

POSTAL INSTRUCTION**P PERSONNEL (MANAGEMENT)****1 Pay and Conditions****J0026**

(Formerly PM Ins 3 P Chapter XV paras 1-23
and PM Ins 3 G XV)

LOSSES AND GAINS**COUNTER LOSSES**

1 Local Managers should carefully monitor the trend of counter losses in their area and check by local action any tendency to deterioration. Counter supervisors should be quite clear about their duties and responsibilities.

2 New entrant staff on trial

Special attention should be paid to the progress of new entrants and especially younger staff. Attitudes to work and responsibilities should be watched and if necessary corrected at an early stage. Supervisors should help new entrants to reach the expected standards by showing tolerance and giving encouragement. Losses during the trial period should be taken into account when considering the employee's suitability for the work. The employee should be reminded that he is jeopardising confirmation of his appointment and that failure to pass his trial period will result in his services being terminated.

3 Reporting and recording unidentifiable losses

All counter losses of £2 or more must be recorded in accordance with L5 B0023 para 4 and L5 C0018 para 2. Form P240 should be held by a supervisor at the Head/District Office and not filed with the employee's other personal papers. On transfer to another Head/District Office area, the forms relating to the employee's counter losses should be transferred also.

4 Losses of £200 and over and all cases where dishonesty is suspected

Individual losses of £200 or over and all losses where there are grounds to suspect dishonesty should be reported to the POID - copy to RHQ and FA3.2 PAG1 Chesterfield or SPB/HQ F1, Edinburgh as appropriate. Local remedial action, where this is considered desirable, should not be taken without first consulting POID. No accounting adjustment should be effected until the POID enquiries are completed.

5 Losses of £20 and over

Losses of £20 and over should be investigated by a supervisor, and the employee's stock should be checked; a check should also be made if, in the opinion of the supervisor the circumstances warrant it, or if the employee requests it.

6 Disciplinary records

A running record of an employee's counter losses should be maintained on form P751 which should be filed with forms P240 in the employee's individual file. Losses which fall into the following classes should not be taken into account for disciplinary purposes even though the relative papers are retained in the individual's file.

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- (a) Losses incurred in circumstances which are regarded as sufficiently exceptional, eg exceptional pressure, introduction of a new service, may be excused. In these circumstances "Excused - Extenuating Circumstances" should be written boldly across the front of the form P240 after the endorsement at Part II 2 has been authorised and signed by a controlling officer. The relative entry on P751 should also be suitably noted.
- (b) **Losses during training** Losses incurred by employees during their initial training period and their operational training period of 16 weeks on counter duties, are automatically excused as far as disciplinary action is concerned, (unless dishonesty is suspected). However, such losses should be carefully enquired into and guidance given on how these may be avoided. Forms P240 and P751 should be marked as in (a) above with "Excused - Employee on Training".
- (c) Errors discovered by the Accounting Office which occurred more than 3 months before the date of discovery should be drawn to the employee's attention when it is clear he has been seriously at fault (but *see* also para 4). Where the loss occurred within 3 months of the date of discovery, the date of error (shown on the error notice) should be taken as the date of the loss for the purposes of the procedure set out below.

7 Counter error procedure

Providing there is no reason to suspect dishonesty (*see* para 4) or culpable negligence or carelessness (*see* P1 J0013) the following action should be taken:-

7.1 Losses of £2 but less than £20 will be disregarded unless:-

- (a) They become unduly numerous when the Local Manager should warn the employee that unless there is a marked improvement during the next three months such losses will be brought within the procedure in para 7.2 below:-
- (b) An employee is due to receive notification under the procedure in para 7.2.

7.2 Losses of £20 or over should be brought to the notice of the employee as follows:-

- (a) Three losses in any period of three months or less - oral notification should be given;
- (b) Six losses in any period of six months or less - a written notification should be given, including a clear warning that losses under £20 are from then on liable to be taken into consideration;
- (c) Nine losses in any period of nine months or less - a written notification should be given, with an interview designed to help the employee overcome his difficulties and to explain the consequences of a failure to improve. At the interview the employee may be accompanied by a friend who must be a Post Office employee and, who may be his local union representative.

