



NORTHERN IRELAND

**COURT
SERVICE**

OMAGH CROWN COURT OFFICE
High Street
OMAGH
Tel 8224 2056 Fax 8225 1198
DX 3602 NR, OMAGH

6th August 2004

Dear Sir/Madam

BILL NUMBER: 47/2004

R - v - Maureen McKelvey

The above case has been listed for:

Arraignment / Trial / Mention / Sentence / State of Readiness / Application

On Monday 13th September 2004 at 10.30am

At DUNGANNON Crown Court.

Yours faithfully

GRO

For CHIEF CLERK

cc: Probation
cc: DPP

**John J McNally Solicitors ,
2 Moneymore Road
Magherafelt**

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TO: PHILIP MATEER BL
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Re: R -v- MAUREEN McKELVEY
OMAGH CROWN COURT SITTING AT DUNGANON - 13TH SEPTEMBER 2004

Please find enclosed correspondence in relation to the above case. You have the brief in this case at the moment. If it is to be passed to Charles McKay BL please include this correspondence. Many thanks.

GRO

Western Circuit
for Director of Public Prosecutions

JOHN J. McNALLY & Co.

Solicitors

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Telephone: (028) 7963 1537 • Facsimile (028) 7963 3715
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Also at: Draperstown, Friday 12 p.m.–3 p.m.
DX 3308 NR Magherafelt

Our Ref.: SA/EM/M61
Your Ref.: Ref 258267 {Dpp Belfast]
Date: 28th July, 2004
Dept of the Director of Public Prosecution,
The Courthouse,
OMAGH
Co Tyrone

17/9/04
OMH - 3
CR1

Dear Sirs,

RE: Queen -v- Maureen McKelvey
Ref Unknown Interview 4/4/02

We refer to previous correspondence in above and now enclose herewith copy correspondence which our Accountants Goldblatt McGuigan have forwarded to Suzanne Winter for your information.

Yours faithfully

GRO

John J McNally & Co.

RECEIVED
29 JUL 2004
WESTERN CIRCUIT

J. McGeown L.L.B.

M. Kelly, L.L.B. • G. Truesdale L.L.B. • C. O'Neill L.L.B. • C. Cullen B.C.L.
W. McFarlane L.L.B. • S. Atherton L.L.B. • J. McClure L.L.B.

G O L D B L A T T
M C G U I G A N
CHARTERED ACCOUNTANTS

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E-MAIL: accountants@GRO www.goldblattmcguigan.com

Strictly Private and Confidential
Suzanne Winter

Bull/AHN/NO411

GRO

23 July 2004

Dear Suzanne

Maureen McKelvey

Please find enclosed our revised notes of our meeting of 23 June 2004 updated based on information provided at our subsequent meeting on 1 July 2004. We would be obliged if you would review the amendments (which are in italics) and sign the notes to show that you believe them to be accurate and precise.

As discussed at our meeting on 23 June we would be obliged if you would have available statistics as to the levels of inaccurate P&A reports submitted to the Benefits Agency, notably:-

- (a) Number of inaccurate returns as compared to accurate returns tested.
- (b) Value of the inaccuracies in the inaccurate returns submitted to the Benefits Agency compared to the value of returns tested.

We note that Lisahally carry out checks for the UK as a whole and therefore we would be obliged if the information provided would be for both the UK and Northern Ireland.

We met with Mrs McKelvey and her solicitor, Stephen Atlerton, on 20 July and in our discussions with them certain queries have come to light. We would be obliged if you would provide us with the following information:-

1. We are informed that in the period prior to the intervention of the Post Office Mrs McKelvey had cause to call out an area manager to assist with preparing reports. Could you provide details of such call outs for the year to 5 April 2002 including:-
 - (a) Date
 - (b) Purpose
 - (c) Individual who responded to call out

Partners: Sam Goldblatt, Tony Nicholl, Jackie Smith, Philip Caughey, Michael Gibson, Gabriel Greene, Lyn Hagan
Directors: Kay Collins, Susan Dunlop Consultant: Michael McGuigan

2. Provide copies of reports arising from the call outs referred to in 1 above.
3. We have been informed that on one of the occasions Mrs McKelvey requested assistance Gary Groogan came to the Post Office to assist in the reconciliation of a P&A Report. The report could not be reconciled and Mr Groogan asked Lisahally to check a number of weeks for any inconsistencies in P&A reports. Can you provide details of:-
- (a) When Mr Groogan contacted Lisahally in relation to this matter?
 - (b) What week originally prompted the checking of P&A Reports?
 - (c) What other weeks were checked and what, if any, inconsistencies were found?
 - (d) Provide details of reports produced by Lisahally, either written or verbal, in relation to Mr Groogan's request.
4. In one of the taped interviews conducted between yourselves and Mrs McKelvey there is a discussion regarding the annotation of the add lists for week 32. Are these annotations by Gary Groogan. Please confirm.
5. Again in the taped interviews with Mrs McKelvey a discussion takes place in which Mrs McKelvey provided a batch of lost pension foils. What happened to these foils?
6. In relation to the Horizon Computer System what is the procedure for inputting cash introduced when the Post Office receives cash from Royal Mail.
7. We require the transaction reports for Clanabogan Post Office for weeks 36, 46, and 53.
8. Have Lisahally carried out any checks on P&A Reports for Clanabogan since the Post Office was sub-leased by Mrs McKelvey. If so please provide details of their findings.
9. In the last year how often have Lisahally referred a Post Office to the Investigation Unit. How many Post Offices are checked by Lisahally.

