

Witness Name: Rosemary Thorne

Statement No: WITN03450100

Dated: 27 January 2025

POST OFFICE HORIZON IT INQUIRY

FIRST WITNESS STATEMENT OF ROSEMARY THORNE

I, Rosemary Thorne, will say as follows

1. I understand that the purpose of this witness statement is to set out matters of fact of which I have personal knowledge.
2. This witness statement was drafted on my behalf and in my own words by my solicitor during a process including the preparation of successive drafts after communications between me and those advisers in writing, by telephone and by video conference.
3. The facts within this witness statement are either within my own knowledge, or derive from the records provided by the Post Office Horizon IT inquiry. However, as it relates to events that occurred over twenty three years ago there are several areas that I do not recall. Where that is the case I have said

so. I have not been provided with all the minutes from the Board for the period, or all Audit Committee minutes or any of the substantive papers that accompany the minutes.

4. This statement responds to the request for a written witness statement pursuant to Rule 9 of the Inquiry Rules 2006 reference RTR9-1/LS/20220526 dated 17 June 2022. My witness statement responds to the questions asked regarding corporate knowledge of technical issues with Horizon prior to roll-out.
5. All references to documents in this statement are to **WITN03450101** unless otherwise stated.

Background

6. I have attached my CV containing my professional history at **WITN03450101**
7. I was appointed to the Board of Post Office on 6 October 1998 as a Non-Executive Board Member for an initial three year period. I continued as a Non-Executive Board Member until March 2004.
8. During my time at the Post Office I was also Chair of the Audit Committee, with Miles Templeman and Mike Kinski as Non-Executive Members. I Chaired the Audit Committee throughout my time at the Post Office.
9. My role at Post Office between October 1998 and March 2004 was as a Non-

Executive Director of the Board and Chair of the Audit Committee. In my role I attended Board meetings, Audit Committee meetings and also preparatory meetings in advance of the Audit Committee.

10. Since I left Post Office in March 2004, I have had no direct relationship or involvement with Post Office.
11. Whilst I had no direct involvement with Post Office, I should note that whilst I was a Non-Executive Board Member and Chair of Audit at Santander, in May 2010 Santander bought Alliance & Leicester. Alliance & Leicester owned Girobank, which at the time operated within the Post Office retail outlets. At that point, Post Office therefore effectively became a customer to Santander. I had no personal involvement with Post Office through my role with Santander.
12. I have no experience of implementing major IT projects (and did not have any experience of doing so as at 1999). In any project management process the finance team will be involved. As I have worked as Group Finance Director in large organisations such as Sainsbury's and Braford & Bingley I have been involved on the periphery of a number of IT projects. This would include approving the financing of the project. I have never been involved in the development and building of the systems and have had very limited responsibility for IT in an organisation. Throughout my career I have never been considered an IT expert.

Board Meeting of 10 November 1998

13. At the time of the 10 November 1998 Board Meeting, I had only recently joined Post Office, having been in my role for little over a month. I do not recall having any understanding of the position of the Government and ICL in relation to the future of the project.
14. I was aware that there was a project called Horizon, which was an upgrade to the accounting systems in Post Office counters, but to the best of my knowledge I do not recall having any concerns about the project.

Board Meeting of 8 December 1998

15. At this time I had still only just joined the Board so I did not have the history of the Horizon project. I remember being aware that the project was running behind schedule and significantly over budget but I cannot remember having any understanding of the reasons for the delay.
16. Given that I was still new in my role at Post Office, I do not recall having any understanding of the relationship between ICL and the Government at this time.
17. My understanding about the results of software testing at that time was very high level, in that I was aware that the project was being delayed as the software testing was not good enough at this stage, but I was not involved in the detail.
18. Post Office is a major organisation, and Horizon was one of a number of

projects that was ongoing at the time. At Board level we were not involved in the technical details. As such I was not in a position to make any assessment of the quality and reliability of Horizon.

19. I do not remember, given the length of time that has passed, what if any action I took on these matters.

Cancellation of the Benefits Payment Card

20. As a Non-Executive Board member, I did not believe the Government's relationship with ICL and Fujitsu was part of my brief. I cannot remember having any particular view or opinion on their relationship at the time.
21. I have no idea what the Prime Minister's view was in relation to the future of the Horizon project. I did not meet with, and was not involved in any discussions with, the Prime Minister. I do not recall being involved in any meetings with Ministers specifically on the Horizon project.
22. I have no memory of the detail of the Treasury Review relating to the Horizon project, and I do not recall any options identified by that review for the future of the Horizon project in the period January – May 1999. This was over twenty three years ago, and I have not been provided with a copy. I cannot describe the position of the Post Office.
23. To the best of my knowledge, I was not involved in signing Heads of Agreement between Post Office and ICL. My only limited involvement in the

process was it being discussed at Board level and having reviewed the letters provided to me by the Inquiry, I cannot remember the detail of the discussion.

