

**Arbuthnot/Letwin preparation meeting**

Date: 10<sup>th</sup> May 15:00-15:45

Location: Rod's Office

Attendees: Angela Van-Den-Bogerd; Chris Darvill; Jarnail A Singh; Lesley J Sewell; Rod Ismay; Simon Baker; Susan Crichton

Dial in:  **GRO**  Chairperson passcode: 26068920 then #    Participant passcode: 72815381 then #

Agenda:

1. Review Outstanding Actions
2. Review Potential Questions
3. Review both cases
4. Review draft agenda – confirm attendees, agree what slides if any are required for the meeting.

1. Review Outstanding Actions

<b>1. Jo Hamilton Case</b>		
1.1	Complete a summary document showing the timeline of events for the Hamilton case	Chris
1.2	Training records – we need evidence that counters the accusation that she wasn't properly training – eg she waived the requirement for training when she became the sub-postmaster in 2003 as she had been the	Chris/Jarnail
1.3	Cash holdings – we need a graph or spreadsheet showing the cash holding trend. Also compare with the Post Office after Jo Hamilton. Plus Post Offices of similar size.	Rod
1.4	Do we know why there are significantly lower cash holdings on three dates	Rod
1.5	Can we get the transfer audit when Jo Hamilton took the office over (may be in the criminal file)	Chris/Jarnail
<b>2. Tracy Ann Merritt Case</b>		
2.1	Complete a summary document showing the timeline of events for the Merritt case	Chris
2.2	We need to determine how much detail we can go into the Letwin case as the summons has not yet been served. If we can't we need to set expectations with Alice and Oliver Letwin.	
<b>3. Other Actions</b>		
3.1	Simon to Email out Deloittes presentation	Simon
3.2	Complete responses potential questions – see below	Angela / Simon / Rod
3.3	Simon to draft some bullet points to illustrate that horizon built on principles of reliability and integrity	Simon
3.4	Agree what slides, if any, we need to produce slides for the meeting	All

2. Potential Questions

Question				Who	Answer
1	Why are we considering Deloittes to perform the audit?	Lesley	KPMG are excluded as they are Fujitsus' auditor E&Y are excluded as they Post Office's auditor PWC are not recommended because not on Post Office's supplier short list, although this could be bypassed if required. Deloittes are on Post Office's supplier short list and have proven experience in this area		
2	The audit could cost in the region of £250-£500k, why so expensive?	Lesley	The audit envisioned is a thorough end-to-end review of processes, systems and data which not only could reveal potential improvements but could be used as an assurance for court future cases. The cost is a result and thoroughness of the audit and the expertise required. An alternative, reduced scope audit could also be considered.		
3	Why are crown staff and sub-post masters treated differently if found committing fraud	Angela	Needs some an explanation.		
4	What is our view of Computer Weekly	Lesley	Simon to draft a response  As we have external and internal experts available we don't believe Computer Weekly can assist us in this specific case. However we will be engaging Computer Weekly as part of our IT Transformation communication plan, and will pick up any Horizon related matters through that forum.		
5	If when suspected of fraud we bar sub-postmasters from the system, how can they be expected to prove their case?	Angela/Rod	We need to better understand the process after a finding of fraud and what support is in place for the sub-postmaster to explain their position		

6	Does the system allow sub-postmasters to understand why errors occurred, eg can they interrogate past transactions?	Rod	Yes, they can go back at least a month Is there an issue with training? Sub-postmaster should do a cash balance every day so shouldn't be a surprise at the end of the month
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3. Review both cases

- o What are the key points for both cases?
- o Do we need anything further for these cases?
- o Suggest we set-up a rehearsal on Friday or Monday?

