

Stephen Dilley

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**From:** Stephen Dilley  
**Sent:** 28 September 2006 15:16  
**To:** 'Richard Morgan'  
**Subject:** RE: (1) Opening audit (2) Proving the losses: P.O -v- Castleton

ok will call you then

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**From:** Richard Morgan [GRO]  
**Sent:** 28 September 2006 15:17  
**To:** Stephen Dilley  
**Subject:** RE: (1) Opening audit (2) Proving the losses: P.O -v- Castleton

Shall we talk about this tomorrow? Just give me a call when convenient.  
Richard

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**From:** Stephen Dilley [GRO]  
**Sent:** 28 September 2006 14:38  
**To:** Richard Morgan  
**Cc:** Tom Beezer  
**Subject:** (1) Opening audit (2) Proving the losses: P.O -v- Castleton

Dear Richard,

**(1) Opening audit**

One of the things you have been seeking is an opening audit in the theory that we can then deduct the stock and cash in the closing audit from the stock and cash in the opening audit and that the difference would be the shortfall. The aim of this would be that we would not therefore need to rely on information from Horizon and it would be an academic issue.

I've been chasing lots of people at the P.O to get a copy of the opening audit. I am told that:

1. There is no opening audit report available as they were not required to be kept at this time.
2. However, when the subpmr before Castleton left office, we can see from the attached document that there was no transfer of a deficiency or surplus.
3. I asked whether there was a transfer of cash or stock. Apparently, what actually happens when there is a change of spmr, is that the audit team for the outgoing spmr "rem out" the stock and cash from the computer and the new spmr or his trainer "rems in" any cash or stock handed over. We have the stock rems for January to March 2004 and I have asked the P.O to provide all cash and stock rems for the entire period that Mr Castleton was in office. I have also asked the P.O if we can find out who was the actual auditor who on or around 18 July 2003, so that I can confirm with them that they definitely would have remmed out the stock and cash. I'll update you when I hear further on these points.

Even if we had the opening audit, I anticipate we'd still need to rely on the Horizon transaction logs to see what transactions were performed between the two audits because surely our case is "from Horizon we can see this is the amount of cash and stock the spmr has received, the Horizon transaction logs show what transactions were done, we can therefore calculate the amount due to the P.O from the transactions done and consequently that the Marine Drive branch has a shortfall." In other words, I don't think we can take Horizon out of the picture by

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relying mainly on opening and closing audits.

## **(2) Proving the losses**

You've asked for someone from the P.O to give evidence to say "there are £25,858.95 of losses" So far, people seem remarkably coy about saying that. The auditor (Helen Rose) says that it would be inappropriate for her to say that. The RLM (Cath Oglesby) is not familiar with the document which has the losses on it. I've asked the P.O to identify a witness to say that. I am informed that the Former Subpostmaster team collate all the information to start the case, but the information on losses either comes from the final audit (Helen Rose) or from errors outstanding at final account or arising after final account (i.e. our "procedural" witnesses such as Gillian Hoyland, Michael Johnson, Ken Crawley). I have been told that if I take a statement from the final account auditor (Helen Rose - done) and all the error people, that I have the losses "fully covered." In other words, this means that there won't be any one single person dealing with all the losses. However, Helen Rose's audit picks up most of them.

Happy to discuss any of the above if this would assist.

Kind regards.

Stephen Dilley  
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