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PO Ltd Financial Systems Release 3

Conceptual Design

ROLE	NAME	AREA OF RESPONSIBILITY	SIGNATURE	DATE
AUTHORS	PHILIP GODDEN	BUSINESS ARCHITECTURE		
BDA SIGN-OFF (PEER REVIEWER)	KAREN HILLSDEN CHRIS P ALLEN	BUSINESS ARCHITECTURE		
TDA SIGN-OFF (PEER REVIEWER)	CLIVE READ	TECHNICAL ARCHITECTURE		
DELIVERY MANAGER		PROJECT DELIVERY		

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1   Document Control

1.1   Document Information

Document Title:	PO Ltd Financial Systems – Release 3
Document Type:	Conceptual Design
Abstract:	This document details the Business & Operational Requirements for PO Ltd Financial Systems. It shows the High Level Business Process Model, Details the Technical Requirements and describes the Architectural End-to –End scope and Principles that should be employed in the implementation of the solutions for the PO Ltd Financial Systems Project.
Document Status:	Draft
Originator & Department:	Karen Hillsden – Business Solutions
Contributors:	Fujitsu Services, Prism Alliance
Post Office Distribution:	Ray Jackson; David Parnell; Karen Hillsden; Helen Pedley; Chris P Allen
Supplier Distribution:	Bob Cragg; Tony Brain; Peter Flood; Philip Godden; Ras Chauhan (Prism) Gareth Jenkins; Bill Reynolds; Luxmi Selvarajah(Fujitsu);

1.2   Document History

Version.	Date.	Reason for Issue.	Associated WP / CT Nos
0.01	16/01/04	First Draft	
0.02	7/02/04	Second Draft for Project review	
0.03	19/02/04	Version for Baseline	
0.04	24/03/04	Revised after comments from Project teams Issue to Post Office Business	
0.05	31/04/04	Review for final sign off.	

1.3 Change Process

Any changes to this issued version of this document will be made, controlled and distributed by: -

Business Solutions
Post Office Ltd
80 Old Street
London

1.4 Changes in this Version

Version	Changes
0.1	• None, First draft template.
0.2	• Updates to sections 7 & 8 with all relevant swimlanes and process descriptions.
0.3	• Assumptions & dependencies section 4.2 • Additional information in Information Flows in lieu of AIS's section 9 • Additional Requirements for NRDS section 8.10 • Additional information relating to Management Information Sect 8.9 • Update to Non-functional requirements re R3/S80 Sect 10
0.4	• Client Ledger requirements revised (S6.3) • Foreign Exchange related requirements added (S6.7) • Impact Stakeholder Forum Design Principles added (Appendix B) • Transaction examples added (Appendix C)
0.5	• Updates following feedback from POL Business particularly to: • Requirements • Swimlanes and Process Descriptions.

1.5 Key Contacts

Name	Position	Phone Number
Karen Hillsden	Business Process Architect	
Chris Allen	Business Process Architect	
Gareth Jenkins	Fujitsu Applications TDA	GRO
Peter Flood	Prism Alliance Project Manager	
Ray Jackson	S60 Release Manager	
Philip Godden	Prism Alliance Application Lead	

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1.6 Review Details

Review Comments to:	Chris Allen – chris.p.allen[GRO]	
Mandatory Review Authority	**Name**	
Post Office Ltd:		
Head of Technical Architecture	Clive Read/Torstein Godeseth	
Head of Business Architecture		
Impact Programme Manager	Paul Homan	
Technical Design Authority		
Business Design Authority	Sue Harding	
Release Manager	Saunder Narayan	
Business Stakeholders	Karen Hillsden, Chris Allen, David Parnell	
	Graeme Seedall	
	Stephen Hirst, Vicky Noble, Ruth Holleran, Martin Box, Rod Ismay,	
Fujitsu Project Manager	Bill Reynolds	
Fujitsu RASD	Gareth Jenkins	
Prism Alliance Project Manager	Tony Brain; Peter Flood	
Prism SAP ADS	Bob Cragg	
Optional Review/Issued for Information		
POL	Torstein Godeseth, Ann Clarke, Debbie R Brown, Alvin West, Sheena Patience, Tony Utting, Ben Gildersleve, Richard Wardle	

1.7   Associated Documents

Reference	Ver'n	Date	Title
CR/CDE/006	3.4	Sept 03	E2E Programme Conceptual Design.
POL/E2E/DES/006	1.1	Jan 04	Automated Cash Bank Ledgers Conceptual Design
AIS Transaction Corrections 0.04	1.30	Feb 04	AIS for transaction corrections from POL Ledger to Horizon
AIS_BranchLedger Entry R3 V0.03	0.03	26/04/04	AIS for Horizon to POL Ledgers
			PO Ltd IS Security approach
quest_retail_Prod R3_260204	Na	18/12/03	Sizing document for SAP POL FS
VI/STR/064	1.0	15/08/03	Testing Approach for The Horizon System
Settlement Process Design pack	05	Feb 04	Settlement Swimlanes v05.ppt A442_001 IMPACT Finance Summarise sales and calculate payment support.doc A443_001 IMPACT Finance Calculated and settle on estimated amounts.doc A444_001 IMPACT Client Discrepancy.doc A444_002 IMPACT Errors Identified by client.doc A446_001 IMPACT Finance authorise and make payments.doc
Debt Recovery	05	Feb	Debt Recovery Swimlanes V05.ppt
POL Strategic Data Model			POL Strategic Data Model
AIS_R3_ADS to POIFS_V0.1	0.01	April 04	AIS for interface between SAP ADS and POL FS, and MIS.
POL FS to ESFS Interface AIS V0.2	0.02	Mar 04	AIS for the interface between POL FS and ESFS
AIS_NRDS to POL FS Vendor Data Interface V0.1	0.01	Mar 04	AIS for the Vendor Data interface between NRDS and POL FS
AIS POL FS to NRDS GL Master Data Interface v0.1	0.01	Mar 04	AIS for the GL Data interface between POL FS and NRDS
NRDS to POL FS Branch Hierarchies AIS V0.1	0.01	Apr 04	AIS for the Branch Hierarchy Data interface between NRDS and POL FS
NRDS to POL FS Customer Data Interface AIS V0.2	0.02	Mar 04	AIS for the Customer Data interface between NRDS and POL FS
NRDS to POL FS Product Data Interface AIS V0.1	0.01	Mar 04	AIS for the Product Data interface between NRDS and POL FS

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Reference	Ver'n	Date	Title
NRDS to POL FS Site Data Interface AIS V0.2	0.02	Apr 04	AIS for the Site Data interface between NRDS and POL FS

Unless a specific version is referred to above, reference should be made to the current version

1.8 Abbreviations/Definitions

Abbreviation	Definition
Agent	An individual or company who does or has in the past been a sub-postmaster under the normal PO Ltd agency agreements
AIS	Application Interface Specification
A/c or a/c	Account – relating to either bank or general ledger as specified
BACS	Bank Automated Clearing Service – form of payment to/from third parties
BCV	Batch Control Voucher – used for batching cheques sent to EDS
BoE	Bank of England
CBDB	Counters Business Database
CLASS	Client Ledgering & Settlement System (part of the CBDB)
Client	Client is the corporation that is using the Post Office network as a route to market for their services and products
CLS	Cash Logistics and Security
COA	Chart of Accounts
Customer	Customer means the general public, (or occasionally companies), who use service or buy products offered through the Post Office Network.
EPOSS	Electronic Point of Sale Service
ESFS	Royal Mail Group's Enterprise Finance System
FAD	Financial Accounts Division (FAD Code)
LFS	Logistics Feeder Service
Horizon	EPOSS Counter system
MIS	Management Information System
MM	Materials Management module of POL FS
NRDS	New Reference Data System
NSF	Notes Sorting Facility
NSSC	National Secure Stock Centre, Hemel Hempstead
OLA	Operational Level Agreement
ONCH	Overnight Cash Holding
POL	Post Office Ltd
POL FS	Post Office Ltd Finance Systems – refers to the new SAP system to be built. This includes cash & bank ledgers, AR, AP, stock module etc.

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POL Ledgers	Cash & bank ledgers, as part of POL FS
Product	A service or stock item to be transacted with the public/business in branch or cash centre. E.g.: MVL disc; A&L banking withdrawal, A&L banking deposit, US$ currency, Euro Currency
S60	S60 Release of Horizon that fits with Release 1 of POL FS
S70	S70 Release of Horizon that fits with RDS and MI release
S80	S80 Release of Horizon that fits with Release 3 of Impact, and the POL FS project
SAP ADS	SAP Advanced Distribution System
SLA	Service Level Agreement
REM's	Remittances/movements of cash & stock between branches & cash centres/NSSC;
STAMPS	Stock Transfer and Movements Planning System
TIS	Technical Interface Specification
TPS	Transaction Processing Service
Trading Date	The date a transaction occurs in either the branch or cash centre.
Trading Day	A trading day is defined for each branch as the trading period between each day end process.
Transaction Correction	Instruction to Branch, Cash Centre or Client to correct some transaction data. (This replaces the Error Notice)
Type A	Type A Reference data relates to reference data that is controlled in the application systems and may be controlled via NRDS. Type A data is not hard coded.
Type C	Type C Reference data relates to hard coded reference data that will only be changed through the change management system.
Yantra	Stock Warehouse system that is being implemented in the NSSC. (Planned Go live date June 2004)

Other generic IT terms can be looked up at: http://www.whatis.com/

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2 Introduction

This section describes the objective of the document, any history of its production and other background information, but excludes material that is already contained in the preceding document control sections.

2.1 Purpose

The content of this document is intended to outline the requirements and process design for the Deployment of the PO Ltd Financial Systems project. It is intended to act as a reference for those involved in the various stages of design, development, deployment and support for the PO Ltd Financial Systems project. It is also intended to support the concurrence and approval process required for this system to be implemented.

This Conceptual Design will inform, and be updated by, the detailed system design and build stage of POL FS. During this stage, more detailed analysis will be undertaken to inform:

The build of POL FS to ensure accurate and timely product accounting, settlement and reporting to clients;
The requirement for other systems to meet POL product or service related requirements that cannot be met by the POL FS generic design (e.g. reporting to clients of information not held in POLFS or Data Warehouse);
Specific reporting requirements; and
Migration plans and activity.

In support of the Detailed Design stage, POL's products and services will need to be analysed in the context of the sales and stock reporting enhancements available as part of the overall Impact Programme design. Business decisions will need to be taken so that individual product offerings can be revised and proposed to clients that provide a commercially balanced approach to ensuring:

Materially accurate product accounting, client settlement and achievement of agreed client reporting commitments (as revised); and
Minimal overall cost of reporting and any product verification activity

2.2 Scope

The scope of Release 3 builds on all the requirements and functionality delivered during Release 1.   See Reference document.

The scope of this project is: -
Replacing the auditable financial ledgers of the Post Office Network of Branches, and Cash and Stock centres currently provided by Class. These ledgers will also hold volumes of transactions/stock where required.

This will include the following:

- Daily interface from SAP ADS to pick up all financial information from SAP ADS and hence replacing the current weekly cash account.

- Daily interface files from Horizon that will supply the financial ledgers with branch activity that has an impact on either financial or stock positions, and hence replace the weekly cash account.

- Daily interface from YANTRA to pick up all stock movements in NSSC.

- Daily interface from STAMPS (manual) /SAP ADS to pick up all Bureau Foreign Exchange movements in Hemel Cash Centre.

- Periodic interface of Post Office Network financial results to RMG Financial Systems (ESFS).

- Accounting for, reporting and settlement of client funds in line with contractual agreements.

- Accounting for amounts to be recovered from current and former Agents and a tool for effectively managing debt recovery.

- Changes to NRDS to provide reference data to POL FS, and control interfaces between POL FS and other systems.

- Changes to MIS that are required due to the replacement of the legacy systems.

2.2.1 Exclusions

Amounts that relate to Business income or expense, or assets or liabilities are generally excluded from these ledgers, and hence this project. Exceptions to this rule are where these amounts are recorded at Branches on Horizon, or at the cash centre on SAP ADS, or entered into POL FS due to contractual requirements.

2.3 Background

This document has been produced by Post Office Ltd with the assistance of Fujitsu Services and Prism Alliance.

The overall IMPACT opportunity was assessed by Post Office, Fujitsu Services and Prism Alliance as part of the 'Working Together' joint working initiative. This initiative comprises part of the IMPACT programme and is intended to deliver new Financial Ledger processes to enable a more accurate reflection of the results and position of Post Office network.

2.4 Document Explanations

2.4.1 Business Process Models

Post Office's High Level functional requirements are represented in the form of IDEF Process models using Business functions and information flows. The common tool used for creating these Process Models is Popkin Systems Architect.

Detail Processes are represented in the form of Swimlanes, showing roles, business process, information flows and relevant technologies. The tool used for creating Swimlanes is IGRAFX.

Process Models and Detailed Processes are both show in sequence in section 7.

3 Overview

3.1 Business Proposition

The main business proposition is the replacement of CLASS financial Ledgers with more effective and flexible financial ledgers.

The business drivers behind this are:

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General Accounting:
- Rationalise systems in place to report client and business information.
- Adopting standardised business processes around best practice
- To report Business and Client information separately and accurately.
- Alignment of management and accounting information
- Accounting period alignment – branch currently Wednesday, business Sunday.
- Improve timing, accuracy, granularity and summarisation levels.
- Establish an appropriate and flexible accounting hierarchy
- Performance measures of throughputs and the actual financial debt
- Enable proper accounting of cash and stock
- To increase accounting control of branches
- Cash centre accounting is manual, weekly, therefore no through view from transaction to settlement.

Client Settlement:
- Significant reduction of losses from remittances and client settlement
- Long term aim to account and settle on our data, not clients
- Optimisation of cashflow

Exception Handling:

- Reducing resolution time and automating exception handling
- Identification of individual discrepancies

Debt Recovery
- Improved Debt Recovery (financial recovery of money), target 95% of debt incurred
- For 2005 the target is reduction of aged debt from 42 to 35 days
- Establish a central debt monitoring environment, for both business and transaction debts, to enable the identification of debt with a high degree of accuracy.
- To modify the method of recovering debt by balance rather than each individual item.

Stock Ledger
- Increased visibility of stock & foreign exchange in the network
- Increase accountability on Postmasters for stock leading to reduced losses
- Support future inventory management practice

3.2   Functional Summary

The following depicts the high level processes and information flows involving these processes. See Section 7 for High Level Process Diagrams.

3.2.1   General Accounting

The General Ledger will show the balance sheet position of the PO Network. There will be control accounts linked to the "Client" ledger, "Agent" ledger, and "Stock ledger".   These control accounts will provide summarised real time information of activity controlled within these integrated ledgers.

As well as these control accounts the General Ledger Balance Sheet will also show Inter Company, and "suspense" accounts.   There will also be a small element of P&L accounts for items of Business income and expense that need to be recorded in POL FS.
All this is in addition to the Cash and Bank accounts from Release 1.

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3.2.2 Client Ledger

The client ledger will record all activity by product settlement group, branch/cash centre and trading date.   This information will be interfaced from Horizon or SAP ADS as appropriate.
The product settlement group is a group of client products that are settled under the same contractual terms, and such that the client does not need additional analysis at time of settlement.

Where settlement is based on estimated or client data this information will be entered into the client ledger at an appropriate level of detail.

The client ledger will provide basic matching/comparison functionality between estimated or client data, and actual data interfaced from Horizon.   The ability to match data from clients is limited to branch and trading day for each client product, subject to POL FS recording daily summarised transactions by the individual product.

The client ledger will also provide control and management of the settlement process and reconciliation (including transaction volumes) of contractual client documents such as National Audit Office statements.

3.2.3 Agent Ledger

The Agent Ledger will provide a permanent account for each current and former PO Agents including the ability to group branches under a single franchise or a multiple contract.

Branch Transaction Corrections will be entered in the Agent ledger and interfaced to Horizon for action by the Agent.

The Agent ledger will facilitate reporting and management of debt recovery from all Agents.

3.2.4 Stock Recording and Accounting

Stock is recorded in Materials Management (MM) module of POL FS.   Where stock has a balance sheet value this value will also appear in the relevant stock control accounts in the General ledger.

Most of the stock quantity activity will be interfaced from Horizon daily as part of the financial activity in each branch.   Stock activity incorporates remittances into and out of branches, "sales", and adjustments/write offs.

Activity of stock from NSSC, Hemel, will also be input into MM.   It is planned that the new Yantra system will provide an electronic interface of this information.   If this does not occur then this information will be input manually as it is today.

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3.3 Systems summary

The diagram below shows the IMPACT Release 3 system architecture

Representing Transaction Data Flows

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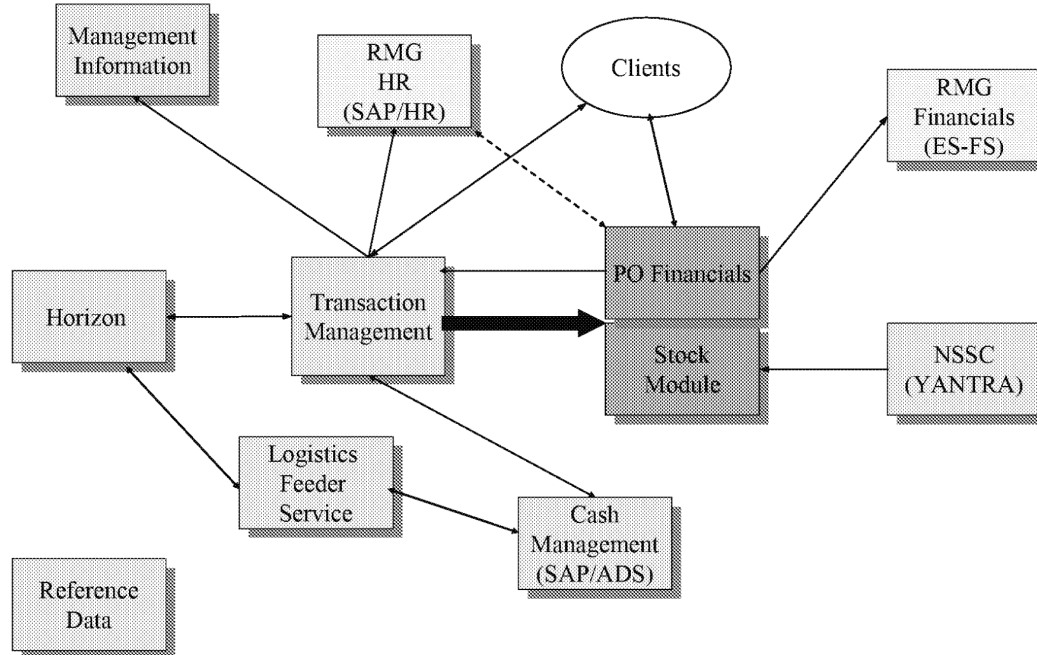
Representing Reference Data Flows
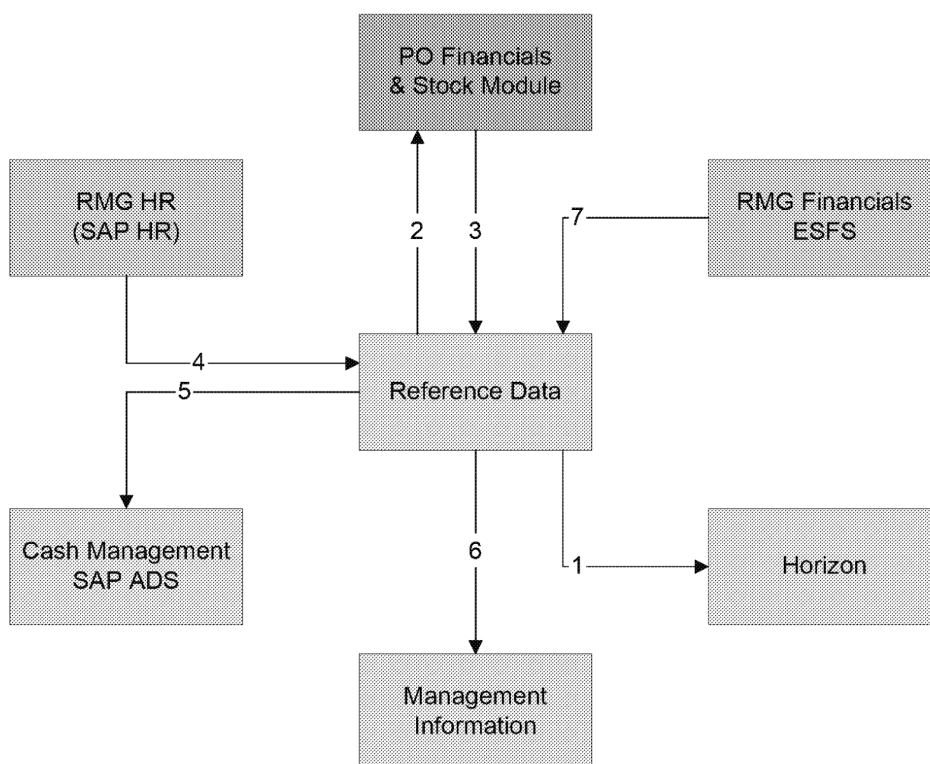
3.4   Potential for Change

Significant design revisions could arise from any changes in the status of the dependencies and assumptions dependencies listed in Section 4.2.

4 Constraints

The requirements throughout this document are generic to all suppliers unless stated otherwise. Gaps in the requirement numbers represent requirements that have been removed, and the numbering has been retained for clarity.

4.1 High Level Functional

Ref	Requirement Description
FIH 001	Introduction of a new financial system (POL FS) to produce the financial ledgers for Post Office Ltd (POL) to report to Royal Mail Group using simplified business processes and reduced duplication and requirement for reconciliation
FIH 002	Introduction of a Client Ledger, Agent Ledger, Stock Ledger to enable standard procedures for Debt Recovery and monitoring. To enable the capture, validation, verification and correction of client transaction data.
FIH 003	Produce POL Ledgers to report P&L and BS for POL in so far as the transactions are handled within the POL environment with a stream of data from branches and cash centres
FIH 004	The Cash and Bank account values, from ledger implemented in S60, will not be overwritten with CLASS values at S80 implementation. A reconciliation will be undertaken between POL FS and CLASS as part of cutover activities

4.2 Dependencies and Assumptions

Ref	Description
ASS 001	Supplementary document matching will not take place in POL FS and will largely be stopped.
ASS 002	Matching of client transaction data to POL FS data will not take place on POL FS. This will take place in MI where necessary.
ASS 003	Matching of client summary data to POL FS data will be done on a risk based approach.
ASS 008	Reporting of data to clients from POL FS will be at the maximum level of Branch, Trading Day & Product.
ASS 004	Reporting of transaction data to clients will not take place on POL FS. This information will either be fed to clients directly (e.g. AP/Banking), or is available from MI.
ASS 005	Depending upon where it resides at the time of S80 implementation, Foreign Exchange movements to/from cash centres will be received by POL FS either by an automated feed from SAP ADS or by the manual input of output from STAMPS.
ASS 006	In order that some of the existing controls can be removed, there is a plan of migration of some products/services to Automated Payments process. This piece of work is with Sales and Marketing. If this is not completed then there are some controls, which currently exist in the legacy systems that are not being designed within POL FS. These controls will be replicated in another system, to be defined.
ASS 007	It is assumed that an electronic feed of stock movements to/from the branch network will be provided by the YANTRA System that should have replaced the STAMPS System before S80 implementation.
ASS 009	Dependency on Client Managers to ensure clients accept changes to client reporting of POL data – in particular Girobank and NS&I.

