

Witness Name: Amanda Burton

Statement Number:

WITN11330100

Dated: 3 September 2024

## THE POST OFFICE HORIZON IT INQUIRY

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### FIRST WITNESS STATEMENT OF AMANDA BURTON

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I, Amanda Burton, will say as follows:

#### Introduction

- 1 I am a Non-Executive Director of Post Office Limited (the "**Post Office**"). I was appointed to this position on 27 April 2023.
  
- 2 This witness statement is made in order to assist the Post Office Horizon IT Inquiry (the "**Inquiry**"), further to a Rule 9 Request dated 9 July 2024 (the "**Request**"). Below I address each of the questions put to me by the Inquiry in the Request, to the very best of my ability and recollection. I have been assisted in the preparation of my statement by a law firm.
  
- 3 I was not at the Post Office when the events that are the focus of this Inquiry occurred. Like many others in the country, I followed the overturning of scores

of wrongful convictions with a sense of alarm that such grave injustices could ever have occurred. I have the utmost sympathy for all of those postmasters, postmistresses and their families whose lives were ruined by this appalling injustice. I joined the Post Office Board in 2023 with the intention of being part of the Post Office's journey of change and to help the company acknowledge and address the profound wrongs of the past and to ensure that they can never be repeated.

## **Background**

- 4 I graduated from Durham University with a degree in law in 1981. I qualified as a solicitor in 1984 with the firm Slaughter & May. I left private practice in 1986 and worked as an in-house solicitor and company secretary at a number of public companies.
  
- 5 In 1997 I was appointed as an executive director of Meyer International PLC and the following year I became the Chair of its Timber Division. Following a takeover of Meyer International in 2000, I joined the international law firm Clifford Chance as regional Chief Operating Officer. I became the firm's Director of Global Business Services in 2006 and the Global Chief Operating Officer in 2010.
  
- 6 I retired from Clifford Chance in 2014. I had been developing a portfolio of Non-Executive Director (NED) positions from 1998 onwards. When I left Clifford Chance, I focused on these roles.

- 7 In addition to my role on the Board of the Post Office, I currently serve as a NED on the boards of HSS Hire Group PLC, Elevate Inc and NWF Group plc. I shall become the Chair of NWF's Board following its Annual General Meeting in September 2024. I am also the Chair of the Board of Trustees of the Green Light Trust.

### **Joining the Post Office Board**

- 8 In November 2022 I was approached by the recruitment firm Green Park about applying for the role of Chair of the Remuneration Committee at the Post Office. I recall being interviewed by Henry Staunton, the then Chair of the Board, Saf Ismail, a NED and a Postmaster, as well as officials from UK Government Investments (UKGI). I was offered the role and joined the Post Office Board as a NED on 27 April 2023. It was intended that I would become Chair of the Remuneration Committee towards the end of June 2023. In the end, as a result of the events that I will describe below, I became the Chair of the Remuneration Committee on 26 May 2023.
- 9 On joining the Board, the Post Office's Company Secretary sent me the agenda for an induction programme that I was due to complete with Simon Jeffreys, who had joined the Board as a NED shortly before me. The induction programme was to involve introductory meetings with senior leadership across the Post Office and sessions devoted to certain topics of particular importance. The intended programme was as expected and in line with similar processes I have completed when joining the boards of other companies. I also received induction material. I did not receive any induction before I joined.

- 10 Shortly after I joined the Board, I was asked by the then Chair, Henry Staunton, to conduct a review into the Transformation Incentive Scheme (TIS). By way of background, TIS was a one-off bonus scheme for senior executives. In the Post Office's 2021/2022 Annual Report, it was stated that part of the metric used in TIS was sufficient co-operation with the Inquiry to satisfy the requirements of the Chair of the Inquiry. Further, it was erroneously stated in the Annual Report that the Chair of the Inquiry had approved this metric.
- 11 I presented my report on TIS to the Board on 2 June 2023 [RLIT0000342]. On 20 June 2023, I appeared with other Post Office directors in front of the House of Commons Business and Trade Select Committee to answer questions regarding my conclusions.
- 12 The review of TIS was an intensive piece of work and as such much of my induction programme was delayed. Ideally, in the first few weeks of joining I would have liked more time to understand the Post Office's funding structure and its relationship with the Treasury, UKGI and the Department of Business and Trade.
- 13 I did receive high level briefings from executives on the historic Horizon issue and the work of the Inquiry. I considered these briefings to be adequate, although the focus was more on the working of the compensation schemes (for example, the Horizon Shortfall Scheme scheme). I also took time to review the judgments of Fraser LJ and read "The Great Post Office Scandal", a book written by the independent journalist Nick Wallis, in order to ensure that I had a more rounded understanding of this incredibly important matter. I have also

attended the Inquiry's hearings on a number of days.

