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Post Office Ltd
Network Support Team Policy/Process

Title	Audit Process Manual Volume 4
Subject	Chapter 01 – Audit Plan & Scheduling
Version Control	9.0
Purpose	Outline responsibilities for planning and scheduling, including the process followed by the Network Support Admin Team Leader for scheduling audit activity
Audience	Network Field Support Team
Next Review date	January 2012

Stakeholders

Stakeholders Name	Responsibility
Sue Richardson	Network Support Project & Standards Mgr: Delivery of audit targets
Shaun Turner	Network Coordination Advisor: Branch Performance Profile
Sue Richardson	Network Field Support Project Mgr: Reporting

Responsibilities in change

Role	Job Title(s)	Date
Author	Lee Heil Network Support Admin Team Leader	10/02/11
Assurance	Network Support Project & Standards Manager	10/02/11
Authorised	Network Support Project & Standards Manager	
Communication	Field Support Change Advisor	

Version control

Version No.	Reason for issue	Section No.	Date
Version 1.0	Original version		03-03-02
Version 2.0	Updated version following annual review		April 2003
Version 2.1	Changes from feedback from Lead Team		Feb 2004
Version 2.2	Changes from feedback from Lead Team		Feb 2004
Version 2.3	Amendments to reflect changes in roles		April 2004
Version 2.4	Sections 2.1, 2.2 and 2.3 amended to reflect current instructions. Section 2.6 amended, following input from audit managers. Reference to declaration of interests made in Section 2.5		May 2004
Version 2.5	Section 2.4 updated to reflect new risk models ALARM and CARM		July 2004
Version 3.0	Annual review, including reflection of new analytical process		Jan 2005

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Version 3.1	Amendments made following comments at WTLL Leadership meeting on 18 January 2005.		Jan 2005
Version 3.2	Updated to reflect new roles and job titles		Mar 2005
Version 4.0	Annual Review		Mar 2006
Version 5.0	Annual Review		Aug 2007
Version 5.1	Amended to reflect changes in ownership of audit planning from 2008/9 Audit Plan onwards, the move to centralised scheduling (from Jan 2008) and the outcome of the new Transfer Process pilot.		Feb 2008
Version 5.2	Section 4.3 added at the request of Alvin West (NCAM)		Feb 2008
Version 6.0	Updated Section 4.2 only		April 2008
Version 6.1	Font changed to ChevinLight 14		Sept 2008
Version 7.0	Annual Review	All	July 2009
Version 8.0	Annual Review	All	Jan 2010
Version 9.0	Annual Review	ALL	Jan 2011

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SECTION 1 – RESPONSIBILITIES OF NETWORK SUPPORT PROJECT & STANDARDS MANAGER

1.1 Prepare the Annual Audit Plan in conjunction with, and approval of, the General Manager Network, designed to meet current risks, deliver stakeholder requirements, based on resource capacity, and present to the Risk & Compliance Committee for endorsement. Document to be ready for deployment before the beginning of the financial year.

1.2 Calendarise the annual audit plan into period targets, paying particular attention to those periods containing five weeks as opposed to four, ensuring an even spread of weekly activity.

1.3 Review delivery of the plan on a periodic basis with the Network Support Admin Team Leader; ensure flexibility in changing plans during the year.

1.4 Ensure that pure random selection methods are used to identify those branches that need to be audited on a random sample basis.

SECTION 2 – RESPONSIBILITIES OF NETWORK PERFORMANCE DATA ANALYST

2.1 Manage production of the Financial Branch Performance Profile, being a ranked list of all branches in the network (together with relevant planning information), in respect of identified financial and compliance/conformance risks.

2.2 The Financial Branch Performance Profile measures branch performance by scoring them against the following areas

- Declared vs Predicted ONCH figures
- Declared vs Generated ONCH figures
- Cash Rises at Branch Trading period end
- Annual cash tracker
- Foreign Overnight Cash Holdings
- Calls from P & BA to request branch clear cheques on hand figures
- Other Postage Holdings
- Known current branch debt
- Camelot Scratchcard holdings

2.3 Each branch is scored against the each of those areas on a range of 0 to 10, where a higher score represents poorer performance/higher risk. The branch is then given an aggregated score across all the measures and this then gives the branch an overall score and ranking.

2.4 The Financial Branch Performance Profile (FBPP) will be produced by the Network Performance Data Analyst.

2.5 Provide a measure of data assurance on the FBPP before issuing it.

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2.6 Issue the latest Financial Branch Performance Profile on a monthly cycle. A new FBPP should be provided to the Network Support Team Leader every period, during the third week after period end.

2.7 Ensure that the indicators used in the Branch Performance Profile are periodically reviewed, to ensure that key risks are covered, and that new data streams are considered. This will be done (at least) quarterly and changes will be communicated to all recipients

2.8 Provide details of suitable branches to the Network Support Admin Team Leader to deal with specific themes or to test the value of new risk indicators

SECTION 3 – NETWORK SUPPORT ADMIN TEAM LEADER RESPONSIBILITIES

3.1 Prepare weekly audit schedules, designed to meet the period target in order to achieve the annual audit plan, identifying sufficient resource from the field team. Using the Financial Branch Performance Profile as the basis for the weekly plan, those branches displaying higher risk scores should be given priority over branches with lower risk scores.

