Glossary of Control Owners	
Job Title	Control Owner
FSC Team Leader	Carol King

Background

Majority of this process is regarding sending postal orders for people without bank account.

Code 5 and 22 (coded as Ns) will trigger a TC

Max Postal Orders a person can buy is GBP 250

NB: Postal Order process will change - no longer dealing with IPSL.

POLSAP GL accounts:

- 622014 – BA Postal Orders
- 554546 – Barclays PO Differences

TC - Postal Orders

Customer

- Buy Postal Order from Branch
- Receive Postal Order / Receipt
- Cash Postal Order (end user)
- Receive payment

Branch

- Scans "blank" Postal Order
- Issue Receipt and Postal Order
- Accept TC — Manually

HORIZON

- Scan
- Enter Name & Amount into "blank Postal Order"
- TC Issued
- TC Accepted

····· BANK CLEARING ISSUE ·····

CREDENCE

- PAY
- Yes, code 5 verified on CREDENCE — Transaction verified?

SAP

Ref App. 3   Ref App. 1

- Interface   Interface
- C4.9.a.17 FSC Team Manager Monthly monitor TC control account "629310 Cash" — Code 5
- TC Issued "Enter Outgoing Invoices")
- TC Accepted
- C4.9.a.5 / C4.9.a.6 weekly FSC Team Operational meeting

Postal Order team

- Obtain daily banking file (exceptions report) from team drive.
- Check (using APOP and iPortal) & Code each transaction (Coding is as per pre-defined list of actions)
- Transaction resolved? — Yes → Case closed
- No
- Final decision is keyed to iPortal for bank action. "NO PAY"=back to PostOffice bank, "PAY"=payment to end customer)
- NO PAY → Investigate "Bank File Analysis dd.mm.yyyy" (normally next WD), and check on all N's
- Code 5 Code 22
- Code 5 → No, code 5 not in CREDENCE — Issue TC
- TC Invoice POLSAP "Enter Outgoing Invoices"
- Month End
- C4.9.a.11 weekly FSC Team Manager meeting
- Code 22 → Validate on the Exception report that the money has been cashed twice — Issue TC
- Reconciliation & probity
- Month End

Barclays

- Unresolved transactions by 09:30 AM same day
- Investigates and further explanations
- C4.9.a.21 Valid / approved Authority matrix
- C4.9.a.20 TC issued as per Authority matrix
- D1.12.b.4 Finance
- D1.12.b.5 Finance
- C4.9.a.2 / C4.9.a.3 FSC (Monthly Prob. & Rec)

Activity - Postal order

Chronological steps in the process:
Team: APOP database – Postal Order team

1. Customer buys Postal Order from Branch *(Customer)*
2. Branch scans barcode on a blank Postal Order who automatically gets into HORIZON, *(Branch)*
3. Branch enters into HORIZON name and amount, *(Branch)*
4. Branch issue receipt and postal order to customer, *(Branch)*
5. Log into APOP system and Uploads daily exception report , *(Postal Order team)*
6. Reformat report and check and code each transaction (coding as per predefined list of actions) which via lookup/macro determines a Y=return to bank (TC not issued) (goes to IPSL who does the clearing with Barclays) who or a N=Dealt with within postal order team. *(Postal order team)*
7. Filter on report for anything to go back to IPSL (Ys) and send to IPSL by 10AM same day, *(Postal order team)*
8. IPSL sends back to Postal Order team the same file with further explanations, *(IPSL)*
9. Postal Order team advise IPSL either "PAY / NO PAY" and sends to IPSL by 2PM same day, *(Postal order team)*
10. IPSL amend the file and sends final file back to Postal Order team with final decision (NO PAY goes back to Post Office bank account (IPSL refund the money via Barclays), PAY goes to end Customer, CASE RAISED and IPSL investigates further. *(IPSL)*
11. IPSL also sends copy of NO PAY report to Postal Order team, *(IPSL)*
12. Investigate "Bank File Analysis dd.mm.yyyy" (normally next WD), and check on all N's and look for code 5's and 22's who will trigger a TC, *(Postal order team)*
13. For code 5 investigates if transaction exist in CREDENCE? If yes (Spoil or Branch sale) then no further action required, if Not on CREDENCE issue a TC Invoice POLSAP "Enter Outgoing Invoices". *(Postal order team)*
14. For code 22 are cases where the branch has given the postal order back to customer by mistake. Validate on the bank file (Exception report) that the money has been cashed twice. Raise a TC (invoice) to the branch to gain back the money.
15. Branch accepts TC in HORIZON, *(Branch)*
16. Period End reconciliation between POSTAL Orders and BANK, *(Postal order team)*

Control(s): TC16.01
Risk: A pay / no-pay decision regarding postal order is not issued to the bank on time, resulting in a financial penalty from the bank
Control objective: To ensure timely monitoring and investigation of open items
Frequency: Daily
Control owner: FSC Operations Manager (Carol King)
Control description: On a daily basis the Postal Order team run a "Daily exception report" from APOP, highlighting all Postal Order exceptions. These are categorised and resolved internally or passed to the IPSL team by 10am each day. IPSL items are returned to the Postal Order Team by 2pm same day to be resolved.
Control(s): TC16.02
Risk: Branch errors in relation to postal orders are not identified and followed up, resulting in losses not being passed to the branch
Control objective: To ensure timely monitoring and investigation of open items
Frequency: Daily
Control owner: FSC Operations Manager (Carol King)
Control description: On a daily basis the Postal Order team review the "Bank file analysis dd.mm.yyyy" file to identify erroneous branch transactions which require TC's (Code 5 and 22). These are investigated and followed up same day.

Control(s): C4.9.a.2 & C4.9.a.3
Risk: Balance sheet accounts are not reviewed resulting in error and misstatement or fraud
Control objective: To ensure that all BS accounts are reconciled and analysed and have evidence of balance justification
Frequency: Monthly
Control owner: FSC Operations Manager(s)
Control description: "All BS accounts within FSC area are reconciled at month end by the relevant Admin team members. Any open items are explained / annotated by the Admin team member and the reconciliation is sent to respective FSC Team Managers for review and approval. The FSC Team Manager(s) follows up any unreconciled/unexplained items with the respective Admin team member and once satisfied the reconciliation is approved (sign and dated as evidence) and forwarded to the FSC Operations Manager for final review and approval. The FSC Operations Manager reviews and queries where applicable with the FSC Team Manager(s) and sends/signs as evidence of final approval. The reconciliation(s) with approvals and any supporting documentation is dated, stored/printed and filed on SharePoint."

Control(s): C4.9.a.5 & C4.9.a.6
Risk: Build-up of aged balances - unapproved aged balances of affected account resulting in loss of reputation to PostOffice.
Control objective: To ensure close monitoring of aged balances and prevent where possible any aged build-up of accounts affected.
Frequency: Weekly
Control owner: FSC Operations Manager(s)
Control description: "On a weekly basis the FSC Operations Manager performs an ageing analysis of all open items matching account per product area. The main objective is to prevent wherever possible any open item(s) falling into an aged (>3 months) category.
The respective Team Managers explains the analysis for their product area at the weekly Team Operational meeting. Open items are prioritised by highest value, date and/or other steer from Management.
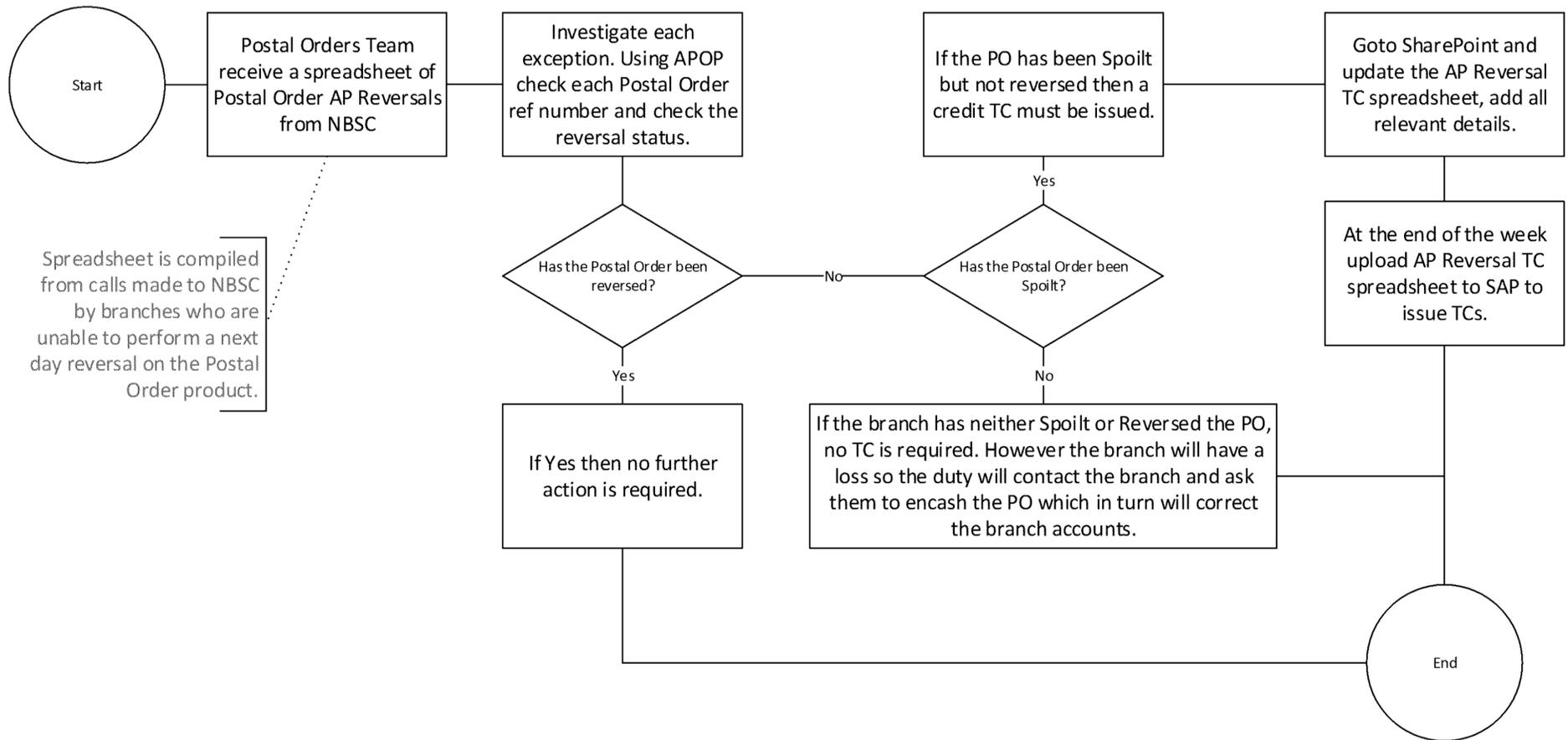Agreed actions are followed up with respective FSC Team Managers.
The FSC Operations Manager signs and dates the analysis and minutes from meeting with any other supporting documentation and retain as evidence."
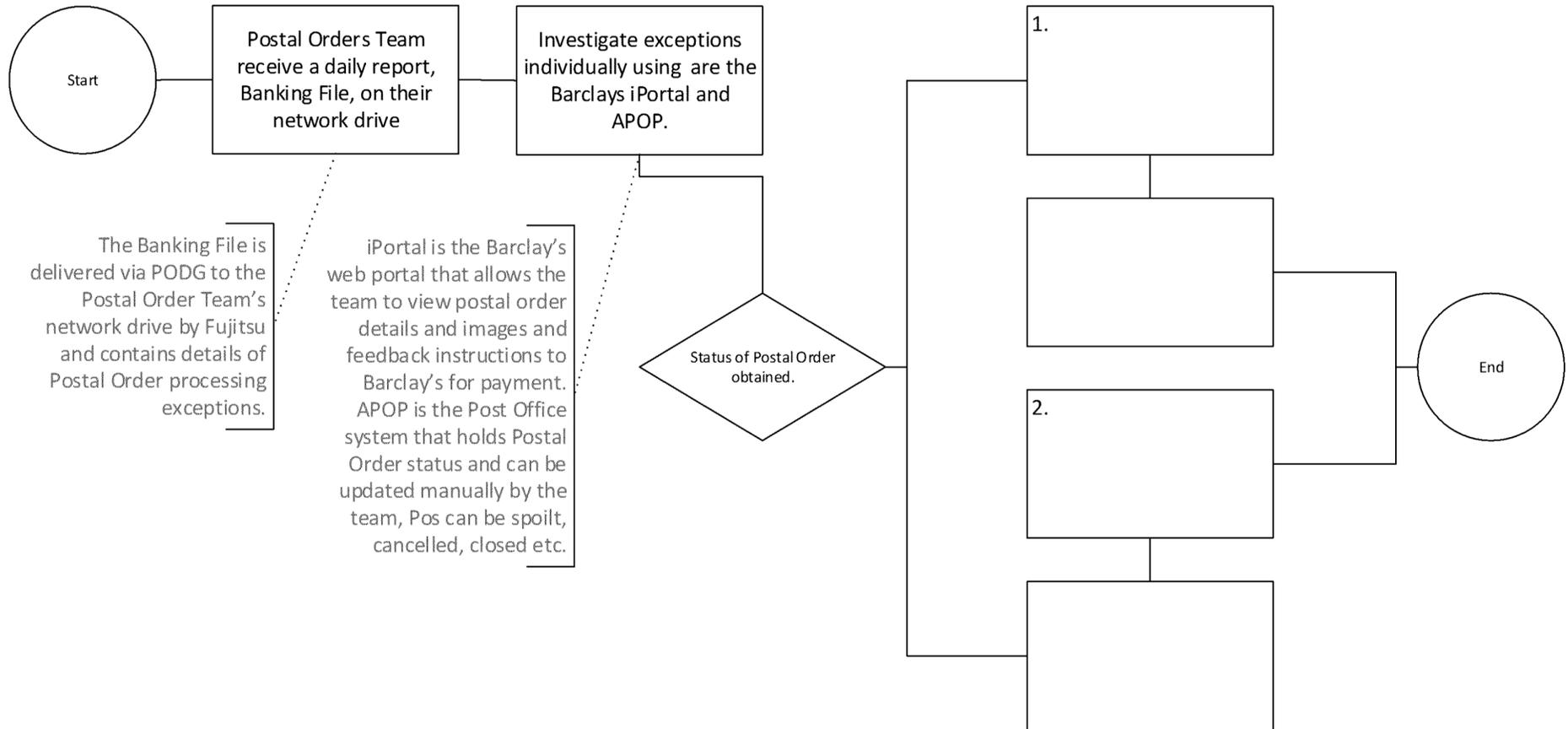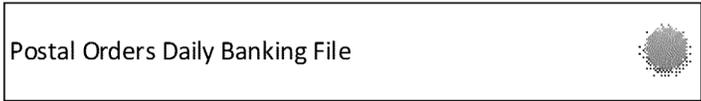
Control(s): C4.9.a.11-16 (same control, however assigned to 6 different Team Managers)

