

Witness: Patrick Henry Pierce O'Sullivan

Statement Number: WITN11000100

Date: 12 June 2024

THE POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF PATRICK HENRY PIERCE O'SULLIVAN

I, Patrick Henry Pierce O'Sullivan will say as follows:

Introduction

1. I am the former Non-Executive Chair ("**Chair**") of the Shareholder Executive ("**ShEx**"). I was appointed to this position at the end of 2011, with my start date being March 2012, and remained in post until September 2014.
2. This witness statement has been prepared in response to the Rule 9 Request made by the Post Office Horizon IT Inquiry (the "**Inquiry**"), made pursuant to Rule 9 of the Inquiry Rules 2006, dated 3 May 2024.
3. The facts in this witness statement are true, complete, and accurate to the best of my knowledge and belief.
4. I have been assisted in preparing this witness statement by Eversheds Sutherland International LLP, who act for UK Government Investments ("**UKGI**").

Background

5. I have been asked to set out a summary of my career and qualifications prior to joining ShEx. I hold a Bachelors of Arts in Business Studies from Trinity College, Dublin and a Masters of Economics from LSE. I am a Fellow of the Institute of Chartered Accountants in Ireland. During my career, I have worked for a number of financial institutions including Bank of America, Barclays, and Zurich Financial Services Group (where I was CFO before being promoted in 2007 to Vice Chairman). I began my non-executive career in 2007 when I was appointed as Senior Independent Director at Man Group (until 2012), and as a non-executive director and Chair of the Audit Committee of Collins Stewart (until 2009). Upon retiring from Zurich Group in 2009, I focused exclusively on my non-executive roles.
6. I joined the Bank of Ireland as the non-executive chair of the audit committee in 2009, and subsequently became the Deputy Governor of the Bank of Ireland in 2011, which was also a non-executive position. The Secretary of State appointed me as Chair of the ShEx Board in October 2011, with a start date of March 2012. The time commitment for each of these roles was one day a week and two days a month respectively. I resigned as Chair of the ShEx Board in September 2014.
7. My understanding is that a key aspect to my appointment was my expertise in corporate management and my experience in senior executive positions of a number of companies, which was of obvious relevance to ShEx which exercised the shareholder role for many different assets. I did not sit on any other subcommittees at ShEx. There was a large degree of corporate finance

and corporate management expertise both on the Board and within ShEx more broadly.

8. I joined Old Mutual plc as the non-executive chair in 2010. I worked four days a week at Old Mutual plc. From 2013 to 2018, I was also chair of Lloyds Syndicate 218. I remained in my position at Bank of Ireland until 2015 and remained in my position at Old Mutual Plc until we broke up the company in 2018. I was chair of the Board at Saga plc from 1 May 2018 until October 2020. Since February 2023, I have been an advisor (part-time) to the Cambridge Institute for Sustainable Leadership in respect of Board practice.

The Government's interest in POL

9. I have been asked to describe the Government's interest in Post Office Limited ("**POL**") for the period in which I was engaged by ShEx. In April 2012, POL became a public corporation, separate from Royal Mail and owned 100% by the Government, specifically the Secretary of State of the Department of Business Innovation and Skills ("**BIS**").
10. The Secretary of State for BIS (as shareholder), at the time, had ultimate responsibility for the Government's shareholdings in Royal Mail Group and POL. The Secretary of State could not delegate his responsibilities. The Secretary of State was not responsible for the day-to-day oversight of POL. The Permanent Secretary, who was Martin Donnelly, had accountability as Accounting Officer for POL.
11. The Secretary of State, in my view, cannot have been expected to have taken any more of an active role in overseeing the day-to-day operations of Royal

Mail Group and/or POL. This reflects usual practice – the role of a shareholder is not to manage the operations of the company. Nor was it the function of BIS (or ShEx, as an organisation within BIS) to be responsible for the operations of Royal Mail Group and/or POL. Responsibility for the company's operations was with the POL Board, comprised of senior management and independent non-executive directors, including a representative of the Secretary of State, through ShEx, the Shareholder NED.

