

Postmaster support policy

Network monitoring and branch assurance support

Version 4.0





Post Office is determined to reset its relationship with postmasters and has introduced policies that set out guidelines on how Post Office should support postmasters, specifically for use across twelve areas.

The policies stand on their own but should be reviewed in conjunction with each other. Support teams should have an awareness of all twelve policies and how they link together.

The twelve Postmaster Support Policies are listed in section 3.2 of this policy 

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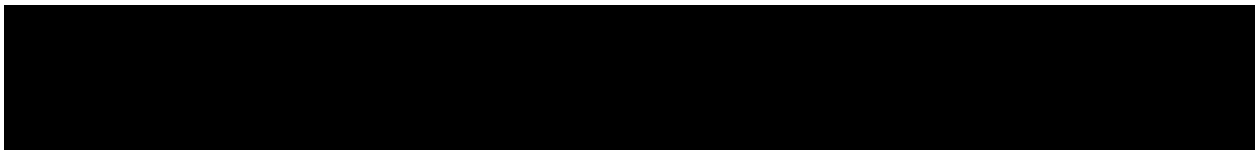
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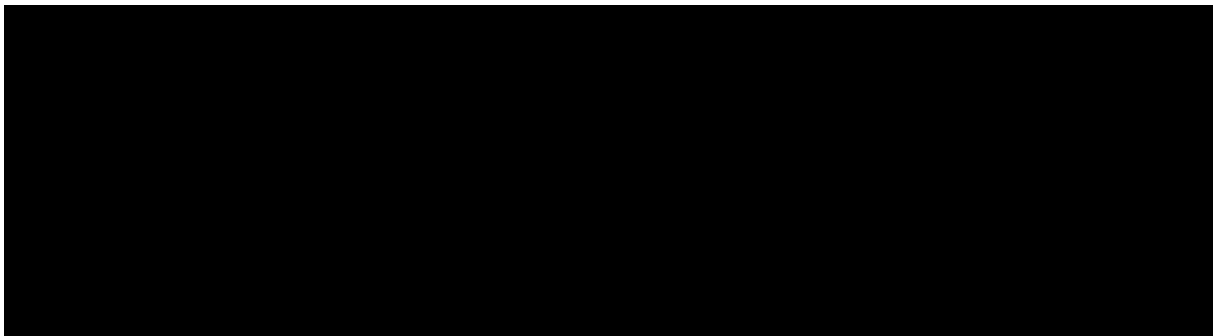
1 Definitions

1.1 Definitions

1. **Branch Assurance Visit** – This is a comprehensive assessment of the current trading position of a Post Office¹ branch, and includes the verification of reported levels of cash, foreign currency (if applicable), stock items and discuss any highlighted operational issues to check if mandatory business conformance are operating as intended.
2. **Rationale Document (RD)** - this document sets out the rationale behind a decision to undertake a Branch Assurance Visit, along with relevant supporting data, and is provided to a postmaster to explain the reason behind the visit.



4. **Script** - This is a script for the Lead  to follow to ensure the main points are communicated.
5. **Discrepancy** - Any difference between (i) the actual cash and stock position of a branch and (ii) the cash and stock position shown on Horizon as derived from transactions input by branch staff into the branch's terminals.
6. **Established Gain** - An event that causes a positive Discrepancy (i.e. the situation where the branch has more cash and/or stock than the derived figures for cash and/or stock on Horizon), which has been investigated by Post Office, or agreed by the postmaster, and found to be a genuine gain to Post Office which was caused by the negligence, carelessness or error of the postmaster and/or their assistants. –
7. **Established Loss** - An event that causes a negative Discrepancy (i.e. the situation where the branch has less cash and/or stock than the derived figures for cash and/or stock on Horizon), which has been investigated by Post Office, or agreed by the postmaster, and found to be a genuine loss to Post Office which was caused by the negligence, carelessness or error of the postmaster and/or their assistants. –



¹ In this policy, "Post Office" means Post Office Limited.

10. **Operational Excellence visits (Support visits)**– This is a supportive, face to face visit that is conducted to encourage accurate accounting and encourage operational robustness.



2 Overview

2.1 Introduction

The [REDACTED] and the [REDACTED] have joint accountability to the Board of Directors for the design and implementation of controls and to manage risk, assure levels of cash and stock and reduce discrepancies and losses in the network². Risk in the network is an agenda item for the Audit, Risk and Compliance Committee and the Post Office board is updated as required.

This policy is a non-contractual document provided for information. It does not form part of the contract between any postmaster³ and Post Office.

2.2 Purpose

This Policy has been established to set the minimum operating standards relating to the management of Network Monitoring and Branch Assurance support throughout the Post Office network.

Network Monitoring and Branch Assurance support activity helps to ensure the accuracy of branch accounting records, relating to cash and stock. It also helps to assure that the integrity of cash and stock in the Post Office network is maintained. [REDACTED]

[REDACTED] This monitoring can then lead to a number of intervention activities (including Branch Assurance support) which are designed to identify the risks and help the branch resolve any associated issues.

This policy explains how branches will be supported with any potential issues identified through Network Monitoring and how Post Office will help those branches maintain accurate records of cash and stock through their branch accounting. Monitoring branch compliance with accounting processes helps to identify any issues earlier and makes investigating the root cause of any issues easier for both branches and Post Office.

