Stephen Dilley

From:	mandy.talbot [GRO]
Sent:	07 December 2005 10:33
To:	Stephen Dilley
Subject:	Statements

Attachments: Revised Witness Statement Jan Holmes.doc; Draft Fujitsu new.doc

Revised Witness   Draft Fujitsu
Statement Jan ...   new.doc (110 KB)...

you may find the enclosed of interest

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----- Forwarded by Mandy Talbot/e/POSTOFFICE on 07/12/2005 10:32 -----

Graham C Ward
            To: Mandy Talbot/e/POSTOFFICE [GRO]
07/12/2005 09:37   cc: Keith K Baines/e/POSTOFFICE [GRO]
            Subject: Statements

Mandy (Keith - for info)

as discussed yesterday.......... please find attached the statement from Jan Holmes which was used in a prosecution of a counter clerk at Camberwell Branch Office in 2002.

(See attached file: Revised Witness Statement Jan Holmes.doc)

the one below is the current draft of a statement that supports the production of archived data

(See attached file: Draft Fujitsu new.doc)

I would suspect that the Jan Holmes statement is more or less exactly what you'll need should the 'Castleton' case proceed all the way (however I seem to recall that at the time, as it was out of the normal this statement did cost us 'an arm and a leg'.... but I maybe wrong).

Please bare in mind I've only asked Fujitsu to prepare a report on Castleton responding to the Bond Pearce letter dated 18 November 2005.

Regards

Graham

Casework Manager
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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: _____Jan Holmes_____

Age if under 18: __Over 18____ **(if over 18 insert 'Over 18')**

Occupation: _____Quality & Audit Manager_____

This statement (consisting of 5 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   24th   day of January 2002

Signature: _____

1.   Introduction

I have been employed by ICL Pathway Ltd for 5 years. I have been employed as the Quality and Audit Manager responsible for Quality and Audit Management and the User Authority for the Audit Solution from where Audit Data is sourced. I have working knowledge of the computer system known as Horizon, which is the computer system supplied by ICL Pathway Ltd and used by Post Office Ltd in Post Office Outlets. I am authorised by ICL Pathway Ltd to undertake extractions and analyses of audit data held on the Horizon system.

2.   The Horizon System

Each counter position in the Outlet has a computer terminal, a visual display unit, a keyboard, barcode scanner 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.

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

| **Deleted:** unit |
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| **Deleted:** Each clerk has a stock unit on which details of transactions and cash and stock levels are recorded. Each clerk logs on to the system by using a series of passwords. The password identifies the stock unit to the terminal. |
| **Deleted:** to do with that stock account |
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Continuation sheet No.   of   4 .

Continuation of Statement of: Jan Holmes

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.

I have produced a diagram that I identify as Exhibit ??????. This presents a simplified view of the components of the Horizon system, which is further explained below.

<u>Five Layer Model</u>

The basic system operates through five different layers :

a.   The Counter Layer where the Post Office Counter Clerk conducts the daily business of the Post Office, initiating transactions based on customer demands or responding to system prompts that originate either in support of the customer's transactions or from other parts of the system. All transactions for a Counter in an Outlet are replicated across all other Counters in that Outlet. Examples of transactions include :

   i.   Cashing a Benefit Book payment foil.

   ii. Selling a Post Office retail product.

   ii. Accepting full or part payment against a gas, electricity or other utility bill.

b.   The Correspondence Layer where all transactions for all Outlets are stored prior to despatch to other systems, including Audit; or from other systems prior to despatch to the relevant Outlets. Transactions are stored in the Correspondence Layer for the same length of time as they are held at the Counter Layer.

c.   The Agent Layer that acts as the interface between the Correspondence and Host Layers. Agents are either Loading Agents, whereby information is placed onto the Correspondence Layer for onward despatch to the Counter, or Harvesting Agents, whereby transactions are copied from the Correspondence Layer to a variety of other systems, including Audit.

d.   The Host Layer where transactions from external systems are received and processed prior to presentation to the Agent Layer and subsequent despatch, or information relating to transactions already carried out is prepared for despatch back to the external systems.

e.   The External System Layer from where transactions originate that may have an effect on the Outlet and the transactions undertaken there, and to where details of transactions undertaken at the Outlet are sent for subsequent processing by that system. An example of an External System is the Electronic Stop Notice System (ESNS), a Benefits Agency system that provides

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Continuation sheet No.   of   4 .

Continuation of Statement of:___ Jan Holmes_____

Stop Notices for Benefit Books that have to be applied by the Post Master if the Books are presented at the Counter.

All transactions conducted at the Post Office Counter, whether initiated by a customer or as part of the system, are written to the transaction log associated with that Counter. They are replicated across all other Counters in the Outlet for resilience purposes. The transactions are sent back to the Outlet's primary Correspondence Server where they are replicated to the Correspondence Server at the second Data Centre.