4.3 Legal & Regulatory

Req ID	Description
POFS 001	POL FS will be the auditable financial ledgers for Post Office Ltd Network.

4.4 Audit

Req ID	Description
POFS 002	It shall be possible to audit movements within POL FS by branch back to Horizon
POFS 003	It shall be possible to reconcile movements within POL FS by cash centre back to SAP ADS
POFS 004	Technical requirement: to keep a copy of all bulk data files exchanged between Horizon domain and Prism domain. The data should be the raw (unprocessed) data.
POFS 005	Technical requirement: audit records of user activity within the SAP application should be created by standard SAP functions.
POFS 006	Technical requirement: audit records of support activity on the POL FS host platforms should be created by standard Horizon functions and then stored in line with current Horizon practices

4.5 Architectural Framework & Building Blocks

4.5.1 Integration with Other Systems

Ref	Requirement Description
TEC 023	Integration with SAP ADS
TEC 025	Integration with ES-FS
TEC 025a	Integration with Horizon
TEC 026	Integration with NRDS
TEC 027	Integration with Yantra
TEC 028	Interface with Girobank
TEC 029	Interface with DNS
TEC 030	Interface with NS&I
TEC 031	Interface with BACS

See section 9 for details on information flows

4.5.2 Post Office™ Strategic Direction

Ref	Requirement Description
TEC 001	The applications should be data driven
TEC 002	The applications should be modular were ever possible thereby allowing components, such as the presentation layer, to be easily swapped out as more suitable modules become available.
TEC 003	Minimisation of duplicate functions
TEC 004	Consolidation of related processes, to minimise movements of data, reduce audit and reconciliation points
TEC 005	Adoption of commodity platform products to minimise hardware and associated support costs and to maximise availability of skilled resources
TEC 006	Usage of packages, where business requirements can be mapped onto generic product capabilities
TEC 007	Clear separations of functional boundaries to retain flexibility in the future

4.5.3 Post Office™ Approved Technology

4.5.4 Not applicable Post Office™ Approved Components

Not applicable

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4.6   Supplier

4.6.1   Fujitsu Services / PRISM Alliance

Req ID	Description
POFS 007	The POL ledgers will be built in addition to and independent of other SAP systems.

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5   Design Principles

5.1   Programme:

Solutions are to be developed in accordance with the design principles established by the Impact Stakeholder Forum, as shown at Appendix B

Ref	Requirement Description
ACM 001	Any individual component of the programme must conform to the POL Strategic Data Model

5.2   Project:

Req ID	Description

1. The intention is to set reasonable service level targets, with reasonable compensation for failure to meet the service. (The definition of reasonable will be determined during the contractual negotiations)
2. The new POL FS system should (wherever possible) fit in with existing processes and management systems.
3. The SAP installation should be a "vanilla" installation, except for the bespoke interfaces required to load data from Horizon and SAP ADS.

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6 Functional Requirements

6.1 General

Ref	Requirement Description
FI 021	Monitoring of system rejections to ensure that data is resent and processed or accepted successfully
FI 022	System Management controls e.g. access levels, user ID's, passwords etc.
FI 023	Ability to monitor interfaces received and processed or rejected, and extracts produced including reconciliation of file interfaces across systems. Where rejections occur, error messages should be produced, indicating reason, to aid investigation.
FI 024	The capability to action discrepancies identified by the DRS process.

6.2 General Accounting

Ref	Programme Requirement Description
FI 015	To produce a set of auditable accounts within the framework of the Chart of Accounts specified
FI 016	To enable matching of suspense items for debt recovery purposes and error handling
FI 017	To enable the reporting of stock values in the relevant balance sheet accounts (this will cover the Stock Ledger)
FI 018	To consolidate information from SAP ADS financials to report the POL accounts
FI 019	To account for business transactions which will populate the trading ledger
FI 020	To have visibility of branch transactions by day (this will cover the Branch Ledger)

6.3 Client Ledger

CSH 001	To implement a client ledger that accurately identifies PO Ltd's liability to and from clients and enables accurate, auditable, and timely settlement in accordance with contractual requirements.
CSH 002	To receive a daily interface of summarised transaction data, from Horizon, by client or product.
CSH 005	To calculate, pay / receive and account for Client settlements based on the contractual data stream, being any combination of: - Horizon - SAP ADS (e.g. Corporate deposits) - Client data (e.g. Camelot) - Other existing contractual stream (e.g. BBC non bar coded licences) - Stock adjustments from NSSC
CSH 006	To pay / receive settlements based on estimates and / or including standing deposits
CSH 007	Settlement facility to be available by 7:30 am in support of client settlement terms
CSH 003	To refer to information about transactions from clients in order to resolve any disputed items and determine true liability. Summary available from POL/FS detail from Data Warehouse
CSH 004	To receive a daily interface of summarised transaction data, from SAP/ADS, by client or product.
	Programme Requirement Description
CS 001	A daily view of summarised balance (value and volume) by client, by product, by branch or cash centre, and by day.

CS 002	Ability to split client balances, when a client has several products or contracts with different terms of payment, in order to map into different sub accounts in the ledger.
CS 003	The ability for each trading day to have a unique document entry
CS 004	The ability for non-polled offices transaction data, once received, to be: • Accounted for in the current accounting period based on posting date • Recorded against the appropriate trading dates • Settled to clients based on trading date
CS 005	The ability for differentiation between trading date and posting date.
CS 006	The ability to receive client summary reports, by volume and value, for Automated Payment clients. These reports will not be on POL FS.
CS 007	A mechanism to be able to trace disputed totals back to transaction level, on MIS, in order to resolve and correct information at the appropriate point to amend ledgers, and reporting or management information.
CS 009	Ability to compare the values of settlement made based on client against actual data from Horizon for the equivalent period. POL FS will enable comparison at a daily branch and product level for all such clients. There will be the ability to perform detailed transaction comparison but this will not be on POL FS.
CS O15	The ability to adjust settlement and account for discrepancies identified from: • Client invoices or data mismatches with Horizon transactions • Transaction Corrections (covering customer, supplier and branch queries) • Banks (unpaid cheques & Data Reconciliation Service adjustments) • Estimating differences
CS 010	The ability to provide a generic solution for the main proportion of clients and only build exception processes when necessary
CS O16	Settlement process, to include adequate control procedures, and to pay amounts due in accordance with clients individual settlement terms
CS 011	To be able to settle (pay and receive) by contractually required methods of payment: • BACS • CHAPS • Swift • Cheque • Direct Debit (payment receipt only)
CS 012	The ability to track payments made on estimates to compare actual to estimates, via a holding account or similar solution for client related data.
CS O17	The ability to amend settlement for non core charges such as commission and interest charges and account for these accordingly.
CS 013	The ability to provide client reports based on summary volume and value for each defined product.
CS 014	The ability to provide contractual client reporting. This may be achieved by a mixture of POL/FS and Data Warehouse reporting.
CS 018	To be able to determine the amount due to a client using payment terms agreed with client
CS 019	To enable payments to/from clients with functionality for matching and closing paid items to leave open items for management of debtors/creditors

6.4 Debt Recovery

Ref	Requirement Description
DRH 001	To implement a debtor's ledger (accounts receivable), which accurately identifies amounts owed to PO Ltd liability from agents, former sub postmasters, customers and clients in relation to transaction balances. If client balances are on an accounts payable ledger then to be able to identify and manage debit items within the overall creditor.
DRH 002	To receive, as part of the Horizon daily interface, details of debt recovery items and results of debt recovery action e.g. cash receipts by debtor from the POL ledger entries.
DRH 003	To be able to record debt recovery plan decisions, and action taken so as to manage debt recovery and document stages of escalation taken.
DRH 004	To be able to refer to information about transactions both in MIS and directly entered trading transactions with debtors, in order to resolve any disputed items and determine true amount recoverable NB If amounts owed to the PO but still under investigation are recorded outside of the debtors ledger but within the Transaction Correction area of POL FS, to be able to manage these as if they were on the debtors ledger i.e. • to accurately identity to branch, • to know which date they relate to and therefore which agent and the time outstanding i.e. age, • to refer to information for investigation purposes and • to record action taken by individual operator
DRH 005	To be able to generate identified transaction errors, to be fed back electronically to Horizon, if, as a result of investigation, debts need to be transferred and corrected within a branch liability statement.
DRH 006	To be able to view debtor credit history in order to assess credit worthiness.
DRH 007	To be able to assign appropriate credit terms to different debt items e.g. 30 days for counter transaction errors, 45 days for loans to SPMs
DRH 008	To be able to assign different agents/branches to a central "head office" payment point in the instance of multiples who require their own central authorisation for settlement to POL.
DR 001	A daily view of outstanding debtor balances (or suspense items) and the history of management for live items
DR 002	Ability to age debt (or suspense items) so as to manage over due items.
DR 003	A mechanism to be able to trace disputed totals back to transaction level in order to resolve and correct information at the appropriate point to amend ledgers, and reporting or management information.
DR 004	A flag needs to be set when it is known that an office is to be closed, and may this may be reported on. The information will come from NRDS.
DR 005	A flag needs to be set when a branch (or in the case of multiples the total of branches) has a debt of more than £5,000 this includes all debt, and may this may be reported on.

Ref	Requirement Description
DR 006	To be able to produce debt recovery reporting such as – Debt Recovery Case Management By branch, by branch type, by Agent name, by product (by client), by age of debt High value debt (e.g. all outstanding debt which exceeds a defined limit, by branch) Debt Recovery repeat offenders (problem offices) Value of debt or credit by number, by branch, by branch type (to meet current organisational structure), by product, by method of payment, by age of debt Former Subpostmasters accounts held including Branch, Agent name, Age of debt, Dispute details, Losses (write off) Disputed debt by branch, by client (e.g. Giro) Non-recoverable debt – e.g. as a result of fraud or client negotiations, details to be held until written off. By network (national total of all branches), by branch, by product, by client
DR 007	Ability to search on a particular field (i.e. Agent name) and be able to track status, audit log entries
DR 008	Ability to produce invoices for transaction corrections to be sent to central "head office" for multiples in order for central settlement
DR 009	Ability to record details against individual exception (Debt Recovery Case Management) to track progress through investigation and towards resolution. Freeform text field plus CACM operator details, time and date stamp for audit requirements. Measurement against agreed timescales.
DR 010	Ability to record Agent's debt from: • Actioned Transaction Corrections – automated from Horizon interface • Other debts as identified – manually entered
DR 011	Ability to record reductions in debt on agent's account based on: • Payment by Credit Card • Deductions from payroll
DR 012	To be able to produce correspondence to chase outstanding items e.g. statements, reminder letters.
DR 013	To provide information of aged balances

6.5 Cash Centre Management

Ref	Requirement Description
CHH 001	SAP/ADS to make available, by cash centre, to the POL Financial System the daily end of day cash position for entry into the cash ledger (Release 1)
CHH 002	SAP/ADS to make available, by cash centre, to the POL Financial System the detailed cash pouch data, for remittances into the cash centre, for entry into the cash ledger to enable Cash In Transit matching within the ledgers (Release 1)
CHH 003	SAP/ADS to make available, by cash centre, to the POL Financial System the summarised daily client related transactions, (value and volume), by client for entry into the client ledger
CHH 004	SAP/ADS to undertake the summarisation of required data, to an agreed level, prior to entry into the cash and client ledgers.
CHH 005	The interface will provide all transactions which affect cash and near cash values of the cash centre. For example: - Inward and Outward to POL Inward and Outward to FI's Inward and Outward to Customers/Clients Inward and Outward to 3rd Party Cash centre adjustments Cash centre discrepancies Cheque remittances Cheques on hand

Ref	Requirement Description
CHH 006	The interface will provide a snapshot of all transactions at approx midnight and must be available within the POL FS by 07:30 the following day
CH 001	The Cash Centre Trading Statement will replace the current cash account process. The statement is an internal document for the cash centre only and will not be forwarded to an independent area unless security and audit determine that that is essential. The actual data within the trading statement will have already populated the ledgers by the daily interface outlined above and therefore no data from the statement will populate the interface. The trading statement will encompass a snapshot of cash and stock and also any current discrepancies or suspense items. It will also enable the cash centre to view what business has been transacted over the last period. The cash centre manager will be required to "sign off" the trading statement as a true and accurate position at specified points in time. It is possible that the SAP/ADS system can produce the level of information required which would satisfy both control issues and security and audit requirements. The Trading Statement is being developed independently of POL FS by CL&S.

6.6   Stock Recording & Accounting

Ref	High Level Requirement Description
SRH 001	To provide end to end visibility of the stock movements from point of entry (whether direct to branch or via the National Secure Stock Centre) until sale, loss or return.
SRH 002	POL FS MM module to accept a daily interface of stock sales in order to maintain accurate link between stock movements and stock sales.
SRH 003	POL FS MM module to accept a daily interface of stock adjustments at the branches, from stock declaration process hence identifying stock discrepancies. .
SRH 004	To provide an interface of stock at National Secure Stock Centre, identifying stock discrepancies, for recording to POL FS MM module.
SRH 005	To provide auditable balances of stock throughout the network for probity and audit purposes

Ref	Programme Requirement Description
SR 001	The Horizon system to make available to the POL FS MM module details of identified stock discrepancies by volume, and value, (where relevant).
SR 002	The Horizon system to make available to the POL FS MM module the daily movements of stock into and out of branches by volume. These must include both internal and external remittances.
SR 003	The Horizon system to maintain link between stock movement and stock sales and make available to the POL FS MM module the daily sales of stock.
SR 004	The National Secure Stock Centre to interface identified stock discrepancies by volume, and value (where relevant) in order to identify stock adjustments in the POL FS MM module.
SR 005	The National Secure Stock Centre to make available to the POL FS MM module the daily movements of stock into and out of the central stock unit by volume, and value, (where relevant). These must include both internal and external movements.
SR 006	The POL FS MM module to hold information by stock type in order to inform POL FS of all balance sheet impacts.

SR 007	POL FS MM module to hold value of all stock, which has a balance sheet impact, by stock item.

6.7   Foreign Exchange

Ref	Programme Requirement Description
BDC 001	Individual calculated stock values to be held on POL FS by Branch, on Day B: • Day A's individual currency value (quantity, e.g. $500) – these can be up to 14 characters long; and • Day A's Sterling equivalent value (e.g. £250) at Day A Spot Rate. The daily movement in foreign currency held will be received as part of the daily interface from Horizon.
BDC 002	Stock quantities (e.g. $300) of Travellers cheques, by currency and branch to be held within POL FS in MM module (not valued)
BDC 003	Margins and Commissions on transactions (Sell and Buy) are to be posted to an appropriate settlement account for the Bureau Joint Venture.
BDC 004	Stock revaluations to be recorded separately in POL FS. Stock revaluations will be driven by sending systems. The current build for Horizon triggers revaluation from the running of the trial balance.
BDC 008	Stock adjustments to be recorded separately in POL FS.
BDC 005	Currency transfers between the Cash Centre Network and the Client are to be included within the POL FS Balance Sheet, with postings to a Client Settlement Account where appropriate.
BDC 006	Management information in support of individual inventory management capability will be available within POL FS (e.g. stock : sales ratios by Branch; stock holdings by branch or branch hierarchy)
BDC 007	POL FS reporting capability to be accessible within the Cash Centre Network.

6.8   New Reference Data System

Ref	Project Requirement Description
NRDS 001	NRDS to provide reference data shared by multiple systems to POL FS
NRDS 002	NRDS to accept reference data mastered in POL FS that is required for interface data mapping
NRDS 003	NRDS to provide a data mapping facility to enable interfaces between significant systems to be controlled using reference data rather than hard coding
NRDS 004	NRDS interface to Horizon to be enhanced with various data objects including interface data mapping logic.

Conceptual Design	**Project:**	POL FS
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7   Process Models

Process models are broken into two types:

High Level: Defined using IDEF showing the existence of particular process activities

Detailed: Defined using Swimlanes process diagrams showing the breakdown of activities by role and technologies. Descriptions of each swimlane process are provided in section 8, and these should be read together.

This section is aimed at several audiences:

Supplier project teams:	To ensure understanding of the design requirements
Post Office Change Management:	To assist understanding of new processes and potential for organisation changes
Post Office Business:	To ensure understanding of new business processes.

To help understanding of these diagrams, some transaction examples are shown at Appendix C.

Conceptual Design

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Project: POL FS

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7.1 Post Office Processes in Scope

Provide Management Information — Management Information
5
A5

Reference Data Management — Stock Revaluation Information — Product Change Info
1
A1
Reference Data & Business Rules

ABC Data
Trading Transactions
Trading Debts
Accounts and Settlement

Cheques Processed
Streamline Settlements
Stock Revaluation Information
Client Settlement Data
Branch Closure Notice
Client Authorisations

POL Business Ledger (ES-FS)
Adjusted Transactions
Debt Recovery Amounts Through Payroll
Client Transaction Data Report
Branch Liability Statement
Settlement Payment to Client
Payment Request to Client
Identified Transaction Errors
Interest Report
Costing Analysis
Mandatory Data
Marketing Forecasts
Seasonal Data
Investments & Borrowings

Customer Requirements/ Enquiries — Sales
Receipt
Enquiry Response/After Sales Enquiry
Transaction Data
2
A2

Cash Movements
Cash Centre Cash Holding Information
Branch Cash Holding
Stock Adjustments
Cash Adjustments
Customer & Branch Enquiries
Bank Statements
Cash Flow & Holdings Performance Data
Cash Flow Forecasts
Supplier Orders
Stock Despatches
4
A4

Stock Usages Through Transactions
Stock Holding Information

Stock Management
3
A3
Stock Receipts
Local Requirement Knowledge
Product Marketing Knowledge
Other Fulfillments

Pouch Delivery Confirmation to Cash Centre
Cash Centre Transaction Data
Vouchers Despatched
Cheque and Voucher Values
Cheques Despatched
Consignment Note

Cash and Near Cash Usages Through Transactions

Cash Management
6
A6
Opening Cash, Cheques and Vouchers
Cash Receipts
Cash Receipts from Financial Institutions
Local Cash Requirements Information
Customer Transactions
Seasonal Data
Marketing Forecasts
Specials
Cash Centre Cash Holding Information

Cash Despatches
Cash Orders
Cash Despatched to Financial Institutions
Management Report
Non-Conformance Reports
Cash Flow & Holdings Performance Data

Forecast Performance Reports

7.2 A4 - Accounts and Settlement

7.3   A442 Summarise Client Data

A442 Summarise Client Data

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7.3.1   A443 Calculate Estimated Settlement to Clients

A443 Calculate Estimated Amounts For Settlement

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7.3.2 A444 Discrepancy Process – Errors identified by Client

A444 - Errors Identified By Client
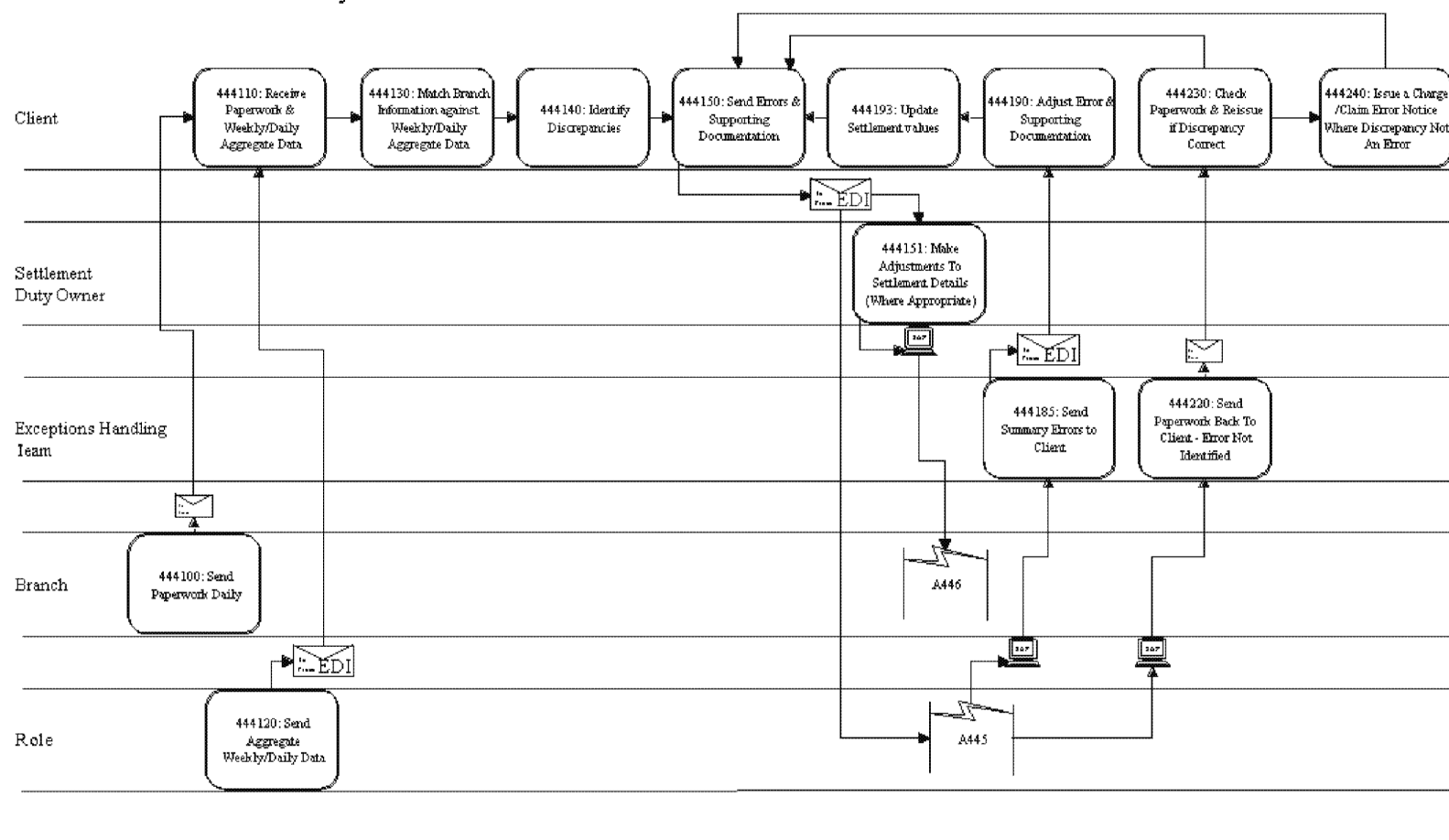
Role 1

