

Witness Name: Jeffrey Roper

Statement No.: WITN09180100

Dated: 24/09/2023

## **POST OFFICE HORIZON IT INQUIRY**

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### **FIRST WITNESS STATEMENT OF JEFFREY ROPER**

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I, *MR JEFFREY ROPER*, will say as follows:

#### **Introduction**

1. I am a former employee of Post Office Ltd and held the position of Field Support Advisor.
2. This witness statement is made to assist the Post Office Horizon IT Inquiry with the matters set out in the Rule 9 Request dated 21 August 2023.

#### **Background**

3. I started working for POL on 2<sup>nd</sup> April 1979, after 6-week counter training course I commenced working on the counter at Wigan Post Office. I performed this duty for 12 months and then became a TV license evasion officer. This job entailed visiting private households that records showed did not hold a TV license, interviewing people with a view to prosecution if no licence could be produced. The job also involved attendance at court when people pleaded not guilty.

4. In October 1986 I transferred to the Bolton Counter Remittance Unit and remained there until February 1992. My duties involved checking inward remittances of cheques, vouchers and country notes sent in by post offices. I also prepared outward remittances of coins and bulk cash for post offices to use. I also performed duty as lead cashier for 9 months during sick absences and other occasions during annual leave. This involved management of the unit.
  
5. In February 1992 as the audit team needed someone with experience of completing a cash centre balance, I was asked to apply for a vacancy on the Manchester Audit Team. I was subsequently appointed to the position by Mr Dave Bainbridge, Audit Manager.
  
6. I was given in house training, attending audits with an experienced auditor who showed you how to perform the role. Post offices maintained records of transactions and money held daily in a daily book and once a week completed a balance in a weekly book. The cash and stock held on the last balance was our starting point when calculating receipts and payments as to the time of the audit and then a calculation of the value of cash, stock and vouchers on hand would indicate if the office had balanced. Subsequently details for items despatched to head office prior to our attendance, such as National Savings receipts and payments, telephone accounts paid etc, were checked on a microfiche. Crown offices were computerised first with a system called ECCO+ and subsequently all office had the Horizon Accounting System installed on a date which escapes me. All auditors had to attend and pass a training course

to remain in the Audit Team. I continued to perform audits using this system and our own computerised spreadsheet known as P32 until I retired as the end of September 2016.

7. Up to 2008 to Audit Team were responsible for completing audits in accordance with the annual audit plan, audits when robberies and burglaries occurred, audits when post offices changed hands and occasionally when members of the Investigation Branch (later Fraud Team) required them.
  
8. As the number of auditors were less than 40 for the whole country, we had often to travel long distances, so the business decided to merge the role of auditor with that of Training Officer to perform both roles in team. This role became known as the Field Support Advisor role. We had to learn each other's jobs so I had to attend a refresher counter training course and accompany experienced trainers on site at post offices as new postmasters were assisted after their own counter training courses. The training covered all aspects of running a branch. The former trainers also attended a course on completing an audit and then they accompanied experienced auditors like me whilst they learned how to complete an audit, use the computerised P32 spreadsheet, interview the postmaster and staff asking compliance questions and completing the audit report at home after the audit.
  
9. My new line manager was Michael Stanley Jackson who previously had been a Training Manager and was now known as a Field Team Leader. This change to the structure of the teams occurred in summer 2008, I can't remember the

exact date. In early 2010 my line manager was changed to Peter Jackson who was based in Yorkshire. Our teams were approximately 12 in number, 4 former auditors and 8 former trainers. We would meet monthly for team meetings and annually the entire 120-person team would meet for a larger often two day meeting each person learned the others job and was not allowed to perform the job without experienced assistance until the line manager deemed them competent to do so. The two teams merged well together and after a period of time all were professional and competent at the varying roles.

10. I was not personally involved in disciplinary matters that was performed by postmasters' own line manager who was known as a Contract Advisor. Any procedural weaknesses identified at an audit would be included in the audit report which indicated what discrepancy if any was found at audit along with compliance tests completed. Any discrepancies over £1000 or an amount when theft was admitted was reported over the phone to the Contract Manager who decided on the next course of action which would include the temporary suspension of the postmaster and the completion of a final account at the post office.

11. On some occasions the postmaster would admit to stealing post office funds and on these occasions a theft report would be handwritten to be signed by the postmaster and counter signed by the auditor for onward transmission to the Investigations Manager responsible for the office. During the audit he would also have been notified by phone on any occasion were suspension was

ordered. The decision on criminal proceedings were taken by the Contract Manager and Investigation Manager and I had no input into that decision.

