

# FREETHS

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19 September 2018

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Our Ref: JXH/1684/2113618/3/CO  
Your Ref: AP6/364065.1369

Dear Sirs

## THE POST OFFICE GROUP LITIGATION HORIZON ISSUES TRIAL – DEFENDANT'S DISCLOSURE

We write further to the above.

### Date range for Stage 3 disclosure

We are concerned to note that your client has disclosed an extremely limited number of documents, if any, within the relevant date periods within the various tranches of its stage 3 disclosure. The table below sets out the number of documents that we believe have been disclosed in the date ranges listed. Please confirm if our understanding is correct.

Name of Document Set	Date Received	Total Number of Documents	Number of documents disclosed in relevant date period
09. KELS Disclosure 10 May 2018	10/05/2018	8,422	Less than 30 documents have been disclosed in each year from 2000-2003
07. Horizon Disclosure 10 Apr 2018	10/04/2018	169	Limited documents disclosed from 1996-2003: <ul style="list-style-type: none"><li>• 1 in 1996</li><li>• 1 in 1997</li><li>• 2 in 1998</li><li>• 4 in 1999</li><li>• 3 in 2000</li><li>• 1 in 2001</li><li>• 0 in 2002</li><li>• 2 in 2003</li></ul>

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Name of Document Set	Date Received	Total Number of Documents	Number of documents disclosed in relevant date period
15. Stage 03 Generic Disclosure	03/07/2018	14	Limited documents disclosed as follows: <ul style="list-style-type: none"> <li>No documents pre 2014</li> <li>No documents between 2015 and 2018</li> </ul>
Horizon Technical Disclosure_Jul 2018	18/07/2018	5	N/A
Additional Horizon Disclosure_Jul 2018	18/07/2018	42	Limited documents disclosed as follows: <ul style="list-style-type: none"> <li>1 document in 2000</li> <li>No disclosure between 2001 and 2008</li> </ul>
Stage 03 Disclosure 02 Jul_ 2018	18/07/2018	119	No information provided
Stage 03 Disclosure 03	02/08/2018	3,575	Limited documents disclosed as follows: <ul style="list-style-type: none"> <li>No documents prior to 2007</li> <li>2 documents in 2007</li> <li>No documents in 2008</li> <li>5 documents in 2009</li> <li>2 documents in 2010</li> <li>15 documents in 2011</li> </ul>
Stage 03 Disclosure Final	28/08/2018	2,234	Limited documents disclosed as follows: <ul style="list-style-type: none"> <li>No documents prior to 2008</li> <li>3 documents in 2008</li> <li>6 documents in 2009</li> <li>3 documents in 2010</li> <li>6 documents 2011</li> </ul>
<b>Total:</b>		<b>14,580</b>	

Please set out the process that your client undertook in identifying, reviewing and disclosing relevant documents for Stage 3 Disclosure, pursuant to these categories of documents, in particular, confirm why there appears to be such a limited number of documents disclosed in each stage during relevant periods (as highlighted in the table above).

### Third Party Reports

We note that your client has disclosed a number of audit reports produced by Ernst & Young, from 2011 (POL219214 / POL219218), 2012 (POL-0219403) and 2016 (POL218775), presumably pursuant to paragraph 53(6) of the Generic Defence.

We note that the 2011 report in fact states “the main area [Ernst & Young] would encourage management focus on in the current year is improving the IT governance and control environment” and sets out the “risk [in relation to Horizon specifically] that users may inappropriately or accidentally use the access leading to loss of application or data integrity”. The 2016 report prioritises “reconciliation of Horizon and IPSL” to help to deal with fraud, relating to which it is stated there is a “strong possibility” of reoccurrence.

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We would be grateful if you could now disclose the annual reports, produced by Ernst & Young or otherwise, for each year since the introduction of Horizon, so that the experts and the Court will be able to consider how the system developed over time.

Whilst reviewing document POL0171022, we note at page 38 that there is a reference to a KPMG report addressing the “*strategic architectural review of the risks and resilience of [Post Office’s] key IT Services (including but not exclusive to Horizon)*” that was to be made available in late June 2012. Please disclose a copy of this report, which is likely to be relevant to these proceedings, and falls within the categories of disclosure orders made against the Defendant. Please also disclose any further audit reports conducted by KPMG (or other professional body) that relate to the architecture and integrity of the Horizon system.

We note that document POL-0096436 (Business Data Model Guidance) refers to a Detica Report dated February 2006, which highlights “*the need for an approach to meta-data management and data mystery*”. In the event that this document is relevant to the Horizon Issues, please provide disclosure of the same, or confirm why it is deemed to be not relevant.

Document POL-0219403 (KPMG report) refers at page 53 to a report by Qinetiq of January 2011. Please disclose a copy of that report.

Document POL-0171022 refers on page 143 (to reports by Cisco and EMC, the findings of which had been shared with Post Office. Please provide disclosure of those reports. We would also record the fact that of the 222 pages comprising POL-0171022, 218 pages have been redacted, leaving only 4 pages readable. You have previously refused our request to reconsider your approach to substantial redactions across broad parts of the Defendant’s disclosure.

#### Further disclosure

We note from document POL-0171024 that the counter capability experienced five “major incidents” in the previous 12 months. Please provide disclosure of documents related to these incidents.

Document POL-0217341 refers on page 2 to “800 issues” being investigated. Please provide disclosure of documents relating to the nature and extent of those issues.

#### Fujitsu Advice

We note that document POL-0216236 records that Fujitsu advised Post Office for several years to upgrade POLSAP, which was declined by Post Office as a result of budgetary considerations. Please provide a copy of this underlying advice from Fujitsu.

#### Document versions

Please find the enclosed schedule of documents disclosed by the Defendant which fall within the various categories of disclosure orders made. Each of these documents has a version number associated with it. It appears that in most cases, there are a number of versions of these documents, and not all have been disclosed.

Please now provide disclosure of all outstanding versions of the documents listed in the enclosed schedule.

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We have copied the Claimants' expert into this correspondence for his information, and we suggest that you also provide a copy to Dr Worden.

Yours faithfully

A handwritten signature in black ink, appearing to read "Freeths", written in a cursive style.

Freeths LLP  
Please respond by e-mail where possible

cc. Jason Coyne, IT Group