

Witness name: Simon Geoffrey Oldnall

Statement No: WITN03680300

Dated: 2 September 2024

## POST OFFICE HORIZON IT INQUIRY

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### THIRD WITNESS STATEMENT OF SIMON GEOFFREY OLDNALL ON BEHALF OF POST OFFICE LIMITED IN THE POST OFFICE HORIZON IT INQUIRY

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I, *SIMON GEOFFREY OLDNALL*, of 100 Wood Street, London, EC2V 7ER, say as follows:

#### **Introduction**

1. I am the Branch Technology Director at Post Office Limited (“**Post Office**”). I have been employed by Post Office since September 2020 in this role. This is my third witness statement to the Post Office Horizon IT Inquiry (“**the Inquiry**.”). I have an LLB(Hons) degree in Law, an MBA in Business Administration (with an emphasis on public sector management). I also hold a Master’s Degree in Crime Deviance and Social Policy. I joined Post Office in September 2020, prior to this I was employed for 20 years by a number of consultancy and technology companies, primarily focussed on the delivery of technology enabled change programmes in

the UK and overseas. Before then, I spent 10 years in the UK civil service working for the DWP, its predecessors and related agencies.

2. Within my consulting experience I have worked both advising clients on optimal approaches to IT supply arrangements and supporting operating models as well as providing IT delivery services to a range of clients in the UK and overseas. I have also, over the last thirty years, obtained additional professional certifications in relation to other areas such as coaching and agile project management which have further developed my skills in relation to IT and technology delivery.

3. In my role as Branch Technology Director, I am responsible for:

- a) managing the Post Office Branch Technology team and working with third party suppliers involved in the Horizon IT system and other related branch technologies ("**Horizon**")<sup>1</sup>. The team is comprised of various sub-teams which focus on different aspects of the Horizon IT System (including Postmaster Experience, Commercial Management, Quality Assurance, Horizon Live Services, Remediation and Change as well as Security, Risk & Investigations).
- b) Providing senior sponsorship of the delivery of a number of Branch Technology transformation programmes.
- c) Embedding and ensuring changes following the GLO litigation to ensure that Post Office IT takes steps to ensure issues identified in the Horizon Issues Judgment ("**HIJ**") are sustained in the Post Office IT organisation.

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<sup>1</sup> These third party suppliers are Fujitsu Services Ltd, DXC, Accenture and Worldline.

d) supporting the Post Office Group Chief Transformation Officer (“CTrO”) and forming part of both the Post Office and Post Office Technology Leadership team.

4. This witness statement has been prepared in response to Questions 47 and 48 of the 58<sup>th</sup> request and the 60<sup>th</sup> request made to Post Office by the Inquiry pursuant to Rule 9 of the Inquiry Rules 2006 (“R9(58) and R9(60)”).
5. I have sought to include within this witness statement evidence relating to matters or issues detailed in the Rule 9 requests insofar as the relevant facts are within my own knowledge.
6. The facts in this witness statement are true, complete and accurate to the best of my knowledge and belief.
7. Questions 47 and 48 of R9(58) and Question 4 of R9(60) sought evidence in relation to some matters and issues that are not within my knowledge. Therefore, as was the case in my second witness statement, where my knowledge has been informed by another person or by documents that I have reviewed for the purposes of preparing this statement, I will specifically acknowledge the identity of the individual concerned or the nature of the documents.

**R9(58)**

**Steps taken by the Post Office prior to September 2020 in relation to the testing, monitoring, management, rectification of BEDs and the impact on branch accounts following the HIJ**

8. In paragraph 403 of my second witness statement, I explained that I joined Post Office in September 2020. I went on to state that;

*“Before this date, I am not aware of any coordinated effort to systematically implement a series of improvements or changes in relation to the areas covered in this question.”<sup>2</sup>*

9. In Questions 47 and 48 of R9(58), the Inquiry asked Post Office to explain why changes were only initiated or implemented in relation to the levels of testing, monitoring, compliance and reporting on bugs, errors and defects (“BEDs”), other network and system failures or the impact of those events on branch accounts, and the management, rectification and recording of BEDs in September 2020 and not in the nine months before that which followed the HIJ.
10. I have spoken with the then Head of IT Service (Retail), who has explained to me that, in June 2019, he and the then Post Office Business Horizon Owner created a process for the management of what were then current new open BEDs within the Horizon system and how Fujitsu was progressing to resolve these. At the time, this was a Fujitsu led meeting. This included a weekly review with Fujitsu on current BEDs which were all logged in Microsoft Dynamics which is a case management system used in Post Office for a variety of services and is primarily used within the Branch Support Centre. At the time of the HIJ in December 2019, the weekly reviews that I have referred to above had generated a number of fixes that needed to be released but there was no dedicated, consistent or centrally funded release process for those fixes into the Horizon system.
11. In April 2020, I understand that the then Head of IT Service (Retail), following discussions with the then Chief Information Officer, Jeff Smyth, also sought further details of the historical BEDs within the Horizon system to commence the process of validating that they could not continue to cause an issue within the current

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<sup>2</sup> WITN03680200 - paragraph 403

version of Horizon. It was subsequently established, following my appointment, during the first stage of the Remediation Programme, that these BEDs had not been replicated in the current version of Horizon. I have provided further detail about the associated analysis exercise and its results in my second witness statement.<sup>3</sup>

12. In the same month, the Horizon Improvements programme was set up and led by Post Office's then Head of Planning and Coordination. The focus of the programme was to review improvements and fixes required in relation to the Horizon system. In May 2020, a request for funding was raised to allow for the creation of specific BED fix releases. The first of these releases, which also occurred in May 2020 and was known as 7.20, included fixes for seven existing defects.

13. I have reviewed email correspondence between the then Head of Planning and Coordination and the then Head of IT Service (Retail) from early June 2020 to which was attached the PEAK and KEL Process Document (which was dated 12 June 2020).<sup>4</sup>

14. The process was an earlier version of the Defect Management Process that I introduced and have discussed at length in my second witness statement.<sup>5</sup>

15. That email correspondence also explained that new entries had been entered into the Branch Support Centre system Microsoft Dynamics for each BED that had been raised since the new process was established.

16. I have reviewed email correspondence between the then Chief Information Officer, Jeff Smyth, and senior members of his team from August 2020 which followed the appointment of the Director of Historical Matters, Declan Salter, within the Post

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<sup>3</sup> WITN03680200 - paragraphs 426-428

<sup>4</sup> POL00447749, PEAK and KEL Process Document, V1, June 2020

<sup>5</sup> WITN03680200 – paragraphs 429-440

Office in August 2020. An overview pack was provided to Mr Salter which included a process map<sup>6</sup>.

17. It is my understanding that efforts had been put in train, from the spring of 2020 onwards, by the then Chief Information Officer, Jeff Smyth, to commence a procurement exercise to appoint a third-party audit supplier to:

- a) review the findings of the HIJ in relation to the matters detailed above in paragraph 9; and
- b) make associated recommendations to Post Office as to how to address those findings.

18. The then Chief Information Officer has since left Post Office. However, in preparing this statement, I have spoken with Post Office's Director of Procurement, Liam Carroll, and reviewed material provided to me by him in relation to the procurement exercise and the steps that were taken pursuant to that exercise before my appointment.

