

CONFIDENTIAL AND LEGALLY PRIVILEGED
POST OFFICE GROUP LITIGATION
17 July 2019



Decision paper: Preservation of POLSAP

1. INTRODUCTION

- 1.1 In March 2019, a decision was sought from Post Office as to whether the copy of POLSAP held by Fujitsu should be deleted or maintained for the duration of the Group Action. A copy of this paper is enclosed at Schedule 1.
- 1.2 Further background details are set out in the previous paper, but in summary:
 - 1.2.1 POLSAP was historically hosted by Fujitsu and Post Office have undertaken an exercise of copying the data from Fujitsu to Accenture.
 - 1.2.2 For this process, POLSAP has been taken out of use and the data has been transferred and now stored on Accenture's azure platform in read-only mode.
 - 1.2.3 Fujitsu continue to hold a copy of the historic data until confirmation is given by Post Office that it can be deleted.
 - 1.2.4 The data in POLSAP is relevant to the Group Action and therefore needs to be preserved for the purposes of the Group Action. If POLSAP data is deleted from Fujitsu's system, Post Office would be reliant on the migration to Accenture's azure platform being correct.
 - 1.2.5 The cost of Fujitsu continuing to host the data is around £1.3 million for a further 12 months (circa. £110,000 per month).
- 1.3 The previous decision paper provided a number of options to Post Office, and a decision was taken to obtain a third party report to certify that the migration has been carried out effectively (option 3), following which further consideration would be given the deletion of data from Fujitsu's systems and rely upon the data in Accenture's platform (option 1).
- 1.4 The third party report has been completed and this paper now seeks a decision on whether in light of this report the data should be deleted, or continue to be maintained for the duration of the Group Action.

2. MIGRATION ASSURANCE REPORT

- 2.1 PA Consulting were engaged to produce a migration assurance report into the transfer of POLSAP data from Fujitsu to Accenture (the **Report**). The Report considered the following matters:
 - 2.1.1 The extraction of the Data by Fujitsu to include confirmation as to whether or not:
 - (a) there were sufficient controls around the completeness and accuracy of data being extracted; and
 - (b) the data extracted by Fujitsu matches the original data.
 - 2.1.2 The upload of the Data by Accenture into the new platform, to include confirmation as to whether or not:

- (a) there were sufficient controls around the completeness and accuracy of data being migrated;
 - (b) there were sufficient controls around the completeness and accuracy of data being uploaded; and
 - (c) the data uploaded by Accenture matches the data extracted by Fujitsu.
- 2.1.3 Confirmation as to whether or not the Data remains accessible, in particular:
 - (a) whether there any issues with unreadable data or the integrity of the data which may impact on the completeness, accuracy and accessibility of the Data; and
 - (b) reviewing the access rights in the Azure system to ensure there are sufficient controls to preserve data integrity.
- 2.1.4 Confirmation as to whether or not any further validations should be undertaken so as to ensure that the Data has been preserved.
- 2.2 A copy of the Report is embedded below.

A small icon representing a PDF document, showing a stylized 'P' and 'D' inside a square frame.

POST OFFICE
POLSAP MIGRATION
- 2.3 The Report concluded:

"Overall it is concluded that an industry best practice approach has been followed in performing a direct system copy. This method ensures that the relocation will result in a like for like recreation of the POLSAP instance and is the optimum way to prevent any discrepancies within the system either in system architecture or data held within.

The parties involved were Fujitsu, Accenture and the Post office. From the documentation and input PA Consulting received from the parties it is concluded that the process has been executed to a high standard and during all steps of the process the data has been secure and protected by both a high level of encryption and secure physical transport arrangements.

The new POLSAP archive is managed by Accenture. The assessment on the data in the new archive has not uncovered any discrepancies in the financial data held in the new system. Specifically, financial balances, vendor and customer balances in the new archive have all been confirmed to be identical to the balances as recorded in the original Fujitsu hosted POLSAP.

Direct data assessment at database level carried out by PA Consulting on the POLSAP archive managed by Accenture have not brought to light any material changes compared to the state at time of migration. Within the recommendations, PA Consulting has noted some additional aspects regarding system administration and system access which, if implemented, would further increase the level of continued integrity assurance of the POLSAP archive managed by Accenture."
- 2.4 The Report did however flag a number of points/recommendations which should be noted:
 - 2.4.1 **Project Bramble** – at the time of producing the Report, data was being extracted from Accenture's copy of POLSAP for the purposes of a legally privileged report being produced by Deloitte concerning the reconciliation of Post Office's suspense accounts. If the Report is to be disclosed to the Claimants (ie. to provide them with assurances that the migration was successful), then it will be necessary to redact the reference to Deloitte on the basis of privilege. This may cause the Claimants to raise queries.

