



# Witness Statement

(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

<b>Statement of</b>	Jayne Anne Kaye	
Age if under 18	Over 18	(If over 18 insert 'over 18')

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 18<sup>th</sup> day of November 2004

Signature

I am currently employed by Post Office Limited (PO Ltd) as a Retail Line Manager (RLM). I am responsible for ensuring that performance standards at Sub Post Offices are met. These standards include sales and service requirements as well as contractual obligations. My area covers, in the main, North East Lincolnshire and South Yorkshire areas. I am currently a no fixed location worker, but can be contacted through the Post Office Ltd Helpdesk. I have been an RLM for around 10 years, having worked for the Post Office for 20 years in total.

Subpostmasters are not employees of Post Office Ltd, but operate under a contract to provide services on behalf of Post Office Ltd. Subpostmasters usually locate the actual Subpostoffice in premises, which they own, or rent, sometimes running a private business in another part of the building. Under the terms of the contract, Subpostmasters have sole responsibility for all Post Office Ltd stock and cash held at the Subpostoffice, and for all daily and weekly accounting and administration in respect of the Subpostoffice. Subpostmasters are also responsible under the terms of their contract to repay to Post Office Ltd any losses in the Subpostoffice account however incurred.

From records held I can state that Gillian Blakey was the Subpostmaster at, Riby Square Subpostoffice, Grimsby from 25<sup>th</sup> September 1996 to 13<sup>th</sup> May 2004, when her contract for services was suspended.

Post Office Ltd within it's main Branch Post Offices and Sub Post Offices uses a computerised accounting system known as HORIZON in relation to the various types of transactions conducted over the counter and for the recording of daily and weekly figures in relation to those transactions. The system is used by the operator to conduct all transactions carried out at the counter and therefore the operator is able to

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Signature witnessed by P. Whitaker

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view the extent of transactions conducted on a daily and weekly basis as well as provide information as to the state of stock sold or received and cash received.

Post Office Ltd operates a system whereby all offices must bring to account all of the transactions conducted over a period of a week as well as declare the correct amount of cash and stock held at the close of business which ultimately leads to the office 'Balance'. This term is used throughout the Post Office when referring to the weekly practice of declaring the state of the office accounts.

The accounting week for Post Office Ltd starts every Thursday morning at which time the actual cash and stock physically held on site is known and forms part of the starting figure used for accounting purposes for that week. As the week progresses a large number of transactions are performed over the counter with the general public, for instance if a customer purchases a first class stamp for 28 pence, the Post Office counter provides the customer with a first class stamp (i.e. stock) and therefore the starting figure reduces by 28 pence in the stock portion, however, the customer hands the Post Office 28 pence in cash, this therefore inflates the cash figure by 28 pence and brings the starting figure back to it's original state and a 'balance' is once again established.

Other transactions are slightly different and accounted for slightly differently but the same principle displayed above applies, As an example, if a customer presents a £100 green Giro cheque to the Post Office Counter, as long as all of the security procedures have been met, the counter clerk would hand the customer £100 in cash, this would deflate the office cash holding by £100, however, the green giro cheque for £100 would become a 'paid voucher' and be held by the Post Office and ultimately would be used to balance the accounts at the end of the week. Basically for every transaction carried out by the Post Office we either receive cash or cheques from the customer and provide something for it, or we pay cash out to a customer for which we obtain some form of 'paid voucher' i.e. green giro cheque, bank cheque, pension & allowance foil etc. which remains within the Post Office and is accounted for on the daily or weekly balance form.

The Horizon system keeps a running tally of all transactions conducted over the course of the week and the operator is able to request various reports from the system at any time to display the current state of the accounts, such as the cash on hand figure, or the number of Pension & Allowance orders paid to date etc. These can be viewed on the monitor or printed off.

On a Wednesday evening when the weekly office balance is performed summaries for all the paid

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vouchers are requested from the Horizon system. A physical check is made to ensure that all vouchers are present and that they have been correctly entered onto the Horizon balancing system. The Horizon system is then interrogated to provide a printout known as a 'snap shot' which provides a summary of all of the transactions performed that week and gives a breakdown of all of the cash and stock which should be on hand having taken into account all sales and receipts by the system that week. The person who then carries out the task of balancing merely has to verify all of the cash and stock on hand and input those figures into the Horizon system which should then match the 'snap shot'.

A balance is reached when the figures for both the payments and receipts are the same, any discrepancy in the two figures would result in the office declaring a shortage or a surplus of cash in the accounts. Once the operator is content with the office accounts, they are then required to print off two copies of the cash account, these cash accounts show summaries of all transactions conducted that week together with the actual values of cash and stock to hand. Both copies of this cash account must be signed as being a true record of the state of accounts of the office, one copy is retained at the office and the second copy is forwarded to Post Office Ltd's accounts section based in Chesterfield.

On a Thursday morning, at the beginning of each accounting week, the accounting balance of the Subpostoffice should be £0.00. If this figure cannot be carried forward from the previous week, it is achieved by either the Subpostmaster removing any surplus cash shown in the previous weeks final balance, or him / her making good any cash amount found to be short. Any deviation from this course of action, for example, carrying forward losses into suspense accounts, must always be agreed beforehand with representatives of Post Office Ltd.

Certain organisations for which the Post Office provides a means of access to their services, such as Alliance and Leicester Girobank, National Savings Bank (NSB), etc. require that each Subpostoffice submit to them daily, details and relevant paperwork pertaining to that day's transactions conducted on their behalf. As such at the end of each working day each Subpostoffice obtains the relevant information and transaction summaries from the Horizon accounting system, and accompanied by the transaction paperwork, (paid giro cheques, NSB deposit / withdrawal slips etc) places them in the appropriate despatch envelope, and they are collected by Royal Mail for onward transmission to the relevant organisations. In many Subpostoffices this process is known as "doing the daily's", or the "daily cut off".

On the morning of Thursday 13<sup>th</sup> May 2004 I received a telephone call from Glen Morris Post Office Limited Inspector. He told me that he was currently performing an audit of the Post office Account at Riby

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Square Subpostoffice Grimsby. Mr Morris told me that he had been told by David Blakey, whom I knew to be the husband of Gillian Blakey the Subpostmaster at Riby Square, to expect a large deficit in the cash on hand figures in the account. Mr Morris also informed me that officers of the Post Office Investigation Team had been informed and were to attend the office.

After receiving this telephone call I travelled to Riby Square Subpostoffice and met with Mr Morris who apprised me of the situation. Also at this time David Blakey approached me and told me the he was sorry and that he had been inflating the cash on hand figure in the accounts at the Subpostoffice for around three months. He told me that Gillian Blakey knew nothing of his actions and that he was trying to protect her as she was in poor health.

After the investigation team had arrived and had concluded their interview with Mr Blakey I spoke to Paul Whitaker who apprised me briefly of events from their aspect to that point. I was then present when Mr Whitaker invited Gillian Blakey to be interviewed.

On completion of Mr Whitakers interview of Mrs Blakey, he apprised me of his general findings in relation to the morning's events. I then spoke to Mrs Blakey informing her that her contract for services was to be suspended immediately. I then arranged the transfer of the Subpostoffice to an interim Subpostmaster.

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