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7.3.3   A444 Exceptions Handling – Compare Settlement Data With Transaction Data

A444 - Compare Settlement Data With Transaction Data

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7.3.4   A445 - Resolve Exceptions

A445 - Resolve Exceptions

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7.3.5 A445 Transaction Corrections (Singletons/Franchises)

A445 - Transaction Corrections (Singletons / Franchised)
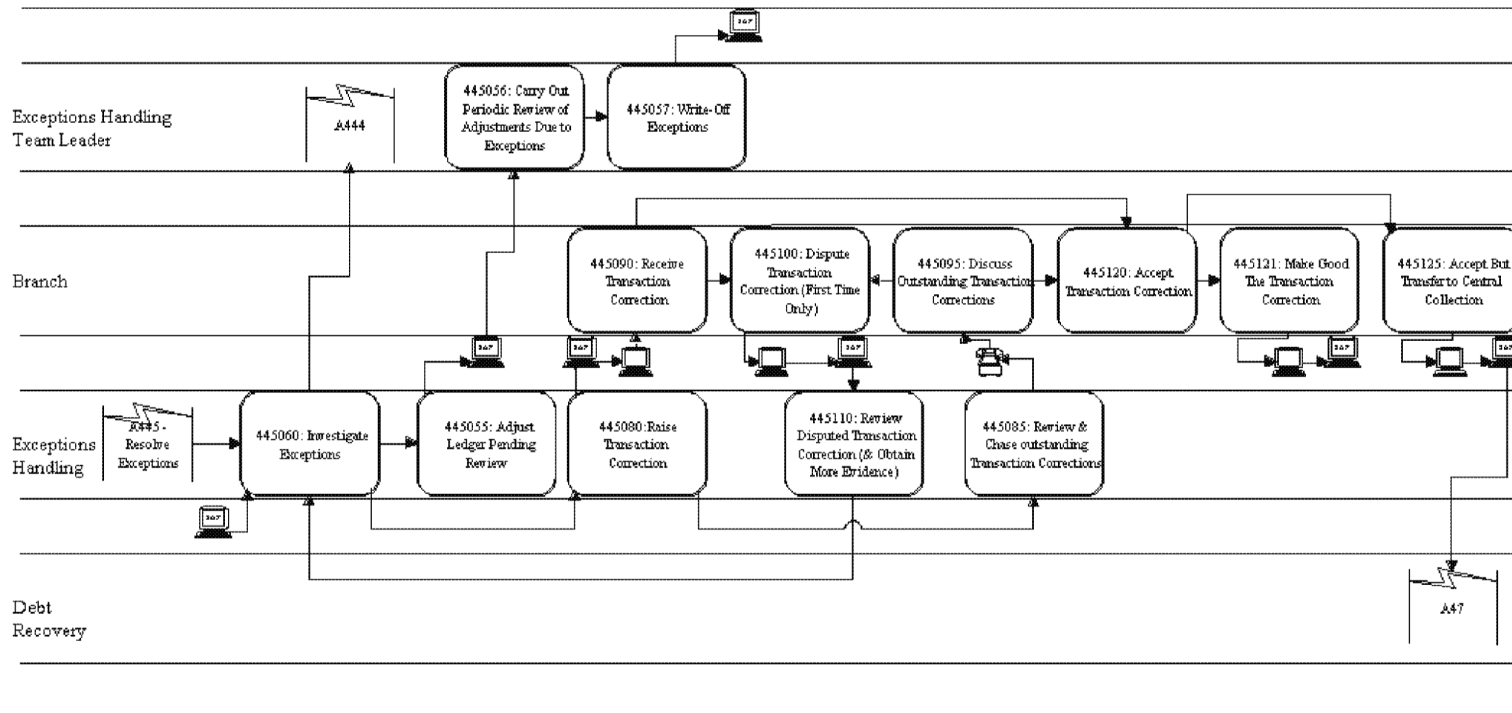
Project: POL FS

Doc Ref: POL/IMPACT/DES/R3029

7.3.6   A445 Transaction Corrections (Multiples)

A445 - Transaction Corrections (Multiples)

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| **Doc Ref:** | POL/IMPACT/DES/R3029 |

7.3.7 A445 Transaction Corrections (Directly Managed Branches)

A445 - Transaction Corrections (Directly Managed Branches)

Multiples
Branch

Exceptions Handling
Team Leader

A444

445056: Carry Out
Periodic Review of
Adjustments Due to
Exceptions

445057: Write-Off
Exceptions (to P & L)

Branch

445090: Receive
Transaction
Correction

445095: Discuss
Outstanding Transaction
Corrections

445120: Accept
Transaction Correction

Exceptions
Handling

A445 -
Resolve
Exceptions

445060: Investigate
Exceptions

445055: Adjust
Ledger Pending
Review

445080: Raise
Transaction
Correction

445085: Review
outstanding Transaction
Corrections

Debt
Recovery

Central Finance

445130: Review Write
offs from Branches

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7.3.8 A446 Authorise, Make & Account for Payments

A446 Authorise, Make & Account for Payments
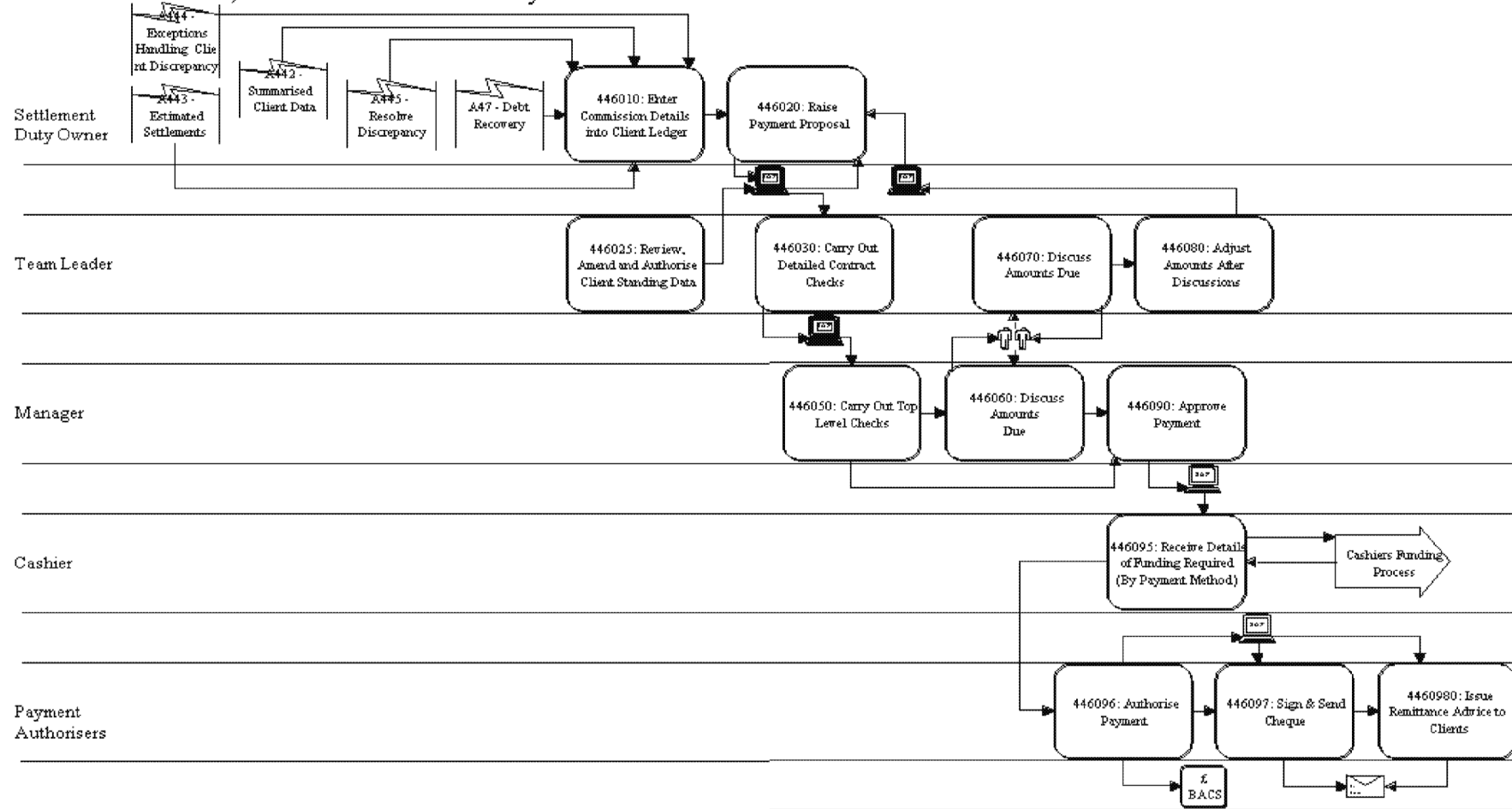
© Post Office™ 2003

7.4   A45 Client Settlement from Client

The High level process shown here reflects current practice relating to Pre-funding from DWP / Inland Revenue.
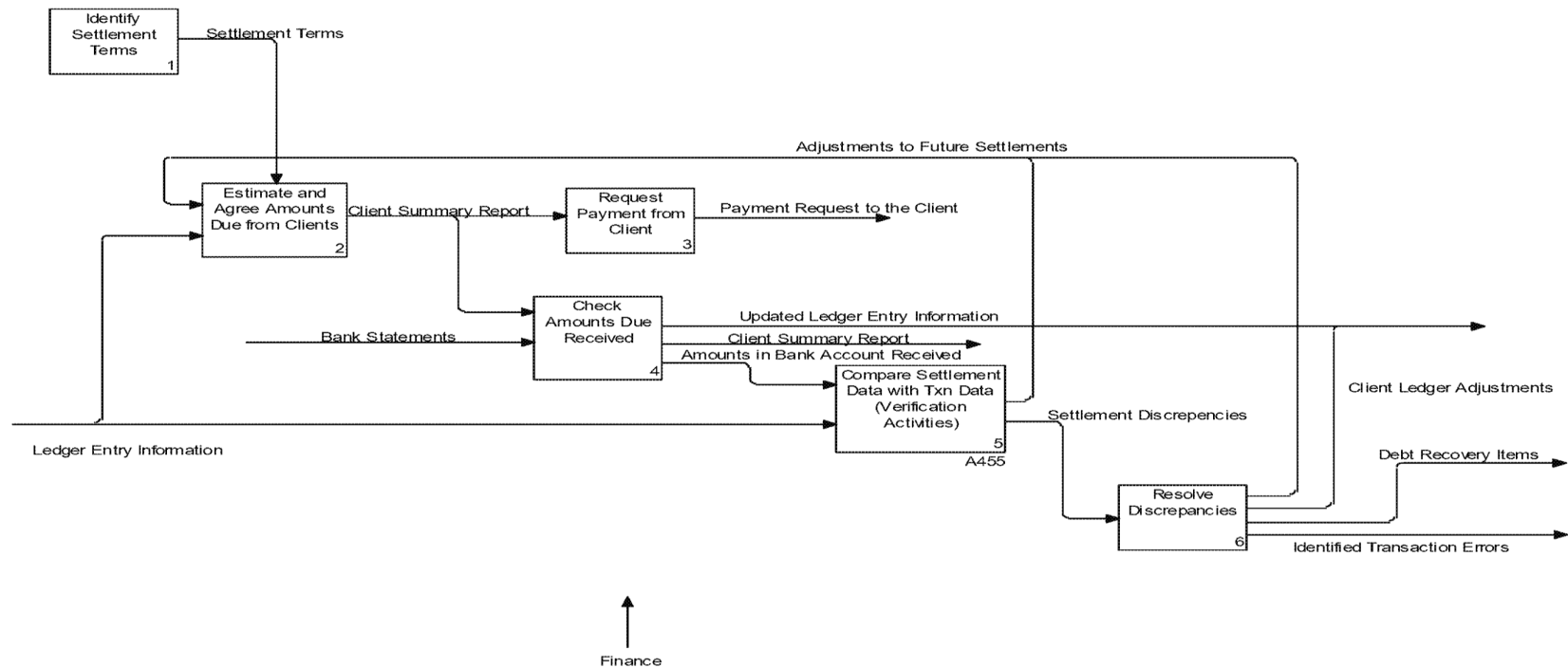
Conceptual Design

Project: POL FS

Doc Ref: POL/IMPACT/DES/R3029

7.4.1 A453 – A454 Settlement from Client (Personal Banking)

A453 - A454 Settlement From Client (Personal Banking)
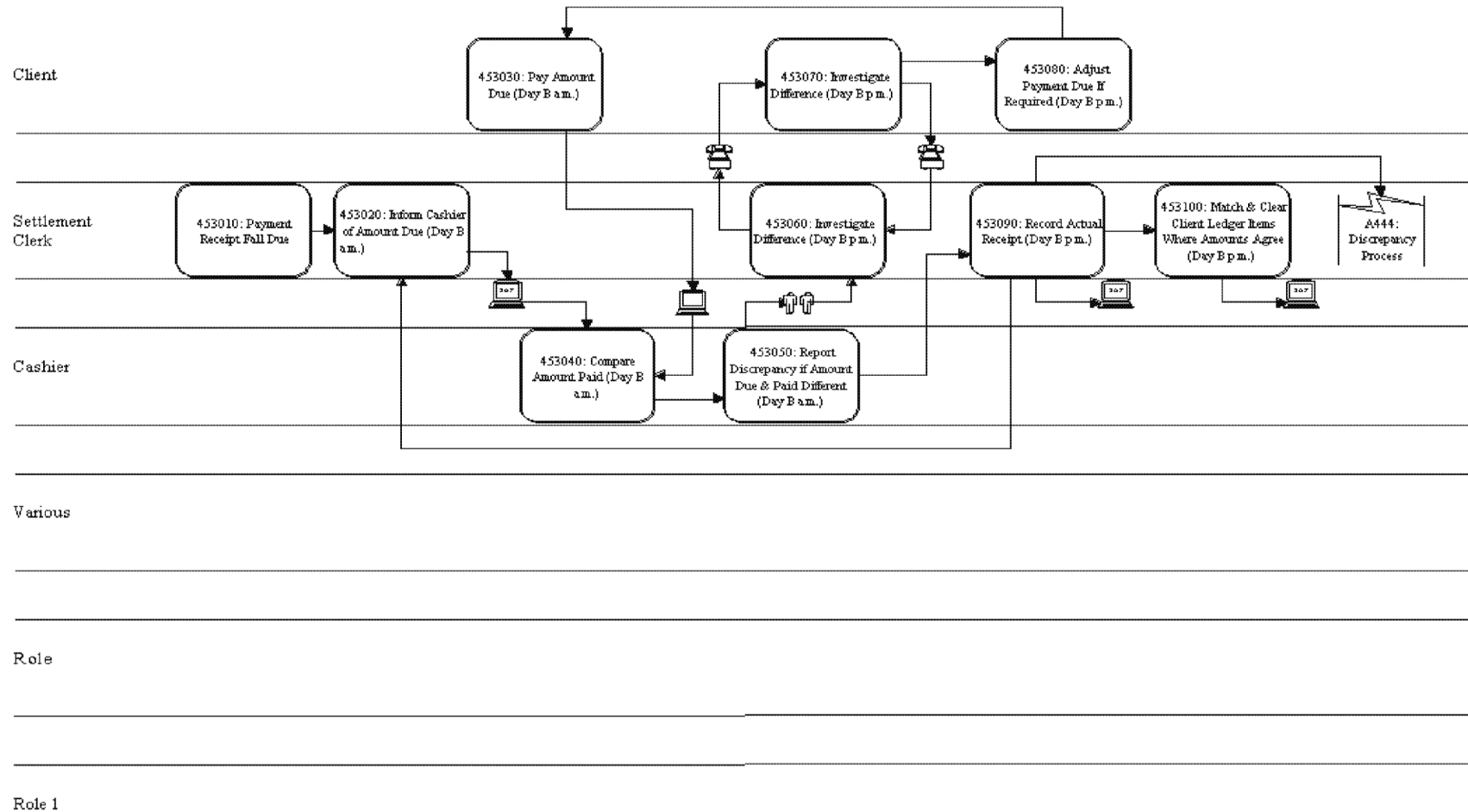
Client

453030: Pay Amount Due (Day B a.m.)

453070: Investigate Difference (Day B p.m.)

453080: Adjust Payment Due If Required (Day B p.m.)

Settlement Clerk

453010: Payment Receipt Fall Due

453020: Inform Cashier of Amount Due (Day B a.m.)

453060: Investigate Difference (Day B p.m.)

453090: Record Actual Receipt (Day B p.m.)

453100: Match & Clear Client Ledger Items Where Amounts Agree (Day B p.m.)

A444: Discrepancy Process

Cashier

453040: Compare Amount Paid (Day B a.m.)

453050: Report Discrepancy if Amount Due & Paid Different (Day B a.m.)

Various

Role

Role 1

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7.5   A46 Verification

Only two areas of this functionality exist in the back office
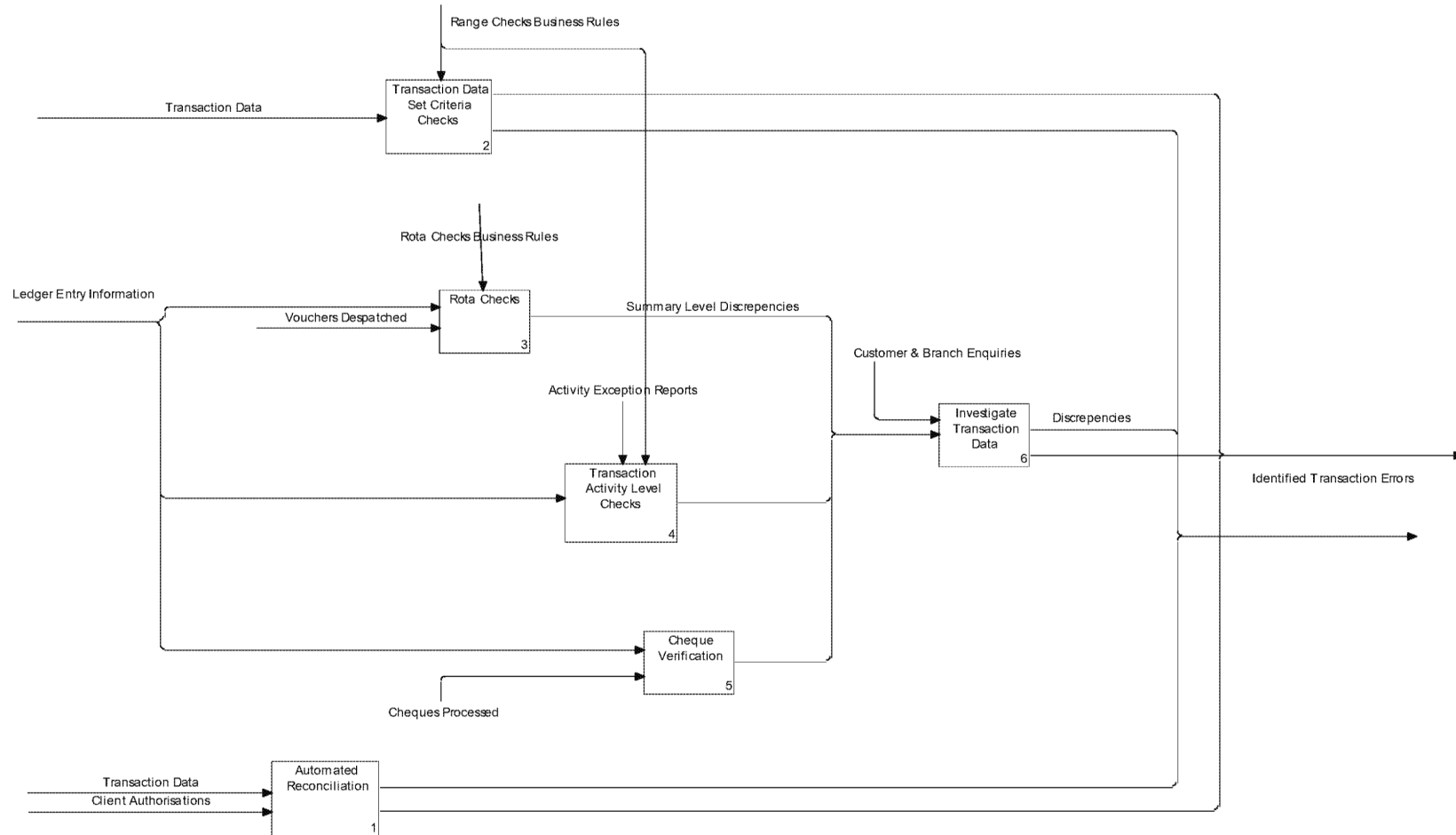
Project:	POL FS
Doc Ref:	POL/IMPACT/DES/R3029

