



18 September 2001

Charles Leighton
Internal Crime Manager
Post Office Network Operations
PON Security
4th Floor Impact House
2 Edridge Road
CROYDON, CR9 1PJ

Dear Charles

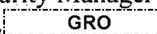
Re: Higher Broughton (257422)

Please find enclosed as requested a witness statement in respect of Higher Broughton Post Office. This has been produced under our "without prejudice" agreement as outlined in Martyn Bennett's letter to you of 6 February 2001.

Thank you for your acceptance that POCL will be charged on a Time and Materials basis for this work.

Kind Regards



Graham Hooper
Security Manager
D/L 

ICL Pathway Ltd
Forest Road
Feltham
Middx TW13 7EJ

Tel 
Fax

International Computers Limited,
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Witness Statement

CJ Act 1967, s.9: MC Act 1980, ss.5A(3)(a) and 5B: MC Rules 1981,r.70)

Statement of: GRAHAM JOHN HOOPER

Age if under 18: OVER 18 (if over 18 insert 'Over 18')

Occupation: SECURITY MANAGER

This statement (consisting of 4 pages, each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything I know to be false or do not believe to be true.

Dated the 18th day of SEPTEMBER 2001

Signature: GRO

I have been employed by ICL Pathway for 22 months as Security Manager responsible for information, IT system and environmental security and investigations of security breaches. I have working knowledge of the computer system known as Horizon, which is the computer system used by Post Office Counters Ltd. I am authorised by ICL Pathway Ltd to obtain information regarding system transaction information processed on the Horizon system. Prior to the system being introduced, Post Offices ran a weekly manual or electronic cash balance on a counter register system. This was the system in which all transactions performed by counter clerks would be entered on a daily basis onto their weekly balance sheets or input into their computer systems. At the end of the accounting period they would amalgamate the daily transactions, include their stock and cash on hand and arrive at a balance.

A new system has been introduced within the Post Office Counters Offices and this is known as Horizon. Each counter position has a computer terminal, a visual display unit and a keyboard and printer. This individual system records all transactions input by the counter clerk working at that counter position. Each clerk logs on to the system by using a series of passwords. The transactions performed by each clerk, and the associated cash and stock level information are recorded by the computer system in a stock unit. Once logged on, any transactions performed by the clerk must be recorded and entered on the computer and are accounted for within the user's allocated stock unit.

Signature..... GRO Signature witnessed by. GRO

Continuation sheet No. 1

Continuation of Statement of: GRAHAM JOHN HOOPER

The Horizon system provides a number of daily and weekly records of all transactions input into it. It enables Post Office users to obtain computer summaries for individual clients of Post Office Counters Limited e.g. National Savings Bank, Giro, Driving Licence Agency and Pension and Allowances. The Horizon system also enables the clerk to produce a weekly balance of cash and stock on hand combined with the other transactions performed in that accounting period.

Where local reports are required these are accessed from an icon on the desktop menu. The user is presented with a parameter driven menu, which enables the report to be customised to requirements. The report is then populated from transaction data that is held in the local database and is printed out on the tally roll printer.

The system also allows for information to be transferred to the main accounting department at Chesterfield in order for the Office accounts to be balanced.

The Post Office counter processing functions are provided through a series of counter applications: the Order Book Control Service (OBCS) that ascertains the validity of Benefit Agency order books before payment is made; the Electronic Point of Sale Service (EPOSS) that enables PostMasters to conduct general retail trade at the counter and sell products on behalf of their clients; the Automated Payments Service (APS) provides support for utility companies and others who provide incremental in-payment mechanisms based on the use of cards and other tokens and the Logistics Feeder Service (LFS) which supports the management of cash and value stock movements to and from the outlet, principally to minimise cash held overnight in outlets.

The counter desktop service and the office platform service on which it runs provides various common functions for transaction recording and settlement as well as user access control and session management.

Information from counter transactions is written into a local database and then replicated automatically to databases on all other counters within a Post Office outlet. The information is then forwarded over ISDN (or other communication service) to databases on a set of central Correspondence Servers at the ICL Pathway Datacentres.

Signature..... **GRO** Signature witnessed by.. **GRO**

Continuation sheet No. 2

Continuation of Statement of: GRAHAM JOHN HOOPER

This is undertaken by a messaging transport system within the Transaction Management Service (TMS). Various systems then transfer information to Central Servers that control the flow of information to various support services including the Pathway Data Warehouse where an historic record of all data is stored.

Details of outlet transactions are normally sent at least daily via the system. Details relating to the outlet's stock holding and cash account are sent weekly. Details are then forwarded daily via a file transfer service to the Post Office accounting Department at Chesterfield and also, where appropriate, to other Post Office Clients.

An audit of all information handled by the TMS (the TMS journal) is taken daily by copying all new messages to archive media. This creates a record of all original outlet transaction details including its origin - outlet and counter, when it happened, who caused it to happen and the outcome. The TMS journal is maintained at each of the ICL Pathway Datacentre sites and is created by securely replicating all transaction records that occurred in every Outlet. They therefore provide the ability to compare the audit track record of the same transaction recorded in two places to verify that systems were operating correctly. All exceptions are investigated and reconciled. Records of all transactions are written to Digital Linear Tape (DLT) audit archive media.

The Horizon system consistently records time in GMT and therefore takes no account of Civil Time Displacements. The clock incorporated into the desktop application on the counter visual display units is however configured to indicate local time. This has been the situation at Higher Broughton (FAD 257 422) since 24th July 2000 when the Horizon system was introduced at that particular Post Office.

The Order Book Control System (OBCS) software linked to the Horizon system was developed in conjunction with the Benefits Agency. OBCS provides details of Benefit Agency order books on the national stop payment list and enables data regarding the movement of order books and encashments to be captures on their behalf.

Each Horizon terminal at a Post Office counter has access to the national stop list through OBCS, when a bar-coded Benefits Agency order book is scanned at the Post Office counter, or the order book details are manually keyed into Horizon at the Post Office counter.

Signature.....	GRO Signature witnessed by:	GRO
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Continuation sheet No. 3

Continuation of Statement of: GRAHAM JOHN HOOPER

Each night, the national stop payment list is updated from information supplied electronically from the DSS computer centre. National stop payment list data is held centrally within the Horizon system, and is available to all Post Offices. However, certain information from the national stop payment list is also downloaded to individual Post Offices for faster access; this download process is called polling. The polling of individual Post Offices also involves receiving details of order book movements and encashments at Post Offices, centrally within Horizon, for onward transmission to the Benefits Agency. I have access to reports that monitor fault, polling failures, equipment failures and calls logged by the Horizon System Helpdesk, generated by Post Offices.

Any record to which I refer in my statement form part of the records relating to the business of ICL Pathway Ltd. These were compiled during the ordinary course of business from information supplied by persons who have or may reasonably be supposed to have personal knowledge of the matter dealt with in the information supplied, but are unlikely to have any recollection of the information or cannot be traced. As part of my duties, I have access to these records.

There is no reason to believe that the information in this statement is inaccurate because of the improper use of the computer. To the best of my knowledge and belief at all material times the computer was operating properly, or if not, any respect in which it was not operating properly, or was out of operation was not such as to affect the information held on it. I hold a responsible position in relation to the working of the computer.

Signature.....

GRO

..... Signature witnessed by.

GRO ...