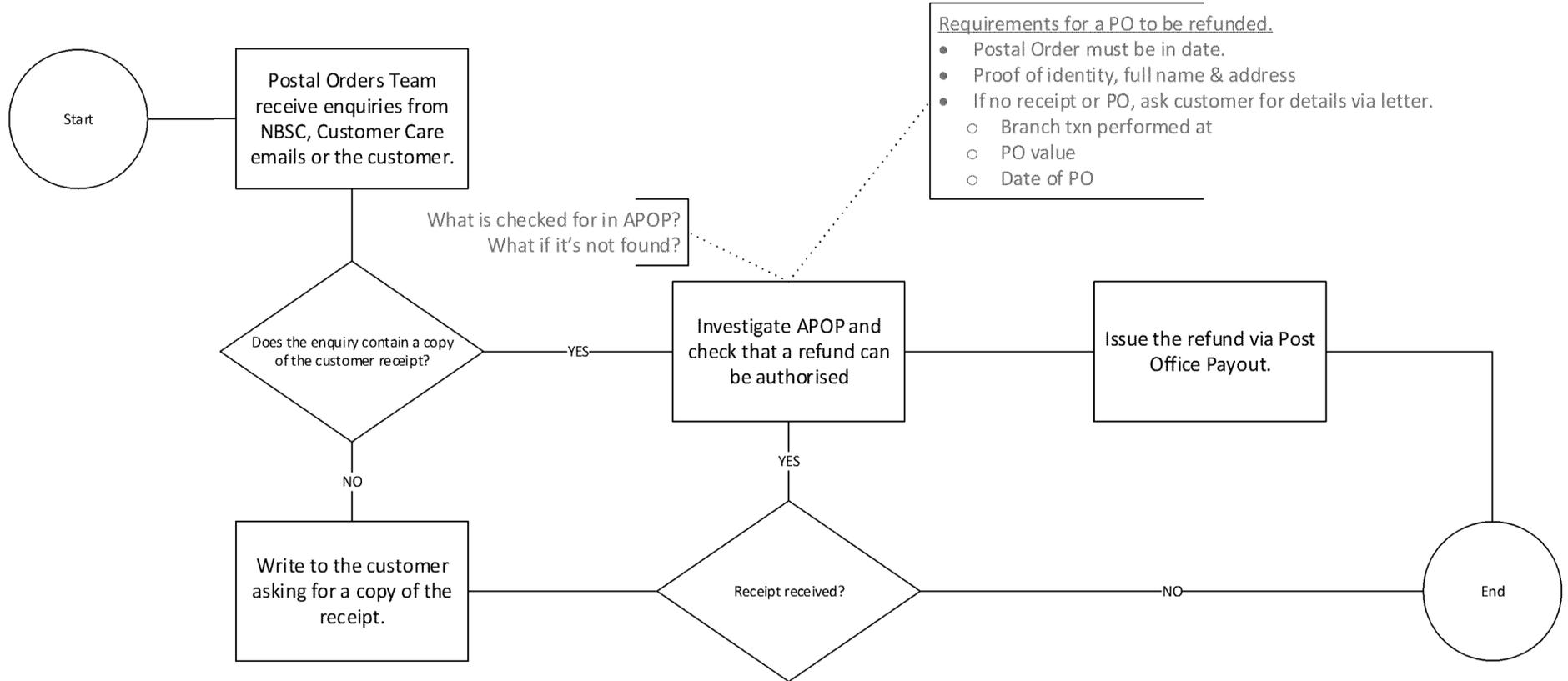## 1.8.4   Post Orders AP Reversals

Postal Orders AP Reversals

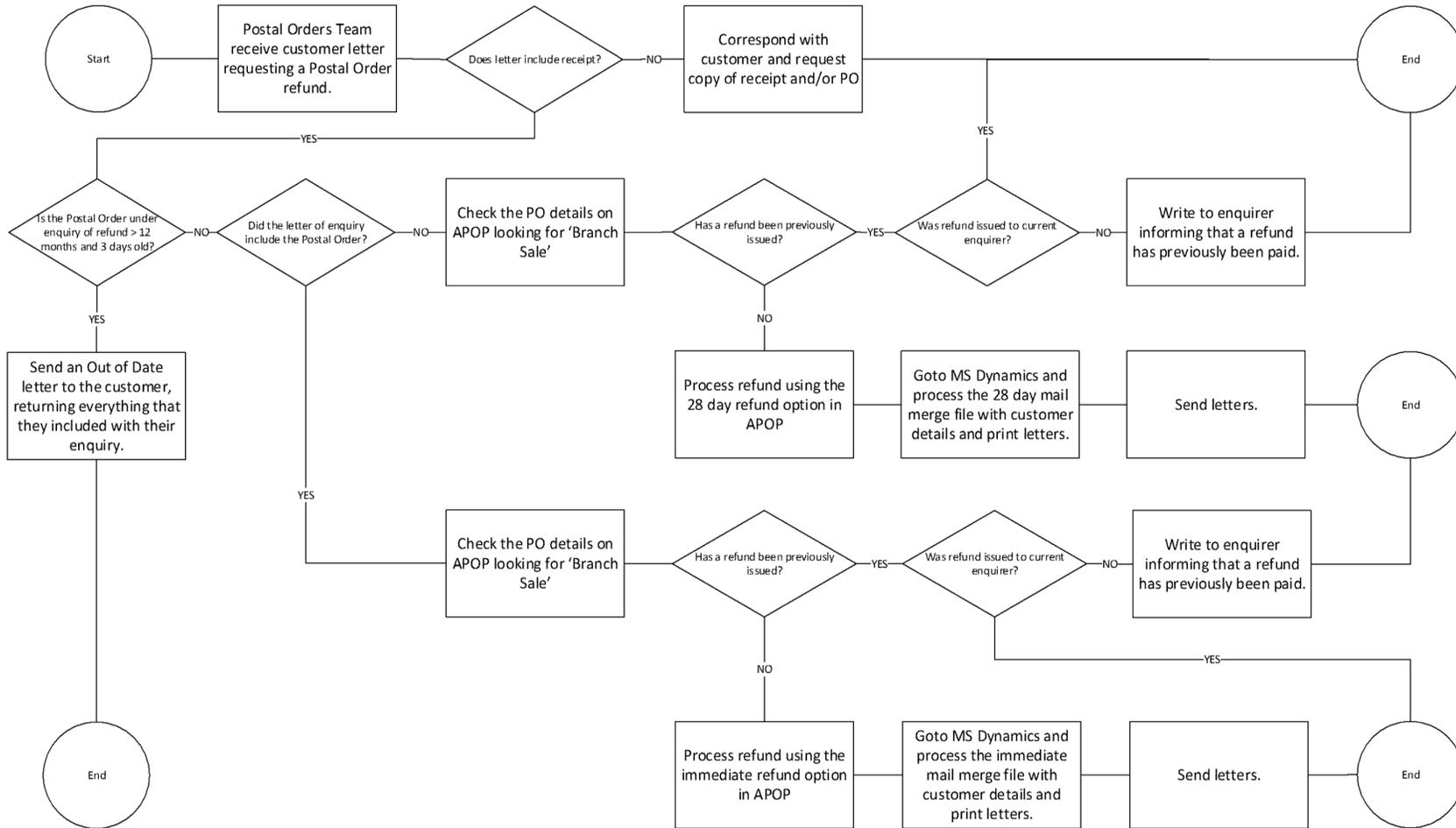---

Start

Postal Orders Team receive a spreadsheet of Postal Order AP Reversals from NBSC

Spreadsheet is compiled from calls made to NBSC by branches who are unable to perform a next day reversal on the Postal Order product.