- 14 I have been asked by the Inquiry to summarise my understanding and experience of the Horizon IT system. I had no experience of the Horizon IT system prior to joining the Post Office, though I was, of course, aware of it from having followed the press reporting regarding the wrongful convictions of Postmasters. My current understanding of the system is derived from the briefings I have described above and from discussions of matters relating to the system that have come to the Board. I have been told by Postmasters that Horizon is a clunky but stable system and have watched as Postmasters conduct transactions on their terminals in branches.
- 15 The Post Office is in the early stages of a project to replace Horizon. The Board has received demonstrations of the current design of the mails part of the project. I have also visited the Aldwych branch where the new system is being trialled and I spoke with the branch manager about their experience of the new system.

### **Key events**

- 16 I have been asked to set out, in detail, my understanding of the circumstances that led to the dismissal of the former Chair, Henry Staunton, on 27 January 2024, including the relevant background, chronology and actions of those involved. In addition, I have been asked to consider an article in *The Times* newspaper on 19 February 2024 [RLIT0000201] and to set out, in detail, my understanding of the matters reported in this article, including the relevant background, chronology and actions of individuals involved. I address these

matters below.

- 17 Shortly after I joined the Board, Jane Davies, the Post Office's then Chief People Officer, took a period of leave due to ill-health. Our paths had briefly crossed at Galliford Try. Ms Davies started her role as Galliford Try's Chief People Officer just as I was leaving the company's Board, where I had been Senior Independent Director and chair of the Remuneration Committee. We probably met on a couple of occasions in the month or so that we crossed-over at Galliford Try. In June 2023, towards the end of Ms Davies' probation period at the Post Office, the Nomination Committee (on which I was not sitting at that time), decided not to offer her a permanent role. As a result, Ms Davies left the Post Office.
- 18 Below I will set out my recollections regarding Ms Davies' subsequent complaints against senior individuals at the Post Office and the investigation into those complaints. I wish to note here that Ms Davies has publicly commented on the complaints that she has made, as has Mr Staunton. Further and as set out above, that the Inquiry has asked that I set out my understanding of the circumstances surrounding Mr Staunton's dismissal in detail.
- 19 I recall that shortly after leaving the Post Office, I was told that Ms Davies wrote a letter to Henry Staunton. Mr Staunton did not circulate the letter to the Board.
- 20 The Board later received a draft letter from solicitors representing Ms Davies. This letter was sent in the first instance to Mr Staunton who circulated it to me and Mr Tidswell on 28 July 2023. This letter was circulated to the full Board by

Mr Staunton in August. The letter made a number of complaints in relation to Nick Read, the Post Office's CEO, and alleged that Ms Davies had been the victim of discrimination. I recall that there was a view that this draft letter had been shared with the Post Office in an attempt by Ms Davies to secure more favourable terms for her exit from the Post Office.

21 On 4 September 2023, Ms Davies provided the Post Office with a formal whistleblowing report. I was asked by Mr Staunton to oversee an investigation into the complaints as I was the Speak-Up Champion. As explained above, a number of Ms Davies' complaints were against the CEO.

22 Lorna Gratton, who is the UKGI representative on the Board, asked if she could be involved in the investigation. Mr Staunton agreed and as a result Ms Gratton and I had oversight of the investigation.

23 We instructed the law firm Pinsent Masons to advise us. Two barristers were recommended who were appropriately experienced to act as the independent investigator. Following a review of each individuals' CV, we chose Marianne Tutin, of Devereux Chambers.