7.3 If, despite this interview no improvement occurs the following action should be taken:-

- (a) Four further losses in the six months or less subsequent to interview - the employee should be interviewed and warned that further losses could bring him under disciplinary notice and may raise the question of his suitability for the job;
- (b) The question of taking disciplinary action if the employee fails to maintain a satisfactory standard will be considered on the basis of the individual circumstances. In any event, where a further three losses are incurred in the six months or less subsequent to the second interview, the case will be dealt with under the normal disciplinary rules.

8 Identifiable losses

Identifiable losses are those which can be traced to particular transactions, eg irregular payments of pensions and allowances, Savings Bank withdrawals, Girobank outpayments etc. The paying officer may show a correct balance at the time but a deficiency occurs in the accounts when an irregular payment is disallowed.

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8.1 Where there is no culpable negligence or carelessness, identifiable losses should be recorded and treated as in paras 3-7. Where such losses are clearly the result of culpable negligence or carelessness, they should be treated under the Disciplinary Procedure (P1 J0013).

9 Losses or errors subsequently adjusted

Where a member of staff has come under disciplinary notice or his losses are being monitored under para 8 above but the losses or errors are subsequently explained and adjusted, the action taken should be reviewed and, if appropriate, modified.

Counter gains

10 Profits on broken packets of stamped stationery may be retained by counter staff. All other gains (except those of less than £2 which may be retained by the employee) arising in connection with counter duties and all cash left on the official side of the counter must be recorded in accordance with L5 B0023 para 5 and L5 C0018 para 2.3.

Losses and gains on duties other than counter duties

11 Losses of cash/stock on duties other than counter duties - see N1 J0026 para 4.

11.1 Losses may be excused for disciplinary purposes if the circumstances are considered to justify such a course, *eg* conditions of work, health or other factors which might affect an employee's performance. All losses should be recorded and if those recorded against any one employee become unduly numerous, consideration should be given to his suitability for that particular work.

11.2 Losses clearly attributable to culpable negligence or carelessness should be dealt with under the Disciplinary Procedure (P1 J0013).

11.3 All losses of £100 and over and all losses where there are grounds for suspecting dishonesty should be reported to POID with copy to RHQ and PHQ/FA3.2/PAGI Chesterfield or SPB/HQ F1.

12 Shortages in official remittances

12.1 The remittance should immediately be checked by a second employee when a shortage has been found, and the relative envelopes or enclosure bag, seal, string and label should be preserved, the matter being reported immediately to a supervisor. If there is any sign of tampering or reason to suspect the honesty of employees concerned in any way with the remittance, a report must be sent to the POID and copies to RHQ, PHQ/FA3.2/PAGI (in Scotland, SPB/HQ F1) with the envelope, bag etc. If missing cheques are involved immediate steps should be taken to have payments stopped and duplicates issued.

12.2 Where there is no sign of tampering or suspicion of dishonesty, enquiries should be made of all offices which may be affected by a compensatory error in an effort to trace the missing cash or stock. This enquiry may be waived or restricted at the HPM's discretion if the shortage is £20 or less. In cases where the loss is £100 and over, the matter must be reported as in para 12.1 above. All case papers should be filed locally for 5 years.

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12.3 Filed cases should be examined whenever a similar loss occurs to ensure that the previous cases have no bearing on the current loss. If there is any reasonable doubt about this or if the overall numbers of genuine losses are thought to be abnormal or increasing, the Local Manager should consider seeking the advice of the POID.

13 Shortages in bags of silver

Silver transferred from one employee to another without check may, at the Local Manager's discretion, be dealt with on the same lines as shortages in official remittances. Inquiry should, however, be made into each case and a record kept.

14 Accounting Procedures

See L5 B0023.

15 Gains

A surplus discovered by an employee on a duty involving the handling of cash and stock away from the counter should be dealt with as in L5 B0023 para 5 and L5 C0018 para 3.2.

PHQ/PP3.2

END