

Witness Name: Graeme Seedall

Statement No.: WITN06060100

Dated: 07.03.2023

POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF GRAEME SEEDALL

I, Graeme Seedall, will say as follows:

This witness statement is made to assist the Post Office Horizon IT Inquiry (the "Inquiry") with the matters set out in the Rule 9 Request dated 14 October 2022 and a list of follow up questions sent on 19 December 2022.

1. As part of the Rule 9 request, I was sent a set of questions and several documents to consider as reference material for those questions. I answered the questions to the best of my recollection, using the documents to assist me where possible. A subsequent set of questions was later sent to me which related to my answers but requesting clarification and further detail. These questions were accompanied by a further set of documents for reference which in many cases revealed a deeper understanding and greater recall to me. The two sets of questions have subsequently been amalgamated with linear numbering in order to create a narrative. For this reason there may be

multiple statements relating to events that are slightly contradictory or at very different levels of detail, depending on my level of recall at the two separate times of questioning. Moreover, given that the questions relate to incidents which took place two decades (or longer) ago my recollection is limited, particularly at the detailed level where my recall is limited to the reference material I have been given. I have identified where this is the case.

Background

2. I joined the Post Office in 1980 and was a Postal Officer on the counter at Boscombe Branch Office until moving to the first automation pilot (Counters Automation) in 1989. I dealt with user issues on the Post Office Help Desk and continued in that role when Counters Automation Thames Valley pilot was replaced by the ECCO+ system (A branch office accounting system). I moved to the Automation Development Team in 1995 and was drafted onto the Benefits Agency/POCL joint working programme to participate in the business side of EPOSS development. After moving onto various subsequent automation projects, I left POCL in 2009 following some personal and professional issues.

3. I have been asked about the extent of my training and qualifications prior to joining the Post Office. I joined as a postman, when I transferred to the counter I undertook their internal exams and training course.

4. I have been asked how I came to be recruited in the field of automation in 1989. I applied for a job through the internal recruitment process, although the job related to an automation programme my role was related to business operations. I am not technical and have never worked in a directly technical role, such as systems development or technical testing, for the post office.

5. I have been asked what technical knowledge or expertise I had at this time. I had no purely technical knowledge. I had a good working knowledge of the system and the front office processes.

6. I have been asked to describe the nature of my role on the Post Office Help Desk during the Counters Automation Thames Valley pilot. The Post Office Help Desk was the first point of contact for issues arising from the pilot offices which apparently related to automation, subsequent resolution of issues either through direct advice or via the technical helpdesk, which was at that point internal to the Post Office (Post Office IT section).

EPOSS

7. I have been asked to describe the purpose and function of EPOSS. The development of EPOSS function was required in order to support Branch Offices, which had already had accounting functionality automated via ECCO+. I had operational knowledge of that system from working on the Post Office Help Desk and I was at that time in the appropriate team to provide resource

into the newly formed BA/POCL programme. Additionally, I had been requested as a specific resource for a RAD approach to developing EPOSS. Initially I worked alongside an ICL Pathway contractor, who was a previous colleague from the Post Office Help Desk, within the ICL work domain. This approach was subsequently dropped by ICL and I moved into a joint BA/POCL business assurance team working to a manager.

8. The purpose of EPOSS was to replace the functionality of ECCO+ and therefore provide continuity to the Branch Offices which had already moved to automated accounting practices using ECCO+. The functional scope was therefore meant to be equivalent to ECCO+

9. I have been asked what I understood the RAD approach to entail. Until it started I did not know. Once it began I was placed within the technical development team and my role was to provide operational input to and feedback on development of the initial user interface and attendant processes for the new EPOSS system.

10. I have been asked why this approach had been adopted for the development of EPOSS and the nature of my involvement. It was a Pathway decision taken without input from POCL.

11. I have been asked when I was involved in the RAD approach to developing EPOSS. I believe it must have been 1996.

12. I have been asked what (if any) concerns I had about this approach. None, it seemed to be working well at the time.

13. I have been asked to identify the ICL Pathway contractor with whom I had previously worked on the Post Office Help Desk, and the nature of their involvement and technical knowledge. His name was Richard Sloggett. He was initially the lead developer of a prototype for EPOSS. I don't know what his technical knowledge was. He was later replaced by Steve Warwick, another contractor who I also knew as he had worked on the technical service desk for Post Office Group IT.

14. I have been asked why the RAD approach was dropped. I don't know why it was dropped, it was a Pathway decision.

15. I have been asked what ICL Pathway was proposing to do in its place. They brought in a new contractor and started to design and develop behind closed doors, with the more formal review sessions as the system developed.

16. I have been asked to whom within POCL I reported when I was involved in the RAD approach. I don't clearly remember, but I think it was Ian Gair who was based within POCL or possibly John Meagher who was part of the joint venture programme.