24 Ms Tutin's investigation was entirely independent. Ms Gratton and I were responsible for drafting the terms of reference for the investigation, providing oversight and ensuring that Ms Tutin was being provided with whatever materials and information she required. However, Ms Gratton and I exercised no influence over how Ms Tutin structured her investigation: what documents she chose to review and to whom she spoke.

25 Ms Gratton and I became aware that Henry Staunton was the subject of one of Ms Davies' whistleblowing complaints. Her initial document had stated that certain highly inappropriate and offensive comments had been made by a board member, but she had not named that board member. When Ms Gratton and I learned that the board member in question was in fact Mr Staunton we agreed that the terms of reference of the investigation needed to be amended to ensure that Ms Tutin investigated this serious allegation. It was agreed that the Senior Independent Director (SID), Ben Tidswell, should inform Mr Staunton that he was now a subject of the investigation. Ms Davies also filed a claim in the Employment Tribunal around this time.

26 Mr Staunton made repeated attempts to have Ms Tutin's investigation stopped. Mr Staunton spoke to me and Ms Gratton on separate occasions in an attempt to convince us that the investigation should not continue. He also spoke with the Chief People Officer (I believe on three separate occasions) to make similar points. She was very concerned about these conversations and I understand that she considered resigning from the Post Office because she believed Mr Staunton's behaviour to be so inappropriate. These conversations happened over several weeks.

27 I was also informed by the Chief People Officer that on two occasions Mr Staunton shouted at the General Counsel.

28 Mr Staunton also tried to delay his own interview with Ms Tutin.

29 I was profoundly concerned about Mr Staunton's behaviour and his attempts to interfere with an independent investigation into his own conduct. It was clearly contrary to every principle of sound corporate governance.

30 I had a number of conversations in this period with Ben Tidswell, the SID, about how highly inappropriate Mr Staunton's behaviour was. It was a very difficult time. Unlike most companies, the Chair is not appointed by the Board. It is a government appointment and as such the Board does not have the power to remove the Chair.

31 As far as I am aware, Mr Staunton always expressed his concerns about the investigation in terms of the pressure that it was putting on Mr Read. He did not, to my knowledge, explicitly state that he wanted to stop Ms Tutin's work because he himself was a subject of that investigation. Mr Staunton was of the view that Mr Read had an enormous amount to contend with and the Board had to support him by doing whatever it could to reduce any additional pressure caused by the investigation. I wish to stress that I never heard any reports that Mr Read himself expressed any of these views, or took any steps to interfere with the independent investigation.

32 In January 2024, Ms Tutin's investigation was continuing. Mr Staunton invited all of the NEDs, save for Ms Gratton to a Teams call. Mr Staunton explained that he was due to meet with senior officials at UKGI and he needed to prepare for the meeting. He had not invited Ms Gratton to the call as he thought she might have a conflict as she was the UKGI appointed NED.

- 33 On 16 January 2024, Mr Staunton circulated an email (via his secretary) that attached a note headed "Project Pineapple" [POL00448503, POL00448300]. This project name did not mean anything to me. This contained Mr Staunton's note of a conversation he had had with Elliot Jacobs and Saf Ismail, the two Postmaster NEDs, in which they said to him that a feeling existed within the Post Office that Postmasters were not to be trusted. The note recorded that Mr Jacobs and Mr Ismail had raised concerns regarding certain senior executives acting as if Postmasters were guilty until proven innocent.
- 34 It was deeply dispiriting to read this note and to see Mr Jacobs' and Mr Ismail's concerns put so starkly. It was, however, consistent with my understanding of their views from speaking with them both. I had become aware in about September 2023 that Mr Jacobs had been subject to an investigation that had commenced sometime before I joined the Board, into some discrepancies and outstanding balance issues in relation to his company that ran several post offices. I understand that these matters were resolved but that Mr Jacobs was unhappy with the way the process had been run.
- 35 By way of further background, in around September, Ben Tidswell had announced that he was going to stand down from the Board and his role as the SID in June 2024. Accordingly, the Board needed to recruit a new SID, which is a key role on the Board and an important part of ensuring effective corporate governance. My recollection is that officials at UKGI had given a strong steer that Mr Tidswell's replacement should be someone with public sector experience, as this was in their view lacking from the Board. The Board agreed to recruit a NED with public sector experience. As far as I can recall, recruitment

consultants had been engaged to identify suitably qualified candidates.

