



Between
Regina

and

Carl Adrian Page

Defendant

**Report to the Court prepared by
T Taylor, a Director in KPMG LLP**

**KPMG LLP
7 April 2006**

*This report contains 21 pages.
tt/jp/060*



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Glossary of terms used in my report

- Horizon – the automated system used to record transactions in the post office.
- 'BCV' – Batch Control Voucher used to record the number, date and value of cheques to be despatched to 'Data Central' (clearing centre) in London.
- Stock unit – a unit created on the Horizon system to which cash and stock is assigned.
- 'AM' stock unit – the stock unit at the post office where bulk cash (including foreign currency) and stock was recorded in Horizon.
- 'BU' stock unit – the bureau stock unit at the post office where foreign currency transactions and balances were recorded in Horizon.
- Balance 'snapshot' – a report showing the level of cash and stock held in a unit and the receipts and payments made at a given point in time during the current period.
- Cash Account – the statement of cash, stock and transactions produced by the Horizon system at the end of an accounting period.
- 'ONCH' - Overnight Cash Holding figure recorded in Horizon representing the total amount of cash (sterling) held at the end of each working day.
- 'Remittance' – the movement of cash and stock between post offices and the post office distribution centre.
- 'Command 3' printout – daily printout from the Forde Moneychanger which includes the transaction summaries of the day and a closing balance for each currency.
- 'Command 10' printout – weekly printout from the Forde Moneychanger which includes a value of foreign currency held and the bureau de change revaluation and commission totals for the week.
- Stock – includes postage stamps, motor vehicle licences, Postal Orders, etc.



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1 Introduction

1.1 Terms of reference

- 1.1.1 I have been instructed by Frisby & Co, Solicitors, to prepare an expert accountancy report for possible use in the forthcoming trial of Mr Carl Adrian Page ("Mr Page").
- 1.1.2 Mr Page was the sub-postmaster at Rugeley Post Office and has been charged with the theft of £282,000 in sterling from Post Office Limited between March 2002 and January 2003.
- 1.1.3 I have been specifically asked to consider the theft charge against Mr Page and the accounting evidence put forward by the Prosecution.

1.2 Qualifications

- 1.2.1 I am Timothy Taylor, a Fellow of the Institute of Chartered Accountants in England and Wales and I have a Master's Degree in Accounting and Finance. My business address is [REDACTED] GRO. I am a Member of The Academy of Experts and of the Expert Witness Institute. I joined what is now KPMG LLP ("KPMG") in 1972 and became a partner in 1985.
- 1.2.2 Since qualification I have been extensively involved in audit and accountancy work and in the preparation of reports. I retired as a partner in 2003 and now continue with KPMG as a Director, specialising in expert witness and dispute resolution services. I have prepared numerous reports giving my expert opinion in both civil and criminal matters, and I have given evidence at trial on many occasions.
- 1.2.3 In preparing this report I have had assistance from Jason Pate, a Senior Manager in KPMG who is a Member of the Institute of Chartered Accountants in England and Wales. Jason has worked under my supervision and the opinions expressed in this report are my own.
- 1.2.4 I report in this matter as an expert witness and not a witness of fact, and I have relied upon the information provided to me. If any further information comes to light or any



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information which I have relied upon proves to be incorrect, I may wish to change my conclusions.

1.2.5 This report is strictly private and confidential. It has been prepared solely in relation to the forthcoming trial of Mr Page and is produced on the understanding that it is not to be communicated to any third party, in whole or in part, other than in connection with these legal proceedings.

1.3 Sources of information

1.3.1 This report is based on a consideration of relevant witness statements and exhibits provided to me by my instructing solicitors.

1.3.2 Details are summarised in Section 4 below.



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2 Background

2.1 Summary of Prosecution case

- 2.1.1 The theft charge against Mr Page relates to a cash amount of £282,000 said to be missing from Rugeley Post Office which was identified following an audit (see Section 5.5) at Rugeley Post Office on 14 January 2003.
- 2.1.2 The Prosecution's Opening Note dated 2 October 2005 states that the indictment period for the alleged theft is from March 2002 to January 2003 and the amount allegedly stolen by Mr Page was £282,000 in sterling.
- 2.1.3 However, in the Royal Mail's letter to my instructing solicitors dated 23 February 2006 it is stated that the alleged theft "*...could have begun at any stage after Mr Page took over at Rugeley*".
- 2.1.4 The Prosecution further note in the same letter that there are "*... difficulties in assessing the true position of the cash / stock held when manipulated accounts are presented*".
- 2.1.5 Notwithstanding the above, I note that the Prosecution have not provided any Weekly Cash Accounts or related accounting documentation for the period prior to March 2002, and as such I have not been able to consider any such evidence prior to the period of the indictment.