19. I have reviewed email correspondence from July 2020 which shows that, following the Common Issues Judgment ("CIJ") and HIJ, Post Office was setting up a forensic investigation team within its IT function to support the response to the CIJ and HIJ findings. However, whilst that recruitment exercise was being carried out, Post Office decided to instruct an external consultancy firm to begin carrying out the associated audit work.<sup>7</sup>

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<sup>6</sup> POL00281901, Peak and KEL Process Swimlanes Process Map  
<sup>7</sup> POL00447755, Email thread between Tony Jowett, Mark Underwood, Liam Carroll, Rodric Williams, Graham Hemingway, Barbara Brannon, Ben Foat and Kenneth Garvey re Computer Forensics and Digital Investigations – Background for Info, 15 July 2020

20. It is my understanding that the procurement exercise to instruct external consultants was progressed quite quickly and, by the end of July, the firm BDO had been successful in the tender process.<sup>8</sup>

21. Thereafter, in August 2020, the scope of and funding of the audit work to be carried out by BDO was further defined. It was recognised that Post Office, at that stage, had “...a *basic forensics and investigations capability*” which needed to be scaled up to respond to the HIJ and CIJ findings. I have reviewed email correspondence from that period which refers to the scope of the engagement as being for nine months for three key deliverables with defined associated funding. These were as follows:

- a) *“Horizon Audit capped T & M - £230,000*
- b) *Operating Model capped T & M - £30,000*
- c) *Training plan capped T & M - £30,000.”<sup>9</sup>*

22. Following the appointment of BDO, there were, by September 2020, concerns regarding their engagement with and delivery pursuant to their contract.<sup>10</sup>

23. I commenced my role as Horizon IT Director on 16 September 2020. Shortly thereafter, the previous Head of IT Service (Retail) joined my team as Head of the Horizon Live Service. On my arrival into post, I was made aware of the engagement to date with BDO. I have, for the purposes of preparing this statement, reviewed correspondence that I had with BDO. That correspondence sets out how I sought

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<sup>8</sup> POL00447756, Email thread between Liam Carroll, Jeff Smyth, Tony Jowett, Angus McDonald and Mark Underwood re Computer Forensics and Digital Investigations, 30 July 2020

<sup>9</sup> POL00447757, Email thread between Liam Carroll, Jeff Smyth, Tony Jowett, Angus McDonald and Mark Underwood re Consultancy Approval- Computer Forensics and Digital Investigations, 24 August 2020

<sup>10</sup> POL00447759, Email thread re Audit Plan, 16 September 2020

to ensure that key issues that were raised in the HIJ, namely historic KELs and remote access to the Horizon system by Fujitsu, were prioritised within BDO's audit work.<sup>11</sup>

24. Following early engagement with Post Office and Fujitsu to discuss the approach and outputs of their work, BDO elected to withdraw from the work. As a result, a procurement exercise was undertaken and KPMG LLP ("KPMG") was subsequently appointed to take this work forward.

25. In paragraph 364 of my second witness statement, I explained that KPMG prepared a draft setting out their findings in December 2020. I went on to state that;  
*"Amongst other matters, this audit noted that there had been no progress in relation to privilege or elevated access controls within the Horizon environment beyond the basis user enablement and access. It was also stated that Post Office used limited controls around remote access".*<sup>12</sup>

**R9(60)**

**Question 3(a)**

**How Post Office ensures effective management of POL's present IT suppliers, including in respect of Horizon**

26. Post Office engages with a large number of IT suppliers across its business operations, but I have focused this part of my response to R9(60) on Fujitsu, as

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<sup>11</sup> POL00447760, Email thread between Simon Oldnall and Liam Carroll regarding Fujitsu, 28 September 2020

<sup>12</sup> WITN03680200 - paragraph 364



the supplier whose work is of particular relevance to the Inquiry's Terms of Reference.

27. In the HIJ, Mr Justice Fraser expressed significant concerns about the extent to which Post Office was reliant on Fujitsu for the management of Horizon. Specifically, he found that Post Office had limited control and oversight over the day to day running of the system. As a result, since the HIJ, Post Office have made changes to the way that its engagement with Fujitsu is managed so that Post Office is in a better position to monitor whether Fujitsu is complying with its contractual obligations, as I set out in my second statement. Some of this is operational, for example around enhanced testing and defect management which has reduced Post Office's dependency on Fujitsu in respect of the identification and rectification of BEDs.<sup>13</sup>

28. Post Office have also taken steps to develop a Horizon monitoring and alerting capacity that is independent of Fujitsu. Post Office have introduced the App Dynamics tooling to approximately 5,000 counters in the estate to monitor the performance of the Horizon system. It yields a representative sample of network performance statistics, transaction processing speed and the interactions between the counters in branch and the Horizon Data Centre. It allows Post Office to be alerted to more widespread issues before they impact branches or potentially cause discrepancies.<sup>14</sup>

29. In May 2015, Post Office entered into a contract with Verizon to take on the management, and review Fujitsu's provision, of the network that the Horizon system uses to communicate with Post Office branches. As a result, any network

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<sup>13</sup> WITN03680200 – paragraphs 465-481

<sup>14</sup> WITN03680200 – paragraph 402(b)

failures are now picked up through Verizon. These processes allow Post Office to be informed of these issues independently of Fujitsu.

30. Fundamentally, however, Post Office remains in a contractual relationship with Fujitsu which to a large extent governs the nature of its engagement. In some respects that relationship has limited Post Office's ability to mitigate its reliance on Fujitsu.

31. I propose to illustrate the practical implications of this by reference to two relatively recent attempts by Post Office to test aspects of the system within Fujitsu's control. As part of its Horizon Issues Remediation Programme (which I will discuss in more detail below) I asked my colleagues in Post Office's Internal Audit department to carry out reviews of particular aspects of Horizon which have been problematic in the past. Internal Audit opted to co-source this work with Deloitte, which means that Deloitte personnel carried out the review on behalf of Post Office.

32. In the first example, Internal Audit asked Deloitte to carry out a review of Privileged Access Management ("**PAM**") in a small sample of Post Office branches to review aspects of privileged<sup>15</sup> and remote access<sup>16</sup> rights to Horizon. The report was intended to cover different types of access, including:

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<sup>15</sup> Privileged access allows a restricted number of specialist support staff to make approved changes to the Production environment. The use of these elevated levels of access are documented as part of Change Control and require Post Office approval. Privileged Access is comprised of three key elements: (i) The processes around Privileged Access user account creation, routine validation, and revocation; and (ii) The tools and processes implemented to enable Privileged Access user activity monitoring; (iii) The level of visibility and impact for Post Office and Postmasters when Privileged Access activities are undertaken.

<sup>16</sup> Remote access allows an operator to perform actions on the system that they are remotely connected to. These actions are restricted to the permissions that are granted as a remote user.

- a) Fujitsu managed privileged remote access and associated transactional integrity; and
- b) In-branch use of Smart IDs by Postmasters and their staff, and Post Office and third- party partners' use of Global IDs.

