

From: Johann Appel [GRO]
To: Angela Van-Den-Bogerd [GRO], "Lucy Bremner"
[GRO]
Cc: Rodric Williams [GRO], Andrew Parsons
[GRO] Mark Underwood1
[GRO]
Subject: RE: URGENT PLEASE- Information needed for GLO Horizon issues Trial [WBDUK-AC.FID27032497]
Date: Fri, 2 Nov 2018 13:14:37 +0000
Importance: Normal
Inline-Images: image015.png; image016.png; image017.png; image018.png; image019.jpg;
image020.jpg; image021.jpg; image022.jpg; image023.jpg; image024.jpg; image025.png;
image026.png; image002.jpg

Hi Lucy,

Further to Angela's message below, we were unable to locate the relevant documents prior to 2011 at Post Office. We have requested RMG to search for the relevant documents in their archives and we are chasing daily. When is the absolute final date by which you need an answer?

Best regards,

Johann



Johann Appel
Head of Internal Audit

Ground Floor

20 Finsbury Street
LONDON EC2Y 9AQ

[GRO]

From: Angela Van-Den-Bogerd
Sent: 30 October 2018 19:42
To: Lucy Bremner [GRO]
Cc: Johann Appel [GRO], Rodric Williams [GRO]
Andrew Parsons [GRO]; Mark Underwood1
[GRO]
Subject: FW: URGENT PLEASE- Information needed for GLO Horizon issues Trial [WBDUK-AC.FID27032497]

Hi Lucy

Johann is now able to respond to the Credence points and will do so as a matter of urgency.

Having read the documents you attached I question the appropriateness of not disclosing the attached 2012 documents? In particular the HNGX comments by E&Y. Cc'd to **Rod** for his view also.

Thanks,

Angela



Angela Van Den Bogerd

Business Improvement Director

1st Floor, Ty Brwydran,

Atlantic Close, Llansamlet
Swansea SA7 9FJ

GRO

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From: Lucy Bremner [<mailto:> **GRO**]
Sent: 29 October 2018 14:55
To: Angela Van-Den-Bogerd <<mailto:> **GRO**>; Johann Appel
<<mailto:> **GRO**>; Mark Underwood1 <<mailto:> **GRO**>; Andrew
Parsons <<mailto:> **GRO**>
Cc: Jonathan Gribben <<mailto:> **GRO**>
Subject: RE: URGENT PLEASE- Information needed for GLO Horizon issues Trial [WBDUK-
AC.FID27032497]

Angela, Johann,

Thanks for your email and apologies I missed your call earlier. We have the following documents (they have not been disclosed as it stands):

1. 2012

- POL IT Management Letter Final Draft 12/06/12; and
- POL Control themes and observations document (unsigned and contains POL comments). I understand from looking at correspondence that the control observations report represents the overall document (and appears to have been used from 2012 onwards) that the E&Y finance team produced.

2. 2013

- POL IT Management Letter response 31/05/15; and
- POL Control themes and observations document (signed final version).

There is no specific mention of credence in these documents and my understanding is that this is because of the 2011 current year update comments which states: "Application not in audit scope for FY11. Therefore, we are not able to comment on whether management has fully addressed our comment as raised in the year prior".

Kind regards,

Lucy

Lucy Bremner

Associate
Womble Bond Dickinson (UK) LLP

d: 
m:
t:
e:

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From: Angela Van-Den-Bogerd [[mailto:](#) ]
Sent: 29 October 2018 14:48
To: Johann Appel; Lucy Bremner; Mark Underwood1; Andrew Parsons
Subject: RE: URGENT PLEASE- Information needed for GLO Horizon issues Trial

Thanks Johann

Mark – do we have anything in the Sparrow archives?

Andy – does this ring any bells?

Thanks,

Angela



Angela Van Den Bogerd

Business Improvement Director

1st Floor, Ty Brwydran,

Atlantic Close, Llansamlet
Swansea SA7 9FJ

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From: Johann Appel

Sent: 29 October 2018 14:04

To: Angela Van-Den-Bogerd <[redacted] GRO [redacted]>; Lucy Bremner

[redacted] GRO [redacted]

Subject: RE: URGENT PLEASE- Information needed for GLO Horizon issues Trial

Hi Angela,

Lisa and I are working through subsequent ARC and Board minutes, but the details are limited and Lisa have not yet found the noting papers referred to. I have also asked Finance if they have a copy of the EY management letter for 2012 as this may provide more information.

We have come across the following entry from the Board meeting of 12 Jan 2012. There are references to two documents that might be helpful – a significant litigation report and a RMG internal audit report, both appear to support the IT controls for Horizon. Lucy, are you aware of these documents?