Investigate each exception. Using APOP check each Postal Order ref number and check the reversal status.

Has the Postal Order been reversed?

Yes → **If Yes then no further action is required.**

No →

Has the Postal Order been Spoilt?

Yes → **If the PO has been Spoilt but not reversed then a credit TC must be issued.**

No → **If the branch has neither Spoilt or Reversed the PO, no TC is required. However the branch will have a loss so the duty will contact the branch and ask them to encash the PO which in turn will correct the branch accounts.**

Goto SharePoint and update the AP Reversal TC spreadsheet, add all relevant details.

At the end of the week upload AP Reversal TC spreadsheet to SAP to issue TCs.

End

1.8.5   Postal Orders Daily Barclays File

Postal Orders Daily Banking File

Start

Postal Orders Team receive a daily report, Banking File, on their network drive

Investigate exceptions individually using are the Barclays iPortal and APOP.

1.

Status of Postal Order obtained.

2.

End

The Banking File is delivered via PODG to the Postal Order Team's network drive by Fujitsu and contains details of Postal Order processing exceptions.

iPortal is the Barclay's web portal that allows the team to view postal order details and images and feedback instructions to Barclay's for payment. APOP is the Post Office system that holds Postal Order status and can be updated manually by the team, Pos can be spoilt, cancelled, closed etc.

1.8.6 Postal Orders Email Enquiries

Postal Orders Email Enquiries

Start

Postal Orders Team receive enquiries from NBSC, Customer Care emails or the customer.

Requirements for a PO to be refunded.
- Postal Order must be in date.
- Proof of identity, full name & address
- If no receipt or PO, ask customer for details via letter.
  - Branch txn performed at
  - PO value
  - Date of PO

What is checked for in APOP?
What if it's not found?

Does the enquiry contain a copy of the customer receipt?

YES

Investigate APOP and check that a refund can be authorised

Issue the refund via Post Office Payout.

NO

YES

Write to the customer asking for a copy of the receipt.

Receipt received?

NO

End

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1.8.7   Postal Orders Letters Enquiries

Postal Orders Letter Enquiries

Start → **Postal Orders Team receive customer letter requesting a Postal Order refund.** → **Does letter include receipt?**

— NO → **Correspond with customer and request copy of receipt and/or PO** → **End**

— YES → **Is the Postal Order under enquiry of refund > 12 months and 3 days old?**

Is the Postal Order under enquiry of refund > 12 months and 3 days old?
— NO → **Did the letter of enquiry include the Postal Order?**
— YES → **Send an Out of Date letter to the customer, returning everything that they included with their enquiry.** → **End**

Did the letter of enquiry include the Postal Order?
— NO → **Check the PO details on APOP looking for 'Branch Sale'**
— YES → **Check the PO details on APOP looking for 'Branch Sale'** (lower path)

Check the PO details on APOP looking for 'Branch Sale' (upper) → **Has a refund been previously issued?**
— YES → **Was refund issued to current enquirer?**
— NO → **Process refund using the 28 day refund option in APOP**

Was refund issued to current enquirer? (upper)
— YES → **Write to enquirer informing that a refund has previously been paid.** → **End**
— NO → (continues)

Process refund using the 28 day refund option in APOP → **Goto MS Dynamics and process the 28 day mail merge file with customer details and print letters.** → **Send letters.** → **End**

Check the PO details on APOP looking for 'Branch Sale' (lower) → **Has a refund been previously issued?**
— YES → **Was refund issued to current enquirer?**
— NO → **Process refund using the immediate refund option in APOP**

Was refund issued to current enquirer? (lower)
— NO → **Write to enquirer informing that a refund has previously been paid.**
— YES → (continues)

Process refund using the immediate refund option in APOP → **Goto MS Dynamics and process the immediate mail merge file with customer details and print letters.** → **Send letters.** → **End**

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1.8.8   Postal Orders '122' Errors

Postal Orders '122' Errors

Start

Postal Order Team log onto APOP and run the '122 Report'.

Work down the report entries and check the Status of each Postal Order

'122' Report is a report of daily branch errors.

Status in APOP

BRANCH ENCASHED

Issue TC to branch via SAP.

SPOILT

No further action required.

End

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1.9   Agents Debt

Glossary of Control Owners	
Job Title	**Control Owner**
FSC Team Leader Agents Accounting Team	Dawn Phillips
FSC Team Leader Former Agents Accounting Team	Dawn Wall

Background

The majority of this process relates to the collection of debt relating to current or former subpostmasters.

- Debt can be the result of a misbalance between methods of payment (cash, cheque, payment card) in the branch when compared to transactional data entered into Horizon.
- Invoiced debt is also included, for example if a branch has been invoiced for costs relating to an alarm system.
- Alternatively debt could be due to a difference in the value of stock declared in Horizon when compared to the stock held in branch

SAP accounts:

- Debt is held on the relevant customer account for a postmaster or former postmaster.

The purpose of the Agents Account Team (AAT)

- To action debt belonging to current agents from the initial identification through to collection of balance. Agent debt builds up during a month and the monitoring begins the following month. The process from initial monitoring through to collection should take a maximum of 35 days in the case of full settlement, but can extend for a significantly longer period where a payment plan is put in place.

The purpose of the Former Agents Accounting Team (FAAT)

- To action debt owed by former agents from the initial identification through to collection of balance. The process can be lengthy (potentially years) and therefore monitoring of the ongoing cases and maintaining robust documentation is key to success in the process.

1.9.1   Current Agents Debt

Activity – Current Agents Debt

Chronological steps in the process:

1. Agent incurs debt (deficit in branch, central invoices or choose to settle credits centrally) and choose to settle at the end of the day, in horizon, via either:
a) make good cash / cheque (required for all debt < £150 – horizon driven option)
b) settle centrally
2. If debt isn't settled, recorded in 539590.
3. Balances swept from 539590 into 539591 on a monthly basis (part of branch close down process)
4. Balances selected as "settle centrally" in horizon are swept into customer account codes in CFS (13000 codes)
5. POLSAP account 539591 is mirrored in CFS within the customer account codes (13000 codes)
6. First Monday of the month, Agent Accounting Team (AAT) run "Dunning Run 1" report from CFS for A branches.
7. Identify "former agents" and flag to the Former Agent Accounting Team (FAAT).
8. Identify branches with debt < £2. Complete a "write off" form, process write off and retain documentation.
9. Identify multiple partner branches. Send monthly statement to the partners requesting payment.
10. Identify other current agents (new multiple partner branches, singletons, operator self-funded). Send "Dunning Letter 1" requesting settlement of debt within 7 days.
11. Second Tuesday of the month, ADT run "Dunning Run 2" report from CFS for A branches.
12. Identify other current agents. Send "Dunning Letter 2" requesting settlement of debt within 7 days.
13. Third Wednesday of the month, ADT run "Worklist" report from CFS for A branches.
14. AAT team call the SPMR (number of attempted calls dependent on size of debt) to request payment.
15. Debt not settled, AAT assess the debt against SPMR monthly remuneration and calculate time period to repay using 25% of monthly remuneration as a basis.
16. Case passed to contract advisor if agent currently on or has had a payment plan in the last 12 months (manual check) or has directly refused to settle the debt.
17. Obtain approval for payment plan based on the payment plan approval matrix.
18. Contact SPMR to advise of payment plan put in place – mail merge letter sent.
19. Spreadsheet completed by AAT and sent to HR to setup payment / payment plan.

Risk & Control   Currents Agents Debt

Control(s): AD1a
Risk: Agent debt is not monitored resulting in irrecoverable balances and potentially fraudulent transactions not being investigated.
Control objective: To ensure agent debt is monitored on a regular basis.
Frequency: Monthly
Control owner: FSC team leader (Dawn Phillips)
Control description: All branches are subject to monthly review of agent debt by the FSC. On a monthly basis the Agent Accounting Team (AAT) run a "Dunning" report from CFS to identify agent debt balances. All balances > £2 are followed up with the agent through issuance of a "dunning letter". This process is repeated after 7 days for 2 consecutive weeks, following which the debt collection process is started for outstanding balances i.e. payment plan or deduction from agent remuneration. Copies of dunning letters and dunning report analysis are retained.
Control(s): AD1b
Risk: Agent debt is not monitored resulting in irrecoverable balances and potentially fraudulent transactions not being investigated.
Control objective: To ensure agent debt is monitored on a regular basis.
Frequency: Monthly
Control owner: FSC team leader (Dawn Phillips)
Control description: On a monthly basis a "customer line report" is run by the Agent Accounting Team (AAT). The report is reviewed for agent debt balances > 35 days for which a "dunning" letter has not been issued and therefore the debt recovery process started. All instances are appropriately investigated and followed up by the AAT with documentation of investigation retained.
Control(s): AD1c
Risk: Agent debt becomes irrecoverable and potentially fraudulent transactions are not investigated.
Control objective: To ensure agent debt payment plans are appropriately reviewed and authorised
Frequency: Monthly
Control owner: FSC team leader (Dawn Phillips)
  Control description: Prior to an agent debt payment plan being implemented the Agent Accounting Team (AAT) obtain signed approval in line with the payment plan approval matrix: - Payment plan < 12 months = AAT administrator - Payment plan > 12 months and < 24 months = Dawn Phillips - Payment plan > 24 months = Alison Bolsover - Payment plan > 36 months = Contract Advisor
Where a payment plan already exists for the agent, or a payment plan has been in place within the previous 12 months for the agent, additional approval is required from the Contract Advisor, in order to mitigate the potential fraud risk. Evidence of approval is retained.
Control(s): AD1d
Risk: Agent debt becomes irrecoverable and potentially fraudulent transactions are not investigated.
Control objective: To ensure agent debt is monitored on a regular basis.
Frequency: Weekly
Control owner: FSC team leader (Dawn Phillips)
Control description: A CFS "customer account" report is run on a weekly basis by the Agent Accounting Team (AAT). Comparison is made between the level of agent debt per this report and the monthly agent remuneration (as provided by HR). Items which breech either of the following are flagged to the Legal Team for further investigation and fraud analysis: - agent isn't on a payment plan and the agent debt will take > 12 months to pay based on repayments of maximum 25% of remuneration - current payment plan exceeds 25% of monthly remuneration
Control(s): C4.9.a.2 & C4.9.a.3
Risk: Balance sheet accounts are not reviewed resulting in error and misstatement or fraud
Control objective: To ensure that all BS accounts are reconciled and analysed and have evidence of balance justification
Frequency: Monthly
Control owner: FSC Operations Manager(s)

1.9.2   Former Agents Debt

Activity – Former Agents Debt

Chronological steps in the process:

1. Masterdata updated to change the agent "type" on the system from current agent (AGUN) to former agent (FSPM).

2. Every Friday the Former Agent Accounting Team (FAAT) run a "customer account" report from CFS, compare this to the manual spreadsheet maintained in SharePoint and identify all FSPM's.

