

## IN CONFIDENCE

To:	From:	cc:
Nigel Allen Contracts Advisor	Adam Shaw Lead Auditor	Jason Collins Fraud Team Manager  Chris Gilding Field Support Team Leader  Outlet Intervention Team
Date: 31 <sup>st</sup> March 2011		

## Audit of Post Office® Rowlands Castle, Branch Code 1079379

On the 30<sup>th</sup> March 2011, accompanied by my colleague [redacted] Sarah Juliff I conducted an audit of the above named branch.

The purpose of this audit was to verify financial assets due to the Post Office® and confirm compliance with a range of Business processes, procedures and regulatory requirements.

The audit revealed a [redacted] shortage in the branch of £9743.76. A breakdown of the audit result and details of the audit findings are as follows:

£	10868.08	(-)	Identified as a difference in cash figures
£	905.43	(+)	Identified as a difference in stock figures
£	132.10	(+)	Identified as a difference in postage figures
£	86.79	(+)	Identified as a difference in foreign currency figures
£	9743.76	(-)	Total Shortage

We arrived at the branch at 8.30 am and introduced ourselves to the Postmaster [redacted] Mrs Lynette Hutchings when [redacted] she arrived at approximately 8.30 am and advised that we were to perform an audit on behalf of Post Office Ltd®.

Mrs Lynette Hutchings allowed us access to the secure area, and was [redacted] present in the secure area whilst the audit was carried out.

Mrs Hutchings contacted the Network Business Support Centre (NBSC) at approximately 8.40 am and advised that an audit would be performed at the branch, and that it would remain closed until its conclusion. The nominated branches offered were: Horndean Waterlooville and Leigh Park a notice was placed on display at the branch detailing this information. I also asked the NBSC to notify the Outlet Intervention Office that an audit was being performed and that the branch would remain closed until its conclusion.

After entering the office Lynette Hutchings said she had not declared the cash and so a cash declaration was completed by herself.

I printed a balance snapshot to start the audit procedures and the cash figure varied by £15,635.02. I then produce the evidence to Mrs Hutchings and was given no explanation and so we proceeded with a full audit of the cash and stock which produced a shortage in the office of £9743.76 and no admission or explanation was forthcoming. I then informed Mrs Hutchings that I would be contacting the contracts advisor Nigel Allen who proceeded to formally suspend Mrs Hutchings pending further investigation.

Mrs Hutchings was then advised that she should satisfy themselves that the figures of the audit team were correct. Therefore, we asked Mrs Hutchings if she would do her own independent count of all the cash on hand again, which she did.

Mrs Hutchings then confirmed that the figures of the audit team were correct.

The decision was made to precautionary suspend Mrs Hutchings at 2.30pm the assets were secured in the safe and the keys taken by Sarah Juliff (Field Advisor).

The amount of £9743.76 was posted to Late Account.

I advised the NBSC that the branch would be re-opening on 4<sup>th</sup> April 2011.

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

Adam Shaw  
Lead Auditor

 **GRO**  
Mobex: **GRO**