

Witness Name: GLEN MORRIS

Statement No: WITN09170100

Dated: 02 October 2023

POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF GLEN MORRIS

I, Glen Morris will say as follows:

1. I am a current employee of the Post Office and I hold the position of 'Branch Assurance Advisor.' A previous job title for this position within the Post Office was 'Audit Inspector.'
2. This statement is made to assist the Post Office Horizon Inquiry (the **"Inquiry"**) with the matters set out in the Rule 9 Request dated 17 August 2023 (the **"Request"**). The Request contains 58 questions, which I have addressed below. I would like to flag that I have received legal assistance to produce this statement from my solicitor, Mr Ian Manners of Ashfords LLP. When seeking to obtain assistance from Ashfords LLP, I was assisted by the Post Office with the initial stage of confirming the availability of insurance coverage, to cover the associated legal costs.

3. I would like to note that the questions posed in the Request mainly centre around the case of David Blakey, the events of which occurred almost 20 years ago. It has therefore been difficult for me to recall precise details at times, due to the passage of time. However, I have made this statement to the best of my recollection and I have ensured to make it clear in instances where I cannot remember something, or I have had to rely on a document provided.

Relevant background

4. I have been asked to set out a summary of my career and qualifications. I started my career in the Post Office in 1983 at the age of 18, working on the counter at Worksop. I stayed in this role for approximately 6 years until 1989, following which I went on 'Leave Reserve'. When on 'Leave Reserve' I was posted in various Post Office roles in the Sheffield and Rotherham area. The specific locations depended on where cover was required. For example, I would be working in the return letter branch one week, within the finance team the following week, a branch counter the next week etc. I cannot remember what specific locations I worked at on a week by week basis during this period as it changed constantly.
5. Around January 1995 I interviewed internally with the Post Office to become an Audit Inspector. By this point I had worked under the Post Office umbrella for 12 years and I had gained a lot of knowledge and experience of various Post Office procedures. I was successful in obtaining the role and started my Auditor career in February 1995. At the time of writing this statement I am still currently employed in an Auditor position for the Post Office and I have remained at the same level throughout.

6. When I first became an Audit Inspector I was based in the Sheffield and Rotherham area, along with 6 other Auditors. Due to the diminishing number of Audit Inspectors employed by the Post Office over the years, the areas that I am scheduled to cover has expanded over time. I am now considered to be part of the 'North team' covering mainly areas within the North of England. However, sometimes I will be scheduled to carry out audits in branches that fall outside of this remit, including branches within Ireland, Scotland etc.

7. In terms of gaining the relevant training and experience, back when I first became and Audit Inspector it was very much the case that you learned on the job. I initially shadowed more experienced Auditors and assisted them with carrying out scheduled audits. During that time audits were carried out at branches almost every day, so I was able to gain the necessary skills and experience quite quickly by shadowing more experienced Auditors. Whilst I cannot remember precisely how I progressed from this shadowing role, I believe that it is likely that after a few months my line manager at the time would have received confirmation from the relevant colleagues that I had become experienced enough to lead audits myself. I have had various line managers over the years, so I cannot recall who this particular line manager would have been.

8. I have been asked to set out what I understood the role of an Audit Inspector to involve. Essentially, the core of the Audit Inspector role has remained unchanged since I started and it involves carrying out asset verification. What this means is that we count all cash and stock at a Post Office branch to check

whether the amount that should be present at the branch is there. We also carry out compliance checks, which mainly involves checking that the required security measures are in place at the branch. There are a number of different types of audit. The main ones are:

- a. transfer audits - carried out when a new Subpostmaster (hereafter referred to as "SPM") takes over a branch to verify that the cash and stock being transferred matches central records.
 - b. closure audits - verifying that the assets being returned when a branch closes matches what should be present at the branch.
 - c. risk audits – verifying assets where a potential risk such as excess cash holdings is flagged.
 - d. robbery audits - verifying the remaining cash and stock to establish the amount of cash and stock stolen from a branch.
9. When I first became an Audit Inspector, the Horizon IT system had not yet been implemented. Therefore, in order to complete an audit we would be required to work back manually to the to the previous week's balance (adding receipts and subtracting payments) to establish what assets should be present. This was then compared to the actual assets on site. This involved working off hand written paper records.
10. Since the introduction of the Horizon IT system, we no longer work off paper records to determine what cash and stock should exist within a branch. Instead, printouts are obtained via the Horizon system which include an printed

reports from each stock unit. At the time of the matter involving David Blakey, I believe the Horizon IT system had been in place for approximately 4 years.

