

Witness Name: Sir Michael
Hodgkinson

Statement No.: WITN10660100

Dated: 27 February 2024

POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF SIR MICHAEL HODGKINSON

I, Sir Michael Hodgkinson, will say as follows...

INTRODUCTION

1. I held the position of senior non-executive director of Royal Mail Holdings Plc ("**RMH**") from 1 January 2003 until 31 August 2007. Between May 2003 and March 2007, I was the chairman of Post Office Ltd ("**POL**").
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 14 December 2022 (the "**Request**").
3. The matters set out in the Request date back a number of years (up to 21 years ago) and my recollection of that period is affected as a result. I am now 79 years old and I have not had any involvement with the RMH or POL since I left in

2007, almost 17 years ago.

4. My lack of recollection has unfortunately not been assisted by the limited disclosure of relevant documents and information. I have made a number of requests for further disclosure from those representing POL, to assist me in addressing the matters set out in the Request, but I have been informed that, due to the passage of time, limited information is now available.
5. I have been assisted in preparing this witness statement by Kingsley Napley LLP.

BACKGROUND

6. I have been asked to set out a summary of my career:
 - 6.1. In 1965, I graduated from Nottingham University with a degree in Industrial Economics and joined the Ford Motor Company as a financial analyst. I qualified as a Cost and Management Accountant whilst at Ford. In 1969, I joined the British Leyland Group as a financial analyst and progressed through the company, being appointed in 1978 to be Managing Director of a newly formed company: Land Rover Ltd. In this role, I was responsible for the Land Rover and Range Rover product lines.
 - 6.2. In 1983, I joined the Grand Metropolitan Group, initially responsible for a major section of the Brewing Division, and eventually becoming Chief

Executive Officer of the European Food Division.

- 6.3. In 1992, I joined BAA Plc, as Group Airports Director, where I was responsible for the day to day operation of the airports. I became Chief Executive Officer in 1999, before retiring in June 2003.
7. In the autumn of 2002, I was asked if I would be interested in joining RMH as a senior non-executive director, because it was starting a major transformation in preparation for privatisation. In addition, I was asked if I would take on the role of chairman of POL. It was anticipated that when RMH was privatised, POL would remain a government owned business, and would eventually require its own corporate governance processes. I believe that my history of working closely with government in the airport sector, and working alongside strong trade unions in the car industry, was probably why I was approached. However, I made it clear that I was unable to take on the role as chairman of POL until June 2003, due to my existing commitments. I set out more detail about my roles with POL and RMH later in this statement.
8. I was informed that my role on the RMH board and my role as chairman of POL (combined) would require two days per week of my time, which was possible alongside my other commitments. In the event that RMH was privatised, it was envisaged that I would spend all of that time working for POL.
9. I have been asked to set out what other jobs, roles or directorships I held at this time. These were as follows: -

- 9.1. Non-Executive Director at FKI plc (until July 2008).
 - 9.2. Board member of Transport for London and Chairman of the Finance Committee (2001 – 2012).
 - 9.3. Non-Executive Director of First Choice Holidays, which subsequently became TUI Travel (January 2004, becoming Chairman in March 2004, and then Deputy Chairman of TUI Travel in 2007 until 2018).
 - 9.4. Non-Executive Director of Dublin Airport (2004 – 2010).
 - 9.5. The POL nominated director on the board of the Bank of Ireland (May 2004 until July 2006). This role was a direct result of my position as a director on the board of POL.
10. I stepped down as chairman of POL in March 2007. It was clear that the privatisation of RMH would not be taking place in the foreseeable future, and that POL would therefore remain in the Holdings Group (i.e. Royal Mail Holdings Plc; POL; Royal Mail Group Ltd; Parcel Force Worldwide; and General Logistic Systems B.V.) and so did not need an independent chairman. It was also at a time when we had achieved the immediate tasks which were required of the POL board, for example: network rationalisation, introduction of financial services, and agreement of a strategy for government funding. With recruitment of a new CEO, we also had a stable board. There was also a lot of discussion about the increase in the parcel business at that time and the benefit which POL

could offer to Royal Mail Group Ltd as a result. It was therefore believed that greater coordination between the companies would be beneficial.