7.5.1   A466 Exception Identified by Client or Customer
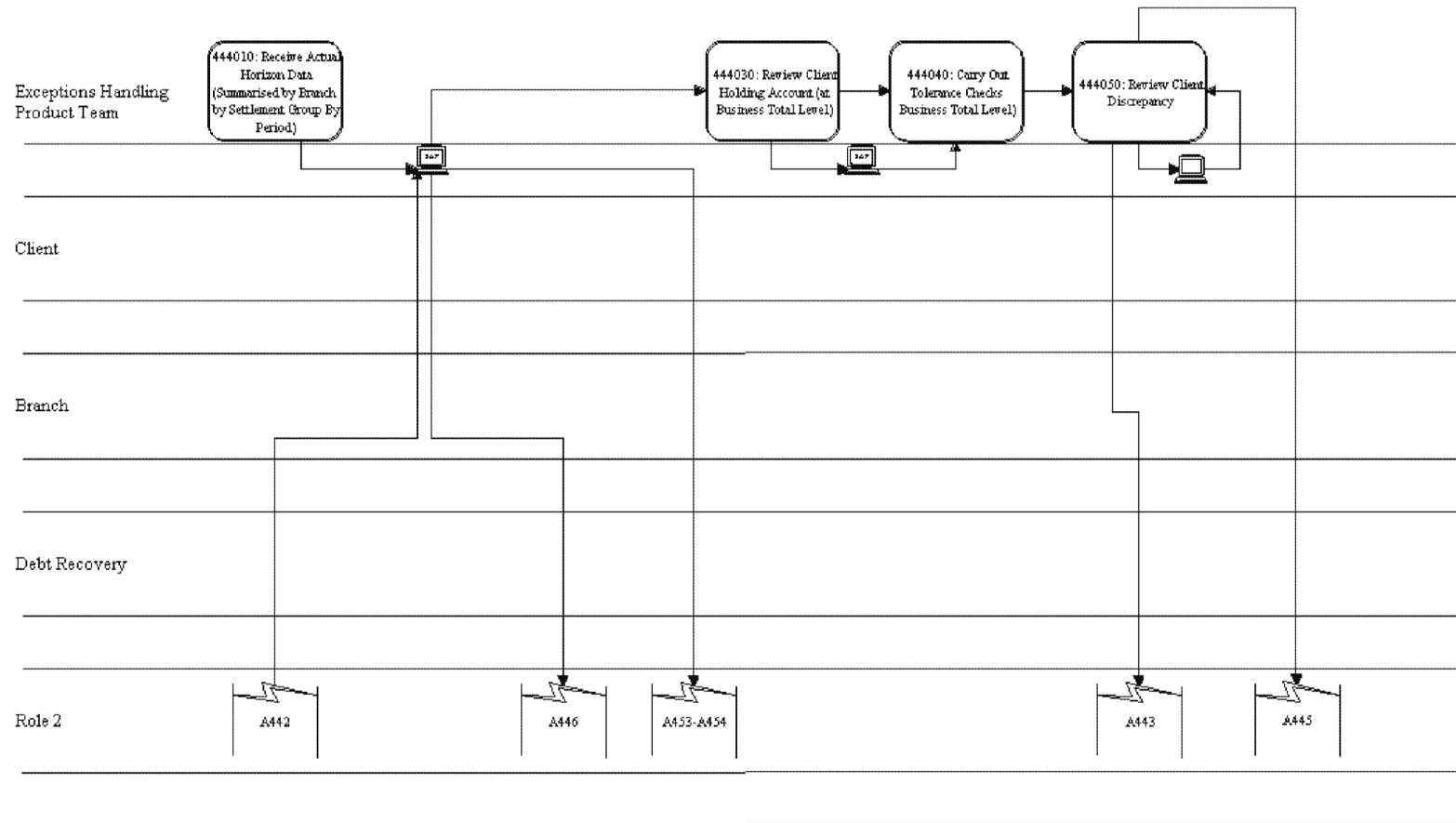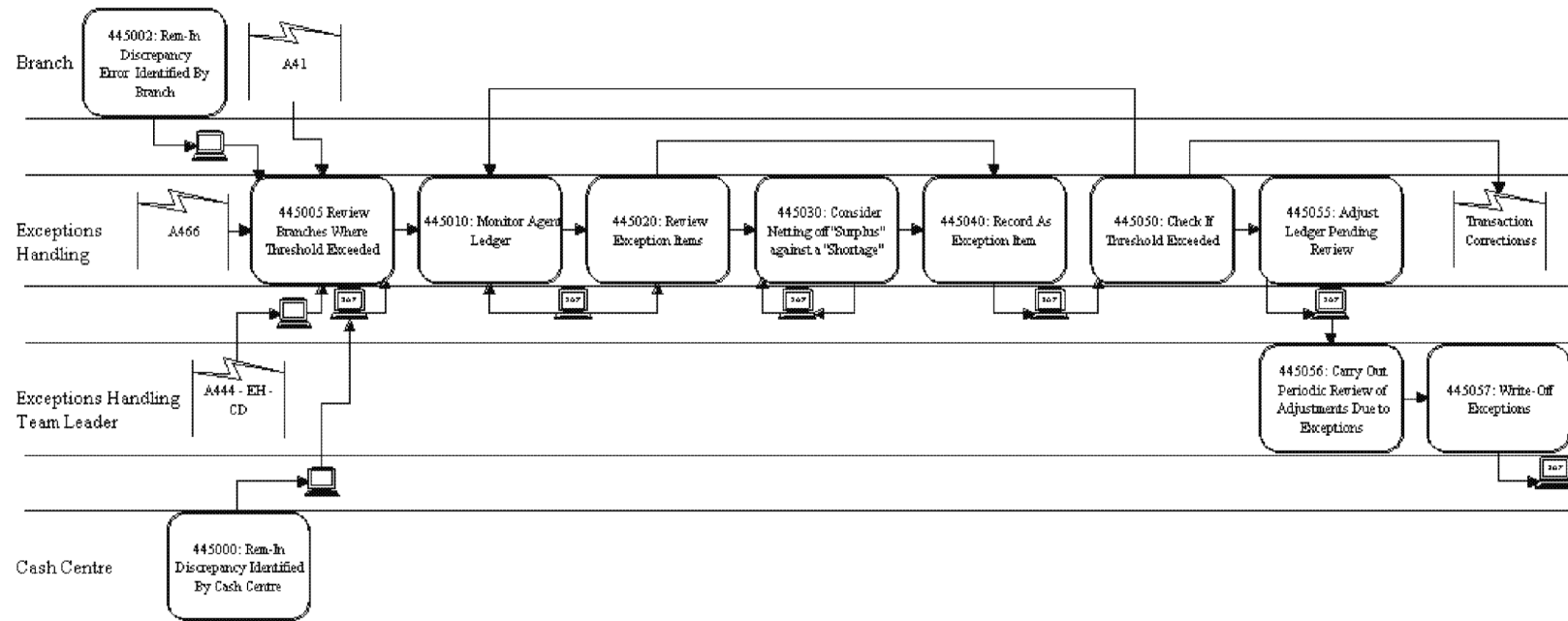
A466 - Exceptions Identified By Client or Customer
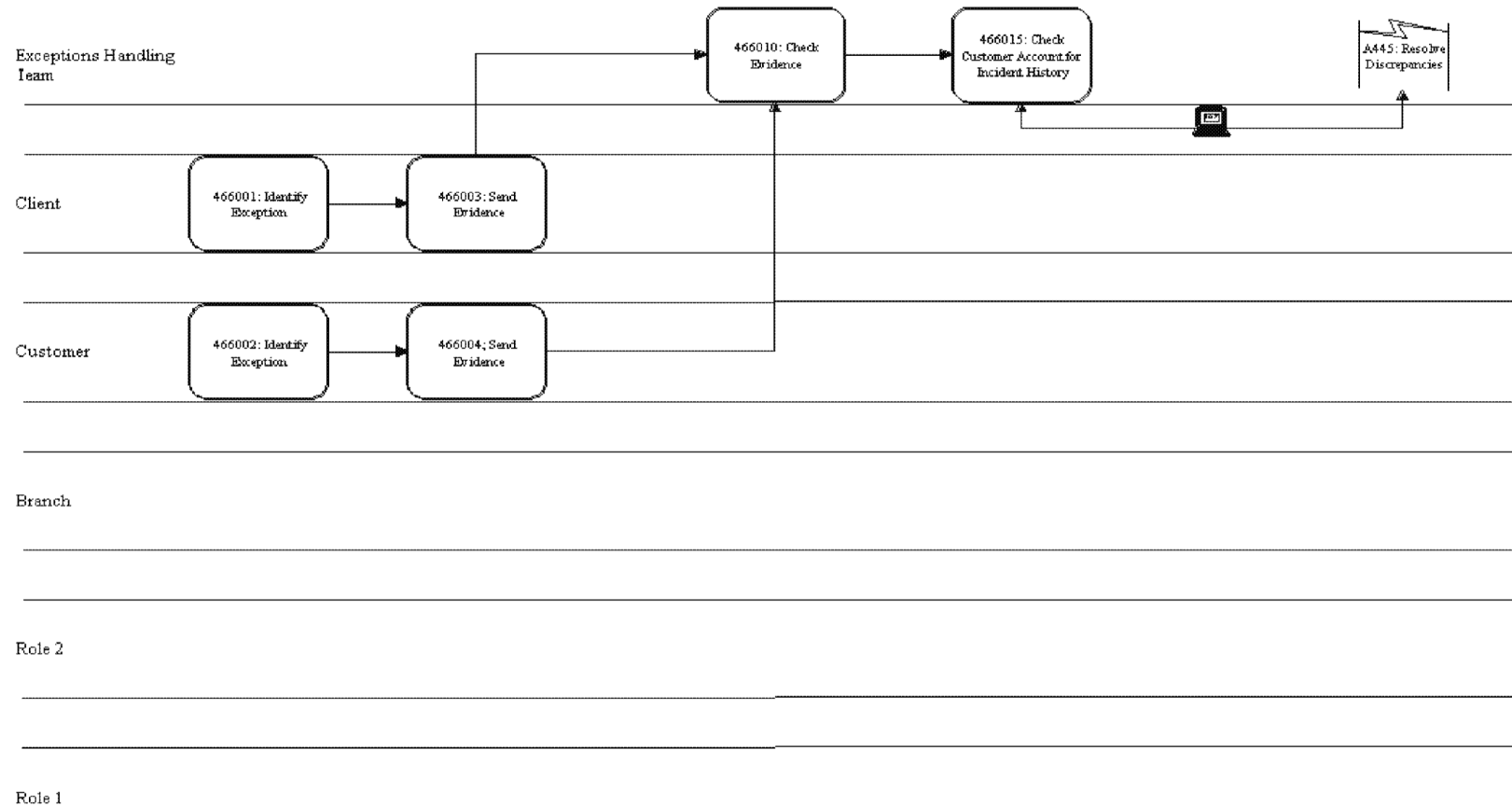
© Xansa 2002
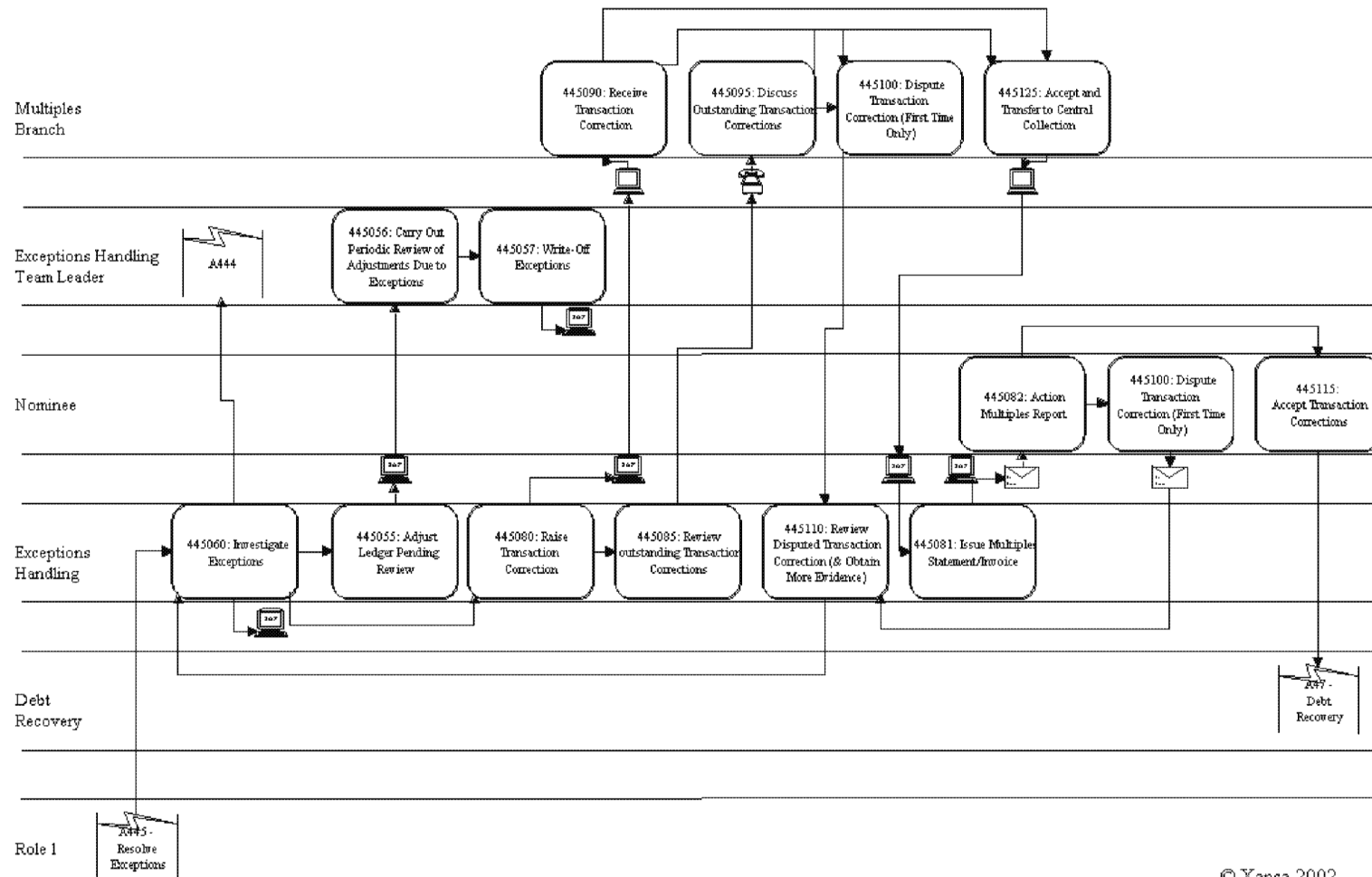
Conceptual Design
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Project: POL FS
Doc Ref: POL/IMPACT/DES/R3029

7.6 A47 Debt Recovery

Conceptual Design

Project:	POL FS
Doc Ref:	POL/IMPACT/DES/R3029
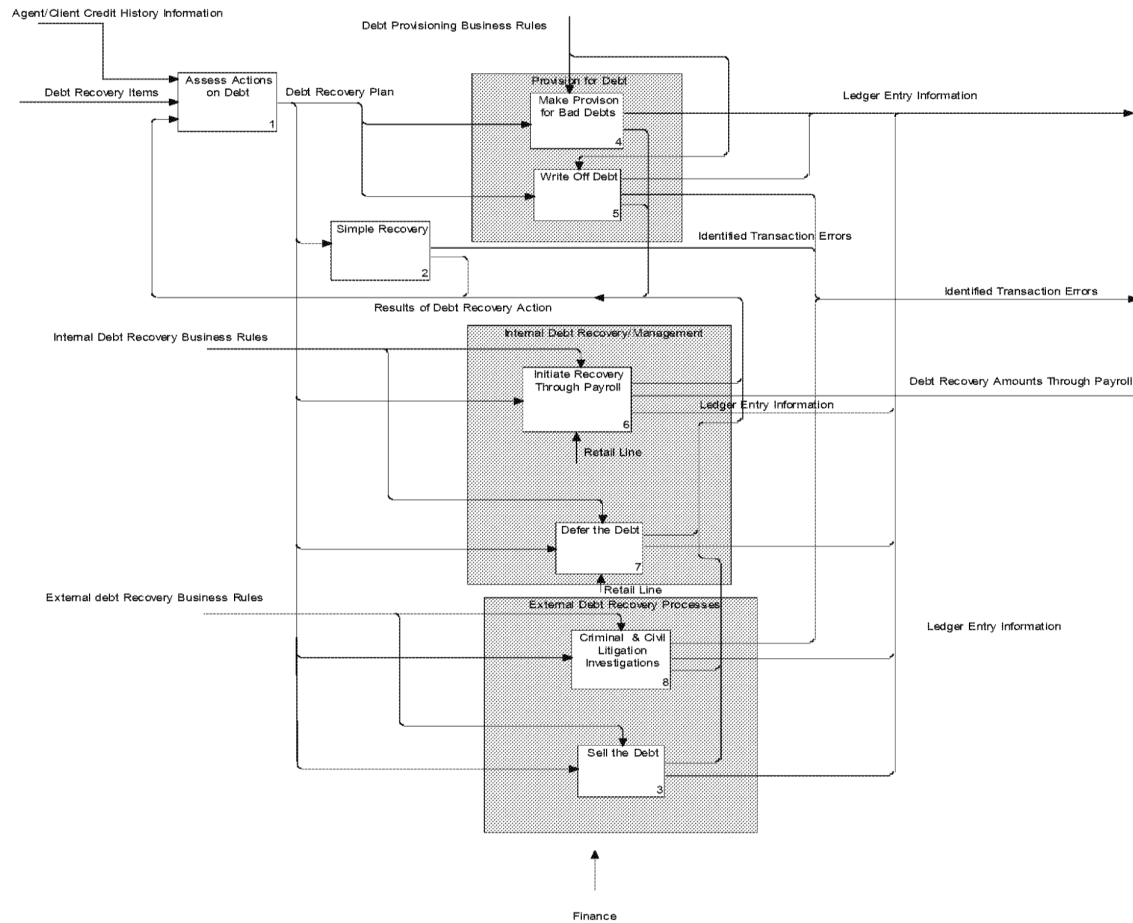
7.6.1 A47 Debt Recovery (Deduction From Remuneration) 1/3

A47 - Debt Recovery (Deduction From Remuneration) - Page 1 of 3

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Project: POL FS
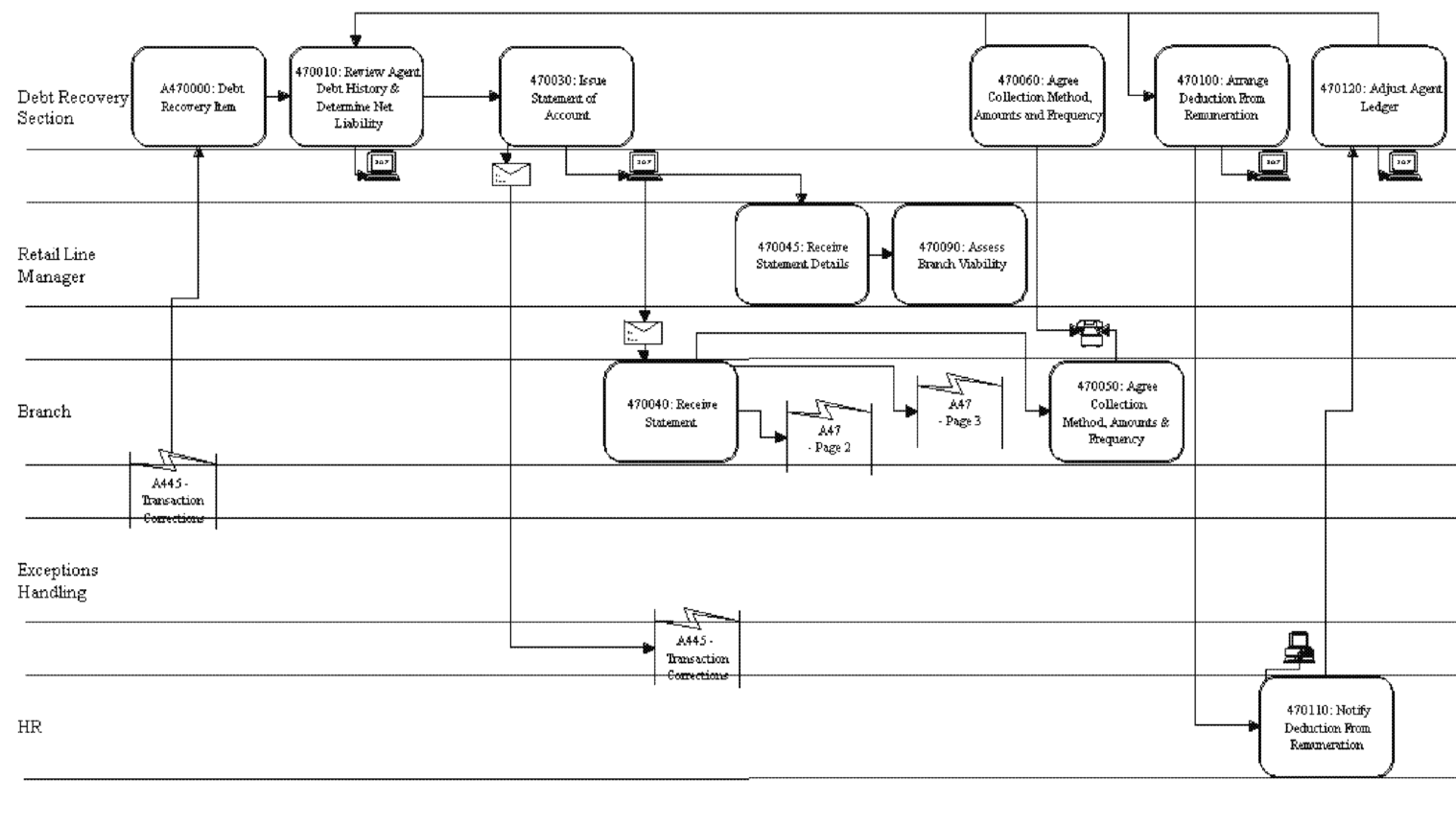
Doc Ref: POL/IMPACT/DES/R3029

7.6.2   A47 Debt Recovery (Repayment by Card or BACS) 2/3

A47 - Debt Recovery (Repayment via Debit / Credit Card or BACS) - Page 2 of 3

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7.6.3 A47 Debt Recovery (Deferment) 3/3
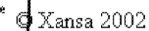
A47 - Debt Recovery (Deferment)- Page 3 of 3