11. Once an audit is complete, I report the findings in an audit report to the Retail Line Manager. If any major discrepancies or shortfalls are discovered, I would also report my findings to my Senior Auditor and Investigation/Security team. At the time of the incident involving David Blakey, Craig Thompson was my Senior Auditor, the Retail Line Manager was Jayne Kaye and the security team contact was Paul Whitaker.

12. I have been asked my views on the competence and professionalism of my colleagues and managers. Throughout my career, I believe that my colleagues and managers have been exceptionally professional and competent. Being an Audit Inspector is a sought after position and I believe that you need a high level of integrity and professionalism from the outset to be employed and remain within the role. As far as I am concerned, the people I have worked with have been highly competent and professional at all times and I would not have stayed within an audit role for 28 years if I did not believe that to be the case.

The audit process and the policies/practices in place

13. Since I became an Audit Inspector in February 1995 there have been many changes to the audit process and the policies and practices that relate to it. I cannot remember every single change, nor the specific dates that such changes were implemented as it is ever evolving. However, despite the

number of changes that will have occurred over the past 28 years, the core of the auditing process has remained the same. As it was back when I started, the primary objective involves asset verification of stock and cash at branches, the process of which I have set out in paragraph 8 above.

14. In terms of major changes to the processes, practices and policies, the introduction of the Horizon IT system in around 2000 was considered a significant development as it allowed the audit to utilise electronic records and move away from a manual process.
15. Another significant change to the practice was the move from unannounced to announced audits. When I first started my Auditor career, we would be scheduled in to complete an audit at a particular branch and the branch would have no knowledge of the visit. We would arrive first thing in the morning before the branch opened and would explain to the postmaster why we were attending and we would ask for access to all the cash and stock within the branch. We would then complete the asset verification process. Nowadays, audit visits are announced, but I cannot remember when this change was introduced.
16. Additionally, when I first became an Audit Inspector I believe that every post office in the country would undergo an audit every two years at least. This is not the case today as audit frequency is now based on an assessment of risk. Again, I am unable to pinpoint the exact time that this change came into place.

Recruitment and training of auditors

17. I have been asked to consider the following documents:

- a. "Assurance Review - Recruitment (Vetting & Training)" (version 1.0, 27 October 2009) (**POL00032698**);
- b. "Network auditing approach, methods and assurance" (2013) (**POL00086765**);
- c. "Training & Audit Advisor" (undated) (**POL00088453**);
- d. "Audit Advisor" (undated) (**POL00088557**).

18. These are not documents I am familiar with and prior to receiving them from the Inquiry, I cannot recall having had sight of them.

19. From my own knowledge, I am not aware if there are a variety of potential routes by which you can be recruited as an Auditor for the Post Office. I have always thought that you could only be recruited internally and only if you have some counter experience, as some balancing experience is required.

20. In terms of the level of qualification and/or experience required I do not think there was a specified minimum level required at the time I was recruited. You just needed to have at least some counter experience to be considered for the role.

21. When I was recruited as an Audit Inspector in 1995, I do not recall undergoing a formal induction as such. Rather, I learned on the job by shadowing more experienced colleagues, as I have described in paragraph 7 above.

22. In terms of ongoing training, I do not recall any formal training days in the early years of my Auditor career. The Audit Team would simply receive updates on process changes as and when they occurred and I believe that this was sufficient to ensure we understood what was required of us. Training has become more formalised as the years have gone by.

23. I believe that from the time I became an Audit Inspector to the present day, auditors have always had the necessary training and experience required to carry out their roles at the Post Office.

The planning and scheduling of audits

24. I have been asked to consider the document "Audit Plan & Scheduling, Chapter 1 of the Audit Process Manual" (Version 8.0) (2010) (**POL00084650**). Again, this is not a document I am familiar with and I have only considered it for the first time when it was provided to me by the Inquiry.

25. From my recollection, when I first became an Audit Inspector all branches were audited every two years at random, however, at some point in time the scheduling process became more risk based. I do not know when random audits were changed in favour of risk based audits, but there is now a network monitoring team in place which identifies issues and raises red flags to trigger an audit.

26. Triggers for scheduling audits include, but are not limited to, robberies, risk, branch transfers and branch closures.

27. As alluded to earlier in my statement, I believe that when I first started my Auditor career, audits were scheduled on a weekly basis. There was often little or no change to the weekly schedule. If on the rare occasion a visit to a branch had to be cancelled last minute for any reason (for example, a robbery had taken place at another branch which called for an urgent audit), then this could easily be rescheduled without liaising with the branch in question, as audits were unannounced at that time. As time has gone on and with audits now being announced, the schedule has become more advanced and changes occur more often.