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3 Post Office accounting systems and procedures

3.1 Accounting procedures - Horizon

3.1.1 I have set out below certain details of the Post Office accounting systems and procedures that were in place during the indictment period. This understanding is based on a review of a number of Post Office operation manuals and user guides provided to me, details of which have been set out in Section 4 below.

3.1.2 During the indictment period the Post Office used a computerised accounting system known as Horizon which kept a record of transactions undertaken during each week.

3.1.3 The Weekly Horizon Cash Account was structured as follows:

• Opening balance due to Post Office (stock and cash brought forward from previous week)	- X
• Receipts of cash and stock in week	- X
Total 'receipts'	- <input checked="" type="checkbox"/> X
• Payments and remittances in week	- X
• Closing balance due to Post Office (closing stock and cash carried forward)	- X
Total 'payments'	- <input checked="" type="checkbox"/> X

3.1.4 For each transaction carried out cash, a cheque, a debit card payment or equivalent would either be received from or paid to a customer, with the Post Office providing something in exchange e.g. cash in exchange for a voucher such as a pension or benefit foil.

3.1.5 The Cash Accounting Week for each Post Office ran from Thursday morning to Wednesday evening, and at the end of each accounting week all cash and stock on site should have been verified and adopted as the opening cash and stock balance for the following accounting week.

3.1.6 Horizon could be interrogated to provide a printout known as a 'snapshot' which provided a summary of the transactions carried out in the week along with a breakdown



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of the "book" cash and stock that should be on hand after taking into account all transactions.

- 3.1.7 The individual who undertook the process of balancing the accounts at the end of each week would verify the cash and stock on hand for each stock unit and input these into Horizon.
- 3.1.8 A balance would be achieved if the verified cash and stock on hand agreed with the book cash and stock according to the Horizon snapshot. Any discrepancy should be declared as a shortfall or surplus in the Post Office's Weekly Cash Account.
- 3.1.9 In effect, the 'Balance due to Post Office' would be a net balancing figure. If all transactions, including foreign currency transactions from the Forde Moneychanger had been correctly entered in Horizon, then Horizon should balance.

3.2 Bureau de change and Forde Moneychanger system

- 3.2.1 The Forde Moneychanger ("FM") is a stand alone foreign currency calculator that operates independently from Horizon. It performs a variety of functions including:
 - calculating the sterling value of foreign currency held;
 - keeping a running check on stock levels; and
 - providing information for daily and weekly accounting reporting, details of which are required to be entered manually into Horizon.
- 3.2.2 Horizon and the Forde Moneychanger system operated independently, and it was necessary for foreign currency transferred into or out of the post office to be entered separately into the Forde Moneychanger and Horizon.
- 3.2.3 This inputting would be performed independently and could be done at different times, resulting in the potential for differences to arise between the two systems.



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Receiving foreign currency

- 3.2.4 Foreign currency received by the post office was to be entered into the Forde Moneychanger at the retail 'buy rate' as indicated by First Rate Travel Services ("FRTS") on a daily fax sent to the Post Office.
- 3.2.5 All sales and purchases of foreign currency (and travellers' cheques) in the week would be made through the Forde Moneychanger, independent of Horizon.

Daily accounting procedures for foreign currency

- 3.2.6 At the end of each accounting day a 'Command 3' printout would be produced by the Forde Moneychanger which would include all transaction summaries of the day, along with the closing balance for each currency and a Travellers' Cheque balance.
- 3.2.7 The printout should have then been checked, on a daily basis, to ensure that the balances of foreign currency and travellers' cheques agreed with the amounts physically on hand at the post office.

Weekly accounting procedures and recording transactions in Horizon (section 15.6 of Bureau de Change au Demand – Operations Manual)

- 3.2.8 At the end of each Post Office Cash Accounting week:
- weekly printouts for all totals should be obtained from the Forde Moneychanger via a 'Command 10' printout; and
 - cheques on hand and cash physically held in the bureau till should be separately entered into Horizon (known as the 'BU' stock unit).
- 3.2.9 The 'Command 10' printout includes a sterling value for foreign currency and a bureau de change revaluation and commission total for the relevant week.
- 3.2.10 Any differences between the amounts per the 'Command 10' printout and the amounts actually held in the bureau should be recorded as a shortfall or discrepancy in the final Weekly Cash Account in Horizon and sent to the Post Office's head office.