It is one of a set of policies which provide a clear risk and governance framework and facilitate an effective system of internal controls for the management of risk across Post Office. Compliance with these policies is essential to Post Office in meeting its business objectives and to balance the needs of postmasters, customers, clients, and other stakeholders including our shareholder.

As many postmasters are limited companies or partnerships (and as individual postmasters may appoint managers to operate a branch on their behalf) any steps that need to be taken by a postmaster under this policy can be taken by someone authorised to act on that postmaster's behalf (such as a director, partner or manager).

² In this policy, "network" means branches not directly managed by Post Office

³ In this policy, "postmaster" refers to a limited company, partnership, limited liability partnership, other entity or individual that contracts with Post Office for the operation of a Post Office® branch.

2.3 Core principles

Under agreements between postmasters and Post Office, postmasters provide products and services to customers on behalf of Post Office. The cash and stock used to effect those transactions is owned and funded by Post Office [REDACTED]

Post Office has an obligation to its customers and clients to ensure that all branches are providing a quality of service and adhering to agreed standards. Post Office is committed to supporting its postmasters in this process.

- Branch activity is monitored, particularly in relation to accounting of cash and stock, and data insights will be used to identify branches that are experiencing issues and to identify potential risks to the cash and stock in a branch.
- Support is offered to branches identified through Network Monitoring to help resolve any issues related to branch accounting and mitigate risk in the branch. Wherever possible, this support will be offered remotely in order to minimise disruption to the operation of a branch. On-site support will be addressed by the Training team.
- Where Post Office cannot determine whether the branch's cash and stock records are accurate, Branch Assurance support will physically attend a branch to carry out a full count of cash and stock assets. Post Office will provide support to the postmaster when carrying out the visit.

The guidelines will ensure these practices are carried out in good faith and apply principles of fairness, transparency, and professionalism (being the underpinning behaviours of Post Office).

2.4 Application

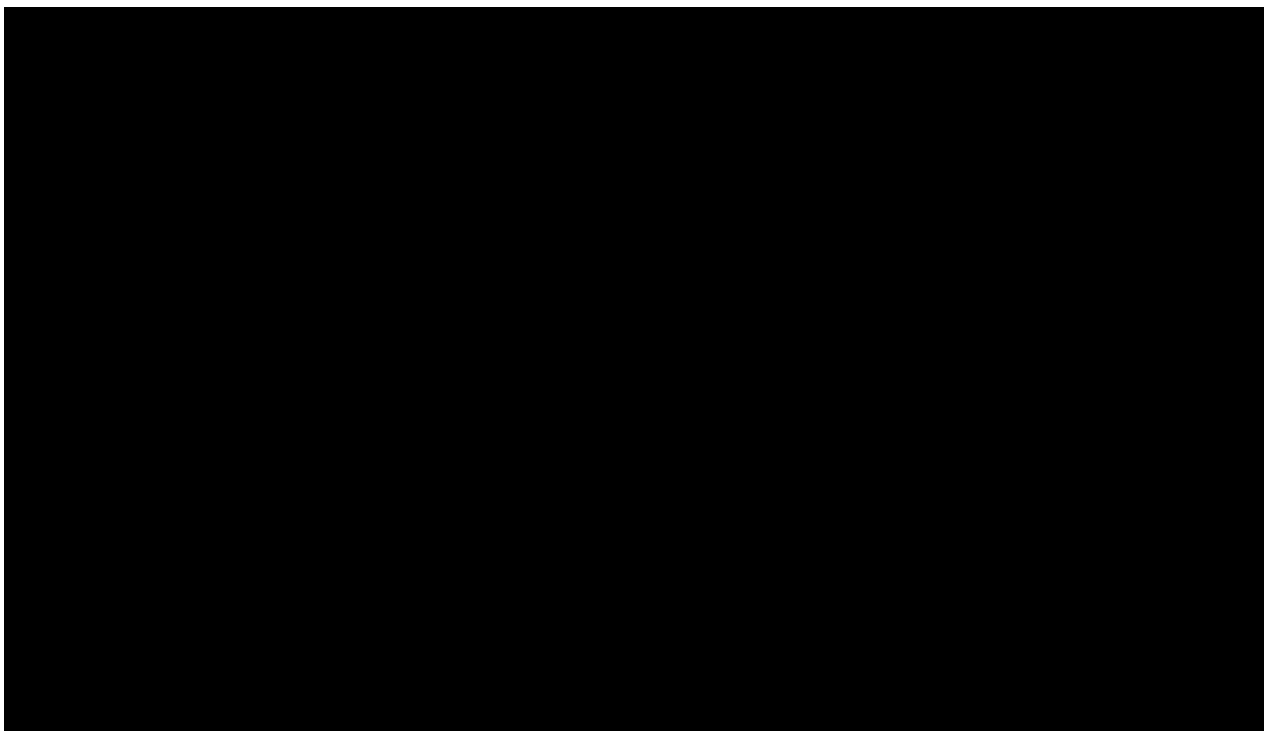
This Policy is applicable to all Post Office employees⁴ who perform Network Monitoring and Branch Assurance activities and defines the minimum standards to control financial loss, postmaster impact, regulatory breaches and reputational damage in line with the Post Office's Risk Appetite.