33. The report was received in May 2024 (“**the IA / Deloitte PAM Report**”).<sup>17</sup> It caused considerable concern within Post Office because it reported that Fujitsu failed to cooperate with the audit and provide Deloitte (and therefore Post Office) with Horizon access to assess efficacy of privileged roles and profiles, as follows:

*“Due to a lack of cooperation provided to the fieldwork team by Fujitsu, who are responsible for managing privileged access to key components of HNG-A, several intended scope elements could not be completed. Specifically, Objective 1 of the audit (to assess the effectiveness of privileged access controls over the HNG-A system) could not be achieved. Further, whilst the scope included a set of analytics related to validating TI across a six-month dataset, this work could not be completed as a result (Objective 2: to understand and report on counter transaction success rates and reasons for transactional failure through analytical review of transaction metadata).”*<sup>18</sup>

34. In the second example, Internal Assurance co-sourced from Deloitte a review of Reference Data systems. This was completed in June 2024 (“**the IA / Deloitte Reference Data Report**”). Part of this report's conclusions were that:

*“... Further, controls operated by [Fujitsu] have not been assessed ... Due to a lack of cooperation provided by Fujitsu stakeholders during fieldwork, several*

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<sup>17</sup> POL00448344, Internal Audit Report: HNG-A: Privileged Access Management, 8 May 2024

<sup>18</sup> POL00448344, Internal Audit Report: HNG-A: Privileged Access Management, 8 May 2024

*intended in scope work items ... could not be suitably performed, and therefore the overall audit rating is "N/A – No Rating".*<sup>19</sup>

35. In the IA / Deloitte PAM Report, the assessors reported that Fujitsu rely on the fact that their contractual obligations do not extend to cooperating with such testing.<sup>20</sup>
36. Clearly, Post Office continues to face significant challenges in this area. It is deeply frustrating to me and to my colleagues at Post Office that in circumstances where Post Office relies on Fujitsu's attestations, Fujitsu appear to be reluctant or unwilling to facilitate testing on behalf of Post Office.
37. As I explained in my second witness statement, one aspect of Post Office's regular monitoring of Fujitsu's contractual compliance is carried out through the annual Ernst and Young audit of Fujitsu operations, which includes the process and governance surrounding privileged access management.<sup>21</sup> Discussions were had with Fujitsu to expand the scope of that audit for this year, to take into account some of the matters that ought to have been covered by the IA / Deloitte PAM Report. It will remain the case however that aspects of that audit will be dependent on Fujitsu's own assurances, rather than having been the subject of external testing.
38. Post Office is presently seeking to negotiate the extension of Horizon beyond 2025 with Fujitsu. I understand that colleagues in Post Office will be looking, through those negotiations, to address some of the concerns about the Post Office's ability to subject Fujitsu's services to auditing and testing where necessary.

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<sup>19</sup> POL00448330, Draft Internal Audit Report: HNG-A: Reference Data Report, February 2024. A final version of the report has not yet been approved.

<sup>20</sup> POL00448344, Internal Audit Report: HNG-A: Privileged Access Management, 8 May 2024, Page 3: *"This piece of work did not map to a specific contractual obligation between FJ & POL and was not pursued owing to FJ lack of willingness to engage in anything which wasn't explicitly mapped to the contract."*

<sup>21</sup> WITN03680200 – paragraph 500

39. I would wish to add on the topic of the IA / Deloitte PAM Report and the IA / Deloitte Reference Data Report that I consider, on reflection, that I ought to have included reference to these documents in my second witness statement, because they do properly form part of Post Office's means of monitoring Fujitsu's contractual compliance with certain of its obligations. I regret not having done so and can only say that this was an oversight, for which I apologise.

**Questions 3(b), (c) and (4)- How the Post Office has endeavoured to improve Postmasters' user experience in relation to the Horizon system and how it is seeking to ensure that the IT issues of the past are not repeated.**

40. I have, due to the crossovers and links between the responses to Questions 3(b), 3(c) and 4 of R9(60), and to avoid unnecessary duplication, provided one amalgamated response to all three questions.

41. Post Office has undertaken a detailed and rigorous programme of work to remediate the issues with Horizon identified in the HIJ. In doing so, Post Office has sought to address the issues of the past in so far as the Horizon system is concerned and rebuild Postmaster trust.

42. Post Office has met (and will continue to endeavour to meet) these priorities through:

- a) The Horizon Issues Remediation Programme (which I discussed in my second witness statement and will detail further below);
- b) Ongoing work to improve and invest in the Horizon system;
- c) The replacement of Horizon with a new in-branch core trading platform, through the Strategic Platform Modernisation Programme ("SPMP");

### **The Horizon Issues Remediation Programme**

43. Shortly after the HIJ, Post Office instigated a scheme of work to thematically address all 15 of the findings from the HIJ.<sup>22</sup> Internally this is referred to as the Horizon Issues Remediation Programme ("**the Remediation Programme**").
44. When I was appointed in September 2020, my primary responsibility was to manage the programme, and to build a team to organise and implement the technical changes required to be made to Horizon to ensure that the findings were addressed.

### ***Post-HIJ Review of Horizon and Strategy for Remediation***

45. Practical work under the Horizon Issues Remediation Programme commenced in late 2020. In what later came to be considered 'Phase 1' of the Remediation Programme, Post Office instigated a 'fast fix' programme to prioritise critical items and aspects of work that could be undertaken quickly. I set out some components of this work in more detail below, but for example, Post Office rolled out a pilot for a new Postmaster dispute mechanism with improved end to end investigation processes. In consultation with Fujitsu, 62 historical defects were resolved and the Update Horizon Technology Team designed a new process to manage current defects (which I detail further below). An Internal Audit of Phase 1 work in June 2021 reported that there had been:

*"...measurable improvements in Horizon processes, controls and oversight, including more robust management of KELS (Known Error Logs), enhanced*

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<sup>22</sup> WITN03680200 -Paragraphs 404-405

*testing and oversight of system and data changes, more secure and transparent Horizon application support, and laying the groundwork for enhanced Postmaster communications and programme management.”<sup>23</sup>*

46. Alongside this, as detailed above, in October 2020 Post Office engaged KPMG to provide an independent assessment of the progress Post Office had made to address Horizon issues and to make recommendations against its observations, partly with a view ultimately to assisting Post Office to report on this work to the Inquiry (“**the KPMG Report**”).<sup>24</sup>

47. The final version of the KPMG Report was provided in June 2021, based on observations conducted between October 2020 and April 2021. Unfortunately, the report took longer than anticipated to deliver, which KPMG explained was on the grounds that Fujitsu’s cooperation in this process was not straightforward. The report explains that, “... *due to delays as we waited for Fujitsu to provide input in the form of written responses to our questions*”.<sup>25</sup> To summarise, KPMG’s conclusions were:

- a) That Post Office had already made some improvements in Horizon in response to the HIJ (those changes were set out at paragraph 2.2 of the KPMG Report and I set some of them out later in this statement against the relevant thematic issue).
- b) That significant remediation was still required, the scale of which would be extensive. KPMG made 72 specific observations around eight themes of

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<sup>23</sup> POL00031790, Internal Audit Report: HIJ Phase 1 Validation, 7 July 2021

<sup>24</sup> POL00030396, ‘Horizon Report / Report on the progress made to address six areas derived from HIJ Findings’, KPMG LLP, June 2021, V4.2, Page 7

<sup>25</sup> POL00030396, ‘Horizon Report / Report on the progress made to address six areas derived from HIJ Findings’, KPMG LLP, June 2021, V4.2, Page 9 and 12

Governance, Processes, Capability, Culture and Conduct, Data, Systems, Supplier and performance management and Technology.<sup>26</sup> Six associated control areas were identified which KPMG felt needed to be addressed in order to facilitate sustained improvement and management pending the move to a new IT platform.