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Despatch of cheques, including cheques used to purchase foreign currency (Section 14.2 of Cash and Cheque Acceptance Operations Manual)

- 3.2.11 Before despatching cheques received to the Post Office clearing centre in London, a check should have been performed by the post office staff to ensure that the daily figure recorded on Horizon agreed with the actual cheques on hand figure.
- 3.2.12 If the totals did not agree then any error should have been amended in Horizon to reflect the actual value of cheques on hand. Only on balancing should the post office have 'remitted out' cheques from the relevant Horizon stock unit to the London clearing centre.
- 3.2.13 All cheques should be despatched with a completed Batch Control Voucher ("BCV"). The procedures required that cheques should be despatched on a daily basis.



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4 General

4.1 Information considered in my report

4.1.1 In my work I have considered the following information:

- Prosecution's Opening Note dated 7 October 2005.
- Letter from the Royal Mail to Frisby & Co Solicitors dated 23 February 2006.
- Various Weekly Cash Accounts for Rugeley Post Office.
- Internal audit reports dated June 2002 and January 2003.
- Various witness statements and exhibits from relevant Prosecution witnesses including Mr Patel and Mr Davies.
- Exhibit RK/01 – Bureau de Change operations manual (version dated 2 September 2002).
- Post Office 'Cash and Cheque Acceptance procedures manual' (version dated 3 September 2002).
- Exhibit SB/01 – Copy cheques and associated batch control vouchers - June 2000 and January 2003.
- Exhibit AW/1 – Copy HSBC bank statements for RPX Recycled Plastics Ltd – Account number 71392875.
- Exhibit MP/3 - Bureau transactions schedule for Rugeley Post Office - 9 March 2002 to 13 January 2003.
- Exhibit MP/3A – Copy sections of till rolls relating to entries on Exhibit MP/3.
- Exhibit MP/6 – Foreign Currency Discrepancies Schedule.
- Various Forde Moneychanger till rolls and 'Command 10' printouts.



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- Horizon System User Guide – version dated 28 July 2000.
- Electronic spreadsheet of information for Rugeley Post Office from the 'remedy system' which records 'errors' and details of telephone calls from Rugeley Post Office.
- Audit Process Manual dated 4 May 2002.
- Letters from Royal Mail to Mr Page dated 6 March 2001 and 21 May 2002.



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5 Calculation of the alleged theft

5.1 Background

5.1.1 As noted at paragraph 1.1.2 Mr Page has been charged with the theft of £282,000 in sterling from Post Office Limited between March 2002 and January 2003.

5.2 Summary of alleged theft – 14 January 2003 audit report

5.2.1 An internal audit was undertaken at Rugeley Post Office on 14 January 2003 and a shortfall of £282,000 was eventually identified by the Post Office audit team.

5.2.2 The alleged theft of £282,000 relates to a shortfall identified specifically in the 'Foreign Currency Sterling Equivalent' figure recorded in the 'AM' stock unit of Horizon. No such currency was found by the audit team during their audit. I understand that Mr Page accepts that no such amount of foreign currency was found at that time in Rugeley Post Office.

5.2.3 Mr Page denies that the deficiency arose as a result of theft by him.

5.3 'Inflation' of the 'Foreign Currency Sterling Equivalent' figure in Horizon

5.3.1 Exhibit MP/6 exhibited by Mr Patel illustrates how the alleged deficiency (or 'inflation' per Mr Patel) of £282,000 accumulated over time.

5.3.2 The inflation referred to by Mr Patel is simply the difference between the 'Foreign Currency on Hand' figure as recorded in Horizon by Rugeley Post Office and the 'sterling equivalent foreign currency on hand' figure as identified from the weekly Forde Moneychanger 'Command 10' printouts.

5.3.3 Exhibit MP/6 shows that the first period where there was a significant inflation in the 'Foreign Currency Sterling Equivalent' figure in Horizon was in the week ended 26 June 2002 (Week 13) when the amount is said to be inflated by £53,378.03.