- 11.1 Moreover, ShEx did not have the expertise to run commercial enterprises such as Royal Mail or POL. ShEx was comprised largely of former corporate financiers, civil servants, or other professionals. The role of ShEx was to exercise the shareholder function (as described in further detail below) and provide advice via the Permanent Secretary to the relevant Minister, including in respect of POL. ShEx had access to external advisors (such as Rothschilds in the context of the Royal Mail Group float), and the expertise and experience of the ShEx Board to assist it in this task.
12. Use of arm's-length bodies (“ALBs”) is the preferred modus operandi for Government owned entities. There are many benefits to the ALB model, which I need not rehearse here as others who have been called by the Inquiry to give evidence will be able to speak to this in more detail. The key point is that for the objectives of the ALB model to work as regards POL, it must be able to operate on a truly arm's-length basis, such that Government does not interfere with operational and/or contractual matters. In addition, the Government would be unlikely to have the expertise necessary to run commercial operations such as POL.

13. It is nonetheless critical that government-owned corporations have the correct and appropriate scrutiny; they should be held to essentially the same corporate governance standards as listed companies. By the Government shareholder having a representative on the POL Board and by having the ShEx Team (defined below) monitoring POL, there was arguably greater scrutiny on POL than that which publicly listed companies might experience.

Organisation of ShEx and strategy of oversight

14. As I have said, it is not for central Government to micro-manage the operation of large commercial entities such as POL and there are good and obvious reasons why ALBs should be given the autonomy, subject to the oversight of their boards, to take decisions in the best commercial interests of the business.
15. ShEx's function in this respect was to assist with the shareholder role of different entities within the Government's portfolio (i.e., where it was the sole or major shareholder). Within ShEx, separate teams were established to exercise this function in respect of different assets (the "**ShEx Team**"), and this includes the management of the Secretary of State's shareholding in POL.
16. The ShEx Team would liaise directly with Ministerial outer office staff to brief the Minister on specific issues relating to POL as they might arise. In my view, the ShEx Team's relationship to BIS was as an advisor which was embedded within the Department. Ministers were also advised and assisted by BIS civil servants (including their Private Offices) and Special Advisors (SpAds). Requests from Ministers were routine and would have been responded to by the ShEx Team as appropriate.

17. I have had the benefit of reviewing the First Witness Statement of Mr Charles Donald dated 19 February 2024 (WITN10770100). Paragraph 9 describes ShEx's shareholder role in detail, and appears to me to provide a good and accurate summary. I would add that the ShEx Team's exercise of the shareholder role had (necessarily) more political considerations than in a normal publicly listed company.
18. I also note paragraphs 26 and 27 of Mr Donald's First Witness Statement (WITN10770100), where Mr Donald describes the responsibilities of the ShEx Team, and the way that these were exercised. I consider that these paragraphs broadly reflect the responsibilities of the ShEx Team during my tenure as Chair, although the granular detail would not have been evident to me in my role as Chair of the ShEx Board, nor would I have had visibility on, for example, the frequency of monitoring meetings with POL or the nature of the issues covered.

The ShEx Board

- 18.1 The ShEx Board was not a corporate board (i.e., where directors have statutory fiduciary duties under the Companies Act 2006); it was an advisory board. The role of the ShEx Board was to oversee the executive below it, this included considering any specific issues referred to the ShEx Board by the executive.
- 18.2 Whilst there were no statutory duties imposed on the ShEx Board under the Companies Act 2006, we tried to mirror standard governance processes. I have been shown ShEx Board's Remit dated August 2010 and Shareholder Executive Terms of Reference dated October 2009 (UKGI00041953) and, although I do not recall whether I saw this document during my tenure as Chair,

I consider this document, and in particular paragraphs 6 and 7, accurately reflects the responsibilities of the ShEx Board, and how it functioned.

18.3 The ShEx Board was comprised of both executive directors and non-executive directors, with the majority of the ShEx Board being non-executive directors. As I have noted above, there was a large degree of corporate finance and corporate management expertise on the ShEx Board.