- c) That Post Office needed, beyond the six issues identified, to address “a *series of more Foundational issues*”.<sup>27</sup> These included that the established organisational design and culture within the Post Office, and the way in which process and risk were managed resulted in governance and process gaps which means Post Office could not demonstrate consistent management of Postmaster interests. Further, that the outsourcing of services to third parties resulted in an assumed delegation of accountability by Post Office role holders, and individuals had been primarily concerned with their own area of responsibility with insufficient collaboration or questioning of others.<sup>28</sup>

48. Post Office accepted these observations and committed to addressing them, through both the Remediation Programme described in this statement and through wider work carried out within Post Office in relation to Postmaster experiences and Post Office culture which I understand my colleague has addressed in another statement.<sup>29</sup>

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<sup>26</sup> POL00030396, ‘Horizon Report / Report on the progress made to address six areas derived from HIJ Findings’, KPMG LLP, June 2021, V4.2, Page 10 and 21

<sup>27</sup> POL00030396, ‘Horizon Report / Report on the progress made to address six areas derived from HIJ Findings’, KPMG LLP, June 2021, V4.2, Page 9 and 15

<sup>28</sup> POL00030396, ‘Horizon Report / Report on the progress made to address six areas derived from HIJ Findings’, KPMG LLP, June 2021, V4.2, Pages 21-22

<sup>29</sup> WITN00760100, First Witness Statement of Nicholas Read on behalf of Post Office Limited in the Post Office Horizon IT Inquiry



49. KPMG noted that Post Office's plan of work had support from the Group Executive and emphasised that this would need to be sustained for the length of remediation,<sup>30</sup> and recommended an oversight board was established to coordinate and govern the remediation programme. Post Office therefore brought the Remediation Programme under the governance and monitoring of the Improvement Delivery Group.

50. After the receipt of the KPMG Report in June 2021 two further phases of work were rolled out over the subsequent 24 months.<sup>31</sup> Phase 2 delivered changes across three main workstreams:

- a) system and data improvements - by early 2022<sup>32</sup> there had been system and data improvements concerning 148 user and data journey maps, which means there is now a clearer set of instructions about the sequence that transactions follow and what happens to the data created from each such transition, minimising the possibility for confusion and error;
- b) demand, change and release processes - Post Office worked with Fujitsu to remove multiple redundant Horizon buttons, implemented updated process flows for ideation, demand, release and change, and piloted a new ServiceNow Demand management system to manage Horizon change, implementing 200 new IT controls through this. In simple terms, what this means is that there are now more checks to ensure that changes made to the system follow each of the steps that they are supposed to, which makes

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<sup>30</sup> *POL00030396*, 'Horizon Report / Report on the progress made to address six areas derived from HIJ Findings', KPMG LLP, June 2021, V4.2, Page 16

<sup>31</sup> *POL00030396*, 'Horizon Report / Report on the progress made to address six areas derived from HIJ Findings', KPMG LLP, June 2021, V4.2, Appendix 2

<sup>32</sup> *POL00448335*, Post Office Limited Board Report: IDG Update, 12 July 2022

the system more reliable and less prone to error. Post Office also enhanced testing to support the new defect management process designed in Phase 1 and agreed remote access reporting requirements and security incident event management with Fujitsu;

- c) investigations processes and data - Post Office developed standardised reports for use in all investigations, an investigations dashboard, and investigations case management tools.<sup>33</sup>

51. In Phase 3, from about mid-2022, Post Office was in a position to address difficult issues which required greater investment or third-party engagement and to embed and sustain the changes made in Phases 1 and 2. In particular, it was intended that Post Office would design and launch new applications, 'Branch Hub on Horizon' and 'Branch Reporting Suite' to make reporting data available for self-service, ensure a 'least Privileged Access Management model' was in place, and commission an externally-led audit of Fujitsu concentrating on Privileged Access Management/Remote Access Management.

52. These have been the most challenging aspects of the Remediation Programme and Post Office have not succeeded in implementing all of them. Perhaps the most significant was the failure of Post Office to execute its 2020 plan to extract the part of Horizon that resided at the Fujitsu Belfast Data Centre and place it in a Post Office-owned Amazon Web Services structure. Post Office intended through this to obtain control over and unimpeded access to the data that Horizon produced. That strategy came to be referred to within Post Office as 'the Belfast Exit Programme'. One of the benefits of this Programme was that it should enable Post

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<sup>33</sup> WITN11190200 - Second Witness Statement of John Bartlett on behalf of Post Office Limited in the Post Office Horizon IT Inquiry

Office to make that data more readily available to Postmasters in turn through the 'Branch Reporting Suite' counter-top application that Post Office intended to develop. Ultimately however, the cost and technical complexity of this project proved prohibitive, and in September 2023 the Board accepted a recommendation from the Horizon Remediation Programme Phase 3 SteerCo that the Branch Reporting Suite work would need to be paused indefinitely. At this stage, the estimated costs of its delivery were £3,042,100.

53. Many improvements however have been successfully delivered by the Remediation Programme and an Internal Audit report on 17 January 2024 found that of 100 tasks that were promised, 73 had been delivered, four were in progress, seven were paused and 16 had been re-scoped. The Remediation Programme closed at the end of the financial year 2024, and outstanding work to improve Horizon continues to be managed through discrete projects or 'business as usual' functions, overseen by the Horizon System Improvement SteerCo and subject to the approval of the Horizon Solution Authority.

#### ***Thematic review of Horizon Remediation***

54. Mr Justice Fraser's 15 findings about Horizon can be grouped against five major themes:<sup>34</sup>

<b>Theme</b>	<b>Finding of Fraser J</b>
Management of <u>Horizon Defects</u>	1 - Defects caused apparent or alleged discrepancies or shortfalls relating to Sub Postmasters branch accounts or transactions

<sup>34</sup> WITN03680200, paragraphs 405-406

	<p>2 - Sub Postmasters were not informed about identified defects. Some defects were not identified by automatic system check and as a result, lay undiscovered for years</p> <p>3 - Legacy Horizon and HNG-X were not remotely robust, as identified by the number of defects found</p>
<p>Management of <u>Core Horizon Data</u></p>	<p>4 - Data errors, arising from data entry, transfer or processing in both legacy Horizon and HNG-X led to financial discrepancies. Errors in reference data, and 3<sup>rd</sup> party data contributed to discrepancies in branch accounts</p> <p>5 - Transaction data reconciliation with 3<sup>rd</sup> party data leading to manual corrective fixes and transactional corrections</p> <p>6 - Legacy Horizon and HNG-X measures and controls did not prevent, identify or report or reduce a) data entry errors b) data packet or system level errors c) software coding errors or bugs d) transmission, replication and storage of transactional record data errors e) data stored in the central data centre not being an accurate record of transactions on branch terminal</p>
<p>Management of Privileged and</p>	<p>7 - Remote access by POL and 3<sup>rd</sup> parties</p>

<p><u>Remote Access to Branch Accounts</u></p>	<p>10 – Fujitsu access to and editing transactions / branch accounts for Sub Postmasters</p> <p>11 – Permissions Controls upon the use of the remote access facility were considered inadequate</p> <p>12 – How often was the remote and privileged access facility used by Post Office and Fujitsu</p> <p>13 - Appsup privileged access rights were very wide and had the potential to affect the reliability of Sub Postmaster branch accounts</p>
<p><u>Management of Discrepancies and Shortfalls</u></p>	<p>9 - Sub Postmaster access to information and transparency over the Investigations process</p> <p>14 - Ability for Sub Postmaster to dispute a discrepancy via Horizon</p> <p>15 - Over 100,000 Transaction Corrections issued since 2006; Post Office does not have comprehensive records on how many have been challenged. TCs used to correct branch accounts with no opportunity to challenge</p>
<p><u>Reliance on Fujitsu to Identify Defects and</u></p>	<p>8 - Availability of information to Post Office and reliance on 3<sup>rd</sup> parties</p>

Causes of Shortfalls in Branch Accounts	
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55. In this section of my statement, I describe the improvements made to the Horizon system against each of the first four of these (having dealt with the fifth, reliance on Fujitsu, as part of my answer to Question 3(a) above at paragraphs 26-39).