17. I have been asked when I was transferred into the POCL assurance team. I think this was probably late 1998, possibly early 1999.

18. I have been asked to identify my manager within POCL at this time. It was Ruth Holleran.

19. I have been asked how the branch office balancing and cash accounting operated prior to the implementation of EPOSS. In Branch Offices balancing and cash accounting were operated through the ECCO+ system. I am not completely sure but I think that at the time ECCO+ had been rolled out to all Branch Offices (only) (i.e. those directly owned and operated by POCL).

20. I have been asked if it was my understanding that, at the time, EPOSS was to be installed only in Branch (or Crown) Post Offices. I don't remember that but it may have been the case for a while, at least for initial roll out and trial period.

21. I have been asked what knowledge or experience I had, at that time, of the accounting practices and procedures in post office branches owned and operated by subpostmasters. I had none, other than supporting them during my tenure on the business help desk for the first widespread automation programme (the "Thames Valley" counters automation programme) around 1990 – 1992. I do not believe their accounting practices and procedures differed significantly from those in Crown offices at that time.

22. I have been asked to what extent the needs of subpostmasters were taken into consideration during the development of EPOSS. I believe the intention was to streamline any slight differences in the procedures into a single common business process.

23. I have been asked in which ways the office balancing and cash accounting changed as a result of the implementation of EPOSS. I don't remember at the detailed level. The requirement was for functional equivalence and for the need for retraining to be minimized. However, I think some functions were subject to a redesign during EPOSS development. Additionally, accounting functions were required that integrated with newly automated client transactions, specifically APTs and benefit payments.

24. I have been asked about what involvement I had in specifying the functional requirements of EPOSS and what challenges or difficulties I experienced in defining the relevant requirements. As I remember it, there were no detailed functional requirements, so none.

25. I have subsequently been asked to explain what I meant by "the requirement was for functional equivalence and for the need for retraining to be minimized". I believe that is what the requirements stated at the time. As I remember it, the business requirements were extremely high level. Presumably a copy of them still exists somewhere?

26. I have been asked what my role as Acceptance Test Manager for EPOSS entailed. I don't remember the detail of this. I know I was involved with reviewing the ICL Acceptance documents and for discussing the issues arising from testing along with my then manager Ruth Holleran, ICL/Pathway representatives and other interested parties such as representatives from the central accounting team in Chesterfield. I was not involved directly in the testing of EPOSS.

27. I have been asked what I recall of the issues which arose in relation to the testing of EPOSS. There were a lot of technical issues arising from testing which were regularly reviewed jointly by members from POCL and ICL/Pathway.
28. I have been asked what challenges I encountered when seeking to assure the design of EPOSS. I don't remember there being any design documents nor any contractual acceptance criteria relating to design. As far as I remember the approach that ICL/Pathway adopted was to create Acceptance Criteria that related directly to (i.e. mirrored) business requirements.
29. I have subsequently been asked what challenges the absence of design documentation presented for the business assurance team. During development this was a real problem but once the system was in testing users were exposed to the system and raised any design issues that caused operational problems.
30. I have been asked to what extent I had an adequate understanding of how ICL Pathway would meet the business requirements of POCL in relation to EPOSS. As stated before, the requirements were so high level that this was not seen as an issue.
31. I have been asked to describe the results of Model office and End-to-End testing of EPOSS conducted in autumn 1998. I have no memory of this in any detail. I do remember there were a lot of outstanding issues and there were known issues relating to lost transactions and cash account imbalances which

appeared to have been created by the system or by the reference data that it was drawing on.

32. I have been asked what I understood to be the causes of cash account imbalances identified during the testing of EPOSS in autumn 1998. Again I have no detailed memory of this. I believe that at the time it was shown that the system was capable of creating imbalances in the cash account through hidden processing errors or from reference data issues.

33. I have been asked what effect cash imbalances had upon the integrity of data being processed by EPOSS. I'm not sure I understand this question. I believe that it was possible for cash account imbalances, seemingly created by internal processing errors or reference data issues, to be presented as if they were an actual shortage or surplus in the account.

34. I have been asked what steps I took in December 1998 to address these imbalances. Again I am unsure of the question here. The occurrence of imbalances was documented and discussed at many levels by all parties concerned. I believe that a process was created for identification and correction of these "rogue" transactions or value discrepancies that resulted in unsubstantiated imbalances and that it resided in the service management domains of both POL and ICL Pathway.

Acceptance of the Core System Release

35. I have been asked to describe the nature of my involvement in the Operational Live Trial of the Horizon System. I don't remember clearly but I

think it was limited to attending lower level management meetings, receiving summary reports and helping my then manager Ruth Holleran with impact assessments of incidents raised.