19. I have been referred to the letter appointing me as Chair of the ShEx Board dated 4 October 2011 (UKGI00045855). Paragraph 3 of this document sets out that my remit as Chair was to:

19.1 lead the Board of Directors, ensuring their effectiveness in all aspects of their advisory role;

19.2 lead bi-monthly Board meetings in determining future strategy and direction for ShEx;

19.3 facilitate, promote, and ensure the effective contribution of all Executive and Non-Executive Directors and ensure that constructive relations exist between them;

19.4 develop a constructive, frank, and open relationship with the CEO of ShEx, holding them accountable for the effective implementation of decisions;

19.5 be actively available for the continued mentoring and support of ShEx colleagues;

19.6 maintain and develop successful relationships with the Chairs of portfolio businesses and to offer mentoring where appropriate; and

- 19.7 maintain and develop robust relationships with the Permanent Secretaries and senior Government Officials of HM Treasury, the Cabinet Office, and No.10.
20. I consider that this document accurately reflects my remit as Chair, and would add that:
- 20.1 In the exercise of my role I (and the rest of the ShEx Board) would have regard to the fact that Government ALBs such as POL had policy considerations to take into account, rather than just commercial factors. For example, if POL was simply a commercial business it would likely have closed a significant number of branches which were not profitable. However, the geographical reach of the Post Office network is of fundamental importance to the Government, and its funding of POL is closely linked to POL's assurances to maintain a minimum number of sites;
- 20.2 In addition, I and the rest of the ShEx Board would advise the executive on (i) strategies of the companies in the portfolio, such as POL's 5-year strategy and mutualisation proposal; (ii) other asset specific issues; and (iii) remuneration and appointment of senior individuals of companies in the portfolio. Asset-specific issues for the Board's attention would generally have been flagged by the ShEx CEO, usually in the CEO's report to the Board.
- 20.3 In terms of my meetings with others, this would include:
- 20.3.1 twice a year with the chairs and CEOs of the ALBs – this included the POL Chair and CEO;
- 20.3.2 quarterly with the ShEx representatives on the boards of the companies in the portfolio. These discussions included covering any

outcomes from the discussions with the Chair of the company, and also whether the Chair had any issues with the ShEx representative on the board. I do not recall Alice Perkins, as Chair of POL, ever raising any such issue with me; and

20.3.3 discussions with the individuals running the ShEx Teams, to the extent there were issues. To this end I made myself visible as Chair, and sat out on the office floor to make it clear that the ShEx Teams could approach me as needed.

21. During my time as Chair, the key priorities for ShEx were (i) the float of Royal Mail; (ii) the decommissioning of the nuclear site (Sellafield); (iii) the sale of URENCO; (iv) the set-up of the Business Bank; and (v) the Green Investment Bank. Each of these matters had huge public interest and significance and were rightly a key focus of ShEx's attention. In terms of POL, the focus for the ShEx Team and its Board would have been the key issues in POL's 5-year business plan and the objectives set out within this, mutualisation, and Government funding.

22. I cannot recall anything specific, relating to POL, other than the 5-year plan, mutualisation, and funding, being raised by the ShEx Team or the ShEx CEO to the ShEx Board. ShEx reviewed Board appointments and remuneration recommendations for POL. When POL wanted a new remuneration plan, that came to ShEx and it was reported to the ShEx Board. As far as I am aware, save for senior roles such as POL's CEO and board members, ShEx was not involved in the management of personnel. ShEx was not involved in contractual management, again, in line with the arms-length approach to POL.

There were delegated limits of £50million in relation to procurement and contractual spend. Over that threshold required shareholder approval, but I am not aware of any other restrictions. POL also needed to seek approval from the shareholder if they were proposing spend on items/services that were outside of their agreed business plan. I cannot recall there being any instance where there was such a significant change in POL's strategy that it was felt that it needed to be raised with the ShEx Board.

23. I did not have a role in the work within POL to establish an independent board and prepare for separation. As I have said, I joined as Chair of the ShEx Board in March 2012, right before POL's separation from Royal Mail in April 2012.
24. The culture at ShEx was open, with a willingness to lean on any available expertise. During the Royal Mail switchover period, I recall having in-depth conversations with Roger Lowe, Director of the ShEx Royal Mail and POL Team, on a frequent basis, about how things were going. These conversations focused on the Royal Mail float, with less time spent on POL.
25. I am asked what external oversight there was of the ShEx Board. I recall that there was a Treasury appointee on the ShEx Board (Jeremy Pocklington). There was also a variety of reporting to the Secretary of State and to BIS, but the previous ShEx CEOs who have been called by the Inquiry will be able to speak to this in more detail.
26. I am asked to address matters that go to reporting and risk structures within ShEx. These evolved over time, and I understand the evolution of these matters will be addressed fully by other UKGI witnesses to the Inquiry.