***Management of Horizon Defects***

56. Mr Justice Fraser found that BEDs had the potential to undermine the reliability of Horizon to accurately process and record transactions. Post Office has carried out significant remediation work in this area and a number of changes have been made.

57. Post Office established a Horizon Testing Team of 11 Post Office IT Employees whose role was to have oversight of changes made to the Horizon platform, whether made by Post Office or Fujitsu. The Horizon Testing Team's objective is thus to identify areas of functionality where the system is not working as expected or does not meet the requirements set out by Post Office. Testing occurs either at the time a change to the system is proposed or following the identification and remediation of a BED. If a BED is detected in the live Horizon system, it is reported to the IT service desk ("ITSD"). The ITSD analysts have a set of knowledge-based articles to which they can refer when BEDs are reported, and when there is a BED, this will be subject to a knowledge-based article. The ITSD can then refer to the article in the event that a problem associated with the BED is raised to them. The BED is then managed through the Defect Management Process which I described

in my second statement.<sup>35</sup> Through these means, Post Office have established governance to proactively track and resolve Horizon defects, with the process now led and owned by Post Office.

58. In Phase 1 of the Remediation Programme, the Testing Team examined the status of historic BEDs that were specifically referred to in the HIJ findings. Fujitsu were asked to provide a report which enabled Post Office to analyse these BEDs. Post Office then arranged and led workshop sessions with Fujitsu staff to understand the status of the BEDs within the Horizon system. The analysis determined that:

- a) Out of 63 known errors, 46 could be closed as the core system and functionality had extensively changed since the errors were raised and therefore the specific problems would not occur again;
- b) Of the remaining 17 errors, Post Office and Fujitsu determined that three had been resolved and 14 required re-testing to validate whether or not they still existed in the platform;
- c) 3 of those 14 errors were the subject of reports made by Postmasters which had insufficient technical information to determine the cause, so no further action could be taken.

59. Testing of the remaining 11 errors was successfully completed by Post Office, confirming these to have been fixed and no longer prevalent in Horizon. Post Office can therefore be confident that all 62 historical defects referenced in the HIJ have been fully re-tested to ensure they are not present in the current version of Horizon.

60. Through the processes that I have described above, Post Office now has systems for the formal identification, categorisation and remediation of BEDs, which ought

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<sup>35</sup> WITN03680200 – paragraph 402(c)

to prevent the sorts of problems that had the potential to arise in the past from doing so now and in the future. These changes ensure Post Office is proactively identifying and resolving Horizon defects at an early stage and therefore reducing any impact on Postmaster branch operations. New testing identifies on average four new defects each month before these reach the live production environment.

### ***Privileged and Remote Access***

61. The HIJ identified that a problem from the past was Post Office's lack of oversight over Fujitsu's use of privileged and remote access rights. A number of changes have since been made to improve Post Office's ability to monitor Fujitsu's compliance with its contractual obligations to maintain a secure system, several of which were detailed in my second statement.<sup>36</sup> For example:

- a) Post Office have implemented a revised process for the use of elevated or privileged access, with a greater emphasis on Postmaster communication. Any Fujitsu remote access needs pre-approval from senior Fujitsu management, Post Office's Horizon IT and Retail Operations teams and also requires the involvement of the relevant Postmaster, who is informed of the reason for the access sought in every instance.<sup>37</sup>
- b) Horizon Privileged Account Reporting provides details of when a privileged account is used, with date stamps. The access is tied to a unique username so can be tracked and traced.<sup>38</sup>

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<sup>36</sup> WITN03680200 – paragraphs 465–481

<sup>37</sup> WITN03680200 – paragraph 492

<sup>38</sup> WITN03680200 – paragraph 487



- c) Weekly, date stamped reporting of remote connections made to a Horizon counter allows Post Office to identify why and when remote access is made to establish any common patterns of activity.<sup>39</sup>
- d) Monthly reporting on any failed log-in attempted by Fujitsu staff allows Post Office to identify any potentially suspicious activity.<sup>40</sup>
- e) Post Office have implemented over 200 IT controls into our Control framework, which are managed and audited via the ServiceNow enabled Controls process.<sup>41</sup>
- f) Any remote access is also retrospectively analysed by the Post Office Horizon Technology Risk and Security Team to ensure that all approval steps were followed.<sup>42</sup>
- g) Finally, as part of the Horizon Issues Remediation Programme, the IT Team schedule weekly meetings to ensure that operational discussions can take place between Post Office IT specialists and Fujitsu. The meetings allow the team to track Fujitsu's progress on a weekly basis and look at overall performance in relation to the relevant contractual obligations. Any matters discussed at these weekly meetings are fed back into the general monthly meetings.<sup>43</sup>

62. These measures are being subjected to internal scrutiny to ensure that they are held to high standards. For example, Internal Audit provided a review of the resulting IT Control Framework on 14 March 2023<sup>44</sup> which identified considerable

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<sup>39</sup> WITN03680200 – paragraph 487

<sup>40</sup> WITN03680200 – paragraph 487

<sup>41</sup> WITN03680200- paragraphs 429(a), 448, 449 and 440.

<sup>42</sup> WITN03680200 – paragraph 492

<sup>43</sup> WITN03680200 – paragraph 474

<sup>44</sup> POL00448324, Internal Audit Report: IT Control Framework, 14 March 2023

work that was required to enhance the framework and address control gaps, resulting in a rating of *'Needs Improvement'*. Any identified actions were completed in accordance with the recommendations detailed in the report, as none now remain outstanding.

63. As I described at paragraph 32 above, a similar Internal Audit report was conducted in respect of Privileged Access Management – the IA / Deloitte PAM Report. I set out above how Post Office are responding to the problem about the lack of cooperation from Fujitsu in assessing the effectiveness of its privileged access controls over the Horizon system. I now deal with the substantive findings on the aspects of scope that its authors were able to report on.

64. The IA / Deloitte PAM Report had six main findings. On receipt of these I had discussions with the authors of the report at Deloitte in order to properly understand them. I also tabled them at the Audit, Risk and Compliance Committee (“**ARC**”) meeting in May 2024 and agreed to report at the next Committee meeting how these findings should be interpreted in the context of Post Office’s work in the Horizon Remediation Programme. As I reported to the ARC in July 2024, my view and understanding of the report’s findings is as follows.

65. Several of the report’s main findings and criticisms relate to branch-level privileged access (Global and Smart IDs), which is different from historical concerns about transaction integrity potentially being affected by remote access that were the focus of criticism in the HIJ. The findings of the report in this respect relate to:

- a) Absence of regular policy updates and associated change management,
- b) Smart ID branch-level privileged access control limitations,
- c) Global ID cross-branch access management deviations; and

d) Poor timelines of ongoing and compliance with privileged access review and associated maintenance activities.

66. There are two important findings that relate to the sort of remote access considered in the HIJ.

67. First, the report highlighted gaps in the way that Fujitsu reports to Post Office about its use of the APPSUP account. It was found that:

*“Details of the activity performed by users whilst having access to this account are not reported”, “no first-line assurance mechanisms operate to validate the completeness and accuracy of the reporting” and “report parameters are not provided to POL, with reporting pre-formatted by Fujitsu into a standardised template.”<sup>45</sup>*

68. I accept that this finding calls into question the adequacy of the some of the improvements made as part of HIJ remediation to Fujitsu’s reporting on the use of privileged access that I have set out above. The recommendations were that I should engage Fujitsu to improve on its APPSUP account usage reporting and configure regular reporting on overuse of such access rights. I agree that this needs to be progressed. Post Office is therefore looking to make the necessary enhancements and is currently discussing these with Fujitsu.