12. After sending the audit report to the Investigation (Fraud) Team Manager, Contract Advisor and my own line manager I did not follow up the matter with any other Post Office departments.

13. Occasionally if the Investigation Team decides to take a subpostmaster to court I would be asked to provide a statement with a view to attendance at court. Only once in my career did I have to attend court and my evidence was accepted by the defence, so I did not have to appear in the dock as a witness

14. To estimate the number of audits I completed in my 24 years as an auditor is quite difficult. Up to 2008 I did 5 audits per week and [for a two-year spell 8 audits a week], often more with robberies and transfers. Once the teams had been merged some weeks, I would be doing on site training so no audits would be completed. The size of offices ranged from small one man office, medium ones with 2/3 staff assisting the postmaster, larger main offices with several staff and multiple stock units right in to our own directly managed branches know as Crown Offices. I also assisted in numerous cash centre offices in different parts of the country. These offices contained bulk cash, coins and stock (foreign currency, stamps etc) for supply to the network. My best estimate for the number of audits completed is in excess of 5000.

### **The audit process and the policies/practices in place**

15. During my time as an auditor the primary purpose of a branch and cash centre audit was to provide an independent assurance to Post Office Ltd that

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

16. This was delivered through a [risk] prioritised audit programme with a percentage of accounts selected through pure random methods covering:-

- Unannounced combined asset verification and compliance audit
- Verification of assets and procedural security reviews following robbery and burglary incidents
- An annual programme for crown offices

### **Recruitment and training of auditors**

17. I have reviewed the following documents:

- i) "Assurance Review - Recruitment (Vetting & Training)" (version 1.0, 27 October 2009) [POL00032698];
- ii) "Network auditing approach, methods and assurance" (2013) [POL00086765];
- iii) "Training & Audit Advisor" (undated) [POL00088453];
- iv) "Audit Advisor" (undated) [POL00088557].

18. Vacancies in the Field Support Team were advertised internally within the business. Applicants were selected for interview taking into account experience and recent annual appraisals. After interview successful applicants were

inducted into the team. I understand some external applicants were employed such as a former postmaster.

19. Professional Auditing qualifications were not required to undertake the role.

New Field Support Advisors were given in house training and only allowed to lead audits once deemed competent to do so by the Field Team Leader.

20. Once the teams merged in 2008 the former trainers attended induction training courses and then went out with experienced auditors as assistants on the audit. After a number of audits, they were expected to lead audits under supervision of an experienced auditors until they were deemed okay to do this without supervision. Refreshed training at Team Meetings was provided on a regular basis.

21. I consider that auditors had the necessary training and experience to conduct audits during my time working as an auditor for the business.

#### **The planning and scheduling of audits**

22. I have reviewed the document "Audit Plan & Scheduling", Chapter 1 of the Audit Process Manual (Version 8.0, Jan 2010) [POL00084650].

23. Audits were scheduled in accordance with a risk model which measured the performance of offices against a number of criteria such as excess cash/foreign currency holdings, excess postage holding or lottery scratch cards, a large

misbalance or continued poor balancing performance or offices that received large numbers of Transaction Corrections from Product and Branch Accounting Team in Chesterfield.

24. Audits were also scheduled at office transfers or closures if a robbery or burglary had occurred task centre and crown offices were scheduled on a biennial basis. Fraud Team request audits were also included. Follow up audits to assess performance after 3 months from appointment of a new sub postmaster. A number of purely random audits were also selected so that apparently well-run offices were included in the schedule.

25. The scheduling team based at Salford assessed a programmed of auditing and training activity on a weekly basis.

26. Information regarding office performance as indicated above was obtained prior to the audit. A review of previous audit findings from the last audit was made to identify issues at the branch.

27. Some offices were audited 3 / 4 times a year whilst a small well-run office may not have an audit for several years.

28. Crown branches were generally audited every 2 years. The Crown Office Manager was responsible for a rotation of spot counter stock checks which included every stock over a 12-week period to maintain integrity of the Crown



Office assets. Any stocks held by the Crown Office Manager were spot checked every 6 months by the Crown Office Area Manager.

