

STRICTLY CONFIDENTIAL

Item 3

Interview Notes – Ferndown branch – in confidence

Interview Type	Meeting	Interviewer	Kevin Gilliland	KG
Date	6 January 2011	Interviewer	Angela Van-Den-Bogerd	AB
Location	Old Street, London	Attendee	Helen Rose	HR
		Interviewee	Mrs Rachpal Athwal	RA
		Accompanied by	Mr V Athwal	VA
		Accompanied by	Mark Baker (NFSP)	MB

Introduction / Purpose:

1	KG	So just for the record again the purpose of recording the interview is to make sure that we've got a factual record of the meeting and we've agreed that the content of this meeting will remain confidential and the information discussed is not to be shared with other parties unless the expressed permission of all the intendees around this room is given.
2	VA	Well I have a problem with that I'm afraid.
3	MB	Why's that?
4	VA	Well I want to see what the outcome of the meeting is and then I'll certainly decide upon what I'm going to do after that, your grievance is with my wife, I'm only here supporting my wife actually and listening on to what you've got to say. I've got grievances with the Post Office and I'll discuss those as we go along.
5	KG	Well what we won't agree to is to have the meeting recorded if it's going to be shared with, I mean that's the way we would conduct, this is a personal matter.
6	VA	Well you shouldn't have anything to hide anyway I mean we're going to discuss.
7	KG	Well it's a personal matter between the contract that we've got between your wife.
8	VA	We haven't got a contract just put you right we haven't, you breached that contract and as far as I'm concerned we haven't got a contract. We're working to a gentleman's agreement.

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9	KG	No you've got a contract.
10	AB	You have a contract Rachpal was.
11	VA	You breached that contract a year, 6, 7 months ago.
12	AB	Rachpal was reinstated in terms of the existing contract.
13	VA	There was no dialogue at all.
14	AB	What do you mean there was no dialogue?
15	VA	You breached the contract as far as we're concerned, if you want to reinstate her which you have done and the terms of the contract have to be re-negotiated legally.
16	AB	No the contract is the contract.
17	VA	Well take some legal advice on this I'm not going to argue with you.
18	AB	The Sub-Postmasters contract is the contract that we have.
19	VA	Well you breached it, you breached it.
20	AB	I disagree, we have that contract.
21	VA	You've breached the contract hence the reason why you dismissed her and then reinstated her.
22	KG	No it's not we've re-instated your wife but it doesn't mean to say that we've breached the contract. When we reinstate people we haven't breached the contract, I reinstated your wife and there was no evidence at all that we had breached the contract none at all and the losses that we found were losses that were right to your office.
23	VA	I don't think so.
24	MB	That's the bit we haven't had any information of hence hopefully the purpose, I felt the purpose of this meeting would be get to the bottom of whether or not there was a loss directly attributable to the postmaster or whether it was attributable to something else that's where I left it with Lyn.
25	KG	Yeah and we've got the Horizon records and.
26	MB	And I thought today we'd go through that and we'd be able to see what you've seen 'cos no-one's actually sort of come back to Rachpal and said.
27	KG	And that's the purpose of this meeting.
28	MB	Actually the loss was down to you, we've got further information and we've discovered that there's a loss and it was down to the actions (indistinct).
29	KG	Well we've never had a different view that the loss was anything other than down to the postmaster and the Horizon, we've got the Horizon records and we've got the cash account etc that we've looked at.

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30	MB	So have you moved forward from where we left with Andy Bayfield when he did the appeal and he accepted, he accepted during the interview that the initiation of the stock unit that had been closed down some months prior that came, in to use Rachpal's words, came back into life with money in it, he said that that could only be caused by one or two ways and that was either by a human physically doing that within that branch or it has been generated by the computer itself for one reason or another and he was going to go away and get to the bottom of that and as far as I'm concerned on a technical issue that's where I still am waiting to find out how this happened.
31	AB	Helen has looked at the information from the logs and has put, has taken that information and put it into a working file for herself so she can, 'cos as you appreciate that's an awful lot of data that would be for that branch and put it on there and can track where that amount of money has moved through the system in your branch so she can talk you through that and we can do that we can do that now.
32	MB	Right that might be a good place to start if that's alright with you Val before we start agreeing or disagreeing as to whether contracts have been breached and all that sort of thing 'cos to my way of thinking logically we need to start at a point of how did this happen, was it something someone did in the branch or was it something the system has done or is it something that a person has done through not understanding the ramifications of their actions when they did something to the system and that was the point I left it with Andy that he was going to go away and get, somehow get some information that could make sense or what Rachpal found on that day when she discovered the stock unit had returned that as far as she's concerned and has got the evidence that she shut down and had zeroed it, a couple of roll overs had taken place since she did that then it came back o life again and that's, we want to know how that happened so if you've got that mapped out and are able to talk us through it, I think that's a brilliant place to start at.
33	AB	Ok well let's just see whether we have got that then Helen do you want to just?
34	HR	Are we still taping?
35	AB	We are still taping so we need to go back to the issue around.
36	VA	No we are going to tape I am interested to see what's going on.
37	AB	Ok at a point at which we feel that information that you want to discuss is not appropriate to be shared outside this room, we will need to turn off that tape and seize that meeting.

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38	VA	Well if I share it then it's up to you take legal action against me I'm happy for you to do that.
39	AB	Ok but in the spirit of what this meetings intended for, that is not how we wanted to proceed.
40	VA	Fine.
41	AB	With this meeting.
42	MB	So you're saying we're going straight into areas of commercial confidentiality?
43	AB	Well I don't know.
44	KG	Well it's personal data, it's around the contract and.
45	VA	It's personal data in relation to our Post Office, it's up to us who we share it with.
46	KG	No because it's also around Post Office procedures, it's around Post Office contract.
47	VA	You haven't got any procedures, you don't follow procedures hence the reason we're having this meeting.
48	AB	I think we have quite a lot of procedures.
49	VA	Oh yeah right well you don't follow them.
50	KG	Well we do and we're trying to be positive here we're trying to rebuild the relationship and that's what I've you know called this meeting for so we can do this, we're either going to go round in circles and I do as I said at the start, this really is about us trying to put the relationship on a firm footing and I don't think we're going to go, get there if we're not going to have some degree of trust and I think that's what I was trying to establish. Mark I don't know what your view is as you attend a number of.
51	MB	I can understand Val's position yeah he feels he's the, well on behalf of his wife he feels he's the injured party and just wants to know whether or not it was anything to do with them or whether there was some other explanation as to why all this happened and if it turns out that there is another explanation and it's nothing to do with Rachpal then we can start talking whether or not there needs to be any redress sought under the terms of the contract because if it's not her fault or anything that her team has done, she's totally innocent in all this, then she's been through a lot of trauma for nothing, the business needs to address that.
52	KG	And that's not the case that wasn't the case for reinstatement.
53	VA	Regard, Mark with due respect right ok, as far as I am aware at the end of the day a dormant stock, I'm an accountant I've done audits myself their auditors are just auditors, called auditors they're nothing more than glorified stock takers, in fact in Mick Searle's case he couldn't even count the stock and the money correctly, 3 attempts he had and anyway.

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54	KG	They had the relevant knowledge and experience to do the job.
55	VA	No they didn't if they had they would have counted the stock correctly, they got it wrong 3 times even the actual auditors came in and couldn't believe it. Ok so we won't go there right. Now at the end of the day there was a figure appeared on a dormant stock unit after 2 months ok, it hadn't been in operation for 2 months, where this money came from we don't know my wife had been bantering on to Mick Searle, Andy and all the other people the Call Centres etc etc right, none of them had any answers. Now it's pointless them showing us oh this is where this money is we track it, blab bla bla, part and parcel of your appeals procedures like you say you had procedures should have been, you should have showed us that then right and you talk about procedures you haven't got any procedures.
56	MB	I'd like to park procedures 'cos I think that is a conversation you'd have a bit later, I think it is important to find out how it started and if you're able inch by inch to take us through that and if you want to get to a point where you're not prepared to comment on tape then you can alert us at that point but I don't think it's going to break any official Secrets Act if you explain how Rachpal on the day she noticed this stock unit come back into life, how did that bit happen?
57	AB	Ok and when was that Rachpal?
58	RA	Well the lady who's in question whose stock it was she left?
59	VA	4thDecember.
61	RA	4 th December.
62	AB	Right ok.
63	VA	2009.
64	RA	2009.
65	MB	2009.
66	VA	16 th February £436.81 appeared.
67	AB	So it's February that we're saying it appeared then?
68	VA	16 th February.
69	MB	The procedures in closing the stock unit down was performed in December and receipts were produced from Horizon that showed everything had been zeroed and then as Val's just said?
70	VA	30 th December everything was zeroed off nil
71	MB	In February this stock unit re-appeared again but this time with the money on a deposit line so can you confirm that, through your records are you able to confirm that Rachpal did everything correctly in December in shutting the stock unit down?
72	AB	Yes.
73	MB	Yes there's no argument there?

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74	AB	No no no argument on that one.
75	MB	So then why did it re-appear again in February?
76	AB	A figure was moved back out of suspense into DH stock unit on the 17 th February at 19.17 by user RAT002.
77	RA	Yeah which is myself yeah.
78	AB	Shall we just fire that up Helen, we'll just put it on the screen so it's easier to talk through and what Helen has done is as I said she's looked at the discs and that's how we get the information on disc and then inputted into her system so she can make some sense of it from a visual perspective and then that's what we'll show you but we will make the discs available to you. Just see if you've got a clear and whether we need to dim the lights or not, we'll see what it looks like in a minute. Can you see that or is that ok Rachpal can you see that?
79	MB	I think that sort of centre light is that able to be turned off.
80	AB	Can we turn that one off it might just put us all in darkness for a minute but as long as we're ok with this it's fine.
81	MB	So this first line then?
82	HR	These are extracts from the transaction logs from Fujitsu ok, so your first column is obviously a date, second your time, user, stock unit, column e is either your transaction number or what event it was, column f is just an explanation of what's been done, column g is a product number, everything that goes through Horizon has a produce number I have a list for that which I've got here, column H is where it's moved from and to and column I is the value so sorry I'm just flicking about 'cos I can't get it to fit all on one screen but as we can see that figure appeared on the 17 th February there 19.17 RAT002 from stock unit DH.
83	MB	So who is RAT002?
84	RA	That's myself.
85	HR	Cleared and lost from suspense for that amount of money and that 436 in suspense as you can see the figures above was a combination of 2 a loss and a gain.
86	VA	Well that's weird how come that doesn't appear on the transaction log that I actually pulled off the system going from the 4 th December through to the 14 th May? How comes that appears on the transaction log I pulled off?
87	HR	I don't know 'cos I wasn't there I don't know what you asked for off your system.
88	VA	No I just went onto my system and I pulled off to see who had been on the system, none of that entry is shown on.