36 On 17 January 2024, Mr Staunton sent an email to all members of the Board, excluding Ms Gratton, expressing his view that the SID should be an internal appointment and as such the external search should be discontinued.

37 The meeting arranged by Mr Staunton took place via Teams on 18 January. There was not a full complement of directors in attendance as neither Ben Tidswell, Alisdair Cameron, Brian Gaunt nor Lorna Gratton attended. The call began in a business-like fashion with a discussion of the key issues facing the company and an acknowledgement of the pressure that the senior executives were currently under.

38 Mr Staunton then moved onto the question of hiring a new SID. He re-emphasised his view that we should simply appoint an existing director as SID. His reasoning, as far as I can recall, was that this was a more efficient process and would mean that there was one less project to worry about at an incredibly busy time for the company.

39 I recall expressing a view on the call that I could see the logic in what Mr Staunton was saying, but that I wasn't sure it was wise to pick a fight with the shareholder on this issue.

40 Mr Staunton then asked Mr Jacobs and Mr Ismail to talk through their concerns about some senior members of the executive team and their views that the culture in the Post Office was "toxic" and not supportive of Postmasters. They

suggested that a new Board Subcommittee on Culture be created with both of them as members.

41 During this conversation, I recall Mr Staunton said that Mr Read felt that some people at the Post Office were “untouchable”, which Mr Read confirmed. This recollection is referenced within a handwritten note I have of the meeting. Mr Staunton said that this particularly referred to John Bartlett, who is the Director of Investigations, being “untouchable” because he was investigating Mr Read. This was not in fact accurate as the investigation into Mr Read was being conducted by Ms Tutin and overseen by me and Ms Gratton.

42 I completely reject the idea that anyone within the Post Office should be “untouchable”, such that they cannot be held to account for their conduct. If the Post Office is to address the wrongs of the past, then everyone must be accountable. I understand that the HR department is looking into these matters. In addition, concerns were raised about Nick Read’s testimony to the House of Commons Business and Trade Select Committee on 27 February 2024. Mr Read had been asked “who are the untouchables?”. Mr Read responded “that is not an expression that I am aware is used in the organisation -not an expression that I recall using”. Andrew Darfoor (who is an independent NED) considered Mr Read’s evidence to the Select Committee, and in a report to the NED’s concluded that Mr Read had used the phrase “untouchables” during the call on 18 January 2024, however, his evidence to the Select Committee was not intentionally misleading as it was correct that the term was not common language within the organisation.

43 During the course of the meeting on 18 January, I also received a text message from Ben Foat, the General Counsel. He had read a document called "Project Pineapple" that had been circulated to several people. I then discovered that Nick Read had accidentally circulated it to several people. I informed those in attendance at the meeting that this had happened.

44 Following the meeting on 18 January 2024, Mr Staunton sent an email to the Board members saying that it had been agreed that the external search for a new SID was to be stopped. He said that following the decision to appoint an internal candidate the vote was to appoint Andrew Darfoor as our SID, and that this needed approval. I was not aware of, nor involved in, any vote at that time. Mr Tidswell replied to say that any such decision would need to go through the normal corporate governance processes and be considered by the Nominations Committee and then approved by the shareholder. Mr Staunton replied to say that he understood that this was the normal process, but he was going to stop the external search in any event. I understand that Mr Staunton arranged for the recruitment consultants to stop their search.

45 Following this, I had various discussions with Mr Tidswell and Ms Gratton as this was yet another example of Mr Staunton's inappropriate conduct. It is well accepted that cultural change starts at the top. The Post Office was in the very unfortunate position of having a Chair of the Board who was acting contrary to best practice.

46 I said to Mr Tidswell that Mr Staunton could not continue as Chair of the Board, however, as I note above, unusually that was not a decision for the Board. My

understanding is that Mr Tidswell, as the SID, and Ms Gratton, as the UKGI NED, fed our collective concerns about Mr Staunton's conduct back to the shareholder and, as was well documented in the press, Mr Staunton was removed from his post by the then Secretary of State on 27 January 2024.