5.3.4 In the two weeks ended 3 and 17 July 2002 (Weeks 14 and 16) the inflation figure is negative. One of the negative 'inflation' figures is explained as being the result of typing



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an incorrect revaluation figure into Horizon but there is no apparent explanation for the other negative inflation figure i.e. the week ended 3 July 2002 (Week 14). This demonstrates that as Horizon and the Forde Moneychanger were not integrated, differences could arise as a result of manual inputting errors.

- 5.3.5 The next significant inflation in the 'Foreign Currency Sterling Equivalent' figure is shown in the week ended 31 July 2002 (Week 18) when the inflated figure per MP/6 is £177,500. I have not seen a copy of the 'Command 10' printout for this period. It is not clear to me whether it is alleged by the Prosecution that the theft by Mr Page had reached £177,500 by this date.
- 5.3.6 Exhibit MP/6 indicates that, from the week ended 28 August 2002 (Week 22), the Horizon 'Foreign Currency Sterling Equivalent' figure was inflated, initially by £188,000, and increasing to £282,000 by the date of the internal audit on 14 January 2003 (Week 41).

5.4 **How was the alleged theft concealed?**

- 5.4.1 The Prosecution's Opening Note states that cash, in sterling, was stolen by Mr Page over a period of time and, from the week ended 28 August 2002 (Week 22), this was concealed by Mr Page routinely inflating the Horizon computer records in relation to foreign currency held in the Rugeley Post Office "AM" stock unit.
- 5.4.2 I also note from the Prosecution's Opening Note that, some time prior to Week 22, the alleged theft by Mr Page is alleged to have been concealed by overstating the amount of 'Overnight Cash Holdings' ("ONCH") held at Rugeley as opposed to the 'Foreign Currency Sterling Equivalent' figure in Horizon.
- 5.4.3 I have seen no evidence regarding the alleged theft concealment via the "ONCH" figure, including as to how and when any such concealment was undertaken prior to the week ended 28 August 2002 (Week 22). I note that the Royal Mail letter dated 23 February 2006 to my instructing solicitors states that there are "... difficulties in assessing the true position of the cash / stock held when manipulated accounts are presented".



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Prior to Week 22

- 5.4.4 If it is alleged that by the week ended 31 July 2002 (Week 18) the theft had reached £177,500, and that it was being concealed either by overstating the true foreign currency balance or the 'ONCH' figure, then, in my opinion, there is an unexplained inconsistency in the Prosecution's case as set out below.
- 5.4.5 Firstly I note that in the two weeks ended 14 and 21 August 2002 (Weeks 20 and 21), the inflation figures as stated by Mr Patel (see Exhibit MP/6) are nil, and therefore no concealment is attributed to this item.
- 5.4.6 Secondly I note that the recorded 'ONCH' figure (see Weekly Cash Accounts) for the two weeks ended 14 and 21 August 2002 was only £79,810.00 and £91,240.69 respectively, and therefore they could not be overstated by £177,500.
- 5.4.7 The Prosecution have not as far as I am aware offered any alternative explanations regarding methods of concealment other than the overstatement of the 'ONCH' or 'Foreign Currency Sterling Equivalent' figures in Horizon.

Week 22 onwards

- 5.4.8 I agree with Mr Patel that as from the week ended 28 August 2002 (Week 22) the Horizon 'Foreign Currency Sterling Equivalent' figure was inflated, initially by £188,000, and increasing to £282,000 by the date of the audit on 14 January 2003 (Week 41).
- 5.4.9 I have agreed the inflation figure calculated by Mr Patel to the Horizon and Forde Moneychanger figures for Weeks 22 to 41 inclusive, except for Weeks 23 and 24 where the 'Command 10' prints have not been made available (and where according to Mr Patel, the figures were obtained from Chesterfield).

5.5. Audit process

- 5.5.1 I have reviewed a copy of the 'Audit of Accounts' section from the Audit Process Manual (version dated 4 May 2002).
- 5.5.2 Based on a review of the manual, the Post Office audit is primarily one of 'asset verification' in determining the value of cash, stock and vouchers 'on hand' – it would



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appear that none of the other figures in the Weekly Horizon Cash Accounts would have been checked or verified to any other source documentation as part of the audit. In addition a number of 'Compliance Tests' may also be undertaken in relation to Post Office procedures and controls.