69. Second, the report found because of insufficient branch-level privileged access management, *“system managed [Transaction Acceptance (“TA”) and Transaction Correction (“TC”)] approvals cannot be relied upon”*. This is a potentially troubling finding and I am working to verify it, because the impact on branch accounts of any misuse of branch-level access ought to be nought or very limited in light of the

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<sup>45</sup> POL00448344, Internal Audit Report: HNG-A: Privileged Access Management, 8 May 2024

limited functionality available to users with a Global ID (which is the privileged access referred to in this finding). I am in discussions with the report's authors about the basis of their finding and the evidence used to reach this finding. Once that is clear, the problem can then be diagnosed and addressed.

70. I also accept the criticisms made in the report about the sample size of 15 'friendly' branches that was used in the fieldwork that underpinned the report. These branches were chosen because it is our experience that they are willing to participate and are responsive to such auditing and testing work. I recognise this means the findings of the report are somewhat limited and, in future, will look to commission similar work across a much wider and more representative sample of branches.

71. Whilst the report makes for concerning reading in several respects, I would emphasise that it was commissioned in order that weaknesses around Privileged Access Management could be identified and rectified. I welcome its rigour and the opportunity to make the corrections to Post Office's processes we now know are required. This is an iterative and challenging process that enables Post Office to be confident that, on an ongoing basis, we are looking for and taking steps to resolve problems rather than waiting for them to manifest.

### ***Reference and Third-Party Data***

72. The Horizon system is underpinned by a database that interfaces with branch counter terminals. That database includes tables of Reference and Third-Party Data, which can be updated centrally by Post Office (and by Fujitsu on Post Office's behalf) subject to Reference Data Management Processes. Reference data

includes for example the text that is shown in message and dialogue boxes or the prices of Horizon Products.

73. Following the HIJ, it was clear that Post Office needed to make improvements to those Reference Data Management Processes to mitigate the risk that flaws in those processes could contribute to errors and discrepancies in accounting and finance data.

74. Post Office have made a number of substantial changes to Reference Data Management Processes since the HIJ:

- a) The introduction of a clear end-to-end Change Request process for both Reference Data and AP-ADC changes (which is a scripting language for the capture of information at the counter which facilitates transactions), managed by ServiceNow which provides clear accountability for sign offs for changes to the system.
- b) Transparency of request visibility enabling assurance around changes.
- c) Automation and auditability improvements through leveraging our service management tooling.

75. A separate programme of work has implemented changes to how data is transferred from and to Horizon, including:

- a) The procurement and implementation of a commercial 'off the shelf' file transfer platform; Post Office is in the process of migrating its legacy file transfer routes and will be moving more than 300 file transfer routes that service more than 1000 individual file transfers across Horizon. This work is due to complete, as I explain further below, in February 2025.

- b) The replacement of the reference data driven APOP voucher authorisation platform which provides the ability to make pay outs to, for example, energy customers.

76. Post Office are additionally in the process of designing a new audit store for Horizon which will enable the storage of audit data for all branch transactions to be within Post Office itself, for the first time. This means the process to retrieve Audit data (“ARQ”) will in future be executed by Post Office, whereas historically this has been wholly managed by Fujitsu.

77. As with Remote Access, I have sought to have this work rigorously assessed and to that end, in January 2023, I asked Post Office’s Internal Audit department to commission a review of Reference Data Management Processes for Horizon. Internal Audit co-sourced this so that it was carried out by Deloitte on similar terms to those that I have explained above in paragraph 31. This was completed in June 2024.

78. As with the IA / Deloitte PAM Report, the IA / Deloitte Reference Data Report reported a lack of cooperation from Fujitsu in some respects, which I have commented on above. In respect of the testing this report’s authors were able to carry out, the report identified two categories of control weaknesses:

- a) a lack of counter-level verification and supporting documents for sampled changes; and
- b) improvement opportunities in Reference Data process documentation.<sup>46</sup>

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<sup>46</sup> POL00448330, Draft Internal Audit Report: HNG-A: Reference Data Report, February 2024

79. I accept that Post Office have some important work to do in addressing these issues and the report shows that there has been agreement about the work that managers need to take forward. Whilst Post Office do have detailed and extensive documentation around the process for changes to Reference Data, which is both clear and well understood internally, and I am exploring how it came to be that this was not apparent during the reviewing process, I do accept that process documentation can always be improved. I am continuing to have discussions with Deloitte in this regard.

### ***Discrepancies and Shortfalls***

80. To address the findings of the HIJ in relation to these topic areas, Post Office has undertaken a programme of work to analyse and address the use and application of TCs over the last three years. I understand that this will be discussed further in the statement of Melanie Park in response to the questions posed by the Inquiry in Rule 9(58), namely Questions 41 and 42 of Section F<sup>47</sup>. A major initiative that was intended to remedy the historic problem of Postmasters' lack of access to data about transactions and branch accounts was the Branch Reporting Suite. This was originally planned for Phase 3 of the Horizon Remediation Programme. If implemented as designed, this would have provided Postmasters with a platform on their existing counter-top terminals to access transaction data themselves on demand, which would have allowed them to interrogate the records of transactions whenever they wished to do so. This would have addressed some of the other HIJ

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<sup>47</sup> WITN11600100 - First Witness Statement of Melanie Park on behalf of Post Office Limited in the Post Office Horizon IT Inquiry

findings, for example by allowing easy review on a screen of transactions thereby removing the need for the use of paper till rolls.

81. Regrettably, and despite extensive efforts, Post Office have not been able to deliver this change to Horizon. This is largely because, in order to do so, Post Office needed to extract the part of Horizon that resided at the Fujitsu Belfast Data Centre, and place it in a Post Office-owned Amazon Web Services structure which, as I describe above at paragraph 52, was unable to be successfully delivered.

82. However, I understand that Post Office's new branch IT system ("NBIT"), which I provide further information about below, will have this functionality. This is therefore an example of work to improve Horizon which, in the context of parallel plans to introduce NBIT, it has not been proportionate for Post Office to invest public funds in at this stage.

### **Ongoing Improvement work and investment**

83. Phase 3 of the Remediation Programme is now complete. The requirement for other ongoing Horizon system improvements is the subject of evaluation and will be scrutinised to see whether it is appropriate for these to be funded. If they are, they will be taken forward either through specific individual projects or through the 'business as usual' function within the Technology department.

84. Current 'business as usual' or specific projects which Post Office is engaged with that seek to address some of the problems of the past are:

- a) By February 2025, Post Office will have designed, tested and implemented a new Audit solution for Horizon enabling greater transparency on the transmission of transaction records;



- b) By February 2025, Post Office will complete the migration of over a 1000 file transfers to the new routing service;
- c) By February 2025, Post Office will replace the Horizon Audit SAN (as explained above in paragraph 84a);
- d) Continuing improvement resulting from the feedback loop created by the greater visibility of individual discrepancies to Postmasters. Post Office is now continuously considering feedback from Postmasters which results in identification of defects, which are in turn assessed and fixed through an ongoing development cycle with Fujitsu. For example, as a result of Postmaster feedback, the process of 'remming in' of stock is in the process of becoming automated. Postmasters will be able to scan a barcode and the contents of the pouch will be remitted into the branch by these means to avoid manual error. I understand that the pilot implementation is scheduled for September 2024, with a full rollout planned thereafter, which is likely to take place in 2025 and 2026.