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89	HR	Did you pull off the housekeeping log though, this would have shown under housekeeping because it was put into suspense account.
90	VA	So when we cleared the account in December why didn't this suspense house keeping account come up then?
91	HR	Because a house keeping is separate to your stock unit, that house keeping, the suspense account is for the whole office.
92	VA	But surely these final trading whatever they are called that you, when you roll over surely they should show it then shouldn't they?
93	HR	I can't answer what you did at your office, I can only say what.
94	VA	We followed procedures that you've put down and these are I've followed procedures.
95	HR	I can only say what I can see on the transaction logs.
96	RA	Yeah but then surely like you said you can only see what's there, I mean surely you can see what we're doing then can't you?
97	HR	Yes.
98	RA	Horizon can see what we're doing?
99	HR	I can see what has gone through on the transaction logs, AA stock unit had a loss of £475.81 and that was put into suspense account by DAT001 on the 17 th February at 18.43. You also had a gain on SAS stock whichever that was.
100	RA	Which is safe.
101	HR	Yeah and that was put into the suspense account at 17.32 by DAT002.
102	VA	Hang on can I just stop you there can I just clarify a point, are you saying they was figures taken out of DH account and put in suspense account?
103	HR	I say a loss was taken out of AA account and put into suspense and then it was cleared back into DH.
104	VA	Who by?
105	HR	RAT002.
106	VA	Cleared back into?
107	HR	It was taken out of suspense and put into the stock units?
108	RA	Yeah but why was it in suspense in the first place?
109	HR	Because it was put in by DAT001?
110	RA	No I didn't put it in there.
111	AB	Who's DAT001?
112	RA	Yeah that's my daughter.
113	HR	Well she obviously has put it in or somebody using her user code has?

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114	RA	Yeah but I overlook everything so she would have mentioned to me that there was a loss of 400 and whatever pounds and you know.
114	HR	£475.
115	MB	But we don't have access to a suspense account any more do we?
116	HR	Sorry?
117	MB	As postmasters we don't have access to the suspense account any more like we used to in the old days.
118	HR	I don't work on a counter I can only tell you what this data says.
119	AB	What this does mark is track so where a users gone onto the system and logged in and with a password so it's only particular to that individual's password, this then tells us what that person has done on the system.
120	MB	Yeah I've seen these types of things before. The only bit that is puzzling me is access and suspense account because I'm not aware that you can do that any more, I don't know how a Postmaster would physically do that 'cos you've taken it away from us because it was being abused so now all losses must be settled, either settle centrally or made good on the spot you've only got two choices.
121	AB	What have you got there you got the cash account, the print out of that there with all the figures on?
122	RA	And don't you have to have permission to put things into the suspense account?
123	AB	You are meant to have permission.
124	MB	Yeah I believe auditors can do it. I've no idea how an ordinary clerk would know how to get into that suspense account without you knowing about it and someone would have had to teach that person how to do it.
125	RA	Yeah I would have had to have permission from somebody to say yes until you know what it's all about.
126	MB	But not withstanding that, that was the figure that was derived from the stock unit that came into life so this is Rachpal, I've still yet to have it explained as to how she got suspense involved, but am I following this correctly that eventually that 436 ended up in her AA stock unit?
127	HR	No in DH stock unit.

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128	MB	So it's ended up in her stock unit so this is, I don't know quite how this has flowed but she was moving money into her own stock unit from a loss that was generated by her stock unit giving her that figure in the first place, we haven't got the Horizon record for that stock unit when it reported money on that line, I can see that that is in some way explaining the transfer of that money out of that stock unit into the main account but where did the money come from in the first place?
129	HR	That 475 has been put from AA stock.
130	AB	Sorry the dormant stock unit in here is DH yeah?
131	VA	That's correct yeah.
132	AB	So the loss has been generated in stock unit AA and then moved from stock unit AA into the dormant stock unit.
133	VA	Well can we trace it back and see where it was and who's put it in there who gave the authority to put it there because we've just discussed.
134	AB	What moving it from.
135	VA	No hang on, to put money into the suspense account you need authority that's what's just been said here, who gave the authority to put that money in there because my wife doesn't have remember having that kind of a loss put into suspense. Now can I just touch on something else now ok while we're on it.
136	RA	If it's in suspense account, aren't I supposed to get like an error notice to say or ask me why is it in suspense account that you need to clear these losses?
137	AB	Mark when did this change then from?
138	MB	We haven't had access to suspense account for a number of years, money can be authorised to be put in there but it's my understanding that can only be done by an auditor with instruction from someone higher up.
139	AB	So what you're saying is technically you're not able to physically do that in the branch?
140	MB	As far as I'm aware yeah, as far as I'm aware there is no buttons that you can press that enable you to.
141	AB	We need to check that out because clearly that's what that's telling us.
142	MB	I think there is some functions that auditors can access by courtesy of their log on details that they can authorise money to be transferred into a suspense account and I believe that suspense account's held in Chesterfield.
143	KG	We've got the log on details of who transferred this.

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144	RA	We had an audit in 4 th February so who's decided, like you just said that auditors have the authority to do that, we had an audit in February, 4 th February which was fine so who's to say that they haven't.
145	KG	This is not the central settle.
146	AB	No what this is telling us, Helen just went through, this is demonstrating on here that on the 17 th February.
147	RA	So why didn't the auditors pick that up on the 4 th February when we did an audit a proper audit?
148	AB	Because it wasn't done until the 17 th February so the audit was in advance of his happening.
149	VA	Ok let me just, let me just give you another example here of a similar situation like this, when my wife was reinstated and the auditors came back and we had a meeting on the night after they had re-set everything, or was it the following day, Monday they carried out the audit on Monday night, that's right we opened the office on Saturday because you phoned us on Friday evening didn't you 6 o'clock, we opened the office on Saturday morning, Lyn wanted it closed because she forgot to send the auditors in, the auditors arrived on Monday, they didn't do the audit until Monday night, then we had shut the safe and so they couldn't finish it so they had to come back Tuesday morning, Tuesday evening I had a chat with the auditors on the night to see what the position was, now I've got an e-mail here that I've e-mailed yourself and everybody else and Mark, the auditors turned round and said that they was £600 adrift basically. Before the auditors came in or finished I had a meeting with my wife and my daughter to find out what sort of situation the office was in, because I was there all the time, I was sat in the corner with my own laptop and sorting out my own things and they told me that the three days, Saturday and Monday and sort of like prior to like closing the two days Thursday and Friday that they was probably in the region of about £200 short, so when the auditor finished his audit and reinstated the wife and signed it all over, he came with a figure of £600, I asked him to clarify where that £600 because to me I was looking at the auditor telling me it's about £200 because that's what the wife and my daughter had told me when I had a meeting prior to the auditors finishing. When he

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		Came with of £600 (indistinct) I explained to him I says ok, oh sorry I asked him to explain to me how he got £600 and he never had a clue, he then turned round and went onto the computer and he says "oh look there's £400 been transferred from the central safe from that stock unit there" and there's me, my daughter and the two auditors and Chris and whoever right. Anyway he started showing us on the computer just like this oh look there it is bla bla bla and I've said "ok I'll tell you what, when they transferred out of the safe they have a slip which has to be signed by the person who's transferring the money out, the person who's accepting it at the till will get a printout to say he's accepted it ok and he has to sign or she will have to sign" so you would have 2 slips, I said "where are these slips?" he said "I don't know where they are" I said "oh fine so you don't know where they are but these are computer generated figures physically, where is that cash" right because physically it doesn't appear as though the money has gone anywhere ok. He didn't have the slips right. Then we realised the person who accepted the stock the £400 supposedly transferred from the safe, she wasn't even working that day and yet the computer had automatically transferred £400 extra out from what I was expecting the audit to be. I asked him to explain that because then I came out with it I said "hang on" my daughter turned round and said "oh hang on Chris, that person who you are saying has accepted this £400 cash didn't even work yesterday but it was showing on the computer as it was done yesterday like on a Monday and that person hadn't even been at work all day long and nobody was working on her stock unit and suddenly this figure and I've got it in an e-mail to yourself and everybody else.
150	KG	Well we would need (indistinct)
151	VA	So these things you know to me at the end of the day when you can't pinpoint where those figures are coming from or you know any authority of you know.
152	KG	Well we can pinpoint where the figures have come from that's not true, we can pinpoint where every figure comes from.
153	VA	Can you manipulate those figures behind the scenes.
154	KG	No we can't.
155	VA	No you can't you can't get into the system are you saying?
156	KG	No we can't.
157	VA	You cannot get into the systems?
158	KG	No.
159	VA	You cannot get into the Horizon system?
160	KG	No.

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161	VA	Yes you can?
162	KG	No we can't, no we can't.
163	AB	Nobody in POL can get into the system, anything that you've seen on the screen has been logged against a user, logging in on the system against a password that only that individual should have in office, we don't want to know what passwords are so we cannot access those systems at all.
164	VA	Ok you probably can't but your Business Development or whoever they are in Chesterfield can.
165	AB	No nobody in POL can do that.
166	VA	Are you sure about that do you want to go back and ask somebody.
167	AB	I've already asked.
168	VA	You have well I've got some contacts as well within the Fujitsu and I've asked them ok and these will come out in the open later on.
169	AB	And what did they tell you did they tell you that people in POL could access?
170	VA	Yes.
171	AB	POL cannot categorically access information in branch because it's all done against a user ID.
172	VA	Fine I'm not going to argue with you over it, I'm not going to argue over it.
173	KG	But it's a fact nobody in POL can access Horizon, they can't manipulate any of the data.
174	VA	Fine.
175	KG	All the system activity it's down the individual key stroke, it's recorded into a separate (indistinct) transaction file, every records encrypted and written to the log and each record has a unique sequence number.
176	RA	So what does KHK stand for then?
177	AB	Housekeeping.
178	RA	Housekeeping so don't we need permission to put that into housekeeping as well.
179	VA	So tell me why is it then, why is it you can pull off certain reports and we can't then?
180	KG	We can pull off the reports we can't change them.
181	VA	But why can't se pull those reports off.
182	RA	I think you do.
183	KG	You can have a number of the report.
184	MB	What is house keeping?

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185	AB	House keeping is for example like what I said to you I received some stamps short or over ones and I have to phone the stock centre and they said to me.
186	KG	But there are certain things that we can't pull off.
187	AB	Sorry if we do want this recorded then they're not going to be able to make sense of all the talking.
188	MB	So is that what would be designated as local suspense then?
189	RA	So basically where it's got HK it's all the time I've been told by someone I'll put this into housekeeping.
190	MB	Right but you'd need authorisation to do that?
191	RA	Well wherever the shortage has come from for example with the stamps, I had some stamps, I had received the wrong stamps and I was told until you get a correction notice, put this in house keeping so I would need permission
192	MB	So there's a button on screen.
193	RA	No no button, you know I would have probably been talked through it or you know told this is where you need to put it but I would have needed to have permission to put things into housekeeping.
194	AB	But you could still do it?
195	RA	I don't know I mean.
196	KG	I think we're taking this (indistinct) action.
197	AB	You did it yourself even though you're were on the phone yeah?
198	RA	No I didn't do it myself.
199	VA	They're talked through she says.
200	HR	No that's what I'm saying did you do it, I didn't say somebody physically.
201	AB	Physically you're able to do that in branch is what we've said.
202	RA	Well if I've been told where to do it.
203	HR	Yes you would be able to do it that's all I'm saying.
204	AB	What we will take away is whether you can physically move things into the suspense account and house keeping in branch.
205	RA	And isn't it that if something's been in housekeeping for a long time.
206	MB	Well I am aware you can hold discrepancies caused by the wrong issue of stock and it's happened in my own branch and you can put it into a holding area, I didn't know it was called housekeeping.
207	KG	And that was my earlier point I think that's what that is.
208	MB	Ok but you do need to be talked through how to get there so that explains how that sum of money 475 was placed in some form of holding position?