Internal ShEx structures

27. As I have said above, the ShEx Team monitored the corporate and financial performance of POL. Each ShEx Team was led by an Executive Director, who in turn reported to a Director. There were approximately 30 Executive Directors and four Directors during my time as Chair. The ShEx Team reported to the ShEx CEO who would determine whether an issue needed to be brought to the attention of the ShEx Board.

The Shareholder NED

28. One way in which ShEx fulfilled its shareholder function was by taking a seat on the Board of the Government's major ALB companies, including POL, as a Non-Executive Director (the "**Shareholder NED**"). This Shareholder NED, who was bound by the same duties as any other NED (as prescribed by the Companies Act 2006) reported into the ShEx CEO and/or ShEx Team, as permitted.

28.1 Susannah Storey was the Shareholder NED on the POL Board during my term. The Shareholder NEDs had a dual role. This means that, on the one hand the role of the Shareholder NED was to exercise governance over the asset as a board representative and on the other hand to communicate the day-to-day Government perspective to the asset (though the Government's key priorities were already set out in a letter to the Chair of the POL Board), and provide an additional line of sight to ShEx on issues being raised within the asset. The Shareholder NEDs were a good liaison back to the Government and were important to translate the POL Board's views on key issues back to ShEx. In

my view, Susannah Storey had influence because of her previous work with Royal Mail, and her contacts within Royal Mail.

29. In terms of any codes or principles of governance, I do not believe that there were any specific codes in place over and above the application of the FRC combined code of corporate governance and the Companies Act 2006. I have been taken to section 2.1 of the ShEx Handbook (UKGI00044314), which sets out that it was expected all ShEx assets would comply with the FRC combined code of corporate governance. This accords with my recollection. The ShEx Handbook also contained principles which the Government expected ALBs to adhere to, including that governance should reflect commercial best practice and there should be an open and honest dialogue between the ALB and Government as shareholder. This accords with my understanding.
30. Taking into account that (a) the ShEx Team monitored POL's strategy and milestones against POL's business plan, and fed into internal and Departmental reporting; (b) the company's Chair met with the ShEx Chair twice a year, as well as meeting with the Ministers and others; (c) the POL Chair would meet the ShEx CEO periodically; and (d) the Shareholder NED sat on the POL's Board, I believe that there was a governance structure in place that provided an appropriate level of oversight of POL.

Knowledge of relevant issues

31. At the time of joining ShEx, I had no knowledge or understanding of:
- 31.1 the Horizon system, its integrity or remote access. During my term, I do not recall this information ever being brought to my attention formally or at a Board

meeting. I have been shown the ShEx Board minutes for March 2012 – July 2014 (referred to at paragraphs 31.1.1 - 31.1.15 below) and do not believe there is reference to Horizon issues in those minutes. I believe the following minutes accurately record the Board meetings.

31.1.1 minutes dated 7 March 2012 (UKGI00045852);

31.1.2 minutes dated 8 May 2012 (UKGI00016711);

31.1.3 minutes dated 11 July 2012 (UKGI00016712);

31.1.4 minutes dated 12 September 2012 (UKGI00016746);

31.1.5 minutes dated 21 November 2012 (UKGI00016747);

31.1.6 minutes dated 16 January 2013 (UKGI00016728);

31.1.7 minutes dated 13 March 2013 (UKGI00016729);

31.1.8 minutes dated 16 May 2013 (UKGI00016756);

31.1.9 minutes dated 9 July 2013 (UKGI00016748);

31.1.10 minutes dated 11 September 2013 (UKGI00016716);

31.1.11 minutes dated 13 November 2013 (UKGI00016741);

31.1.12 minutes dated 15 January 2014 (UKGI00016732);

31.1.13 minutes dated 19 March 2014 (UKGI00016749);

31.1.14 minutes dated 21 May 2014 (UKGI00016717); and

31.1.15 minutes dated 16 July 2014 (UKGI00016718).

