Rem Misbalance

Ref: g:\gij documents\notes\remmisbalance.doc
Author: Gareth I Jenkins
Date: 13/02/2007 16:45:00

1.   Introduction

There has been a serious bug introduced into Live that can result in accounts misbalancing.

This bug was introduced as part of LFS_COUNTER 35_6 which went to a limited number of branches for a pilot from 4/2/07 to 11/2/07 and then to the whole estate on 12/2/07. The problem first occurred in 2 pilot branches at the weekend of 10/2/07, but was not investigated until 12/2/07 (as is normal practice for such manifestations). It then occurred in 47 other branches on 12/2/07 and it is these 49 branches that need to have their accounts correcting.

As a result of this, LFS_COUNTER 35_6 was removed from the estate overnight on 12/2/07. However there are still 229 counters in 120 branches where the regression was unsuccessful so could have problems that manifest themselves until we do manage to regress the software. The process for managing such later occurrences will be as for the current 49 known branches.

The purpose of this note is to describe the implications and how we can address the resultant problems.

It is not attempting to address the cause of the fault or how it occurred. It is purely focussed on correcting the manifestations.

2.   Basic Problem Effects

The basic problem is that when Rem Outs are carried out, incorrect transactions are recorded. Specifically some of the Rem transactions are missing.

Take and example of 2 £500 coin bags being Remitted out, then the following was recorded:

Product	Article	Description	Amount	Comment
Rem Out				
1	PCH	Cash	£500	Should be £1,000
5610	Z027	Cash in Pouches In	-£1,000	Correct
Despatch Pouch				
6509	Z102	Cash in Pouches Out	£1,000	Correct
6286	Z010	Cash in Transit	-£1,000	Correct

The Stock Unit will show £500 excess cash and a Receipts and Payments mismatch.

The suspense account will be correct.

However the sum of all transactions within the Branch will not balance. Due to the misbalance, nothing is sent to POL FS. In order to get the data to be passed to POL FS we need to either amend the existing summaries or introduce one or more new summaries so that it does balance.

> *We need to decide exactly how to do this adjustment to get the data through. See section 3 for a discussion as to exactly what to do.*

Some branches have made a further Rem of £500 in an attempt to correct the situation. If this Pouch is subsequently Despatched, then this should result in the branch accounts being correct.

> *Note that this will result in further incorrect data being sent to POL FS see discussion in section 3.2.*

However, if this Pouch is **not** Despatched, then the Stock Unit will balance and report correctly but the £500 will remain Stuck in Suspense.

> *In this case, then this can be corrected by either Despatching the pouch or in extremis with a TC.*

It is recommended that all Branches are advised to do such a Dummy Rem and to Despatch the pouch so as to ensure that the Branch Accounts are clear.

It has been agreed that POA SSC will contact each branch with detailed advice as to exactly what to do.

3. Issues

We have two issues:

- How to correct the data so that it can be sent to POL FS
- How to remove the excess (if any) from Suspense

The preferred mechanism to correct values that are Stuck in Suspense is a Transaction Correction, and as this will result in further changes being made to POL FS it is important that we address both issues together.

3.1 How to remove the excess from Suspense

I'll cover this first.

The simplest option is to send down a Transaction Correction (TC) to correct the amount in Suspense. However this correction needs to be matched against another Article. What is an appropriate article?

The correction should be against a Product that is not involved in Branch Accounting, otherwise we are introducing further problems into the Branch. The best such products are the Rem Settlement Products.

Since POL FS can't use Dummy Articles for TCs, then the best Article to use is the Cash In Transit Article Z010. It has now been agreed with POL that this is the product / article to use.

3.2 How to correct the data to be sent to POL FS

Currently the only incorrect figure being sent to POL FS is that for Cash. However if Branches do a further Rem Out to correct their SU position, then the Articles for Cash In Pouches and Cash In Transit will also become incorrect.

Since the two Cash In Pouches Articles map to the same POL FS Account (551200), then any incorrect amounts to these articles should cancel out.

However assuming that the Dummy Pouch is despatched, then we will have an additional posting to Cash In Transit (article Z010 account 553002).