11. I had intended to resign from the board of RMH in May 2007, but this was delayed until August 2007, due to a delay in obtaining the necessary legal consent from the Secretary of State.

12. I have been asked to provide an overview of my professional career since leaving POL and RMH: I continued my work with First Choice, which subsequently became TUI Travel. I stayed with TUI Travel until 2018. I continued with Transport for London until 2012, becoming their representative on the Crossrail Board in 2008. Between 2009 and 2018, I was an advisor to the West Midlands Council on their share of Birmingham Airport. Between 2014 and 2019, I was Chairman of Keolis UK Ltd. Since 2014, I have been working for Canadian Government central pension fund PSP, as their advisor to their airport infrastructure fund. I am also one of their board directors for Budapest airport.

ROLE AT RMH AND POL

13. When I joined, RMH was a public limited company, wholly owned by the Government. It had four main subdivisions:

13.1. POL;

13.2. Royal Mail Group Ltd;

13.3. Parcel Force Worldwide; and

13.4. General Logistic Systems B.V (GLS).

14. I had no involvement with Royal Mail Group Ltd, Parcel Force Worldwide or the General Logistic Systems B.V, other than as a non-executive director of RMH.

15. I have been asked to summarise my views on the responsibilities of a board of directors in the operation of a company solely owned by government. In my view, the responsibilities of a board are to oversee the management of the company, to develop and approve a corporate strategy that reflects the goals agreed with the Government shareholder, to ensure that the board consists of the right quality of directors to deliver that strategy, and to make sure that the financial statements are accurate and represent a true and fair view of the company's activities. This is similar to the responsibilities of any board.

16. The main difference for a board of a company solely owned by the Government is that there is a political dimension to the company's work. For example, Post Offices have an important role to play in society and government has a responsibility to ensure that people are connected to the postal system, even if they live in rural areas of the United Kingdom. The rural Post Offices would often be unprofitable, but the Government would provide the additional funding to ensure that the Post Offices remained in place and could continue to operate. From recollection, POL liaised with the Government about the number of Post

Offices; this was a discussion about the relationship between society's access and the costs associated with keeping the branches open, as this required government funding.

17. To the best of my recollection, in the period between June 2003 and January 2004, I was spending approximately three days a week working for RMH and POL. This subsequently reduced to two days. I was initially spending time getting to know the people and the business. This period gave me a good understanding of how best I could use my time and add value going forward.

RMH Board

18. I joined the board as a senior non-executive director. There were a number of non-executive directors who were recruited to join the RMH board at the same time as me. I understood that this recruitment drive was with privatisation in mind, which was anticipated to happen in the next few years. If this happened, I was going to move away from RMH and retain my role as chairman of POL.

19. When I joined, RMH had an established and conventional company board – there was a chairman, a senior non-executive director, non-executive directors, and representatives from the sub divisions. The structure was mature but many of the board members were new.

20. I would regularly attend board meetings, which I believe were every month. A board pack would be provided in advance containing various papers and other

information. I cannot recall how this information was received. In addition, I cannot recall who set the agenda or the names of those who regularly attended. In my view it operated as a normal board would.

21. Whilst I cannot recall all of the details of the board meetings I attended, I do recall the themes. I recall that there was a focus on staff engagement, and the connected idea of share options for the staff. We were also focused on the need for investment, in order to fund the upgrading of processes throughout the business. The problem of the pension fund deficit was a regular item for discussion. We also focused on improving the communication with the staff.

22. The board had sub-committees (such as audit, compliance and risk), which had delegated responsibility and reported to it. I cannot recall any details about their membership and I do not have a copy of the terms of reference.

23. I believe I was chair of the corporate and social responsibility governance committee and on the board of the remuneration sub-committee. I was also the chair of the health and safety subcommittee, although I do not recall whether this was formally linked to the board. As above, I cannot recall any details about these committees.