2.5 The risk

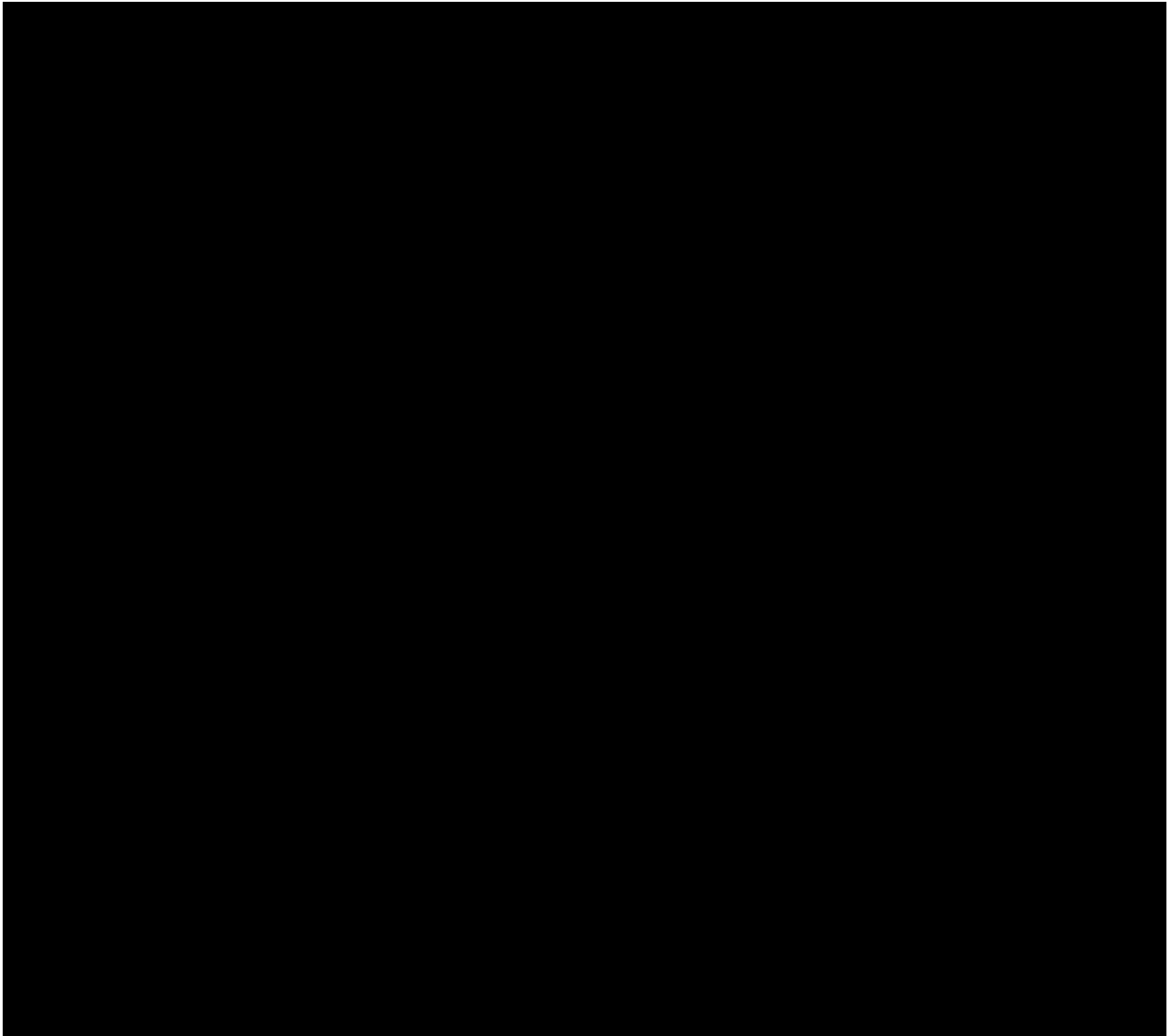
There are a number of risks that the Network Monitoring and Branch Assurance team help mitigate.

Discrepancies in cash and stock in the network can cause difficulties for postmasters and customers. Issues identified through Network Monitoring and/or Branch Assurance support may indicate that local branch accounting systems and processes are not robust, although it is recognised that there may be other reasons for discrepancies, including Post Office's accounting system. Some Discrepancies, once investigated, or agreed by the postmaster, may become Established Losses or Established Gains.

⁴ In this Policy "employee" means permanent staff, temporary including agency staff, contractors, consultants and anyone else working for or on behalf of Post Office and, for clarity, does not include postmasters or postmasters' staff.



3 Risk appetite and required operational standards



3.2 Policy framework

This policy is part of a framework of postmaster support policies that has been established to set the minimum operating standards relating to the management of postmaster contract risks throughout the business and network in line with Post Office's risk appetite. The framework includes the following policies:

- Postmaster Onboarding
- Postmaster Training
- Postmaster Complaint Handling
- Network Monitoring and Branch Assurance Support (this policy)

- Network Cash and Stock Management
- Network Transaction Corrections
- Postmaster Account Support
- Postmaster Accounting Dispute Resolution
- Postmaster Contract Performance
- Postmaster Contract Suspension
- Postmaster Contract Termination
- Postmaster Contract Termination Decision Review

3.3 Who must comply?

Compliance with this Policy is mandatory for all Post Office employees who perform network monitoring and Branch Assurance activities.