36. I have been asked to explain what I understood about cash account imbalances observed during the Operational Live Trial. I don't remember the detail but having read the documents I recall that the interface to TIP was a particular problem as was initial office data migration at set up.
37. I have been asked about the nature of my involvement in raising Acceptance Incidents. I don't remember actually being responsible for raising Acceptance Incidents, just for assisting in assessment of their impact.
38. I have been asked about my understanding of the nature, cause and severity of Acceptance Incident 376 (AI 376). I do not remember the detail at this level. However having read POL00030393, I do remember in general terms it being discussed. The nature and cause were presumably as described in that document and the severity, although individually low within the test environment as it was fixable with some data manipulation, was immense on a business wide scale - particularly if there were underlying technical issues which had the potential to continue to cause data corruption issues in future despite the fixes identified by ICL Pathway. This was the concern at the time.
39. I have been asked how AI 376 came to be identified. After reading the document I believe that that particular version of data corruption was identified by the end-to end tests performed (i.e by the TIP team).

40. I have been asked about the business impact of AI 376. As described in paragraph 38 above the potential business impact was huge.
41. I have been asked what remedial action I proposed. None as it was not within my responsibility to do so.
42. I have been asked for my assessment of ICL Pathway's proposed rectification plans. Along with other business representatives I felt that while individual incidents were being corrected by ICL Pathway, similar incidents causing data corruption may be possible in future if there were issues in the underlying system and that this was quite possible given the number of incidents raised and the nature of the responses by ICL Pathway.
43. I have been asked about the nature of my involvement in the acceptance workshops carried out between August to September 1998. I don't remember the detail but it was probably to attend lower level meetings and assist with impact assessment of incidents raised and business assurance of remedies provided.
44. I have been asked what my role as a "business expert" in relation to AI 376 entailed. I was mainly present to support my then manager Ruth Holleran and assist with impact assessment and business assurance of remedies provided. My area of expertise was in the user functionality of EPOSS not the interface between the ICL Pathway system and TIP. The identification of me as business expert for that area in document POL00028342 is incorrect, an issue which Ruth Holleran seems to have corrected by including Martin Box (from TIP) as well as herself (also with central accounting expertise).

45. I have subsequently been asked if not the "business expert" what was the precise nature of my role in relation to Acceptance Incidents 376 and 378. I worked for Ruth Holleran, who was the business "owner" for this strand of assurance. As such, my role included supporting her in all areas, providing administration and judgement on issues where relevant. Also assisting in holding meetings with other business experts.

46. I have been asked what I understood the role of Peter Copping to be. I do not remember Peter Copping.

47. I have been asked what steps I took to obtain clarification of the root causes of the fault. Personally, none. This was a known problem with a technical interface that was beyond my area of expertise. The solutions were jointly worked through without my detailed involvement as far as I remember. I notice from the documents relating to the Acceptance Resolution, FUJ00118194 & FUJ00079178 that I am not included in the distribution list.

48. I have been asked to describe my role within the "Working Group" which was assigned responsibility for reviewing the "TIP Incident Status Report" and reporting progress and issues back to the joint workshop. As described in paragraph 44 I was a support to Ruth Holleran and therefore placed into several meetings which underpinned the assurance and acceptance process but may not necessarily be my area of knowledge. This was one of those areas which I was initially involved in but only to oversee that a resolution path was being followed.

49. I have been asked what I understood ICL Pathway to be doing to obtain clarification of the root cause(s) of the cash account imbalances. As I remember it, they were supposed to analyse each incident and give an explanation, which may or may not result in proposed changes to the underlying code, system process or reference data.
50. I have been asked to describe the nature of the "fix" which ICL Pathway proposed to ensure that the cash account did not "lose transactions". I think at that time their proposal was one of simple additional reconciliation checks. I think the incident developed beyond this... by which I mean that I believe further investigation and further similar incidents led to a fuller understanding of the issue.
51. I have been asked to describe what I understood the 3-level data integrity check proposed by ICL Pathway to entail. I don't recall but this would probably have been covered off by the POL technical representative as well as people from the TIP team.
52. I have subsequently been asked to identify the POCL representative to whom I refer. That would probably have been Jeremy Folkes, initially.
53. I have been asked if the 3-level data integrity check addressed the underlying cause(s) of the cash account imbalances. I don't think so, I think it was just a way to check that the data streams matched.
54. I have been asked what involvement I had in scrutinising the design of the integrity check. I believe I had none.

55. I have been asked about my role in the "interactive walkthroughs" of the high-level design for the data integrity check developed by ICL Pathway. My role in the interactive walkthroughs of the high-level design would have been to attend the meeting on behalf of Ruth Holleran and to ensure the business experts were satisfied with the solution being offered by Pathway. As previously stated, the TIP interface was not within my area of knowledge.

56. I have been asked to describe the closure criteria which were agreed in relation to AI 376. I believe these changed as the issue developed.

