



Post Office Ltd

LOSSES POLICY - OVERARCHING

(BRANCHES)

AUTHORS NOTES:

Outstanding actions – as agreed at last Branch Control meeting:

- 1. Rename appendix 5 “Process for seeking relief on losses (write off or instalments) – singletons” – need to agree with Lynn Hobbs*
- 2. Appendix 10 – “Process for losses at Directly managed branches” to be included – Paul Patterson to provide*
- 3. Ownership, change control & communication of document to be confirmed – Rod following meeting with Dave Miller*
- 4. Appendix 7 “Process for remittance disputes – bureau” to be included – Sandra Murray / Hilary Mills-Williams to send*
- 5. Appendix 12 – Provide process for forged sterling notes – Hilary Mills-Williams & Sandra Murray*

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Document Information

Title	Losses Policy for Post Office Limited branches (Registered trademark not needed after Post Office Ltd)
Category	Standard
Subject	Treatment of branch trading losses at Post Office® branches
Version Control	09
Author	Marie Cockett, Branch Accounting and Control Manager, Product & Branch Accounting
Owner	Dave Miller, Chief Operating Officer

Managed by	Lynn Hobbs, GM Service
Purpose	To document the overarching policy for losses at branches
Audience	Full circulation, including NFSP
Privacy level	Commercial Confidentiality
Document format	Post Office Sans 14
Document type	Electronic (MS Word. Doc),
Effective date	April 2006
Review date	September 2006

Approval

Role	Name(s)	Date
Business input	V2 of the previous Liability for losses Policy, Geoff May, Rod Ismay, Martin Ferlinc, Tony Utting, Sandra Murray, Sean Farrow,	August 2005
Assurance	Victoria Noble,	
Authorised	Rod Ismay	

Version control

Version No.	Reason for issue	Date
1 Draft	Completely revised as a result of the implementation of Branch Trading and business requirements to implement a set of policies for various branch types.	December 05
1.1	Second draft for branch control forum	December 05
2 Draft	Third draft for branch control forum	December 05
3 Draft	Fourth draft for branch control forum	December 05
4 Draft	Fifth draft for branch control forum	December 05
5 Draft	Updated with comments received from Rod Ismay and page numbers, contents & appendices added	30 th Dec 2005
6 Draft	Updated following review and further appendices added	10 th Jan 2006
7 Draft	Updated following review, further appendices added & circulation box included	19 th Jan 2006
8 Draft	Updated following review, further appendices added & circulation updated	27 th Jan 2006
9 Draft	Updated with actions and appendices	21 st Feb 2006

Circulation

Name	Role
Rod Ismay	Head of Risk & Control
Martin Ferlinc	National Branch Audit
Paul F Williams	Agency Contract analyst
Jeanette Brown	Head of Cash Inventory, Cash services
Paul W Patterson	Area Service Manager, directly managed branches
Eddie Jarman	Overseas Travel Products Manager
John M Scott	National Security Manager

Name	Role
Chris M Lawrence	External Crime Prevention manager
Len Clay	Network security policy and standards manager
Sandra Murray	Head of financial control taskforce
Hilary Mills-Williams	Bureau de change operations manag
Dave Miller	Chief Operating Officer
Lynn Hobbs	General Manager, Service
Vicky Noble	Head of Product & Branch Accounting
Carol King	Branch Control & Conformance Manager, P&BA
Carola Ramsden	Service Standards Support Manager
Ric Francis	Operations director, Sales & Service
Debra Lewis	HR business partner
Tobi Manikin	Employment Law manager
Geoff May	Area Service Manager

SECTION 1 – SCOPE AND EXCLUSIONS

This policy defines Post Office Ltd's actions in respect of losses associated with cash, cheques and transactional stock (whether in branches, in transit or in central processing locations) and in respect of the counter transactions or remittance transactions themselves. It also considers assets, in branches, that have been partly or fully paid for by Post Office Ltd.

Other potential liability situations, for example invoices, customer complaints, client charges/penalty payment and personal injury are outside the scope of this document, and would be subject to the relevant terms and conditions in product literature and agent contracts.

For purposes of this document, agent shall be considered to include franchisee and multiple within its meaning.

SECTION 2 –LIABILITY

In general, agents are liable for all losses, including counterfeits, under their contractual responsibility. DMB staff are covered by the conduct code.

For branches, there are separate liabilities clauses for agents, in line with their contractual responsibilities, and DMB staff. These are recorded in separate documents.

Post Office Ltd shall formally consider the balance of risk and liability between itself and its clients and/or other parties such as joint venture vehicles, in agreeing contract terms.

It shall also seek to minimise liability risk through cost effective product and process design.

SECTION 3 – PREVENTION OF LOSSES/SUPERVISORY CONTROLS

It is the responsibility of the agent /branch manager to ensure that the accounting and operational procedures and practices employed in the branch conform to the current business standards. It is their responsibility to exercise satisfactory supervisory controls to ensure that this is the case and to provide advice, guidance and instructions to their staff.

For branch managers at directly managed branches, it is mandatory they have a programme of surprise supervisory checks on all stock units (both individual or multi-user stocks). Branch managers must ensure that each stock unit is checked at least once in a rolling six-month period or once in a three-month period, where the stock is held by a single clerk. Such checks are advisory for the agency network.

SECTION 4 – COMMUNICATION

This policy and the supporting processes outlining how the policy around contractual liability will be deployed are communicated to the relevant third parties as appropriate. (See Appendix)

Appendix A

LOSSES POLICY (BRANCHES) – supporting processes

1. Policy for Handling Burglary & Robbery Losses Within the Agency Network

Version: 3.5 (31_05_05)

Owner: Len Clay



"Burglary & Robbery
Losses Policy ~ Ver 3.

2. Liability for losses Multiples and Franchisee

Version: 1

Owner: Paul Williams



"Liability for losses
Multiples and Franchis

3. Process for awaiting TC - Multiples

Version: 1, 15/12/05

Owner: Marie Cockett



"Processes for
awaiting TC - Multiple

Note. This currently only applies to National Multiples, but we are looking to roll this out for Local Multiples, later this year.

4. Process for awaiting TC – singletons

Version: 1, 15/12/05

Owner: Marie Cockett



"Processes for
awaiting TC - Singleto

5. Process for seeking relief on losses – singletons

Version: 1

Owner: Lynn Hobbs



"Processes for
seeking relief on losse

6. Process for remittance disputes – cash

Version: 1, 15/12/05

Owner: Sandra Murray



"Process for
Remittance disputes -

7. Process for remittance disputes –Bureau

Version: Owner: Hilary Mills-Williams

NB. This process is still under review

8. Process for Counterfeit note losses

Version:1

Owner: Eddie Jarman



"Counterfeit Note
Losses.doc"

9. Process for dealing with discrepancies revealed at audit (extracted from The Audit Process Manual)

Version: 1

Owner: Martin Ferlinc



"Dealing with
discrepancies revealed

10. Process for losses at Directly Managed Branches

Version:

Owner: Paul Patterson

To be developed and agreed

11. Process for Counterfeit losses – Foreign Currency

Version:

Owner:

To be developed and agreed

12. Process for Counterfeit losses – UK Sterling

Version:

Owner:

To be developed and agreed