Where non-compliance with this policy by Post Office employees is identified by Post Office, Post Office will carry out an investigation. Where it is identified that an instance of non-compliance is caused through wilful disregard or negligence, this this will be investigated in accordance with the Group Investigations Policy.

3.4 Roles and responsibilities

- **Audit, Risk and Compliance Committee** – is the Committee of the Post Office Limited Board which reviews and approves Postmaster Support policies
- **Risk and Compliance Committee** - is the standing committee of the Strategic Executive Group who review and approve Postmaster Support policies for recommendation to the Audit, Risk and Compliance Committee.
- [REDACTED] the policy owner, who must comply with the governance responsibilities set out at section 6.1.
- [REDACTED] is accountable for the deployment of this policy and the support of the team that manages Network Monitoring. This role is also responsible for regularly reviewing the effectiveness of this policy and for drafting any amendments that may be required.
- [REDACTED] is accountable for the deployment of this policy and the support of the team that manages [REDACTED]. This role is also responsible for regularly reviewing the effectiveness of this policy and for drafting any amendments that may be required.

[REDACTED] is responsible for assuring the effectiveness of the processes, tools and activities of the [REDACTED]

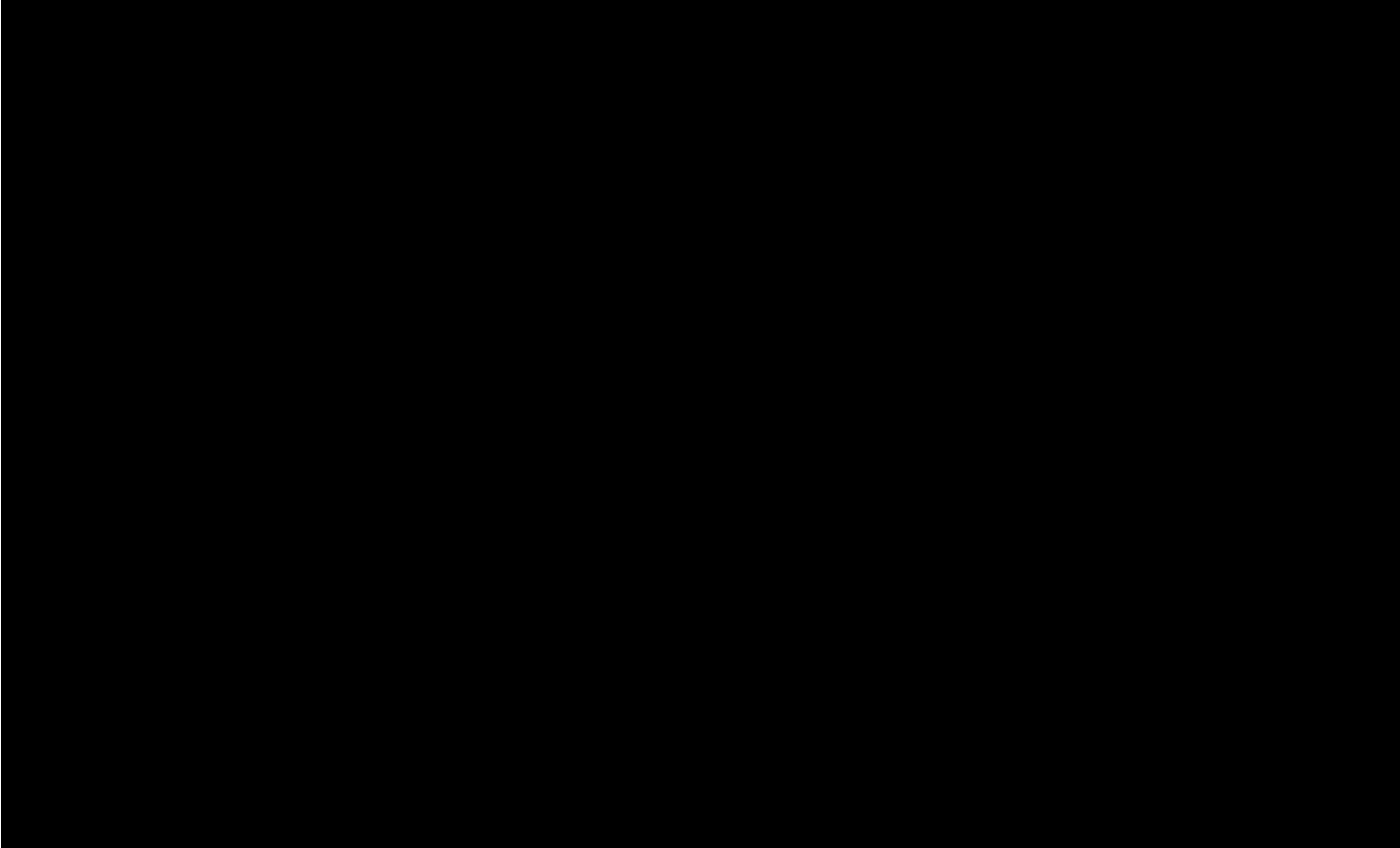
- [REDACTED] is responsible for updating the [REDACTED] that sits behind the Network Monitoring report