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209	AB	Yes.
210	KG	Mark just for the record, we couldn't put that into there, that's done by the user ID using the password and that's been done.
211	MB	And someone's issued the password to authorise that movement so.
212	AB	No no this is your individual password in branch.
213	MB	Right ok.
214	AB	Yes what this is telling us that Rachpal's daughter has actually moved that from one stock unit to another.
215	RA	My daughter isn't even.
216	AB	No she was logged onto the system.
217	RA	Yeah but she would have asked to have asked me 'cos I'm the more experienced one, she would have had to have ask me.
218	AB	I'm not disputing that, all I'm saying is the system tells us that that user has that date and time undertaken that activity on the system.
219	MB	But it wasn't there very long in any event, it's been moved into Rachpal's stock unit.
220	HR	Yeah DH.
221	MB	Ok so it's spent a bit of time in an area that we've yet to discover how you access that, can you do it through building up your knowledge and do it inappropriately or has someone on the helpline talked either Rachpal or her daughter into putting it into suspense, Rachpal then thinking better of it has moved it out and clearly placed it in her own stock unit.
222	HR	In DH stock unit.
223	MB	Is that yours?
224	AB	No that was a dormant stock unit.
225	RA	No that's Debbie's, Debbie the lady.
226	MB	The dormant one?
227	AB	That's the dormant one.
228	MB	So you're saying then on what dates that entry into DH?
229	AB	17 th February wasn't it?
230	HR	Yes.
231	AB	So the loss has been cleared by putting that into the dormant stock.
232	MB	And that was the first date the stock unit had that entry in it and according to that it was done by RAC002?
233	HR	Yeah.
234	AB	And that's you Rachpal yes?
235	RA	Yeah that's me but you know.

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236	AB	Are you the only person that has access to your logging and password?
237	RA	Yeah.
238	AB	Do you keep them, you are keeping them to individuals within branch yeah?
239	RA	Yeah.
240	VA	There wouldn't be anybody else in the office at that time anyway apart from my wife and my daughter.
241	AB	Alright.
242	VA	Half past 7 on the night, what time did you say it was sorry?
243	AB	That's a Wednesday isn't it?
244	HR	19.17.
245	VA	Half past 7 there wouldn't be any staff there.
246	AB	And that's what was done just before producing the final balance as you can see from the time indicated on the screen.
247	MB	I'm just trying to find the report I've got here of the stock unit reporting that money for the first time.
248	VA	There 4.36.81 on the 17 th at 19.19.
249	HR	Yeah 19.19 final report his copy there.
250	VA	But it doesn't say who's actually put it in here and that's never been told apart from these guys now coming up with this here.
251	MB	What the log is showing is at 18.43?
252	AB	Yeah.
253	MB	It's been cleared.
254	HR	Into the suspense account.
255	MB	Into a suspense account and then transferred out of that suspense account.
256	HR	Into DH.
257	MB	Into DH?
258	HR	Yes.
259	MB	So the shortage, wherever it's come from, it's just been moved around the account a bit?
260	HR	That 436 is a combination of the loss of 475 and a gain of 39.
261	MB	Yeah.
262	HR	That's where the figure's come from I don't know where the initial figures have come from I can only tell you where that.
263	AB	It was a loss generated against the stock unit. So just one stock unit or two stock units?
264	HR	One, no there's two stock units.
265	AB	So the loss.
266	HR	The loss was against AA and the gain was against SAF.
267	VA	SAF.

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269	HR	Stock unit SAF.
270	AB	Who's that?
271	RA	That's safe.
272	MB	So reading that, a gain and a shortage has been discovered in the safe stock unit.
273	HR	Yeah again of £39 has been in that stock unit yeah and a loss of 475.81 in AA.
274	AB	And the net amount has been moved into the dormant stock unit.
275	MB	So when Rachpal's pulls off her trading statement and sees this stock unit making an appearance for the first time since it was shut down.
276	AB	It's because that figure's been taken back out of.
277	MB	That logs saying that it was Rachpal that put it in there?
278	AB	Yes.
279	RA	Yeah but how can I take it out of housekeeping?
280	HR	I can only tell you what the data's telling me here.
281	RA	Yeah but you're the expert here.
282	HR	I don't work on Horizon I work on the data behind it.
283	VA	That's weird because why is it I can pull off a transaction log on our system from the 4 th December to the 14 th May right and nothing comes up on it, none of this comes up on it.
284	AB	Did you ask for a housekeeping log.
285	VA	It doesn't matter, it doesn't matter it would come up saying that RAT transferred bla bla bla I went into her stock unit and my daughter's stock unit and said right ok what were the transactions.
286	MB	We can only get (indistinct) reports we can get transaction log which shows.
287	AB	Or an events log.
289	MB	Or an events log. The events log I'm assuming will show housekeeping things?
290	AB	This, yes.
291	MB	Where you logged on or you logged off.
292	VA	It's irrelevant isn't it the figures
293	AB	No.
294	VA	No no it's irrelevant because, no no hang on, correct me if I'm wrong, if the figure is in that stock unit, once I do a transaction log it's going to show up there just like that, that yes there was a movement.
295	HR	Mark just said there's 2 logs there's an event log and a transaction log am I right?
296	MB	Yes.

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297	HR	So this would, correct me if I'm wrong, the housekeeping which show the events log.
298	MB	As far as I'm aware.
299	VA	I'm not on about the housekeeping I'm on about that once the money's been transferred from the housekeeping into the stock unit you do a transaction log to say how did that money get in there it would have said yes RAT or DAT transferred it into it.
300	HR	On the housekeeping log yes.
301	VA	And on the transaction log.
302	HR	No on the housekeeping log.
303	MB	I don't know at what point it would show on a transaction log, I can see it, with you when, it's the event log that would have recorded this moving.
304	HR	That movement yeah.
305	MB	This movement and anyone who logs on or logs off it records 'cos they are events but whether or not entering money into a stock unit it constitutes a transaction as well.
306	HR	No it's an event isn't it on there.
307	MB	Yeah I can see it's an event but whether it constitutes transaction as well I don't know.
308	AB	I'm not sure it does Mark but again.
309	VA	So who can pull off these events logs then do you know?
310	MB	Yes.
311	VA	Have you been shown how to pull off these event logs?
312	RA	No.
313	VA	Has anybody trained you on them?
314	RA	No.
315	VA	Ok you obviously (indistinct).
316	MB	Yeah I mean I've always known that there's an event log but because they don't normally tell you very much unless you've got a big office where you are moving a lot of stuff around, that's the only time it comes of value, I would say the average office gets no, hardly any information off of the event log other than who was logging onto their system and logging off.
317	HR	I think you're right it depends on how many users there are so if you are pulling together a number of stock units in the branch then the event log is a good way of tracking.
318	MB	It's a very useful thing to have.
319	HR	Any anomalies.

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320	MB	But again I think Val's half right that the use of that and the encouragement to pull one off as part of your balancing procedures as a postmaster has never been promulgated to postmasters as best practice.
321	AB	I can't dispute that either way.
322	MB	It's something the federation always say to people when we get phone calls I can't balance I think something's gone wrong we say freeze pull all the transaction logs for every stock unit and an event log for the whole branch, that's our standard retort it's what we tell people, it would be nice to have that in big letters on the front of any guidance booklet as well the business issues.
323	AB	It would be part of the training at the time, that said when you are training at the time there are some things that stick better than others and it depends on how well you balance whether you would kind of ever need to kind of use that.
324	MB	So we've established that the shortage originated, according to this log, the shortage originated in the safe stock unit.
325	RA	AA.
326	MB	And it's been.
327	AB	AA Mark.
328	MB	Sorry in AA who's is AA?
329	VA	That's Rachpal's.
330	MB	Right so a shortage originated in Rachpal's and according to that it was transferred into a redundant stock unit by Rachpal or by her daughter?
331	HR	By her daughter that says on there.
332	RA	No it went into the.
333	AB	Sorry AA is who's stock unit that's your daughter's is it?
334	RA	That's a shared stock unit.
335	AB	Right so yourself and your daughter operate that one do you?
336	RA	Mm.
337	AB	Right ok 'cos the user on there for that loss is I presume your daughter DAT?
338	RA	Mm.
339	AB	Ok and then when it was moved from that stock unit into the dormant it was using which user?
340	HR	RAT.
341	AB	Which is Rachpal.
342	MB	Right and it's at that point you're denying that you did that action?
343	RA	Yeah.

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344	VA	Ok can I just ask you a question here then, if we're looking at the final balance trading statements you are now obviously saying that generated on an AA stock unit yes?
345	AB	Yes.
346	VA	But if this final trading statements don't show any shortages, how can that be possible?
347	HR	Because it was moved into the suspense account.
348	VA	It's got to have been generated on a stock unit initially?
349	RA	But on the trading statement there is a (indistinct)
350	VA	Before it's transferred into.
351	RA	Isn't it saying the suspense, I think on the trading statements I think.
353	VA	Well no it's got to be generated as a shortage initially for it to be transferred into a suspense account, you're not going to just go, if the books have balanced Nil Nil, you're not going to be stupid enough to take out 400 odd pound and put them into a suspense account, it's got to have generated a shortage in your till in order for you to then transfer it into a suspense account, surely because if you, obviously you've transferred it in a suspense account because you can't put your hands on it or you don't know how that £475.
354	MB	What you're saying is there would have been a trial balance performed on her stock unit?
355	VA	Absolutely before she rolled over.
356	MB	To know that you're short
357	VA	Absolutely.
358	MB	To know I better get rid of this?
359	VA	Exactly where has this come from, I know my wife she will stop there and I've been there 'til midnight working accounts.
360	MB	That would ascertain that in Rachpal's stock unit that did actually throw up that kind of shortage. Have you got, did anyone thought to pull off the individual's stock units positions on that day?
361	HR	That's for trading period 10 a balance a shortage of 475.81.
362	MB	That's the whole office?
363	HR	No that's stock unit AA.
364	MB	AA I see right yes it's broken down there.
365	AB	So there's a loss and then a surplus and a net of 475.81.
367	MB	Yeah the surplus was discovered in the safe.
368	HR	In SAF yeah which is as you can see.
369	MB	But the grand loss, the original, the original full loss, disregard overages is in stock unit AA.
370	HR	In trading period 10.

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371	MB	In trading period 10 but you're saying that you never balanced short that?
373	RA	No.
374	MB	And have you got in your office trial balance and snapshot balances for individual stock units for that?
375	VA	Yeah we will have.
376	MB	'Cos that will show that there was a shortage. That's only showing well it's showing
377	VA	Ok what date would that have been period 10?
378	HR	She transferred the shortage over on the 17 th February so would it be 17 th February?
379	VA	12 th January to the 17 th February discrepancy short transferred what does that mean?
380	AB	Sorry Val what are you looking at?
381	VA	Well I'm looking at the final balance trading statement which is that there you're talking about the 475 I've found that figure on here ok branch total and it says 'discrepancy over, sorry short transferred' what does that mean?
382	AB	Can I see what you're looking at or?
383	VA	There's that figure they're referring to. There's the suspense account it hasn't been transferred into the suspense account.
384	AB	No it's been transferred into the dormant stock,
385	HR	No it was transferred into suspense and then out of suspense and into the dormant stock.
386	VA	No it hasn't. I'm looking at the final trading statements here. I take it that's the suspense account isn't it, suspense there's nothing in there.
387	MB	What's that figure then?
388	VA	Well that's a minus 123 it's not 475.81 is it? That's the figure they're referring to.
389	MB	No I'm just trying to find to see if we got a snapshot balance or a trial balance that would support that figure of 475 in period 10. In theory you should have a discrepancy shouldn't you to support that on your trial balance.
390	AB	Before you transferred it out yes.