- 2.4.2 **Financial Balance Verification** – PA Consulting's financial balance verification was conducted in respect of data from 2014 and 2018. Verification of financial balances from other years was not undertaken. PA Consulting have confirmed *"Data verification on financial balances for GL accounts, Vendors and Customers has been completed for financial years 2014 & 2018. As the court case focuses on other financial years, Post Office could also check balances from other years also, however having checked the table counts and tested the system in general not finding any corruption it's highly unlikely that these locked past periods would differ."*

Whilst PA Consulting have confirmed that it is *"high unlikely"* that verification of other years which raise any migration concerns, it should be noted that a full test of all data from the years for which the Group Litigation concerns has not been undertaken and this could be raised as a concern by the Claimants / Court.

- 2.4.3 **NAS Drives** – PA Consulting have recommended that Post Office maintain copies of the NAS Drives, being the drives onto which Fujitsu placed the original copy of their instance of POLSAP for the purposes of transferring the data to Accenture. We understand from Accenture and Ben Cooke (Post Office IT) that the NAS Drives which contain these data no longer exist.

- 2.4.4 **System checks** - PA Consulting have recommended that comparisons of the configuration tables are undertaken.

We understand from Ben Cooke that comparing the configuration tables is not relevant for these purposes since Post Office are not intending to use the system for processes, and the configuration settings may well be different now from the period that the case refers to in any event.

- 2.4.5 **Authorisations** - PA Consulting have recommended that the transaction codes for change/write authorisations from display roles such as XD02, XD01 FB02, FB01 should be removed.

Further, PA Consulting's analysis of display role Z:PPM:CPTINVENTORY_ROLE found multiple change access rights remaining. It is recommended by PA Consulting that a full authorization review takes place which could include: verify whether all 742 user accounts remain needed; check role assignment to all user accounts; verify authorisations available within all active roles; perform negative authorisation testing on all critical processes.

We understand from Ben Cooke that since the Accenture instance of POLSAP is locked for changes, no matter the authorisation provided, unless the central technical team have unlocked the system, no user can change anything.

- 2.5 PA Consulting have not been commissioned to undertake further work in respect of their recommendations on the basis of the assurances given above.

3. OPTIONS

- 3.1 This is ultimately a business decision on whether Post Office is willing to accept the litigation risks vs. the ongoing costs of hosting.
- 3.2 Parties to litigation must take reasonable steps to preserve documents which may be relevant to the matters in issue. Parties are expected to suspend routine document destruction policies when litigation is afoot, although a duty to preserve can be complied with by making copies of sources and documents and storing them. Failure to comply with the Court rules on preserving documents could lead to the Court drawing adverse inferences if any disclosable documents are destroyed. Further, in light of the criticisms from the Common Issues Trial, whilst this judgment remains in place the disclosure and preservation of documents by Post Office will be under heightened scrutiny.

- 3.3 If the preservation of this data is challenged in the litigation, a member of Post Office IT, Accenture, Fujitsu and PA Consulting may need to provide witness statements explaining what happened. We may also require a further witness statement from a senior employee explaining why the decision to delete the data was made.
- 3.4 Post Office options are:
- 3.4.1 **Option 1** - Delete the data from Fujitsu's systems and rely upon the data in Accenture's platform. This option is now supported by the conclusions in the Report.
 - 3.4.2 **Option 2** - Continue to instruct Fujitsu to host the data for a further 12 months.
 - 3.4.3 **Option 3** - Approach Freeths to seek agreement that they are satisfied that the migration has been carried out effectively and that Post Office can rely on the data stored on Accenture's platform.
- 3.5 If Option 1 is followed, we recommend producing and signing witness statements from the relevant individuals before the data is deleted. This would require a witness statement from PA Consulting, as well as witness statements from Fujitsu and Accenture in respect of the original data transfer.
- 3.6 If Option 2 is followed, we recommend re-assessing this decision in 12 months' time when the landscape of the litigation has evolved.
- 3.7 For Option 3, if Freeths agree to the deletion of the data this would provide Post Office with the maximum level of protection, although not complete as the Judge may still raise concerns in any event. However, it is unlikely Freeths would agree to Post Office deleting the data. In these circumstances, Post Office will still need to make a decision of whether to delete or retain the data, with the additional factor that Freeths have objected to the deletion. For this reason, although Option 3 provides the greatest cost benefit, we would not recommend this approach.

4. RECOMMENDATION

- 4.1 The data which is held in POLSAP is relevant to the Claimants' case in the Group Action concerning reconciliation and breach, being matters which have not yet been pleaded but will be covered in the scope of the Further Issues Trial in March 2020. There is currently an ongoing work stream with Accenture and Deloitte to understand how data which is held in POLSAP can be extracted and disclosed for the purposes of Further Issues Trial. This work is due to be completed in 6 to 8 weeks.
- 4.2 Whilst we appreciate that the cost of continuing to host the Fujitsu instance of POLSAP is high, on balance our recommendation is that the decision to delete the Fujitsu instance of POLSAP is deferred for 2 months' until after the completion of Accenture's and Deloitte's work. This will provide Post Office with an option to revert to the Fujitsu instance of POLSAP if necessary to extract and disclose data for the Further Issues Trial.