28. I have never been involved with the organisation or scheduling of audits.

29. I have been asked to describe any enquiries or investigations conducted before a branch visit is scheduled. It is important for the Inquiry to note that amount of work done by an auditor prior to the branch visit has changed over the years. From my recollection, early on in my audit career there was little to no enquires prior to branch visits.

30. Nowadays information is more readily available and accessible through the support and IT systems in place. As such, most potential issues within a branch are identified earlier on in the process, meaning that an audit occurs further down the line if it is considered to be necessary.

31. I have been asked to describe and explain any variation between the scheduling of audits in respect of Crown Office branches and other branches. I know that Crown Office branches undergo further internal audits, which I comment briefly upon in paragraph 54 below, but I do not recall what the difference is in terms of the frequency of scheduling of audits compared to ordinary branches. I cannot comment beyond that as I have never been responsible for scheduling any type of audit.

The Auditing Process

32. I have been asked to consider the following documents:

- a. "Audit Charter" (version 4.0, undated) (**POL00083966**);
- b. "Performing a Branch Audit", Chapter 3 of the Audit Process Manual (version 5.1, May 2010) (**POL00084801**);
- c. "Core & Outreach Audit Process", Chapter 3a of the Audit Process Manual (version 1.0, 27 May 2011) (**POL00085534**);
- d. "Follow Up Audit Process", Chapter 3b of the Audit Process Manual (version 3.0, May 2015) (**POL00087627**);
- e. "Performing a Cash Centre Audit", Chapter 7 of the Audit Process Manual (version 5.0, Aug 2016) (**POL00088252**);
- f. "Quality Assurance", Chapter 11 of the Audit Process Manual (version 5.0, Apr 2015) (**POL00087672**);
- g. "Post Incident Auditing without Horizon", Chapter 14 of the Audit Process Manual (version 1.0, Nov 2006) (**POL00084003**);

- h. "Condensed Guide for Audit Attendance" (version 2, Oct 2008)
(POL00084813);
- i. "Requirement of Network Field Support Advisors at audit, following discovery of discrepancy" (version 1.0, Oct 2011) **(POL00085652)**;
- j. "Network auditing approach, methods and assurance" (2013)
(POL00086765);
- k. "Training Guide: Compliance Audit Tool" (Sep 2015) **(POL00087688)**;
- l. "Training-Aide for Branch Asset Checking" (version 1.7, Nov 2014)
(POL00087716); and
- m. "Terms of Reference Audits" (version 1, April 2015) **(POL00087614)**.

33. I note that these documents are concerned with various processes and practices in place that relate to the Post Office Auditor role. I would like to flag that apart from the first document in the list, "Audit Charter" (version 4.0, undated) **(POL00083966)**, all other documents appear to postdate the incident involving Mr Blakey in 2004. As such, it does not seem that they would have been implemented at the time.

34. In relation to the undated document **(POL00083966)**, I cannot recall if this was in operation at the time of the audit at Riby Square Branch in May 2004. However, I would like to draw attention to section 2.2 of this document, where the purpose and scope of the Auditor role is set out as follows:

"The Primary purpose of branch and cash centre audit activity is to provide a independent assurance to Post Office Ltd that:-

- *Its assets exist at Post Office® branches and cash centres*
- *There is compliance to relevant policies, processes, regulations and standards.”*

35. The first bullet point in this description relates to the Auditor’s role of asset verification, which I have already set out in in Paragraph 8 above.

36. In terms of the second bullet point relating to compliance checks, I would like to flag to the Inquiry that this action is completely separate to the asset verification steps taken to complete an audit. Once an audit and the associated reporting steps that follow have been completed, Auditors are then required to ask the postmaster a checklist of questions which relate to security and compliance. These include, but are not limited to, questions about keeping the secure area closed, regular checking of security alarms, the level of cash kept in safes etc.

37. I would also like to draw attention to the following paragraph of section 2.2 of document (**POL00083966**):

*“The role **is not** an investigative one nor is its primary function to detect fraud. The investigation of fraud is the responsibility of Post Office Ltd Security team. While it is not a primary function of the audit team to detect fraud, it is not uncommon for system control weaknesses to be exploited for fraudulent gain. Where auditors identify or suspect fraud, processes exist to escalate the matter.”*

38. This paragraph clarifies that where any discrepancies such as cash shortages are found during an audit, it is not for the Audit Team to then further investigate matters. Rather, we would be required to report it to the Investigation/Security Team, who would then decide whether or not to take any further action. This point is relevant to the actions I took in relation to the events that occurred during the audit of Riby Square Branch in May 2004, the details of which I have addressed later in this statement.