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391	MB	There will be a report that is the mirror copy because you need to know you're short to begin with, the only way of finding out if you're short is strike a balance the discrepancy, the variance will tell you what your shortage or your gain is and then it's up to do what you do with that figure after that, you either transfer it out which is what the previous chart was showing happened to it although Rachpal's denying it was her, yet to get to the bottom of it but we haven't got anything that supports that figure that's come from the branch so I don't know if we would have, should in theory as part of your case papers should have a trial balance or even a final balance.
392	HR	You would have to transfer it before the final balance.
393	MB	Yes so it would have to be the trial balance.
394	VA	It would be the trial balance.
395	HR	I would guess yea.
396	VA	It would be a trial balance I'll have it in the office. But the final trading statements doesn't show it being transferred into the suspense account 'cos they're saying it was transferred into the suspense account and then out of the suspense account into DH.
397	MB	But that would appear on your trading statement though wouldn't it?
398	VA	It would appear on the final trading statement.
399	MB	If you've done a transfer of money out of your balance, struck a final balance to show a zero balance, that's all that report would show if you then produced your statement it would show if you had put the money into suspense or another stock unit that doesn't get shown until the trading statements produced is that correct?
400	AB	What this is telling us here is that the loss has been generated and then moved into the dormant stock unit so when you report your balance trading, it's a zero discrepancy because actually you put the loss value of £436 odd into another stock unit and it's generating as either the cash or stock figure hence you're balancing so had that money not been transferred out of the stock unit, the loss and into another one then it would have shown a loss.
401	MB	Right. But then it makes a re-appearance in it's next form into the DH stock unit?
402	AB	Well yeah that's because Rachpal has moved it from this, what it's telling us on the screen is that Rachpal has moved that from one stock unit to another and put it in as I don't know cash is it or stock, cash yeah to said there's a cash value in that stock unit but actually the stock unit was empty?

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403	MB	Yeah and how do you access a dormant stock unit that you closed down?
404	AB	Just attach yourself to it.
405	MB	Even though it's closed down, don't you have to like, if you've got rid of it.
406	HR	It wasn't deleted was it.
407	RA	Sorry.
408	HR	It wasn't deleted at this time.
409	VA	None of them could delete it, Rachpal couldn't and we had Andy, Mick they all tried to delete and they couldn't delete it.
410	HR	No it didn't get deleted while later on in the year.
411	AB	The reason you can't delete it is because you can't attach yourself to it, once you attach yourself to it as a user, it's not classed as inactive, therefore you cannot delete it, you can only delete an inactive stock unit so when I worked in.
412	VA	But it became inactive on the 4 th December or the end of December and we tried to delete it off the system in January.
413	AB	But as soon as you attach yourself to a user then you cannot delete it so you have to delete it before you attach it.
414	VA	Sorry if we've cleared it in December.
415	AB	But it was never cleared, it was never deleted.
416	VA	It was cleared in December we've got the evidence here it was cleared in December.
417	HR	Yeah all the cash was cleared out of it.
418	AB	But the stock unit was not deleted.
419	HR	But the stock unit wasn't deleted.
420	VA	It wouldn't delete even Andy and Mick tried it, even your auditors tried to delete it your help centre couldn't do it.
421	AB	It was empty but it was not deleted from the system.
422	MB	And how do you delete it?
423	AB	You delete it before attaching yourself as a user.
424	HR	As long as the trading period rolled.
425	MB	So the stock unit in question was issued to a member of staff who left in December, everything was taken out of that account.
426	HR	The cash and stock yeah.
427	MB	And zeroed.
428	HR	Yeah.
429	MB	And we've got the confirmation that it was empty.
430	HR	Yeah that's fine yeah.
431	MB	So then from that point onwards what do you do to delete it, never mind?

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432	HR	The office has to have rolled over trading period and nobody will had to have attached to it at all.
433	MB	During that time but if someone had?
434	HR	Once you attach to it whether you do anything with it or not, if you attach to it and then come back out of it, it's classed as not dormant.
435	MB	Right.
436	HR	Even though you haven't worked in it you haven't done anything in it you haven't put cash in it.
437	MB	So once you do that attachment.
438	HR	Once you do that then you've got to wait for the next trading period and not attach to it and delete it.
439	MB	Right so some time between December and February, someone's attached themselves to this stock unit, whether they did anything with it or not?
440	HR	They may have attached to it to try and delete it.
441	MB	And left themselves attached.
442	HR	but once you've attached to it, well even if you attach to it and come back out of.
443	MB	So what you should have done is not attach yourself to it and let it clear itself, having zeroed it.
444	HR	Just don't attach to it until you delete it.
445	MB	In the fullness of time it disappears completely.
446	HR	No it doesn't disappear you've still got to delete it but you don't attach to it to delete it.
447	MB	Right so somehow someone's advised the postmaster to attach themselves to it so that you can go and delete it which is wrong.
448	HR	Which has stopped you being able to delete it yeah.
449	MB	Without anyone knowing.
450	AB	There's clearly been a misunderstanding throughout Mark because there are records that should say that delete, tried to delete but failed yeah so people have gone onto it as a user and tried to do that so that's what happened.
451	MB	Yeah I saw one of those entries 'delete failed'.
452	AB	But what this demonstrates is that the figure didn't simply appear in the dormant stock.
453	MB	It was placed there?
454	AB	It was placed there.

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455	MB	Does it show where in that dormant stock unit that money was placed, under what line was it placed, when you go into that, you've got access right now to that stock unit 'cos you didn't delete yourself as an attached user so on what line was that 436 placed?
456	AB	It would be in the cash, it would have just been a cash shortage 'cos there was no stock or cash within that so it would have just shown as a minus in the cash.
457	MB	So how do you physically do that by going into a stock unit as an attached user, you have to enter figures somewhere you can't just throw a figure at it it's got to be entered on a line?
458	HR	It's been pulled in from housekeeping hasn't it it's been downloaded from housekeeping.
459	AB	As cash?
460	HR	As cash.
461	VA	No it hasn't that's not what it's showing here.
462	MB	No 'cos it doesn't appear, like the stock unit when it started to report itself again didn't show that money as cash, it showed it on a deposit line as far as I remember.
463	HR	It will have shown it as down from housekeeping won't it?
464	MB	Well I don't understand this housekeeping business, it's gone into local suspense and been removed, according to that record, it's been removed from suspense and placed in the stock unit, but it's got to be put on a line, it's got to be reported as something.
465	HR	Right I don't know.
466	MB	But how do you report it as nothing, how do you remove it from suspense and just throw it at a stock unit, I don't understand?
467	AB	You're right it would have been reported as something it's whether Helen was looking at that?
468	HR	I can only see.
469	RA	There's no way you can put sort of 81p on a £10 it would throw it out wouldn't it it would say there's no such figure note.
470	AB	Yeah it doesn't (indistinct) to it so.
471	RA	You've got to do it in like denominations of 20's.
472	AB	We've not got the information here to say that, what we've got Mark is that it tracks that money into that stock unit.
473	VA	Have you guys, have any of you actually worked in a branch?
474	AB	Yes I have.
475	VA	And you've used transactions and everything and balancing etc etc?

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476	AB	Well I used to run Crown Offices as Branch Manager yeah so I started my time on the counter when it was manual, I then went onto what we had in the Crown Office which was called an Echo System and then I worked on Horizon as a Branch Manager and then trained.
477	VA	Which office was this then sorry?
478	AB	It was several actually but in Swansea in South Wales and then I actually trained and assisted Sub-Postmasters when we introduced Horizon so the transition from working from a manual balance on this as well so.
479	VA	Were your contracts ever changed over then because presumably the contract of services for a Sub-Postmaster was on the old basis of doing cashing up manually wasn't it, not computers,
480	AB	It was never specific in the contract around whether it was a manual or computerised and I can't recall at the time but it was a big deal obviously.
481	VA	How did you used to deal with your shortages in branch offices then?
482	AB	How did we sort them?
483	VA	Yeah did you ever have any shortages?
484	AB	Well yes 'cos human error does occur when I was in branch in those days, if you balance less than £5 you put the money in yourself, if you balance more than £5 you declared.
485	VA	When you was a Manager.
486	AB	Well if I was serving on the counter yeah or the staff.
487	VA	Surely you're employed that's your employer's responsibility why would you have to put it in/
488	AB	No part of the agreement was that you made good a loss under a certain level, anything above that level then you declared as a loss and then.
489	VA	Was it written off?
490	AB	No, well yes but if you had so many losses then you were disciplined and it could lead to your dismissal so you were required.
491	VA	So how did the Post Office deal with those losses then?
492	AB	How did they deal with the losses?
493	VA	Who made good those losses?
494	AB	Post Office.
495	VA	Tax payer basically or Sub-postmasters (indistinct) we're carrying it basically, figure of round about 2 million pounds well you would have been.

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496	AB	Val you asked me the question I answered the question for you I'm not going to be drawn into any other comments on that but I think I answered your question.
497	VA	Ok you're talking about you've worked in a branch, when did you actually leave then?
498	AB	When did I leave the branch, well I've been in the business for 26 years I worked in the branch actually in branch for 10 and then I then spent the rest of my career working in relation to branch, I've been in and out of branch various roles.
499	VA	Do you have any views on unaudited transactions?
500	AB	Sorry unaudited what do you mean by that?
501	VA	On-line banking for argument's sake?
502	AB	On-line banking as a personal view I think on-line banking I use it myself.
503	VA	Let me give you a scenario here ok, back in the day when we used to come to the office, I come with a paying in book right I give you my £500 and you accidentally typed in you know 50,000 or whatever right, you stamped my book, you've kept a copy of the paying in slip as well, at the end of the night you pull off some reports and you can see exactly where you're errors are.
504	AB	Yes.
505	VA	No problem that's an audited transaction isn't it?
506	AB	Mm.
507	VA	Because you can put right the errors on the night.
508	AB	Yes,
509	VA	Now you've brought in new procedures whereby I come in and I come with my card yes?
510	AB	Yes.
511	VA	I give you my card and I give you my £100. You swipe the card on the till yeah it brings up all my details you accidentally put in £1,000 right, you give me the slip and you give me my card back, have you retained anything?
512	AB	Well it depends whether I've produced a receipt.
513	VA	No would you retain a receipt, there's only one receipt produced.
514	AB	Well you can actually do a duplicate customer receipt and keep it yourself.
515	VA	There's only one receipt produced isn't there yes?
516	AB	Well you can request a duplicate so when I have gone into branch of late and not been as familiar as I used to be with transactions, I have produced myself a customer receipt.
517	RA	Yeah but you would only produce that receipt if you felt that you needed to do it, you wouldn't do it automatically.

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518	AB	I would do it just to reassure myself that I was up to speed as I used to be and that would be my safety net.
519	RA	But then at the end of it if you had say 10 customers came that day, are you telling me that you're going to produce a receipt?
520	VA	Can I just ask you a question, hang on let me just finish here 'cos I just want to bring up a point here right about unaudited transactions, so let's just say for argument's sake let's just say for argument's sake, the whole point of you bringing in the swipe card and all these on-line banking is to cut out on paper basically so they would be no necessity for you to take up a duplicate receipt whatsoever because if that was the case you wouldn't have got rid of the books ok you would have kept the paying in slip book ok, no hang on, ok so end of the night, let's just say for argument's sake I gave you £100 you've typed in £1000, your Horizon system is going to show you are £900 short.
521	AB	And it would be my mistake.
522	VA	Your mistake.
523	AB	I would be liable for that mistake.
524	VA	No the Post Office would be vicariously responsible.
525	AB	Not if I was acting as the sub-postmaster I would be responsible for that mistake, we train individuals and we trust individuals to.
526	VA	But would you be able to no hang on would you be able to find that £900 shortage?
527	A	Well if I balanced and I looked and I thought I'm out £900 I would go through my transaction log to see whether I could identify anything that would look like that.
528	VA	You wouldn't find it make I'm telling you now you wouldn't find it, any of your experts wouldn't find it unless I was the only customer that came in and it stuck in your mind that Oh you know what Val came in and he only gave me £100.
529	AB	And that has happened in the past yes course it has.
530	VA	Not when you are dealing with 20, 30 bankings withdrawals etc etc.
531	AB	Val the issue is that we operate in an automated systems, you are trained accordingly to operate the system and then we trust you to do that as per the procedure, if you make a mistake you are liable under the terms of your contract to make good that mistake.
532	VA	You should make sure that the jobs are done correctly and the procedures are correct as well, but you've taken away things that you know for a fact that these guys make a mistake, we can have them under their contract, that is entrapment.
533	AB	It's not entrapment.