### The auditing process

29. I have reviewed the following documents:

- i. "Audit Charter" (version 4.0, undated) **[POL00083966]**;
- ii. "Performing a Branch Audit", Chapter 3 of the Audit Process Manual (version 5.1, May 2010) **[POL00084801]**;
- iii. "Core & Outreach Audit Process", Chapter 3a of the Audit Process Manual (version 1.0, 27 May 2011) **[POL00085534]**;
- iv. "Follow Up Audit Process", Chapter 3b of the Audit Process Manual (version 3.0, May 2015) **[POL00087627]**;
- v. "Performing a Cash Centre Audit", Chapter 7 of the Audit Process Manual (version 5.0, Aug 2016) **[POL00088252]**;
- vi. "Quality Assurance", Chapter 11 of the Audit Process Manual (version 5.0, Apr 2015) **[POL00087672]**;
- vii. "Post Incident Auditing without Horizon", Chapter 14 of the Audit Process Manual (version 1.0, Nov 2006) **[POL00084003]**.
- viii. "Condensed Guide for Audit Attendance" (version 2, Oct 2008) **[POL00084813]**;
- ix. "Requirement of Network Field Support Advisors at audit, following discovery of discrepancy" (version 1.0, Oct 2011) **[POL00085652]**;

- x. "Network auditing approach, methods and assurance" (2013)  
**[POL00086765];**
- xi. "Training Guide: Compliance Audit Tool" (Sep 2015) **[POL00087688];**
- xii. "Training-Aide for Branch Asset Checking" (version 1.7, Nov 2014)  
**[POL00087716];**
- xiii. "Terms of Reference Audits" (version 1, April 2015) **[POL00087614].**

30. A financial risk model which focused on identifying abnormal trends in cash flow and cash reporting as well as highlighting reported errors and losses. A profiling model focussing on the size of the branch, length of service and history of losses over the last 4 years was also examined. If the office had the same postmaster and had been audited previously then the previous audit report was examined to identify any weaknesses last time. Details of remittances received and despatched were examined. If the audit was a 3 month after appointment audit, then reference would be made to the trainers' report and any weaknesses identified during the one-site support. Any special audits raised by the Fraud Team would need any concerns to be identified.

31. If a shortfall was found the postmaster was invited to check our findings by counting the cash and stock themselves. They would be asked if they knew of any reasons for the loss themselves when completing the cash declaration at close of business. In a multi stock office, the unreconciled would be examined to check if any transfers of cash had not been accepted. If they identified any area of concern, for example, lottery transactions being correctly recorded on the Horizon system or payments from ATM machines then the source

documentation at the branch would be examined to identify any reasons for the discrepancy. A call to Product and Branch Accounting, Chesterfield would be made to see if any errors had occurred for which a Transaction Correction was due to be issued which may resolved the discrepancy.

32. Postmasters were asked to make good any shortfall or remove any surplus at the conclusion of the audit. I was taught this on my first audit back in 1992.

33. Postmasters were asked to make good a loss at the end of an audit and if any money was offered an official receipt was given and this action was noted in the audit report. For amounts over £1000 the contract advisors always asked if the loss could be made good.

34. As explained above, a checking of source documentation was made to identify any reason for a discrepancy and the postmaster was free to also check for themselves.

35. The reason for the audit was never disclosed to a postmaster. The office was closed whilst the cash was agreed to the office snapshot balance and cash declarations. Once the cash was agreed the postmaster was advised that the office could be opened for business whilst a selection of stock and postage items were checked. The audit P32 was completed, and the postmaster was informed of the result of the audit. The postmaster would then be advised that

a range of compliance questions would be asked and if they or a member of their team could make themselves available for this.

36. Any issues or concerns raised by a postmaster concerning reasons for any possible discrepancy were investigated by the auditors to source documentation on site and by phone calls to the relevant section at Product and Branch Accounting at Chesterfield.

37. In certain cases, use of Horizon was not available due to fire, flood, electrical problems, or vandalism following a robbery. A full audit could not be completed by a count of all cash, stock, vouchers was made to be sent to the Cash Centre as the office would be defunded these would be rechecked once the system was up and running properly.

38. As explained previously, Crown Office branches were subject to independent checks by the Crown Office Manager and Area Manager so 75% of counter stocks were checked including those that contained most of cash such as the main safe and those counter stocks not checked were classed as "assured". As part of the compliance checks it would be verified that the counter spot checks by the Manager and Area Manager were up to date.

39. I have reviewed the following documents:

- i) "Audit Trail Functional Specification" (version 8.0, 18 October 2004)  
**[FUJ00001894];**

- ii) Global User Account (September 2016) **[POL00002841]**.

40. Fujitsu was the company that made the Horizon IT system but as far as I was aware had no involvement in the audit process.

41. As far as I am aware any information the auditors had access to was also available to the postmaster.

42. The Audit Global User Account was a method enabling auditors to log on to the Horizon System when no one was available with Manager Access at the branch.

43. The Global User Account was used as described above or if suspension was ordered to enable a final post office account to be completed.