**CONFIDENTIAL AND LEGALLY PRIVILEGED
POST OFFICE GROUP LITIGATION
22 MARCH 2019**



Decision paper: POLSAP data hosted by Fujitsu

1. BACKGROUND

- 1.1 Post Office has copied the POLSAP data hosted by Fujitsu to a platform hosted by Accenture. Fujitsu would now like to delete the data which they hold. This paper seeks a decision on whether the data should be deleted, or maintained for the duration of the Group Action.

2. THE PROCESS

- 2.1 POLSAP was historically hosted by Fujitsu and Post Office have undertaken an exercise of copying the data from Fujitsu to Accenture. For this process, POLSAP has been taken out of use and the data has been transferred and now stored on Accenture's azure platform in read-only mode. This has effectively placed a litigation hold on the data which should prevent the deletion of this data from the new platform. Fujitsu continue to hold a copy of the historic data until confirmation is given by Post Office that it can be deleted.
- 2.2 The cost of Fujitsu continuing to host the data is around £1.3 million for a further 12 months (circa. £110,000 per month).
- 2.3 Fujitsu and Accenture have undertaken a number of checks to confirm that the data extracted and uploaded matches and that Post Office can still access the same data as before. The enclosed paper from Post Office IT explains the checks which have been undertaken.
- 2.4 Whilst Post Office can take some comfort from the checks and validations produced by Post Office IT, we as lawyers cannot confirm whether there have been any issues with the data migration or whether there will be any issues with accessing the data going forward.

3. RISKS OF DELETING THE DATA

- 3.1 Parties to litigation must not destroy any documents which might be relevant to the matters in issue. Parties are expected to suspend all routine document destruction policies when litigation is afoot. Failure to comply with the court rules on preserving documents could lead to the court drawing adverse inferences if any disclosable documents are destroyed.
- 3.2 The data in POLSAP is relevant to the Group Action and therefore needs to be preserved for the purposes of the Group Action. POLSAP is a document repository which we have not had cause to search yet as part of the disclosure exercises for the Common Issues and Horizon Issues Trials. We estimate that access to POLSAP will be needed for Trial 3 and so access will be necessary for at least the next 12 months (if not longer).

- 3.3 If POLSAP data is deleted from Fujitsu's system, Post Office would be reliant on the migration to Accenture's azure platform being correct. If the migration has not been successful this will cause risks for the Group Action.
- 3.4 In light of the criticisms from the Common Issues Trial, whilst this judgment remains in place the disclosure and preservation of documents by Post Office will be under heightened scrutiny. The ongoing attitude of the Judge is that anything that looks like Post Office failing to preserve materials is likely to be heavily criticised. Adverse inferences could be drawn that Post Office is hiding something and risks feeding into the Judge's current perception of Post Office.
- 3.5 If the preservation of POLSAP data is challenged in the litigation, a member of Post Office IT (probably Ben Cooke) will need to provide a witness statement explaining what happened. We may also require a second witness statement from a senior employee explaining why the decision to delete the data was made.

4. OPTIONS

- 4.1 This is ultimately a business decision on whether Post Office is willing to accept the litigation risks vs. the ongoing costs of hosting POLSAP by Fujitsu.
- 4.2 Post Office options are:
 - 4.2.1 **Option 1** - Delete the data from Fujitsu's systems and rely upon the data in Accenture's platform.
 - 4.2.2 **Option 2** - Continue to instruct Fujitsu to host the data for a further 12 months.
 - 4.2.3 **Option 3** - Obtain a third party report to certify that the migration has been carried out effectively (which could be carried out alongside Option 1 and 4). We understand that Ben Cooke of Post Office IT is currently looking into this matter.
 - 4.2.4 **Option 4** - Approach Freeths to seek agreement that they are satisfied that the migration has been carried out effectively and that Post Office can rely on the data stored on Accenture's platform.
- 4.3 If Option 1 is followed, we recommend producing and signing witness statements from the relevant individuals before the data is deleted.
- 4.4 If Option 2 is followed, we recommend re-assessing this decision in 12 months' time when the landscape of the litigation has evolved.
- 4.5 Option 3 does not remove the risks that the court makes an adverse finding against Post Office if data is destroyed. However, it will help lay an evidence trail of internal considerations if Option 1 is selected.
- 4.6 If Option 4 is followed, we recommend obtaining the third party report first to give assurances to Freeths. If Freeths agree to the deletion of the data this would provide Post Office with the maximum level of protection, although not complete as the Judge may still raise concerns in any event. However, it is unlikely Freeths would agree to Post Office deleting the data. In these circumstances, Post Office will still need to make a decision of whether to delete or retain the data, with the additional factor that Freeths have objected to the deletion. For this reason, although Option 4 provides the greatest cost benefit, we would not recommend this approach.