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534	VA	Yes it is because if that wasn't the case, then you would have automatically have the system producing two receipts so they can audit their transactions, what is the point of having an audit on the transactions when there are transaction there that can't be audited?
535	AB	But (indistinct) we have a person standing there they scan the information, they look at the screen it says.
536	VA	We're all human beings we make mistakes you said that before.
537	AB	I'm not disputing that what I'm saying is if you make a mistake you're liable for the consequence of that mistake that's what I've said so if you have taken, you've scanned.
538	VA	Entrapment I call it.
539	AB	That is not entrapment.
540	VA	It is entrapment you know it's entrapment.
541	AB	Well I think I have to disagree with you there but can we come back to what we're meant to be discussed.
542	VA	Well I disagree with all of this anyway 'cos I totally, it's rubbish as far as I'm concerned.
543	AB	Well it's the activities that have been logged against the system Val.
544	VA	On what basis? You guys haven't even got any explanation as to where those figures have come from, you're just showing us some, on that day this, track them back and show us exactly how these things appeared, show us evidence that those were put into suspense on who's authority because you need authority to put them into suspense account.
545	KG	No which users transferred those amounts of money into?
546	VA	You can't put them into suspense accounts we've just ascertained that.
547	KG	No we haven't ascertained that.
548	AB	We haven't I've said I'd check it out, we haven't ascertained that because.
549	VA	Why don't you know that then I mean you've been in the business 26 years you've worked in branch?
550	AB	When I operated the system you could and technically I believe you still can but I will want to verify if there's been a change to that.

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551	MB	My understanding we can't, if we have got the access if we sat and talked about it, I'm pretty sure somebody would be on the phone the next day to say you've accessed the suspense account without authorisation 'cos I don't really have any problems in my branch I've never had to get involved with Chesterfield to seek permission or to be advised except once where they did advise us.
552	RA	Well just recently we had a penny hanging around in the suspense account so they phoned us up and asked us why was that penny hanging around in the suspense account.
553	AB	How long was this in the suspense account for Helen can the system tell you?
554	RA	You know it needs to be removed why is it hanging around?
555	HR	You've put that figure in at 18.42 and took it back out at 19.17 but whether anything else is in there I haven't.
556	VA	And this is how incompetent they are right, if they are telling me that figure has been in there since February, it's taken them 'til May 6 th to come out, do an audit, they can access the system, they can see the system, they know what stock we've got what monies we've got bla bla bla, why the hell didn't somebody from the Post Office say "oh you've got this in housekeeping".
557	AB	What this is saying it went in suspense.
558	VA	I know what it's saying, what I'm saying to you is why were your department incompetent in that why had it taken them 3 months to come up and say?
559	AB	Because it wasn't in there for 3 months that's the issue.
560	VA	Hang on you're just saying it's there it's been transferred there in February, the audit and my wife was suspended in May.
561	AB	Hang on can we just walk this again so Helen can you just talk me through it was put in suspense account when?
562	HR	18.43
563	AB	18.43 on the 17 th February.
564	VA	17 th my wife was suspended on the 15 th May.
565	HR	It was taken back out of suspense account at 19.17 on the same day.
566	AB	On the same day.
567	MB	And it appears in DH stock unit but it appears on a line called 'other payments' sorry beg your pardon 'other receipts'.
568	HR	Other receipts so it will have cleared out of suspense into that.
569	MB	Yeah so we need an understanding of how you can actually do that realistically, how.
570	KG	And that's an action we've taken.

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571	MB	You know so someone's got to go again as far as I'm concerned without permission you've gone and provided it's technically possibly to do it, gone back into housekeeping or suspense to take the money out and then selected this redundant stock unit which you obviously still got access to 'cos you've somehow attached yourself to it and then you go and place it on a receipt line is that, again is that technically possible to access a receipt line and say well I'll leave it there?
572	AB	Yeah.
573	RA	So what is 'other receipts'.
574	KG	Yes I mean the answer to that is yes it is, we need the detail to find out what the processes is to do that.
575	MB	But it's still, is it still a shortage at that point 'cos it's still part of the cash account and the next time you strike a main balance that stock unit will report itself as having this much money in there but then I believe later on it got transferred out of that stock unit, we haven't got that, I don't know when that was done?
576	AB	Just go on that point, my understanding and this is what I need to check whether it's changed is that it is technically possible for a user to be able to do that without another password or something so it's technically, procedurally you should have authority to do it but does the system stop you doing it, I don't believe it does and that's the bit I need to verify.
577	MB	Yeah and I don't know the flow of how you follow to do it I mean it's technically it is possible to get into a suspense account 'cos they did advise my branch to do that one once for a small amount and we refused to do it 'cos we know that once you put money in suspense, if you don't get it out in the proper way it can cause allsorts of problems so we, until our TC arrived we put the money in ourselves rather than get involved in suspense so I know technically it's possible but I thought there was like passwords you had to put in to access it and things like that, that's my naivety 'cos I've never.
578	AB	It was never the case but I will check that out that's the bit I need to verify.
579	VA	And can you just explain this to me please, that figure appears in line 12 ok 'other receipts'. Line 12 states 'total of receipt transactions including Client transactions eg personal banking deposits carried out in the current branch trading period'. How can that just be a transfer then?
581	AB	Because the user has transferred it.

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582	VA	Well hang on line 12, these are your procedures here these are your instructions from your manuals state that any figure appearing in line 12 will be a total of receipts transactions including Client transactions i.e. personal banking so they can't just be transfers from a suspense account into a receipt can it really?
583	KG	Well it should be what you've read but you can put from a suspense account into that line that doesn't mean to say that what should have gone on that line is on that line, that's what should be in there what the instructions saying. It's just the same as you can put you know wrong entries on wrong lines, it doesn't make it right but that's what's happened. The facts that we have got is that these amounts.
584	VA	They're not facts they're just figures that you've believed to be facts basically.
585	KG	We haven't made these up these are from the Horizon logs these are from the records they can't be.
586	VA	Why weren't they produced at the appeals then tell me that?
587	KG	Because we hadn't got the.
588	VA	Why weren't they, they were part and parcel of what Andy Bayfield said he was going to get before he made his decision.
589	KG	Well we've now got them now and we're talking through these now so whatever's gone in the past, we have the information now and that's what we're here to do is talk through these figures with you.
590	VA	I'm not satisfied with that but anyway shall we move onto other issues then or?
591	KG	Well we'd like to understand why you're not satisfied and what they?
592	VA	Well I'm not completely satisfied with all these figures that you've come up with you haven't actually explained with.
593	MB	I can read the flow of events and I caught a glimpse of the money coming out again on a slide you just put up, is this the one where it's gone into AA and DH so it's now?
594	HR	It's transferred back out of.
595	MB	On the same day?
596	HR	No a month later on the 17 th of the 3 rd .
597	MB	Oh sorry I'm looking at yeah, so in March that money comes out of DH?
598	HR	Yeah and that goes back into lost local suspense.
599	MB	Oh it's back in suspense now?
600	HR	Yeah that was a month later.
601	MB	And how long did it sit in suspense.

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602	HR	I haven't followed that through I wasn't asked.
603	VA	Hang on hang on hang on a minute, hang on, weren't these figures actually transferred and put into pound notes and that's where the whole problem was not suspense account?
604	MB	That's when the auditors came, that's when the auditors.
605	VA	Exactly.
606	MB	So this, we haven't got any records of money sitting in suspense for any period of time, when Rachpal saw this money in the stock unit because no-one according to Rachpal, no-one was able to understand what she was talking about how this occurred, she took the money out of DH by our own admission but she placed it in her own stock unit.
607	RA	Why would I want to do that?
608	MB	On the pound note line.
609	VA	On the pound note because it was prompting us where's this money come from because she told me didn't you?
610	MB	It didn't sit in suspense for any length of time.
611	HR	Well it didn't sit in suspense on the 17 th it went in and came out
612	MB	No no we're talking about March now we had a slide that showed in March.
613	HR	Shortage discrepancy put back into.
614	MB	Shortage discrepancy suspense
615	HR	Is put back in on the 17 th March.
616	MB	Along with the same overage?
617	HR	It's cleared back in.
618	AB	Those are different 39.29 the other one was a straight 39.
619	MB	So we've got this overage again, the same amount.
620	HR	Sorry where you looking?
621	MB	39.29.
622	HR	No it was 39 exactly the first time round Mark.
623	MB	Oh was it right.
624	VA	No it wasn't.
625	HR	I think it was.
626	VA	It's always been the same figure 309 whatever it is.
627	HR	No it's 39.
628	MB	It's this use of suspense that is unusual about with this.
629	HR	Basically yeah it's gone in and out and.
630	MB	Yeah I can see the ins and the outs in February but can we move to march where it's supposed to have come out.
631	HR	There.
632	MB	So the 436 is in DH.
633	HR	That's the day that it was moved back into suspense.

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634	VA	You see that's weird isn't it because when we've closed DH count down look there's £39 there that's been transferred.
635	MB	So when did it get into, so if that actually happened on the e17th March if that was true that that transfer actually occurred, when did it come out of suspense into Rachpal's AA stock?
636	HR	They had a gain of £39.29 on that same day in AA yeah.
637	MB	On the?
638	HR	On the 17 th of the 3 rd on line 27 can you see, if you look further on column G.
639	MB	Under G yea.
640	HR	Yeah that's a gain of 39.29 and then 397.52 there was put into AA stock and that is cleared loss from suspense.
641	AB	And that's the net.
642	HR	So that's 2 isn't it?
643	MB	This doesn't make sense. Ok so there's an overage nothing unusual for a unit that size but you've still got your, you've still got your 436 sitting in DH and then it's transferred reduced by it's overage again, transferred into?
644	HR	AA.
645	MB	AA making it 397.
646	HR	Yeah.
647	MB	And left in AA?
648	HR	Yeah.
649	AB	But the 397.52 is the net figure from 436.81 minus the over of 39.29 so that's why the amount has changed.
650	MB	So allegedly a decision's been taken to transfer 436 out it hit an overage which reduced a little bit further?
651	AB	Yes.
652	MB	And again, it's got your log on details on.
653	VA	But then what's that 96.62?
654	HR	That's in June.
655	MB	There's a further surplus in June isn't there, is that not the surplus in?
656	HR	No that's another shortage it's a combination of AA bureaus.
657	VA	So where's April then sorry you've got March there where's April, May?
658	HR	Probably didn't use suspense in April, May.