POLB12/07

**SIGNIFICANT LITIGATION REPORT
- Noting Paper (POLB(12)13)**

- (a) Les Owen asked for assurance that there was no substance to the claims bought by subpostmasters which had featured in Private Eye.

Susan Crichton explained that the subpostmasters were challenging the integrity of the Horizon system. However the system had been audited by RMG Internal Audit with the reports reviewed by Deloitte. The audit report was very positive.

The Business has also won every criminal prosecution in which it has used evidence based on the Horizon system's integrity.

**ACTION:
Susan Crichton**

Susan Crichton suggested that she clear the audit report with the external lawyers and if it is possible to give the report privileged status it would be circulate it to the Board.

Best regards,

Johann



Johann Appel
Head of Internal Audit

Ground Floor

20 Finsbury Street
LONDON EC2Y 9AQ

GRO

From: Angela Van-Den-Bogerd

Sent: 29 October 2018 13:44

To: Johann Appel  Lucy Bremner 

Subject: RE: URGENT PLEASE- Information needed for GLO Horizon issues Trial

Importance: High

Johann

Do we have the subsequent ARC minutes or updated actions so that we can see what became of the Chris Day action?

Lucy - given that we provided the E&Y management letter for 2011 as part of our disclosure, did we also provide the subsequent years management letters? If so, what reference to the findings in 2011 are made?

Thanks,

Angela



Angela Van Den Bogerd

Business Improvement Director

1st Floor, Ty Brwydran,

Atlantic Close, Llansamlet
Swansea SA7 9FJ



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From: Johann Appel
Sent: 29 October 2018 12:40
To: Angela Van-Den-Bogerd <[REDACTED] GRO>
Cc: Lisa Toyer <[REDACTED] GRO>; Garry Hooton <[REDACTED] GRO>
Subject: RE: URGENT PLEASE- Information needed for GLO Horizon issues Trial

Hi Angela

Below is an extract from EY's audit results report for FY2012, which was submitted to the May 2012 ARC (thanks Lisa for tracking this down). It states that the IT control environment has improved, but that more work is required.

We noted that the IT general control environment for POLSAP and HNGX has improved in comparison with 2010-11. However we observed that some of the control improvements had not been fully implemented or embedded at the time of the audit and that there were some remediation efforts that were not completely aligned with our expectations. There were also some findings from the previous audit which require further work to close.

Since the completion of the IT audit, we have discussed our control observations with POL and Fujitsu management, and are currently finalising our management letter which will provide details of our findings, observations and agreed management actions.

Unfortunately there is not much detail and it refers to a management letter that was still to be finalised. Below is an extract from the ARC minutes. Other than asking Fujitsu to provide a SAS70 certificate, there were no other actions to address the remaining IT issues.

c) IT

It was recognised that the IT controls in the business had improved and that there had been a change in the governance and management of the Fujitsu contract. The auditors found that the IT systems were insufficiently effective to be fully relied upon for audit control purposes. However, through adopting mitigating procedures, Ernst & Young had been able to rely on the IT systems supporting the POL financial statements. It was noted that the POL and Ernst & Young IT teams were working closely on an agreed plan of further improvements in FY13.

It was recommended that the business insist that Fujitsu provide a

ACTION: Chris Day SAS70/ISA402 certificate to provide a transparent audit of their controls.

So we are still not clear on whether the control weaknesses in question were addressed. I suggest we ask Finance if they have a copy of the final management letter for FY12 to see what exactly the remaining IT control issues were? Failing this we could ask EY for a copy. Any thoughts?

Best regards,

Johann



Johann Appel
Head of Internal Audit

Ground Floor

20 Finsbury Street
LONDON EC2Y 9AQ

GRO

From: Angela Van-Den-Bogerd

Sent: 26 October 2018 15:03

To: Johann Appel **GRO**; Garry Hooton **GRO**

Subject: RE: URGENT PLEASE- Information needed for GLO Horizon issues Trial

Thanks both

Appreciate your help.

Have a great weekend.

Angela



Angela Van Den Bogerd

Business Improvement Director

1st Floor, Ty Brwydran,

Atlantic Close, Llansamlet
Swansea SA7 9FJ

GRO

GRO

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From: Johann Appel
Sent: 26 October 2018 14:43
To: Angela Van-Den-Bogerd [GRO]; Catherine Hamilton
Cc: Garry Hooton [GRO]; Lucy Bremner [GRO]; Mark Underwood [GRO]
Subject: RE: URGENT PLEASE- Information needed for GLO Horizon issues Trial

Angela,

As Garry has mentioned, this report precedes the existence of Post Office Internal Audit. In addition, we do not routinely track actions raised by external audit.

I will contact CoSec to see if the ARC papers and minutes provide more information. I will also look at subsequent EY reports to see if these findings were raised again in the following year.