24. In addition to attending board meetings, I recall that I visited several of the sites, spoke to the staff, and also did a post round.

25. I have been asked to summarise the level of IT experience of those attending

the RMH board. I do not know the answer to this question.

POL Board

26. When I joined POL, it was facing a serious decline in its traditional businesses and had just embarked on its own transformation. The transformation included reducing the number of Post Office branches, introducing new financial service products, and developing a viable future strategy that would be accepted by the Government. As stated above, RMH was considering privatisation at some stage, which would eventually require POL to establish its own corporate governance committees and procedures. The aforementioned was a significant amount of change for the organisation.

27. My role as chairman was to make sure that everyone was working together, and to help support the executive team (the CEO, the COO, the Sales and Marketing Director, the Finance Director, and the IT Director) to run their business. During my tenure, the executive team of POL was a very accomplished and capable team, who had a lot of experience in their respective roles. I would like to think my leadership style was collaborative and open.

28. When I joined, there were several short-term aims:

28.1. To make sure that the network rationalisation and rural strategy was agreed with government and in place;

28.2. To introduce the new financial services, which were crucial to the future of the company's finances;

28.3. To improve cost efficiency; and

28.4. To ensure that we had the right quality of people on the board going forwards.

29. The longer-term goals were to ensure POL was ready to introduce a classic corporate governance structure and to create a conventional board for when RMH was privatised. We also needed to develop a strategy which the Government would be able to fund going forwards.

30. Due to the passage of time, I do not specifically recall how regularly our board meetings were held. Whilst I do not recall any details of what was discussed, I do recall that I would meet with the CEO in advance of a board meeting and decide the agenda. Various attendees would prepare written reports in advance for the meeting. The meetings were attended by the executive team, non-executive directors, the company secretary and others who had an issue to speak to in that particular meeting. If a member of the executive team could not attend, they would generally delegate any report for the board to another person if possible. There would be various action points agreed during the meetings. I ideally liked to focus a third of our meetings on future strategy.

31. When I started as chairman, POL's corporate governance relied on the

governance structure of RMH. From recollection, it was not a very developed board, mostly consisting of the executive team with no independent non-executive directors (until the arrival of Brian Goggin in September 2004, and Alan Cook in February 2005). POL did not have any of its own subcommittees which reported to the board until I introduced the risk and compliance committee, so it would instead rely on the subcommittees of the RMH. This is not unusual for a subsidiary company, and I thought the corporate structure was adequate to fulfil its responsibilities.

32. I introduced a risk and compliance committee because the board was conscious that it would need to have greater corporate governance measures in place with the progression into the financial market, specifically because of the risk of mis-selling financial products. I do not now have the terms of reference for this subcommittee but, from the documents provided with the Request, I can see that the aim of this group was to have oversight over audit, legal, anti-money laundering, and crime and fraud matters [see POL Board Minutes dated 15 December 2004 - **POL00021486**]. The documents provided also show that the group was set up during the latter half of 2004 and that the meetings were held quarterly. The Finance Director was a permanent member but I do not recall the full membership details. Due to the passage of time, I have no substantive recollection of the details discussed in these meetings. I have recently been provided with copies of six risk and compliance committee minutes [5 January 2005 - **POL00021416**; 6 April 2005 - **POL00021417**; 29 September 2005 - **POL00021418**; 8 November 2005 - **POL00021419**; 22 March 2006 - **POL00021420**; 6 September 2006 - **POL00021421**] and, whilst they are not a

complete set, they show that there were team updates about matters such as, branch audits and inspections, AML and regulatory compliance, the Financial Services Authority (as it then was), internal crime and IMPACT (which I deal with below). With privatisation of RMH, further committees would eventually be required.

33. From approximately 2006 onwards, I believe I was also chair of the sales and marketing committee. This committee was created with the aim of improving sales after the introduction of the financial services products. I am not sure if the committee was formally linked to the board.