85. This programme of work will be managed and tracked by the Horizon System Improvement SteerCo, which I chair, and which is attended by representatives from Post Office's finance, retail, commercial and legal functions.

86. In November 2023, the Horizon Technology Team ("HTT") provided a detailed self-assessment of the status of the HIJ outcomes as set by the Post Office following the internal analysis, remediation work and the associated oversight and assessment of that work that was carried out post the HIJ. I have detailed the extent of that analysis and work in paragraphs 45-82 above, and in my second witness

statement<sup>48</sup> . It was agreed by IDG 2.0 that Post Office's Group Assurance team should perform an objective desktop review based on the information and evidence supporting completion that had been provided by HTT. This review was carried out between March and July 2024. At the time of the review, whilst every effort was made to provide evidence of completion in respect of each of the 37 HIJ deliverables referred to in the report that was prepared following the review<sup>49</sup>, I recognise that there is further evidence that needs to be provided. As a result, I am working closely with the Group Assurance team to agree how best to source and present this evidence of completion going forwards. These discussions between my team and the Group Assurance team are continuing and it is my understanding that these ongoing discussions are likely to be reflected in further updated versions of the Group Assurance Team's report that I refer to and have exhibited above.

### ***The creation of a new in-branch IT platform***

87. The Strategic Platform Modernisation Programme ("**SPMP**") aims to replace Horizon with a new in-branch core trading platform, which will be known as the New Branch IT system ("**NBIT**"). The purpose of NBIT is to support the product and back-office functions that are delivered in branches. This system has been designed and is being built by Post Office taking into account extensive feedback from Postmasters.

88. I have had no personal involvement in or knowledge of SPMP. The information that is detailed below has been provided to me by Post Office's CTrO, Chris Brocklesby, with overall responsibility for NBIT.

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<sup>48</sup> WITN03680200- paragraph 404 –452.

<sup>49</sup> POL00448752 - HIJ Conformance- Group Assurance Review – 16 August 2024

89. It is my understanding that it was initially proposed that NBIT would be deployed in a manner that enabled Post Office to exit its contract with Fujitsu for the provision of Horizon support services by March 2025.
90. However, due to delays in the development and rollout of the system, the deployment of the NBIT system is now due to start in June 2026 and be completed by December 2028. I exhibit to this statement the current delivery map for the build and rollout of the NBIT system, which details the key stages in the remaining build and development processes and the associated proposed dates<sup>50</sup>. It is my understanding that this has been approved by Post Office's SteerCo, Investment Committee and the Post Office Board.
91. The system has been built on modern cloud technology. It is my understanding that the system will also be more intuitive, user-friendly and quicker to access and use and will enable Postmasters to provide a more efficient service for their customers.
92. For example, for booking in stamp stock, counts, transfers and the sale of stamps, the relevant in-branch user will no longer need to try and find a product on the system. Instead, it is my understanding that they will be able to scan a barcode which should result in fewer errors and discrepancies in branch in relation to the booking in of stock.
93. It is also my understanding that the user will be able to manage their discrepancies outside of the monthly balance process. This will be achieved by creating a separate account that can be accessed and managed at any time, allowing users more time to investigate and resolve any discrepancies in branch. All Postmaster decisions or actions in relation to discrepancies will be captured on the system

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<sup>50</sup> *POL00447899*, Strategic Platform Modernisation Programme Delivery Roadmap

which will ensure increased visibility for both the Postmaster and Post Office management.

94. It is my understanding that there is an intention to create a full, accessible audit trail for all variances identified, showing whether they relate to cash, stock or currency. This is not something that is currently available to Postmasters using the Horizon system.
95. All data that relates to balancing transactions and discrepancy data will be retained and accessible to Postmasters for a six-year period as opposed to the forty-five-day period that data currently remains available for within the Horizon system. Wider system data will also remain available for up to two years.
96. It is my understanding that there will also be no need for users to print and retain paper copies of any back-office reports or documents as the system will also allow users to download these reports.
97. The transaction log will be simplified with additional data available in a basket view, if required. It is my understanding that this will mean that it will be quicker for the in-branch users to identify particular transaction sessions and, if needed, identify any discrepancies.
98. I have also been advised that a new cash reconciliation report will provide full visibility of all cash movements in a selected time period, allowing users to compare what was expected during that period and what actually happened in branch and identify any discrepancies.
99. A dedicated Programme team has been created for SPMP within Post Office which is headed by Post Office's CTrO. In addition, it is my understanding that there is oversight and governance within Post Office of decision-making associated with the SPMP which can be summarised as follows:

- a) The Workstream Requirements Teams sit within each pillar of SPMP to define specific business requirements.
- b) The SPM demand checkpoint is a scheduled meeting which works to the following Terms of Reference:
  - i. Review all new changes/requirements for the SPM programme to deliver.
  - ii. Raise visibility of the types and number of new requirements across the SPM programme areas including standard business as usual changes.
  - iii. Process incoming requirements from multiple sources and progress to the Business Design Authority if required (see further below).
  - iv. Review open Impact Analysis and chase for an update.
  - v. Review completed Impact Analysis and confirm the outcome before submitting to the requestor.
- c) The SPMP demand checkpoint escalates decision-making to the NBIT Business Design Authority ("**BDA**") if the following criteria are met:
  - i. An item represents a significant impact to NBIT delivery (i.e. time or cost).
  - ii. It is unclear whether a particular item meets the primary objective of replacing Horizon.
  - iii. The requirement could be met by an alternative solution as exists on Horizon today.

- iv. There is a significant impact to the Postmaster by delivering a requirement/specific solution.

100. It is my understanding that it would only be decisions that significantly impact on other programmes, budgets or delivery plans within Post Office that should be escalated to the Programme Board or Steering Committee.

101. I am aware that Postmasters have been at the heart of the design and build of the NBIT system and there has and will continue to be widespread Postmaster engagement as the system continues to be developed prior to its eventual rollout.

102. It is my understanding that there have been dedicated sessions of Post Office's Horizon IT Working Group since June 2021 in which the priority has been to ensure that Postmasters can inform the design and build decisions from the earliest stages in the new system's development covering a wide range of operational, technical and training practices.<sup>51</sup> The engagement sessions were hosted by subject matter experts within the NBIT programme team and were, and I understand will continue to be, facilitated by two representatives from the Postmaster Engagement Team and were attended by Postmasters. The sessions were also recorded to ensure that any feedback or learning from the sessions could then be cascaded to the relevant NBIT product teams. It is my understanding that the product teams then used the feedback gained to inform the final designs for the NBIT system.

103. In addition to the feedback received from these sessions, it is my understanding that there have also been 250 separate pieces of individual Postmaster feedback which have been obtained through the pilots of the NBIT system, demonstrations of the NBIT system and, most recently, at the Postmaster conference. This

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<sup>51</sup> POL00447897, Postmaster New Branch IT (NBIT) Engagement, 24 May 2024

feedback has been categorised by the NBIT programme team and is then, I understand, provided to the individual development or training teams for action.<sup>52</sup>

104. The NBIT Postmaster Engagement Summary is intended to be a live record of Postmaster engagement and will, I understand, be updated monthly to reflect ongoing activity. The document details the engagement with Postmasters during the IT Working Group Sessions that are referred to above, and the wider efforts that Post Office has made to engage with Postmasters regarding the development of and creation of training for the NBIT system have been detailed in.<sup>53</sup>

***Addressing the findings of the HIJ and CIJ in the development of SPMP/NBIT***

105. As I explained in my second witness statement<sup>54</sup> a review of the current Horizon system was carried out as part of the Horizon Remediation Programme, following which problem statements<sup>55</sup> for each of the areas of potential improvement were agreed via the Horizon Design Review Forum ("HDRF").<sup>56</sup> It is my understanding that, subsequently, on 16 April 2024, the Inquiry Assurance lead for SPMP took those problem statements to the BDA to confirm their inclusion for consideration within the scope of SPMP. The purpose of this was, I understand, to ensure that there was a formal governance record of these items being included in scope and to ensure it was formally communicated to the relevant SPMP team.<sup>57</sup>

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<sup>52</sup> POL00447901, Postmaster NBIT Feedback PowerPoint from Pilot Branches and Demos

<sup>53</sup> POL00447897, Postmaster New Branch IT (NBIT) Engagement, 24 May 2024

<sup>54</sup> WITN03680200- paragraphs 477 and 480.