39. The final section of document (**POL00083966**) I would like to comment on is "*Section 4 – Code of Ethics*". Whilst I cannot directly remember this document or this specific section I believe that I would have read it at the time it was issued and I would have taken on board and understood the points raised in relation to the Code of Ethics. In particular, I have always understood the importance of confidentiality and conflicts of interest and have ensured to take the relevant steps to avoid a breach of such. For example, whenever I have been scheduled at a branch where I have previously worked on the counters during my Leave Reserve role, I have raised this with my line manager to double check that it would be appropriate for me to carry out the audit.

40. In terms of the information that I consider when completing an audit, this remains the same on the day of the audit itself, despite what type of audit is being undertaken. Essentially, I will consider the findings in the printouts retrieved for each stock unit from the Horizon IT system, so the figures can be compared to the total figures of all the cash and stock counted during the audit.

I will also consider any extra information that a postmaster relays to me on the day in relation to any figures. In the matter concerning Mr Blakey, this would have been the information he provided regarding the shortfall.

41. The only time where the information I consider varies for different types of audits is where background information is obtained prior to going to a branch. For example, if a problem with stock at a branch triggers the requirement for an audit, I may contact the stock team first to get some background information before attending if I think it is necessary. However, I would not necessarily take this step when excess cash in a branch triggers the need for an audit. Rather, I would potentially review the branch's previous cash declarations and cash reports to obtain the relevant background information prior to attending.

42. As touched upon in paragraphs 37 and 38 of this statement, whenever I discover a significant shortfall during an audit I will proceed to report this to the Investigation/Security Team, as it is for them to then determine what steps to take next. Before doing this, I always double check my figures first to make sure that the shortfall discovered is correct. I may also consider various documents that can be obtained through the Horizon IT system, such as the transactions log, to see if a reason for the discrepancy can be identified. However, I do not believe that these actions constitute "further investigation" – they simply represent standard practice in order to verify my findings as part of the audit process and in turn this might flag to the Investigation/Security Team any information that may be considered helpful when they proceed with their own enquiries.

43. The point at which I would be prompted to notify the Investigation/Security Team of a discrepancy differs depending on the circumstances. For example, if I am told at the outset by a postmaster that a large cash shortfall is likely to be discovered, as was the case involving Mr Blakey, then I will report this to the Investigation/Security Team immediately and will further confirm the specific figure once the audit is complete. However, if there is no admission by the postmaster prior to the audit and a large cash shortfall is only discovered after it is complete, I would first double check with the postmaster whether there is any other cash or stock that the Audit Team have not been given access to, and if not, I would then contact the Investigation/Security Team at this stage.

44. I would like to point out to the Inquiry that as well as contacting the Investigation/Security Team, I will also separately inform the Retail Line Manager and the Audit Manager when any large shortfalls are discovered, to make sure that all necessary people who require the information receive it.

45. I would also like to flag that where any shortfall or discrepancy discovered after an audit is minor, my audit report would then only go to the Retail Line Manager and the Audit Manager. This is because a minor figure would not necessitate the involvement of the Investigation/Security Team to carry out further investigation.

46. The level of discrepancy that is considered reportable to the Investigation/Security Team has changed over the years, and I cannot remember what the minimum figure would have been at the time of the Riby Square audit in May 2004, however, the £60,000 cash shortfall initially reported to me by Mr Blakey will have been well over the minimum figure at the time.

47. In the first few years of my Auditor career, it was common practice for Auditors to ask SPMs to make good any discrepancies on the day of an audit. Alternatively, we would request that it is made good at the point of the next weekly balance check. If an SPM was unable to make good any discrepancy, we would report this to our Area Manager who would then discuss matters with the SPM further. Nowadays, no one asks SPMs to make good any discrepancies. Instead they are settled to the SPM's account. I am unable to pinpoint from memory when this change came into force.

48. In terms of Auditors being given instructions on taking payment from SPMs, I am unable to recall any specific scenarios in which this may have taken place. However, I can vaguely recall occasions early on in my career where money was deposited in the tills at a branch just after an audit had been completed to make good a variance. A receipt would have been given and I imagine the instructions for such steps would have been contained in the Auditor instructions manual in place at the time.

