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Keith Baines
Head of Horizon Commercial
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2nd Floor
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15-20 Phoenix Place
London WC1X 0DG

19th September 2001

Our Ref: CLS/jla/293

Dear Keith,

RE: LOSS DATA & AUDIT REQUESTS

Thank you for your letter dated 29th August in response to my letter dated 7th August and earlier correspondence. Your letter has raised a number of concerns that I shall address in the order that you have raised them.

I would like to confirm that 'read after write' checks were introduced with the S10 upgrade over the weekend of 8th/9th September.

The practice you describe as 'parent' and 'grandparent' copies is designed to ensure that there is always more than one copy of an archive from which recovery can be made in the event of a disaster. However, your comment suggests that you believe there to be only one copy of the audit archive. This is not the case as two copies are maintained, one at each Data Centre. This regime was explained in some detail to Gary Potts and Charles Leighton at our Audit and Security Panel meeting on the 18th June.

We are not in a position to know that we cannot recover data from either of the two archives until such time that we attempt the action. This was also explained to Gary and Charles at the 18th June meeting. Once a data file has been written to a tape it is only accessed for one of two reasons; 1) to position the tape for the next file to be appended; 2) to retrieve the file on request. Any delay in notifying POCL on this occasion was the result of our attempts to recover the situation without raising undue concern in POCL. The unprecedented set of circumstances, including a protracted search by TNT for the lost tape, introduced a greater delay. The CS Problem Management Database is the agreed way in which ICL Pathway notifies and progresses problems with POCL.

As you know an agreement was reached in May 2000 between POCL and Pathway that established a limit of 50 RFIs in a rolling 12-month period. This cycle started in September 2000. By June 2001 we had received 45 RFIs, in July 2001 we received 11

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RFIs and in August a further 7, bringing the total to 63. We have continued to work on existing RFIs through August and will schedule new RFIs into September and beyond. We would be willing to re-schedule should you wish to prioritise RFIs to meet requirements that POCL may have. This does not represent a refusal to support POCL, more the implementation of an agreed method of working.

Unfortunately there are no 'alternative methods' that can be easily implemented in the short term. The current technical solution is based on retrieval scenarios and volumes, presented to Pathway by POCL during 1997, and is limited by the technology used to meet those requirements. The current explosion in previously unspecified retrieval types, for example Security Investigation, AP Clients and PON AP Service Management, all have to be met through a solution designed to service 10s of requests per year. This history is well known to POCL and was the subject of lengthy debate and exchanges between POCL and ICL Pathway and our respective lawyers during 1999 and 2000.

There are three potential sources for retrieving data :

1.　The Data Warehouse. POCL BSM uses this extensively, in conjunction with Pathway BSM, primarily to deal with reconciliation issues. It contains transformed and aggregated transaction data but does not contain the ClerkID, a key field for security and audit purposes.

2.　The SSC Support Database. This was established to accommodate the 3rd line support needs for the live system. Previously requests for data were being dealt with through the audit solution but were eventually rejected as they were interfering with the RFI process for POCL Audit. This database holds a rolling ~3 months of data.

3.　The Audit Archive. This was established to provide an archive of all Horizon transactions and events in accordance with the contract for the agreed period of time. It is fully secure, duplicated across two locations and contains special integrity features to provide assurances that data written to DLT, and subsequently retrieved, have not been amended during storage. It is considered the only source capable of being presented in Court and the only one that Pathway would be prepared to use in those circumstances.

The underlying issue is the suitability of the source for the purposes that you wish to use the data for. Our experience of RFIs suggests that most require data >3 months old and invariably the ClerkID is a key field. This tends to restrict the source to the audit archive.

We believe that POCL are agreeable to funding a study into their overall data retrieval requirements which would allow ICL Pathway to consider all aspects of this difficult

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area, including data sources, timescales, volumes, audiences, use and turnaround times. The fact that ICL Pathway continues to provide witness statements on demand, pending receipt of an associated CR, attests to the commitment to POCL's statutory obligations.

In relation to Network Banking, ICL Pathway has prepared a requirement document, which takes into account the volumes and expectations expressed in the POCL requirements catalogue, and which is now expressed in the SRS and SDS.

I believe this letter addresses the concerns raised and confirms that ICL Pathway is dealing with audit data and data retrieval requests in a professional and competent manner.

Yours sincerely

GRO

Colin Lenton-Smith
Director, Commercial and Finance