- 31.2 complaints made by SPMs as to the integrity of the Horizon IT system. I recall during one of my bi-annual meetings with Alice Perkins, her mentioning, almost as a passing comment, that there were a small segment of difficult SPMs and ongoing difficulties with the union. I have no recollection of her providing any more detail than that, and so cannot say whether she was referring to Horizon issues, but as I understood from her, these were simply business as usual issues. I do not recall any other conversations with Ms Perkins or anyone else relating to complaints made by SPMs.
- 31.3 the investigation and prosecution of SPMs for theft, fraud and false accounting. I do not recall the ShEx Team and/or the Shareholder NED on the POL Board ever raising the issue of prosecutions to the ShEx Board or to me personally. Upon reflection, I would have expected the POL Chair to have brought this matter to my attention during one of our bi-annual meetings, because conducting prosecutions is such a significant step with such serious consequences for the SPM being prosecuted; she did not. Knowing now about this, I consider that criminal prosecutions are such a serious issue that the ShEx Board should have been aware of this.
- 31.4 who was responsible for (a) the investigation of those alleged offences; (b) the decision on whether to prosecute those matters; and (c) the conduct of those prosecutions. As I have explained at paragraph 31.3 above, I had no knowledge of prosecutions before or during my term as Chair.
32. Given the passage of time, I cannot recall exactly when (a) I became aware of those matters referred to in paragraph 31 ; (b) I learned about the Second Sight report; or (c) I learned that Deloitte had been instructed to undertake a further

review of the Horizon system. During my tenure as Chair I do not recall seeing the Second Sight report; it was not brought to the attention of the ShEx Board or otherwise shown to me.

Actual Oversight

33. I have been asked by the Inquiry to consider the following documents:
- 33.1 the presentation on POL Summary dated February 2012 (UKGI00018222). I do not recall seeing this document, either at the time or subsequently, prior to my preparation for this witness statement. I note that this document is dated prior to my start date as Chair of the ShEx Board;
- 33.2 the ShEx presentation on POL Quarterly Review dated April 2012 (UKGI00041969); the ShEx presentation on POL Quarterly Review dated August 2012 (UKGI00001439); the ShEx presentation on POL Quarterly Review dated September 2012 (UKGI00001444); and the ShEx presentation on POL Quarterly Review dated June 2013 (UKGI00042011);
- 33.3 the ShEx presentation on POL Annual Review dated November 2012 (UKGI00042676) and the ShEx presentation on POL Annual Review dated December 2012 (UKGI00017385); and
- 33.4 the ShEx review of POL dated April 2012 (UKGI00042607).
34. My recollection is that the above documents were not included in the Board packs for the ShEx Board. This is supported by the fact the minutes of the ShEx Board meetings listed in paragraph 31.1 above do not reference these documents.

35. It is important to remember the context of how many ShEx assets there were in the portfolio. The ShEx CEO would present the CEO's report to the ShEx Board, which would contain the asset-specific issues which were important for the ShEx Board to be aware of and/or advice. Occasionally I recall that the ShEx CEO would give more detailed presentations to the ShEx Board on asset-specific issues. I would not have expected to see quarterly reviews or annual reviews of the assets as a matter of course, as we would not have needed to know the level of detail in quarterly reports and annual reports unless there was a specific issue raised by the ShEx CEO.
36. In addition, I have been referred to the following communications, which I was not copied to, and do not recall otherwise being drawn to my attention:
- 36.1 email exchange between Mike Whitehead and Chris Darvill on 9 March 2012 (UKGI00001406);
- 36.2 summary report on the current status of the Horizon litigation, attachment to the above document (UKGI00013652);
- 36.3 email from Martin Humphreys to Mike Whitehead dated 12 March 2012 (UKGI00001407);
- 36.4 letter from Stephen Hepburn MP to Edward Davey MP dated 24 February 2012, attachment to the above document (UKGI00001408)
- 36.5 emails from Mike Whitehead on 22 June 2012 (UKGI00001424);
- 36.6 brief to Norman Lamb MP for meeting with Alan Bates dated 27 June 2012 (UKGI00039486);