49. It has always been the case during my Auditor career that on the day of the audit SPMs are permitted to provide their own information or undertake their own investigation in relation to any shortfall discovered, if they so wish. For example, if an SPM wishes to double check the total figures found by the auditing team, we always allow this. SPMs would also be able to obtain their own print outs from the Horizon IT system so they would be able to carry out their own investigations into the cash and stock figures if they wished.

50. When I first began my Auditor career, we were able to ask SPMs why a discrepancy exists, to give them an opportunity to provide further information. However, we are no longer permitted to proactively seek this information. I believe this is because it is considered more appropriate for this information to be obtained by the Investigation/Security Team. I cannot recall when this change to the process occurred.

51. In normal circumstances, an Audit Team will continuously communicate the level of progress during an audit to the branch SPM. For example, once we finish counting the first stock unit, we would update the SPM of our findings in relation to the balance of that particular unit, before moving on to the next. We would also inform the SPM when we are likely to finish the audit, so they have an idea of when the branch can reopen. At the end of an audit, we carry out a closure meeting to verbally discuss our findings, which would also form the basis of our audit report. This was not the case during the audit of the Riby Square Branch, as the Investigation/Security Team got involved immediately and were on site at the branch

by the time the audit was completed. I deal with the steps that were taken on this day later in my statement.

52. An SPM is always able to raise any concerns to an Audit Team during an audit by simply speaking to the team at the branch that day. If the concern needs to be escalated, the Audit Team can call the Retail Line Manager to discuss the issue and the Retail Line Manager will then consider what steps can be followed.

53. Where the Horizon IT system cannot be accessed, it is still possible to conduct a branch audit. First the relevant branch figures would have to be obtained from the central accounting team at Chesterfield, then all cash and stock would have to be transferred to a cash and stock centre for the balance to be counted externally. If Chesterfield were not able to provide the relevant figures, it would be for the Audit Team to first count the cash and stock at the branch (if possible), list it and then send it to the cash and stock centre. The cash and stock centre would then liaise with the accounting team at Chesterfield to marry the figures up. These processes would often be implemented where a branch had suffered damage from flooding or fire and is unsafe to visit or the Horizon IT system is down. I note that further information about this can be found in the following document provided: "Post Incident Auditing without Horizon", Chapter 14 of the Audit Process Manual (version 1.0, Nov 2006) (**POL00084003**).

54. I have been asked to describe and explain any variation between the audit process in respect of Crown Office branches and other branches. The only

variation I am aware of is that Crown Office Branches carry out extra internal audits by their managers, as well as the external audits that the Post Office Audit Team carry out. At a standard post office branch, audits are rarely carried out internally. I have learned from document (**POL00083966**) that Crown Post Office branches have to complete an annual certificate of compliance after carrying out self-assessments. Whilst I was aware that self-assessments were carried out, I was not aware that the results were then reported until reading document (**POL00083966**).

55. I have been asked to consider the following documents:

- a. "Audit Trail Functional Specification" (version 8.0, 18 October 2004) (**FUJ00001894**); and
- b. Global User Account (September 2016) (**POL00002841**).

56. The first document noted above sets out the types of reports that Auditors are able to obtain from the Horizon IT system. It is important to note that over the years, report types have been added and taken away from this list, but I cannot specifically recall what specific documents and when. The second document noted above sets out the basis by which Auditors are able to access the Global User account on the Horizon IT system.

57. Other than providing the relevant kit, Fujitsu had no involvement in the audit process. If there is a problem with the kit itself, for example, it has frozen, I

would contact the national support centre to see if they could provide a potential solution.

58. In terms of the information that an SPM can access, all information that Auditors are able to access during an audit is also available to the SPM via their Horizon User Profile.

59. My understanding of an Audit Global User Account is that it provides Auditors special access to the Horizon IT system in order to settle discrepancies to the Central Accounts Team at Chesterfield. Where a discrepancy is found at a branch, I will log out of my Personal User Account and log in to the Global User Account to remove the discrepancy from the Post Office account. This process describes my main experience in using the Audit Global User Account, but I am also aware that it may be used in situations where a Personal User Account cannot be accessed.