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659	MB	So what we're left with then is figures flying in and out of a suspense account, but we've yet to establish whether you can physically do that, we know technically it's possible but whether or not there's any barriers to stop you but if there's unfettered access to a suspense account, I'm surprised that Sub-Postmasters haven't worked that one out and are holding losses so that they can argue with the business later.
660	KG	And I think a lot do.
661	MB	'cos that's how it used to be.
662	KG	And I think a lot still, although there's instruction saying you shouldn't use that.
663	MB	They're still doing that.
664	KG	A lot of Sub-Postmasters do.
665	RA	So why isn't it that if they're doing it, why aren't they asked why they're doing it?
666	AB	I mean like you said you had a penny in there and you had somebody ringing you saying why had you got that.
667	MB	But how long would it take the business to say say someone's accessed the suspense account without permission, I'm sure this is monitored?
668	HR	No the Cash Centre can see all the figures that we put in.
669	AB	But they wouldn't go in, they would not go into.
670	HR	They know exactly how many pennies we put on the penny column, how many, what we've done in what, they can see exactly that you know.
671	KG	Then they juggle them around, we've got evidence of that so no need to look at me like that.
672	RA	I didn't look at you like anything.
673	AB	Mark I'm not sure, clearly we will be monitoring suspense account, I'm not sure of the frequency, again I can check that but in some of the instances it's just gone in and out so clearly that wouldn't register with this 'cos it's within.
674	MB	It caused us no end of (indistinct) within the Federation when the suspense account sort of unfettered access was taken away from us, I thought that was a physical removal I didn't appreciate that if you know what you were doing, you could actually still access it but I thought perhaps there might be some sort of gay keeper there saying the next day almost you shouldn't have gone there and that would have forced you to take it out again but it would appear if what you're saying's correct that this practice is still going on, whether or not it's being efficiently policed I don't know.
675	KG	And it will I guess it depends on the scale of it and the resource available etc.

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676	MB	Because what we're told is if you've got something you want to dispute, no-one mentions suspense account, you're told settle centrally, now does that put something into your housekeeping, where does that shortage go?
677	AB	Effectively it holds it doesn't it?
678	MB	Yeah but where does it hold it, is that an explanation as to why money's gone in?
679	KG	I think it's one in the same but I think that's the action we need to explore.
680	MB	Has someone on the system in February pressed 'settle centrally' without realising what they've done is that why the 436 has gone into the suspense account and Rachpal has thought this is connected with the stock unit and has gone off on a fools errand.
681	AB	Can I just ask Helen, wouldn't that show on there if it was settled centrally on the loss?
682	HR	As far as I know (indistinct).
683	MB	'cos we haven't got an explanation as to how the money got in local suspense or housekeeping whatever it's called.
684	AB	We have on the event log, clearly it shows a user.
685	MB	It's got a user there but it's been denied that the user actually did that act.
686	KG	Nobody else can access that use account, nobody, it's password, the only person that's got the password is the user, nobody else Mark can use that.
687	VA	How do you do the maintenance on theses systems then if nobody else can get onto the systems, don't you do any maintenance on Horizon?
688	KG	We up-date software Jujitsu would, yeah we would up-date software and we would do routine maintenance but that doesn't mean we would anybody would have any access to user logs. I think the only outstanding action here is to find out around the suspense account and the central.
689	MB	How easy is it to get in there yeah.
690	AB	Yes technically is it doable in branch by a user that's logged onto the system in branch and we'll take that action.
691	KG	But this is pretty conclusive around the audit trail as to how the amounts got transferred and from where.
692	RA	But then surely if, if it's got settle centrally then they would be asking for the money?

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693	MB	No sometimes they don't they forget, pressure of work, I've had cases where it's been quite some time when all of a sudden Chesterfield are on the phone saying "oh this error you had that you settled centrally, we'd like our money now" and it's been months sometimes up to a year before they've contacted.
694	VA	So it's alright for them to be competent and you know pressures of work this that and the other, hang on and yet if there are just like these hundreds, 200, 300 Sub-Postmasters that I've been talking to that have been suspended and you know they're taking action against the Post Office, it's alright for them to make minor errors and then the Post Office just thrown the book at them, yet it's alright for these guys to accept it as "oh you know we got pressures of work we've got this we've got that etc etc".
695	AB	That's not what we're saying.
696	KG	No not at all and it's entirely, (indistinct) activities are entirely unrelated.
697	AB	If it's something settled centrally it's taken out of the branch system, what we are evidencing on the screen here that the amounts weren't taken out of the branch system they were moved around in the branch system, declared as being in a stock unit when actually there was no physical stock or cash in that stock unit.
698	VA	Ok tell me this then please, these shortages were placed onto pound notes.
699	MB	Once it came out of suspense.
700	VA	Yeah. This is where it all kicked off ok when as far as I am concerned, it was a set up by Mick Searle ok I'll tell you that now and it was a vendetta basically and all of you were conspirators basically ok in the Post Office.
701	AB	Sorry Val I've only just got involved.
702	VA	I'm sorry but I'm going to speak my mind I'm not frightened to open my mouth ok you can take whatever legal action you want against me after ok and this is my opinion ok.
703	AB	And you're entitled to your opinion yes.
704	VA	And at the end of the day Mick Searle knew about this money being put into pound notes, he was told that we done.
705	AB	And how much was this?

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706	VA	No we haven't ascertained, you're saying it's conclusive bla bla, I don't accept it Mark's not happy with it, are you happy no we haven't got full, no hang on we're not satisfied I'm not satisfied anyway ok until this further evidence of where this money has come from ok so but anyway at the end of the day Mick was asked right way back in February and March and April to find out about this and he never came back. Your call centres were asked, your helpline centres, Mick's boss Andy was asked "why didn't you lot look at it, why didn't somebody look at it, explain to my wife exactly what the problem was".
707	AB	Val I can't explain that, what I can, you've asked us to show.
708	VA	Well you see this is it, you can't explain it, you can't explain it you can't explain yet your auditors came in and took the decision to dismiss my wife.
709	AB	On the basis of what the system said should be on hand wasn't on hand.
710	VA	But hang on yeah we would have put, look we're not short of money right we've put in the tune of £6,000 in, hang on.
711	AB	I'm not, Val I'm not disputing that.
712	VA	In shortages, the problem is, the problem is we brought it to your attention right at the onset, you did nothing about it and then 3 months later you threw the book at my wife, classed her as a criminal.
713	AB	What happened was.
714	VA	You were incompetent that's what happened.
715	AB	I think I'm entitled to speak as well Val, what happened was when the auditors have come to verify the cash and stock on hand against what the system says.
716	VA	Auditors in waiting basically because they were there within half an hour.
717	AB	That's irrelevant.
718	VA	No it's not irrelevant, it proves my point that this was a set up.
719	KG	No it doesn't
720	AB	Why is it a setup?
721	VA	Why was it a set up how come it took you 3 days, 3 days to get the auditors to my office to re-open it and yet when Mick came in there and made an error, when the auditors did come within half an hour of call right they found the shortages to be exactly the same as what my wife had made them the night before and yet Mick and his side kick that Wendy counted the stock 3 times and found it to be £1500 short, £1500 short how do you explain that, they're incompetent they couldn't even count the stock and the money correctly.

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722	AB	Mick didn't undertake the audit though did he?
723	MB	I think we're moving into a separate little piece of this whole case was the way was conducted, the audit wasn't, was called because people came to check stock and cash as part of the Horizon preparations. I've recently discovered that you have tiers of tolerance so any shortage found below I think it's £1,000 the people would just notify the Sub-Postmaster that if that's still there upon balance day that must be made good but if it's above a certain level, auditors are called in as a matter of precaution. The cash and stock on that day had it been counted correctly by Mick and the other lady that came, they wouldn't have had the need to call auditors in. They, for reasons that we could go into but I don't know that it's appropriate during this meeting to go into, the reasons between the two of them I know at least one of them is more than capable of counting stock and cash and they, in my opinion said this branch is short by over £1,000 we're calling in the auditors so they forced an audit when one wasn't necessary and I believe that was the opinion of the auditor when he came. However when the auditor verified that the state of the office on that day was below tolerance levels, he did find this entry on the £1 note line and he wasn't happy about that and reported it to the Contracts Manager that's when the suspension started and the rest is history so I can understand why Val's aggrieved that an audit was brought about, we wouldn't be here today if it wasn't for the fact that that audit was called in unnecessarily.
724	AB	Yeah but had everything been.
725	MB	And this should have been picked up by people checking cash on hand at night because the repetitive entry of money on disused notes should have been picked up as part of cash management.
726	AB	Can I just kind of just back track a couple of.
727	MB	So it couldn't have gone on forever that's what I'm trying to say.
728	AB	Yeah but can I just backtrack, I mean I wasn't on hand with Mick and whoever else was there so and we can you know I don't think it's right to assume that they enforced an audit, human error could have occurred like we discussed earlier with Val so the point is an audit was undertaken and there was found to be a discrepancy so I think that's the start point of this, not what went on before and I think we have to take it from there. What we've been asked to do is produce the information.

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729	VA	Yeah but that discrepancy Mick knew about it that's the whole point thought, if Mick had used his noddle instead of bringing this vendetta into play Mick you know he could have sat down with my wife and said "Rachpal can you just explain this to me" and that's where I would have turned round and said "well Mick first and foremost it's not £1500 short it's only about 7, £800 short and you know what there it is do you remember those pound note entries I told you about in February, I told you about in March I told you in April, Andy came here" etc etc they are nothing more than liars because I've got evidence here of them saying.
730	SM	Val who's Andy?
731	RA	Andy Thompson.
732	AB	Andy Thomson.
733	VA	You don't even know your own organisation.
734	AB	Well without a surname it's difficult to pinpoint somebody called Andy.
735	MB	Had people had acted 'cos there was calls for help during all this, had people responded to those in the right way then this data would have been produced, we'd still be left with the fact that this audit trail shows that your stock unit transferred money from the, your stock unit into a redundant stock unit which you have denied so that's where the (indistinct), there is this discrepancy you don't know how it occurred but it occurred in stock unit AA yours and it was, according to those records, it was transferred out and placed somewhere else.
736	KG	On records that can't be manipulated and have been clearly done by the user that has a personal ID.
737	MB	And that, to me to my way of thinking now we got the benefit of this flow of events, there's an impasse because your side of the table's saying it's unequivocal there's the evidence we produced it and Rachpal's saying.
738	KG	And where are you on this Mark?
739	MB	Sorry?
741	KG	How do you see this?
742	MB	Well I'd like to talk to Rachpal a bit further now we've had the benefit of this because you know it is in the great scheme of things in the size of this branch it is an insignificant amount of money, it's not the actions of someone who's short of money and trying to hide a huge loss and Rachpal's remained steadfast through this.
743	KG	And Rachpal's been reinstated.
744	MB	Yeah.

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745	KG	And what I personally want to do on behalf of the business is rebuild the relationship. I don't, you know I'm not of a mind to, we're happy to share this information and give you more detailed information, what I want to do genuinely want to do is build the relationship going forward and try to put this behind us. It's caused a lot of grief on all sides and to our customers and what I really want to do now is to say can we put this behind us, can we build a relationship and you know can we take the business forward and we want your business to be a success and we want to support you in making that a success that's where I'm coming from.
746	MB	'cos the alternative is just for the path wells to go back into dispute mode and say "actually we're going to fight you to the end over that amount of money 'cos we never did that transfer it was not, it may appear on there as us doing it but you'll have".
747	KG	And obviously there is always that option for you if that's what you wanted to do but that is not our preferred option, we do want to build the relationship we want to take this, we want to draw a line under it and we want to take this forward and that was the purpose why I called this.
748	MB	You can get very technical about this I mean there's no doubt about it this uses remote access software it's designed as for helpline operators to look at the account 'cos all it is is an administrative network system and there are levels of administration which have certain access rights to individual accounts otherwise you wouldn't be able to get some of the help you get over the helpline.
749	AB	We can't but we cannot go in and amend.
750	MB	But physically yeah the issue of physically
751	KG	Amend or transfer.
752	MB	You know it's one of the discussions I want to have with my executive next week is to seek some form of laid out protocols within Chesterfield as to what are the protocols of access. There will be at some stage the technical potential for you to access a cash account.
753	AB	But not POL, nobody within the Post Office can do this Mark.
754	KG	We are very very happy to sit down with you and your executive and George and Vin as we've made on all occasions and discuss that in lots of detail, be totally open with you and so you can understand and we can build the confidence.