- 5.5.3 The Post Office audit team would firstly ascertain the number of individual stock units operated at the sub-post office and obtain an overall 'snapshot' for the whole post office and a 'snapshot' for each individual stock unit. The sub-postmaster would be asked to make all cash and stock on hand available which would be checked against amounts recorded in Horizon.
- 5.5.4 Where vouchers had been despatched by the sub-post office these would not be checked at the time of the audit. Any errors found subsequently in the documentation despatched by the post office prior to the audit would be dealt with by way of an 'error notice'.
- 5.5.5 I review such notified 'errors' in Section 5.7.

5.6 Audit of 27 June 2002

Evidence of Mr Robert Davics – witness statement dated 16 March 2004

- 5.6.1 An audit was undertaken by the Post Office Security & Audit Section on 27 June 2002 for the week ended 26 June 2002 (Week 13), in the course of which the internal audit team checked individual cash and stock balances in each stock unit physically on site at Rugeley and compared them with what was recorded in Horizon.
- 5.6.2 I note that the Post Office audit report made reference to the fact that *'...the bureau was rebalanced showing the actual on hand. This produced a shortage of £53k...'.* This amount is also the 'inflation' figure referred to by Mr Patel as at 26 June 2002 in Exhibit MP/6, although Mr Patel does not state whether or not he is of the opinion that this relates to the concealment of an alleged theft. This difference appears to have arisen as a result of the sales figure for the week from the 'Command 10' printout rather than the foreign currency on hand figure being entered into Horizon.
- 5.6.3 I note the Post Office audit report stated that the overall result from the audit was a net shortfall of £8,335.63.



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Further evidence of Mr Robert Davies – witness statement dated 18 February 2006

- 5.6.4 I note that the Prosecution have now provided further evidence in respect of the June 2002 audit.
- 5.6.5 The shortfall identified at the time is analysed as follows:
- | | |
|---|----------------------------|
| • “BU” bureau stock unit surplus reported | £191,192.95 |
| • “AM” stock unit shortfall reported | (£145,873.74) |
| • Shortfall in the bureau cash and stock held | (£ 53,285.46) |
| • Other differences | <u>(£ 369.38)</u> |
| Total | <u>(£ 8,335.63)</u> |
- 5.6.6 Mr Davies now states that three cheques totalling £139,400.00 (being cheques for £80,124.22, £49,689.44 and £9,586.34 respectively) were included in the Week 13 Cash Account figures, being the week ended 26 June 2002.
- 5.6.7 On the basis of the accounting evidence made available to me, I agree with Mr Davies’ conclusions that the two larger of the three cheques which he refers to should not have been included in the Horizon account for the week ended 26 June 2002 and hence the shortage as calculated by the audit team should be increased by £129,813.66 (£80,124.22 plus £49,689.44).
- 5.6.8 I would however note that it is not possible for me now to check whether or not the amounts ‘verified’ at the audit were correct as the audit process is largely one of simple asset verification.
- 5.6.9 However, if the above matter was the only ‘error’ in the June 2002 audit then the revised deficit in the Weekly Cash Account should, as Mr Davies states, be increased to £138,149.29.



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Third cheque referred to by Mr Davies in his witness statement

5.6.10 I note that the third cheque referred to by Mr Davies for £9,586.34 cleared the bank on the same date as the other two cheques and therefore it may be that this also should be included in the revised shortfall figure.

5.7 'Errors' pre-January 2003 audit

5.7.1 Independent of the above issues, I note from correspondence prior to the audit on 14 January 2003 that the Post Office had identified a large number of 'errors' and issues with Rugeley Post Office.

5.7.2 I note, for example, in a letter to Mr Page dated 6 March 2001 (although from the sequence this seemingly should be dated 6 March 2002, not 2001), reference is made to "There have been 170 errors recorded against your office to date".

5.7.3 In a further letter to Mr Page from the Post Office dated 21 May 2002 it is noted that "...Your out turn for the year 2001/02 has been reported at 204 errors. I have also been advised that a further 21 errors have been incurred during period 1 (2002/03). I should remind you once again that your performance is unacceptable and that immediate improvement is required..."

5.7.4 In addition to the above I have been provided with a list of 'incident logs' from the 'remedy system' in relation to Rugeley Post Office. These refer to numerous 'errors' or incidents. I have summarised below a number of examples below which appear to be of relevance to the overall accuracy of the accounting records at Rugeley.