57. I have been asked what role or input I had in relation to the agreement of the closure criteria described at p. 9-10 of FUJ00079178. I would have had no input to the closure criteria which would have been a proposal from Pathway. My role would have been as described above, that is one of overseeing the process and ensuring the business experts were satisfied with the proposal coming from Pathway.

58. I have been asked to describe my understanding of the closure criteria agreed for AI 376 in late September 1999 and whether I considered these were adequate. I assume that the closure criteria agreed for AI376 in late September 1999 are those listed in document FUJ00079178. I don't clearly remember my perception at the time but I believe that all involved POCL representatives were nervous that these errors could continue to be present after the checking period was ended but that there was no option but to agree a way forward given the contractual obligations of the acceptance process, and that these criteria were the best we could achieve at that time.

59. I have been asked to describe the reconciliation controls and/ or processes which were agreed between POCL and ICL Pathway as a condition for downgrading AI 376. Again, I believe these changed later. I think that this was probably before the relationship of the issue to reference data was realized.

Roll Out of the Core System Release

60. I have been asked to describe my involvement in monitoring ICL Pathway's compliance with the closure criteria for AI 376. As far as I can recall, I was involved at the start of this process, attending fairly technical meetings and reporting up to more senior managers. As time went on the various threads were monitored and managed within the appropriate specialist domains e.g. TIP team, Reference Data team, Contracts team etc. My role in assurance changed around this time but I can't remember when or at which point I was no longer involved.

61. At some point I was given a role of creating a process and stakeholder group for future change management. Although I recall being involved at the start of the management of the TIP interface issues I do not clearly remember the detail at the end so it is possible that my involvement began to be reduced during that time.

62. I have been asked what I understood to be the root cause(s) of continuing cash account discrepancies in the autumn of 1999. From memory, and also from the documents you have provided, there were several root causes, with new ones still occurring.

63. I have been asked what concerns I had from a business assurance perspective about the emergence of new root causes for cash account imbalances. As described above in paragraph 58, I and my POCL colleagues, such as Ruth Holleran and Martin Box, were very concerned that new root causes for cash account imbalances were still emerging during the acceptance process.

64. I have been asked to describe the issues which emerged in relation to the quality of reference data in November 1999. At that time POL did not have a functioning process for providing robust reference data and had not been aware of the serious consequences of that on the system processes. POL had, to some extent, been in denial of the responsibility to provide a suitable feed of reference data to ICL and ICL had developed processes that had not been suitably tested against the huge number of business rules and changes to those rules. The issues that arose when the relatively unmanaged and raw business data met those independently developed processes were serious incidents in accounting data integrity (amongst others, for example automated processes failing).

65. I don't clearly remember my role in addressing issues relating to reference data but I think that I was involved at the start of the issue, attending meetings and supporting Ruth Holleran when required, but dropping out of the detail to resolve the issue.

66. I have been asked what I understood the cause(s) and consequences of those issues to be. See paragraphs 62 and 63 above.

67. I have been asked what action was taken by POCL and ICL Pathway to address those issues. Once the reality of the situation was understood by both parties I believe there was a really strong effort on both sides to improve the situation and work more closely to ensure that the data and the receiving processes were more aligned and robust to issues arising. However, from memory it felt that contractual factors meant that the joint endeavor on reference data management was continually under pressure from a date driven agenda by which I mean that the contractual acceptance process, which was linked to payments to Pathway, was driven very aggressively by Pathway who were seeking formal acceptance as early as possible.

68. I have been asked if I consider undue pressure was placed on the Horizon programme to commence and progress roll out before the system was shown to be fit for purpose. Yes, I did feel that undue pressure was placed on POCL to provide contractual acceptance and begin roll out.

69. As I recall, most POCL colleagues that were involved in the assurance and acceptance process felt that undue pressure was placed on POCL to provide contractual acceptance and begin roll out, both of which were linked to payments to Pathway (I think).

70. I have been asked to describe the terms on which the Post Office proposed to proceed with roll out of the Horizon System in January 2000. I don't remember the detail of this and from the documents relating to this section of your questions I can find little to jog my memory, but from memory I believe that there were several "patching" processes involved, particularly around the

provision and processing of business data into the ICL technical domain and the output of accounting data from ICL into the POL central accounts (TIP). Additionally, I believe that there was to be a very high level of scrutiny around errors arising from these two interfaces that should have been in place until they were proven to be completely robust.

71. I have been asked how ICL Pathway responded to those proposed terms. I don't remember the detail of this but my memory is that there was a marked change in approach to working more closely at operational levels in order to keep pace with the demands of the contractually driven schedule for roll out.