3. Identify agents that have become former within the week (compared against prior week's spreadsheet):

a) Where debt < £50, complete a write off form and complete write off in CFS. Case closed.

b) Other balances, setup a hardcopy case file for FSPM, setup a case within the CFS worklist for FSPM (flagging the resubmission date required) and send letter to FSPM requesting payment (within 21 days).

4. Identify former agents who have exceeded payment terms (flags on CFS worklist) (step 3b):

a) Where debt < £300, complete a write off form and complete write off in CFS. Case closed.

b) Debt > £300, flag to legal team (LT) who issue an LBA and then decide whether to progress the debt recovery:

i) No – advise FAAT who complete a write off form and complete write off in CFS. Case closed.

ii) Yes – LBA letter issued by LT to FSPM. FAAT update resubmission date in CFS.

5. Identify former agents who have been sent LBA's previously (step 4aii)

a) Identify if branch was trading as a limited company:

i) No and debt < £5k – LT to take case to small claims court.

ii) No and debt > £5k – LT to start legal proceedings.

iii) Yes – send letter to guarantors requesting payment.

iv) Yes and no response from guarantors – SCLT to take case to small claims court (< £5k) or start legal proceedings (>£5k)

b) LT advise FAAT of status. CFS updated to reflect workflow.

Risk & Control   Former Agents Debt

Control(s): AD2a
Risk: Former agent debt is not monitored resulting in irrecoverable balances.
Control objective: To ensure former agent debt is monitored on a regular basis.
Frequency: Weekly
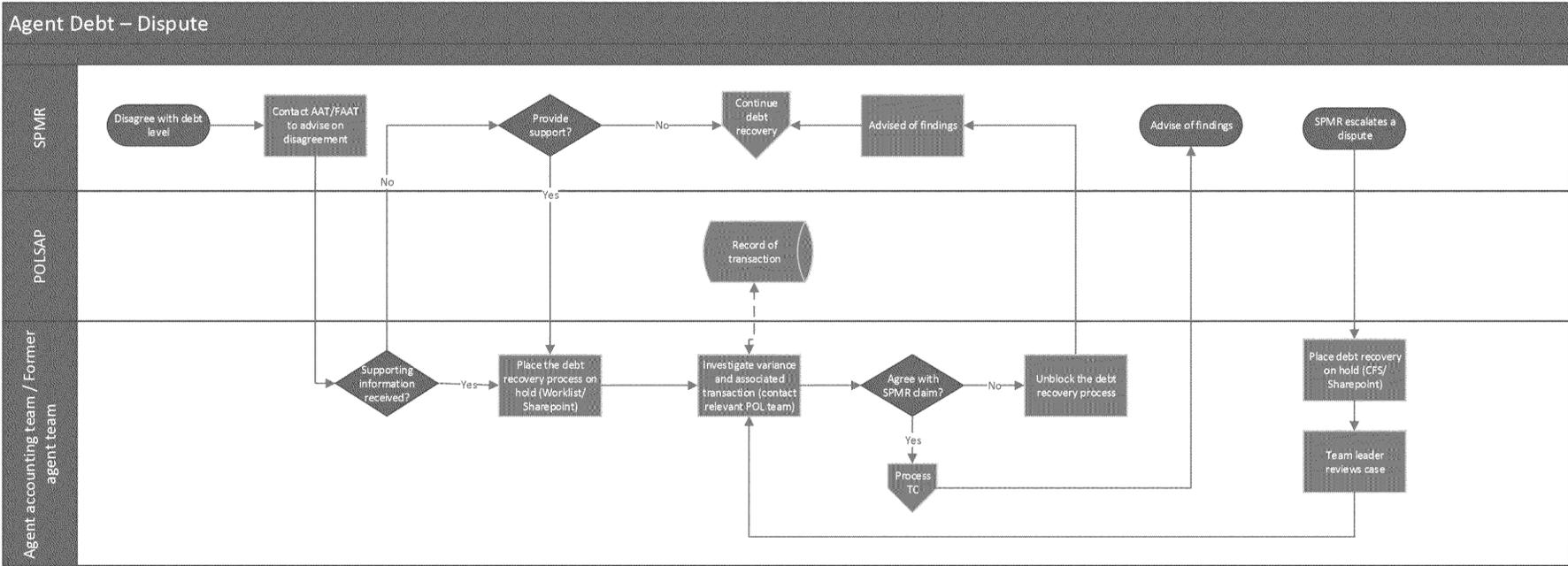**Control owner:** FSC team leader (Dawn Wall)
Control description: On a weekly basis the Former Agent Accounting Team (FAAT) run a worklist report from CFS to identify all debt associated with former agents. This is compared to the maintained "mastersheet" (control AD2b) and the case followed up appropriately.
Control(s): AD2b
Risk: Former agent debt is not monitored resulting in irrecoverable balances.
Control objective: To ensure former agent debt is monitored on a regular basis.
Frequency: As required
Control owner: FSC team leader (Dawn Wall)
Control description: A spreadsheet ("Mastersheet ddmmyy") is maintained within SharePoint which includes status details for all open cases in relation to former agent debt. The spreadsheet is updated at each point that the case is worked on by the Former Agent Accounting Team (FAAT) and is used to monitor workload. Workflow is driven by the worklist maintained with CFS which is updated in line with the SharePoint document. User access restrictions are in place on the SharePoint spreadsheet.
Control(s): AD2c
Risk: Former agent debt is not monitored resulting in irrecoverable balances.
Control objective: To ensure former agent debt is monitored on a regular basis.
Frequency: As required
Control owner: FSC team leader (Dawn Wall)
  Control description: A hardcopy case file is maintained for all former agent debt balances. This forms the basis of any legal proceedings that may be required. The file is updated at each point that the case is worked on by the Agent Debt Team and is retained until the point of final settlement by the former agent.

1.9.3   Disputed Balance

Glossary of Control Owners	
Job Title	Control Owner
AAT Team leader	Dawn Phillips
FAAT Team leader	Dawn Wall

Background

At any point in the agent debt process (6.1 and 6.2 above) the agent (or former agent) can dispute the debt balance. The process can result in no changes to the case, such as when there is no evidence to the agent's claims / queries, or it may result in a transaction correction and subsequent change in the balance requested from the agent. There is no specific timeframe for completion, with cases taking as long as required to resolve. Debt collection is halted whilst disputes are being investigated

Agent Debt – Dispute

SPMR

Disagree with debt level → Contact AAT/FAAT to advise on disagreement → Provide support? —No→ Continue debt recovery ← Advised of findings

Advise of findings

SPMR escalates a dispute

POLSAP

Record of transaction

Agent accounting team / Former agent team

Supporting information received? —Yes→ Place the debt recovery process on hold (Worklist/Sharepoint) → Investigate variance and associated transaction (contact relevant POL team) → Agree with SPMR claim? —No→ Unblock the debt recovery process

Yes → Process TC

Place debt recovery on hold (CFS/Sharepoint) → Team leader reviews case

No

Yes

Activity: Disputed balance

Chronological steps in the process:
1. Agent/Former Agent contacts AAT/FAAT with a query over the debt balance – sent via letter with supporting information.
2. AAT/FAAT request support from the SPMR (if not provided with initial query).
3. AAT/FAAT place the debt collection process on hold.
4. Agent doesn't provide support – "hold" removed and case continues
5. Agent provides support – AAT/FAAT investigate claim
6. AAT/FAAT agree with claim – process TC, continue with case if balance remains or end case if no balance remaining.
7. Contact SPMR to advise of the findings.
8. SPMR wishes to escalate the query.
9. Team leader reviews the case to assess if further amendments needed.
10. AAT/FAAT agree with claim – process TC, continue with case if balance remains or end case if no balance remaining.

Risk & Control: Disputed balance

Control(s): AD3a
Risk: Agent debt balance is incorrect and not investigated.
Control objective: To ensure agent enquiries are reviewed and approved.
Frequency: As needed
Control owner: FSC Operations Manager (Dawn Phillips / Dawn Wall)
Control description: Where an agent / former agent wishes to dispute a debt balance the query is investigated. Where the query is escalated by the agent, the case is formally reviewed and approved by the agent debt team leader. Documentation is retained to support the review process (documentation mirrors the form of communication by branch, therefore phone calls are not recorded).

Control(s): C4.9.a.2 & C4.9.a.3
Risk: Balance sheet accounts are not reviewed resulting in error and misstatement or fraud
Control objective: To ensure that all BS accounts are reconciled and analysed and have evidence of balance justification
Frequency: Monthly
Control owner: FSC Operations Manager(s)
Control description: "All BS accounts within FSC area are reconciled at month end by the relevant Admin team members. Any open items are explained / annotated by the Admin team member and the reconciliation is sent to respective FSC Team Managers for review and approval. The FSC Team Manager(s) follows up any unreconciled/unexplained items with the respective Admin team member and once satisfied the reconciliation is approved (sign and dated as evidence) and forwarded to the FSC Operations Manager for final review and approval. The FSC Operations Manager reviews and queries where applicable with the FSC Team Manager(s) and sends/signs as evidence of final approval. The reconciliation(s) with approvals and any supporting documentation is dated, stored/printed and filed on SharePoint."

Control(s): C4.9.a.11-16 (same control, however assigned to 6 different Team Managers)
Risk: Workload and peaks are not monitored resulting in build-up of back log.
Control objective: To ensure there are frequent monitoring of the teams workload and any necessarily actions are taken proactively.
Frequency: Monthly
Control owner: FSC team leader(s)
Control description: "The FSC Team Manager monitors on a weekly basis their team's workload and escalates areas of concern with their reporting line. Issues affecting the team's ability to process workloads are flagged by the FSC Team Manager and discussed in the weekly FSC Team Leader meeting. On a monthly basis the FSC Team Manager signs, dates and retains the "weekly Stats" as evidence."