Therefore, we should be able to solve both our back end problems by using the Cash In Transit account to correct the files being sent to POL FS.

Taking the example in section 2, we should add a Transaction for £500 into the POL FS file for article Z010 which will result in this balancing. The dummy Rem will then produce the following:

Product	Article	Description	Amount	Comment
Rem Out				
1	PCH	Cash	£500	To correct the SU
5610	Z027	Cash in Pouches In	-£500	
Despatch Pouch				
6509	Z102	Cash in Pouches Out	£500	
6286	Z010	Cash in Transit	-£500	

The postings to Articles Z027 and Z102 will cancel out in Account 551200, while the posting of -500 to account 553002 will cancel out with the adjustment made to enable the original transactions to post to POL FS.

It has been agreed with POL that we use this article / account to correct the data to be posted to POL FS.

> *Note that there will be no corresponding entry to account 553002 coming from SAP ADS since SAP ADS will never receive the pouch. This means that pairing these two entries will need to be done manually in POL FS.*

4.   Other Implications and Complications

There are a few other implications and complications:

- Matching between Horizon and SAP ADS for Cash in Transit
- POC Data sent to SAP ADS
- Volume Stock Rems
- Value Stock Rems
- Foreign Currency
- Pouch Reversal

These are discussed below.

4.1   Matching between Horizon and SAP ADS for Cash in Transit

Since the Cash In Transit figure passed to POL FS against Article Z010 is correct, this should match with the SAP ADS value for the pouch (assuming they did not rely on the POC figure), and the Auto Matching in POL FS will pair these off as usual.

Using this account for the Adjustment to the POL FS feed and subsequent dummy pouch should net out resulting in the account being balanced overall.

4.2 POC Data sent to SAP ADS.

It is not clear at this stage what data is sent to SAP ADS in the POC Records. It is probable that the POC records will have the same incorrect data (ie the Cash figure) recorded at the counter and thus not match the Cash In Transit figures posted by Horizon or the contents of the pouch. However when SAP ADS count the pouch contents and check the Remittance Advice Note in the Pouch they should have the correct value that matches the pouch content and presumably will post that figure to POL FS.

4.3 Volume Stock Rems

A similar issue affects Stock Rems Outs for Volume Stock (most stock is volume stock).

However since Rems of Volume Stock are done by volume and not by value, it isn't possible to detect any problems in this area from the Horizon audit trails. We have identified that 570 branches did Stock Rems on Monday 12th Feb, so the problem is restricted to those branches plus any in the pilot of failing software (61 Branches – not necessarily different).

Should a branch detect the fact that they have a problem then they should carry out a dummy Rem for any difference and they should NOT use Stock Declarations (generating Discrepancies) or Stock Adjustments.

It has been agreed that it is un-wise to inform branches of the potential problem, since this could result in potential fraud. However the Help Desk will be provided with advice to support branches that call about such mismatches. It should also be possible to reconcile the Stock returned to the Stock Centre with the Rems posted to POL FS and then correct matters with TCs.

4.4 Value Stock Rems

Value Stock Rems should be detectable. As part of our examination of the branches that have failed to post data to POL FS we will check for any with a problem in remitting out value stock. Should any be found, then they will be treated as special cases.

4.5 Foreign Currency

Foreign Currency is a special case of Volume Stock and will be affected in exactly the same way as Cash. However correcting the Suspense value is much harder and can't be done easily with a TC. It is likely that any correction to the POL FS feed will need to correct the Currency In Pouches Out Product (ie the main Currency Article).

> *There is a separate discussion as to exactly how we sort out Currency Stuck in Suspense.*

We know of at least one example where the problem has occurred with Foreign Currency.

4.6 <u>Pouch Reversal</u>

We have found some branches where the branches have detected a problem with the Rem and so have carried out a Pouch Reversal to try and correct things. Unfortunately this makes things worse! We are still investigating in detail how best to correct this.

It is likely that the Branch will still just need to carry out a dummy Rem to correct the cash position. However it is less clear exactly what the implications are on POL FS and there is also likely to be cash stuck in Suspense that will not cleanly cancel out.

We'll provide an update on this when we've worked an example through.