Collecting Transaction Data

When a transaction record is written to a Correspondence Server a copy of it is also written to an Audit File located on the Correspondence Server. Each Audit File accumulates until approximately 200,000 records are copied at which point the file is closed and copied to that Data Centre's Audit Server. A Checksum Seal value for that Audit File is calculated and the file stored on the Audit Server until such time as it is copied to Digital Linear Tape. This activity continues for as long as the Correspondence Servers are running. (The Checksum Seal is used during subsequent data retrieval to provide assurance that the data in the Audit File has not been altered from the point of storage on the Digital Linear Tape.)

Collecting 'Other' Audit Data

While the Transaction Data is an important element of the Audit Trail it is by no means the full extent of data collected. Other files, data, records, scheduling information, events and transactions back to the External Layer (identified by black squares on diagram JH/01), are also collected by the Audit Server during the day.

Hoarding and Storing Audit Data

At 7:00pm each day the job scheduler starts a process known as Hoarding, when all files collected during the day and resident on the Audit Server are written to Digital Linear Tape. Files will be written to one of three pools, depending on the type of file and its associated retention period. The current pools are TMS18months, Non-TMS18months and Non-TMS7years. TMS stands for Transaction Message Store and these are the transaction files copied from the Correspondence Server. Non-TMS files are the large number of files, in various formats, that have been collected from other parts of the Horizon system.

Retrieving, Extracting and Analysing Audit Data

Audit Data is recovered from the Digital Linear Tapes using standard operational procedures that have been in use since 1999. On retrieval, and before the file is presented back to the Data Analyst the Checksum Seal value is re-calculated and compared to the value at the time of the original collection by the Audit Server.

Both TMS and Non-TMS data can be analysed using other tools to isolate records that meet selection criteria.

Horizon System Helpdesk

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Continuation sheet No.   of   4 .

Continuation of Statement of:___Jan Holmes

An important element of the support provided to the Post Masters and Counter Clerks is the Horizon System Helpdesk (HSH). The HSH is the Horizon user's first 'port of call' in the event of their experiencing a problem with the Horizon system or requiring advice and guidance. If the system were to malfunction, upon discovery Horizon users (Post Master, Counter Clerk) would raise a call to the HSH seeking clarification or advice. Comprehensive processes and procedures exist to manage the receipt, analysis and final disposition of calls made to the HSH. All calls to the HSH are captured by the Audit Server and stored as part of the overall Audit Trail.

Tivoli Event Logs

Horizon operates under the Microsoft Windows NT operating system. In this operating system an event is any significant occurrence in the system or in an application that requires users to be notified. For critical events such as a server breakdown or an interrupted power supply, there may be an Alert message on a control screen. For many other events that do not require immediate attention, this operating system adds information to an event-log file to provide information without disturbing normal work. This event logging service starts automatically each time a computer running Windows NT is started. In the Horizon system these events are collected by the Tivoli Event Monitor and are captured by the Audit Server and stored as part of the overall Audit Trail.

Non Polling Reports

A daily report is produced that lists those Outlets that have not polled for 24 hours, and the number of days they have been 'out of contact'. Polling : Outlets are 'contacted' periodically by the Correspondence Layer to deposit and collect information pertinent to that Outlet. This reduces the telephony costs incurred were Outlets to be permanently connected to the Correspondence Layer. Outlets can operate in a disconnected state for up to 27 days.

Horizon and Time

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 Camberwell Green (FAD 007007) since 3rd August 2000 when the Horizon system was introduced at that particular Post Office.

3.   Business Records

Any records 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 now to have any recollection of the information or cannot be traced. As part of my duties, I have access to these records.

4.   Analysis of Audit Data

On various dates and at various times between 14th January and 25th January 2002 I analysed audit

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Continuation sheet No.   of   4 .

Continuation of Statement of: Jan Holmes

data for transactions and activities undertaken by Camberwell Green Post Office during the period from 12th October 2000 to 1st March 2001 (the Material Period).

Horizon System Helpdesk Calls

21 calls were made to the HSH during the Material Period by members of staff at Camberwell Green Post Office. None of the calls raised problems that fall outside the normal operating parameters of the Horizon system. I now produce as item JH/02 hard copies of the 21 calls made to the Horizon System Helpdesk in the Material Period.

Tivoli Event Logs

3,444 Logs were produced during the Material Period and of these 188 contained events relating to Camberwell Green Post Office. These were a mixture of events that originated at a Counter position or were initiated from elsewhere. None of the events raised fall outside the normal operating parameters of the Horizon system. I have a list of NT events generated during the Material Period that could be examined if required.

Non Polling Reports

There are three instances of Camberwell Green Post Office appearing on Non-Polled Reports produced during the Material Period. On each occasion the period of non-polling was one day. This is considered to be within normal operating parameters for the Horizon system. I have copies of the reports generated during the Material Period that could be examined if required.

5.   Conclusion

There are no reasonable grounds for believing that the information stored on the Horizon system would be inaccurate because of improper use of computer terminal. During the Material Time the Horizon system was operating properly at the Camberwell Green Post Office Outlet or if not, any respect in which it was not operating properly or was out of operation was not such as to affect the production of audit records or accuracy of their contents.

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