72. I have been asked about my understanding of a number of issues on or around 24th November 1999 at the time of roll-out decision. I do not clearly remember the detail of what my understanding was relating to the points raised on or around 4th November 1999, however I believe that generally my feelings were:

- a. on the ability of the integrity control to detect all data errors - there were doubts about this, hence the need for stress testing and temporary dual checking at TIP;
- b. on the level of disruption and cause of new incidents - I believe that this was felt to be manageable within the constraints of the initial rollout plan, assuming that the issues would eventually be resolved;
- c. on POCL's understanding of the design and operation of the emerging reconciliation controls. See a and b above, I believe that all POCL experts at the time believed that the controls were sufficient for an initial step into rollout, assuming the future issues emerging would be

resolved, and within the constraints of the contractual need to provide agreement;

- d. on the constraints on the level of testing of the emerging reconciliation controls. I think at that time POCL representatives believed that if the situation worsened there would be further joint working with Pathway to collect more data and resolve any issues arising.

73. I have been asked what input I had in relation to the "Demand Position Paper" produced by POCL in preparation for the checkpoint meeting in November 1999. I don't remember this but probably very little, it would probably have been authored by Ruth Holleran plus a number of business experts such as Martin Box for the section on AI376.

74. I have been asked to describe the circumstances and conditions on which ICL Pathway agreed to grant me access to the EPOSS End of Day High Level Design. I don't remember and can find no helpful reminders in the documentation provided for this section of your questions but I imagine it would have been a document review and walkthrough comprising a group of ICL experts and POL experts. This would not have been my area of expertise so I would have been very much led by TIP personnel and any technical people present. The document would probably have been covered by an NDA.

75. I have subsequently been asked to consider the reference at page 3 of POL00028541 to the grant of access to EPOSS end of day high level design.

Having read the reference at page 3 of POL28541 I confirm the above statement that I would have been at document review of the EPOSS end of day high level design and that there would have been better informed business experts at the subsequent workshop, which I may or may not have attended.

76. I have been asked about the outcome of the workshop to which reference is made in POL00028541 at Item No.5. I don't remember the workshop but see paragraphs 74 and 75 of this statement.

77. I have been asked to what extent ICL Pathway met the conditions for proceeding with roll out of the Horizon System in January 2000. I believe that at the time it was felt that the contractual conditions had been met and that was supported by legal advice at the time.

78. I have been asked to consider POL00090590 and FUJ00118186 which records that "*Both POCL and the Contractor acknowledge that at least one of [the criteria in Parts A to C of Schedule 4 to the Second Supplemental Agreement] was not met and accordingly that [POCL's right to postpone to the resumption of roll-out from January, 2000] became exercisable*". I have been asked in which respect (s) did ICL Pathway fail to meet Parts A to C of Schedule 4 of the Second Supplemental Agreement. I assume that the failure you refer to is the one highlighted by the email from Martin Box in the documents you have provided.

79. I have been asked to clarify the nature of legal advice which I received concerning ICL Pathway's ability to meet the contractual conditions for proceeding with roll out. I have no detailed memory of this. Our main business expert for legal issues relating to the programme at that time was Keith Baines who was supported by our external legal partners of the time, Slaughter & May.

80. I have been asked what limitations were identified in the reconciliation controls which has been adopted to address AI 376. I don't remember the details but I believe that there was general unease within POL that although specific issues related to incidents so far seen had remedies in place, further issues due to flaws in the underlying code, or the interaction of business data with automated processes, may lead to more issues arising and that therefore additional monitoring and "work around" practices may be required, possibly for some time.

81. I have subsequently been asked by whom was this "general unease" about cash account imbalances expressed. As stated elsewhere, I think most colleagues involved in the issues relating to AI376 were uneasy that it had been shown that new errors could occur for new, unexpected reasons. For example I think Ruth Holleran and Martin Box shared this view.

82. I have also been subsequently asked what I understand the "work around" practices to entail. These were, for example, additional checking at TIP which was not a standard business process.

83. I have been asked how these limitations were addressed. As above, additional monitoring and procedures until confidence in the end-to-end processes were achieved.

84. I have been asked to describe the nature of my involvement in agreeing the terms of the Third Supplemental Agreement. I don't remember but I imagine it would be my usual role of reviewing documents and sharing opinions with peers and superiors.

85. I have been asked about the nature of my working relationship with Keith Baines and Martin Box in January 2000. I don't understand the question. Keith Baines was the POCL lead person on the Pathway contract but had a good working knowledge of the issues and often represented POCL on them. Keith was senior to me. Martin Box was part of a core POCL business team representing the TIP area and was a colleague of roughly the same grade as me.

86. I have been asked why my input was sought at this stage concerning the terms on which POCL would be prepared to proceed with roll out of the Horizon System in January 2000. I don't know the answer to this and I don't remember that being the case. As I have stated elsewhere, this was not my

area of expertise. I would not have been able to understand or interpret the contents of the error matrix included in POL00083897. I can only assume that my name appears so predominantly because of my previous close working with Pathway and because of my role in supporting Ruth Holleran.