Best regards,

Johann



Johann Appel
Head of Internal Audit

Ground Floor

20 Finsbury Street
LONDON EC2Y 9AQ

GRO

From: Angela Van-Den-Bogerd
Sent: 26 October 2018 12:22
To: Catherine Hamilton <[redacted]>; Johann Appel <[redacted]>
Cc: Garry Hooton <[redacted]>; Lucy Bremner <[redacted]>; Mark Underwood1 <[redacted]>
Subject: URGENT PLEASE- Information needed for GLO Horizon issues Trial
Importance: High

Catherine, Johann,

As part of the Post Office litigation, WBD our external lawyers are drafting our witness statements with us in response to allegations made by the other side. The one I need your help with in is respect of Jason Coyne, the Claimants' IT expert who refers to an audit document produced by E&Y in 2011 (see attached) which identified issues with the credence application, namely weak change controls within the back end of the systems allowing Logica developers (the third-party provider) to move their own uncontrolled changes into the production environment. He goes on to say that "further documentation to approve fixes and patches applied to Credence outside of the release process were lacking, therefore linking changes to issue tickets to record the original request for the bug fix was not possible".

We need to understand whether these comments are correct and whether anything changed in light of the report.

My expectation is that we as a business would have taken action as a result of these findings by E&Y and would have documented what that action was. I understand from speaking with Garry that we didn't have own POL internal audit function at the time as this was within the Royal Mail group structures.

Mark Hotson has already provided some information (email below) but that is about current practices rather than in 2011 following the E&Y report.

Could I ask that you both consider the initial request from Lucy (first email in chain) and provide responses from your respective areas that will help to provide an adequate response from us (POL) as part of the evidence we provide to the Court.

As I'm sure you'll understand this is urgent as we are on a court deadline to submit our witness statements by 4pm on 13th November but we need to get our draft statements to our Counsel early next week. So could I request that you give this your most urgent attention.

Any queries please come back to me in the first instance.

Thanks,

Angela



Angela Van Den Bogerd

Business Improvement Director

1st Floor, Ty Brwydran,

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From: Mark Hotson

Sent: 25 October 2018 18:56

To: Angela Van-Den-Bogerd <[redacted]@GRO>

Cc: Somita Yogi <[redacted]@GRO>

Subject: Fwd: Horizon issues - witness evidence [WBODUK-AC.FID27032497]

Hi Angela,

Just picked your email exchange up with Lucy.

Please find enclosed the response that I provided her with earlier today.

Regards,

Mark

Get [Outlook for Android](#)

From: Mark Hotson
Sent: Thursday, October 25, 2018 11:17:24 AM
To: Lucy Bremner
Cc: Mark Underwood1; Jonathan Gribben
Subject: RE: Horizon issues - witness evidence [WBODUK-AC.FID27032497]

Morning Lucy,

Further to the below, I have discussed the attached document, specifically items referenced “12”, “13” and “14”, internally and provide the following updates. These responses are based on current knowledge as those consulted were also not employed by POL at the time when the audit report was written:

Generally, since the report was written there has been:

1. A change to the IT Supplier (from: CMG Logica to: Accenture).
2. An upgrade to the application (from: Business Objects v3.1 to: v4.1).
3. A re-platform of the underlying database (from: a mix of CMG Logica locally-hosted (non-production) environment and a Fujitsu hosted (production) environment to: Microsoft Azure cloud hosting for non-production and production.

“12 - Credence (back end) change process”

- *“Developers at Logica, the third party provider of application development and support for Credence, had access rights to the production environment and the database that would permit developers to move their own changes into the production environment.”*
- *“Documentation to approve fixes and patches that are applied to Credence outside of the release process does not always exist. We were advised by Logica personnel that for a sample of four changes selected evidence of approval to move into production did not exist and that it would not be possible to link the changes to problem tickets to record the original request for the fix / patch.”*

All changes* are under the control of Accenture and are subject to a robust Change Management process. *These changes include: fixes – planned and emergency, project changes and security changes. Each change is subject to approval at the “CAB” (Change Approval Board)

Further to this, as the hosting is now Microsoft Azure the implementation of patches and fixes are subject to Microsoft security best practices.

“13 - Credence (front end) change process”

- *“During our walkthrough of user administration of the front end of Credence we noted several users with administrator rights, including some generic users (this is noted below as a separate point). These users have the access rights to create and amend reports, including those which may be relied upon for audit evidence. These users can change report design, and processing without documented request, test or approval.”*
- *“When users have the rights to change reports that are used by the business for reconciliation, exception reporting or other processing, there is the risk that the reports are manipulated either intentionally or accidentally.”*

Users with administrator rights now purely carry out administrator tasks only, i.e. no reports are created or amended by users with such rights.

