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**From:** Paula Vennells [GRO]  
**on behalf of** Paula Vennells [GRO]  
**Sent:** 30/05/2014 06:31:48  
**To:** Alwen Lyons [GRO]; Chris Aujard [GRO]  
**Subject:** Re: Project Zebra

We should certainly ref the pre/post as otherwise it will look like we've forgotten it. Thx P

Sent from my iPhone

On 29 May 2014, at 22:03, "Alwen Lyons" [GRO] wrote:

Paula do you want this to go to the Board this evening as written by Chris, or should it wait until he has answered the questions in the morning

Thanks  
Alwen

Alwen Lyons  
Company Secretary

[GRO]

Sent from Blackberry

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**From:** Paula Vennells  
**Sent:** Thursday, May 29, 2014 08:50 PM Coordinated Universal Time  
**To:** Chris Aujard; Colin Stuart; Martin Edwards  
**Cc:** Alwen Lyons; Julie George; Rodric Williams  
**Subject:** Re: Project Zebra

Chris, thank you for your tenacity. This is tedious.

Getting those questions answered is helpful but there are two challenges: firstly, the Board were very clear that we needed something that referred to pre-2010, there is no reference; is that because the four 'questions' apply before **and** after 2010? And secondly, the intention was to have a document that could actually be used eg., in case reviews, circulated to Spmr. ie., for public consumption. How does a 'board briefing' respond to that?

We need this tomorrow - particularly if it is only a board briefing. Not next week. And if I don't get that, then I shall personally escalate. It is a serious undermining of the relationship if it gets to that stage. To do so, I shall need a chronology of this fiasco (Chris) and a rough estimate of the cost of all work that has gone their way over the last couple of years, plus any ongoing (Colin). Inc Bol and Fres if they have any involvement.

And yes, I think we have to let the board know as you indicate.

Martin did you get me the details of the CEO we met a couple of weeks ago?

Thanks,  
Paula

Sent from my iPad

On 29 May 2014, at 21:14, "Rodric Williams" [GRO] wrote:

All,

I agree with Chris's email.

Deloitte are moving in the right direction but, with the background work they have done, I think they can turn something around quicker than indicated.

I will follow up with Deloitte tomorrow morning to make sure they can deliver against Chris's email.

Kind regards, Rod

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**From:** Chris Aujard  
**Sent:** Thursday, May 29, 2014 07:25 PM  
**To:** Paula Vennells; Martin Edwards; Alwen Lyons; Julie George; Rodric Williams  
**Cc:** Chris Aujard  
**Subject:** FW: Project Zebra

Dear all - following the 2 longish calls that I have had with Deloitte today, they have now come back in the email below with a revised statement of the "deliverable" that they are proposing to produce for us. From my read of matter, it looks basically OK, but I would be interested in feedback (especially from Rod). If the general consensus is that it is OK, I would propose to ask Alwen to circulate the email to the Board with following message from me:

Dear all - as was trailed last Friday, Deloitte have been running significantly behind schedule in the production of their report for the Board. A further draft version of it was produced on Bank Holiday Monday, but unfortunately (and despite the involvement of additional partner from the forensic team and verbal assurances to the contrary) the document produced was both opaque and failed properly to address the "exam questions" they had been set. The matter was accordingly escalated further within Deloitte this week and in consequence they have now agreed to re-work the document into a more succinct "Board Briefing" note, addressing head on the alleged failings in the system. The email setting out their approach is set out below.

The situation is far from satisfactory and Deloitte are in no doubt that they have significantly blotted their copy book. They are also suggesting they need until Wednesday next week to finish the job, which again we are pushing back on, hard. That said, we felt it important to let the Board know where matters stand currently, and the reasons for the delay. I should add that there is no suggestion from Deloitte that there is somehow something "wrong" with the system, or that it is not fit for purpose, rather our experience is that their internal review partner approach is such that any positive (and helpful) statements that are made in early drafts are edited out before the draft is released to us.

I am very sorry to be the bearer of the news of yet another delay.

Regards

Chris

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**From:** James, Gareth (UK - Manchester) [[mailto:](#) **GRO**]  
**Sent:** 29 May 2014 18:37  
**To:** Chris Aujard; Rodric Williams; Julie George  
**Cc:** Whitton, Andrew J (UK - London); Noon, David A (UK - London); White, Ian (UK - Leeds); Tantam, Mark (UK - London)  
**Subject:** Project Zebra

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Chris,

Further to our conversations today, I wanted to confirm the next steps we propose to take regarding Project Zebra. These seek to create a shorter document for you (intended for Board circulation) which focusses on certain key (and most relevant) aspects of our wider work to date.

This "Board Briefing" document will focus on the four questions we agreed by phone, being:

1. <!--[if !supportLists]--><![endif]-->What comfort can be taken that Horizon only allows complete transactions (baskets) to be processed?
2. <!--[if !supportLists]--><![endif]-->What comfort can be taken that the transactions completed in Horizon are 'digitally sealed', to protect their integrity and make it evident if they have been tampered with?
3. <!--[if !supportLists]--><![endif]-->What comfort can be taken that Horizon's Audit Store maintains and reports from a complete and unchanged record of all sealed baskets?
4. <!--[if !supportLists]--><![endif]-->What comfort can be taken that Horizon provides visibility to sub-postmasters of all centrally generated transactions processed to their Branch ledgers?

For each of the above questions, we will:

- ? <!--[if !supportLists]--><![endif]-->List those relevant high level system design and process control features that we identified in documentation provided to us;
- ? <!--[if !supportLists]--><![endif]-->Describe the facts relating to the extent and nature of the Assurance Work we have seen;
- ? <!--[if !supportLists]--><![endif]-->State what additional work could be undertaken to increase the level of comfort.

Our comments will be framed in the context and limitations of our work.

We estimate that this deliverable will take until close of play on Wednesday next week to produce and issue through our review and signoff activities.

Please confirm that these points of focus are an accurate view of the next steps discussed this afternoon.

Thanks and regards

Gareth

**Gareth James**

Partner

Deloitte LLP

Tel:

GRO

Mobile:

GRO

GRO

| [Data Analytics Website](#) | [Finance Analytics Website](#)

Secretary:

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