



Back Office Efficiency Programme

Debt Review Workshop Output

13th Oct 2009

V1.0



Debt Recovery and Debt Reduction - existing initiatives and projects



- The Forward 5to11 programme and BAU activities include many projects and initiatives that have an impact on the level of debt and supporting recovery processes.
- The following slides list those highlighted during the BOEP debt review stakeholder interviews and those already identified as part of the Back Office Efficiency Programme.
- The initiatives have either a direct impact on debt or an indirect impact through transaction improvements and/or resource management.



Existing Debt initiatives, projects and BAU activities

Indirect Debt Impact

- **Recruitment Review – Business case and feasibilities approved and project managed by Debbie Daisy**
 - During the course of stakeholder interviews the recruitment process was an area of concern and a number of potential initiatives' have been identified that maybe included within the recruitment review
 - Review lessons learned from existing recruitment and selection of Post Masters and incorporate into a revised recruitment process
 - Review Employee Registration Process P250 and implement on-going checks
 - Review the "de-barr" process for when incidents and issues arise with Post Masters to prevent them opening up other POL businesses or being a POL employee
 - Review screening and vetting processes for new Post Masters
 - Review Business Case approval process looking at options to incorporate more credit and financial checks and sales projections
 - Establish viability of gaining access to all Post Master's retail business information e.g. Accounts. This will assist in gauging cash flow.
 - Review viability of using more than one vetting and screening company at RM recruitment peak times (e.g Christmas) to screen potential sub postmasters
 - Establish benefits/viability of providing financial health checks, counselling and non financial counselling to Post Masters
- **Agents Business Plan review – Lynn Hobbs**, Ali Piper, Angela Van-Den-Bogerd, Brian Newcombe, Denise Reid, John Breeden, Marie Cockett

Existing Debt initiatives and projects and BAU activities



Indirect Debt Impact

- Network Efficiency Programme includes:-
 - Implementation of new Branch Standards Booklet –Increased performance levels though adherence to standards Branch compliance levels increased to 95% in 2009
 - Financial consequences initiative (charges/penalties for specific products/errors)
 - Review accuracy of cash declarations by branches inc Crowns and Multiples.
- Multiple Partner Capability Enhancements -Monitor/audit skills/knowledge of partner staff and where appropriate work with Partner to develop further training programmes Already underway – BAU activity by the SAMs Steve Miller and Dominic Williams. Success is measured by Finance using a monthly tracker
- Cessation of PostOffice Saving Stamps – Business case approved, part of Product Development Programme
- Crown Losses Project – Dave Possnett from Security – reduce losses by 20% of last years losses, project plan in place.

The Back Office Efficiency Programme initiatives identified impacting on debt



Direct Impact

- Former Agents Debt project - Expansion of resources within the existing P&BA Former Agents team to enable greater recovery of monies owed.
 - On target to achieve £900k improved recoveries 2009/10 - Programme Reference F2-015
- P&BA Branch Investigations Team - Business case approved to introduce a small team in the P&BA debt recovery area to support Network and Security to investigate problematic branches
 - On target to achieve £400k benefit in 2009/10 – Programme Reference F3-171
- Crown Losses Review-Stream of the wider Debt Review being undertaken to look at causes of losses, processes, controls, roles in place to support the recovery and management of losses etc programme reference F2-017 (BOEP R11) & F3-039.

The Back Office Efficiency Programme initiatives identified impacting on debt



Indirect Debt Impact

- Stock Control and Reversals project - System and process enhancements to improve stock controls and tighten up reversals within the branch network. Feasibility awaiting costs from Fujitsu Services before the business case can be produced.
 - Potential for significant loss reduction in both secure stock and Postshop area - Programme Reference F3-169
- Mis-keyed transactions project - Change in Horizon to prevent a number of mis-keys – primarily manual banking - thereby improving conformance and reducing Transaction Corrections. Feasibility complete and is out for review. Business case being prepared
 - Potential for £250k per annum recurring benefit – Programme Reference F3-174
- PING - Automated Horizon client interfaces - Development of Transaction Acknowledgement process and system changes enabling client figures to be sent to Horizon for branches to accept as correct rather than relying on them inputting or scanning in the daily figures. Business Case approved and development in progress.
 - Recurring benefits of £400k - £500k per annum - Programme Reference F3-172
- Lottery and ATM Back Office Processes reviews and subsequent improvement recommendations. Main recommendations being taken forward as part of PING project.
 - Programme References F3-186 and F3-187
- Direct Debit Strategy and development of Direct Debit functionality within POLFS. Business Case approved. Development in progress.
 - Enables Direct Debits for PO Essentials roll out - Programme Reference F2-010

The Back Office Efficiency Programme initiatives identified impacting on debt



Indirect Debt Impact

- A&L Accounting Review - Review of e2e processes across A&L products sold and serviced by POL. A number of recommendations if taken forward will impact on levels of conformance and therefore may help to reduce levels of future debt and losses.
 - Discussions underway with Santander. Programme Reference F3-184
- Cheque Changes - Various initiatives looking to tighten up in branch control of cheque processes and other transaction methods of payment
 - Drives up in branch conformance. Must be indirectly linked to debt. Programme Reference F3-180
- Credit and Debit Card Refunds Process - Improved handling and controls of card refunds at branches which should reduce the exposure for error and fraudulent activity
 - Current issue refunding to cash which this project will address. Programme Reference F2-013
- Camelot Cheque Book Automation – More robust way of paying out cheque payment prizes through controlled Pay Out service Business Case approved and project in development
 - Potential for over £100k per annum business benefit. Programme Reference F3-026
- Product Design principles - Development of product design principles to ensure effective financial controls and measures are in place throughout the end-to-end product lifecycle
 - Principles developed. Requires business wide buy in as part of changes processes - Programme Reference F3-183

The Back Office Efficiency Programme initiatives identified impacting on debt



Indirect Debt Impact

Transaction Corrections review – Programme Reference - F2-017 - BOEP R17

- Additional points raised during stakeholder interviews to consider in the scope of review:-
 - Review of rem note process and system handling to understand why there is an increase in disputes and appeals against Transaction Corrections
 - Review process for transfers from singletons to multiples and vice versa ensuring Transaction Correction handling is managed effectively
 - Review branch closure process and treatment of Transaction Corrections
 - Conduct review of TP6 process and establish viability of further automation to ensure the Transaction Corrections are handled effectively and timely at the point of a branch closure. Ensure that at the point of closure the branch total is zero.
 - Review of Transaction Correction thresholds and end to end process. Look at whether different thresholds are required for different products, branch types etc
 - Review Transaction Corrections process to ensure reasons for issuing are truncated throughout the process
 - Look at the possibility of automating the submission to Branches or designated depts. (re Multiples) the evidence to support why Transaction Corrections have been raised.