- 36.7 brief to Jo Swinson for meeting with Alice Perkins and Paula Vennells dated 17 September 2012 (UKGI00041975);
- 36.8 emails between Mike Whitehead and Mike Granville on 21 September 2012 (UKGI00001456);
- 36.9 email from Mike Whitehead to Swinson MPST on 4 October 2012 (UKGI00001457);
- 36.10 note summarising the position with the Horizon issues dated 4 October 2012 (UKGI00001458) and letter from Jo Swinson to Dr John Pugh dated 17 September 2012 (UKGI00001459), attachments to the above document;
- 36.11 draft email from Mike Whitehead to Jo Swinson re Freedom of information request 12/1362: proposed Section 36 exemption regarding Ministerial briefing (UKGI00018248);
- 36.12 email chain between Mike Whitehead and Angela Balakrishnan dated 8 July 2013 (UKGI00019355);
- 36.13 email from Richard Callard dated 20 February 2014 (UKGI00002191); and
- 36.14 email from Richard Callard dated 25 March 2014 (UKGI00002221).
37. These documents at paragraph 36 above are within the standard operational relationship between ShEx, POL, and BIS. As is evident from these documents, the role of the ShEx Team means that in circumstances where a Minister has a question, the ShEx Team assists the Minister directly and co-ordinates with POL to obtain the answers. The ShEx Board is not involved, unless it is a matter which requires the ShEx Board's advice or attention. If the issues being

raised by SPMs with Horizon, and the associated Ministerial complaints, had been flagged as a significant issue by the ShEx Team, I would have expected to have sight of it.

38. As is evident from these documents, the messaging from POL through the ShEx Team was that there was not a significant issue, because POL's view was that Horizon was robust, and that POL was doing everything it should be doing to address, including by way of the Second Sight review. Moreover, as is evident from these documents, the ShEx Team considered this was an operational issue for POL.
39. I have been asked to consider the minutes of the POL Board meeting on 23 May 2012 (UKGI00019348), and in particular section POLB12/60. I do not recall seeing this document either at the time or subsequently, prior to my preparation for this witness statement.
40. I have been asked to consider the minutes of the POL Board meeting on 31 October 2013 (UKGI00019292) and the ShEx presentation on strategy discussion with ShEx Team dated March 2014 (UKGI00002225). I do not recall seeing these documents either at the time or subsequently, prior to my preparation for this witness statement. I note that these documents show that the number of SPM cases had grown to 150. Whilst POL might have had a robust view on Horizon, and 150 cases is a small proportion of the total number of SPMs, and total number of accounting transactions undertaken in Horizon, it is a big enough number in its own right, that I would have wished this matter to have been brought to my attention, as the issue was clearly getting bigger and could get worse.

41. I refer to paragraph 31 above;
- 41.1 I cannot explain the extent to which ShEx oversaw (i) the conduct of prosecutions by POL or Royal Mail Group; (ii) ShEx's oversight of POL's investigation and response to allegations made by SPMs concerning the reliability of the Horizon IT system; or (iii) ShEx's involvement with POL's response to the Justice For Subpostmasters Alliance, as the ShEx Board had no oversight on these matters.
- 41.2 I cannot explain the extent to which ShEx oversaw (i) the Second Sight investigation; (ii) the Initial Complaint and Mediation Scheme; or (iii) plans to amend Second Sight's terms of engagement. These matters were not raised to the ShEx Board.
42. Responsibility for matters of sufficient significance that the shareholder's involvement was required would have ultimately been the responsibility of the Secretary of State, assisted by the relevant ShEx Team (as described above). I have explained above my responsibilities as Chair, but would note here that the ShEx Board had the power to challenge the ShEx CEO if they were not performing adequately and could in extremis recommend their removal to the Secretary of State. I am accountable in that regard as Chair of the ShEx Board.
43. I have considered the ShEx Policy and Management Board Portfolio dated May 2011 (**UKGI00043224**). Following POL's separation from Royal Mail its status was raised to priority level. POL had been a division of a major asset, and now it was a major asset in its own right, receiving substantial levels of funding from the government and so it was wholly appropriate for ShEx to take a more direct role in its governance.