34. Whilst my memory is limited, I do recall that a significant amount of the board's time was taken up dealing with the following –

34.1. The solvency of POL.

34.2. The move towards financial services.

34.2.1. As POL was making a loss, the move towards financial services was a very important part of the strategy, as it was hoped that this would significantly improve the financial position of the company.

34.2.2. As part of the move into financial services, the board was required to evaluate various bids from different financial services partners. After consideration, we awarded the bid to the Bank of Ireland. This

required a member of the POL board joining the Bank of Ireland board, and vice versa. I was asked, by the Bank of Ireland, to take on this role on behalf of POL.

34.2.3. We particularly focused on travel products, such as foreign exchange and travel insurance, because of my background and knowledge of this industry.

34.2.4. We identified the need for an additional non-executive director to join the board, who had financial services expertise. Alan Cook was subsequently identified for this role, which we deal with further below.

34.3. The Rural Strategy – as discussed above, decisions about the accessibility and availability of the Post Office network.

34.4. Rationalisation of the Post Office network, which was a combination of reducing costs and increasing the footfall for the remaining outlets.

34.5. General cost reduction, and plans to minimise the losses of the 'Crown' post offices.

34.6. Horizon, which I discuss later in my statement.

34.7. The replacement of the old-fashioned Post Office books, with a card account.

34.7.1. This required a lot of work and was successfully implemented, only for the Department of Work and Pensions (DWP) to say that they would stop using the Post Office card account and introduce their own card. Eventually, a few years later, the DWP did start using a combined card account with the Post Office.

34.8. The replacement of the CEO.

34.8.1. In approximately summer 2004, David Mills, the CEO of POL, said he would probably retire by the end of December 2005. Finding a suitable replacement CEO is a very important job for the chairman, and it was a challenging task at that time. In my view, we needed someone with substantial financial services experience and a close relationship with the Government. The pool of candidates was further reduced by the fact that it was a role in the public sector.

34.8.2. Alan Cook was highlighted to us as a potential suitable candidate as a short term non-executive director, and a possible replacement as CEO because of his close relationship with the Government in his job as CEO of National Savings & Investments and because of his extensive financial services experience. Alan Cook joined as a non-executive director of POL in February 2005, and later agreed to consider the position of CEO after getting to know the people and the organisation in general. Fortunately, Alan Cook decided quite quickly that

he would like to be considered as the next CEO, so we started the very lengthy process to get him approved by Department of Trade and Industry. I do not recall why this process took so long, but he started as CEO in March 2006.

35. The recruitment of Alan Cook, and the other tasks outlined above, were significant undertakings for the board at that time.

36. I have been asked about the level of technical IT expertise of those attending the board. I cannot answer this question other than to say that an IT Director was a member of the board.

Oversight by the Boards

37. I have been asked to address various questions about the areas the boards of POL and RMH had oversight over and the extent of that oversight, if any.

38. In respect of POL, my recollection is as follows:

38.1. *the legal department*: I do not believe the board had direct oversight or involvement with the legal department and I do not recall the structure of the legal team. This was the ultimate responsibility of the CEO and COO. The level of involvement of a board with a legal department varies from company to company. I do not recall that we received a list of individual ongoing cases; however, I would expect the board to be made aware of

non-routine civil litigation or criminal prosecutions brought by POL (i.e. cases which had the potential of impacting the company financially or reputationally).

38.2. investigation and prosecutions of SPMs for theft, fraud and false accounting for alleged shortfalls in branch accounts: the risk and compliance committee would have had some general oversight of investigations and prosecutions of SPMs generally but I really cannot recall the details. I was certainly not aware that there was any systemic issue with Horizon.

38.3. pursuit of SPMs for the recovery of alleged shortfalls in branch accounts, including through civil proceedings: again the risk and compliance committee might have had some general oversight over the civil recovery of money from SPMs generally but I really cannot recall the details. Again, I was certainly not aware that there was any systemic issue with Horizon.