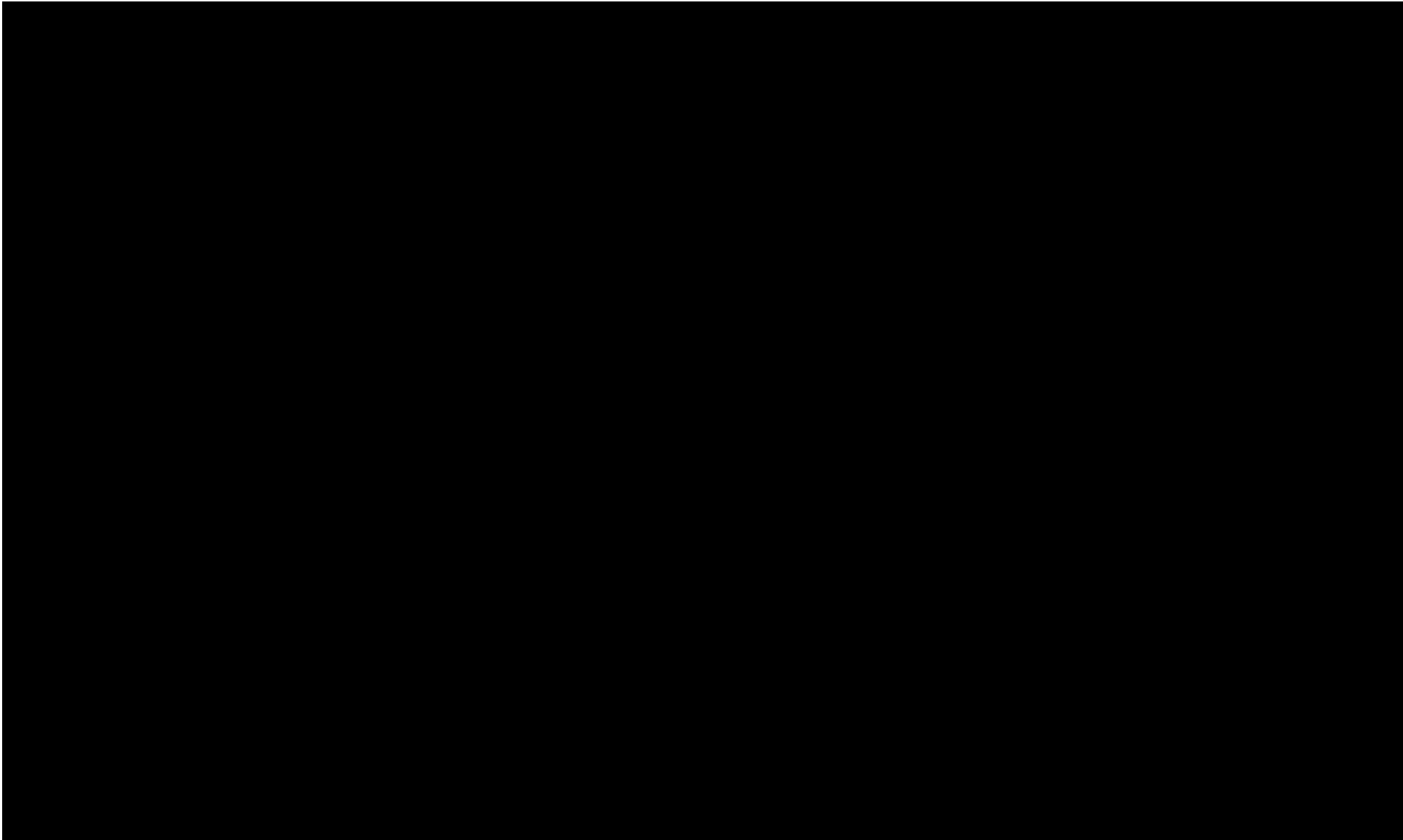
[REDACTED] will lead a team of [REDACTED] identifying branches with potential accounting issues [REDACTED]

