

From: Mark Underwood <GRO> <GRO>
To: "Parsons, Andrew" <GRO> <GRO>
Subject: FW: Future Arrangements and Part II
Date: Wed, 8 Apr 2015 16:30:27 +0000
Importance: Normal

fyi

Mark Underwood

Complaint Review and Mediation Scheme

GRO

From: Patrick Bourke
Sent: 08 April 2015 17:29
To: Ian Henderson; Jane MacLeod
Cc: Rodric Williams; Tom Wechsler; 'Chris Holyoak'; 'Ron Warmington'; Mark Underwood <GRO>
Subject: RE: Future Arrangements and Part II

Ian

Thanks for your email below and the opportunity to comment on the new Section 14 of the Part Two Report.

Comments on Section 14

As we have always said, Horizon does not have functionality that allows Post Office or Fujitsu to edit or delete the transactions recorded by branches and we have previously provided you with details of the controls in place to ensure the integrity of Horizon's data. As you are aware, there has been no evidence in any case reviewed as part of the Scheme that shows that these controls have failed or that the above statement is incorrect.

It has however always been possible for Post Office to correct errors in and/or update a branch's accounts. This is most commonly done by way of a transaction correction however it could also be by way of a balancing transaction or transaction acknowledgement. A Post Office employee could also, in special circumstances, log on to a branch terminal locally (i.e. by being physically in a branch) using a new User ID and password and then conduct transactions (though these would register against that unique User ID).

The two Post Office / Fujitsu documents you refer to in the new Section 14 relate to the Receipts / Payments issue that affected a small number of branches that were the pilot branches for Horizon Online in 2010. This information was disclosed to Second Sight back in 2013 and I thought that this matter had already been resolved.

However, in the short time available, I have been able to speak to Fujitsu and can confirm that most of the branches affected by the Receipts / Payments issue were resolved by Post Office writing off the discrepancies (being "Solution 2" as you correctly state at paragraph 14.12). In one branch, a balancing transaction was used, working with the Subpostmaster, to correct the discrepancy in the branch's accounts (being "Solution 1" in the documents). The affected branch was not a branch in Scheme - we know this because Horizon automatically logs any use of balancing transactions and this log shows that a balancing transaction has only ever been used once across the entire Post Office network since the roll out of Horizon Online. Given the passage of time, we have not been able to conclusively determine why this one branch was treated differently however the overall effect is the same: no branch suffered a loss as result of the Receipts / Payments issue.

All of the above processes for correcting / updating a branch's accounts have similar features. All of them involve inputting a new transaction into the branch's records (not editing or removing any previous transactions) and all are shown transparently in the branch transaction records available to Subpostmasters (as well as in the master ARQ data).

The language used in the documents produced by Post Office / Fujitsu and to which you refer is unfortunate colloquial shorthand used by those working on the Horizon system. I can see how it could be read to suggest that Post Office was "*altering*" branch data but the above explains why this is not the case.

Final Part II Report

Your email to me yesterday confirmed that, save for the issue addressed above, the report was indeed complete and Chris confirmed this on the phone earlier. Accordingly, I look forward to receiving Second Sight's Final Report no later than close of business tomorrow, 9 April 2015.

Best wishes

Patrick

From: Ian Henderson [GRO]
Sent: 07 April 2015 12:30
To: Patrick Bourke; Jane MacLeod
Cc: Rodric Williams; Tom Wechsler; 'Chris Holyoak'; 'Ron Warmington'
Subject: RE: Future Arrangements and Part II
Importance: High

Patrick

We have a proposed final version of our Part 2 Report ready for release.

However, before we do so, we believe that in the interests of transparency and natural justice, we should give Post Office a short opportunity to comment on a revised section of our Report together with the relevant supporting evidence. This is material change from the draft of the Report previously provided to you for comment.

I therefore attach an extract from the Report (Section 14) together with two documents that we mention and quote from in that Section.

In view of the need to finalise this Report as soon as possible, I would be grateful to receive any comments that you wish to make on this Section of the Report by close of business on Wednesday 8 April. I would also be grateful if you would let me know if you do not wish to make any comment.

We would then plan to finalise our Report and make it available to you on 9 April.