5.7.5 In the absence of more detailed information I have simply noted the following:

- 8 June 2000 – refers to advising the sub-postmaster that he should not be entering commission twice in respect of the bureau de change;
- 17 July 2000 – refers to Rugeley Post Office receiving 'error notices' and being "...£9,000 at a loss for lottery" and told the cash account sent had been incorrect for lottery;



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- 28 March 2001 – refers to the postmaster wishing to reverse a transaction on the moneychanger (bureau de change);
- 11 October 2001 – notes 25 errors and that Rugeley Post Office was in the 'worst 10%' in the overall league position. Also refers to unpaid cheques returned and that the Post Office should ensure that all cheque acceptance procedures for 'the product' are followed correctly;
- 19 November 2001 – notes 62 cumulative errors by Period 7 and that Rugeley Post Office was still in the 'worst 10%' in the overall league position;
- 14 December 2001 – refers to further error notices at Rugeley in Week 39;
- 14 January 2002 – refers to a further 11 errors in Period 9 and the outlet now having 12 errors;
- 14 February 2002 – refers to the outlet having 29 errors and that Jim Coney will be issuing a written warning to the outlet;
- 15 April 2002 – refers to "*Escalation for over 11 errors in Period 12. Outlet has 18 errors*".
- 15 May 2002 – refers to "*Escalation for over 11 errors in Period 1. Outlet has 21 errors*".
- 27 June 2002 – refers to the June 2002 audit and that the bureau unit was 'rolled over' with incorrect bureau figures (£82,772.85 and should have been £29,487.39);
- 4 July 2002 – notes an issue with balancing Horizon and the "*...cash account surplus and minus in suspense account off 191,192.95 and also 145,873.74 minus*". The incident report also makes reference as to how to remove a gain from the Suspense Account;



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- 29 July 2002 – refers to the fact Mr Page was not sending in paperwork until Monday morning because Rugeley were “... *double/triple checking paperwork*” and refers to the need for performance improvement; and
- 15 August 2002 – refers to the outlet having 24 errors and an escalation of errors in Period 4.

5.8 Matters where I am unable to comment further

- 5.8.1 Based on a review of the evidence provided it has not been possible for me to confirm whether a shortfall as alleged was concealed in the ‘ONCH’ figure in Horizon as these figures were never (other than in the two audits noted above) the subject of an audit.
- 5.8.2 In addition I note that the Prosecution have provided no evidence regarding the accuracy of the other figures in Horizon. They simply indicate that the figures set out in the Weekly Cash Accounts are those as submitted by Rugeley Post Office.



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6 Summary and conclusions

6.1 My overall conclusions

6.1.1 In summary I note the following:

- I agree with Mr Patel that as from the week ended 28 August 2002 (Week 22) the Horizon 'Foreign Currency Sterling Equivalent' figure was inflated, initially by £138,000, and increasing to £282,000 by the date of the audit on 14 January 2003 (Week 41);
- I agree with Mr Davies (witness statement dated 18 February 2006) that, on the basis of the accounting evidence available, the shortage in the audit of 27 June 2002 should be increased by £129,813.66, and possibly by a further £9,586.34;
- The alleged deficiency of £282,000 in the 'AM' stock unit at 14 January 2003 does not necessarily indicate theft by Mr Page - any such shortfall in practice be the result of other unidentified errors or differences in Horizon;
- It is implicit in the Prosecution's case that, by simply stating that the £282,000 shortfall in the 'AM' stock unit equates to a theft of the same amount, all other figures in Horizon (except for the differences identified at the audit) were correct. I have seen no evidence that this is the case and would also note the high incidence of 'errors' as set out in Section 5.7;
- The Prosecution rely on the assumption that the figures in Horizon are those recorded by Rugeley Post Office staff themselves and that the Horizon system was working correctly throughout the indictment period;
- It is now not possible to establish whether the declared 'ONCH' figures were correctly recorded in Horizon as they were not independently checked at the time other than at the two audits;
- If it is alleged that by the week ended 31 July 2002 (Week 18) the theft had reached £177,500, and that it was being concealed either by overstating the true foreign currency balance or the 'ONCH' figure, then, in my opinion, there is an



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unexplained inconsistency in the Prosecution's case. This is because in the two weeks ended 14 and 21 August 2002 (Weeks 20 and 21), the inflation figures as stated by Mr Patel are nil and the recorded 'ONCH' figures were only £79,810.00 and £91,249.69 respectively, and therefore they could not be overstated by £177,500.

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