#### **Prosecution of Ms Alison Lorraine Hall**

44. I have reviewed the following documents:

- i) audit report of 3 September 2010 at **[POL00091046]**,
- ii) the investigation report in respect of Ms Hall at **[POL00091109]**, and
- iii) your witness statement prepared in anticipation of the proceedings against Ms Hall at **[POL00018721]**,

### Audit of Hightown Branch

45. I first became involved in the above audit as a Field Support Advisor with responsibility for performing audits at post offices I was contacted by our scheduling team and asked to perform an audit accompanied by my colleague Richard Cross.
46. At this period the Horizon Online system was being upgraded and officers known as Migration Support Officers were being sent to offices assist postmasters with the process. Part of the process was to check the cash recorded in the office cash declaration. Tracy Bedford, the Migration Support Officer had found the cash to be £13624.41 short. She therefore closed the office and reported the matter. An audit was scheduled as a result.
47. We attended the office at 13.00 and introduced ourselves to Miss Hall. She had been expecting our visit due to circumstances of the previous day. We counted the cash and stock and completed an audit on the computerised P32 in the normal manner, comparing the figures to the office snapshot balance and the previous evenings cash declaration.
48. I counted the cash and Mr Cross counted the stock which includes postage stamps and other value items. I was responsible as head Auditor for completing the audit balance and for speaking to Miss Hall about any reasons she felt had caused the overall discrepancy on the day of £14023.37.
49. Miss Hall said the loss had occurred due to Lottery Accounting problems and produced a report from Lottery Accounting Chesterfield detailing errors (mainly activations of packs of Lottery Instant tickets not all being entered on the

Horizon System as a receipt,) going back 18 months. She said the current loss had built up overtime and that she had inflated the cash on hand when completing the office balances which all showed a clear balance.

50. An examination of previous Trading Statements printed all showed a clear balance and Miss Hall stated these were adjusted to show clear before rolling over into the next accounting period. Cash declarations together with snapshots produced indicate the cash declaration was falsely made for some considerable time. For clarification for some of the lottery scratch card activations in the report document the Camelot instants activated receipt was found on 3 occasions not to have the report attached which indicated that they had not been entered on the Horizon System.

51. A large number of discrepancies between other stock items in hand compared to figures on the Horizon Snapshot balance were found. This usually indicates poor completing of the Trading Statement balance. I rang Product and Branch Accounting at Chesterfield to see if any further discrepancies were due for the office and was told £819.00 due mainly to activations on the Lottery Terminal not all being remitted on the Horizon System. Miss Hall had been accepting the Transaction Corrections adjusting the instants on hand back down to the correct figure but not putting the money in which she would have received from sale of the scratch cards, in to compensate.

52. I had seen other offices get into difficulty with Lottery Accounting and additional training was provided when this was brought to the attention of the Contract Advisor. I was concerned that Miss Hall had let the situation continue for a long time without seeking help in the hope that things would rectify.

53. A full check of all inward and outward remittances were checked against the remittance advices and verified these agreed with the snapshot balance. A full examination of all scratch card and lottery game receipts and payments (for prizes paid) was made.
54. Having considered my witness statement at **[POL00018721]**, Ms Hall's concerns about the Lottery Accounting were examined at the audit and the printouts for Lottery Scratch cards activated were examined against the report sent to her from Product and Branch Accounting Chesterfield. These revealed 3 occasions where a pack had been activated but not entered onto the Horizon system. A phone call to the team at Chesterfield advised that other Transaction Corrections were in the pipeline for £819.00 mainly for Instants not remitted in. Subsequent to the audit enquiries were made in depth with Mr Neil Thorneycroft, the Lottery Scratch card Manager in the [POBA] Section in Chesterfield by Christopher G Knight, Fraud Investigator.
55. Ms Halls concerns were advised to Karen Arnold, Contract Advisor and Andrew Daley, Fraud Team during the audit.
56. At no point during any audit conducted by me or any I attended led by anyone else were errors attributed to the Horizon IT System.
57. Apart from notifying the Fraud Team Manager, Andrew Daley whilst on site at the audit I have no recollection of any other discussions with members of the Fraud Team. I was subsequently asked by a member of that team to complete a witness statement for use in court.



58. The audit report dated 3 September 2010, was completed subsequent to the audit and was sent to Karen Arnold, Contract Manager and copied to Andrew Daley, Fraud Team Manager, Peter B Jackson, Field Support Team Leader and the Outlet Intervention Team.

59. The decision to suspend would have been made by Karen Arnold, Contract Manager.

60. I had no further involvement in the case of Ms Hall prior to the decision to charge her.

61. I do not remember any previous occasions that I completed audits at the Hightown branch.

#### **POL v Alison Hall**

62. I have been involved in completing many audits over the years where shortfalls in the audits balance were revealed and postmasters were suspended. Proceedings were often taken against postmasters, their managers, or assistants but I had no involvement in the decision to take proceedings.