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755	MB	As you can appreciate it is a very simple computer at the end of the day sitting at the end of an ISDN line and if someone knows what they are doing, they could hack in, if they've got the access rights but of course records would be kept to that somewhere 'cos you can't even look at a computer without it keeping a log of what's gone on.
756	AB	As an audit trail.
757	MB	But you know it is technically ultimately someone within Fujitsu could get into a unit and do whatever they need to do.
758	AB	Not without being seen to have done that Mark.
759	KG	I mean this is military level security we've got within the Horizon system, it's highly encrypted, it's very safe, it meets all the external tests but I don't know how you want to or what the way forward is whether you want to speak to Rachpal.
760	MB	Well you can appreciate that is evidence we've only seen today.
761	KG	Yes of course it is and I'm not, we want you know.
762	MB	What I was expecting from Andy when we had the appeal that he agreed with me this has only happened by one or two ways either this entry has happened from a mysterious or someone on the team at Ferndown would be recorded as doing it, do you agree with me and this now on paper for the first time of looking at it has shown that that log on code was used to do that transfer.
763	VA	Well they've had ample time to play around with it haven't they you know to manipulate it whichever way they want to and bring it in otherwise Andy would have produced it at, you know he's supposed to be, excuse me he's supposed to be the National Appeals Manager, National Appeals Manager and a guy on tape goes round saying he will spare no cost he will produce all these (indistinct)
764	MB	Well would it make you feel better if Kevin explains perhaps.
765	VA	They're just bullies nothing else.
766	MB	Why Kevin didn't deliver do you want to know.
767	KG	Why Kevin didn't deliver?
768	MB	Sorry why Andy Bayfield didn't deliver his undertaking?
769	KG	When I got involved in it there was an action to produce the log, it takes time to produce the log, there's considerable cost to produce the log.
770	RA	But Carol Ballan had from the day she suspended me to produce this log for 6 months she had to do that Carol Ballan.
771	KG	And we've got, all I can say is we've got the log now you know we can share the log with you.
772	MB	But why did he go and make a decision to terminate the contract without completing the action he set himself?

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773	AB	'Cos he felt at the time he had sufficient information to do that, I think the issue.
774	MB	He didn't have that.
775	AB	I think the issue now Mark is that Rachpal has been reinstated so.
776	VA	It's not a point we're not here about that now Mark's asked you a specific question you answer that question never mind that Rachpal's been reinstated.
777	KG	The answer to that question is we don't normally need to get the logs out, in most appeals and Mark you'll know this, we don't get, we don't go back on the logs because we've got confidence in the system in exceptional cases.
778	VA	But he did say he needed that log to make his decision.
779	RA	Yeah he did.
780	KG	And all I can say is without understanding the facts that Andy did, that was an error if he promised that and he didn't do it he should have done it and we've.
781	RA	He made his decision even before, even before receiving our comments. He hadn't even received the comments and he sent back by special delivery my termination.
782	AB	Sorry you attended an appeal with Andy didn't you?
783	RA	We attended appeal, he sent his notes back to say do you agree with these notes or not, we hadn't been given the chance to send those back and the next day the special delivery came to say I agree with Carol Ballan and.
784	VA	You've been dismissed etc.
785	RA	Dismissed you, your contract is terminated.
786	VA	So he was under instructions basically right from the onset doesn't matter what you say bla bla.
787	KG	No it wasn't it wasn't.
788	VA	Yes he was.
789	KG	No he wasn't.
790	VA	Listen to me please. I'm not some riff raff that you're talking I've been in the business myself 25 years ok right I've built businesses left right and centre.
791	KG	Excuse me I hope I've given no impression whatsoever well I know.
792	VA	You guys have bullied my wife out of her job basically and sold and other 100 odd Sub-Postmasters that are waiting in line to see you guys.
793	KG	Have I treated you like riff raff during any of this.

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794	VA	You're insulting my intelligence by telling me that it's not the case when it blatantly is
795	KG	No I've not that is not the case that is not the case.
796	RA	Can I just ask you one question, what action have you actually taken against Andy Bayfield for making (indistinct).
797	VA	Do you see that there,
798	KG	This is.
799	VA	Hang on let me, do you see that there, well why does the stamp there say it's a dealer issued, dealer issued road fund licence, my daughter was accused of nicking this out of the Ferndown office and Carol Ballan had this, Andy Bayfield had this right.
800	MB	Just one of the side issues that were involved in the original (indistinct) suspension.
801	VA	Theft they said she stole this licence.
802	KG	What we're trying to do, what we're trying to do here is establish the facts the transfer we've produced this evidence today, we've reinstated Rachpal what we're trying to do is rebuild the relationship, that was the purpose of this meeting I mean I wanted this to be a constructive meeting and that's.
803	MB	But it's been constructive in so much as we've you know we've got some information that would have stopped all of this a lot earlier on so you know thank you for getting this in that level of detail we can see what the audit trail is showing. Rachpal is still disputing that she actually did that transfer. I've got to have a talk to her now to say what do you want to do, the business is saying that is you, they would show that in any forum and say this is our evidence it will be Rachpal's word against.
804	VA	Well let's get an independent expert on it then let's get the Fujitsu to sign it off.
805	MB	Well that's what I want to talk to you two about how far do you want to take this.
806	VA	Let's get an independent expert on it to sign off these reports etc. That's her word against ours basically so it requires an independent expert.
807	MB	Well again it's not quite your word against theirs.
808	VA	But the balls in their court to prove us wrong, I'm innocent until proven guilty no.
809	KG	I think we've produced the.

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810	VA	That's your manipulated figures as far as I'm concerned, you get an independent expert on there I can't see that that's been underwritten by Fujitsu of your partners, you haven't written this software or whatever, these systems are not even yours, let me have a look at your partnership agreement with Fujitsu which states how you have to handle this data.
811	KG	I can assure you there is not way that this information that we're sharing with you has been.
812	VA	Get an independent to verify that then. Well get an independent.
813	KG	We're more than happy to share this information for you to take this away.
814	VA	Get a declaration by an independent expert to verify that then. You shouldn't have any problem with that should you?
815	KG	This is all, every key stroke that's made is. None of these could be.
816	VA	Look we are not going to see eye to eye here, you get an independent expert with a declaration to confirm that then.
817	KG	We are very confident that our systems are.
818	VA	You may well be I'm not.
819	KG	Well we can share this information.
820	VA	I've been through the system you don't know what you put us through for 6 months. You are nothing more than bully boys basically you've bullied us out of a job.
821	KG	And I don't agree with that whatsoever.
822	VA	No you wouldn't.
823	MB	So what you're saying to bring this to a conclusion is that, but obviously this is your evidence and you're prepared to stand behind and you're also prepared to sort of say right if the Athwals are, they're not going to be happy but if they are prepared to draw a line under this then the relationship moves forward as is this never happened.
824	KG	That's what the purpose of this meeting was to do.
825	VA	This letter is a formal confirmation that although there is no legal obligation, what arrogance, this letter's nothing more than arrogance, arrogant attitude.
826	KG	I'm not sure that this helping (indistinct).

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827	MB	But anyway we are at this point when the business is saying you can take this further and it will take a long time to resolve or you can right well is it worth it for that sort of money, you are back to work you've got your contract, your records not marked in any way and as Kevin's just saying it never happened and it will just leave a horrible taste in your mouth for the rest of your careers and the Post Office but there is issues to discuss media outside of this meeting to do with the way help is provided when a Sub-Postmaster says "I think it's the system." There is no-one to turn to that could get their hands on the sufficient information to prove to the postmaster actually no it's down to your branch.
828	KG	As I say we're very happy to talk to you and your exec around.
829	MB	We definitely need a much better system when someone calls IT issues into question, we don't seem to have a robust process to be able to handle that but I'm happy to leave that to our negotiators who meet you on these matters to come up with a system 'cos we've got dispute procedures for rem's but we bizarrely haven't got one to deal with Horizon in a robust enough way and I think cost inhibits that but I think we don't want a repetition of this sort of thing I think we might need to look, try to find a way of resolving a Postmasters concerns when he thinks his computers gone wrong, it should be a lot easier these days whenever they've been moved online but you can never be sure but I'll need to talk to these two now and decide you know how far do they want to take this and you've made your case quite clear you've got your evidence.
830	KG	Do you want to continue to use this room?
831	MB	Do you want to discuss is then come for a break and then?
832	VA	We can go for a little break if you want.
833	MB	I'll tell you the situation as I see it ok.
834	VA	Yeah I mean there are issues I still want to have a chat with these guys about, there's other issues you know at the end of the day, excuse me my wife is happy in the job she's doing, she'll continue to do that you know I have got issues that you know as a result of what they put my wife through right I have suffered, I was buying 4 Post Offices and I'm dedicated. You know these guys I tell you what I told Nigel Allen, I've known Nigel Allen for some years you know and I said to Nigel when all this kicked off I said "Nigel come on mate you know you and I go

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		back a long time" I said "let's sit down and let's go through it because you know we're not short of money and there's no way we would have tried to fiddle the system right" I says "you know I'm an accountant I would oversee all these figures etc it's my business my wife runs it with my daughter and staff right" do you know what he just pushed me away I said "Nigel look don't push me away please because I am going to fight you I am not going to stop" and I am still not going to stop until these guys come out with some explanations as to how they (1) are going to compensate my wife for the life that they put her through for 6 months, secondly how are they like you have just said, what about all the other poor chaps that have lost seen, she's been sent to prison, Rabeen has been sent to prison, Mrs. Uppal, Jackie's in Court, I'm going to Court on Monday Jackie, that's Monday, Mrs. Uppal's in Court on you know the 17 th , all these things how are these guys going to deal with all the other issues now you know, how are we going to move forward?
835	MB	I'm sure they're aware of all these cases that are going on and you know the executive, I've already flagged this is up to (indistinct) that with all this talk of mutualisation and everything else that you know this sort of stuff's got to be sorted out before we can come close to even.
836	VA	I mean are they 6 months down the road going to come banging on our door and harass my wife again.
837	MB	Well no I think there's lessons to be learned and I'm sure Kevin will even admit that there's even lessons to be learned with the way your particular case was handled.
838	VA	Mark you know the day of the audit right, seriously, I'm sorry to, I apologise for interrupting but do you know the day of the audit right I've got 6 women working there right, big heft blokes turned up 4 of them intimidating women basically, bully boys that's what they are and when I challenged them they're not even auditors and yet they go round claiming to be auditors.
839	KG	Well they don't need to be qualified auditors.
840	VA	They're stock takers. I'm a qualified auditor I belong the Chartered Institute of auditors I cannot go round saying I'm an auditor unless I have some qualification.
841	KG	They don't claim to be qualified auditors and never have, they're qualified to.
842	VA	They couldn't even explain the losses to me.
843	KG	They're qualified to do the job that.
844	VA	What job, stock take that's all they are.