1.9.4   Agent Surplus

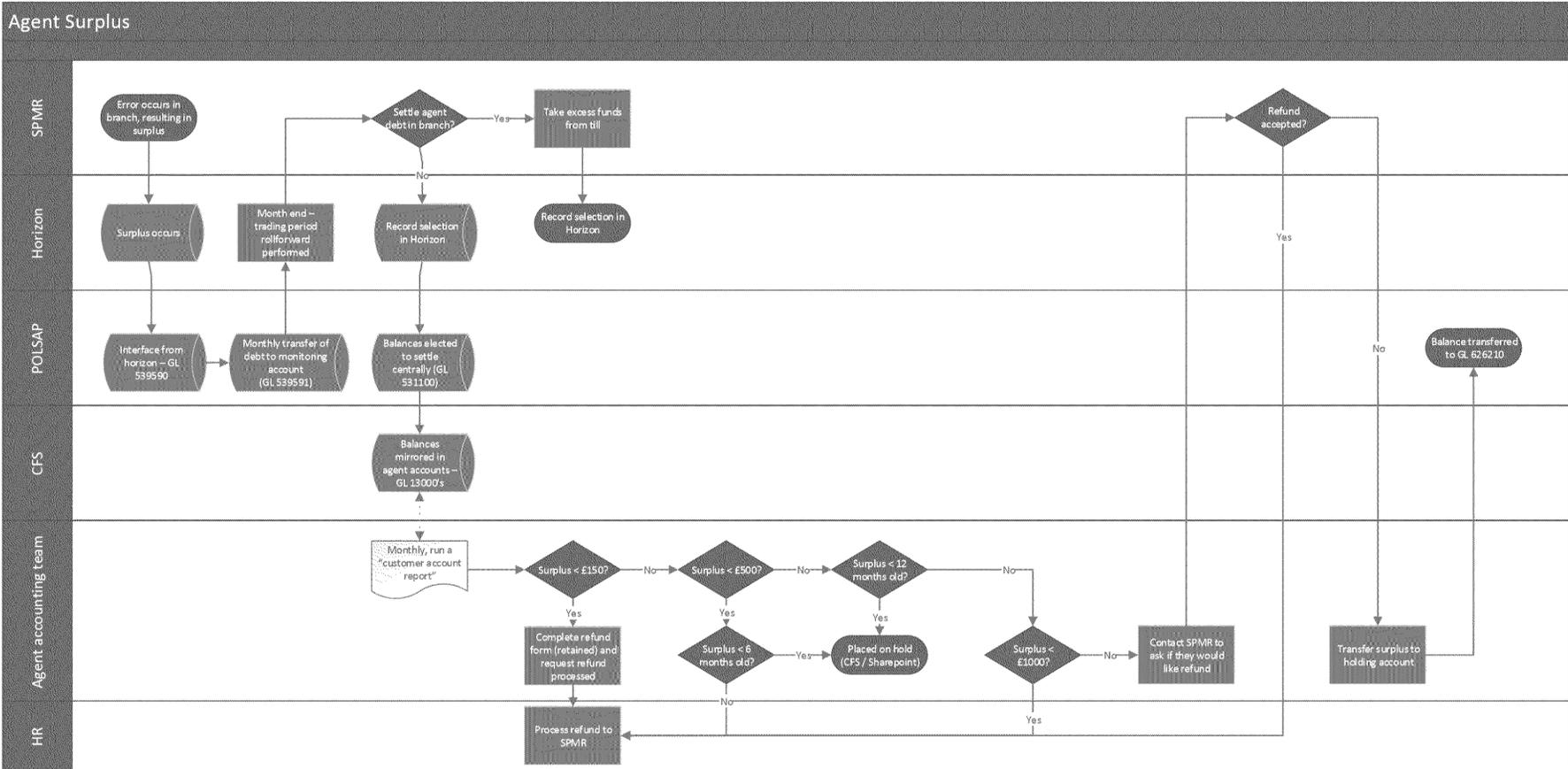| Glossary of Control Owners	
Job Title	**Control Owner**
AAT Team leader	Dawn Phillips
FAAT Team leader	Dawn Wall

Background

Agent accounts can be in a deficit position (agent debt) or a surplus position. A surplus is where the branch have excess funds and assuming no subsequent transaction correction is received or a deficit is offset by surplus then the funds should become the property of the SPMR. The SPMR may choose to accept these funds or decline them, with the latter resulting in a creditor on POL BS.

POLSAP GL codes:

- 539590 – weekly build-up of agent debt, swept into 529591 weekly.
- 539591 – built up agent debt

626210 – surplus balances not reimbursed to SPMR

Agent Surplus

SPMR

Error occurs in branch, resulting in surplus

Settle agent debt in branch? —Yes→ Take excess funds from till

Refund accepted?

Horizon

Surplus occurs

Month end – trading period rollforward performed

Record selection in Horizon

Record selection in Horizon

Yes

POLSAP

Interface from horizon – GL 539590

Monthly transfer of debt to monitoring account (GL 539591)

Balances elected to settle centrally (GL 531100)

No

Balance transferred to GL 626210

CFS

Balances mirrored in agent accounts – GL 13000's

Agent accounting team

Monthly, run a "customer account report"

Surplus < £150? —No→ Surplus < £500? —No→ Surplus < 12 months old? —No→

Yes

Yes

Complete refund form (retained) and request refund processed

Surplus < 6 months old? —Yes→ Placed on hold (CFS / Sharepoint)

Surplus < £1000? —No→ Contact SPMR to ask if they would like refund

Transfer surplus to holding account

No

Yes

HR

Process refund to SPMR

Activity: Agent surplus

Chronological steps in the process:

1. Horizon records surplus within 539590. SPMR choose to settle at the end of the day, in horizon, via either:

   a)   take the surplus cash from system and retain it – end of process b) settle centrally

2. Balances swept from 539590 into 539591 on a monthly basis (part of branch close down process)

3. Balances selected as "settle centrally" in horizon are swept into customer account codes in CFS (13000)

4. POLSAP account 539591 is mirrored in CFS within customer accounts

5. Once a month AAT run a "customer account" report in CFS and identify accounts in surplus: a) Surplus < £150, refunded to SPMR by AAT.

   a)   Surplus > £150 an < £500, balance is held on the account for 6 months prior to refund by AAT (on the basis that a TC / other correction will filter through to resolve the surplus in this period).

   b)   Surplus > £500 and < £1000, balance retained for 12 months before refund issued.

   c)   Surplus > £1000, balance retained for 12 months then SPMR contacted to ask if they want refund. If they don't, balance transferred to 626210 and held for 5 years prior to release.

Risk & Control: Agent surplus

Control(s): AD4a
Risk: Agent surplus refunded prematurely resulting in agent debt
Control objective: To ensure surplus' refunded after appropriate time period
Frequency: Monthly
Control owner: FSC Team Leader (Dawn Phillips)
Control description: Once a month the Agent Accounting Team (AAT) review the agent debt balances for "surplus" balances. Where identified, age and value are used to identify the action to perform:
- Surplus < £150, refunded to agent by ATT.
- Surplus > £150 an < £500, balance held for 6 months then refunded to agent by AAT.
- Surplus > £500 and < £1000, balance retained for 12 months then refunded to agent by AAT.
- Surplus > £1000, balance retained for 12 months then agent contacted regarding refund. For refunds not accepted by agent the balance should be transferred to GL 626210 for monitoring.

Control(s): AD4b
Risk: Agent surplus retained / released over incorrect term
Control objective: To ensure branch surpluses are separately identifiable and held for a reasonable period of time to allow customers to query
Frequency: Monthly
Control owner: FSC Team Leader (Dawn Phillips)
Control description: When a branch surplus becomes aged in excess of 12 months, branches are contacted to ask if they would like a refund. Where a refund is declined by branch, the surplus should be transferred to GL 626210 where it is to be retained for 5 years prior to release to PL.

Control(s): AD4c
Risk: Agent surplus retained / released over incorrect term
Control objective: To ensure branch surpluses are separately identifiable and held for a reasonable period of time to allow customers to query
Frequency: Quarterly
Control owner: FSC Team Leader (Dawn Phillips)
Control description: Quarterly review performed on GL 626210 to identify agent debt surplus balances in excess of 6 years (since surplus occurred). Quarterly release of balance is processed.
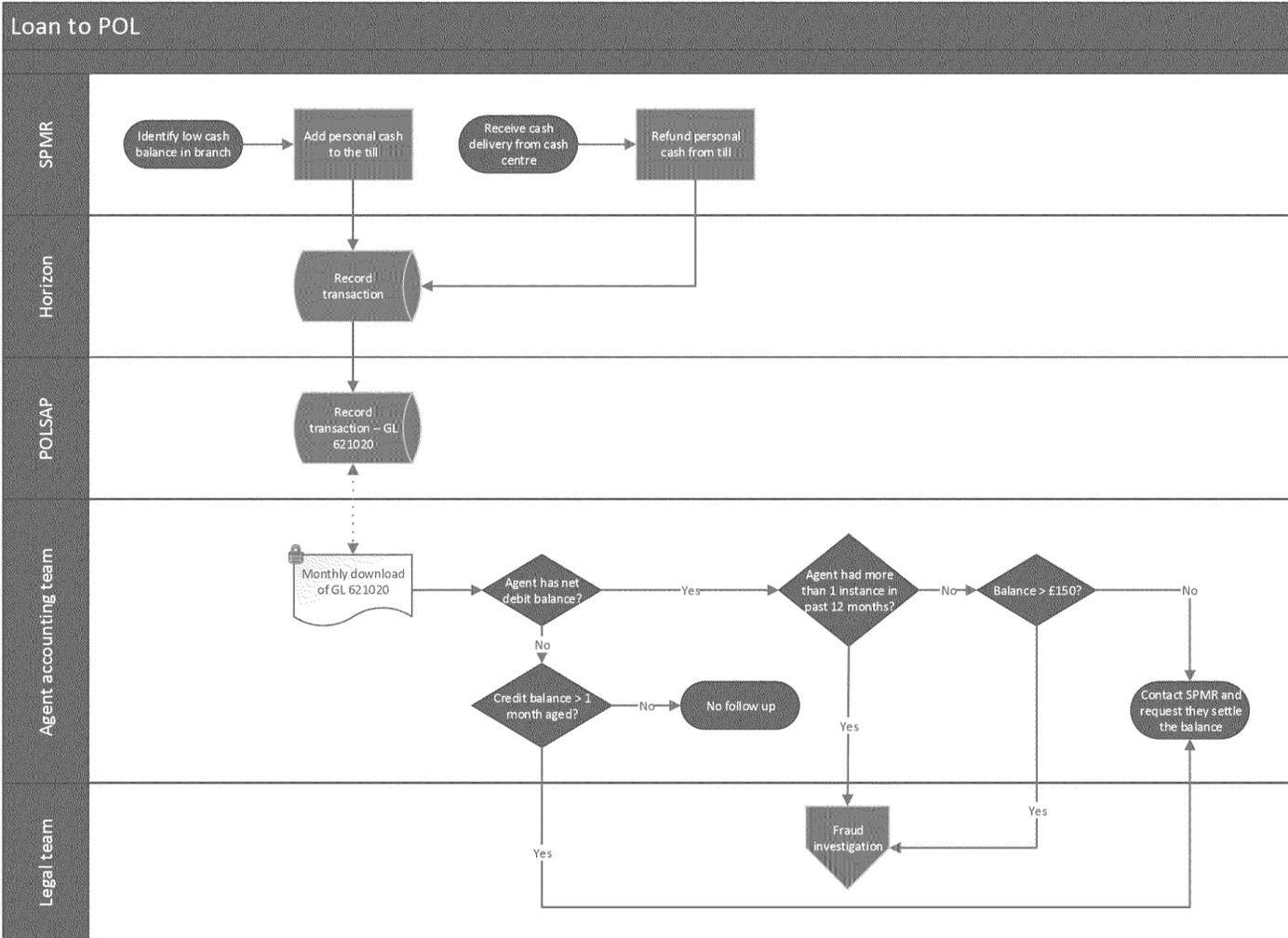
1.9.5   Loan to POL