38.4. company compliance with the Race Relations Act 1978: From my recollection the board did have oversight of the company-wide policy of non-discrimination. I can see references to diversity training in the documents provided with the Request. My assumption is that the training also addressed racial discrimination, and that the training was provided to ensure that the company and its employees were compliant with the company wide policy and legislation. We also received updates from human resources about the same. I cannot recall any breaches being raised with the board.

38.5. *IT department*: the board had some oversight, as the executive team included an IT director. The IT director was responsible for updating the board in relation to IT projects and other IT related matters.

38.6. *security and/or the investigation department*: the risk and compliance committee might have had some oversight but I cannot recall the details. I can recall occasionally being asked to approve the funding of additional security for post offices who were at risk of burglary.

38.7. *the accounting system used to collate individual transactions, cash and stock declarations etc, used for preparing management and statutory accounts*: the board had some oversight, as the executive team included a finance director. The finance director was responsible for updating the board in relation to these matters. They were also assisted by the auditors, who reviewed the accounts half yearly. I would have expected any discrepancy to be reported to the board. I do not recall this happening.

38.8. *problem management team*: I have no recollection of this team.

39. In respect of RMH, my recollection is that the oversight was very similar to POL, but with established sub-committees reporting to the board.

40. The CEO and I reported from the POL board to the RMH board. I believe we provided a written report. We did not report to Royal Mail Group Ltd.

41. In terms of reporting to the Department of Trade and Industry, I do not recall who would attend these meetings on behalf of POL. I believe they took place quarterly but do not recall attending myself.

42. I have been asked to summarise my understanding of how the Government maintained oversight of POL and RMH during my time as director. From recollection, the shareholder executive had regular meetings with RMH and also, on occasion, joined the RMH board meetings. I do not believe I was part of the regular quarterly meetings with the shareholder executive, so cannot comment further on them.

43. In relation to POL, there were also quarterly meetings with the Department of Trade and Industry. I do not recall attending these, but I may have attended the odd one. POL would also have had regular meetings with the Government about on-going issues, such as the rural strategy. I also do not recall attending these meetings.

44. At the time, I felt that the oversight was adequate.

HORIZON

45. The responsibility for monitoring the Horizon IT System ("**Horizon**") lay with POL.

46. The responsibility for criminal prosecutions and civil proceedings arising from

alleged shortfalls in branch accounts based on Horizon data, also lay with POL.

47. When I joined as chairman, I do not recall any specific briefing or training about Horizon or about the contract between POL and Fujitsu. I have been shown the Second Supplemental Agreement [POL00090428] and the Third Supplemental Agreement [FUJ00118186]. I have no recollection of seeing these documents before, and do not recall the clauses about which I have been asked. I note that they were created several years before I joined.

48. I have been asked if I was aware of any bugs, errors or defects or concerns with the integrity of Horizon or complaints about the same. I was not.

49. Although I cannot recall whether there were specific reporting lines, my assumption is that the IT Director reported to the CEO about matters relating to Horizon. As both were POL board members, I was reliant on them raising any concerns they had with Horizon.

50. I do not recall any issues about the integrity of Horizon being raised.

51. When I first became the chairman of POL, I did request to further my understanding of the Horizon system. I have been asked about the purpose of my request. I believe that my first POL board meeting was 19 June 2003 - or this certainly would have been one of the first meetings. As can be seen in POL board minutes dated 19 June 2004 [POL00021482], I wanted to learn more about Horizon (see POLB03/37). I was interested in the capabilities of Horizon because

of the POL board's strategic plans for growth into the financial services market. In particular, we were focusing on offering banking products, insurance and travel products, and foreign exchange. These products were significantly higher value items than the products the Post Office had historically sold. I recall asking questions of the board as to whether Horizon was suitable for this. During my induction, I was told categorically by everyone I met (e.g. the executive team, the crown offices, and Post Offices I visited in East London) that Horizon was a significant improvement on what had existed before. However, we were entering into a completely different world with different products and I wanted to understand whether the system had been designed with these products in mind, whether it was reliable, and whether it was capable of handling transaction of much higher value. I also wanted to be confident that Horizon was resilient enough to adapt to new products.