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7.7 A48 - Produce POL Ledger
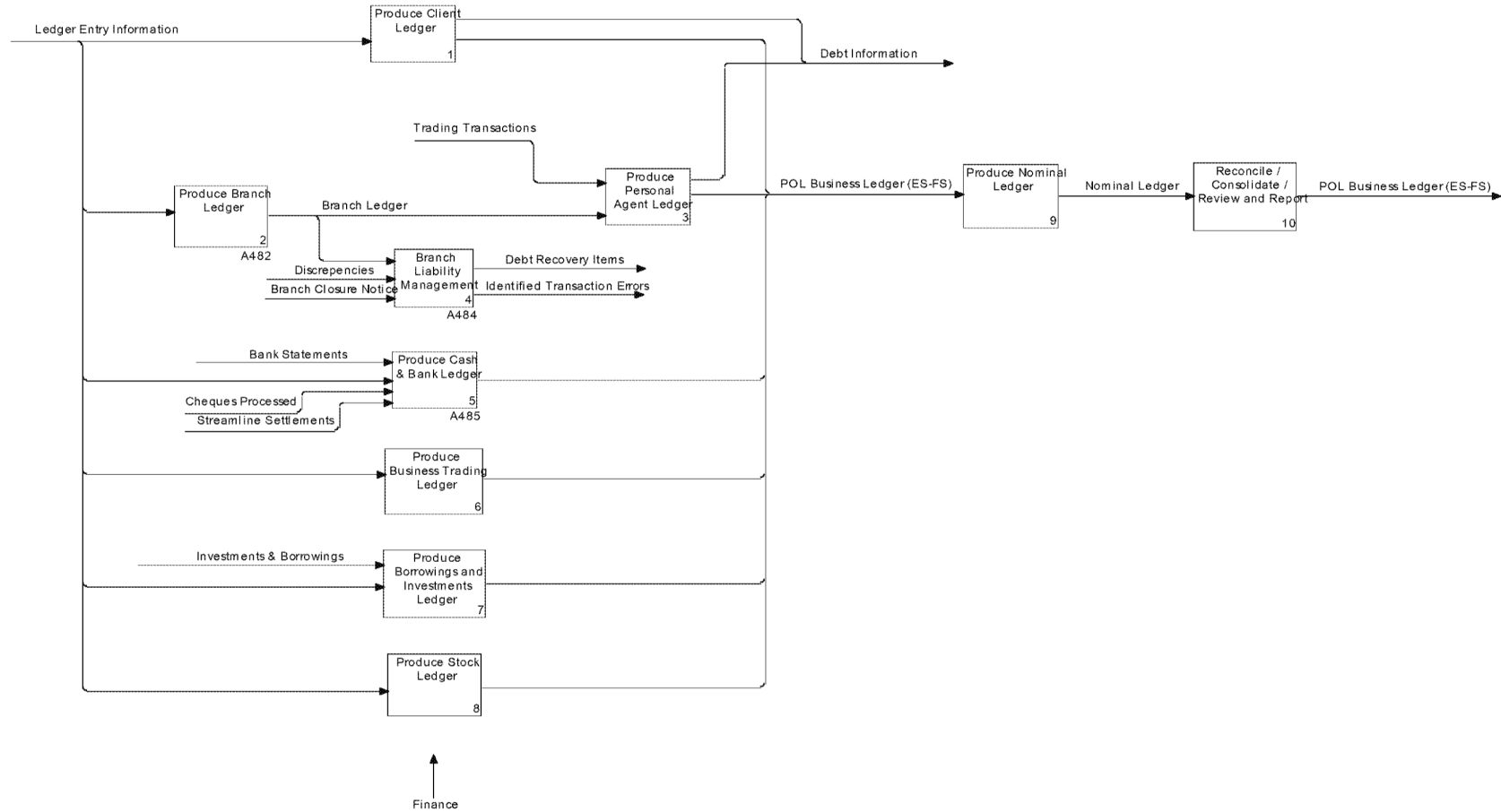
7.7.1   A484 Branch Liability Management
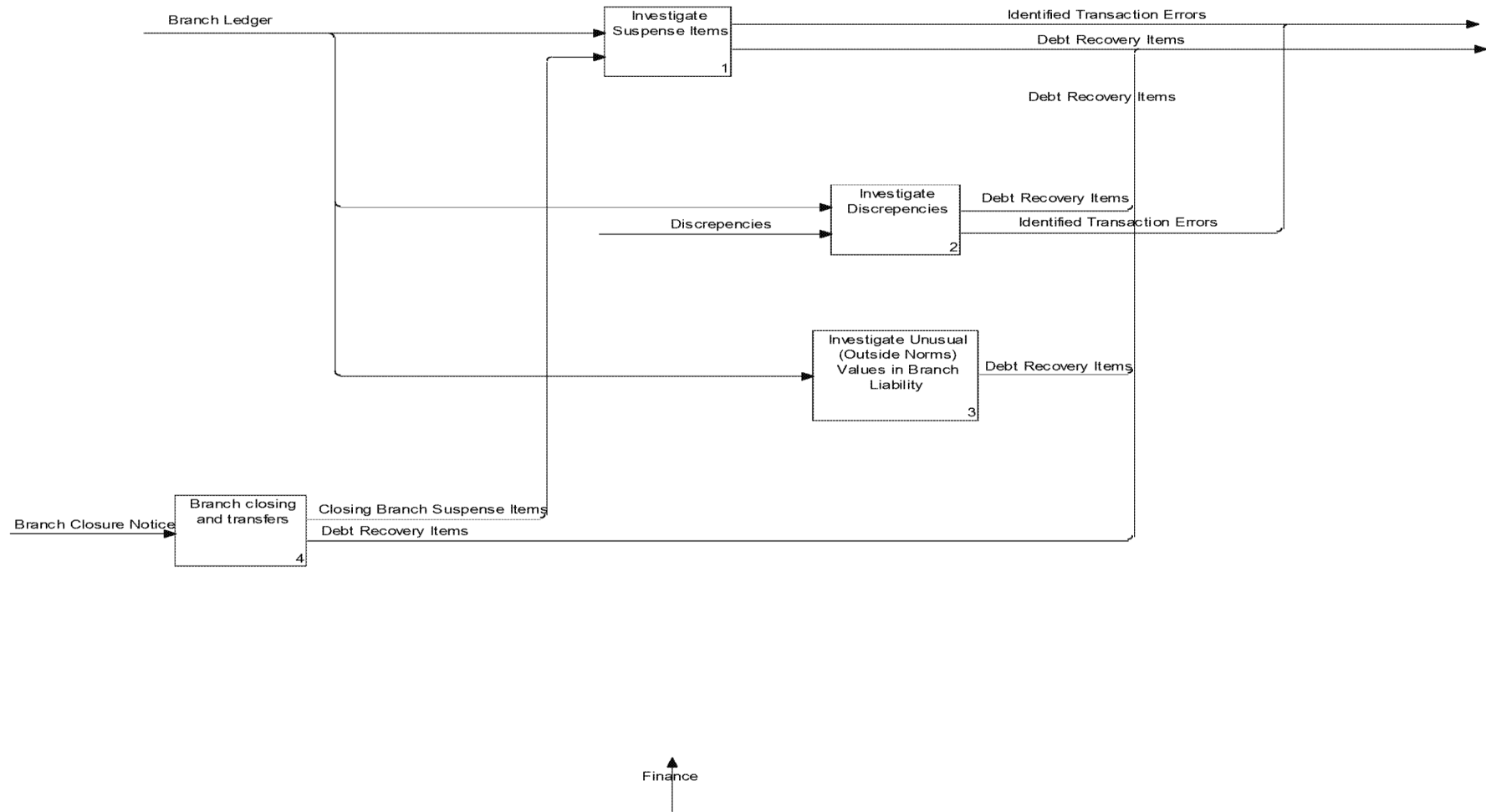
8 Business Processes

8.1 A3 Stock Management

POL FS is a recording and accounting system for stock management that occurs on systems outside POL FS.
The NSSC is currently going through a project implementing a stock warehouse system called Yantra.

Stock at Branches is controlled on Horizon.

POL FS will receive stock receipt, despatch and write off information from Yantra. The assumption is that there will be a daily electronic feed of cash centre stock movements from Yantra. If the electronic feed out of Yantra is not developed then this information will be entered into POL FS manually.

All stock information from Horizon will be passed in the Summarised Branch Data process below.

8.2 A43 Summarise Transaction Data

8.2.1 Summarised Branch Data

The process feeding into POL Ledgers is by a daily interface from Horizon.
The data for each Branch may provide the following components subject to branch activity:

Summary Movements in:

Branch Transaction	POL FS Account/Record (all by branch)	Subsequent Action on POL FS
Cash in hand	• To Cash in hand	• None
Cheques in hand	• To Cheques in hand	• None
Remittance out of Cheques	• To Cheques in transit	• Match to data from EDS
Payment by cards	• To Cards for clearing	• Match to Bank Statement
Forex in hand	• To Foreign Exchange in hand by currency	• None
Forex revaluations	• To Foreign Exchange revaluations	• None
Client product/service transactions with customers including quantity and value, when value can be £zero (and quantity 1) as distinct from an item which is not recorded e.g. blank form	• To Client ledger • To MM Stock by product where relevant	• Settlement Process • None
Remittances in and out of Stock	• To Stock accounts (if balance sheet stock) • To MM Stock by product	• Match to value from NSSC. • Match to Quantity from NSSC
Adjustments to stock & Foreign Exchange (from stock declaration process)	• To Stock accounts (if balance sheet stock) • To MM Stock by product	• None • None
Sundry costs & revenue incurred by branch	• Appropriate sundry revenue and cost accounts	• None

NB: Subsequent actions do not include reporting of information, which is implicit.

Individual Transactions for:

Branch Transaction	POL FS Account/Record (all by branch)	Subsequent Actions on POL FS
Remittances in and out of Cash	• To Cash in Transit	• Match to data from Cash Centre/ADS
Remittances in and out of Foreign Currency – by individual currency – volume and value	• To Stock accounts (if balance sheet stock)	• Match to value from STAMPS/ADS.

Conceptual Design	Project:	Automated Ledgers
COMMERCIAL IN CONFIDENCE	Doc Ref:	POL/IMPACT/DES/***

Branch Transaction	POL FS Account/Record (all by branch)	Subsequent Actions on POL FS
	• To MM Stock by product	• Match to Quantity from STAMPS/ADS
Discrepancies put into or removed from Suspense	• To Discrepancies (may be a subset of the Agents ledger)	• Exception Handling process
Remittance Discrepancies put into or removed from Suspense	• To Remittance Discrepancies	• Remittance Discrepancy process
Transaction corrections actioned or rejected	• To Agents ledger	• Exception Handling process
Recoveries relating to Transaction Corrections	• To Agents ledger	• Debt recovery process

8.2.2   Summarised Cash Centre/ Forex Transactions

The Cash Centre Transactions will be interfaced daily from SAP ADS.
Any Foreign Exchange transactions recorded on SAP ADS will also be interfaced.

The data for each Cash Centre may provide the following components subject to activity in each cash centre

Summary Movements in:

Cash Centre Transaction	POL FS Accounting all by cash centre	Subsequent Action on POL FS
Cash in hand movements	To Cash in hand	None
Receipt of Cheques from clients	To Cheques in hand	None
Giro Bank a/c movements	To Joint stock bank a/cs	Need to contra off the funding/defunding movements from POL FS controlled bank accounts
Joint Stock Bank movements	To Joint stock bank a/cs	Need to contra off the funding/defunding movements from POL FS controlled accounts
Remittance out of Cheques to EDS	To Cheques to EDS	Match to data from EDS
Remit in NI Cheques from Branch	To Cheques in transit	Match to NI Cheques from Branch
Girobank Change Sales & Purchases	To Cash Centre Bank clearing accounts	None as all banking is controlled in ADS.
Sale of foreign coin to Coin co – issue and invoice	To summary movement and client ADS debtor a/cs	None all banking in ADS
Loss on sale of foreign coin	To Loss account	None – interfaced as a business loss to ESFS
Sale of counterfeit/ mutilated notes	To summary movement and ADS client debtor a/cs	None - Clearing of debtor is to Cheques to EDS.
Cash centre losses/gains	To Loss account	None – interfaced as a business loss to ESFS
Girobank Deposits	To Girobank client creditor a/c	Compare to Estimates paid to Girobank
Girobank Deposit shortages not settled	To Girobank Client debtor a/c	None all control on ADS
Girobank Deposit surpluses no settled	To Girobank client creditor a/c	None all control on ADS
Unidentified pouches	To Unidentified pouch a/c	None all control on ADS
Foreign Exchange on Hand by currency	To Foreign Exchange in hand by currency	None
Foreign exchange revaluations	To Foreign Exchange revaluations	None
Foreign exchange Wholesale	To Foreign Exchange Purchase/sale	Match to settlement to First Rate

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Conceptual Design	Project:	Automated Ledgers
COMMERCIAL IN CONFIDENCE	Doc Ref:	POL/IMPACT/DES/***

Cash Centre Transaction	POL FS Accounting all by cash centre	Subsequent Action on POL FS
remittances in & out	control	
Sundry costs & revenue incurred by branch	Appropriate sundry revenue and cost accounts	None

Individual Transactions for:

Cash Centre Transaction	POL FS Accounting	Subsequent Action on POL FS
Remittances in and out of Cash to Branches	To Cash in Transit	Match to data from Horizon
Remittances in Discrepancies	To Agent account	Send to Horizon as Transaction Correction
Coin Club & Customer bulk cash sale	To BoE Incoming CHAPS clearing	Match to transactions on BoE Statement
Coin Club & Customer bulk cash purchase	To BoE outgoing Chaps clearing	Match to transactions on BoE Statement
Cash In and out of Bond	To Cash in Bond clearing	Match to BoE Bank Statement
Bank Machine ATM cassette remit out	To Bank Machine "debtor" a/c	Bank Machine ATM Process (TBD)
Bank Machine ATM cassette remit in	To Bank Machine "debtor" a/c	Bank Machine ATM Process (TBD)
Repatriation of Scottish Notes	To BoE Incoming CHAPS/BACS clearing	Match to transactions on BoE Statement
Remittances in and out of Foreign Currency – by individual currency – volume and value	• To Stock accounts (if balance sheet stock) • To MM Stock by product	• Match to value from Horizon. • Match to Quantity from Horizon

The current process of providing Pension cheques from cash centres for nursing homes is to be phased out by March 2005 and hence is not included in this document.

8.2.3 NSSC Stock Transactions

This includes all NSSC stock transactions that are not recorded on SAP ADS. It is a working assumption that this includes all Post Office Network stock transactions that are not Foreign Exchange.

Summary Movements in:

NSSC Transaction	POL FS Accounting all by NSCC	Subsequent Action on POL FS
Receipts of Balance Sheet Stock from suppliers	To Stock Account To MM Stock by product	None
Returns of Balance Sheet Stock to suppliers	To Stock Account To MM Stock by product	None
Despatch of Balance Sheet Stock to Branches	Move from Stock to Stock in Transit a/c Remove from MM Stock by product	Match to Receipt of stock by branch
Return of Balance Sheet Stock by branches	Move from Stock in transit to Stock To MM stock by product	Match to despatch of stock by branch
Write off /adjustments/destruction to balance sheet stock	To Write/off adjustments accounts	None
Receipt of other trading stock from suppliers	To MM Stock by product	None
Return of other trading stock to suppliers	To MM Stock by product	none
Despatch of other trading to Branches	Remove from MM stock by product	Match to Receipt of stock by branch
Return of other trading stock by branches	To MM Stock by product	Match to despatch of stock by branch

	Conceptual Design	Project:	Automated Ledgers
	COMMERCIAL IN CONFIDENCE	Doc Ref:	POL/IMPACT/DES/***

NSSC Transaction	POL FS Accounting all by NSCC	Subsequent Action on POL FS
Write off /adjustments/destruction to other trading sheet stock	Remove/add to MM stock by product	None

8.3   Client Settlement to Clients A44

The following process descriptions relate to the Swimlane maps in section 7.

8.3.1   A442 Summarise Client Data

Activity	Description
442010	Client sends transaction information to POL. This is at a low level of detail. This can be sent by email, fax or disc/tape.
442040	Transaction information is received. Transaction Processing require detailed data for comparing client data to data recorded on Horizon. The data is loaded onto Management Information system. Where discrepancies are identified, this will be a trigger into the Discrepancy Process to determine whether the tolerance /threshold levels have been exceeded and, if so, the action to be taken
442020	From the data received from the client, summarised information is generated and loaded onto POL/FS. Settlement team does not require detail information for settlement to clients
442021	The information provided by the client may include a summary total. Where this is the case, the Settlement team compare summarised data total (generated above) and compare to the client-provided summarised total. If there is a mismatch, then the client is notified.
442030	Summarised totals (By Settlement Group By Period) are entered into Client Holding Account. This sets up the amounts due on a particular day to each client. However, this will be a trigger into the Discrepancy and Resolve Discrepancy Processes to determine whether the tolerance/threshold levels (at business total level) have been exceeded and, if so, the action to be taken

The precise requirements of client data feeds will be defined during the system design phase.

8.3.2   A443 Calculate and Settle on Estimated Amounts

Activity	Description
443010	Estimate falls due. The estimation cycle and period is different for each client – e.g. Girobank estimates on a monthly cycle; BBC estimates are on a 3 – 4 day cycle.
443020	Local Business Knowledge. This activity involves the ongoing collection of information relating to an individual client. This includes knowledge of business cycles, public holiday effects, and trend in business.
443030	Product change Process. This process is outside the scope of this swimlane but specifically feeds into the local business knowledge in the settlement dept.
443040	Combine inputs is the activity of bringing together all the information that is used to calculate the estimate(s)
443050	Calculate estimate(s)
443060	Inform client in advance. The estimated payments are communicated to the client. This is currently manual.
443070	Agree Payment amount. The estimated payments are mutually agreed between POL and client. Some clients are more proactive than others in agreeing the estimates.

Activity	Description
443080	Negotiate payment value
443090	Enter into Client Ledger on POL FS to generate payments. This will involve a journal with both sides going to the Client a/c. The payment value will be posted to the payment area of the Client a/c and the balancing entry will be posted to the comparison area of the Client a/c.

8.3.3   A444 Discrepancy Process – Errors identified by Clients

Activity	Description
444100	Paperwork is sent by each branch on a daily/weekly basis to clients
444120	Client is sent electronic summary information based daily transaction summaries. (Currently sent weekly)
444110 444130 444140 444150	On receipt of the paper work and the electronic information, the client carries out their own matching and verification (using their own systems) Where errors are identified, then the client notifies POL of errors and send any appropriate supporting evidence to POL (Girobank also adjusts settlement) The errors are investigated as part of the A45 Resolve Discrepancies process
444185	The investigation undertaken in the Resolve Discrepancies process may result in there being errors in the errors summary provided by the client. In this case, the summary errors are sent back to the client (via fax, e-mail or disc/tape) with the reason for return
444220	The investigation undertaken in the Resolve Discrepancies process may result in the error not being identified and necessitate the paperwork being returned to the client with the reason for return
444190	On receipt of the returned summary errors (from 444185), the client investigates and makes adjustments to the errors and supporting documentation. If necessary, the client re-issues the error(s) (via 444150)
444193	Client (Girobank) adjusts settlement expected.
444230	On receipt of the returned paperwork, the client investigates and reissues the error (via 444150) if the discrepancy is correct.
444240	Where the client investigation results in the acknowledgment that the error should not have been issued, then a charge or claim error notice is issued to POL

8.3.4   A444 Client Discrepancy

Activity	Description
444010	Actual Horizon data is received into SAP – the data is summarised by Branch by Settlement Group By Period
444020	Client data is received into SAP
444030	The Client holding account is reviewed at business total level.
444040	This includes looking at the tolerance / thresholds set and determining whether these

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Activity	Description
	have been exceeded or not (at a business total level).
	Where the differences are within the tolerance / threshold level, then no further action needs to be taken.
	However, where they have been exceeded, then the process moves onto activity 444050
444050	A check is made on the client discrepancy information held (this information is not held on POL-FS – see process A443 and associated support swimlane document)
	The detailed client discrepancy information is held by branch by product by period. This is investigated and the process may then move into the Resolve Discrepancies process

8.3.5   A445 Resolve Exceptions

The key feature of the Resolve Exceptions process is the Transaction Correction. This is the electronic version of the Error Notice. The Transaction Correction will be raised against the Agent Accounts Receivable account with sufficient information to identify:

Client product being adjusted
Suspense type being adjusted
Requirement for any write off
Options for resolution by the Agent – make good, request hardship, request more evidence
Information for the Agent so that they are aware of the impact of each option

Horizon will interpret this information to provide an intelligent interface at the branch to carry the appropriate transactions based on the option chosen by the agent.

Definitions

The term "branch" is used here to cover all the different types of branches – directly-managed, franchised, community, singleton, local multiples, national multiples.

The process covers all these types of branches – however, there is a difference in the way Transaction Corrections are handled for Multiple branches and this is reflected in the swim lane document and the activity descriptions below.

8.3.5.1   Resolve Exceptions

Activity	Description
445000	Discrepancies identified at the Cash Centres (for example, through mismatch on Girobank deposits or pouches received from branches) are recorded onto SAPADS. The information is then sent to POL-FS
445001	A discrepancy has been identified (and this can be by POL, the branch, the client or a customer)
445002	Identification at the branch of Rem-In discrepancies which has occurred in Cash Delivery between the branch and Cash Centre
445005	A check is made on the client discrepancy system (see process A442 and associated swimlane support document).