With best wishes

Ian R Henderson CCE CISA FCA

Advanced Forensics - London, UK

Forensic computing expert witness and electronic disclosure specialist

UK Mobile:

GRO

Email: irh@GRO

Website: <http://advancedforensics.com>

LinkedIn: <http://linkedin.com/in/forensicgod>

Twitter: <http://twitter.com/forensicgod>

CONFIDENTIALITY. This email and any attachments are confidential and may also be privileged. If you are not the intended recipient, please notify me at irh@GRO and delete the email and any attachments.

From: Ian Henderson [GRO]
Sent: 02 April 2015 15:59
To: 'Patrick Bourke'
Cc: 'Rodric Williams'; 'Tom Wechsler'; 'Chris Holyoak'; 'Ron Warmington'
Subject: RE: Future Arrangements and Part II

Thank you Patrick

All very positive and helpful

With best wishes

Ian R Henderson CCE CISA FCA
Advanced Forensics - London, UK

Forensic computing expert witness and electronic disclosure specialist

UK Mobile: [GRO]

Email: [irh@\[GRO\]](mailto:irh@[GRO])

Website: <http://advancedforensics.com>

LinkedIn: <http://linkedin.com/in/forensicgod>

Twitter: <http://twitter.com/forensicgod>

CONFIDENTIALITY. This email and any attachments are confidential and may also be privileged. If you are not the intended recipient, please notify me at [irh@\[GRO\]](mailto:irh@[GRO]) and delete the email and any attachments.

From: Patrick Bourke [GRO]
Sent: 02 April 2015 15:46
To: 'irh@[GRO]'; 'Ron Warmington'; Chris Holyoak
Cc: Rodric Williams; Tom Wechsler
Subject: Future Arrangements and Part II

Dear Ian, Ron and Chris

Jane has asked me to forward you the text of her reply to Ian's email of 30 March to you on her behalf since she is currently travelling and will be away until 13 April. I reproduce it below.

I am, of course, available to you for any queries and, with that in mind, I confirm that I am not planning to be away (save for the bank holidays tomorrow and Monday).

Best wishes

Patrick

Patrick Bourke

GRO

Sent on behalf of Jane MacLeod in her absence – 02 April 2015

Dear Ian

Many thanks for your email of 30 March and I am pleased that we have a broadly shared view about the future arrangements for the work which remains to be done for Applicants.

As you correctly point out, the slightly tricky bit we will need to bottom out is what remains to be done post 10 April. I acknowledge your suggestions in this regard and it doesn't seem to me that we will find it difficult to come to a final decision.

I know that Patrick is working closely with Chris on case scheduling, picking up from where Tom left off before he went on leave. I am now myself on leave, returning to the office on 13 April, but Patrick is able to reach me. Can I suggest that he and Chris continue to work together on the scheduling (and I know he is working hard to get outstanding prosecution files to you), with a view to having agreed pretty precise numbers in the second half of next week? We will then be able to see exactly where things stand and be able to agree the Engagement Letter and its Annex, and record the appropriate payment arrangements.

On the other points in your email, Patrick is chasing down progress on M118 and will let you have an update shortly. Thank you for agreeing to treat it as an exceptional case. On your Final Part II Report, thank you for the work you are doing on this and I confirm that we are looking forward to receiving it on 7 April.

Yours sincerely

Jane MacLeod
General Counsel
The Post Office



This email and any attachments are confidential and intended for the addressee only. If you are not the named recipient, you must not use, disclose, reproduce, copy or distribute the contents of this communication. If you have received this in error, please contact the sender by reply email and then delete this email from your system. Any views or opinions expressed within this email are solely those of the sender, unless otherwise specifically stated.

POST OFFICE LIMITED is registered in England and Wales no 2154540. Registered Office: 148 OLD STREET, LONDON EC1V 9HQ.

This email and any attachments are confidential and intended for the addressee only. If you are not the named recipient, you must not use, disclose, reproduce, copy or distribute the contents of this communication. If you have received this in error, please contact the sender by reply email and then delete this email from your system. Any views or opinions expressed within this email are solely those of the sender, unless otherwise specifically stated.

POST OFFICE LIMITED is registered in England and Wales no 2154540. Registered Office: Finsbury Dials, 20 Finsbury Street, London EC2Y 9AQ.