47 Ms Tutin's investigation continued after Mr Staunton left the Post Office. Ms Tutin provided her investigation report to me and Ms Gratton in April 2024. The Post Office summarised Ms Tutin's findings in a letter to the House of Commons Business and Trade Select Committee as per their request, and issued a public statement.

48 The article in *The Times* newspaper on 19 February 2024 [RLIT0000201] to which I have been directed by the Inquiry, referenced a "draft email" written by Mr Jacobs and shared with Mr Staunton and others on 24 January 2024. From a review of my emails, it would appear that I never received this email.

### **Culture at Board level**

49 There has been a noticeable improvement in the working relationships at Board level since the departure of Mr Staunton and the appointment of the Interim Chair. Our proceedings are professional, respectful and friendly. Throughout my time on the Post Office Board, the Board has been prepared to challenge management and hold them to account.

50 I have been asked to set out my reflections on the ways in which the culture

has changed following the findings of Fraser LJ in the Common Issues Judgment, or resulting from evidence arising at the Inquiry. There have been many changes and developments over the last few years, including those which directly go to the issues raised in the litigation concerning Horizon. Many of these changes pre-date my time and I am therefore not able to comment on exactly when they were introduced or the particular circumstances that led to their introduction, but by way of example, some of the developments include: the appointment of two Postmaster NEDs, the development of the Speak Up programme with summaries of Speak Up reports being provided to the Audit and Risk Committee (ARC), regular Postmaster and Employee engagement surveys (which are now also discussed at Board Meetings), and the appointment of a Postmaster Experience Director. There exists a project within the Post Office, known as Project Phoenix, which is looking into the way in which the investigations team had dealt with Postmasters. There is also the project to replace the Horizon system and Postmasters are involved in this.

51 However, while we are making some progress, there is still a lot more to be done. For example, while some changes have been made to the franchise contracts with Postmasters, there are still too many versions of the contract. In addition, while Postmasters are not being asked to make good any shortfalls within their branches, there is no clear policy on this and the Board is waiting for an update.

52 I understand one of the Postmasters' main concerns to be their remuneration and how this can be improved. Postmasters, like all businesses, have faced cost pressures such as salary increases for their staff, and increasing energy

costs. As a result, the Post Office needs to be able to demonstrate that running a Post Office is sustainable. In my view, there needs to be better alignment between Head Office and Postmasters, which the Post Office needs to address in its forthcoming review of strategy.

53 The recent Postmaster engagement survey [POL00446704] showed that the views of Postmasters who participated were polarised, so there is clearly more to do both to increase engagement and to improve sentiment. The main issues of concern relate to Postmaster remuneration, strategic direction and communication.

54 I personally have visited branches in Manchester, East Suffolk and London in order to speak with Postmasters and understand their concerns. I have also recently attended a Postmasters conference. I intend to continue to make such visits and to actively engage with Postmasters throughout the network.

55 I am pleased that the Government has moved to exonerate all Postmasters and speed up the compensation process.

### **Postmaster NEDs**

56 I am fully supportive of having Postmaster/mistresses serving as NEDs on the Post Office Board. This feature of the Post Office's governance arrangements was one of the aspects that most interested me when I was first approached about joining the Board.

57 In my time on the Board, Saf Ismail and Elliot Jacobs, both of whom operate multiple Post Office branches, have been invaluable colleagues, for whom I have the utmost respect. Mr Ismail very kindly invited me to visit certain of the branches he operates. I was very glad to take him up on his offer.

58 I have described above how I became aware of the so-called "Project Pineapple" memo that recorded Mr Ismail's and Mr Jacob's concerns about the way in which Postmasters were viewed within the Post Office. I was very concerned when I became aware of this and I hope that we have gone some way to addressing their concerns over the recent months. In my view it is absolutely critical that Mr Ismail and Mr Jacobs are treated in the same way as any other NED. This is not only a matter of basic professional respect, but it is also essential to the proper running of the Board and therefore effective corporate governance. It is incumbent on all of Mr Ismail's and Mr Jacobs' board colleagues to do all that we can to address the concerns that they raised.