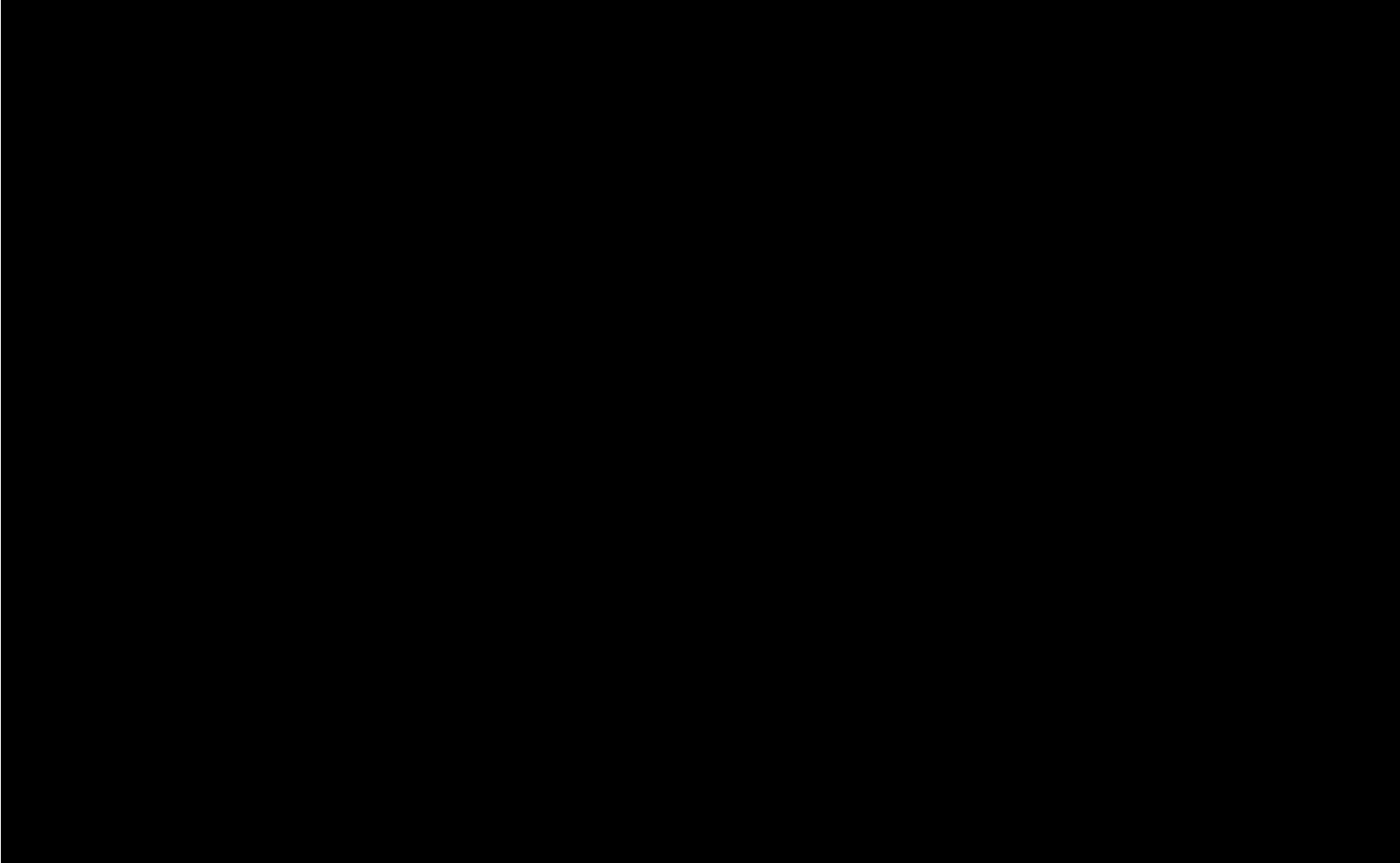
[REDACTED] will carry out desk-based reviews into branch accounts using branch data to identify potential accounting issues. They will work with [REDACTED] [REDACTED] postmasters and other internal and external teams to review any identified issues, explain potential areas of concern, and agree with the postmaster solutions to any issues found ways to remedy the situation [REDACTED]

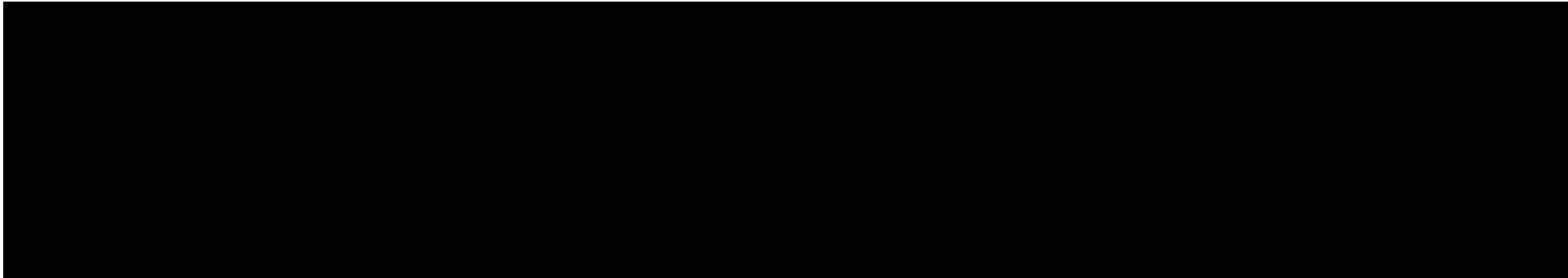
- [REDACTED] will lead a team [REDACTED] [REDACTED] in deploying Branch Assurance support activity, including making phone calls and visiting Post Office branches in accordance with the standards set out in this policy [REDACTED] [REDACTED] supported by the [REDACTED] are responsible for the quality assurance of these activities.
- [REDACTED] will plan for and deploy Branch Assurance support activity. During the visit they will verify assets in a Post Office branch and produce a factual, detailed and accurate account of the visit (including areas identified for improvement) to provide to the postmaster.

[REDACTED] this is the team, reporting into the [REDACTED] that are responsible for scheduling visits to branches, updating the [REDACTED] on their schedule and providing points of contact. All cases are administered on [REDACTED] [REDACTED]









4 Procedures

4.1 Network Monitoring

The [REDACTED] carry out network monitoring [REDACTED]

[REDACTED] The team also carry out reviews based on local knowledge received from internal teams.