60. I cannot recall any specific measures in place in respect of Audit Global User Accounts. I just know that the Global User Account should only be used in the situations I have described in paragraph 59 above, and our Personal User Accounts should be used for anything else. In addition, we now have to inform an SPM that we are logging on to the Global User Account in order to remove the discrepancy from the Post Office accounts, but I cannot remember the specific date that this requirement came in to force

Audit of Riby Square Branch and Prosecution of Mr David Charles Blakey

61. I have been asked to set out my recollection of this case. I would like to reiterate that as this incident occurred almost 20 years ago I do not have a precise and clear recollection of the events and I have had to rely heavily on the following documents produced to me:

- a. My witness statement in the proceedings against Mr Blakey, dated 23 November 2004 (**POL00044819**);
- b. the record of Mr Blakey's interviews on 13 May 2004 (**POL00044830**) and (**POL00044831**); and
- c. the offender report in respect of Mr Blakey (**POL00044823**).

62. I would also like to note that the first time I have had sight of the documents listed in 'b' and 'c' above was when they were produced to me for the Request.

63. I first became involved in Mr Blakey's case on the morning of 13 May 2004 when I attended Riby Square Branch to carry out the scheduled audit.

64. I cannot remember if the audit of 13 May 2004 was a routine audit or if my line manager had requested it to be scheduled but it appears from reading my statement dated 23 November 2004 that it may have been the latter due to the value of cash at branch reported. All I know is that it was scheduled for that date and for 3 of us to attend. From reading my statement, it appears it was scheduled in early May 2004. The decision to send 3 of us to complete the audit

would have been based on the size of the branch and the number of customer sessions on the Horizon IT system.

65. In terms of the process by which the audit was conducted on 13th May 2004, as described in my statement, on the morning of 13th May 2004 I attended the Riby Square branch before it opened with my colleagues Christopher Taylor and Lynne Eastwood. I would often carry out audits with Christopher and Lynne and we all lived within close proximity to each other. As such, I believe that it probably made sense for us to be grouped together to complete audits when they were scheduled at branches in our local area.

66. Myself, Christopher and Lynne were all at the same Auditor level, but I took the lead in the audit that day, with both Christopher and Lynne assisting me. This is indicated by the fact that it was me who relayed the morning's events by telephone to the Senior Auditor, Retail Line Manager and Investigations/ Security Team and requested to Mr Blakey that he make a statement of the information he told us about the shortfall.

67. There was no specific reason as to why I took the lead that day; we often took it in turns and decided between ourselves. However, at that time it was me who lived the closest to the Riby Square Branch out of all three of us, and I believe that this may have influenced the decision for me to take the lead.

68. Upon arrival to the Riby Square Branch I spoke with David Blakey's wife, Gillian Blakey, who I knew to be the SPM. I cannot remember what I specifically said

to Mrs Blakey but it would have involved an explanation as to why we were there and a request for her to present us with all the cash and stock present at the branch so it could be included in the audit. I would have also explained that the branch would need to remain closed that day until we had been able to carry out the audit, but we would try our best to complete the audit as soon as possible so that they could reopen. Of course in the end they were unable to re-open that day due to the discrepancies found and the events that subsequently followed.

69. As the Horizon IT system was implemented at the time of the Riby Square audit, we would have first obtained printouts from each stock unit to retrieve and consider the information of what cash, cheques, vouchers and stock should exist in the branch, before then opening the safe and proceeding with the asset verification process. I cannot remember precisely how many stock units there were at the branch.

70. I do remember that whilst we were waiting to obtain access to the office safe, a man arrived to the branch and asked to speak to myself, Christopher and Lynne. I later learned that this was David Blakey, Gillian Blakey's husband. I cannot directly remember what Mr Blakey looked like or the exact discussion that myself and my colleagues had with him, so I am entirely reliant on my statement dated 23 November 2004. This states that *"...Mr Blakey informed us that we would find a shortage in the cash of around £60,000, and this was due to, in his words, money going missing after a few months."*

71. As per that statement, after Mr Blakey told me this information I asked him to produce a short written statement about what he had told us. When he had completed this, I do not recall speaking to Mr Blakey again that day.

72. I believe that my request to Mr Blakey to make a statement would have followed the phone calls I made to report the circumstances to Craig Thompson, Senior Auditor, Jayne Kaye, Retail Line Manager and Paul Whitaker from the Investigation Team. I believe that it would have been Paul Whitaker who instructed me to ask Mr Blakey to make a statement.

73. After obtaining the statement from Mr Blakey, I do recall that myself, Christopher and Lynne continued to carry out the audit until Jayne Kaye, Paul Whitaker and his colleague Helen Dickinson arrived. I cannot remember the precise discussions that I had with Ms Kaye, Mr Whitaker and Ms Dickinson when they arrived, but as per my statement dated 23 November 2004 I believe it involved a breakdown of the day's events to that point and a hand over of the statement completed by Mr Blakey, before they then left us to complete the audit.