59 One example of this is that when I joined the Board, only those who sat on a particular committee would receive the papers for that committee. The impact of this was that those NEDs who did not sit on certain committees, including Mr Ismail and Mr Jacobs, would not have received those papers. This could give the impression of a 'two-tier' Board, which I did not agree with. I spoke with the Company Secretary in November 2023, who consulted Mr Staunton. Mr Staunton said that access could be given to Independent NEDs. Ms Gratton, although not Independent, sat on all committees and so would have received those papers. However, this meant that neither Mr Ismail or Mr Jacobs would

receive papers for committees that they did not sit on. This has now changed. In June 2024 I checked again with the Company Secretary that Mr Jacobs and Mr Ismail had access to all papers. I understand that the Company Secretary checked with Nigel Railton, the Interim Chair, who agreed with me that all NEDs should have access to all papers for the Board and its committees. As at June 2024, all directors receive all the papers for all meetings of the Board and each of its committees.

### **Corporate Governance**

60 The Inquiry has asked me to comment on the Corporate Governance arrangements at the Post Office. As I have set out above, after joining the Board in April 2023, I was involved in a number of events that caused me to have grave concerns about the corporate governance arrangements at the Post Office.

61 My view of my fellow NEDs on joining the Board was broadly positive. However, my conclusion regarding Mr Staunton's fitness for his role naturally coloured my initial view of the corporate governance arrangements at the Post Office as did my report into TIS which identified a number of issues with the Post Office's corporate governance arrangements around remuneration.

62 Following my report into TIS (described above), we drew up an action plan for improving the Remuneration Committees arrangements. The Board also engaged Grant Thornton to advise on corporate governance arrangements (as discussed further below). In addition, the law firm Simmons & Simmons had been engaged by the Department of Business and Trade to provide advice on the corporate governance arrangements around remuneration [POL00363154].

- 63 I consider that corporate governance at the Board level is improving and has much improved since the appointment of the Interim Chair. There remain challenges, however, including the fact that we have been without a full time Chief Financial Officer (CFO) for a long period. This is a role that needs to be filled as a matter of priority.
- 64 Further improvements are required around the quality of board papers, which can be too long and do not always reach clear conclusions. We also need to improve the timeliness of decision making as some items, such as procurement matters, are brought to the Board too late in the process. There have been occasions where the decision-making process has not been followed and we have had to ask for retrospective agreement from the shareholder.
- 65 On 25 June 2024, Grant Thornton provided the Board with its report on the effectiveness of the governance practices at the Post Office (**POL00446477**). Many of Grant Thornton's findings echo my own views on the challenges facing the company, and the Board has agreed to adopt and action the applicable recommendations. Grant Thornton noted that the Post Office lacked a properly articulated strategy that had been agreed with the shareholder. That is very much the case, and the management team is currently working with corporate consultants, Teneo, to conduct a strategic review. This work is due to be completed by the end of 2024 and should provide clarity as to the Post Office's future direction.
- 66 Grant Thornton also noted that the Board had undergone a number of significant personnel changes recently and this could lead to a lack of cohesion

and corporate memory. This is a concern I share. I hope that in the coming months we will have a new CFO and a permanent Chair and we can work to address these issues.

67 I have also felt during my time at the Post Office that the organisation is bureaucratic and therefore struggles to adapt and move at pace, when needed. This was a reflection reinforced by the recent staff engagement survey. Grant Thornton also noted that the complex reporting lines amongst the senior management team lead to a lack of pace and accountability and meant that some issues were coming to the Board that should have been addressed at an executive level.

68 Grant Thornton also noted something that has been very apparent to me: the appalling events that are the subject of the Inquiry have led to a certain amount of paralysis within the organisation. There is a reluctance to make the difficult decisions that face a company, such as the Post Office, which is in a time of crisis. This fear to make decisions has led to the creation of a complex web of decision-making forums, which does nothing to improve the sense of trust between the company's senior leadership and staff and Postmasters.

69 The advice received from Grant Thornton and Simmons & Simmons about the remuneration processes was incorporated into the action plan for the Remuneration Committee and progress in implementing these recommendations is tracked by the Remuneration Committee. There is an action plan that captures Grant Thornton's recommendations about corporate governance more generally, and this is tracked by the full Board.