<sup>55</sup> Problem statements are observations around a set of users or product journeys on Horizon and where it has been identified that these may lead to processing errors and discrepancies.

<sup>56</sup> The HDRF was a sub-group of IDG which was set up in order to review the output of the Horizon system improvements workstream in the HIJ programme.

<sup>57</sup> POL00447890, SPMP Business Design Authority: Outputs Pack, 3<sup>rd</sup> May 2024

106. To assist in making those assessments, it is my understanding that the Scope and Requirements team have worked with the NBIT Commercial and Back Office Teams to review the problem statements and align which problems are in scope, those not in scope and identifying next steps where required.

107. It is my understanding that the NBIT team has then identified the appropriate resolver team within the programme to resolve each of the problems associated with those requirements. By way of example, where one of the requirements identified a training issue, I understand that the associated problem statement was sent to the NBIT training team to resolve. Where requirements were linked to software issues, the associated problem statements have, I understand, been passed to the relevant development team.

#### **Training and support for Postmasters prior to and following rollout**

108. In September 2023, Post Office published a Training Deployment Model for the NBIT system.<sup>58</sup> The Training Deployment Model is intended to cover employees in retail branch facing roles, which includes Postmasters,<sup>59</sup> and its purpose is to ensure that all users are confident and competent to use NBIT to fulfil their role requirements from day one of the system going live.

109. Following the NBIT system going live in the branches, there will, I understand, be:

- a) SPMP team members in place in the branches for at least the first week (as has been the case with the initial releases of NBIT).

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<sup>58</sup> *POL00448351*, NBIT Training Deployment Model, V1.2, September 2023

<sup>59</sup> *POL00448351*, NBIT Training Deployment Model, V1.2, September 2023, paragraph 3.1



- b) The opportunity for each branch to have a daily “stand-up call” for the first few weeks to ensure that Post Office is able to identify and take steps to resolve any initial issues with the system and gather wider feedback from the branch staff.
- c) A dedicated hypercare support team who the branch can contact on an ongoing basis if they have any issues.
- d) Additional training provided to support the deployment of additional system capabilities after ‘go live’.

**Conclusion**

110. In response to Question 5 of R9(60), I have nothing further to add to the statements I have already made to the Inquiry or earlier in this statement that I feel to be relevant to the Inquiry’s Terms of Reference which the Chairman ought to be aware of.

**Statement of Truth**

I believe the content of this statement to be true.

Signature:

**GRO**

Date: 2nd September 2024

**IN THE POST OFFICE HORIZON IT INQUIRY**


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**Index of Exhibits to the third witness statement of Simon Geoffrey Oldnall  
on behalf of the Post Office Limited in response to Rule 9 Request 58 and  
Rule 9 Request 60**

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1.	<i>WITN03680200</i>	WITN03680200- Second Witness Statement of Simon Geoffrey Oldnall	WITN03680200
2.	<i>POL00447749</i>	PEAK and KEL Process Document, June 2020, V1	POL-BSFF-105- 0000002
3.	<i>POL00281901</i>	Peak and KEL Process Swimlanes Process Map	POL-BSFF-0119964
4.	<i>POL00447755</i>	Email thread between Tony Jowett, Mark Underwood, Liam Carroll, Rodric Williams, Graham Hemingway, Barbara Brannon, Ben Foat and Kenneth Garvey re Computer Forensics and Digital Investigations –	POL-BSFF-105- 0000008

		Background for Info, 15 July 2020	
5.	<i>POL00447756</i>	Email thread between Liam Carroll, Jeff Smyth, Tony Jowett, Angus McDonald and Mark Underwood re Computer Forensics and Digital Investigations, 30 July 2020	POL-BSFF-105-0000009
6.	<i>POL00447757</i>	Email thread between Liam Carroll, Alisdair Cameron, Barbara Brannon, Tony Jowett and Angus McDonald re Consultancy Approval- Computer Forensics and Digital Investigations, 24 August 2020	POL-BSFF-105-0000010
7.	<i>POL00447759</i>	Email thread between Tony Jowett and Liam Carroll re Audit Plan, 16 September 2020	POL-BSFF-105-0000012
8.	<i>POL00447760</i>	Email thread between Simon Oldnall and Liam	POL-BSFF-105-0000013

		Carroll re Fujitsu, 28 September 2020	
9.	<i>POL00448344</i>	Internal Audit Report: HNG- A: Privileged Access Management, 8 May 2024	POL-BSFF-114- 0000022
10.	<i>POL00448330</i>	Draft Internal Audit Report: HNG-A: Reference Data Report, February 2024	POL-BSFF-114- 0000009
11.	<i>POL00031790</i>	Internal Audit Report: HIJ Phase 1 Validation, 7 July 2021	POL-BSFF-114- 0000002
12.	<i>POL00030396</i>	Horizon Report / Report on the progress made to address six areas derived from HIJ Findings', KPMG LLP, June 2021, V4.2	POL-BSFF-114- 0000005
13.	<i>WITN00760100</i>	WITN00760100, First Witness Statement of Nicholas Read on behalf of Post Office Limited in the Post Office Horizon IT Inquiry	WITN00760100
14.	<i>POL00448335</i>	Post Office Limited Board Report: IDG Update, 1 <sup>st</sup> July 2022	POL-BSFF-114- 0000013

15.	<i>WITN11190200</i>	WITN11190200 - Second Witness Statement of John Bartlett on behalf of Post Office Limited in the Post Office Horizon IT Inquiry	WITN11190200
16.	<i>POL00448324</i>	Internal Audit Report: IT Control Framework, 14 March 2023	POL-BSFF-114-0000008
17.	<i>WITN11600100</i>	WITN11600100 - First Witness Statement of Melanie Park on behalf of Post Office Limited in the Post Office Horizon IT Inquiry	WITN11600100
18.	<i>POL00448752</i>	HIJ Conformance-Group Assurance Review- 16 August 2024.	POL-BSFF-WITN-04100000001.
19.	<i>POL00447899</i>	Strategic Platform Modernisation Programme Delivery Roadmap	POL-BSFF-106-0000139
20.	<i>POL00447897</i>	Postmaster New Branch IT (NBIT) Engagement, 24 May 2024	POL-BSFF-106-0000137

21.	<i>POL00447901</i>	Postmaster NBIT Feedback PowerPoint from Pilot Branches and Demos	POL-BSFF-106- 0000141
22.	<i>POL00447890</i>	SPMP Business Design Authority: Outputs Pack, 3 <sup>rd</sup> May 2024	POL-BSFF-106- 0000130
23.	<i>POL00448351</i>	NBIT Training Deployment Model, V1.2, September 2023	POL-BSFF-114- 0000028