44. I have considered the ShEx presentation on POL Quarterly Review dated August 2012 (**UKGI00001439**). I cannot tell from this document what work by ShEx is being referred to. It was the role of the ShEx Team to monitor the progress of POL's plans, as they did for all assets.
45. I have been asked whether the ShEx Board were informed or had knowledge of the following matters:
- 45.1 the existence of bugs, errors, or defects in the Horizon IT System;
- 45.2 the Helen Rose report / Lepton report (POL00022598);
- 45.3 Second Sight's Interim Report and/or the content of the same (POL00029650);
- 45.4 Simon Clarke's advice of 15 July 2013 and the content of the same (POL00006357);
- 45.5 Simon Clarke's advice of 2 August 2013 and/or the content of the same (POL00129453);
- 45.6 Linklater's advice on the Mediation Scheme and/or content of the same (POL00107317);
- 45.7 Deloitte's Project Zebra report and/or the content of the same (POL00028069);
- 45.8 That Fujitsu could insert data in branch accounts without the consent of subpostmasters;
- 45.9 That Fujitsu may be able to, under certain circumstances, delete and replace Horizon audit files containing transaction data;

45.10 POL's plans to amend Second Sight's terms of engagement following July 2013; and

45.11 POL's plans to amend the Mediation Scheme in 2014.

46. The matters and documents referred to at paragraph 45 above were not raised with the ShEx Board. What information is passed to the ShEx Board is dependent on what ShEx Team and the ShEx CEO deem to be an issue that required the attention or advice of the ShEx Board. It is now clear that the documents referred to raised serious issues in relation to the functioning of the Horizon system, and the prosecution and treatment of subpostmasters. I think that both ShEx and the Board should have been made aware of these very significant matters. That would not necessarily mean having each of the documents referred to being provided to the ShEx Board. The important thing would have been for the issue to be communicated to the ShEx Board, with the underlying documents available to the ShEx Board on request.

47. For completeness, I should add that I recall a conversation with Richard Callard in which he referred to Deloitte having been instructed to conduct a review to give assurance in respect of concerns raised in Parliament. I recall saying to him that I had experience of Deloitte, and would recommend them.

Resignation

48. In 2014, after my two-year term as Chair of ShEx had been extended by six months, I resigned from ShEx to concentrate on my other Non-Executive roles at Old Mutual and Bank of Ireland. There was no connection between my resignation and any POL-related issues.

General

49. I have been asked to comment if there was anything I would have handled differently with hindsight, in relation to the oversight of POL. My answer to this is necessarily limited by the fact that I was unaware of the Horizon/SPM-related issues referred to. That said, I do have reflections on the following actions I could have taken which, had I done so, may have helped surface these issues to the ShEx Board.
50. I believe that it could have been helpful for ShEx Board packs to have a schedule of significant issues raised in Parliament relating to Government assets where ShEx handled the shareholder role. Significance could be defined broadly by reference to the financial implications of the issue, or the wider public interest. This would provide the ShEx Board with an additional opportunity to have sight on such issues, as a mitigant to important issues raised by Ministers not having been brought to the ShEx Board's attention through other channels. I would like to have introduced, or at least explored, this initiative whilst I was Chair of ShEx.
51. In addition, I would like to have raised as a query at ShEx Board level the way in which ShEx Teams received and challenged information received from Government assets, as I believe it is now clear that there were deficiencies in information flow within POL and up to ShEx. This did not occur to me at the time, and as I have said I was not close to the detail of how ShEx Teams interacted with Government assets. Nonetheless, I regret having not given thought to this issue in my role as Chair of ShEx.

Statement of Truth

I believe the content of this statement to be true.

DocuSigned by:
GRO

Signed:

Dated: 12 June 2024

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3.	UKGI00045855	Letter of Appointment of Patrick O'Sullivan as Chair of the ShEx Board	UKGI056820-001
4.	UKGI00044314	ShEx handbook on corporate governance, management, and incentivisation dated 2007	UKGI053038-001
5.	UKGI00045852	Minutes of the ShEx Board dated 7 March 2012	UKGI056816-001
6.	UKGI00016711	Minutes of the ShEx Board dated 8 May 2012	UKGI011523-001
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15.	UKGI00016741	Minutes of the ShEx Board dated 13 November 2013	UKGI011553-001
16.	UKGI00016732	Minutes of the ShEx Board dated 15 January 2014	UKGI011544-001
17.	UKGI00016749	Minutes of the ShEx Board dated 19 March 2014	UKGI011561-001
18.	UKGI00016717	Minutes of the ShEx Board dated 21 May 2014	UKGI011529-001
19.	UKGI00016718	Minutes of the ShEx Board dated 16 July 2014	UKGI011530-001
20.	UKGI00018222	Presentation on POL Summary dated February 2012	UKGI028229-001