- 70 I have been asked by the Inquiry whether it is desirable to have legally qualified board members and board members with IT experience. I do not believe that it is necessary for the Board to have a lawyer as a NED. As a NED who is legally qualified, I am aware that - as with all professional experiences - there are occasions where my legal training and practice can be of assistance as I consider issues before the Board. However, in my view Boards should be relying on expert advice from professionals who have a degree of independence from the discussions before the Board. It would be very difficult for any lawyer, however experienced, to be an expert on all of the varied legal issues that come before a Board, such that they could give the kind of detailed advice that a Board requires. I also think that it would create ethical issues for a "lawyer NED" to be both lawyer and client: advising the Board on legal issues whilst also being a decision maker.
- 71 I think that having IT experience on a Board can be helpful. The Post Office Board has agreed to recruit a NED with significant IT experience as the company is clearly facing a number of significant IT challenges, not the least of which is the replacement of Horizon. The intention is that this NED will be able to support and challenge the executive team.
- 72 As to the current composition of the Board, I would note that all the independent NEDs are relatively new and so there is very little corporate memory. There is a good mix of skills and expertise, although two gaps have been identified following a recent board skills audit: technology skills and organisational transformation skills. As noted above, the Board is currently recruiting to fill

these gaps. All the Independent NEDs have sat on other boards, and I am delighted that we have two Postmasters on the Board and value their input and challenges. I think the UKGI board member gives good constructive challenge and explains and counsels on the shareholder perspective.

73 I have been asked by the Inquiry to comment on the arrangements in place at the Post Office for the sharing of legal advice with the Board. I consider the arrangements that are currently in place to be adequate. We receive both written briefings and oral updates from the Post Office's in-house lawyers and external lawyers.

74 For the most part on the Boards upon which I serve, the General Counsel attends all meetings of the Board as they also serve as the Company Secretary. At the Post Office the role of General Counsel and Company Secretary is held by two different individuals. The Company Secretary attends all Board meetings, whereas the General Counsel attends for particular items. In my experience since joining the Post Office this arrangement has not generally caused any difficulties to the effective running of the Board, however, I can see that it might be beneficial to have the General Counsel attend for all Board discussions.

75 I have also been asked by the Inquiry to describe my understanding of the legal principle of legal professional privilege and how this affects the provision of legal advice to the Board. I am a solicitor by background so I have a working knowledge of legal professional privilege, but I would not consider myself to have any particular expertise in this complex area of the law. I am of the view

that if the Board has commissioned legal advice, then the Board must receive that advice. I cannot see how the principle of legal professional privilege should hinder this process. Similarly, if the General Counsel is in receipt of legal advice that is material to issues that are before the Board or are of great importance to the company, then he or she, as the Company's lawyer and the Board's legal advisor, has a professional duty to ensure that this advice is shared with the Board.

- 76 I have been asked by the Inquiry to summarise the Board's relationship with key relevant external stakeholders, such as the National Federation of SubPostmasters (NFSP), Communications and Workers Union (CWU), Fujitsu, UKGI and the DBT. I am not sure it is the case that the Board has a collective relationship with each of these stakeholders that range from government departments, to unions and commercial counterparties. The Board sees communications from NFSP, Voice of the Postmaster, CWU and is informed of pay negotiations involving CWU and others, and it receives reports on any discussions with Fujitsu. As is the case in other organisations that I have worked at throughout my career, most of these important relationships are maintained by the company's executives rather than the NEDs. The only exceptions to this maybe with regard to UKGI and DBT. Lorna Gratton is the UKGI's representative NED on the Board and a UKGI employee so she obviously has a very important relationship with UKGI and the DBT more broadly. In addition, I know that the Chair of the Board meets on a regular basis with officials at both UKGI and DBT, as well as ministers at the latter.

- 77 Charles Donald, the CEO of UKGI, and David Bickerton, the Director General of the Business Group at DBT, have attended Board meetings to explain the

relationship between UKGI and DBT and where the responsibilities lie. Ministers from the DBT have also attended Board Meetings. For a number of reasons, including the key events I described above, the previous remuneration issues, and tensions with funding requirements, the relationship with UKGI and DBT has not been on a good footing and there had been a breakdown in trust. In addition, the shareholder can delay decisions which causes frustration within Post Office. There is more to be done to improve the relations with the shareholder, with a new Secretary of State for Business and Trade appointed in July 2024.