Thank you for your time and assistance in this matter. If you have any queries regarding the information we have requested please do not hesitate to contact Simon Bull of our office.

We look forward to hearing from you.

Yours faithfully

GRO

GOMDBLATT McGUIGAN

Email: accountants **GRO**

Enc

R-V-MAUREEN MCKELVEY

Notes on discussions with Suzanne Winter and Rosemary Curran of Post Office regarding accounting system at Post Office Counters. Held 23 June 2004. Updated following discussions with Suzanne Winter on 1 July 2004.

BACKGROUND

- Each Post Office has a separate computer terminal and cash drawer for Post Office transactions. This should be kept completely separate from other cash terminals in the retail unit. Transactions from the shop for example should not be processed, and cash relating to those transactions, should not be handled, through the Post Office terminal or cash drawer.
- The cash and stock (e.g. stamps) *are* held in the cash drawer *and the cash is* checked every morning and evening and a float is not established but rather there is rolling stock of cash and other items. *A cash declaration is required in the morning before the computer can commence operation. Cash is counted then input into the computer which then produces a discrepancy report. It is possible to commence operation without counting cash. Cash can be declared as zero and the discrepancy report ignored. The computer will then be able to commence operation.*
- It is recommended that the cash drawer holds within it 1½ hours of trade with additional stock in cash held in a safe.
- A Post Office, if it receives large deposits from nearby businesses will have more receipts in than payments out however the reverse can also be the case. In which case stock and cash will be provided on a weekly basis to the Post Office. These are standard amounts based on the trading history of a particular post office.
- A small regional Post Office, like that operated by Maureen McKelvey, would *typically* have held approximately £1,000 worth of cash and stock in the cash drawer and another £15,000 to £20,000 worth of cash and stock in the safe at any particular time. *We await discussions with Ms McKelvey as to level of cash held by Clanabogan Post Office at the time the alleged thefts took place.*

PROCESSING OF BENEFIT PAYMENTS

- When a Post Office terminal is switched on the operator must log in with user name and password.
- When a customer presents a benefit book for payment the operator will pick Northern Ireland on the touch screen terminal then P & A for pension and allowances.

- Appendix A is a specimen foil from a benefits book. Each sheet of the book has two tear away segments, each segment refers to a single payment of benefit and will contain a date on it on / after which the benefit may be paid. The benefit may not be paid prior to that date. The book stub will contain two stamp dates, one for each segment. In the top right hand corner of the segment will be a reference number that refers specifically to that type of benefit e.g. disablement benefit is 12.
 - The benefit foil and stub are both date stamped and the foil is removed for retention by the Post Office.
 - The operator, having picked the P&A Option on the touch screen, will type in the benefit / allowance payable eg 12, the amount to be paid out, and then press "finish". On pressing "finish" the operator will open the cash drawer and pay out the appropriate amount to the person who presented the benefit book.
- The cash drawer does not open electronically, it opens manually, and access can be gained at any point in time regardless of whether or not a transaction is being processed.

- By pressing "finish" the transaction is recorded as a payment and the cash record on the computer is debited accordingly.

REPORTING

- A "snapshot" can be printed off at any time and shows expected stock and cash in the cash drawer and the receipts and payments made from date of last balancing report (see below). There is no requirement upon the Postmaster to print a "snapshot" at the end of each day or after every till operator logs out during the day.
- At end of each day an Adding Up report, *or Cash Declarations*, is meant to be produced showing what is expected in the drawer and requiring details of what is in the drawer to be inputted into the computer. A discrepancy report is produced, any shortfall is the responsibility of the Postmaster to make good. *This is for the use of the Postmaster and remains at the Post Office.*

P & A WEEKLY REPORT

- Every Wednesday the Postmaster must complete a P & A (Pensions and Allowance) weekly report. This shows the number and total value of each type of benefit paid out. The P & A weekly report is sent with the foils to the Benefits Agency. The P & A report does not show a cash reconciliation.
- *The Benefits Agency will periodically check the P&A Report for a particular week. If there is one error, or errors, they will check the subsequent 4 weeks. If this results in no further errors being found an Error Notice is issued to the Post Office in relation to the initial error. If further errors are found then the*

matter is not referred to the Post Office but rather to the Royal Mail Investigation Unit.