4. Review Draft Agenda

Attendees:	James Arbuthnot, Oliver Letwin, Alice Perkins, Paula Vennells, Susan Crichton, Alwen Lyons, Lesley Sewell
Case review additional attendees:	Rod Ismay, Angela Van-Den-Bogerd

Agenda Item	Who	Duration	Key Messages
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1	Introductions	Lead by: Alice	5 mins	<ul style="list-style-type: none"><li>○ Thank you for coming today</li><li>○ People round the table are....</li><li>○ We understand you have raised some concerns, and are representing the concerns of sub-postmasters in your areas</li><li>○ We are open to feedback and we will provide you the information we have available, we hope you will find us open and transparent</li></ul>
2	Post Office Background	Lead by: Paula	5 mins	<ul style="list-style-type: none"><li>○ Start off by providing you an overview of the Post Office</li><li>○ 11,800 branches</li><li>○ X number of agency branches run by x number of sub-postmasters</li><li>○ Process x number of transactions each day</li><li>○ Supported by a helpdesk (available x days a week) who provide telephone support for sub-postmasters, field support teams who provide on site support and P&amp;BA who provide central accounting support</li><li>○ Horizon is the system used in branch to process counter transactions and branch accounting</li><li>○ Although we recognize that Horizon is not perfect, no computer systems is, it has been audited by internal and external teams, it has also been tested in the courts and no evidence of problems found (of the nature suggested by JFSA)</li></ul>

3	Horizon - Background	Lead by: Lesley	5 mins	<ul style="list-style-type: none"><li>○ Horizon first deployed over fifteen years ago to automate the branch accounting activities</li><li>○ An upgraded version of Horizon was deployed 2 years ago.</li><li>○ Both versions of Horizon were built on the same principles of reliability and integrity. Some features include:<ul style="list-style-type: none"><li>○ <input checked="" type="checkbox"/> Xx</li><li>○ <input checked="" type="checkbox"/> Xx</li><li>○ <input checked="" type="checkbox"/> XX</li></ul></li><li>○ Although we recognize that Horizon is not perfect, no computer systems is, it has been audited by internal and external teams, it has also been tested in the courts and no evidence of problems found (of the nature suggested by JFSA)</li></ul>
4	Training – Background	Lead by: Paula	5 mins	<ul style="list-style-type: none"><li>○ Run through the recruitment / training process from beginning to end. Key points:<ul style="list-style-type: none"><li>○ Classroom training followed by on site support</li><li>○ Help desk support available at all times</li><li>○ On site support available on request</li><li>○ Contract is available to the sub-postmasters before they sign it. Key points are specifically reviewed</li><li>○ Effectiveness of training is independency assessed</li><li>○ What we are do to improve our processes</li></ul></li></ul>

5	Introduction to case review	Lead by: Susan	2 mins	<ul style="list-style-type: none"> <li>○ Occasionally we do get incidents of fraud.</li> <li>○ Process?? Eg, audit, internal review, interview, if can't be resolved then dismissal for crown staff, court for sub-postmasters (need to explain why)</li> <li>○ Public money, important protected.</li> <li>○ Direct xx into the next meeting room.</li> </ul>
6a	Review Jo Hamilton Case – South Warnborough branch	Lead by: Angela (Alice, Lesley & Rod)	20 mins	<ul style="list-style-type: none"> <li>○ Run through timeline of events. Key facts: <ul style="list-style-type: none"> <li>○ Cash holdings</li> <li>○ Training received</li> <li>○ Audit findings</li> <li>○ She was in personal financial difficulties</li> <li>○ She was provided an opportunity for an explanation</li> <li>○ She did plea guilty to fraud</li> </ul> </li> </ul>
6b	Review Tracey Merrick Case - Yetminster branch	Lead by: Susan (Paula & Alwen)	20 mins	<ul style="list-style-type: none"> <li>○ Run through timeline of events. Key facts: <ul style="list-style-type: none"> <li>○ Produces a cheque for £9,500 when audited, explaining that she had removed cash of that value the previous night after declaring her cash balance on Horizon</li> <li>○ A further shortage of £3,500 was also found at her outreach branch</li> <li>○ The cheque for £9,500 bounces</li> <li>○ Miss Merritt has said transactions were being done after she had been excluded from the system. There is no evidence of this, however, events that would have been done are the balance following audit and the remittance of the remaining cash back to the cash centre.</li> </ul> </li> </ul>

7	Conclusion and next steps	Alice	10 mins	<ul style="list-style-type: none"><li>○ What are your thoughts on the meeting? Do you have any areas of concern?</li><li>○ We are considering commissioning an independent audit as an assurance measure, but in light that there is no evidence that there is a problem, we need to determine if this is a good use of public money.</li><li>○ What are your thoughts?</li><li>○ Next steps?</li></ul>
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