21.	UKGI00041969	ShEx presentation on POL Quarterly Review dated April 2012	UKGI050864-001
22.	UKGI00001439	ShEx presentation on POL Quarterly Review dated August 2012	UKGI012253-001
23.	UKGI00001444	ShEx presentation on POL Quarterly Review dated September 2012	UKGI012258-001
24.	UKGI00042011	ShEx presentation on POL Quarterly Review dated June 2013	UKGI050906-001
25.	UKGI00042676	ShEx presentation on POL Annual Review dated November 2012	UKGI051571-001
26.	UKGI00017385	ShEx presentation on POL Annual Review dated December 2012	UKGI027392-001
27.	UKGI00042607	ShEx review of POL dated April 2012	UKGI051502-001
28.	UKGI00001406	Email exchange between Mike Whitehead and Chris Darvill on 9 March 2012	UKGI012220-001
29.	UKGI00013652	Summary report on the current status of the Horizon litigation,	UKGI024445-001

		attachment to the above document	
30.	UKGI00001407	Email from Martin Humphreys to Mike Whitehead dated 12 March 2012	UKGI012221-001
31.	UKGI00001408	Letter from Stephen Hepburn MP to Edward Davey MP dated 24 February 2012, attachment to the above document	UKGI012222-001
32.	UKGI00001424	Emails from Mike Whitehead on 22 June 2012	UKGI012238-001
33.	UKGI00039486	Brief to Norman Lamb MP for meeting with Alan Bates dated 27 June 2012	UKGI048381-001
34.	UKGI00041975	Brief to Jo Swinson for meeting with Alice Perkins and Paula Vennells dated 17 September 2012	UKGI050870-001
35.	UKGI00001456	Emails between Mike Whitehead and Mike Granville on 21 September 2012	UKGI012270-001
36.	UKGI00001457	Email from Mike Whitehead to Swinson MPST on 4 October 2012	UKGI012271-001

37.	UKGI00001458	Note summarising the position with the Horizon issues dated 4 October 2012	UKGI012272-001
38.	UKGI00001459	Letter from Jo Swinson to Dr John Pugh dated 17 September 2012	UKGI012273-001
39.	UKGI00018248	Draft email from Mike Whitehead to Jo Swinson re Freedom of information request 12/1362: proposed Section 36 exemption regarding Ministerial briefing dated 23 October 2012	VIS00011647
40.	UKGI00019355	Email chain between Mike Whitehead and Angela Balakrishnan dated 8 July 2013	VIS00013160
41.	UKGI00002191	Email from Richard Callard dated 20 February 2014	UKGI013005-001
42.	UKGI00002221	Email from Richard Callard dated 25 March 2014	UKGI013035-001
43.	UKGI00019348	Minutes of the POL Board meeting on 23 May 2012	VIS00013159
44.	UKGI00019292	Minutes of the POL Board meeting on 31 October 2013	VIS00013135

45.	UKGI00002225	ShEx presentation on strategy discussion with ShEx Team dated March 2014	UKGI013039-001
46.	UKGI00043224	Policy and Management - ShEx Board Portfolio Unit Development dated 5 May 2011	UKGI052835-001
47.	POL00022598	Horizon Data Lepton SPSO 191320 by Helen Rose (v.1 draft)	POL-0019077
48.	POL00029650	Interim Report into the alleged problems with the Horizon system.	POL-0026132
49.	POL00006357	Simon Clarke's advice on the use of expert evidence relating to the integrity of the Fujitsu Services Ltd Horizon System dated 15 July 2013	POL-0017625
50.	POL00129453	Simon Clarke's Advice re: Disclosure - The Duty to record and retain material - Post Office LTD dated 2 August 2013	POL-0134937

51.	POL00107317	Linklaters advice on initial complaint review and mediation scheme legal issues	POL-0105625
52.	POL00028069	Deloitte Draft Board Briefing document further to report on Horizon desktop review of assurance sources and key control features	POL-0023072