74. I cannot recall where Ms Kaye, Mr Whitaker and Ms Dickinson went after they left us to finish the audit, but from reading the record of Mr Blakey's interviews on 13 May 2004 in documents (**POL00044830**) and (**POL00044831**), I can see that it was to carry out an interview with Mr Blakey. I confirm that I had no involvement in carrying out this interview and until these documents were produced to me with the Request, I had no knowledge of what was discussed.

75. I do not recall from direct memory the precise shortage we discovered following the completion of the audit at the Riby Square branch on 13 May 2004. I therefore rely entirely on my witness statement dated 23rd November 2004 which gives a total figure of £64,434.12.

76. Following the completion of the audit, I produced an audit report and provided it to the Retail Line Manager, Ms Kaye. I believe that I would have also provided it to the Investigation/Security Team, due to the total shortfall figure that was found.

77. Whilst I cannot remember my exact thoughts at the time, from an asset verification standpoint I do not believe that I would have been overly concerned about the total shortage discovered, as it was close to the £60,000 figure that Mr Blakey had informed us about prior to starting the audit. If Mr Blakey had not informed us about the shortage beforehand, or he had stated it to be much lower than £60,000, then I probably would have been more concerned.

78. The concern about any potential misconduct was not an aspect for the Audit Team to consider and I do not recall having any particular view on this.

79. I do not think that I would have considered the size of the shortage to be unusual, as by this point in my career I had come across several large shortages at different branches following the many audits I had completed over the years.

80. After reporting to the Senior Auditor, the Retail Line Manager and the Investigation/Security Team on the day what Mr Blakey had told us about the shortfall and then obtaining a short written statement from Mr Blakey as instructed, I did not undertake any further investigation to ascertain the cause of the shortfall. As explained earlier in this statement, it did not fall upon the Audit Team to carry out any further investigation, as this is a responsibility that lies with the Investigation/Security Team.

81. I have been asked whether or not ARQ logs were sought by the Post Office from Fujitsu in this case. I do not know what ARQ logs are and this is not something which formed part of the audit process.

82. I do not know whose decision it was to suspend Mr Blakey following the events on 13 May 2004. I believe that it could have been the decision of the Retail Line Manager.

83. Aside from Mr Blakey's case, I have not been involved in any other proceedings against SPMs, their managers or assistants, or Post Office employees involving shortfalls shown by the Horizon IT system.

84. Beyond my actions on the day of the audit (as described above), my only other involvement in the case of Mr Blakey was to produce my witness statement dated 23rd November 2004. I believe that it was Paul Whitaker who asked me to produce this.

85. I believe that the only person that I would have had contact with when drafting my statement dated 23rd November 2004 was Paul Whitaker, however, I cannot remember how the drafting came about. My assumption is that it was completed during a meeting to go through events with Mr Whitaker.

86. When I was asked to produce the statement, I remember thinking that the situation must be serious and that it was likely that some form of action was being taken against Mr Blakey. However, I had no discussion with any counsel or legal representatives for the Post Office about my role as a witness in the case and I had no idea if it was civil or criminal action being considered.

87. I have been asked what my view is of how the prosecution was conducted by Post Office Limited. I cannot provide any view as to this I have no knowledge of the steps and processes that were taken by the Post Office in this prosecution.

88. After I provided my statement on 23rd November 2004, I heard nothing further in the case of Mr Blakey. I do not recall being contacted to assist any further in the run up to the decision to charge him, nor was I asked to attend court or give evidence in his proceedings or informed of the outcome of such proceedings. I did not know anything about the case, including how Mr Blakey pleaded or what his sentence was until I heard from the Inquiry on 17th August 2023.

89. I have been asked to consider the Judgment of the Court of Appeal in Josephine Hamilton & Others v Post Office Limited [2021] EWCA Crim (particularly paragraphs 347 to 352) at (**POL00113278**), and to provide my reflections on the investigation that was done in Mr Blakey's case. I would like to emphasise to the Inquiry that I do not feel that I can offer any valuable reflection on this as I am unfamiliar with how an investigation is carried out by the investigations team and what actions are considered appropriate or not. Auditors are not involved in the investigation process.

General

90. By the time of the audit of Riby Square in May 2004, I cannot ever recall a challenge to the Horizon IT system being raised. I cannot recall when I first heard about any potential issues with Horizon, but I can recall that we were reassured by the Post Office regarding the integrity the Horizon IT system.