This is a "threshold investigation" to identify any branches which have exceeded the tolerance/threshold level

N.B. This is a review which takes place on an on-going basis |

Activity	Description
445010 445020	This involves looking at the past history of the agent in terms of exceptions already identified (and possibly written-off or currently being progressed by Debt Recovery) – plus the trend and history for the particular branch, client, product or service. **N.B. This is a review which takes place on an on-going basis**
445030	If the exception is a "surplus" then it may be required to net this off against outstanding "shortages" if a Transaction Correction is eventually raised.
445040	Record exception against Branch/Agent – precise method of recording to be determined.
445050	A check is made on whether the exceptions identified result in the threshold being exceeded (this takes into account previous exceptions and Transaction Correction outstanding).
445055	Where the discrepancies are not sufficient to exceed the threshold level, then adjustments are made to the agent ledger to indicate that the discrepancy has been investigated and is below the threshold level
445056 445057	A periodic review is undertaken of adjustments due to discrepancies and these may be written off

8.3.5.2   *Transaction Corrections – Singleton/Franchise Branches*

445060	Where threshold levels have been exceeded, then these need to be investigated (via **A444** – Discrepancy Process) Where initial investigations result in determining that the initial findings were incorrect, then the process may move onto 445055, 445056, and 445057 (described in the above 2 rows) This process is also appropriate where the branch or Nominee dispute the Transaction Correction, by using the Request More Evidence option. This may result in the process moving onto 445055, 445056, and 445057 (described in the above 2 rows) or a new (amended) Transaction Correction being issued
445080	Investigations result in a Transaction Correction being issued to the Branch. This is issued electronically via POL-FS to Horizon The Transaction Correction will include the appropriate instructions for the branch manager (as is the case currently for Error Notices)
445085	Unresolved Transaction Corrections will also be regularly reviewed. This should not be left to the end of Branch Trading Periods or Financial Period ends. This activity will lead to Exceptions Handling chasing up Branches who have substantial outstanding Transaction Corrections. (May involve Retail Line)
445090	The Branch manager (at non-Multiples and Multiples) checks on Horizon each day for the receipt of any Transaction Corrections
445100	The Branch Manager (non-Multiples) or the Nominee (Multiples) dispute the Transaction Corrections Transaction Corrections can only be disputed once (on initial issue) Non-Multiples indicate this via Horizon – Nominees will do so via post/mail. Where the Nominee accepts the Transaction Correction, then the Nominee can make the appropriate payment (via Debit or Credit Card or BACS). This is via the process outlined in process **A47** (see swimlane for this process plus the associated swimlane support document)

445110	Where the Transaction Correction is disputed, more evidence is obtained and further investigations are undertaken.
	Where necessary, further evidence is obtained and the Transaction Correction issued
	However, investigations may also result in the Transaction Correction being cancelled/withdrawn and the process moving onto 445055, 445056, and 445057 (see above) or a new (amended) Transaction Correction being issued
445120	The Branch Manager accepts the Transaction Correction
	For non-Multiples, acceptance is indicated on Horizon via one of the following two activities.
445121	Accept and Making good the amount of the Transaction Correction. This assumes that the agent will put the Cash amount of the Transaction Correction in the Branch Till.
445125	Transfer to Central Collection. This sets up the Transaction Correction amount Debt due for collection in the Agents Debtor account.
	The process moves into the Debt Recovery process (**A47**)

8.3.5.3   Branches Run as Multiples

445060	Where threshold levels have been exceeded, then these need to be investigated (via **A444** – Discrepancy Process)
	Where initial investigations result in determining that the initial findings were incorrect, then the process may move onto 445055, 445056, and 445057 (described in the above 2 rows)
	This process is also appropriate where the branch or Nominee dispute the Transaction Correction, by using the Request More Evidence option. This may result in the process moving onto 445055, 445056, and 445057 (described in the above 2 rows) or a new (amended) Transaction Correction being issued
445080	Investigations result in a Transaction Correction being issued to the Branch. This is issued electronically via POL-FS to Horizon
	The Transaction Correction will include the appropriate instructions for the branch manager (as is the case currently for Error Notices)
445085	Unresolved Transaction Corrections will also be regularly reviewed. This should not be left to the end of Branch Trading Periods or Financial Period ends.
	This activity will lead to Exceptions Handling chasing up Branches who have substantial outstanding Transaction Corrections. (May involve Retail Line)
445090	The Branch manager (at non-Multiples and Multiples) checks on Horizon each day for the receipt of any Transaction Corrections
445100	The Branch Manager (non-Multiples) or the Nominee (Multiples) dispute the Transaction Corrections
	Transaction Corrections can only be disputed once (on initial issue)
	Non-Multiples indicate this via Horizon – Nominees will do so via post/mail.
	Where the Nominee accepts the Transaction Correction, then the Nominee can make the appropriate payment (via Debit or Credit Card or BACS). This is via the process outlined in process **A47** (see swimlane for this process plus the associated swimlane support document)

445110	Where the Transaction Correction is disputed, more evidence is obtained and further investigations are undertaken.
	Where necessary, further evidence is obtained and the Transaction Correction issued
	However, investigations may also result in the Transaction Correction being cancelled/withdrawn and the process moving onto 445055, 445056, and 445057 (see above) or a new (amended) Transaction Correction being issued
445125	Transfer to Central Collection. This sets up the Transaction Correction amount Debt due for collection in the Agents Debtor account.
	For multiples this records the Transaction Correction as a debt against both the Branch and Nominee Agent accounts.
445081	For Multiple Branches only, there will be a monthly Multiples Statement produced which will detail all the Transaction Corrections issued since the last report plus any that are still outstanding (for example, under investigation, cancelled) or cleared (i.e. made good).
	The report (a physical hard-copy) is issued to the Nominee and includes an Invoice detailing the amount payable to POL
445082	The Nominee receives the monthly Multiples Statement and decides on whether to dispute some or all of the Transaction Corrections or make the appropriate payment
445115	The Agent Nominee accepts the Multiples Statement & new Transaction Corrections accepted by individual branches.
	Acceptance of new Transaction Corrections will normally be indicated by payment of amounts due in agree terms.

8.3.5.4 Directly Managed Branches

445060	Where threshold levels have been exceeded, then these need to be investigated (via **A444** – Discrepancy Process)
	Where initial investigations result in determining that the initial findings were incorrect, then the process may move onto 445055, 445056, and 445057 (described in the above 2 rows)
	This process is also appropriate where the branch or Nominee dispute the Transaction Correction, by using the Request More Evidence option. This may result in the process moving onto 445055, 445056, and 445057 (described in the above 2 rows) or a new (amended) Transaction Correction being issued
445080	Investigations result in a Transaction Correction being issued to the Branch. This is issued electronically via POL-FS to Horizon
	The Transaction Correction will include the appropriate instructions for the branch manager (as is the case currently for Error Notices)
445085	Unresolved Transaction Corrections will also be regularly reviewed. This should not be left to the end of Branch Trading Periods or Financial Period ends.
	This activity will lead to Exceptions Handling chasing up Branches who have substantial outstanding Transaction Corrections. (May involve Retail Line)
445090	The Branch manager (at non-Multiples and Multiples) checks on Horizon each day for the receipt of any Transaction Corrections

445100	The Branch Manager (non-Multiples) or the Nominee (Multiples) dispute the Transaction Corrections
	Transaction Corrections can only be disputed once (on initial issue)
	Non-Multiples indicate this via Horizon – Nominees will do so via post/mail.
	Where the Nominee accepts the Transaction Correction, then the Nominee can make the appropriate payment (via Debit or Credit Card or BACS). This is via the process outlined in process **A47** (see swimlane for this process plus the associated swimlane support document)
445110	Where the Transaction Correction is disputed, more evidence is obtained and further investigations are undertaken.
	Where necessary, further evidence is obtained and the Transaction Correction issued
	However, investigations may also result in the Transaction Correction being cancelled/withdrawn and the process moving onto 445055, 445056, and 445057 (see above) or a new (amended) Transaction Correction being issued
445120	The Branch Manager accepts the Transaction Correction
	For Multiples, this is the only choice. Any disputes or payments are handled by the Nominee (see 445100)
	For non-Multiples, acceptance is indicated on Horizon via one of the following two activities…
445130	Review write offs to ensure values are understood and controlled by branch.

8.3.6 A446 Authorise and Make Payments

Activity	Description
	The trigger points for this process are from the following processes:
	• A442 – Summarise Client Data
	• A443 – Calculate Estimated Amounts For Settlement
	• A444 – Exceptions Handling – Client Discrepancy
	• A445 - Resolve Discrepancy
	• A47 - Debt Recovery
	POL data will include any adjustments made during the above processes
446010	Review balance outstanding on client ledger to obtain settlement value (actual or estimated) and if necessary, enter values into client ledger to deduct commission or make other adjustments.
446020	Create system (on-line) payment proposal(s) for the payment(s) due. The creation is controlled by client standing data (see below for the types of information for inclusion in the standing data which will enable this to be controlled)

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Activity	Description
446025	This is an on-going process and one which includes making changes to client standing data. The client standing data contains the following types of information for each client: • Client name • Client Product • Client Bank Details • Payment Method (currently, this is **I** for CHAPS, **E** for BACS and **C** for Cheques, Swift, Direct Debit (receipts)) • Settlement Terms – (e.g. Next Day; Week in arrears etc) • Source of Settlement (e.g. POL Data, Client Estimate, Client Actual) The Client standing data then is a control for the raising of the payment proposal(s) (see 446020 above) and the detailed contract checks (see 446030 below)
446030	Payment proposal to be checked on line – this check is to ensure, for example, that the payment is in line with the contract, settlement is due, that the payment proposal contains the correct standing data, etc. Refer to business rules being determined
446050	Payment proposal to be verified on-line – this check is to ensure that the settlement amount is reasonable and any deviation from the normal amounts is acceptable and explainable. Refer to business rules being determined.
446060 446070	Amounts due to be paid are discussed between the Team Leader and Manager where necessary and fully verified. This may be because the amounts vary drastically from the "normal" trend / range.
446080	Where the team Leader deems the amount to be unreasonable or "beyond the norm", then the payment proposal will need to be adjusted as agreed during the discussions above
446090	Approval of payment allows the payment to be made
446095	Information is received by the Cashiers section on the funding required for the approved payments. This is provided by payment method *(There is a break-out here into the "Funding Process" (which is out-of-scope). This process is where the cashiers ensure that the funding to make the approved payments is in place)*
446096	The Payment Authorisers authorise the payment. This allows the payment to be sent electronically via BACS or CHAPS, Swift. Receipts may be by Direct Debit. For Cheque payments (which should be the exception), the cheques are printed (via a Cheque Printer) Current authorisation procedure is as follows: • Where the payment amount is less than £50,000, there is a one-step authorisation • Where the payment amount is £50,000 or greater, there is a two-step authorisation It is assumed that this will procedure will remain in POL-FS
446097	The printed cheques are then checked for correctness and accuracy and signed and sent to the client
446098	Remittance advices, showing volume and value by product, are printed and sent to the client – where the payment is by cheque, the remittance advice is sent with the cheque.

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8.4 A45 Client Settlement from Clients

Settlement from clients has historically always relied on the pre-funding based on estimated data. This is shown by the high level process map A45. The process of calculating estimated amounts due from clients is the same process map A443.

The new Personal Banking process provides some differences, as this is based on actual data, and so has been mapped individually.

8.4.1 A453 Personal Banking process

Activity	Description
453010	Collection of monies falls due based on payment terms of client
453020	Cashiers are informed of amount to be received – based on daily data from Branch fed into POL FS
453030	Client pays amount based on electronic information received from banking system (or based on information supplied by POL to support request).
453040	Amount paid should agree to expectations
453050	Discrepancy reported
453060 453070	Investigations of discrepancy may conclude same day as original payment
453080	Adjust payment if required as soon as possible
453090	Actual payment amount entered into POL-FS.
453100	The Client Ledger is checked and where the amount expected and the amounts paid agree, then these are matched and cleared. Where there are differences, then there is a link out to A444 (Discrepancy Process) to ascertain whether tolerances / thresholds have been exceeded.

8.5   A46 Verification

Verification was identified as a specific process stream at the high level design phase. It was established during a detailed design scoping period that verification is individual activities that are part of all the other process streams, such as settlement, and product POL Ledger.

The process illustrated as process A466 was covered as part of the debt recovery process.

8.5.1   Exceptions Identified by Client or Customer

Activity	Description
466001 466002	This is the start point of the process. The exception is identified by either the client or the customer.
466003 466004	Evidence is submitted by the client or the customer – for the customer, this may be, for example, a till receipt or a utility bill stamped and initialled by the branch
466010	Exceptions handling review and check the evidence
466015	There is also a check made on the customer – for past history and incident history

8.6   A47 Debt Recovery

8.6.1.1   *Deduction From Remuneration*

Activity	Description
470000	This is the start point of the process. A Transaction Correction has been actioned in a Branch and the amount due will be collected centrally.
470010	The debt is not considered in isolation. Previous debts and debt history is taken into account to determine the total amount owing at this time. Additionally, consideration is also given to the following: • The level of difficulty experienced in the past to recover money; • Previous hardship cases; • Problems with making payments or payments made
470030	Debt Recovery section issue a statement of account of outstanding debt. This is not a one-off activity at the start of the debt recovery process. The statement of debt will be issued on a regular basis/frequency to notify the Postmaster or the Nominee of the current outstanding debt amount (level of itemisation is to be determined – current thinking is that it is a summary of each debt total). *N.B. For the Nominee, the statement is a Multiples Statement (see swimlane process A455 – Resolve Exceptions plus the associated swimlane support document)*
470040	The Postmaster or Nominee receives the statement of debt, via the Post service. Acknowledgement of receipt is required.
470045	Retail Line will receive statements from SAP.

Activity	Description
470050 470060	Acknowledging the statement of debt, a series of dialogues takes place between the Postmaster /Nominee and the Debt Recovery Team to determine how the debt is going to be cleared (in full, by instalments, via remuneration, via credit or debit card, etc.) If amount to be deducted is more than 25% of pay then DR will automatically arrange deductions using 25% as max per month and advise postmaster.
470090	Retail Line review Branch positions to ensure they remain viable. (This activity will feed into other processes that are out of scope of IMPACT).
470100	Debt Recovery arranges for the amount (whether agreed or not) to be deducted for remuneration.
470110	Once deductions have been made from postmaster or nominee remuneration, then Payroll Section notify Debt Recovery of the deduction made
470120	The amount owing on the Agent Ledger is adjusted by the amount paid.

8.6.1.2   Collection via Debit/Credit Card or BACS

Activity	Description
470040	The Postmaster or Nominee receives the statement of debt, via the Post service. Acknowledgement of receipt is required.
470130 470160	The Postmaster or Nominee elects to pay off the amount due via credit or debit card. This is via a telephone call to Debt Recovery who take the details and process the payment via Streamline
470131	The Nominee may elect to make the payment via BACS
470132	The Nominee notifies POL of payment made via BACS
470120	The amount owing on the Agent Ledger is adjusted by the amount paid. This journal will also update either the Streamline awaiting clearing account or the BACS receipts clearing account as appropriate.
470163 470165	Once payment has been banked, as confirmed by Cashiers, Debt Recovery may report on the amounts cleared. RLM may receive notification of payment made/or not made as appropriate.
470170 470175	Debt Recovery confirm the repayment to the Postmaster or Nominee

8.6.1.3   Deferment of Payment

Activity	Description
470040	The Postmaster or Nominee receives the statement of debt, via the Post service. Acknowledgement of receipt is required.
470041 470180 470190	If there is no response to the Statement of debt, then after a time-lapse (proposal is that this should be set to 2 weeks – i.e. 10 working days). Debt Recovery contact the Postmaster or Nominee and initiate discussions on repayment
470200	The Postmaster or Nominee pleads hardship and maintains that he cannot pay off the debt either in whole or buy instalments and indicates that there will be an adverse effect on the business

Activity	Description
470210	Debt Recovery note the hardship plea and categorise the debt as deferred
470060	Debt Recovery Team to determine how the debt is going to be cleared (in full, by instalments, via remuneration, via credit or debit card, etc.) If amount to be deducted is more than 25% of pay then DR will automatically arrange deductions using 25% as max per month and advise postmaster.
470220	The deferment is notified to the RLM for further investigation and action
470230	The evidence of the debt is sent to the RLM for further investigation and action
470090 470091	The RLM assesses branch / multiple viability and also whether the contract should be allowed to continue
470092 470093	The debt is reviewed by the Head of Area who may decide to authorise write-off the unrecoverable debt amount
470095	Unrecoverable debt written off will update the Agent's account and be shown against appropriate Profit and Loss account.

8.7 A48 Produce POL Ledger

The majority of Processes are covered in detail design by other processes:

A481	Produce POL Ledger	Covered by Settlement Processes
A482	Produce Branch ledger	Covered by Summarise Data from Branches – Data Flow
A483	Produce Agent Ledger	Covered by Debt recovery Process
A485	Produce Cash & Bank ledger	Release 1
A486	Produce Business Trading Ledger	Covered by summarise data – Data Flow
A487	Produce Borrowings & Investments Ledger	Release 1
A488	Produce Stock Ledger	Covered by summarise data – Data Flow

8.7.1 A484 Branch Liability Management

The process of managing Branch Liability as part of POL FS is largely a reporting and monitoring process.

All financial information that relates to a branch will be recorded such that the branch is identified as a parameter in the financial ledgers. A full balance sheet by branch will be available.

This will allow the Retail Line Managers to report on Branch Liability with information that is only a day old. Where this coincides with the end of a Branch Trading Period then there will be close correlation between the Branch Trading Statement created on Horizon and any information reported from POL FS.

The information that is recorded in POL FS is based on a particular end of day cut off and, since, this is not necessarily the same as the cut off point as for the Branch Trading Statement the two reports will also have some timing differences. It is therefore recommended that no reconciliation is attempted between the Horizon and POL FS versions of the Liability Statement.

8.8 A489 General Ledger Processing

Step	Who	When
1. Clear all GL accounts set up as open item managed	Automatic Job	Daily
2. Exception reporting for open items	Automatic	Daily

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		Job	
3.	Investigate open items	POL	Daily
4.	Inform branches/cash centre/EDS/Streamline of exceptions where necessary so they can make adjustments	POL	Daily
5.	Journal any central adjustments into POL Ledger as required. This will include postings to give visibility of the contingent liability of cash in bond.	POL	Daily
6.	Reporting for DTI Securisation Report	POL	Weekly Period end
7.	POL FS interface to ESFS	POL	Monthly Period end

The header table above for Conceptual Design:

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8.9   Management & Accounting Information

8.9.1   Standard Within POL FS

All Management/ Accounting information in POL FS is limited based on the granularity of data recorded in POL FS.

Although POL FS will capture summary level information of Branch and Cash Centre client transactions, it is not the key role of POL FS to provide Management Information relating to client activity. This is the role of MIS. POL FS will provide reports suitable to an auditable standard but this is not Management Information.

POL FS key role relating to the recording of client data is for settlement.

POL FS will provide the following Management Information:
Client Related:
- Value of indebtedness to clients both individually and in total
- Value of client indebtedness to POL both individually and in total
- Age of indebtedness both individually and in total
- Payment History
- Overall difference between settlements on client or estimated data and actual value of transactions recorded in Branches
- NAO requirements

Agent Related:
- Value of agent indebtedness to POL both individually and in total
- Age of indebtedness both individually and in total
- Outstanding Transaction Corrections by Agent and in total
- Value and age of "suspense" items by agent (or branch) and in total

Branch Related:
- Full Balance Sheet by branch
- Full Balance Sheet by branches in RLM / Retail Area Heads hierarchy
- Value of items expensed or written off by branch
- Value of P&L Revenue transacted by branch

Cash Centre Related:
- Full Balance Sheet by Cash Centre
- Full Balance Sheet for all Cash Centres, reconcilable to SAP ADS
- Value of items expensed or written off by Cash Centre
- Value of P&L Revenue transacted by Cash Centre

Post Office Network:
- Full Balance Sheet
- Full P&L based on items recorded in Branch/Cash centres

- Exception reporting of unmatched items – e.g. remittances, cheques, payments to and from POL bank accounts etc.
- DTI Securitisation Report (defined in Release 1)

Stock Reporting
- Volumes for non balance sheet stock
- Volume and value for balance sheet stocks
- Sales versus Holdings branch/hierarchy/business for various time periods
- Stock holdings by client, by product and denomination

Foreign Exchange Reporting
- Foreign exchange quantities by branch with sterling equivalent
- Sales versus Holdings by branch/hierarchy/business for various time periods

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8.9.2 Reporting Requirements From POL FS

The following requirements were identified in the Programme CD relating to data available in POL FS

These requirements were based on extracting the current information requirements from the reports that are currently run on CBDB/OPTIP.

Further work needs to be done to establish how these requirements translate into requirements against new processes and data. It is therefore probable that not all details of these information requirements will be delivered in the way described below.

Client Reporting (Contractual Agreements)

Ref	Requirements Description	Business Area	Category	Report/ Functionality	Proposed Application Area
MI 100	Information required by Audit for issued error details, errors BTA and errors not Network Reinvention offices	Data Exceptions	Client	Report	POL FS
MI 101	Information to Multiples Partners regarding outstanding, issued and BTA errors.	Data Exceptions	Client	Report	POL FS
MI 104	Ability to produce data files or reports for clients as defined within contractual agreements. For example volume and value of transactions, customer details if applicable, product breakdown by volume and value, details of adjustments made, data mismatches between client supporting document stream and transaction stream, method of payment details. Example clients are Local Schemes, Department of Work and Pensions, Girobank, NSB, UKPS, AON, First rate, DVLA, Department of Health, Inland Revenue.	Data Preparation/ Data Exception	Client	Report	TMS/POL FS

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Management Reporting

Ref	Requirements Description	Business Area	Category	Report/ Functionality	Proposed Application Area
MI 114	Volume and value of outstanding exceptions by branch, by age, by value	Data Exceptions	Management	Report	POL FS
MI 115	Volume and value of issued errors by product or branch	Data Exceptions	Management	Report	POL FS
MI 117	Number and value of maintained errors and write offs by product	Data Exceptions	Management	Report	POL FS
MI 118	Ability to pull off statistics regarding team performance (exceptions created, exceptions issued, exceptions cleared, exceptions outstanding etc). Ability to remove from one teams statistics and add to another team as the exception passes through the process.	Data Exceptions/ Debt Recovery	Management	Report	POL FS
MI 122	Debtor days by client and product and trend analysis monitoring	Debt Recovery	Management	Report	POL FS
MI 123	Creditor days by organisation and product and trend analysis monitoring	Debt Recovery	Management	Report	POL FS
MI 124	Errors produced for creditors and debtors – issued or resolved, number and value, by client and product.	Debt Recovery	Management	Report	POL FS
MI 125	Progress of exception handling measured against target (failures to issue or clear in x number of days)	Debt Recovery	Management	Report	POL FS
MI 126	Aged debt profile by number and value	Debt Recovery	Management	Report	POL FS
MI 127	Debt as a percentage of sales/transactions by product	Debt Recovery	Management	Report	POL FS
MI 128	Monitoring of percentage of debt recovered and outstanding	Debt Recovery	Management	Report	POL FS
MI 129	Bad debt provision monitoring	Debt Recovery	Management	Report	POL FS

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Operational Reporting (What we need to do our day jobs)

Ref	Requirements Description	Business Area	Category	Report/ Functionality	Proposed Application Area
MI 130	Ability to pull off ad hoc reports selecting required data fields from available list and defining format as required.	All	Operational	Functionality	Data Warehouse POL FS
MI 131	Ability to run batch reports to defined timescales and formats as required.	All	Operational	Functionality	Data Warehouse POL FS
MI 132	Volume and value of transactions and sup doc information to be reported in a variety of ways (e.g. by transaction, by product, by product breakdown (e.g. postal order bands) by branch, by client, by group of branches, by method of payment). Require the ability to identify negative sales (volume and value, by branch, by product).	Data Exceptions	Operational	Report	Data Warehouse
MI 133	All created exceptions to be reported by transaction, by product, by branch. All outstanding exceptions to be reported by transaction, by product, by branch.	Data Exceptions	Operational	Report	Data Warehouse
MI 134	Details of cleared exceptions to be archived but still accessible to provide a rolling 12 month view.	Data Exceptions	Operational	Report	POL FS/ Data Warehouse
MI 136	Ability to flag branches on exception reports that require priority attention or specific action (e.g. A = Network Reinvention Office). Ability to increase the number of flags applied at any one time (max 10) and redefine criteria as necessary to enable prioritisation of exception handling.	Data Exceptions	Operational	Functionality	POL FS
MI 139	Ability to report Debt Recovery Case Management By branch, by branch type, by Agent name, by product (by client), by age of debt.	Debt Recovery	Operational	Report	POL FS
MI 140	Report on high value debt (e.g. all outstanding debt which exceeds a defined limit, by branch)	Debt Recovery	Operational	Report	POL FS
MI 141	Report on Debt Recovery repeat offenders (problem offices)	Debt Recovery	Operational	Report	POL FS
MI 142	Value of debt or credit by number, by branch, by branch type (to meet current organisational structure), by product, by method of payment, by age of debt	Debt Recovery	Operational	Report	POL FS
MI 143	Former Subpostmasters accounts held including Branch, Agent name, Age of debt, Dispute details, Losses (write off). Ability to search on a particular field (i.e. Agent name)	Debt Recovery	Operational	Functionality	POL FS