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845	AB	Well Val, well effectively that's what they're doing on sight isn't it, your system says that's what should be on hand, they verify if that's on hand or not and if there's a difference that's what's declared it doesn't mean.
846	VA	Well if there's a difference they've got to first and foremost show us where that difference is, how have they derived at that difference basically.
847	AB	Yes and they would.
848	VA	They couldn't explain that to me.
849	AB	No what they would do to you is say that's the stock figure, do you agree that's the stock figure, that's the cash figure do you agree, that's what the system says should be there.
850	VA	Well in our case there was £400 transferred out of the safe into a stock unit registered to unemployee who wasn't even working that day and he couldn't explain to me how that was.
851	AB	Well how could they explain because they weren't on sight when that would have happened. They're there.
852	VA	Same as you couldn't explain that, exactly.
853	AB	Val they're there to check what's on sight.
854	VA	Do you then agree that there's a problem with your computer system or not, is there a glitch in the computer system?
855	AB	No there's not.
856	VA	No well why wasn't he able to prove this 400 transfer then, if there wasn't a glitch in the system then he should have been able to pin point something along the line oh look.
857	AB	You claim there's a glitch in the system in reference to the £436.81p.
858	VA	And the £400 on the audit that they carried out.
859	AB	We have demonstrated from the information that we have.
860	VA	No you haven't you've satisfied yourself you haven't satisfied me.
861	AB	Well I have satisfied myself yes because I have seen the information and that is down to a user at Ferndown under a password only known to that person who has accessed that system, nobody else could have done that so therefore I am satisfied that that was not a glitch in the system.
862	VA	But the £400 transferred out of the safe into a stock unit with a recipient on that stock unit wasn't even logged on, didn't even work that day, how do you explain that?
863	AB	Well I haven't looked at the evidence so I can't but I am sure given that I am confident in the system.

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864	VA	Hang on hang on you haven't looked at it, somebody's looked at that information do you know why because that was part and parcel of the transfer of the office back to my wife when she was reinstated so where (1) I wanted to know where is that money gone to, how have you written that money off is it going to come back into play just like that £400 odd.
865	KG	Well that was the transfer of stock from the temporary Sub-Postmaster over to your wife so the shortage there if there was a shortage.
866	AB	Would not have been transferred to Rachpal.
867	KG	Would not have been transferred to you, that's not, I can't see that as.
868	VA	What Chris said to me was oh you know what I'm going to transfer it out of your office into a account suspense account "oh are you can you let me have details of this suspense account" "er er no because I don't know where it is, what you're an auditor you're transferring figures of our my office into a suspense."
869	KG	This is really.
870	VA	No hang on this proves that you guys don't even know what's going on here, he's transferred money out of my office into a suspense account, these are Chris' words the head auditor and you can bring him here if he's here right and I asked him to show me details of the stock or the suspense account that he was transferring that money into and he didn't have a clue where it was held.
871	KG	Well surely, surely all that's important to you was to make sure that the stock and cash that was transferred to your wife was the correct amount.
872	VA	And I was happy to sign that but I was not happy to sign the shortages which he wanted me to sign, I said no I am not going to sign those.
873	KG	As I understand it.
874	VA	And do you know why then he went off in a huff, he threw his toys out of the pram and bugged off only to come back an hour later.
875	KG	But we didn't ask you take any shortages or any loss.
876	VA	You wanted me to sign for those shortages, why did you want me to sign them then?
877	KG	I think just as a record that he'd been there and that's what he had found in the branch he wasn't trying to get you to accept those shortages at all. I think.
878	VA	Well the point is this then Kevin, the point is this, where have those shortages gone, how do I know that they're not just hiding in the system somewhere and they'll come back.

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879	KG	Because, because you took over the amount of cash and stock that you agreed to do and that was net of the shortages so the shortages weren't there so.
880	VA	No no the shortages are there and they'll just keep on rolling over rolling over, they may be hidden away in some suspense account and then 6 months down the road, just like this figure has just appeared from a suspense account when we haven't put it into a suspense account, my wife hasn't put it into a suspense account he has told me he's put it into a suspense account.
881	KG	Well I think we're (indistinct) 'cos we've got evidence, we've got evidence that.
882	VA	Money was in the suspense account, who's put it there you haven't got that evidence?
883	KG	We have we've got the user ID, we've got the user ID and the only person that can get access to that user ID is the person registered to it and with the password, we've got evidence that that happened it was transferred from a stock to the suspense account and then back into the stock.
884	VA	So just like that £400 from the safe to a stock unit where the employee wasn't even working, simple.
885	KG	We have categoric evidence of all those. It's very very.
886	VA	I've got categorical evidence showing £400 from my safe into a till when the employee wasn't even logged on.
887	KG	It was a transfer.
888	MB	If I could have just say 5, 10 minutes we think so we can sort of bring this meeting to an end and both decide what your next move will be but you've stated what your next move would like to be is that this all, from this day on.
889	KG	And draw a line under it and we move forward.
890	MB	Yeah subject to some tidying up some things which will leave it to normal protocol's to do that. Again you know there's lessons to be learnt and we don't want a repetition of this type of thing happening again simply because from the very beginning the whole matter wasn't handled in a very professional way.
891	KG	What we need is the relationship to be put on a firm footing a positive footing.
892	MB	Yeah with regard to the branch yeah.
893	KG	So we can work together that's what we would like that's what we want from this.
894	MB	Ok.
895	VA	Andy Bayfield said it was handled very unprofessionally do you accept that?

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896	KG	What I want to do is draw a line under this and move forward. You know we've said I've reinstated Rachpal we've give you the back pay we want to build a relationship we don't want, you know whatever the evidence shows, we now want to move forward we want to put it on a professional footing, want this to be positive because you know we want your business to succeed and we want to help you make it succeed so that's what we want.
897	MB	If I could just have say 5 or 10 minutes to talk to them.
898	AB	I'll knock this off Mark and then take this with me ok.
899	MB	Well I've spoken to Rachpal at length and explained everything that we've heard this afternoon and thank you for all the evidence that's been produced. I mean I think it goes without saying that if that had been produced a lot earlier on in this case we wouldn't perhaps have to be here today. Although Rachpal is still not prepared to accept that she did that transfer but she appreciates that the would require her to back that up with evidence and that would take an enormous amount of time, it would involve litigation and she's just not prepared to go down that road to argue what would essentially be a point of principle and a matter of honour for her. She's heard your offer that the business is prepared to draw a line under this case and she thinks that's the most pragmatic way forward and that's what Rachpal would like to do.
900	AB	Ok
901	MB	Ok obviously she doesn't want to have any sort of further repercussions, she's not prepared, she doesn't want to be treated as a special case she doesn't want any sort of like snidy remarks or further comment made.
902	KG	And I give you my personal assurances that won't be the case.
903	MB	Ok and as I say we'll have to draw a line under this and just move forward as if it never happened. The federation will want to take up certain issues because the case was particularly badly handled by management all the way down the line but I don't want to sort of open up those wounds at this meeting, we'll leave that to the appropriate channels.
904	KG	And we're very happy to talk to you as always
905	MB	Yeah but I've made the offer to Lyn before she concluded the case or before she moved onto other things, said that what's at fault here really is procedures and processes and I've got some experience in those in how to deal with disciplinary matters and perhaps we could set up something a bit better for the future but that offer's still there.

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906	KG	As I say we're always looking to, if we can improve the process we're always looking to.
907	AB	I think quite right I think that's a separate conversation.
908	MB	Yes it's business as usual between the Post Office and the Federation. I think we can, we definitely do need a system or a process in place where a postmaster can say "actually I think I've got some IT issues" there isn't actually a body of people to turn to that could parachute in and alley fears and talk the postmaster through, roughly in the same way as occurred today but again we'll talk about doing that. Just one other thing. Obviously there's been, dragging from the closure of Ferndown Post Office there's been media interest and all three of us have been approached by the media and have given interviews but I for one will be making a statement to the journalist I spoke to to say as far as I'm concerned the business has dealt with the matter in a appropriate way Rachpal is moving on with her career as a postmaster. My main comment to the journalist doing the programme was around the lack of processes in dealing with these such issues. I didn't make any comment on Horizon being inherently at fault technically. I said you have to accept individual PC's can go wrong and that's how I felt at the time but now I've had the benefit of this information I'll be able to go back and say it was shown to me that the system perhaps maybe did not go wrong and there were other issues around it so I will clarify although it may be too late for their programme, I will be making a statement to sort of tidy up what I said to them but there will be TV programmes about this case but the main programme is being launched by the group that is threatening legal action against the business since programmes instigated by that group. We were just dragged into it because Ferndown was a live case so just heads up that you might see us on television over the next few days.
909	AB	And what's programme is this Mark?
910	MB	I think it's called, it's inside out but I think it's localised so it will be just in the South.
911	AB	Right ok.
912	MB	Alright thank you very much for your time.
913	VA	Can I just add to what Mark has said that what he's discussed here with you guys is obviously to do with my wife and Ferndown Post Office. What I want to do is my business basically. I will carry on speaking to the media, I will give an interview and I will tell them that I have seen this information in my opinion it's nothing more than just an excel spreadsheet made up by you guys and you know I don't agree with it but that's my choice.

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914	AB	Do you still want the disc copies of the information that we've retrieved?
915	VA	Sorry.
916	AB	Do you still want the disc copies of the information we've retrieved from Fujitsu.
917	VA	I want somebody to independently verify those excel.
918	AB	No what I'm saying is do you want a copy of the discs that I said we would give you, do you still want that?
919	VA	Well yeah if you let us have those discs yeah but those entries there as much as my wife disagrees with those, you know you will obviously you know, I'm agreeing to disagree until such time as you can provide evidence by an independent witness and declaration that those are the true entries then I'm not prepared to accept them and I will go on record to say that and furthermore please I have got a lot of interviews lined up, I am going to carry on my programme unless obviously you want to talk to me independently.
920	AB	The purpose of the meeting was around Rachpal as the Sub-Postmistress, we've concluded that, our relationship, ongoing relationship is with Rachpal under the terms of the contract as we've entered into so that's where we stand.
921	MB	I can't tell Val what to do but I did advise him to be very careful what he does and say you know as part of our discussions I said well yeah we can force this to verification but it will take an awful long time an awful lot of money and awful lot of pain and anx, going down that road just to verify what you've shown us today but I know you particular and I can't imagine for a moment you would authorise someone to sit down and just type out that information to make it fit you know. I have to take your word as a professional person that you wouldn't do that.
922	VA	Well I've got the community backing behind me. I'm happy to talk to my community leaders and I've got an interview lined up with them tomorrow in the Midlands and I shall continue you know. At the end of the day I haven't seen an apology from these guys they're not made to apologise for their, they're not made to compensate for the 6 months of harassment what they put my wife and my family through, labelled us as criminals basically thieves, those were the words used you know, false accounting and theft you know we were criminals.

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923	MB	The way it's handled is in a way a separate issue Val and it's the way that this case was handled that I'll ask people within our executive to discuss to see if we can use different language and take a different approach when having to deal with postmasters over such sensitive issues 'cos there was a little bit of jack boots first type attitude that went on with the way Ferndown was handled and that just compounded the problem. Now we've got down to the nuts and bolts and the main facts of the case it's become clearer and had we had that data right at the beginning and I think basic contracts manager should have had that data to prove their case in the first place and as I say it wouldn't have snowballed up the chain of command where we have to involve directors in dealing with something which quite honestly a contracts manager could have dealt with.
924	AB	So we'll have the conversation separately.
925	MB	But as I say that's best taken away and spoken about as in normal business that the federation has with you.
926	AB	Ok thank you very much.

Interview notes received and agreed

Signed.....
.....Date

Name

Signed.....
.....Date

Name