

Private and Confidential: Subject to Legal Privilege

ANNEX A – POL’s proposals for addressing the Report’s recommendations, as agreed with Jonathan Swift QC

Number	Recommendation	Status	Proposal
1	Legal advice be sought from Counsel as to whether the decision to charge a SPMR with theft and false accounting could undermine the safety of any conviction for false accounting where a) the conviction was on the basis of a guilty plea, following which and/or in return for which the theft charge was dropped, and b) there had not been a sufficient evidential basis to bring the theft charge.	Partially undertaken – analogous advice was obtained from Brian Altman QC in February/ March 2015.	POL will instruct Brian Altman QC to provide legal advice on the specific questions posed, for the sake of certainty.
2	If such a conviction could be undermined in those circumstances, that Counsel review the prosecution file in such cases to establish whether, applying the facts and law applicable at the relevant time, there was a sufficient evidential basis to conclude that a conviction for theft was a realistic prospect such that the charge was properly brought.	No previous work, of a similar nature, has been undertaken	This is dependent upon the content of the advice provided by Brian Altman QC to recommendation 1.
3	POL consider instructing a suitably qualified party to carry out an analysis of the relevant transaction logs for branches within the Scheme to confirm, insofar as possible, whether any bugs in the Horizon system are revealed by the dataset which caused discrepancies in the accounting position of any of those branches.	Partially undertaken – Post Office considered selected transaction logs as part of the Complaint Review process.	POL will instruct Deloitte to determine whether such an analysis/review is feasible, and if it is, to provide an indication of the cost, time and process that would be incurred.
4	POL instruct a suitably qualified party to carry out a full review of the use of Balancing Transactions throughout the lifetime of the Horizon system,	Partially undertaken – the feasibility of such a review was considered with Fujitsu in mid-2015.	POL will instruct Deloitte to determine whether such an analysis/review is feasible, and if it is, to provide an indication of the cost, time and

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	insofar as possible, to independently confirm from Horizon system records the number and circumstance of their use.		process that would be incurred.
5	POL instruct a suitably qualified party to carry out a full review of the controls over the use and capability of authorised Fujitsu personnel to create, amend or delete baskets within a sealed audit store throughout the lifetime of the Horizon system, insofar as possible.	Partially undertaken – considered by audits undertaken, principally the ISAE3402 Audit, which is carried out by E&Y.	POL will instruct Deloitte to undertake this review, throughout the lifetime of the Horizon system, insofar as is possible.
6	POL seek specialist legal advice from external Counsel as to whether the Deloitte reports, or the information within them concerning Balancing Transactions and Fujitsu’s ability to delete and amend data in the audit store, should be disclosed to defendants of criminal prosecutions brought by POL. This advice should also address whether disclosure should be made, if it has not been, to the CCRC.	<p>Completed:</p> <ol style="list-style-type: none"> 1. Advice was obtained from Cartwright King and Brian Altman QC in mid-2015. Cartwright King identified the Balancing Transaction information as the only issue in the Deloitte reports which might require disclosure in Post Office criminal prosecutions. Brian Altman then advised that there was no current need for Post Office to give further general disclosure to prosecuted postmasters about Balancing Transactions, general complaints about “remote access” being insufficient to trigger Post Office’s disclosure duties 2. The CCRC was notified of the Deloitte reports on 13 January 2016 	POL will provide Jonathan Swift with the advice referenced in the ‘status’ column. If this advice does not satisfy Jonathan that the recommendation is discharged, POL will instruct Brian Altman QC to provide advice on the specific questions posed.
7	POL cross reference specific complaints about misleading advice from NBSC call-handlers with the possible employees who provided that advice and consider their personnel files, where	No previous work, of a similar nature, has been undertaken.	<p>POL will attempt, for the time period covering complaints made:</p> <ol style="list-style-type: none"> 1. Identify the particularised complaints

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	available, for evidence as to the likelihood that the complaint may be well founded.		<p>made by Scheme Applicants, in respect of 'misleading advice' being provided</p> <ol style="list-style-type: none"> 2. Cross reference these complaints to the call handler(s) who took the call(s) 3. Review these call handlers personnel files, where they still exist, for evidence as to the likelihood that the complaint(s) may be well founded
8	POL commission forensic accountants to review the unmatched balances on POL's general suspense account to explain the relationship (or lack thereof) with branch discrepancies and the extent to which those balances can be attributed to and repaid to specific balances.	It is understood that E&Y audit POL's Suspense Account as part of its annual auditing of POL.	POL will, in the first instance, make contact with E&Y to understand what, if any, analysis it performs on the POL Suspense Account during its annual auditing of POL. Assuming E&Y do not already hold answers to the questions posed, POL will commission either EY or Deloitte to review any unmatched balances on POL's Suspense Account