[REDACTED]

The [REDACTED] will produce a Rationale Document at this stage of the review in circumstances where a Branch Assurance Visit is required. This document is sent to the relevant [REDACTED] and the branch, in advance of the visit.

The [REDACTED] will open a case on the case management system [REDACTED] for each desktop review. They will populate the case with any all actions that are taken in relation to that case, including phone calls made to the postmaster and the record and results of any visits made.

4.2 Scheduling supportive visits and branch assurance visits

The [REDACTED] are responsible for scheduling calls, visits and Branch Assurance Visits to branches on behalf of the [REDACTED]. They will schedule these activities at the earliest opportunity based on the priority of the activity and the resources required to carry out the activity. At least two [REDACTED] will be scheduled to attend a full visit.

In order to complete a full verification, it is necessary to close a Post Office branch for the duration of the visit. As a result, it is essential in order to expedite the process and cause minimum disruption to postmaster and their customers that Post Office use the optimum number of [REDACTED]

In the case of Support Visits and Branch Assurance Visits (including closure visits and transfer visits), the [REDACTED] will book the visit and contact the branch in advance and will check with the postmaster that the scheduled date is suitable. Once agreed with the branch the casework team will notify the lead branch assurance advisor via email including the rationale document for the visit. The visit will only go ahead if the postmaster has been informed.

4.3 Carrying out a branch assurance visit

A lead [REDACTED] will attend each [REDACTED] are responsible for preparing for the visit, managing the visit and completing the final Branch Assurance report. The [REDACTED] will liaise with the postmaster or the postmaster's representative throughout the visit. They will engage in a discussion with the postmaster or representative using the Script. As a minimum, the [REDACTED] will go through the Rationale Document with the postmaster or representative

The lead [REDACTED] will explain why the [REDACTED]

The lead [REDACTED] will provide regular updates throughout the visit and perform the closing meeting, during which they will explain the result and findings, in doing so following the Script. The lead [REDACTED] will delegate necessary tasks to the other [REDACTED] in attendance, making the most efficient use of resources to ensure that there is minimum disruption to the branch and its customers.

The lead [REDACTED] will print various reports from the Horizon Online system so that the team can understand the value of the cash, stock and foreign currency being held in branch. These reports are detailed in [REDACTED], available on the [REDACTED]. The lead [REDACTED] will conduct a physical count of the same and will manually record both sets of figures. They will repeat this process for each stock unit and then calculate the totals for the branch. A second [REDACTED] will repeat this process and check the figures generated, and the [REDACTED] will invite the postmaster or representative to check the figures independently.

The figures [REDACTED]

[REDACTED] will retain the manual records [REDACTED]

The [REDACTED] will advise of any discrepancy found at the visit with the postmaster or representative [REDACTED]

[REDACTED] They will signpost the postmaster or representative to the Branch Support Centre (BSC)

[REDACTED] National Federation of Subpostmasters support will be also signposted.

[REDACTED]

4.4 Closure branch assurance visits

The [REDACTED] will schedule a date for the closure visit to take place. A closure visit is carried out when a postmaster contract is terminated by either party. The outgoing postmaster will be contacted by the [REDACTED] no more than 5 working days after they have notified Post Office of the planned closure. The [REDACTED] will check if there are any unresolved accounting issues and, if there are, they will work with the postmaster or its representative to aim to have these rectified by the time of closure.

[REDACTED]

All cash and stock will be prepared [REDACTED] full final balance of the accounts will be completed. The [REDACTED] will use [REDACTED] the postmaster/representative can instigate a review into the discrepancy by contacting the Branch Support Centre. Additional support will be offered by the National Federation of Subpostmasters (NFSP), and their contact details will be provided by the lead [REDACTED]

4.5 Post security incident branch assurance visits

[REDACTED]

Post security incident Branch Assurance visits will be scheduled as soon as is practicable following the incident to ensure that the postmaster is properly supported. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

4.7 Quality assurance

The [REDACTED] are responsible for quality assuring Branch Assurance activities.

Each [REDACTED] will have a minimum of one Branch Assurance Visit quality assured by the [REDACTED], per quarter.

The [REDACTED] perform monthly monitoring of phone call activity between postmasters and the [REDACTED]. In addition to this, the RD and [REDACTED] are quality checked monthly. A sample of cases are selected for review by the [REDACTED]

The [REDACTED] is responsible for ensuring that the [REDACTED] ensures the Quality Assurance Review (QAR) exercise is completed by the [REDACTED]

When observing a Branch Assurance Visit, the [REDACTED] will attend in person and will review the manner in which the visit is carried out, including engagement with the postmaster and adherence to the process. They will then complete an observational Quality Assurance Review form and use it to provide feedback to the [REDACTED] as soon as possible after the visit. [REDACTED] will also check the visit paperwork, such as the count sheets and report generated figures. The [REDACTED] will spot-check feedback with the [REDACTED]

4.8 Reporting

[REDACTED]

The Branch Assurance team host a weekly meeting with relevant stakeholders across the business to discuss branch assurance visit activity. This will include:

- Branch Assurance visits completed, rescheduled and repeat visits



- Lead times from scheduling and performing a Branch Assurance visit
- Identification of postmaster support required
- Postmaster feedback

5 Where to go for help

5.1 Additional policies

This Policy is one of a set of policies [REDACTED]
[REDACTED]

5.2 How to raise a concern

Any postmaster, any postmaster's staff or any Post Office employee who suspects that there is a breach of this Policy should report this without any undue delay.