24. I do not remember the detail, but I remember that the Government was keen to move forward with the Horizon project. Given my finance role, I remember that the Government provided finance to cover the overspend to date and the future projected costs. I do not remember any further details. My memory of the role of the Government is confirmed by the letters provided by the Inquiry.
25. I remember that Horizon was behind schedule and costing more than expected but I cannot remember any further detail regarding the robustness of Horizon at this time; it has been over twenty three years. Technical issues, are not my area of expertise.
26. At the Board it is quite high level, we would not go into detail of the technical issues. The Board is not involved in the day to day discussions of the project. This would have been dealt with by those working on the Horizon project, the IT team reporting into the Chief Executive or the Managing Director of Post Office Counters Limited, Stuart Sweetman.
27. At the Board we would have been aware of the fact of technical issues (albeit not the detail) but I cannot recall what impact, if any, this had on public sector negotiations over the future of the project at this time.
28. I was not involved in the discussions of the future of the project. As an

accountant I remember the termination fee, and that the Government transferred money to ensure that the project was continued. But to the best of my recollection, I am not aware of the extent to which (if at all) the financial implications of cancelling the project impacted the focus upon the technical integrity and robustness of Horizon during the public sector negotiations over the future of the project. It would have been discussed in meetings between the executive, public sector representatives and Stephen Byers.

Board Meeting of 20 July 1999

29. I cannot remember what my understanding was regarding the robustness of Horizon at that time. My main memory of Horizon was that it was severely delayed and over budget.

30. I do not remember what my understanding was of the technical issues at the time. However, this is not my area of expertise and at Board level it would have been at a high level.

31. We knew that sub-postmasters were experiencing problems with the existing system which is why the Horizon system was being developed. From reviewing the minutes provided to me by the Inquiry it was clear that we were aware that a number of sub postmasters were experiencing difficulties during the trials of the Horizon system. We were assured by project management that these issues would be dealt with before roll out. I have no reason to doubt the veracity of the Board minutes.

32. Given the length of time that has passed, I cannot remember what I understood of the issues at the time, or whether I raised these concerns with anyone or took any action. From reviewing the minutes, it is clear we were reassured that any issues were being followed up by management, in particular the problems experienced by sub-postmasters.
33. I do not recall the particular decision relating to who was to sign the contract with ICL. It is normal practice, however, for the Chairman and Chief Executive to sign a contract of this size, after receiving consent to do so from the company's owner and only shareholder, the Government.

Board Meeting of 14 September 1999

34. I cannot remember what my understanding was regarding the robustness of Horizon at that time. My main memory of Horizon was that it was severely delayed and over budget.
35. I do not remember what my understanding was of the technical issues at the time. However, this is not my area of expertise and at Board level discussions would have been at a high level.
36. I cannot remember what was known at this time about the problems experienced by sub-postmasters, above what is recorded in the Board minutes.
37. As to whether I raised any concerns regarding my above answers, as Board

members I am aware that during the course of the pilot and roll out we expressed concern that the project was delayed and not performing and this would have been raised with the Chairman and Chief Executive. However, I cannot remember and cannot be sure without sight of all the Board and Audit minutes what, if any, specifics were raised or when. It was an ongoing discussion, and was on the agenda for each Board meeting until it was resolved.

Board Meeting of 26 October 1999

38. I cannot remember what my understanding was regarding the robustness of Horizon at that time. My main memory of Horizon was that it was severely delayed and over budget.
39. I do not remember what my understanding was of the technical issues at the time. From reviewing the Board minutes, I see that delays and remedial work around two issues prevented implementation. I remember that there were consistent delays but I do not remember the detail of the reasons for this.
40. I cannot remember what was known at this time about the problems experienced by sub-postmasters, above what is recorded in the Board minutes.
41. As to whether I raised any concerns, It would have been flagged with the Board that there were issues, but they would not be discussed in detail at the

main Board. The detail would have been discussed at the executive management committee relating to Post Office Counters, and Project management meetings of Horizon.