87. I have been asked what view I took of the terms on which POCL agreed to proceed with roll out of the Horizon system. As stated elsewhere, I and close colleagues such as Martin Box and Ruth Holleran were concerned that the drive for contractual acceptance and fast roll out was too strong for the seemingly unstable state of the system in some areas at that time.

88. In relation to FU00J118186 ...

- a. I have been asked why certain types of cash account discrepancy were excluded in January 2000 from the agreed error rate criterion of 0.6%. I don't know the answer to this, Martin Box would have most knowledge on this and may remember the reason;
- b. I have been asked to describe and explain the Error Matrix included at Schedule 4 to the Third Supplemental Agreement. As stated elsewhere, this is not my area of expertise in terms of the effect on TIP and I do not know what effect these conditions may have had within the office, but I can tell from the first page that these are EPOSS conditions, such as successive rollover of a stock unit, which have presumably caused an incident at the office or at TIP;
- c. I have been asked about my understanding in January 2000 of the "defences" which had been implemented by ICL Pathway in order to

address ongoing cash account discrepancies. I don't remember what my understanding was at that time, and many of these error conditions would have been unknown to me, but I can see from the first page of the document that EPOSS conditions such as the one described above have been addresses by "defences", which in this case would presumably have been an error message to the user and possibly prevention of cash account rollover in the case of such error conditions being present;

- d. I have been asked what I understood the purpose of the "attribute checker" to be. From the document I can tell that it is some code which predicts the effect of reference data on the core system code and prevents the reference data being accepted into the live domain to protect against predicted (defined) error conditions. Presumably the term "attribute checker" refers initially to the polarity (positive or negative) of the product line;
- e. I have been asked about my understanding in January 2000 as to the ability of the integrity control to detect all relevant data errors in Horizon. As indicated above and stated elsewhere, it could only detect errors which were known at that time and therefore posed a risk that other, as yet undetected, error states may occur in future;
- f. I have been asked what I understood ICL Pathway's obligation(s) to be in the event that it could not establish the root cause of a cash account imbalance and/ or the appropriate corrective action to take to rectify the imbalance. I don't remember the detail of this. They may have accepted that they must establish the root cause for the purposes of the contract but in practice, any future such error conditions that occurred and for which

the root cause could not be found, would surely have resulted eventually in a declaration of “no fault found”.

89. I have been asked what I understood to be the effect of the amendments made in Schedule 5 of the Third Supplemental Agreement to paragraphs 3.6.1.1 and 3.6.12 of Schedule G01 of the Codified Agreement. I don't remember what my understanding was at the time and it's difficult to understand the effect now, reading the documents, without the contextual understanding I had at that time. But I imagine that all POL reviewers believed that the remedies proposed resolved the outstanding issues sufficiently for POL to be contractually obliged to continue rollout so that ICL Pathway could claim their revenues.

90. I have subsequently been asked to explain the basis of my statement in paragraph 89. This is difficult to explain. The people at the sharp end of assurance such as myself and Martin Box and many others were genuinely doing their best and working very hard to ensure that the system was fit for purpose. But there were many senior managers and legal people involved in the higher decision making, and there was tremendous pressure from Pathway and their legal team to agree to key milestones such as contractual acceptance and rollout to achieve certain numbers that triggered financial gains. It can be seen from the limitations in the additional contract schedules that Pathway were (understandably) very persistent in closing down POCL arguments for further assurance that would delay these milestones.

91. I have been asked if I consider that POCL was forced by the terms of the contract to continue with roll out notwithstanding the general unease about cash account imbalances to which I refer. Yes I do, see paragraph 90.

92. I have been asked what consideration I gave at the time to the effect which ongoing cash account imbalances would have upon SPMs, branch managers and assistants who were obliged to implement and use the new Horizon system. As I said above, the decisions that were made at this time were exhaustively debated in POCL at the very highest level. As I recall, at that time all departments were determined to put as many safeguards into operational practices to protect the full POCL estate, including subpostmasters, from a contracted out system and service management regime that had some clearly recognizable issues.

93. I have been asked to describe the conditions on which AI 376 was closed. As above, the proposed remedies, additional monitoring and checking procedures were deemed by POL representatives to be acceptable, at least in terms of the contractual position at the time.