52. I recall that a meeting was arranged a few weeks after the board meeting to address my queries. I really cannot recall who attended the meeting, but I think it was the senior IT management and members of Fujitsu. I expect Alan Barrie (the IT director) set the meeting up, but I do not have any notes or records relating to it. Although I do not recall the specific questions I asked, my memory is that we discussed the issues addressed above. I do recall that I was left with the impression that POL not only had a good working IT system at the time, but a system that could be developed for the future.

53. Throughout the POL board meetings during my tenure, there were regular references to Horizon. My recollection is that these were all forward-looking

discussions, i.e. how the system could help to further POL's expansion into new markets, the introduction of the IMPACT accounting system, and the extension of the current contract with Fujitsu in 2010. There were significant savings to be made by extending the Horizon contract. It is important to stress however that the extension of the contract with Fujitsu was only being discussed on the basis that it was working properly, which was my belief at that time.

54. As set out above, I do not recall hearing about any bugs, errors, defects or concerns with the integrity of Horizon. From recollection, the first time I heard any comment about possible problems with Horizon was in early August 2007, when I called into the office to say farewell to my colleagues. One of the senior area managers (the name of which I do not recall) had recently received an audit report about a large deficit in one of the Post Offices in her area. She told me that her team had not been able, to date, to understand what the problem was, and she said she was wondering whether there could be a problem with Horizon. She said her team were investigating all possible ways that the Horizon system might have caused the issue, but the investigation appeared to be at a very early stage. I trusted that this was in hand.

HORIZON: CIVIL PROCEEDINGS AND PROSECUTIONS

55. I do not recall discussion about the prosecution or civil proceedings brought against SPMs arising from alleged shortfalls in branch accounts based on Horizon data or generally and I was not aware that there was any systemic issue with Horizon.

56. I have been asked about where the responsibility lay in the Holdings Group for criminal prosecutions and civil proceedings of SPMs for shortfalls in branch accounts. I cannot recall who would have been responsible within POL, but my assumption is that this would have been dealt with by the POL legal department, who would have reported any issues to the CEO or COO.
57. I do not recall discussion about the risks and compliance issues arising from the prosecution of SPMS for theft and false accounting, or the pursuit of civil litigation against SPMs to recover alleged short falls in branch accounts. As far as I was aware, there was a fully functioning legal team responsible for these actions.
58. I do not have any recollection of the policies, guidelines or practices followed when pursuing a civil action against an SPM.
59. Similarly, I cannot recall any detail about the audits of SPMs' branch accounts, or the practices and policies adopted in respect of suspending or terminating SPMs' contracts.
60. I also cannot recall the policies, guidelines or practices when investigating alleged offences and bringing criminal prosecutions.
61. I do not recall the POL board discussing the bringing of specific prosecutions or civil proceedings against SPMs, and litigation was not a standard agenda item during our board meetings. This similarly applies to the RMH board. I note that

there is discussion about the principle of the approach to litigation in the POL board minutes dated 13 October 2004 [POL00021485] and that David Miller was actioned to verify the current procedures and report back to the POL board. I do not recall whether this happened. I recall discussion about how we dealt with franchise breaches by SPMs, i.e. selling a different lottery ticket, but I do not recall individual cases being discussed.

62. I can recall that SPMs were occasionally prosecuted for fraud, which I think I learned during my induction process. I do not have any recollection of these cases being discussed during POL board meetings.

Civil proceedings against Ms Wolstenholme (Cleveleys)

63. The Request provided me with three documents which relate to the civil proceedings against Ms Wolstenholme, namely: an email chain with the subject 'Legal case – Cleveleys PO 153 405 Mrs J Wolstenholm' [POL00142503], an advice on evidence and quantum by Mr Brochwicz-Lewinski [POL00142504], and the IT spend from 2003 [POL00120833]. I do not recall seeing these documents before now.

