

## Analysis of Marine Drive Transactions

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Date: 25/08/2006 17:17:00

### 1. Introduction

As part of a prosecution associated with Marine Drive Post Office, Anne Chambers and Gareth Jenkins have undertaken an analysis of all transactions that took place during Cash Account week 42 in that Office.

Week 42 transactions were those between 8<sup>th</sup> Jan 2004 08:59:11 and 15<sup>th</sup> Jan 07:36:14.

*Note that there were £408 of National Lottery transactions recorded at about 07:00 on 8<sup>th</sup> Jan which were accounted for in week 41; and £326 of similar transaction at about 07:28 on 15<sup>th</sup> Jan together with the correction of £1,103 which I understand is in dispute.*

The purpose of this note is to outline what was done and also to comment on the letter sent on from the Post Office Ltd solicitors where Mr Castleton is claiming to have shown that the Horizon figures are incorrect.

### 2. Analysis undertaken

The initial set of data obtained was the extract from the Transaction Log that was submitted to Post Office Ltd as supporting evidence. (ARQ xxx)

Subsequently a complete extract of audit data for the period concerned was obtained. This included non transactional data (including opening figures) and the electronic Cash Account information which was subsequently submitted to Post Office Ltd's back end systems and represent the same information as was printed on the paper Cash Account which Mr Castleton should have signed at the time.

We are awaiting copies of the actual paper cash accounts for weeks 41 and 42 to confirm that the printed figures match those extracted from the audit data for this analysis.

The initial check was that each Session's data was completely recorded in the Transaction Log. This check identified a transaction missing from the ARQ data for a value of 92p on 12<sup>th</sup> January. This transaction did not include its Start Time and so the ARQ extraction process ignored it. However it would not have been ignored by the accounting functions at the counter and a report would have been generated that night as part of the overnight checks.

*We are still investigating to see if we have an audit copy of that report.*

*Action is with Penny.*

Having done that, a copy of the Reference Data in use at all branches at that time was obtained that defines how each transaction at the Branch maps onto the various lines of the Cash Account. This Reference data was then used to summarise all the

transactions according to where on the Cash Account Report they would appear, thus enabling the Cash Account Table totals to be re-constructed.

This then shows the following figures:

Opening Figures (from Wk 41)	£54,170.49
Sales Receipts	£70,593.16
Stock Remittances into Branch	£51,527.50
Total Receipts	£176,291.15

This matches the figures in the Cash Account. However Mr Castleton believes that he has a value of £2,893.24 more than this (see para 3 of the letter). It is not at all clear where this comes from.

*Cheques sent to EDS (total value of £3,083.42) and Debit Card payments (£116.60) are not included in Receipts. Similarly Parcel Traffic Values in Table 12 (£84.23) are in Table 12 and not Receipts. Misallocation of these to Receipts brings the mismatch down to about £10.*

For payments the figures are as follows:

Payments	£80,185.38
Cash, Cheque, Voucher and Stock Remittances Out of Branch	£3,613.83
Debit Card Payments	£116.60
Closing Figures (to Wk 43)	£92,374.74
Discrepancy	.60
Total Receipts	£176,291.15

Again, this matches the figures in the Cash Account.

Para 4 of the letter states that there was £92,374.74 Stock carried forward from week 41. This is incorrect. The figure for Stock (including cash) carried forward from week 41 is £54,170.49 (including a carried forward discrepancy of 47p). However £92,374.74 is the figure for stock carried forward from week 42 to week 43. This paragraph also states that Mr Castleton believes there to be a discrepancy of £209.34 (ie £83,916.41 less £83,707.07) in these figures. Again it isn't at all clear where that comes from.

I'm afraid we can't make any sense of paragraph 5 of the letter. In particular what does "£1,706.64 in unallocated cash" mean? Given that Mr Castleton's analysis of how the Transactions in logs are accounted for is different from the way in which Horizon has accounted for them, there seems little point in further analysis without having a common mechanism for comparing what is agreed and what is in dispute.

Para 6 refers to "giro bank transactions" as being suspected of being the cause of the discrepancy. On what grounds is this considered to be the problem? It is accepted that there were indeed 6 giro bank cash deposits of over £1,000 (including two for about £18,000 and £24,000).

Para 8 refers to "missing halves of transactions". The only missing half transaction is that for 92p on 12<sup>th</sup> January at 16:40. However the order in which the transactions were submitted in ARQ ??? is time of transaction. Where both counters were in use at the same time, this can result in the transactions from the 2 counters being "interleaved". Sorting the transactions based on the Session Id, will ensure that this is compensated for. We have checked that all transactions for each Session Id do indeed net to zero (apart from the missing transaction on 12<sup>th</sup> January).

