

To: 'Rod Ismay' GRO GRO Will Russell GRO GRO Antonio
Jamashb GRO GRO
Cc: Salawu Saheed GRO Atkinson Tony GRO GRO Thompson
Peter GRO
From: Jenkins Gareth GI [/o=Exchange/ou=AdminGroup1/cn=Recipients/cn=Gareth.Jenkins]
Sent: Tue 2/22/2011 8:33:27 AM (UTC)
Subject: RE: Receipts and Payments call - questions

Rod,

Comments / responses below prefixed [GIJ].

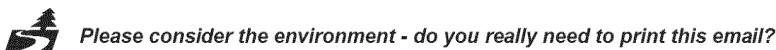
Can discuss on the call this afternoon

Regards

Gareth

Gareth Jenkins
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From: Rod Ismay GRO GRO
Sent: 18 February 2011 13:00
To: Jenkins Gareth GI; Will Russell; Antonio Jamashb
Subject: Receipts and Payments call - questions

Gareth – thanks for the paper you have submitted which will help this afternoons call.

As noted in the paper, we are keen that we see how the “Trial Balance – Office Copy” looks at each stage of events.

Question 1

For completeness, and full audit trail, of the example it would help to see what the TB looked like prior to declaration. Presumably cash would have been 12,541.23 and this would feature in “Total Value Items MoP” and “Nett Discrepancies” being 12,541.23 and 0.00.

[GIJ] Yes. Do I need to mock this up?

Question 2

On page 12, the final paragraph says that if “..they selected cancel...all would have been well”. Does that mean that the TB would have reverted to the form I refer to above with 12,541.23 as a derived cash figure and 0.00 on the discrepancy line?

[GIJ] No. *The trail balance would have remained as in Fig 6*

Question 3

The TB on pages 12 and 13 now shows 12,630 consistently as cash. So does that mean that despite the R&P mismatch the branch is indeed reporting the correct cash balance (ie. The value that they physically counted and declared back on page 4)?

[GIJ] Yes. *The problem is that the discrepancy has been “written off”.*

Question 4

The TB on pages 12 and 13 shows a difference between the Receipts and Payments sections and we would expect that to have appeared as a value of £88.77 to be made good. That implies that in practice the branch had undercharged a customer, found

some money behind a drawer which it had taken on the nose as a loss in a previous declaration, omitted to put a deposit through Horizon or miskeyed a transaction to the tune of £88.77. Whichever of those was the truth (which would need some investigation in the branch or by central data matching processes or customer enquiries) would then lead to determining whether either or both of Horizon and physical cash had been affected by a user error (miskey, omission, short changing, misplacing cash) in the branch. The amounts line by line in the TB would still accurately reflect what the users had keyed in as customer transactions and remittances and what the user had declared as physical cash. What is in question is the visibility of the discrepancy figure.

[GIJ] Agreed

Question 5

For completeness, and full audit trail, of the example it would help to see what the TB looked like immediately after roll over and hence how balance brought forward and cash MoP appear at the start of the new period. Presumably cash would have been 12,630.00 and balance b/f in Receipts 12,630.00?

[GIJ] Correct. Again, I could mock that up if you like.

Question 6

What would the final Branch Trading Statement have looked at 23/09/10 end of TP9?

[GIJ] BTS is not available until end of TP. End of TP is 14/10/10 and is shown in Fig 13..

Question 7

Presumably the BTS on pages 17-20 is after a whole months new customer transactions etc. What would that BTS have looked like if we assumed zero customer transactions and remittances for the whole of Period 10) so we could see in an "apples and apples context" how the BTS looked each period for the same issue?

[GIJ] This is a bit hard to mock up due to the changes to SU AA. I could perhaps mock something up assuming no further changes in SU ATM (though transfers may be an issue)

Question 8

How would the "Trial Balance – Office Copy" look at that same end of period 10 date if we assumed zero customer transactions and remittances during the month. Again so we can just clearly see how the discrepancy manifests itself.

[GIJ] I could mock that up too – assuming no further transfers.

Question 9

To get it all on one sheet, please could you put this into columns across a spreadsheet like the one I shared with Will below, so we could see in one place how the "Cash MoP", "Discreps" and other lines move stage by stage through the process. To see the trial balance at the end of previous period, start of current period, declaration, discrepancy, roll over, start of new period, end of new period

[GIJ] That is indeed much simpler. I originally offered to do that but Will and Tony asked for what I have done.

Look forward to speaking later

Thanks, Rod

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GRO

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GRO

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