The priority order for audit activity is given below:
- Transfers/Closures (type 5/10/15/30/35)
- Robberies/Burglaries (type 20/25)
- Special requests (type 200)
- Risk driven audits from the FBPP (type 100)
- Follow up activity (type 550)
- Random audits (type 150)
- Compliance audits (type 400/500)

3.2 If insufficient resource is available from the field team or any other circumstance arises that endangers achievement of the audit plan, and there is little scope for catching up at a later date, the matter should be discussed with the Network Support Project & Standards Manager.

3.4 Schedule robbery and burglary audits as required, on the day of the incident, where possible. In the first instance, Field Advisors who have no other activity on the NFS schedule should be used as resource for these incidents, as in most cases this will provide a speedier response. Alternatively an audit or other activity may need to be curtailed in order to attend. If an incident is reported in the afternoon, consideration should be given to arranging attendance for the following day.

3.5 All special audit requests should be sent via the relevant NSA HoBD area inbox where it will be picked up by the Network Intervention team in Maidstone who will record on SharePoint and advise by email to the Network Support Admin that an audit is required.

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3.6 Branches that have been audited and the Field Support Advisor has returned a compliance SharePoint entry detailing that a follow up is required form the basis of type 550 follow up activity. Branches highlighted should have a follow up visit planned within three to 6 months of the original audit.

3.7 Random audits are a selected subset of branches which are chosen at the outset of the financial year and should be planned for audit over the course of the year. The branches are selected by Network Support Admin Team Leader using pure random selection and are used to provide a baseline measure of risk in the network (which also helps to test the effectiveness of the Financial Branch Performance Profile at identifying risk).

3.8 The following should be considered when scheduling:
- Annual leave commitments
- Current excess flexible hours
- Declaration of interests, detailing any auditor's conflict of interests with the branches due to be audited
- Balance of leading audits and assisting at audits
- Sufficient administrative time to be allocated to ensure that all reports are submitted within 5 working days of the audit and all P32s are sent to the P32 File by no later than noon on the Monday after period in which the branch was audited
- Where possible, lead auditors are not the same person who led the last audit of the branch
- Attendance by a Team Leader to be focused on Crowns or high risk branches likely to lead to a suspension (e.g. investigation audits or specially requested audits)
- Audit plans from our business partners (e.g. Bank of Ireland) should also be taken into consideration to ensure there is no clash of activity.

3.9 There is no precise formula for determining appropriate resource levels for audit activity, and different types of activity may require fewer auditors than others. There are also regional differences; for example Scottish law requires financial irregularities to be witnessed by a second person, irrespective of the size of the branch. As a general rule, the following attached spreadsheet gives approximate recommended resource levels for risk based financial auditing (audit types 100, 150 and 200), for all currently open branches in the network (as at 24/06/09). Resource levels stated are based around BTH's, number of stock units and counter positions. Several branches are at this present time unable to be accurately assessed for resource and show #N/A. If selected for audit, these branches should be resourced using other known factors.

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For transfers, closures, robberies and burglaries, resource levels should follow the above table, but branches requiring 3 or more auditors should have the resource reduced to a maximum of 3. Compliance audits and follow up visits should only ever be conducted by one auditor.

Various other factors may influence actual resource, so the table above should not be considered definitive. Factors include:

- Cash holdings (i.e. amount of cash likely to be presented to the auditor to count before the branch can open), or presence of an ATM
- Additional cash holdings e.g. due to bank holiday funding etc.
- Previous audit history indicates a well organised office
- The ability to perform a second audit on the same day (if required)
- Accommodation for auditors at the branch
- Branch format e.g. combi-store
- Possible late finish which may impact on following days activity
- Any other known factors

3.10   Prepare period returns of actual audits undertaken for submission to the Network Support Project & Standards Manager. These to show progress towards audit targets for both period end and cumulatively.

3.11   Weekly reports should be compiled on a Friday or Monday for submission to the Network Support Project & Standards Manager. The report should contain details of actual activity that took place in the week just ended together with cancellations (and reason for cancellation) and a summary of planned activity for the following week. Pivot tables need to be inserted showing the number of audits taking place against audit type for both planned and actual activity. See attached example:

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3.12   A plan of activity for the week ahead should also be forwarded to the Contracts Advisors and to the Network Support Projects & Standards Manager

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SECTION 4 – AUDITORS' RESPONSIBILITIES

4.1   To perform the audit activity as designated by the Network Support Admin Team.

4.2   Designated lead auditors from the field team must ensure that their line manager and Network Support Admin Team is aware of any circumstance that either prevents or is likely to prevent an audit taking place, which may require it to be rescheduled for a later time. Such communication must be made as soon as practicable. Circumstances may include:
   • Sickness
   • Car breakdown
   • Weather
   • Travel disruption (strike action/accidents etc.)

   Consideration may be given to redirect a team to a nearby alternative branch, or to perform other (intervention) activity so that costs already incurred are not wasted.

4.3   Audits identifying shortages or other circumstances which involve the Contracts Advisor, and result in a suspension must be notified to the Network Support Team Leader so that the additional activity can be properly accredited.

4.4   Post Transfer Visits which occasion a full compliance audit may be conducted by either a Field Team Leader. The scheduling of these falls to Network Support Scheduling & Admin Team.