If a postmaster or the postmaster's staff are unable to raise the matter with the area manager of the relevant branch or if a Post Office employee is unable to speak to her or his line manager, any person can bring it to Post Office's attention independently and can use the Speak Up channels for this purpose. Any person can raise concerns anonymously, although disclosing as much information as possible helps ensure Post Office can conduct a thorough investigation.

For more details about how and where to raise concerns, please refer to the current Speak Up Policy [REDACTED]

Please note that a postmaster may also contact the National Federation of SubPostmasters (NFSP) for help and support, by contacting their helpline on 01273 452324 or by emailing admin@nfsp.org.uk.

5.3 Who to contact for more information

If you need further information about this policy or wish to report an issue in relation to this policy, please contact the [REDACTED]
[REDACTED]

6 Governance

6.1 Governance responsibilities

The Policy sponsor, the Group Chief Retail Officer of Post Office, takes responsibility for policies covering their areas.

The Policy Owner is the [REDACTED] who is responsible for ensuring that the content is up to date and is capable of being executed. As part of the review process, they need to ensure that the minimum controls articulated in the policy are working or to identify any gaps and provide an action plan for remediation

Additionally, the [REDACTED] with input from the [REDACTED] and the [REDACTED] is responsible for providing appropriate and timely reporting to the Risk and Compliance Committee and the Audit, Risk and Compliance Committee as required.

The Audit, Risk and Compliance Committee are responsible for approving the Policy and overseeing compliance.

The Board is responsible for setting Post Office's risk appetite.

7 Document control

7.1 Document control record

Summary

GE policy sponsor	Standard owner	Standard implementer	Standard approver
Martin Roberts (Group Chief Retail Officer)	[REDACTED]	[REDACTED]	R&CC/ARC
Version	Document review period	Policy – effective date	Policy location
4.0	Annual	05/2024	Postmaster Support [REDACTED]

Revision history

Version	Date	Changes	Updated by
0.1	1st October 2020	Draft Version	[REDACTED]
0.2	8th October 2020	Revised draft	[REDACTED]
0.3	8th December 2020	Revised draft – updated definitions and job roles	[REDACTED]
0.4	15th December 2020	Footnotes added	[REDACTED]
1.0	26th January 2021	Final Version approved by ARC	[REDACTED]
1.1	29th March 2021	Annual review 2.3, 2.5, 3.4, 4.5, 4.6, 4.7, 4.9 expansion on existing content Section 3 - Added in Risk Appetite Statements 3.1, added in Policy Framework 3.2, added in “Who must comply” 3.3, added in Minimum Control Standards 3.5 Alignment to other postmaster support policies	[REDACTED]
1.2	26th April 2021	Text amendments following internal and external legal review	[REDACTED]

1.3	4th May 2021	Risk appetite amendment	[REDACTED]
1.4	13th May 2021	[REDACTED] Rewording of section 4.4 (penultimate para)	[REDACTED]
1.5	25th May 2021	Added linked policy statement to front page Added reference to the Group Investigations Policy to section 3.3 Who Must Comply? Updated link to section 5.1 Added footnotes to link to other policies referred to in this policy.	[REDACTED]
1.6	25th February 2022	Annual Review Revision of job role names throughout 2.1 Addition of section stating that a postmaster may authorise someone to act on their/its behalf 3.1 Updated risk appetite statements to include Operational statements [REDACTED] 5.2 Added reference to NFSP	[REDACTED]
2.0	1st April 2022	Amended version number following approval	[REDACTED]
2.1	4th July 2022	2.1, 3.4, 5.3, 6.1, 7.1 – updated owner and sponsor Font updated to Nunito Sans	[REDACTED]
2.2	4th October 2022	Annual Review Policy name amended to Network Monitoring and Branch Assurance Support Policy Throughout - Updated 'Audit' to 'Branch Assurance' and SPEAR visit to Support visit 2.5 and 3.5 [REDACTED] [REDACTED] 5.2 'Whistleblowing' changed to 'Speak Up'	[REDACTED]
3.0	5th December 2022	Updated to full version number following approval at ARC	[REDACTED]
3.1	19th June 2023	Updated owner	[REDACTED]
3.2	8th December 2023	Updated owner and implementer 1.1 Clarified Establish Loss/Gain definitions 3.1 Amended risk exception statement 3.2 Updated framework policy name – Contract Termination Decisions Review [REDACTED] 4.3 Update to process for scheduling a visit	[REDACTED]
3.3	25th March 2024	Annual Review Throughout: Removal of reference to unannounced visits and updating of 'investigation' to 'review' 1.1 Updated definitions 2.5 Removal of contractual discrepancy text. [REDACTED] [REDACTED] 3.5 Minimum Control Standards changed to Policy Required Operational Standards [REDACTED]	[REDACTED]