64. I do not recall this matter being discussed at a board meeting.

THE IMPACT PROGRAM

65. I have been asked about the nature and extent of my involvement in the design

and implementation of the IMPACT program; I was not involved with the design and implementation.

66. As can be seen in the POL board minutes dated 1 September 2004

[POL00032050], the IMPACT business case was presented by Peter Corbett. IMPACT stands for "Improved Accounting" and the intention was for the Horizon system to be extended to accounting, with a hope that this would improve productivity. It was presented as a very straightforward, low risk program.

67. IMPACT was presented to the POL board, as we needed to approve the spend. I note that the board authorised the spend subject to an ongoing system of risk assessment [POL00032050]. I do not recall to what this amounted.

68. As can be seen in subsequent POL board minutes (e.g. POL board minutes dated 23 February 2005 [POL00021487] and POL board minutes dated 17 August 2005 [POL00032147]), there were updates about IMPACT at relevant intervals. I note that POL00021487 mentions that the "Testing phase [is] underway". Although I cannot recall the content of this meeting, this implies to me that people were taking the introduction of this system carefully and properly.

69. Although I was not present during the POL board meeting on 17 August 2005 [POL00032147], POLB05/79(c) details the sums of money that could be saved as a result of this program.

70. I have been asked about the extent to which POL and RMH discussed the fact

that the IMPACT program would prevent SPMs from placing disputed discrepancies in a local suspense account. I do not recall this being discussed.

GENERAL

71. I have been asked whether I felt I had sufficient time to dedicate to my roles at POL and RMH. I felt like I had sufficient time to dedicate to this role. For the first six months as chairman, I worked more than anticipated, as I needed to understand the role and the organisation.

72. As I did not know anything about the issues with Horizon at the time, I do not think there is more I could have done at the time either. Since concerns started to circulate about Horizon in the public domain, I have wondered what our board might have missed during my tenure.

73. By the time I was in post, my understanding was that Horizon was up and running successfully, and embedded in the organisation. It is therefore hard to say what I would have done differently with hindsight, as my understanding of the situation now is in stark contrast with my understanding at the time.

Statement of Truth

I believe the content of this statement to be true.

Signed: _____

GRO

Dated: _____

27th February 2024

Index to First Witness Statement of Sir Michael Hodgkinson

<u>No.</u>	<u>URN</u>	<u>Document Description</u>	<u>Control Number</u>
1	POL00021486	POL board minutes dated 15 December 2004	POL0000019
2	POL00021416	Risk and Compliance Committee minutes dated 5 January 2005	POL-0018046
3	POL00021417	Risk and Compliance Committee minutes dated 6 April 2005	POL-0018047
4	POL00021418	Risk and Compliance Committee minutes dated 29 September 2005	POL-0018048
5	POL00021419	Risk and Compliance Committee minutes dated 8 November 2005	POL-0018049
6	POL00021420	Risk and Compliance Committee minutes dated 22 March 2006	POL-0018050
7	POL00021421	Risk and Compliance Committee minutes dated 6 September 2006	POL-0018051
8	POL00090428	Second Supplemental Agreement	POL-0087397
9	FUJ00118186	Third Supplemental Agreement	POINQ0124350F
10	POL00021482	POL board minutes dated 19 June 2003	POL0000015
11	POL00021485	POL board minutes dated 13 October 2004	POL0000018
12	POL00142503	Email chain with subject 'Legal case - Cleveleys PO 153 405 Mrs J Wolstenholm'	POL-BSFF-0001779
13	POL00142504	Advice on evidence and quantum by Mr Brochwicz-Lewinski	POL-BSFF-0001780
14	POL00120833	The IT spend from 2003	POL-0126849
15	POL00032050	POL board minutes dated 1 September 2004	POL-0028985
16	POL00021487	POL board minutes dated 23 February 2005	POL0000020
17	POL00032147	POL board minutes dated 17 August 2005	POL-0029082