

Witness Statement

Post Office Ltd

Criminal Justice Act 1967, Section 9; Magistrates Court Act 1980, sub section. 5A(3)(a) and 5B;
Criminal Procedure Rules 2005, Rule 27.1

Statement of Kathleen SMITH

Age if under 18 **Over 18** (If over 18 insert 'over 18') **Occupation:** Network Field
Support Advisor

This statement (consisting of pages each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything, which I know to be false or do not believe true.

Dated the 25th **day of** February 2013

Signature

Further to my statement dated 8 May 2012.

Prior to any audit commencing a number of Horizon print outs are obtained from the Horizon system.

After these reports are printed the actual cash and stock on hand is compared to the cash and stock shown on the Office snapshot as per exhibit SB/3.

When I arrived at approximately 11:40 am to assist Dennis WATSON the auditor present on site, Mr WATSON explained that a large discrepancy had been found in the 1st class self adhesive stamp sheets and the 2nd class self adhesive stamp sheets.

Mr WATSON said to me that he had spoken to Mr ISHAQ about this discrepancy and Mr ISHAQ had said that he knew nothing about this discrepancy. I cannot recall if Mr WATSON or I asked him to produce the remittance advice notes for stock received. Mr ISHAQ handed over a bundle of advice notes for stock received in the office during the previous weeks. These advice notes were checked and did not show the volume of stamps according to the horizon system had been received.

I then telephoned Chesterfield and spoke to a person whose name I cannot recall but dealt with stock remittances including remittances received by a Post Office. I explained what we where looking for and gave her the Post Office details and she said she

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would get back to me.

I received a telephone call back and she said that there had been some stock adjustments made and gave me dates when these adjustments had been made.

I then asked Mr ISHAQ had he any idea why these stock adjustments had been made. I seem to recall that he asked me for dates and I gave him a date, he relied that he was not in the Post Office but had a relief working for him. I can't recall which date I gave him.

I said to him that it was good because we could check the Horizon data for the User name of his relief. He then said that the relief had used his (Mr ISHAQ's) User Name and password, I then asked for the relief's name, he replied that he did not know his full name or contact number. He knew him as Mohammed and he had got the relief's name from a friend.

Mr WATSON then telephoned the Contacts Manager to update him on the situation.

Prior to the telephone call to Chesterfield I double checked the stock of the 1st and 2nd class adhesive stamp sheets to confirm the findings of Mr WATSON. I can confirm that Mr WATSON's findings were correct.

I have been shown SB/3 the office snapshot and when I double checked Mr WATSON's findings I would have checked the volumes against the stock on hand as per SB/6.

I can say as an auditor that when I check the stock for example on SB/3 I would be looking for 395 sheets of 2nd class x 100 self adhesive stamps and 274 sheets of 1st class x 100 self adhesive stamps. Also 277 sheets of 2nd class large stamps and 221 of 1st class large stamps.

If the amount of stock on hand differs to the amount of stock on the Horizon office snapshot print out, the difference in the volumes

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has to be sold to make the stock volumes correct, this action would then increase the cash on hand required to balance.

If these self adhesive sheets of stamps had been present in the Pot Office I would have expected to find a large surplus of cash.

After the audit was completed as the Post Office was to transfer to an interim sub postmaster, the cash and stock would remain in the safe(s). The Lead Auditor Mr WATSON would secure all the cash and stock, change alarm codes and retains all Post Office keys awaiting further instructions regarding the transfer of the Post Office.

I have seen exhibits SB/3 to SB/10 I can confirm that I have seen the Horizon print outs on the day of the audit with the exception of

SB/5 as this is the Final Balance print out on the day of the transfer 11 February 2011 when I was not present. SB/6 is the stock on

hand auditor's sheet used for recording actual stock on hand at the Post Office.

I can also confirm that the Horizon print outs including auditors cash sheets would be sent to the Post Office Security Team.

Signature

POL 011A

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