

Defence

SUMMARY OF FACTS PREPARED IN ACCORDANCE WITH
THE CRIMINAL PROCEDURE RULES 2011

POST OFFICE LIMITED V GRANT IAN ALLEN

This case concerns an investigation into audit shortages at the Winsford Post Office, Cheshire. The defendant who is aged 45 (DOB: **GRO**) had been the sub-postmaster since November 2009. He retained a number of staff to assist him, but as the sub-postmaster he was responsible for maintaining the accounts in respect of Post Office transactions.

Post Office Limited uses a computerised accounting system known as Horizon. The system is used to conduct and record all transactions carried out over the counter, and thus can provide information as to the current position with regard to stock and cash held at a Post Office at any one time. The sub-postmaster is required to provide accurate daily cash declarations and at the end of every 4 to 5 week trading period perform a balance of the accounts, producing a Branch Trading Statement declaring the correct amount of cash and stock held. Any identified shortage has to be made good by the sub-postmaster at the time of the shortage.

The audit was conducted on the 8th February 2012. Shortly after it commenced, Mr. Allen admitted to Mr. Cross, the auditor that the branch would be about £10000 short. Due to financial difficulties he had been unable to make good the shortages, and so inflated the cash on hand figures accordingly. He hoped for a re-payment from Post Office Limited to make good these shortages. He refused to sign a record of conversation (RC/1) to this affect, but subsequently confirmed the conversation as correct in his interview.

The audit identified an overall loss of £17,811.49. Of this, £4645.24 had previously been declared to Post Office Limited and settled centrally, although this remained unpaid. Mr. Allen explained that it related to costs incurred during branch relocation and was a debt due to the building contractors ROMEK, but that he was in dispute with them over the quality of the work conducted. His

particular stock unit KK had a cash shortage of £11705 and the remainder of the audit discrepancy was found in the postage, cash and stock spread across the other 8 stock units but in due course this was not seen as attributable to him.

Post Office Limited investigators were notified of the position, who then contacted the defendant and arranged to interview him under caution on the 19th April 2012.

In interview, Mr Allen stated that shortly after taking over in November 2009 it had cost him £100000 to relocate in March 2010, and that during the first 4 weeks there were wiring problems with the terminals, which he believed meant Horizon was not sending out (Polling) data. In that period a £3000 discrepancy arose in the accounts which he claimed could not otherwise be explained. He never made good that loss believing a transaction correction would resolve the issue in due course. In each subsequent balancing period, anything other than insignificant discrepancies of £50 or less were added onto this original £3000 loss. All such discrepancies were transferred across to his stock unit.

He admitted that he inflated his cash on hand to achieve a balance putting the approximate amount on the unusable notes line from April 2010 to February 2012. When cash was checked independently during migration to an updated system "Horizon online" in 2010 he reintroduced cash already counted into his stock unit to make it balance. He denied stealing any money from the Post Office. He denied knowing that falsifying the accounts was a criminal offence believing that it was merely a contractual matter. He confirmed the Record of Conversation (RC/1) as correct. He admitted the figures in the 6 Branch Trading Statements he was shown were inflated. He was not in a position to repay the money.

Mr. Allen's contract was subsequently terminated.

In the event of conviction there will be an application for compensation and an application to cover the costs of the investigation and prosecution.