In addition, a Power App has been implemented which logs and controls requests for change (new and existing reports) carried out by POL personnel. Similarly, requests for changes/new reports that are assigned to Atos information Services are logged and controlled via the Atos Service Catalogue.

“14 - Credence (front end) configuration”

“We noted several control weakness in Credence front end user administration and security configuration:

1. *The password configuration is not aligned with network settings or those settings required by Post Office. We noted:*
 - a. *there is no minimum password length*
 - b. *Password complexity rules are not applied*
 - c. *users are not required to change their password*
 - d. *password history is not retained*
 - e. *idle session time-outs are not in place”*

The below screenshot provides the current (as at 25/10/2018) Business Objects Central Management Console enterprise settings relating to passwords – this addresses the above:

Enterprise

Password Restrictions

Enforce mixed-case passwords
 Enforce numeral in passwords
 Enforce special character in passwords
 Must contain at least N characters where N is:

User Restrictions

Must change password every N day(s):
 The system cannot reuse the N most recent password(s):
 Must wait N minute(s) to change password:

Logon Restrictions

Disable account after N failed attempts to log on:
 Reset failed logon count after N minute(s):
 Re-enable account after N minute(s):
 Synchronize Data Source Credentials with Log On
 Enable and update user's Data Source Credentials at logon time

Trusted Authentication

Trusted Authentication is enabled
 No shared secret available. [New Shared Secret](#) [Download Shared Secret](#)
 Shared Secret Validity Period (days):
 Trusted logon request is timeout after N millisecond(s) (0 means no limit):

[Update](#) [Reset](#)

- *“There are three generic administrator accounts without specific users assigned to these accounts. One of the three accounts has not been used since April 2009.”*

Only 1 full Administrator account remains which is used for administrative activities only by the POL Credence Administrator.

- *“The process for requesting and granting user access rights to Credence does not maintain documentation to record evidence of request or approval of access rights.”*

This activity is now governed and controlled by the IT Service Desk. Service tickets are used to log and control requests.

- *“There is no process in place for the revocation of user access rights when a user separates from the organisation or moves to a new role no longer requiring access rights to Credence.”*

Housekeeping is actively performed on a regular basis and redundant user accounts are terminated accordingly.

With regards,

Mark



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**Winner of the
Global Postal Award
for Customer
Experience**

Mark Hotson
Senior Data & Process Specialist

Data Centre of Excellence

No1 Future Walk,

West Bars,
CHESTERFIELD

Derbyshire, S49 1PF

STD: **GRO**

Mobile: **GRO**

Annual Leave Advanced Notification:

24th December 18 – 11th January 19

From: Mark Hotson

Sent: 24 October 2018 15:16

To: 'Lucy Bremner' <**GRO**>

Cc: Mark Underwood1 <**GRO**>; Jonathan Gribben <**GRO**>

GRO

Subject: RE: Horizon issues - witness evidence [WBDUK-AC.FID27032497]

Hi Lucy,

Whilst I am more than willing to try and help I wasn't working in POL in 2011!

I'll come back to you in the morning after I've had some conversations internally.

Regards,

Mark

**2017 Winner of the
Global Postal Award
for Customer**

Mark Hotson
Senior Data & Process Specialist



Data Centre of Excellence
No1 Future Walk,
West Bars,
CHESTERFIELD
Derbyshire, S49 1PF

STD: [GRO]

Mobile: [GRO]

Annual Leave Advanced Notification:

24th December 18 – 11th January 19

From: Lucy Bremner [[mailto:\[GRO\]](mailto:[GRO])]
Sent: 24 October 2018 10:11
To: Mark Hotson <[GRO]>
Cc: Mark Underwood1 [GRO]; Jonathan Gribben [GRO]
Subject: Horizon issues - witness evidence [WBDUK-AC.FID27032497]

Dear Mark,

As part of the Post Office litigation we are drafting witness statements in response to allegations made by the other side. I have been in contact with Paul Smith, who has pointed me in your direction in relation to one of the issues we need to respond to.

Jason Coyne, the Claimants' IT expert, refers to an audit document produced by E&Y in 2011 (see attached) which identified issues with the credence application, namely weak change controls within the back end of the systems allowing Logica developers (the third-party provider) to move their own uncontrolled changes into the production environment. He goes on to say that "further documentation to approve fixes and patches applied to Credence outside of the release process were lacking, therefore linking changes to issue tickets to record the original request for the bug fix was not possible".

We need to understand whether these comments are correct and whether anything changed in light of the report.

As we need this information urgently, can you let me know if you are the right person to answer this and if so, can we set up a call for later today/tomorrow morning to discuss?

Kind regards,

Lucy

Lucy Bremner
Associate
Womble Bond Dickinson (UK) LLP



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