63. Christopher G Knight was the Fraud Investigator in charge of this case and he likely asked me to complete the witness statement the witness statement prepared in those proceedings at **[POL00018721]** but, whether he did or someone else on his team I cannot remember.

64. I have no recollection of any discussions if any I had with anyone with the drafting of this statement.

65. To my knowledge I had no discussions with counsel and POL's legal representatives on this and all previous times I had completed a witness statement. I had not been needed to give evidence in court.

66. Until this request for a statement by the Inquiry, I had no knowledge that Ms Hall had been prosecuted.

67. I was not informed of the outcome of the case therefore, had no reaction to it.

**General**

68. The integrity of Horizon was never challenged during any audit I attended therefore I did not consider its relevance to ongoing or future cases.

69. I have no knowledge of any investigations of any that were carried out into bugs, errors and defects in the Horizon System. During my time at the Post Office, I considered the system to be fully robust.

70. I have no knowledge of any issues passed on to Fujitsu by the Post Office.

71. The issue of bugs, errors and defects in the Horizon System was never discussed by anyone in the business with me.

72. Looking back, if it was subsequently found that the Horizon System was not fully robust and that losses had occurred due to errors and defects in the system, then it is only natural that anyone, especially those convicted of theft

or false accounting, would blame losses made on Horizon and attempt to get redress for this.

**Other Matters**

73. There are no other matters I wish to bring to the attention of the Chair of the Inquiry.

I believe the content of this statement to be true.

Signed

**GRO**

Dated

24/09/23

## INDEX TO FIRST WITNESS STATEMENT OF JEFFREY ROPER

Exhibit No.	Description	Control Number	URN
1.	"Assurance Review - Recruitment (Vetting & Training)" (version 1.0, 27 October 2009)	POL-0029633	POL00032698
2.	Network auditing approach, methods and assurance" (2013)	POL-0083823	POL00086765
3.	Training & Audit Advisor (undated)	POL-0085511	POL00088453
4.	Audit Advisor (undated)	POL-0085615	POL00088557
5.	Audit Plan & Scheduling", Chapter 1 of the Audit Process Manual (Version 8.0, Jan 2010)	POL-0081708	POL00084650
6.	"Audit Charter" (version 4.0, undated)	POL-0081024	POL00083966
7.	"Performing a Branch Audit", Chapter 3 of the Audit Process Manual (version 5.1, May 2010)	POL-0081859	POL00084801
8.	"Performing a Branch Audit", Chapter 3 of the Audit Process Manual (version 5.1, May 2010)	POL-0082592	POL00085534
9.	"Follow Up Audit Process", Chapter 3b of the Audit Process Manual (version 3.0, May 2015)	POL-0084685	POL00087627
10.	"Performing a Cash Centre Audit", Chapter 7 of the Audit Process Manual (version 5.0, Aug 2016)	POL-0085310	POL00088252
11.	Performing a Cash Centre Audit", Chapter 7 of the Audit Process Manual (version 5.0, Aug 2016)	POL-0084730	POL00087672
12.	"Post Incident Auditing without Horizon", Chapter 14 of the Audit Process Manual (version 1.0, Nov 2006)	POL-0081061	POL00084003
13.	"Condensed Guide for Audit Attendance" (version 2, Oct 2008)	POL-0081871	POL00084813
14.	"Requirement of Network Field Support Advisors at audit, following discovery of discrepancy" (version 1.0, Oct 2011)	POL-0082710	POL00085652
15.	"Training Guide: Compliance Audit Tool" (Sep 2015)	POL-0084746	POL00087688
16.	"Training-Aide for Branch Asset Checking" (version 1.7, Nov 2014)	POL-0084774	POL00087716
17.	"Terms of Reference Audits" (version 1, April 2015)	POL-0084672	POL00087614

<b>Exhibit No.</b>	<b>Description</b>	<b>Control Number</b>	<b>URN</b>
18.	"Audit Trail Functional Specification" (version 8.0, 18 October 2004)	POINQ0008065F	FUJ00001894
19.	Global User Account (September 2016)	VIS00003855	POL00002841
20.	audit report of 3 September 2010	POL-0090690	POL00091046
21.	the investigation report in respect of Ms Hall	POL-0090753	POL00091109
22.	Allison Hall Case Study: Witness Statement of Jeff Roper re Audit of Postmaster Alison Hall	POL-0011913	POL00018721