Glossary of Control Owners	
Job Title	**Control Owner**
AAT Team leader	Dawn Phillips

Background

W hen a branch runs short on cash the SPMR can choose to top up the cash supplies from their own funds. They record this within the loan account which allows the FSC to monitor the loan balances.

POLSAP GL codes:

-         621020 – Loans to POL

Loan to POL

SPMR

Identify low cash balance in branch → Add personal cash to the till

Receive cash delivery from cash centre → Refund personal cash from till

Horizon

Record transaction

POLSAP

Record transaction – GL 621020

Agent accounting team

Monthly download of GL 621020 → Agent has net debit balance? —Yes→ Agent had more than 1 instance in past 12 months? —No→ Balance > £150? —No→

Agent has net debit balance? —No→ Credit balance > 1 month aged? —No→ No follow up

Balance > £150? —Yes→ Contact SPMR and request they settle the balance

Agent had more than 1 instance in past 12 months? —Yes→

Legal team

Fraud investigation

Credit balance > 1 month aged? —Yes→

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Activity: Loan to POL

Chronological steps in the process:

1. SPMR identifies shortfall in branch cash.
2. SPMR loans cash to the branch and records this within GL 621020 (Dr Cash, Cr Loan to POL).
3. Cash remittance received from cash centre
4. SPMR takes funds from cash remittance and records within GL 621020 (Cr Cash, Dr Loan to POL).

5. Monthly basis, AAT run a report of GL 62102 to identify net debit balance.
6. Where account has been in net debit position more than once in 12 months – contact Legal team to investigate potential fraud.
7. Other instances > 1 month old - contact SPMR to discuss balance and request account settled up.

Risk & Control: Agent surplus

Control(s): AD5a

Risk: Fraudulent borrowing by postmaster

Control objective: To monitor loan account balances and identify potentially fraudulent actions

Frequency: Monthly

Control owner: FSC Team Leader (Dawn Phillips)

Control description: On a monthly basis a GL transaction list (GL 621020) is downloaded and reviewed. Where branches do not have a nil postmaster loan balance, investigation occurs. A debit balance would indicate the postmaster is borrowing POL funds, in which case follow up occurs and is documented. Where the postmaster is noted as being on the list more than once in 12 months it is flagged to the fraud team for review. Where the balance is a net credit balance this indicates the post master hasn't taken back their loan balance from the latest cash remittance from cash centre. Where the balance is more than 1 month aged this is investigated. Documentation of the review and appropriate commentary is retained.
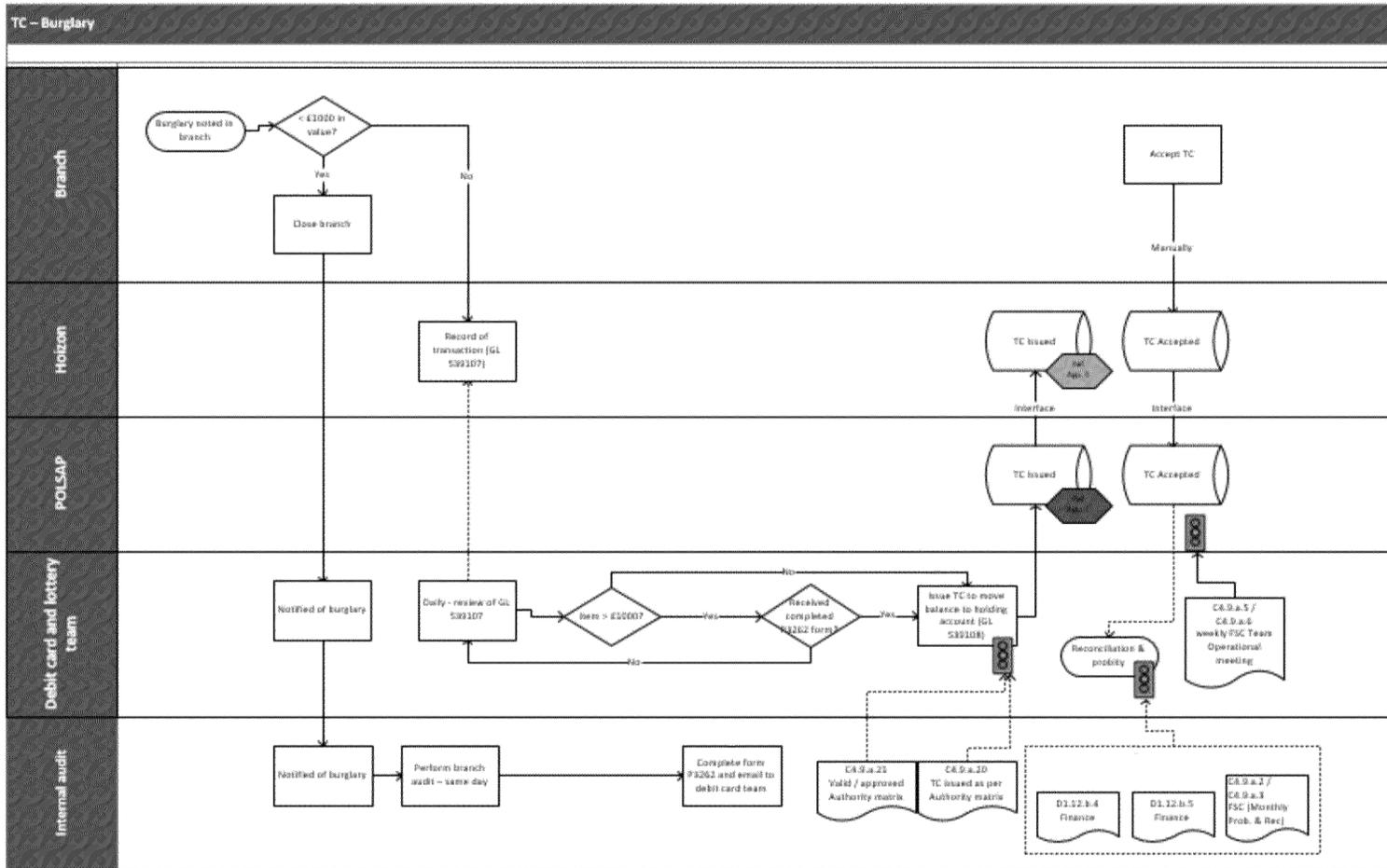
1.10 Burglaries

Glossary of Control Owners	
Job Title	**Control Owner**
FSC Team Leader	Andrea Green

Background

Burglary in branch results in transaction corrections between initial posting account and subsequent holding and monitoring account.

POLSAP GL accounts:

- 539107 – Burglary suspense
- 539108 – Burglary pending

Activity - Burglary
Chronological steps in the process: 1. Burglary identified in branch (Branch). 2. Value less than £1000 – post directly into GL 539107 (Branch). 3. Value greater than £1000 – branch closes and they notify FSC. 4. FSC inform Internal audit who perform an branch audit. 5. Form P3263 completed – documenting findings 6. Daily basis, Debit card and lottery team run a GL report to identify balances. 7. Items > £1000 agreed to P3263 form, or left in GL until form received. 8. TC issued to move balance to 539108, pending identification of culpability, balance then released to P&L as required.

Risk & Control: Burglary

Control(s): TC20.01

Risk: Transaction corrections in relation to branch burglary are processed before audit is performed

Control objective: To ensure internal audit review occurs prior to processing burglary transactions

Frequency: As required

Control owner: FSC Team Leader (Andrea Green)

Control description: Where a burglary occurs in branch, balances in excess of £1000 are posted into the burglary suspense account (539107). Prior to processing a transaction correction for these a completed P3263 form must be received from internal audit, following their investigation. The value per suspense account is agreed to the P3262 form prior to the balance being corrected.

Control(s): C4.9.a.2 & C4.9.a.3

Risk: Balance sheet accounts are not reviewed resulting in error and misstatement or fraud

Control objective: To ensure that all BS accounts are reconciled and analysed and have evidence of balance justification

Frequency: Monthly

Control owner: FSC Operations Manager(s)

Control description: "All BS accounts within FSC area are reconciled at month end by the relevant Admin team members. Any open items are explained / annotated by the Admin team member and the reconciliation is sent to respective FSC Team Managers for review and approval. The FSC Team Manager(s) follows up any unreconciled/unexplained items with the respective Admin team member and once satisfied the reconciliation is approved (sign and dated as evidence) and forwarded to the FSC Operations Manager for final review and approval. The FSC Operations Manager reviews and queries where applicable with the FSC Team Manager(s) and sends/signs as evidence of final approval. The reconciliation(s) with approvals and any supporting documentation is dated, stored/printed and filed on SharePoint."

Control(s): C4.9.a.5 & C4.9.a.6

Risk: Build-up of aged balances - unapproved aged balances of affected account resulting in loss of reputation to Post Office.

Control objective: To ensure close monitoring of aged balances and prevent where possible any aged build-up of accounts affected.

Frequency: Weekly

Control owner: FSC Operations Manager(s)

Control description: "On a weekly basis the FSC Operations Manager performs an ageing analysis of all open items matching account per product area. The main objective is to prevent wherever possible any open item(s) falling into an aged (>3 months) category.

The respective Team Managers explains the analysis for their product area at the weekly Team Operational meeting. Open items are prioritised by highest value, date and/or other steer from Management.

Agreed actions are followed up with respective FSC Team Managers.