42. As Board members I am aware that during the course of the pilot and roll out we expressed concern that it was delayed and not performing and this would have been raised with the Chairman and Chief Executive. I cannot remember and cannot be sure without sight of all the Board and Audit minutes what, if any, specifics were raised or when. It was an ongoing discussion, and was on the agenda for each Board meeting until it was resolved.

Board Meeting of 11 January 2000

43. I cannot remember what my understanding was regarding the robustness of Horizon at that time. My main memory of Horizon was that it was consistently on the agenda because it was severely delayed and over budget, and being concerned about this.
44. I do not remember what my understanding was of the technical issues at the time. However, this is not my area of expertise and at Board level it would have been at a high level.
45. We knew nothing in addition to what I have previously stated regarding the problems experienced by sub-postmasters at the time; we just knew there were still problems.

46. As a Board member I am aware that during the course of the pilot and roll out we expressed concern that it was delayed and not performing and this would have been raised with the Chairman and Chief Executive. I cannot remember and cannot be sure without sight of all the Board and Audit minutes what if any specifics were raised or when regarding any concerns. It was an ongoing discussion, and was on the agenda for each Board meeting until it was resolved.

Board Meeting of 12 June 2001

47. I can see from the Board meeting minutes that at this time it appeared that the problems regarding the robustness of Horizon had been resolved and that it had been rolled out successfully. I have no reason to doubt the veracity of the meeting minutes.
48. I do not remember, but from the Board minutes my understanding is that the major technical issues that would have prevented implementation had been ironed out.
49. I believe there were still some issues being experienced by sub-postmasters at the time but I do not recall any of the detail; and am aware it is usual for there to be teething problems with new systems. There is nothing in the minutes to suggest that there were, or that we were informed of, any major problems.

50. From reading the minutes of the Board, it does not appear that there were any particular concerns for me to raise. The Horizon project was an ongoing agenda item at the Board but minutes read as if we felt the project was completed.

General

51. I have no recollection of being involved in any other meetings relating to the Horizon IT system. I do not remember being involved in any meetings outside of my meetings at Board, Audit Committee or preparatory Audit Committee meetings.
52. I do not remember whether we discussed at the Board any steps to seek reassurance from ICL/Fujitsu. As a Non-Executive director, this would not have been my role, it would have been the responsibility of the executive. I do not recall any steps to seek reassurance from ICL/Fujitsu as to the Horizon system.
53. As to whether there were any political pressures, I do remember that there was political influence at the time to agree the contract and proceed with the roll out, but given the passage of time, and my role, I do not recall the detail. This is confirmed by the letters provided by the Inquiry.
54. In hindsight no, I do not consider there was sufficient knowledge of the technical difficulties with Horizon in the Board between 1999 to 2001 but at

the time I felt there was. However that is because we did not appreciate the extent of the technical problems. In a large organisation such as the Post Office, it was normal, at Board level, to have high level oversight of projects but not to be given all the details.

55. My view is that there was sufficient expertise in Post Office in respect of governance at Board and senior executive level for an IT project of this sort. A lot of those responsible for delivering and overseeing this project were below Board level.
56. I joined the Post Office after the procurement had taken place, but in relation to the pilot and roll-out I do not feel, with hindsight, that executive management provided effective scrutiny, and as a result the Board were misinformed about the project.
57. After the roll out, at Board level, from my recollection, we did not hear much further about Horizon so presumed that it had been successful and all issues had been ironed out. I feel that the Board scrutinised Horizon to the best of our ability given the information we were given.
58. I left the Board in March 2004. At the time I left, to the best of my knowledge, the Board was not aware of any problems with Horizon. I think it is therefore important to concentrate on what took place when the problems came to light and why they were apparently brushed under the carpet.

59. On 7 January 2025 the Post Office Inquiry sent me a further fifteen documents to review, to see if they assisted in answering the questions in the original Rule 9 response dated 27 May 2022.
60. I have reviewed all the documents but have nothing further to add to my witness statement originally provided to the Inquiry on 2 August 2022. I have answered all the questions to the best of my recollection and have no additional information which is not already in my statement or the documents before the Inquiry to add. It is important to remember that some of these events were over twenty five years ago and I have not worked for Post Office for over twenty years now so I have limited memory of the events before the Inquiry.

STATEMENT OF TRUTH

I believe the content of this witness statement are true.

Signed: **GRO**

Date: 27 January 2025

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