BALANCING REPORT

- Each Wednesday a balancing report should be produced.
- A weekly printout should be produced for each transaction category eg P&A, pensions and allowances, Inland Revenue etc.
- Initially the Postmaster should print off a "snapshot" and reconcile it to cash and stock within the cash drawer.
- Any stock discrepancies should be put through as stock adjustments. By correcting stock cash will be amended for the relevant amount and any cash discrepancies must be made good by the Postmaster.
- When the reports and cash drawer have been reconciled (with cash discrepancies made good / extracted) a trial balance report should be produced and checked to see if correct.
- Once this is done a "Rollover" report is generated which records the weekly takings and cannot be changed.
- The balancing report goes to the Post Office along with a P2311MA form which shows the split in benefits.
- If discrepancies are not made good they show up as errors. If errors are located then an error notice is sent to the Post Office.
- A transaction report can be produced which shows every transaction that has taken place including time and operator.

TRAINING

- The computer system as shown to Goldblatt McGuigan is the same system that was introduced to Maureen McKelvey's Post Office in 2000.
- At that time she received 1½ days of computer training in the new system and had to show that she was proficient in order to have the new system installed. In addition she would have received a certificate showing that she could operate the system.
- The Post Office itself does not keep a record or did not keep a record at that time of whether Maureen McKelvey received the appropriate training.
- In addition she would have received a manual, "Balancing with Horizon" and had access to a support helpline.

- Training for Postmasters currently is 10 days, which includes 5 days class training and 5 days training in the shop. Training on the computer system is spread over the 10 days and the 5 days in-shop involved working the counter, which includes the computer, while a trainer is available in the shop. *In 1990 training was still 10 days with 5 days based in a Post Office. This could include training in the old manual system.*

Pension/ Allowance No. SD 125712B Serial - Due on and No. 17 not before 12

09 20 06 14 SEVENTEEN

Not exceeding (Period) 175.60

Valid for three calendar months
Not transferable

I declare that I have read and understand all the instructions in this order book that I have correctly reported any facts which could affect the amount of my payment and that I am entitled to the above sum.

I acknowledge receipt of the above sum.

Office stamp with date of payment

Signature

Dd. 848488.1995

APPENDIX A

Pension/ Allowance No. SD 125712B Serial - Due on and No. 17 not before 12

09 20 06 15 SEVENTEEN

Not exceeding (Period) 175.60

Valid for three calendar months
Not transferable

I declare that I have read and understand all the instructions in this order book that I have correctly reported any facts which could affect the amount of my payment and that I am entitled to the above sum.

I acknowledge receipt of the above sum.

Office stamp with date of payment

Signature

Dd. 848488.1995

Balance Snapshot - Office Copy

*****Discrepancies in this Account*****
 *Discrepancy OVER 0.00 *
 *Discrepancy SHORT 0.00 *
 * 0.00 *
 *Nett discrepancy
 *

APPENDIX B

VALUE STOCK & MOP	VOLUME	VALUE
Cash		924.40
Cash		924.40
MOP		924.40
TV stamp f2	200	400.00
BBC TV LICENCE STAMP		400.00
1st class stamp	200	56.00
First Class Stamps		56.00
2nd class stamp	200	40.00
Second Class Stamps		40.00
Postage stamp		46.00
Other Postage Items		46.00
POSTAGE		142.00
PO phonecrd f5	5	25.00
PO phonecrd f10	1	10.00
PO phonecrd f20	1	20.00
PO Holidaycrd f10	1	10.00
PO Branded Call Cards		65.00
PHONE CARDS		65.00
PO 50p	1	0.50
PO f1	1	1.00
PO f2	1	2.00
PO f3	1	3.00
PO f4	1	4.00
Gift PO f5	1	5.00
Face Value		15.50
PO fee 50p	1	0.25
PO fee f1	1	0.25
PO fee f2	1	0.50
PO fee f3	1	0.50
PO fee f4	1	0.50
Gift PO fee f5	1	0.80
Fees		2.80
POSTAL ORDERS		18.30
MVL stamp	10	50.00
MVL SAVINGS STAMP		50.00
TOTAL STOCK & MOP		1599.70

RECEIPTS	VOLUME	VALUE
Balance B/Fwd		0.00
Transfers In		0.00
Rem In Supp Div		0.00
Rem In Other Pos		0.00
Rem In Client		0.00
Rem In Auto Dist		1675.30
REMITTANCES IN		1675.30
Reval Up		0.00
TOTAL RECEIPTS		1675.30

PAYMENTS	VOLUME	VALUE
H1 gp 12	1	75.60
Pensions		75.60
PENSIONS&ALLOWANCES		75.60
Transfers Out		0.00
Rem Out Supp Div		0.00
Rem Out Other Pos		0.00
Rem Out Data Cen		0.00
Rem Out Client		0.00
Rem Out Auto Dist		0.00
REMITTANCES OUT		0.00
Reval Down		0.00
Total Stock & MOP		1599.70
Nett discrepancies		0.00