The FSC Operations Manager signs and dates the analysis and minutes from meeting with any other supporting documentation and retain as evidence."

Control(s): C4.9.a.11-16 (same control, however assigned to 6 different Team Managers)

Risk: Workload and peaks are not monitored resulting in build-up of back log.

Control objective: To ensure there are frequent monitoring of the teams workload and any necessarily actions are taken pro-actively.

Frequency: Monthly

Control owner: FSC Team Manager(s)

Control description: "The FSC Team Manager monitors on a weekly basis their team's workload and escalates areas of concern with their reporting line.

Issues affecting the team's ability to process workloads are flagged by the FSC Team Manager and discussed in the weekly FSC Team Leader meeting.

On a monthly basis the FSC Team Manager signs, dates and retains the "weekly Stats" as evidence."

1.11 Suspense

Glossary of Control Owners	
Job Title	**Control Owner**
FSC Team Leader	Sarah Parkes
FSC Ops Manager	Gillian Hoyland

Background

Cash shortages/surplus related to Cash Rems from Branch. This process relates to cash rems from Branch, whenever the cash centre counts up either a surplus or a shortage of cash send by pouches from Branch.

POLSAP GL accounts:

- 539106 – Shortage suspense
- 539104 – Surplus – surpluses from Cash Centre (input by Cash Centre)
- 629452 – Surplus suspense
- 531220 – Shortages from Cash Centre (input by Cash Centre)

TC - Suspense

Branch

- Accept TC
- Redeem surplus / shortage
- Accept TC

Horizon

- TC issued
- TC Accepted
- TC issued
- TC Accepted

POLSAP

- G/L 531220 Shortage G/L 629452 surplus
- Download to excel template
- Test run "automatic TC"
- Final mode "automatic TC",
- "TC issued, dd.mm.yy" and counterparty suspense acc
- TC Accepted
- Ref App. 3
- Ref Appx. 4
- TC Issued
- TC Accepted

Interface — Interface — Interface

Cash Control Team

- Download to excel templates transactions for shortages / surpluses
- Prepare excel template for TC upload to POLSAP
- Test run "automatic TC",
- Test run successful?
- Yes
- No, correct and Re-run test
- Run Final mode "automatic TC",
- Annotate in POLSAP the G/L acc.
- 1 month
- Follow up on issued TCs
- Open items?
- No
- Reconciliation & probity
- Yes, Issue new TC to offset missing "redeem/accept"
- C4.9.a.5 / C4.9.a.6 weekly FSC Team Operational meeting

Cash Processing Centre

- Discrepancies (shortage/Surplus) in cash Pouches
- Post shortage / surplus to suspense account(s)
- C4.9.a.16 weekly FSC Team Manager meeting
- C4.9.a.20 TC issued as per Authority matrix
- C4.9.a.21 Valid / approved Authority matrix
- C4.9.a.17 FSC Team Manager Monthly monitor TC control account "629310 Cash"
- D1.12.b.4 Finance
- D1.12.b.5 Finance
- C4.9.a.2 / C4.9.a.3 FSC (Monthly Prob. & Rec)

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Activity - Suspense

Chronological steps in the process:

9. Cash Centre receives cash pouches and counts (Cash Centre)
10. Where discrepancies (shortage/Surplus), post to respective suspense account (Cash Centre)
11. Download to excel templates transactions from POLSAP G/L account surplus / shortages (Cash Control Team)
12. Prepare excel template for TC upload to POLSAP, (Cash Control Team)
13. Log into POLSAP – "automatic TC", find correct file and do a test run, (Cash Control Team)
14. Review test run and where applicable correct test run, re-run test run, (Cash Control Team)
15. Once test run is successful – run TC's in final mode, (Cash Control Team)
16. Annotate in POLSAP the G/L acc. with "TC issued, dd.mm.yy and counterparty suspense acc.), (Cash Control Team)
17. Branch accepts in Horizon, (Branch)
18. Message re TC to Branch, redeem transaction Correction? (Branch)
19. Follow up on issued TCs – await until next period (one month), any open items? (Cash Control Team)
20. Ensure no open items falls into aged (3 Months), (Cash Control Team)
21. Issue new TC to offset un-actioned (from Branch) original TC, (Cash Control Team)
22. Rec & probity

Risk & Control	Suspense

Control(s): TC21.01
Risk: Cash shortages / surpluses between branch and cash centre are not identified or investigated
Control objective: To ensure timely monitoring and investigation of open items
Frequency: Daily
Control owner: FSC Team Leader (Sarah Parkes)
Control description: On a daily basis the Cash Control Team receive a report on surpluses and shortages between cash centre and branch and upload into POLSAP. An "automated TC" template is completed the following day and uploaded into POLSAP in order to issue correcting TC's for the variances identified.
Control(s): TC21.02
Risk: Cash shortages / surpluses between branch and cash centre are not identified or investigated
Control objective: To ensure timely monitoring and investigation of open items
Frequency: Weekly
Control owner: FSC Team Leader (Sarah Parkes)
Control description: On a weekly basis the Cash Control Team run an ageing report on all bureau suspense accounts. All items aged > 1 month are investigated and followed up via issuance of revised TC or further investigation of the balance where required.

Control(s): C4.9.a.2 & C4.9.a.3
Risk: Balance sheet accounts are not reviewed resulting in error and misstatement or fraud
Control objective: To ensure that all BS accounts are reconciled and analysed and have evidence of balance justification
Frequency: Monthly
Control owner: FSC Operations Manager(s)
Control description: "All BS accounts within FSC area are reconciled at month end by the relevant Admin team members. Any open items are explained / annotated by the Admin team member and the reconciliation is sent to respective FSC Team Managers for review and approval. The FSC Team Manager(s) follows up any unreconciled/unexplained items with the respective Admin team member and once satisfied the reconciliation is approved (sign and dated as evidence) and forwarded to the FSC Operations Manager for final review and approval. The FSC Operations Manager reviews and queries where applicable with the FSC Team Manager(s) and sends/signs as evidence of final approval. The reconciliation(s) with approvals and any supporting documentation is dated, stored/printed and filed on SharePoint."

Control(s): C4.9.a.5 & C4.9.a.6
Risk: Build-up of aged balances - unapproved aged balances of affected account resulting in loss of reputation to Post Office.
Control objective: To ensure close monitoring of aged balances and prevent where possible any aged build-up of accounts affected.
Frequency: Weekly
Control owner: FSC Operations Manager(s)
Control description: "On a weekly basis the FSC Operations Manager performs an ageing analysis of all open items matching account per product area. The main objective is to prevent wherever possible any open item(s) falling into an aged (>3 months) category.
The respective Team Managers explains the analysis for their product area at the weekly Team Operational meeting. Open items are prioritised by highest value, date and/or other steer from Management.
Agreed actions are followed up with respective FSC Team Managers.
The FSC Operations Manager signs and dates the analysis and minutes from meeting with any other supporting documentation and retain as evidence."

Control(s): C4.9.a.11-16 (same control, however assigned to 6 different Team Managers)

1.12 Emergency Suspense

Glossary of Control Owners	
Job Title	**Control Owner**
FSC Team Leader	Andrea Green
FSC Team Leader	Paul Smith

Background

This account is used at month end for branch's to be able to roll forward their accounts when an error is identified by branch but is unknown as to why e.g. losses in shortages. Emergency suspense account requires authorisation prior to posting by branch, however this is not system driven and therefore postings can be made by any branch at any time.

G/L accounts:

- 620221 – Emergency suspense

TC – Emergency Suspense

Branch

Notice error in branch accounts prior to month end settlement

Call NBSC to request use of "emergency suspense" account

Make posting to Horizon

Approve TC

Hoizon

Enter correction, using NBSC reference

TC feeds through from another process

TC accepted

Automatic

POLSAP

Suspense recorded in GL 620221

TC accepted and clears GL 620221

NBSC

Provide authorisation of use and advise of correct Horizon entry

Update "emergency suspense call log" including reference and value etc

Debit card and lottery team

TC22.01 Weekly review of GL 620221 for unauthorised use

TC22.02 Weekly ageing review of GL 620221

Activity – Emergency Suspense

Chronological steps in the process:

9. Error identified by branch prior to month end.
10. Contact NBSC and request use of the emergency suspense.
11. NBSC provide authorisation to branch evidenced via reference number, and advise on posting to be made.
12. Branch make the posting in Horizon, using the reference number per NBSC as transaction reference.
13. TC processed at a later date and feeds through to this GL, removing the item.

Risk & Control	Emergency suspense

Control(s): TC22.01
Risk: Suspense accounts are used inappropriately, resulting in branch errors being incorrectly processed and not investigated
Control objective: Review usage of emergency suspense account
Frequency: Weekly
Control owner: FSC team leader (Andrea Green)
Control description: On a weekly basis transactions which have occurred in GL 620221 are compared to the NBSC "emergency suspense call log" in order to identify unauthorised usage of the emergency suspense accounts. Where unauthorised usage is noted this if followed up with the branch and reversal made.

Control(s): TC22.02
Risk: Suspense accounts are used inappropriately, resulting in branch errors being incorrectly processed and not investigated
Control objective: Review usage of emergency suspense account
Frequency: Weekly
Control owner: FSC team leader (Andrea Green)
Control description: On a weekly basis an ageing review is performed on GL 620221, with all items in excess of 6 weeks aged being followed up for further investigation. All items within this emergency suspense account should have a transaction correction issued within 2 weeks, or be transferred to the appropriate GL for follow up.

Remittance Surplus Suspense

Rule – PMRs use rem
suspense surplus regularly
for rem surplus in cash
bureau and stock

(1)
Open GL
account
629452 in
collapsed
layout

(2)
Export to excel
file and sort by
value

(3)
Copy FAD codes
where value is 0
into a text file

(4)
Clear GL Account

(7)
Item
removed
from
suspense

(12)
Ledger
corrected

(5)
Investigate
debit items by
ringing branch

(6)
Investigate
remaining
items by
ringing branch

Issue TC?