91. I am unable to comment on whether the Post Office carried out sufficient investigation into bugs, errors and defects in Horizon, nor as to whether information regarding bugs, errors and defects in Horizon was sufficiently passed to the Post Office by Fujitsu. I simply have no knowledge in relation to this. All I can say is that if bugs, errors and defect were discovered and known about by the Post Office then I believe that the Audit Team should have been informed about this.

92. I believe that matters concerning information passed between the Post Office Limited and Fujitsu about bugs and defects with the Horizon IT system, and

investigations carried out by the Post Office into the same, are more relevant to the Post Office Investigation/Security or Legal teams.

93. Other than what I have already provided in my statement above, I have no further reflections on these matters, or on any other matters that are relevant to the Inquiry's Term of Reference.

94. There are also no other matters that I wish to bring to the attention of the Chair of the Inquiry.

Statement of truth

I believe the content of this statement to be true.

Signed **GRO**

Dated 02/10/2023

Index to First Witness Statement of GLEN MORRIS.

| <u>No.</u> | <u>URN</u> | <u>Document Description</u> | <u>Control Number</u> |
|-------------------|-------------------|--|------------------------------|
| 1. | POL00032698 | "Assurance Review - Recruitment (Vetting & Training)" (version 1.0, 27 October 2009) | POL-0029633 |
| 2. | POL00086765 | "Network auditing approach, methods and assurance" (2013) | POL-0083823 |
| 3. | POL00088453 | "Training & Audit Advisor" (undated) | POL-0085511 |
| 4. | POL00088557 | "Audit Advisor" (undated) | POL-0085615 |
| 5. | POL00084650 | "Audit Plan & Scheduling, Chapter 1 of the Audit Process Manual" (Version 8.0) (2010) | POL-0081708 |
| 6. | POL00083966 | "Audit Charter" (version 4.0, undated) | POL-0081024 |
| 7. | POL00084801 | "Performing a Branch Audit", Chapter 3 of the Audit Process Manual (version 5.1, May 2010) | POL-0081859 |
| 8. | POL00085534 | "Core & Outreach Audit Process", Chapter 3a of the Audit Process Manual (version 1.0, 27 May 2011) | POL-0082592 |
| 9. | POL00087627 | "Follow Up Audit Process", Chapter 3b of the Audit Process Manual (version 3.0, May 2015) | POL-0084685 |
| 10. | POL00088252 | "Performing a Cash Centre Audit", Chapter 7 of the Audit Process Manual (version 5.0, Aug 2016) | POL-0085310 |

| | | | |
|-----|-------------|--|---------------|
| 11. | POL00087672 | "Quality Assurance", Chapter 11 of the Audit Process Manual (version 5.0, Apr 2015) | POL-0084730 |
| 12. | POL00084003 | "Post Incident Auditing without Horizon", Chapter 14 of the Audit Process Manual (version 1.0, Nov 2006) | POL-0081061 |
| 13. | POL00084813 | "Condensed Guide for Audit Attendance" (version 2, Oct 2008) | POL-0081871 |
| 14. | POL00085652 | "Requirement of Network Field Support Advisors at audit, following discovery of discrepancy" (version 1.0, Oct 2011) | POL-0082710 |
| 15. | POL00086765 | "Network auditing approach, methods and assurance" (2013) | POL-0083823 |
| 16. | POL00087688 | "Training Guide: Compliance Audit Tool" (Sep 2015) | POL-0084746 |
| 17. | POL00087716 | "Training-Aide for Branch Asset Checking" (version 1.7, Nov 2014) | POL-0084774 |
| 18. | POL00087614 | "Terms of Reference Audits" (version 1, April 2015) | POL-0084672 |
| 19. | FUJ00001894 | "Audit Trail Functional Specification" (version 8.0, 18 October 2004) | POINQ0008065F |
| 20. | POL00002841 | Global User Account (September 2016) | VIS00003855 |
| 21. | POL00044819 | Witness statement of Glen Morris in the proceedings against Mr Blakey, dated 23 November 2004 | POL-0041298 |
| 22. | POL00044830 | Record of Mr Blakey's interviews on 13 May 2004 | POL-0041309 |

| | | | |
|-----|-------------|---|-------------|
| 23. | POL00044831 | Record of Mr Blakey's interviews on 13 May 2004 | POL-0041310 |
| 24. | POL00044823 | Offender report in respect of Mr Blakey | POL-0041302 |
| 25. | POL00113278 | Court of Appeal in Josephine Hamilton & Others v Post Office Limited [2021] EWCA Crim | POL-0110657 |