### **Speak Up**

- 78 I have been the Post Office Speak Up Champion since August 2023. The Post Office has a Speak Up policy (**POL00447997**) and there is a genuine desire at Board level to encourage people within the organisation and the branches to “Speak Up” using one of the available channels. The company has an active communications campaign to inform all staff, sub-postmasters and their staff of the channels available. Due to the complex and sensitive nature of some of the issues raised and the lack of corporate memory as to where to find information, investigations can take some time. However, it is extremely important that investigations are done fully.
- 79 I receive a monthly report on issues relating to Speak Up and the ARC committee also receives management information on Speak Up. As I have mentioned above, I along with my colleague Lorna Gratton oversaw the investigation of Jane Davies whistleblowing allegations.
- 80 From the management information I receive and my general sense of the very

real commitment to the Speak Up programme, I believe that progress is being made to encourage people to speak up. The Post Office commissioned Ernst & Young to review the company's whistleblowing arrangements in April 2023 (**POL00447944**), shortly before I joined the Board.

81 I was concerned when Mr Staunton revealed confidential details of Ms Davies' whistleblowing complaint to the House of Commons Business and Trade Select Committee in February 2024, that this might undermine peoples' confidence in the Speak Up process. It is absolutely essential that people feel sure that the Speak Up channels are confidential. Accordingly, a note was provided to all staff on behalf of the Senior Independent Director in April 2024, re-assuring them that they could have faith in our Speak Up programme. That confidentiality is maintained in our Speak Up programme is of vital importance and my references above to Ms Davies' whistleblowing complaint is in the context of the public statements that have been made. I fully believe in, and support, the importance of a confidential whistleblowing process.

82 In my view, organisations can never be complacent when it comes to whistleblowing. We must therefore constantly be engaging with the programme, improving it where we can, and repeating the message that the organisation encourages people to speak up and will protect them when they do.

83 I have been asked by the Inquiry if anyone has "blown the whistle" on matters relevant to the issues being explored by the Inquiry. I receive monthly reports regarding Speak Up, however, in order to protect the identity of the whistle blower, matters are code named and I only receive a short summary of the

nature of the report. I describe below two matters that are directly relevant to the issues being considered by the Inquiry.

84 The Board has received a report relating to issues that have been raised concerning the IT system that is due to replace Horizon, and the provision of information about this system to senior executives. My understanding is that Grant Thornton is conducting an independent investigation.

85 A report has been made that raises a concern as to the time taken by the Post Office to finalise compensation due to Postmasters. The law firm DLA Piper is investigating this report.

### **Alisdair Cameron**

86 I have been asked by the Inquiry for my understanding of the circumstances that led to Alisdair Cameron resigning from the Post Office. Since I joined the Board, Mr Cameron has unfortunately been on sick-leave. The Board has during that period received updates to the effect that he remained unwell and signed-off from work. It is my understanding that he regrettably had to resign from the Post Office in June 2024 due to his ongoing ill-health.

### **Reflections**

87 The Post Office remains in a time of crisis and its focus must be on learning from, and putting right, the profound wrongs of the past. The work of the Inquiry is clearly critical to this process, as is the welcomed approach to compensation



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1.	RLIT0000342	Review of the Transformation Incentive Scheme, 2 June 2023	RLIT0000342
2.	RLIT0000201	Article in <i>The Times</i> Newspaper, 19 February 2024	RLIT0000201
3.	POL00448503	Email dated 16 January 2024	POL-BSFF-WITN-005-0010721
4.	POL00448300	Email dated 15 January 2024 (attachment to POL00448503)	POL-BSFF-WITN-005-0010720
5.	POL00446704	Postmaster Survey Results May 2024	POL-BSFF-097-0000032
6.	POL00446477	Grant Thornton Governance review – final 22 June 2024	POL-BSFF-099-0000003
7.	POL00447997	Speak Up policy Version 9.0	POL-BSFF-107-0000081
8.	POL00447944	Ernst & Young Speak Up ('Whistleblowing') function assessment 26 April 2024	POL-BSFF-107-0000028

9.	POL00363154	Simmons & Simmons Review of the Governance Relevant to Post Office Limited's Senior Executive Remuneration	POL00363154
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