No

yes

(9)
Block TC settled
centrally and
investigate
dispute

Dispute
upheld

Yes

(11)
Write off

No

(8) Issue TC
(stock cash
or bureau)

TC
disputed

Yes

No

(10)
TC brought
to account

POLSAP Clear GL account
process – Task 4

Open
POLSAP
clear GL
account

Enter 629452
in Account
box

Highlight
profit centre
and choose
Multiple
selection

Choose green
import text file
icon and import
prepared text file
into 629452

Copy and
execute and
select all

Select MORE
and clear
selected
items

Remittance Shortage Suspense

Rule - PMR's use rem suspense shortages regularly for rem shortages in cash bureau and stock

(1) Open GL account 539106 in collapsed layout

(2) Export Excel file and sort by value

(3) Copy FAD codes where value is 0 into a text file

(4) Clear GL Account

(5) Investigate negative items by ringing branch

(6) Investigate remaining items by ringing the branch

(7) Item removed from suspense

Issue TC? — No → (7); Yes → (8)

(8) Issue TC (stock cash or bureau)

TC Disputed? — Yes → (9); No → (10)

(9) Block TC settled centrally and investigate dispute

Dispute upheld? — Yes → (11); No → (10)

(10) TC Brought to account

(11) Write off

(12) Ledger corrected

POLSAP Clear GL account process – Task 2

Open POLSAP clear GL account

Enter 539106 in Account box

Highlight profit centre and choose Multiple selection

Choose green import text file icon and import prepared text file into 629452

Copy and execute and select all

Select MORE and clear selected items

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539106

Remittance Surplus Suspense

Rule – PMRs use rem
suspense surplus regularly
for rem surplus in cash
bureau and stock

(1)
Open GL
account
629452 in
collapsed
layout

(2)
Export to excel
file and sort by
value

(3)
Copy FAD codes
where value is 0
into a text file

(4)
Clear GL Account

(5)
Investigate
debit items by
ringing branch

(6)
Investigate
remaining
items by
ringing branch

(7)
Item
removed
from
suspense

Issue TC?

No

yes

(8) Issue TC
(stock cash
or bureau)

TC
disputed

Yes

No

(9)
Block TC settled
centrally and
investigate
dispute

Dispute
upheld

Yes

No

(10)
TC brought
to account

(11)
Write off

(12)
Ledger
corrected

POLSAP Clear GL account
process – Task 4

Open
POLSAP
clear GL
account

Enter 629452
in Account
box

Highlight
profit centre
and choose
Multiple
selection

Choose green
import text file
icon and import
prepared text file
into 629452

Copy and
execute and
select all

Select MORE
and clear
selected
items

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6294562

REMS GENERAL

Item removed from suspense → Ledger corrected → ⬤

(1) Open GL account 539106 → (2) Clear all nil values by POLSAP clear GL account → (3) Print negative values → (4) Ring branch and request adjustment → Adj to clear or issue

Investigate remaining open items

Issue TC (stock cash or bureau) → TC BTA

POLSAP Clear GL account process – Task 2

◯ → Open POLSAP clear GL account → Enter 539106 in Account box → Highlight profit centre and choose MORE - subtotals → Check / tick all boxes where 0 can be seen → Go to MORE PROCESS ITEMS and if difference is nil CLEAR items → ⬤

Find negative values process - Task 3

◯ → Open GL Account line items → Change layout to collapsed → Choose 539106 and execute → Save as excel file → Sort LC amt by ascending order to see negative values → ⬤

1.13 Appendices

Background

Appendix 1: Issuing of TCs – e2e daily process

Appendix 2: TC - Month End Procedures

Appendix 3: Issuing TC: I) Enter Outgoing Invoices, II) Auto upload

Appendix 4: Ageing of TC's

Appendix 5: Aged Debt Disputes

Glossary of Control Owners	
Job Title	Control Owner
Senior Debt Recovery Manager	Alison Bolsover
Senior Settlement Manager	Kay Wilson

1.13.1 Appendix 1 - Issuing of TCs – e2e daily process – Process Flow

Appendix 1: Issuing of TCs – e2e daily process

Business Information Management	App. 1 → Retrieve report for all prev day failed TCs → server"ftpdata (\\ 10.170.17.100) (W:) → Run report: "Download Trans Corr file to local" (Comes up in "my favourites in SAP" → Identify TC issuer for failed TC
HORIZON	Branch picks up TC in HORIZON
Fujitsu	Failed TCs? — Yes → AdHoc: Save file of failed TCs on server"ftpdata (\\ 10.170.17.100) (W:) → End. No / Daily: Run Interface file to HORIZON. E.mail TC issuer with failed TC and reason for failure
POLSAP	TC Issued (single entry): Dr/Cr GL Acc or Vendor Acc — System → TC issued opposite entry Dr/Cr either GL 629310 cash or GL 629320 Stock — Daily: Auto run report for all issued TC (prev day) → All TCs from previous day — Daily → Saved in: T:\ Finance\Finance Product& Branch Accounting\Financ
TC Issuer	Issue TC — If required Re-issue/Reverse TC → TC failure resolution — TC failure resolution, reverse, amend etc. etc. → Receive TC failure notification from MDM. Notify / send case to other team in FSC

1.13.2 Appendix 2 - TC - Month End Procedures – Process Flow

Appendix 2:TC - Month End Procedures

FSC Admin team member

Reconciliation & Probity of own accounts

No

FSC Manager

Reviews and signs off

Reconciliation satisfactory?

No

Yes

C4.9.a.12-16 weekly FSC Team Manager meeting

C4.9.a.18 FSC Team Manager Monthly monitor TC control account "629320 Stock"

C4.9.a.17 FSC Team Manager Monthly monitor TC control account "629310 Cash"

FSC Operations Manager

Reconciliation satisfactory?

Reviews and sign off

C4.9.a.2 / C4.9.a.3

Yes

Prints & files the reconciliations

Central Reporting & Controls Manager

D1.12.b.1

D1.12.b.5

Check completeness of reconciliations

Sample check and inspect sample

1.13.3 Appendix 3 - Issuing TC: I) Enter Outgoing Invoices, II) Auto upload– Process Flow

Appendix 3: I) Enter Outgoing Invoices, II) Auto upload

App. 3

TC Issuer

EITHER — Issue TC — OR — Auto TC

Enter Outgoing Invoices

Controls as per individual product flowcharts

Manually clear if applicable

Prepare excel template for upload into SAP, populate template with Dr or Cr value, Article number, Narratives

Name/save the file/ template

Controls as per individual product flowcharts

Manually Clear items

Log into POLSAP & Enter manually

POLSAP

Log into POLSAP

Fill in Article – linked to G/L account
Basic data tab:
Customer,
Special G/L=0,
Invoice date (todays date),
Reference number (specify product),
Doc Type = "TC - Transaction Correction", amount,
TEXT (enter product)
Payment tab: todays date, Pmnt block (choose from drop down)
Notes tab: Fill in explanation for the TC, G/G acc. (fill in TC GL acc. 629310), order (choose from list how to settle) Profit Centre (article number)

Manually in POLSAP

DR/CR G/L Acc linked to article:
Dr/Cr 629310/629320
Dr/Cr Customer Account
DR/CR Branch Cash

T-code FB70 "Automatic Transaction Correction"

Enter name of file/template

Tick box for TEST RUN

CORRECT where applicable (if test run not successful)

RUN T-Code FB70 in Final mode (untick test run)

SAP POSTING:
Dr/Cr G/L 629310 / 629320
Dr/Cr Customer acc.

Manually in POLSAP

DR/CR G/L Acc linked to article:
Dr/Cr 629310/629320
Dr/Cr Customer Account
DR/CR Branch Cash

SAP POSTING:
Dr/Cr G/L 629310/629320
Dr/Cr Customer acc.

TC Accepted

TC Accepted

Interface (Fujitsu) See appendix 1 for failed TCs

Interface (Fujitsu)

Interface (Fujitsu)

Interface (Fujitsu)

HORIZON

Issued TC

TC Accepted

Issued TC

TC Accepted

Log into HORIZON

Log into HORIZON

Branch

Accept TC — Accept

Accept TC — Accept

1.13.4 Appendix 4 - Ageing of TC's

Risk & Control	Ageing of TC's
Control(s): TC24.01 **Risk:** Transaction corrections are issued and not accepted, resulting in aged unresolved variances **Control objective:** Identify aged transaction corrections and resolve **Frequency:** Monthly **Control owner:** FSC Team Leader (Dawn Phillips) **Control description:** Identify aged balances: On a monthly basis, GL 531210 is reviewed to identify transaction correction balances aged > 2 months that have not been accepted in branch. Follow up occurs through either TC reversal or follow up with branch.	

Appendix 1: Issuing of TCs – e2e daily process
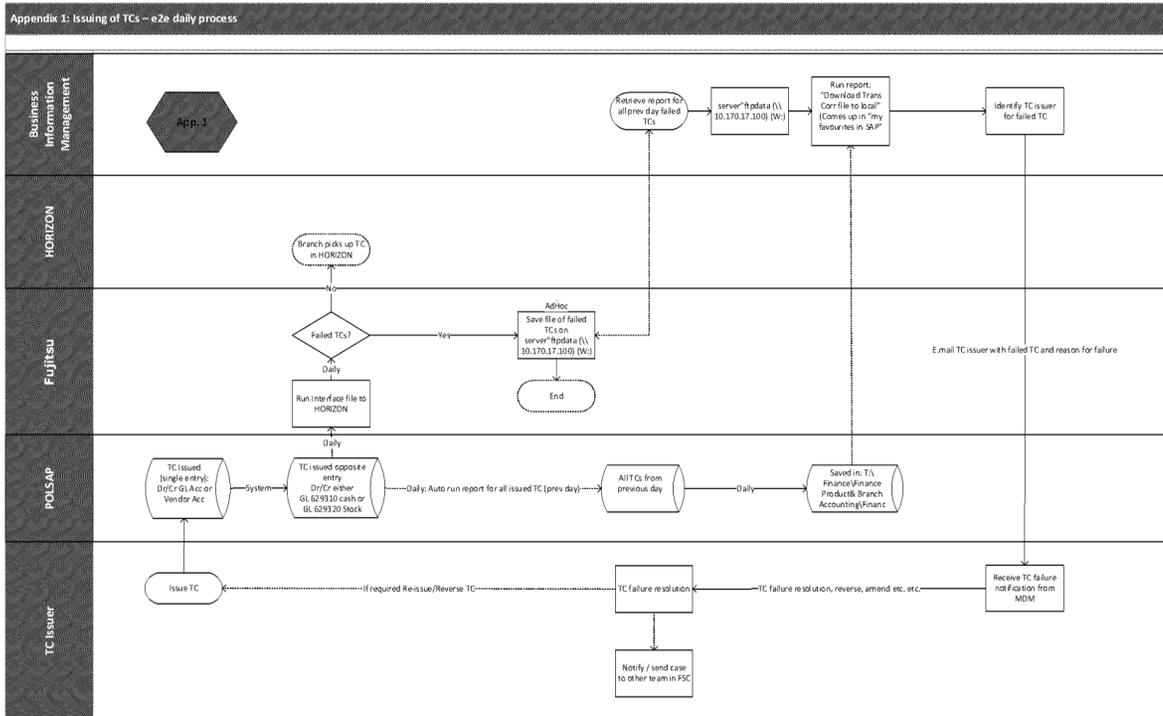
1.13.5 Appendix 5 – POLSAP to CFS Account Mapping Table

This attachment contains the mappings of POLSAP accounts and the new GL account codes used within CFS.

POLSAP to CFS
account codes.xlsx