94. In relation to FUJ00118186 and POL00028507 and paragraph 92 above ...

- a. I have been asked to clarify what I understood the "proposed remedies, additional monitoring and checking procedures" to entail. We have already discussed the TIP integrity checks, the joint working on reference data, the attribute checker and the contractual obligations accepted by Pathway to investigate new root causal issues arising, at least at initial roll out stages. Mark Burley's email is a good example of others that I may also have forgotten about: I don't remember what the "Miman" tool was, but it would seem to be another defensive measure to issues arising, which were having

to be developed reactively and against a commercial background of Pathway insisting that changes should be at additional POCL expense;

- b. I have been asked to clarify to whom "POL representatives" is referring. Again, the email from Mark Burley is a good example: This refers to a detailed assurance discussion that I was not party to between business representatives (Dave Pye and Mark Burley) and Pathway representatives (John Pope Pathway contractual, Steve Warwick Senior developer and Phil Hemingway- possibly a reference data expert). From the outcome, Mark is recommending closure of the AI (presumably 376) but he is dealing with only a residual part of it and calling on other experts to express an opinion. The eventual decision, whenever it came, would have been a senior level one, relying on opinions from many players and nuanced by the contractual position and a firm stance of closure from Pathway;
- c. I have been asked to clarify the nature of my role in the closure of AI 376. As described above, mine would have been one of many opinions for senior management to draw upon;
- d. I have been asked if I consider that sufficient mitigation was in place to justify closure of AI 376. As described above and elsewhere, this was not a black and white decision and I would not have had a full picture.

95. I have been asked what concerns I had about the accounting integrity of Horizon when roll out re-commenced in January 2000. See paragraph 80: I shared the view that the system was not inherently robust and concerned that the workarounds were required and may need additional strengthening as more information about its performance became available through roll out.

96. I have been asked if I expressed my concerns to others within POCL about the robustness of the Horizon system in January 2000 and to whom. As explained elsewhere, many of us in POCL shared this view, even through and beyond the eventual closure of the original acceptance incidents and into roll out.

97. I have been asked who was responsible for monitoring the performance of the Horizon system through its roll out. I believe that this responsibility migrated to the service management team.

98. I have been asked what role I played in monitoring the need for additional strengthening of workarounds after roll out of Horizon recommenced in January 2000. None that I remember.

99. I have been asked what action I took to report such concerns to others within or outside POCL. The issue was generally discussed within POCL. I do not know whether the concerns were shared by others outside of POCL. I did not raise them with any organisations outside of POCL.

100. I don't know if it is definitely the case but I believe that concerns about the robustness of the system, and the support service, were shared via senior stakeholders and possibly through user groups.

101. I have been asked a number of questions about the processes and procedures which were put in place to record and monitor the occurrence and cause(s) of cash accounting data errors in Horizon. I was not involved with any of the implementation of this. Although my name appears in the distribution list for document POL00043734 I was not involved with any detail and note that the same document distribution list does not include me when the drafting was completed (POL00043741).

102. I have been asked what involvement I had in these activities. None, I was moved to a very different role around this time and that may already have happened.

103. I have been asked when I ceased to be involved in matters concerning AI 376 and the cash account imbalances generated by the Horizon system. I cannot remember the exact date. As I indicated earlier, my name appears on draft 0.2 of the Pathway TPS reconciliation and incident management document but I do not remember being involved in this at all during live running. Even at this early stage the author of the document is the Pathway Service Manager. The POCL reviewers would almost certainly all have been in the POCL service management domain or core business teams by the time the document was approved.

104. I have been asked to which role within POCL I was transferred at this time. It may have been the role I mentioned in paragraph 60. I don't really remember any of this clearly. The only clarity of recall in details such as that that I have from this very distant past is triggered by the documents you have presented for my review.

105. Once the contractual acceptance process was completed the POCL service management domain took over and would have been responsible, along with Pathway service management, for ongoing management of known issues and new issues arising.

IMPACT Programme

106. I have been asked to describe the nature of my involvement in the IMPACT programme as well as a number of questions about the programme more generally. As far as I recall, none. The documents referenced here are early versions. At that time I was a release manager and as such I am listed as the assumed delivery manager for the S80 release. I think that the release was eventually managed by Sue Harding as the vast majority of the content was presumably Impact related. I did have involvement in the prompts and the smart post projects where my role was akin to a business analyst. I can recall no involvement in any of the detail relating to Impact.

General

107. I have been asked if, looking back, I consider that POCL effectively scrutinised the trial and acceptance of the Horizon IT system. I think the scrutiny was effective but contractual acceptance was very poor. POL were very late in thinking through how this would happen. Until I moved back into the core business I was in the joint working team and there was a very firm screen between these two organisations resulting in core POL teams effectively closing their eyes to the major event that was rapidly heading towards them. Additionally, I believe the POL approach to contractual acceptance was to pass it over to the joint team and rely on requirements stipulating that Pathway were responsible for proving that the system was acceptable. A lot of late effort went into preparing the receiving organization for implementation but it was rather reactionary and events were being driven principally by contractual deadlines which had very high commercial consequences.

108. I have subsequently been asked why I consider there as a "very firm screen" between the joint working team and POCL's core business in relation to the issue of acceptance. I'm not sure about this. I think there may have been some kind of contractual boundary. But I think the most likely problem in practice would be that personnel in POCL core business areas were busy with their day jobs and did not have spare capacity to consider the huge change the programme would bring.