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Ref	Requirements Description	Business Area	Category	Report/ Functionality	Proposed Application Area
	and be able to track status, audit log entries				
MI 144	Ability to identify specific types of debt e.g. Invoices debt – Licence fee, ISIS, Shortages, by agent, by branch, by age of debt	Debt Recovery	Operational	Report	POL FS
MI 145	Disputed debt by branch, by client (e.g. Giro)	Debt Recovery	Operational	Report	POL FS
MI 146	Non-recoverable debt – e.g. as a result of fraud or client negotiations, details to be held until written off. By network (national total of all branches), by branch, by product, by client	Debt Recovery	Operational	Report	POL FS
MI 147	Data archiving ability	Support	System	Functionality	POL FS Data Warehouse
MI 148	Ability to access archived data easily and run reports by transaction, by branch, by product, by client as required	Support	System	Functionality	POL FS Data Warehouse
MI 151	Ability to schedule regular report production. Ability to monitor production of scheduled reports.	Support	System	Functionality	POL FS Data Warehouse
MI 152	Report showing transaction, supporting document or client level adjustments. By branch, by product, by value, by number. To include date of adjustment, user details and reason code for adjustment.	Data Exceptions	Operational	Functionality & Report	TMS/POL FS

Cash Management Requirements

Ref	Requirements Description	Business Area	Category	Report/ Functionality	Proposed Application Area
MI 153	Ability to undertake trend analysis in order to aid forecasting of the future value of transactions (e.g. DNS, Girobank, DVLA)	Cash Management	Operational	Functionality & Report	POL FS
MI 154	Ability to undertake trend analysis in order to aid prediction of client for ESFS	Cash Management	Operational	Functionality & Report	POL FS
MI 155	Ability to identify and report the current outstanding balance within each ledger.	Cash Management	Operational	Functionality & Report	POL FS
MI 157	Ability to identify and report stock holdings by client, by product, by denomination (e.g. Vodaphone phonecards, £5, £10 etc.)	Cash Management	Operational	Report	POL FS
MI 159	Ability to produce reports to aid	Cash	Operational	Functionality	POL FS

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Ref	Requirements Description	Business Area	Category	Report/ Functionality	Proposed Application Area
	reconciliation of ledgers and substantiate ledger balances	Management		& Report	
MI 161	Ability to provide verification of accounts – Ernst & Young Audit requirement	Cash Management	Operational	Functionality	POL FS
MI 164	Ability to identify cash and stock holdings by product, by branch	Cash Management	Operational	Functionality/ Report	POL FS
MI 165	Ability to produce statement of accounts for each client including brought forward figures, sales, settlements made and a closing balance.	Cash Management	Operational	Functionality/ Report	POL FS
MI 167	Ability to identify cash remittance in transit values by product.	Cash Management	Operational	Functionality & Report	POL FS
MI 168	Summary report of data posted to ledgers and interfaced to ESFS by value of debits/credits against each ledger code.	Cash Management	Operational	Report	POL FS
MI 171	Daily, National summary of transactions, by client, by product, by method of payment. Split by deposits and withdrawals (rather than net position).	Cash Management	Operational	Report/ Functionality	POL FS
MI 172	Updated transaction data received from Non polled offices to have indicator flag applied.	Cash Management	Operational	Functionality & Report	POL FS & Data Warehouse

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8.9.3   Data Warehouse reporting

8.9.3.1   Requirements from the Programme CD

No.	Revised Description
MI 1002	Ability to identify top sellers, worst sellers write-off, wastage for particular products by time and organisation.
MI 1004	Provision of information regarding office opening hours, closures and relocations to various internal parties and clients, replacing report 'TP 129'
MI 1005a	Ability to track KPIs for the Cash Accounting and Cash Management teams, by individual against • individual target, • team target and • group target. Broken down by • Exception type. • By product, • Resolution reason In addition it must be possible to determine the • Error clearance rate (per person per week) • Average time spent at each stage of the process by product by the individual. The targets must be parameter driven and it must be possible to group products together and report as above against targets.
MI 1005b	Ability to track KPIs for the Cash Accounting and Cash Management teams, by team against • team target and • group target. Broken down by • exception type. • By product, • Resolution reason In addition it must be possible to determine the • Error clearance rate (per team per week) • Average time spent at each stage of the process by product by the team. The targets must be parameter driven and it must be possible to group products together and report as above against targets.
MI 1005c	Ability to track KPIs for the Cash Accounting and Cash Management teams, by group against group target. Broken down by • exception type. • By product, • Resolution reason In addition it must be possible to determine the • Error clearance rate (per group per week) • Average time spent at each stage of the process by product by the group.

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	The targets must be parameter driven and it must be possible to group products together and report as above against targets.
MI 1006	Ability to produce value and volume of exceptions (transaction corrections) for historic reporting and trend analysis. • By transaction type • By product, • By organisational unit, • By exception status (e.g. created, cleared, outstanding), • Period Against total
MI 1010	Ability to identify and report on multiple transactions (e.g. multiple AP transactions carried out against the same customer reference). Based on an OPTIP report that provides information of this nature (1958 - Multiple Transactions Report).
MI 1012	The ability to retrieve both transaction and summary level archived data in-line with the current data retrieval SLA for OPTIP.
MI 1013	The ability to hold transaction data for up to 3 months on line.
MI 1015	Ability to browse details of all products and all clients including mapping of products to clients.
MI 1016	Ability to carry out Rota Checking. The rota checks must be data driven and the outlets selected will vary over time. This is in support of Rota Checking Process.
MI 1017	Ability to carry out Range Checking of aggregate total. This is in support of the Range Checking process.
MI 1018	Interface to allow investigation of transaction data by the Cash Accounting and Cash Management teams in support of the following processes: • A44 Client Settlement to Client • A45 Client Settlement from Client It must be possible to load client transaction level data for investigation and compare to the POL transaction data stream for that client.

8.9.3.2   Intellect Standard Report

Working assumption: None of the standard intellect reports will be migrated to work against the new MI system.

(Note: A review will be carried to out by the Business Change team to identify which, if any, of the standard reports will be migrated, in either their current form or a new form to run against the POL Data Warehouse. This work is still outstanding.)

8.9.3.3   Deferred S70 reporting requirements

No.	Original Description
MI 1101	Ability to work out a notional cost for recorded errors for each branch by applying ABC (Activity Based Costing). To support product P & L analysis

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MI 1102	Daily reporting by value, volume and margin (all products) as provided by ABC, giving Product Profit & Loss. To support branch P & L analysis
MI 1103	Data feed required to produce the Recall report. This is based on an existing AIS.
MI 1104	Data feed required to produce the NRM report. This is based on an existing AIS.
MI 1111	Data feed required to existing Horizon MIS

8.9.3.4 Branch trading workshop requirements

No.	Original Description
MI 1106	Data feed required to support Risk Model
MI 1107	Ability to monitor and take action on the completion of Branch Trading Statements There is a requirement to produce summary reports based on the existence and data contained within the following events flowing from the Horizon system; "Trading Statement Created", "Trading Statement Period Rolled", "Trading Statement Period Roll Abandoned". The reports will also use Trading Statement Calendar information from NRDS to summarise those branches which have not completed their Trading Statement within the correct timescales. There is a further requirement to enquire on existence and data contained within these events, to allow further investigation of Branch Trading Statement production activity.
MI 1108	Ability to monitor and take action on amounts made good and/or amounts removed with associated values There is a requirement to produce summary reports based on the existence and data contained within the following events flowing from the Horizon system; "Excess Cash Removed", "Cash Shortage Made Good". The reports will summarise the activity by branch and by volume of events and value of amounts made good, over defined time periods. There is a further requirement to enquire on existence of and data contained within these events, to allow further investigation of Cash Make Good activity.
MI 1109	Ability to monitor the usage of Cash Variance reports There is a requirement to produce summary reports based on the existence and data contained within the following events flowing from the Horizon system; "Cash Variance Report Previewed", "Cash Variance Report Printed". The report will summarise the existence of such events over defined time periods. There is a further requirement to enquire on existence of and data contained within these events, to allow further investigation of Cash Variance Reporting activity.
MI 1110	Ability to monitor and take action the number of outstanding Transaction Corrections at a branch There is a requirement to produce summary reports based on data from POL-FS and on the existence and data contained within the "Outstanding Transaction Correction Reminder Displayed" event flowing from the Horizon system. The report will summarise and highlight, transaction corrections by branch, by age outstanding and

	by volume and value. There is also a requirement to enquire on existence of and data contained within the "Outstanding Transaction Correction Reminder Displayed" events, to allow further investigation of Transaction Correction activity

8.10 New Reference Data System

The NRDS has jurisdiction over the following systems:
Horizon; POL FS; SAP HR.

It is not in the scope of the NRDS to control reference data on SAP ADS, YANTRA, or ESFS

The interfaces between these systems and POL FS will be controlled by use of mapping tables.

8.10.1   Shared Data

POL and NRDS have common data that requires interfacing from R3/S80.
The common data entities are:

Master System	Data Entities
NRDS	Branches
	Clients
	Products
	Agents
	Branch Hierarchy
POL FS	Chart of Accounts

The maintenance process on NRDS may need some additional changes for S80 subject to a full understanding of the components of the data that will be maintained on NRDS.

8.10.2   Interface Control

NRDS needs to provide the Reference Data control and mapping for the interfaces between Horizon and POL FS.
There are two components to this:
1) A logical database linking the various components of the data entities.
2) An Interface to pass this logical database to Horizon where the mapping will take place.

There is a requirement for the logical database to be updated directly in NRDS.

Logical Data Map
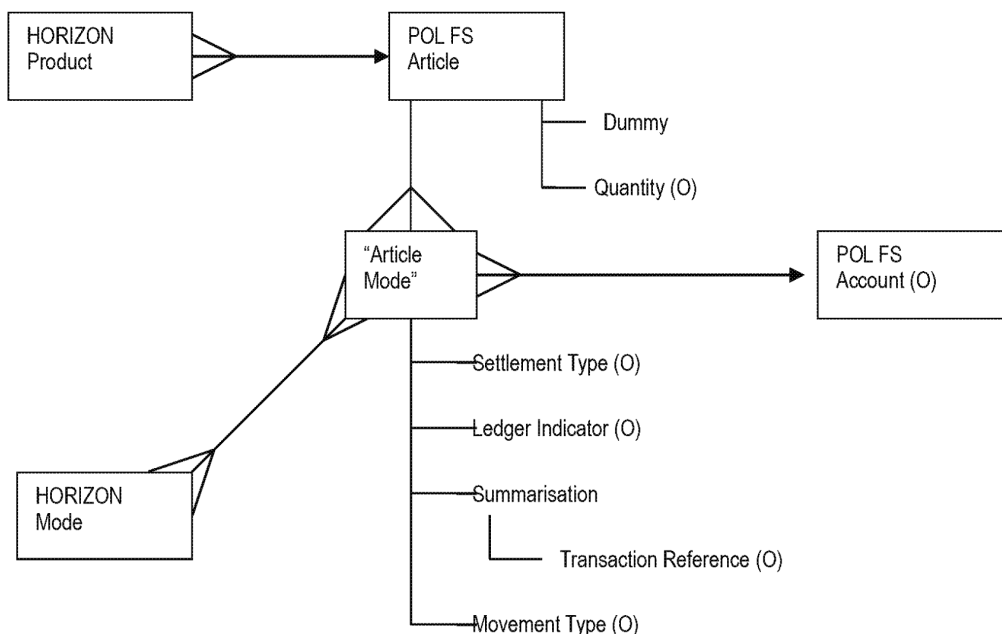
Map of Data Entities in Logical Data Map to POL Data Model

Logical Data Map	POL Data Model
Horizon Product	Product
Horizon Mode	Movement Type
Article	Product
Ledger Indicator	No exact equivalent but indicates difference between Client Ledger; Personal Agent Ledger; other ledgers
Account	Ledger Account
Movement Type	Movement Type

9   Information Flows.

9.1   Branch Data from Horizon

Attribute	Description
Description	The files will contain all branch activity that has an impact on the financial ledgers or the stock quantities.
Logical data items	• Movements in Cash/near cash in hand • Sales of stock items quantity and value • Client transactions number and value • REM in and out of cash/near cash and stock • Adjustment/suspense item values • Foreign currency revaluations
Special requirements	The link between the Horizon definitions of client products and the POL FS definitions of materials, clients will be controlled using Type A reference data.
Time constraint	File will be received & processed by 07:30 on day B where day A = Trading day
Type of Object	Electronic Data File
AIS	Issued
Source	Horizon
Destination	POL FS
POL Data Model	All logical data items above equate to either: Ledger Posting: For all value transactions Inventory Item: For all stock transactions

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9.2   Cash Centre Data From SAP ADS

Attribute	Description
Description	The file will contain all activity in cash centres that have a financial effect on PO Ltd.
Logical data items	▪ Cash & Bank balances ▪ Client Transactions initiated in cash centres & completed in liquidity team managed bank accounts ▪ Cash/Foreign exchange Rem in/out data. ▪ NI Cheques remittances ▪ Write offs and adjustments. ▪ Foreign currency revaluations ▪ Wholesale foreign currency movements
Special requirements	The link between the SAP ADS and POL FS definition of GL accounts will be controlled using Type A reference data
Time constraint	File will be received & processed by 07:30 on day B where day A = Trading day
Type of Object	Electronic Data File
Outstanding Items for AIS	It is unclear if information relating client related transactions will be recorded such that TMS can pass this data to MI. The design of this interface will assume that a base level of information relating to client transactions will be required such that MI can pick up this information if required.
AIS	Issued V0.1
Source	SAP ADS
Destination	POL FS
POL Data Model	All logical data items above equate to either: Ledger Posting: For all value transactions Inventory Item: For all stock transactions

Additional details relating to this information flow is in section 8.2.2.

9.3 Financial Results to ESFS

Attribute	Description
Description	The file will contain the summarised financial results of PO Ltd Network as required by ESFS
Logical data items	• Movements on GL accounts, possibly split by branch and cash centre if required.
Special requirements	None
Time constraint	File will be created on Day 1 of each period end
Type of Object	Electronic Data file
Outstanding for AIS	The current feed to ESFS is constrained by the level of detail held on the current ledgers. The design of POL FS will provide greater flexibility to record information in a way that fits ESFS better. The precise requirements are still being investigated.
Source	POL FS
Destination	ESFS
POL Data Model	All logical data items above equate to either: Ledger Posting: For all value transactions Inventory Item: For all stock transactions

9.4 Transaction Corrections to Horizon

Attribute	Description
Description	The file will contain transaction corrections from the agents ledger.
Logical data items	• Individual transaction corrections incorporating Branch, client/material, and instructions
Special requirements	The link between the Horizon definitions of client products and the POL FS definitions of materials, clients will be controlled using Type A reference data.
Time constraint	The file will be processed Daily and will be sent to Horizon for processing each evening by 24:00
Type of Object	Electronic Data file
AIS	Issued
Source	POL FS
Destination	TMS/Horizon
POL Data Model	All logical data items above equate to either: Ledger Posting: For all value transactions Inventory Item: For all stock transactions

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9.5 Reference Data From NRDS

Attribute	Description
Description	Reference data controlled by NRDS
Logical data items	▪ Branches ▪ Clients ▪ Products ▪ Agents ▪ Branch Hierarchies
Special requirements	It is probable that the flow from NRDS for each of these data items will only provide part of the data required by POL FS. POL FS will then use internal rules or manual process to add the rest of the data.
Time constraint	Daily
Type of Object	Electronic Data file
Outstanding for AIS	The logical data items have been identified but the components of each data item still needs to be defined.
AIS	Issued – one for each logical data item
Source	NRDS
Destination	POL FS
POL Data Model	All Logical items map to POL Data Model entities of the same name, except for Branch Hierarchies where there is no apparent entity.

9.6 Reference Data To NRDS

Attribute	Description
Description	Reference data controlled by POL FS
Logical data items	▪ Chart of Accounts
Special requirements	
Time constraint	Daily
Type of Object	Electronic Data file
Outstanding for AIS	The logical data items have been identified but the components of each data item still needs to be defined.
AIS	Issued
Source	POL FS
Destination	NRDS
POL Data Model	Chart of accounts map to Ledger Account entities Different accounts will map to either: P&L Item account; Branch Ledger Account; Cash & Bank account; Borrowing Investment Account; Other accounts not specified in POL Data Model

9.7 Reference Data NRDS to Horizon

Attribute	Description
Description	Interface Mapping tables to control interfaces between Horizon and POL FS.
Logical data items	Mapping database See logical data map section 8.10.2
Special requirements	The control over the mapping table must be within NRDS.
Time constraint	Daily
Type of Object	Electronic Data file
Outstanding for AIS	The definition of the interface is still to be agreed and understood by all parties.
AIS	Unknown
Source	NRDS
Destination	Horizon
POL Data Model	See 8.10.2

9.8 NSSC Stock movements from YANTRA

Attribute	Description
Description	The file will contain stock movements from the NSSC
Logical data items	▪ Goods receipts and returns of stocks from/to vendors/clients ▪ Goods issues and returns of stocks to/from branches ▪ Write off/adjustments of stock in NSSC
Special requirements	The link between the Yantra and the POL FS definitions of materials will be controlled using Type A reference data.
Time constraint	Daily file to be processed by 7.30am on Day B where Day A is trading day
Type of Object	The above time constraint assumes Electronic Data file
Outstanding for AIS	The component parts of the logical data items need to be defined.
AIS	Issued
Source	YANTRA
Destination	POL FS
POL Data Model	Logical data items will all be Inventory Item Movements

9.9 Summary Transaction Information to Girobank

Attribute	Description
Description	The file will contain the summary of transaction information relating to Girobank.
Logical data items	▪ Summarised transactions quantities and values by branch, day and product as required.
Special requirements	Currently Girobank have their specific file layouts.
Time constraint	Currently weekly
Type of Object	Electronic Data File
Outstanding for AIS	The current feed of data to Girobank is based on Cash Account concepts and relevant reference data. This information is going to change and discussions are required with Girobank to establish requirements.
AIS	Outstanding
Source	POL FS
Destination	Girobank systems
POL Data Model	Ledger postings

9.10 Summary Transaction Information to NS&I

Attribute	Description
Description	The file will contain the summary of transaction information relating to NS&I
Logical data items	▪ Summarised transactions quantities and values by branch, day and product as required.
Special requirements	Currently NS&I have their specific file layouts.
Time constraint	Currently weekly
Type of Object	Electronic Data File
Outstanding for AIS	The current feed of data to NS&I is based on Cash Account concepts and relevant reference data. This information is going to change and discussions are required with NS&I to establish requirements.
AIS	Outstanding
Source	POL FS
Destination	NS&I systems
POL Data Model	Ledger postings

9.11 Remittance Advices to Clients

AIS not being produced – not an electronic data flow

Attribute	Description
Description	The file will contain the detail of collections from or payments to clients
Logical data items	▪ Summarised transactions quantities and values by branch, day and product as required.
Special requirements	The remittance advice will be of the same layout for all clients
Time constraint	Based on settlement terms
Type of Object	Likely to be mainly paper, but can be sent electronically or by fax.

9.12 Statements to Clients

AIS not being produced – not an electronic data flow

Attribute	Description
Description	The file will contain the details of outstanding items owed to or owing from clients
Logical data items	▪ Summarised outstanding transactions quantities and values by branch, day and product as required.
Special requirements	The aim is to standardise statements to be the same layout for all clients
Time constraint	As required – may be weekly or monthly or adhoc
Type of Object	Likely to be mainly paper, but can be sent electronically or by fax.

9.13 Stock Statements to Clients

AIS not being produced – not an electronic data flow

Attribute	Description
Description	The file will contain the details of stock movements
Logical data items	▪ Summarised transactions quantities by product
Special requirements	The aim is to standardise statements to be the same layout for all clients
Time constraint	As required – may be weekly or monthly or adhoc
Type of Object	Likely to be mainly paper, but can be sent electronically or by fax.

9.14 Statements to Agents

AIS not being produced – not an electronic data flow

Attribute	Description
Description	The file will contain the details of outstanding items owing from agents
Logical data items	▪ Transaction Corrections ▪ Other amounts
Special requirements	The statements will be of the same layout for all agents
Time constraint	As required – may be weekly or monthly or adhoc
Type of Object	Likely to be mainly paper, but can be sent electronically or by fax.

9.15 Payments file to BACS

Attribute	Description
Description	The file will contain payment information
Logical data items	▪ Third party bank information ▪ Post office bank information ▪ Payment references and values
Special requirements	None at this time
Time constraint	None
Type of Object	Electronic file
AIS	Outstanding
Source	POL FS
Destination	BACS via Prism BACS gateway
POL Data Model	Ledger Postings

9.16 Enhancement to ESFS to NRDS Interface

Attribute	Description
Description	Reference data controlled by ESFS
Logical data items	▪ Cost Centres ▪ Internal Orders
Special requirements	
Time constraint	Daily
Type of Object	Electronic Data file
Outstanding for AIS	Definition of requirements from MI and POL FS for their requirements from Cost Centres and Internal Orders.
AIS	Outstanding
Source	ESFS
Destination	NRDS
POL Data Model	Cost Centres & Internal order – Represent Organisation Units – in particular Branches

10 Non-Functional Requirements

10.1 Volumetrics

10.1.1 Peak Day figures

Source	Contracted Volume Documents	Contracted Volume line items
Horizon	17500-18000	3,600,000
SAP ADS	20	72,000
YANTRA	1600	40
Bank Statements	600	1200
Clearing Transactions*	200,000	
Other Manual	1000	3000

* Clearing transactions in SAP GL do not create new line items but do create a header document.

10.1.1.1 Audit and archive

The audit requirement for business data is to keep monthly summary records for 7 years

It is not desirable from a sizing perspective to keep all this data online within the SAP database and data archiving of the following objects will be required.

		Documents	Lines per doc	Line Items	Retention period months	Comments
CCA	Cost Centre Accounting	10,000	15	150,000	13	Needs to be held for 1 yr
PCA	Profit Centre Accounting	10,000,000	10	100,000,000	3	Needs to be held for 1 yr
FI (fb01)	Finance Documents	8,320,000	139	1,156,480,000	13	
MM (mb01)	Material Movements	7,346,000	137	1,006,402,000	3	
SD (va01)	Sales invoices	5,320,000	160	851,200,000		1ST 3 MONTHS ONLY

Storage of the archived data must be on a media that is reliable over a 7-year period.