109. I have been asked when I transferred from the joint working team back into POCL's core business. I applied for a job, which I think would have been late 1998, possibly early 1999?

110. I have been asked who was responsible for preparing the POCL core business for acceptance of the Horizon system. I don't know the answer to this.

111. I have been asked if I was concerned at the time that POCL had failed to take adequate steps itself to assure the quality of the Horizon system. At the time that I moved I don't think I was aware that such major issues would arise.

112. I have been asked if I consider that the contractual deadlines for acceptance were inappropriate. This is a very difficult question: I think I understood that the contractual deadlines were necessary but it felt like the contractual framework did not allow for the partnership between the host business and the contractor to deliver the best outcomes.

113. I have subsequently been asked what I meant by "very high commercial consequences" in paragraph 107. As described elsewhere, I believe there were large payments linked to the contractual acceptance milestone and the roll out to a set number of offices.

114. I have been asked what were the consequences applicable to ICL Pathway, POCL or both. See above, I believe they affected both organisations.

115. I have been asked to explain what I consider should have been done to make contractual acceptance more effective. I don't feel I have enough knowledge of the field to make a comment.

116. I have been asked if I consider the Horizon system was fit for purpose at the point at which it was rolled out. I think it was as good as it could be given the circumstances and the factors I have previously mentioned. Although the system was widely considered to be suspect and had significant known issues with accounting data, these had been thoroughly investigated by the time mass roll out commenced and workarounds were in place. There was also a lot of very close scrutiny of the performance of the system with regard to usability issues and errors arising, with break points built in if required, as far as I recall. What may not have been fit for purpose is the internal business processes required to handle such a huge business transformation: I still cannot understand how the Post Office management teams responsible came to be so blind to the possibility that the system and the attendant work-around procedures in place at the time could be responsible for accounting errors, and failed so evidently in their duty to investigate them properly, leading to such huge miscarriages of justice and such terrible human misery.

117. I feel that something must have failed in the service management domain. At hand over into live running the issues, including AI 376, were well known and had been endlessly debated, including as far as I know, the risk associated with going forward into roll out and the need for vigilance and support. I do not understand how that position got so lost so quickly and, moreover how the rest of the business were not aware that so many live situations of misbalance were occurring.

118. I have been asked what steps were taken to notify these teams of internal concerns about the robustness of the system and the reliability of the work-around procedures which had been implemented by ICL Pathway and POCL. See paragraph 116 above, as far as I know both POCL and Pathway service management teams were well aware of the issues and the concerns relating to the robustness of the system.

119. I have been asked if I consider adequate feedback was obtained from end users in relation to the reliability of the Horizon system prior to its acceptance and roll out. I have no factual information for this question but I don't remember seeing any strong evidence of it.

120. I have been asked if there are any other matters I consider will assist the Chair. There are no further matters that I wish to bring to the attention of the Chair at this time.

Statement of Truth

I believe the content of this statement to be true.

Signed: 

Dated: 07.03.2023

Index to First Witness Statement of Graeme Seedall

<u>No.</u>	<u>URN</u>	<u>Document Description</u>	<u>Control Number</u>
<u>1</u>	POL00030393	Electronic memorandum by the Post Office on acceptance and business impact.	POL-0026875
<u>2</u>	POL00028342	Memo from Post Office re Acceptance Workshop Roles	POL-0024824
<u>3</u>	FUJ00118194	ICL Pathway Logical Design for EPOSS/TIP Reconciliation Controls v0.8 22/12/99	POINQ0124358F
<u>4</u>	FUJ00079178	Acceptance Proposal for Acceptance Incident 376 (transmission of records to TIP), 23 Sept 1999, version 0.9	POINQ0068766F
<u>5</u>	POL00028541	Letter from Tony Oppenheim, ICL Pathway, to Keith Baines, POCL, re ICL Pathway Response to POCL Requirements for Rollout Decision	POL-0025023
<u>6</u>	POL00090590	Email from Keith Baines to Jeff Triggs re the latest stats for AI 376	POL-0090111

<u>7</u>	FUJ00118186	POCL and ICL Pathway 'Third Supplemental Agreement	POINQ0124350F
<u>8</u>	POL00083897	Fax from Jeff Triggs to Martin Box, POCL, Chesterfield re: Schedules 4 and 5 of Draft Suspension of Rollout Agreement	POL-0080881
<u>9</u>	POL00028507	Emails between Mark Burley, David Stevenson, Min Burdett and Keith Baines (all POCL) re Receipts Not Equal to Payments	POL-0024989
<u>10</u>	POL00043734	ICL Pathway TPS Reconciliation & Incident Management v0.2 3 Dec 99	POL-0040237
<u>11</u>	POL00043741	Draft ICL Pathway TPS Reconciliation & Incident management Procedur Document v1	POL-0040244