Data that has been archived should be retrievable:
- by the end user within 5 minutes for documents that are less than 2 years old
- upon request for documents that are more than 2 years old.

The audit requirements from a technical perspective are:
- to keep a copy of all bulk data files exchanged between the POL FS domain and other domains. The data should be the raw (unprocessed) data and be kept for 18 months.
- audit records of user activity within the SAP application should be created by standard SAP functions and then stored within the SAP system
- audit records of support activity on the POL FS host platforms should be created by standard Horizon functions and then stored in line with current Horizon practices

10.1.2 Numbers of Users

For release 3 there will be 350 named users with a concurrency of 20%, where concurrency is defined as users logged onto the system and have been active within the last 30 minutes. Users that have been inactive for more than 30 minutes will be automatically logged off.
The end-to-end POL FS system should be designed to cater for this population of users, including presentation, wide area network and hosting.

10.2 Sizing Assumptions

17000- 18000 documents will be received nightly, in approximately 60 files, from Horizon.

Approximately 20 documents will be received nightly in a single file from SAP ADS.

Both these must be processed by 0730 on day B; where day A = Trading day

10.3 Service Levels

Reviews of this service will be held at agreed intervals, typically monthly. The reviews with each of Prism Alliance and Fujitsu Services, will be attended by the service managers from POL, together with appropriate operational and technical managers. The reviews will consider the service performance against the OLA and SLA; the impact of any forecast service changes; open problems and any service improvements.

Availability and Reliability
The availability of the online SAP service is to be measured between 07:30-19:30 on Monday-Friday (excl. Bank Holidays).

The service will be measured in 2 parts:
* the host service
* the presentation service

Host Service
* The host service is defined as being available if the SAP host system is available to be logged into and there are no overnight data load jobs still processing.
* The target availability is to be 98.5% (this equates to an average of 4 hours outage per month)
* The maximum downtime permitted during a single outage is 4 hours.
* This service level target is to be measured over a period of 1 quarter
* Although the service is not measured at the weekends or bank holidays, it is expected that the service should be available 7 days per week (07:30-19:30), except by agreement. The windows between 19:30 to 07:30 is available for batch processing
* Support for the Service should be available during the hours of service measurement i.e. 07:30-19:30 Mon-Fri (excl. Bank Holidays)
* It is expected that the host service should be monitored using standard SAP functionality and that the reporting should fit in within the reporting framework for Horizon.

Client/Network Service
The client/network service is defined as the SAP client and the associated local area networking to reach access to the service boundary[1] at Huthwaite. This is covered with another agreement.

Data Delivery Times

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[1] The service boundary will be defined during contractual discussions

It is envisaged that the data delivery times will align with current LFS delivery times, although this needs to be confirmed. Reference the SLA and associated liquidated damages where relevant are stated in Schedule 15.

In particular, the feed from Horizon of daily cash on hand details may require some strengthening to the current data delivery times which exist for transaction data to TIP. It may be necessary to strengthen this (for example, utilising the current cash on hand delivery SLA with Fujitsu supplemented by a further SLA with PRISM to ensure the end to end processing time is met to match the standards of delivery to SAP ADS) in order to deliver the benefits of increased control over cash movements on a daily basis. This needs to be confirmed.

The end to end delivery time to the ledgers must also be reviewed to ensure that both the delivery of data by Fujitsu and any subsequent processing necessary within the POL FS ledger is completed by the time reliable ledger information is required.

The resulting reliability of the ledger entries must be maintained, i.e. the completeness of the daily cash figures arising from the percentage delivery of transactions must be consistent with existing levels of completeness of the current weekly cash figures.

The working assumption is that file deliveries will be in line with current deliveries:
- SAPADS file to be available to POL-FS to enable process completion by 07:30
- Horizon file to be available on the SAP host at 03:00
- All other data to be loaded into POL FS to be made available by 03:00
  - New reference data to POL FS
  - Stock movements from YANTRA to POL FS

It is a requirement to have all the data loaded by 07:30.

The service level target is that no more than 3 failures to meet this criteria should be allowed in any quarter.

This measurement will exclude failures caused by:
- ➢ SAPADS files being made available after 04:00
- ➢ Failures caused by incorrect functioning of Prism application code or incorrect configuration of the POL FS application (e.g. missing FAD)

The service level will be reviewed during the service level discussions on network banking, where service targets may be moving to annually rather than quarterly

The following files should be produced on POL FS by midnight to enable data to be sent to the target systems and loaded by 07:30:
- ➢ From POL FS to ESFS
- ➢ Transaction information from POL FS to clients
- ➢ Transaction information from POL FS to NS&I
- ➢ From POL FS to new ref data
- ➢ Transaction correction files to TMS

The BACS interface will be scheduled to run during the on-line day.

Help desks
Helpdesk support for POL FS will need to be agreed, and where necessary links between all three systems for Helpdesk support should be established.

Service level reports
Service Level reports should be produced in line with current service level and operational level reporting, and will be discussed at a relevant forum.

NB The resulting solution (end to end across all boundaries and suppliers, from initial data capture to final data delivery) should not significantly impact the run times of the current batch process, and Current operational achievements should still be met.

Service Fault Diagnosis

Key components of the system should be monitored and alerts raised if there are problems.

Diagnostic tools should be created, so that in the event of a failure, it will be possible to identify where problems are occurring in the end-to-end service.

The boundary between Fujitsu managed systems and Prism managed systems needs to be monitored to enable the cause of problems to be swiftly diagnosed

10.3.1 Post Office™

No Additional requirements

10.3.2 Fujitsu Services

	See service levels for the Host Service under section 10.3

10.3.3 Prism Alliance

	Same as current LFS service levels

10.4 Problem Management & Tracking

10.4.1 Incident Management

Whilst the details of incident management need to be worked through, the principle is that PRISM will remain first port of call for end-user SAP problems, passing any calls onto Fujitsu where appropriate.

Help desk scripts should be updated to reflect any new components introduced in Release 3.

10.4.2 Failure Recovery

Covered in section 10.5

10.4.3 Backup & Recovery

All business data must be backed up daily. Backups should be kept for 4 days before being overwritten.

10.5 Business Continuity

Host Service

There must be contingency arrangements in place for the POL FS service.

The maximum outage during failover is 48 hours

At the end of failover the data must be fully restored, but the system can run with a reduced service in terms of:

- the number of supported users
- end-user response times
- the time by which data loads have to be complete

Presentation Service

A disaster affecting the Huthwaite site will require failover of the presentation service (ITS and workplace servers). During failover the presentation service should be capable of supporting 30 users, and printing may be required.

10.6 Training

Additional training is required for all POL Central finance and Transaction processing staff who are identified as users on the POL Ledgers.

In addition to technical training it is important that these staff are given process awareness training so they understand how their roles fit into the end to end process and what the dependencies are.

Training will be carried out by POL, but there is a requirement on Prism to provide Knowledge Transfer of the new system and processes.

11 Technical Requirements

The following generic architectural principals apply:

- The applications should be data driven
- The applications should be module wherever possible thereby allowing components, such as the presentation layer, to be easily swapped out as more suitable modules become available.
- Minimisation of duplicate functions
- Consolidation of related processes, to minimise movements of data, reduce audit and reconciliation points
- Adoption of commodity platform products to minimise hardware and associated support costs and to maximise availability of skilled resources
- Usage of packages, where business requirements can be mapped onto generic product capabilities
- Clear separations of functional boundaries to retain flexibility in the future

11.1 End-to-End Architecture Diagram (Example shown below)

BRANCH

Counter Application

Riposte
NT
Fujitsu-Siemens H/W

Fujitsu Domain

Physical View

RMG Domain

HR
SAP HR

Financial
ES FS

PRISM Domain

Horizon Data Centre

Stock Inventory Management

PO Financial (inc Debt Recovery Case Mgt)

SAP R/3 Oracle(s)
Solaris
Fujitsu-Siemens H/w

SAP R/3 Oracle(s)
Solaris
Fujitsu-Siemens H/w

RDMC

Logistics Feeder Service

Transaction Management (inc Adjustment Notification)

Oracle(s)
Solaris
Fujitsu Siemens H/w

Oracle(s)
Solaris
Fujitsu Siemens H/w

Oracle(s)
Solaris
Fujitsu Siemens H/w

Huthwaite

Management Information

Oracle(s), HP UNIX
HP H/w

Stock Warehouse Management

YANTRA

EDG

Oracle(s)
HP UNIX
HP H/w

Cash Mgt
SAP ADS

SAP R/3 DB2(s)
IBM X47
Mainframe

New RDS

Oracle
UNIX

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11.2 Architecture Principles

11.2.1 Application

POL FS is to be built using SAP R3 V4.7 Enterprise with a based of the Retail Industry Solution.

11.2.2 Resilience

The solution should be resilient to a single point of failure.

11.2.3 Performance

The requirement is for the ability to monitor the response times of a limited number of OLTP transactions at the back end. When combined with monitoring of network response times this will provide Post Office with a view of the overall response times. It is expected that standard SAP functionality should meet the SAP back-end monitoring requirements.

There are 2 specific performance requirements:

- The service level target is for the average response time of the agreed transactions to be completed within:
  "1.5 - <WAN latency>" seconds.
  where this measure is taken within the hosting environment (excluding WAN and presentation layers).
- loading of data files as defined in the data delivery section of 10.3

Capacity management of the platform should be brought into the standard Horizon capacity management regime.

11.2.4 Communications

Connectivity of the end-user presentation layer to the POL FS hosting service is to be channelled through Post Office's Northern Data Centre

11.2.5 Scalability

The solution must be scalable to cope with release 3, specifically in the following areas:

- Audit - For release 3 it is expected that there will 90 days worth of online details, with records being archived periodically
- Volumes - See section 10.1
- Numbers of users - 350 users at release 3 with 20% concurrency

The design proposal should explain how the solution will cope with an increase in the following:
- number of end users
- number of concurrent end users
- input data volumes
- online data volumes

whilst maintaining the contracted service levels. These will constitute the design limits in accordance with the approach defined in PA/PER/033.

Any ceiling in the solution design should be identified in the design proposal

11.2.6 Systems Management

POL FS infrastructure is expected to be part of Horizon domain and managed as such, including initiation and control of batch jobs.

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Bespoke processes such as the jobs that process the files fed from Horizon should be monitored.

It is not expected that test systems will need to set date/time to be something different from the current date/time.

The following service level monitoring is required

- the ability to monitor the response times of a limited number of OLTP transactions at the back end. When combined with monitoring of network response times this will provide Post Office with a view of the overall response times. It is expected that standard SAP functionality should meet the SAP back-end monitoring requirements.
- the availability of the service
- successful loading of the inbound interface files
- successful production and delivery of the outbound interface files

11.3 Integration & Interface

Horizon to POL/FS interfaces
SAP/ADS to POL/FS interface
POL/FS to Horizon interface
NRDS to POL FS interface
POL FS to NRDS interface
POL FS to ESFS interface
Summary Transactions to Clients (Girobank & NS&I) interface
Payments Data to BACS interface
YANTRA to POL FS interface
NRDS to Horizon interface   Enhance existing interface.

The types of interfaces will be defined in the associated AIS's for each interface

11.4 Other Technical Requirements

SAP Help should be made available to development and test users from within the SAP client domain[2]
The SAP host must be able to communicate with the network printers in use within the SAP client domain

All production and test end-user access will be via ITS and workplace.
Development access will be via SAP GUI (on citrix servers)
File transfer access to development and test is required for developers.

12 Security Requirements

The principle is that Horizon data centre and Huthwaite are both trusted domains and should be operating to ISO 17799. The SAP host should be integrated into the Horizon domain as per the principle defined in Section 5.

The requirements for security then focus on the changes brought about by the introduction of the new SAP service and the interfaces between the 2 secure data centres. For each of these areas consideration should be given to Identification and Authentication, Access Controls, Audit and Alarms.

- SAP Application
  - ➢ All persons requiring access to the POL ledgers will have individual user ID with specific access suitable for their requirements.
  - ➢ User roles will be set up and administered in line with Consignia's "Security Operating Standards"
  - ➢ There is no requirement for secondary authentication; standard SAP passwords will be adequate.
  - ➢ Auditing of who has done what within the application will be provided by standard SAP functionality

- Support access to POL FS hosting systems should be controlled as per current Horizon support access standards

- Support access to presentation layer systems should be controlled as per current Prism standards

- Network
  - ➢ Access to data centres systems will be protected through Firewalls
  - ➢ Firewall logs should be monitored to detect attempts to gain unauthorised access
  - ➢ IPSEC encryption to be provided by the routers between Horizon data centres and Post Offices Northern Data Centre

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[2] By SAP client domain this means the end user components of the SAP solution that are managed by Prism.

12.1 Security Testing

User ID profiles will be tested as part of system and User Acceptance testing.

13 Deliverables / Work Packages

13.1 Post Office™

- The conceptual design document.
- Associated work packages.
- AIS for Horizon to POL/FS Interface
- AIS for SAP ADS to POL/FS Interface
- AIS for POL FS to Horizon
- AIS for NRDS to POL FS
- AIS for POL FS to NRDS
- AIS for POL FS to ESFS
- AIS for Yantra to POL FS
- AIS for NRDS to Horizon – enhancement to existing interface
- AIS for Summary Transactions to Clients (Girobank & NS&I) interface

13.2 Prism Alliance

13.2.1 POL FS Development

Prism Alliance should develop a design proposal to meet the requirements set out in this document and provide the post office with a commercial proposal which will specify the costs, time-scales and resource implications for progressing to the solution build and test stage, and the implementation and rollout stage.

13.2.2 SAPADS Development

There was an initial assumption that there would be no changes required for SAP ADS.   Since several processes start on SAP ADS and finish outside SAP ADS it is necessary to pick up these transactions individually.   It is not easy to do this and keep the financial integrity of an interface without making some changes to SAP ADS.

Prism Alliance will investigate and recommend changes to SAP ADS that do not effect the key operation of the Cash Centres but will ensure financial integrity of SAP ADS and the interface to POL FS.

Prism Alliance should develop an interface from SAPADS to POL FS for cash centre related data

13.2.3 End to End Integration, Testing and Approach

Post office will determine how this task is carried out.

See Section 17

13.2.4 Managed Service

Prism Alliance shall provide service support for the SAP elements of the POL FS application

13.2.5 Documentation

Prism Alliance shall update relevant current and produce any new contract controlled documents in support of the SAP/ SAP elements of the POL FS application

13.2.6 Internal Processes & Procedures

Prism Alliance shall update where necessary, any internal processes & procedures, in order to support the SAP elements of the POL FS application.

13.3 Fujitsu Services

13.3.1 Financial Ledgers Development

Fujitsu Services will develop the extract file for the daily feed from Horizon to POL FS

Fujitsu Services will develop a solution on TMS and Horizon to receive and present the transaction correction files to the branches in line with AIS and Branch Trading Processes.

13.3.2 End to End Integration, Testing and Acceptance

Post office will determine how this task is carried out.

See Section 17

13.3.3 Managed Service

Fujitsu Services shall provide service support for hosting the POL FS application.

13.3.4 Documentation

Fujitsu Services shall update relevant current and produce any new contract controlled documents in support of the Horizon elements of the POL FS application.

13.3.5 Internal Processes & Procedures

Fujitsu Services shall update where necessary, any internal processes & procedures, in order to support the Horizon elements of the project.

14 Planning

14.1 Timescales

Refer to Release 3 and S80 project plans

14.2 Dependencies

The Financial ledgers are dependent on the completion of the Branch Trading Development in order to provide accurate data and enable effective operation of the Transaction Correction process.

There is a dependency on SAPADS to ensure that there is a feed of cash centre related data

There is a dependency on the New Reference Data System to provide an interface mapping tool to control the interfaces between Horizon and POL FS. The majority of mapping relating to this interface will take place in Horizon.

15 Acceptance

Acceptance takes place upon determining that the Automated Cash & Bank ledgers solution is fit for purpose. Acceptance for each Requirement will be conducted by one or more of the following methods: -

1. Document review

   This method will comprise a document review by Post Office Ltd. of the relevant section of a document or documents. The classification and contractual status of any documents used for this purpose will remain unchanged.

2. Post Office Test

   This method will comprise tests that run and managed by Post Office Ltd. The actual method of testing, which may utilise the Post Office Ltd. End-to-End test environment, will typically be used for those aspects of the solution that can only be verified as part of an overall Post Office End-to-End environment. The Post Office Test could also include document review.

3. Statement of fact or obligation

   This classification will be used for those Requirements that represent an existing Prism obligation, or where the solution to a Requirement is self-evident and does not lend itself to formal proving.

16 Testing

NB: E2E references within this section refer to E2E testing and not the E2E Programme.

16.1.1 Testing Statement

The testing plan will be based around the following PO Ltd testing statement

Testing will be able to confirm the acceptance criteria for some requirements have been met during the various test phases. The criteria and the targeted test phase should be identified during the requirements analysis phase. The testing team should assess the testability of the acceptance criteria during the Requirements reviews.

An appropriate Test Strategy will be developed to reflect the release contents.

This will include some or all of the following testing phases.

16.1.2 Internal Functional Testing

Gaining assurance of main suppliers internal functional testing via: -
- o Review suppliers internal test plans/ scripts for completeness
- o Review suppliers internal test results / progress reports
- o Review suppliers internal testing fault logs for impact

16.1.3 Non Functional Testing

Due to the nature of this type of testing the aim would be to achieve this via engagement with the supplier in: -
- o Supplier document reviews
- o Review of supplier test plans / scripts for completeness
- o Witness specific key tests during a supplier testing cycle
- o Review supplier test results

o   Review supplier test fault logs for impact

16.1.4   Interface Testing

Lead or Support Suppliers through the execution of Direct Interface testing between two suppliers e.g. Lead - Horizon to SAP/ADS

o   Review or develop and agree Interface scripts between two supplier domains
o   Support or coordinate set – up of test environments
o   Support or coordinate the provision of Required Ref Data
o   Support or execute where appropriate the tests
o   Review the test results including any faults

16.1.5   E2E Integration Testing

This phase is where POL would lead, supported by suppliers, in demonstrating the successful connection of all the appropriate systems (test versions) in the releases E2E solution including carrying out some E2E test transactions to confirm the readiness to enter the POL E2E functional testing cycles.

16.1.6   E2E Functional Testing

This phase is where POL would lead, supported by suppliers, in demonstrating through short "days in the life of the POL business" cycles that the revised systems interact correctly in an E2E manner and with the revised business process and procedures.

This is also to assure POL that the changes to current systems and the introduction of new systems has not impacted upon the businesses operation including E2E financial aspects (accounting, reconciliation, settlement, remuneration) have been and can maintained during live operation. E2E Management Information is maintained or new information reflects the requirements and business needs.

Successful completion of this phase would lead to the introduction into the live environment via one or more of the following: -

o   a pre-pilot (transactions carried out in the passive Post Office)
o   pilot (small number of outlets)
o   go-live.(rolled out to the full estate)

16.1.7   Pre-Pilot

This final testing phase is whereby a "live" Post Office is used to test that the connectivity of the live E2E systems has been achieved and that a small number of transactions representing the changes can be carried out and report correctly in accounting and management information terms.   Completion of this final phase should be the point of handover to the Implementation team / phase.

16.1.8   Counter & Interface Testing

•   E2E non-functional tests for performance, availability, reliability, volumes etc

•   Counter sales tests that affect the transactions, to ensure that appropriate data is transferred to back office systems.

16.1.9   Design / Process Walkthroughs

•   E2E Design and Process walkthroughs may be used.

An approved test strategy covering all test stages from component testing to direct interface testing must be agreed between all parties.

Up to date results from the various testing phases must be shared promptly with the Post Office, in order to confirm in the phases leading up to the completion and implementation, that the solution is fit for the live environment, and that any risks are known and can be assessed.

Fujitsu Services and Prism Alliance must support the various test phases before the POL FS solution is implemented.

17 Implementation & Migration

17.1 Co-ordination of the feeds into POL FS

<table>
<tr><td></td><td>

General

The migration of the financial ledgers from CBDB to POL FS must occur as at the end of a financial period. The start of all feeds into POL FS must be consistent with this chosen date.
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Horizon

The roll out approach of S80 Horizon will govern the cutover strategy required to ensure that reconciling items are not investigated unnecessarily.
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SAP ADS

The feed from SAP ADS will be turned on as a single event rather than cash centre by cash centre. It is important to co-ordinate this financial period end.
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</table>

18 Appendix A – Requirements Catalogue

Details of the acceptance method can be found in section 16.

Program Req ID	Req ID	Supplier	X Ref to This CD	Description
FIH-001	FIH 001	Prism	4.1	Introduction of a new financial system (POL FS) to produce the financial ledgers for Post Office Ltd (POL) to report to Royal Mail Group using simplified business processes and reduced duplication and requirement for reconciliation
FIH-002	FIH 002	Prism	4.1	. Introduction of a Client Ledger, Agent Ledger, Stock Ledger to enable standard procedures for Debt Recovery and monitoring. To enable the capture, validation, verification and correction of client transaction data.
FIH-003	FIH 003	Prism	4.1	Produce POL Ledgers to report P&L and BS for POL in so far as the transactions are handled within the POL environment with a stream of data from branches and cash centres
	FIH 004	Prism	4.1	The Cash and Bank account values, from ledger implemented in S60, will not be overwritten with CLASS values at S80 implementation. A reconciliation will be undertaken between POL FS and CLASS as part of cutover activities
	ASS 001	POL	4.2	Supplementary document matching will not take place in POL FS and will largely be stopped.
	ASS 002	POL	4.2	Matching of client transaction data to POL FS data will not take place on POL FS. This will take place in MI where necessary.
	ASS 003	POL	4.2	Matching of client summary data to POL FS data will be done on a risk based approach.
	ASS 004	POL	4.2	Reporting of transaction data to clients will not take place on POL FS. This information will either be fed to clients directly (e.g. AP/Banking), or is available from MI.
	ASS 005	Prism	4.2	Depending upon where it resides at the time of S80 implementation, Foreign Exchange movements to/from cash centres will be received by POL FS either by an automated feed from SAP ADS or by the manual input of output from STAMPS.
	ASS 006	Prism	4.2	In order that some of the existing controls can be removed there is a plan of migration of some products/services to Automated Payments process. This piece of work is with Sales and Marketing. If this is not completed then there are some controls, which currently exist in the legacy systems that are not being designed with in POL FS. These controls will be replicated in another system, to be defined.
	ASS 007	Prism	4.2	It is assumed that an electronic feed of stock movements to/from the branch network will be provided by the YANTRA System that should have replaced the STAMPS System before S80 implementation.
	ASS 008	Prism	4.2	Reporting of data to clients from POL FS will be at the maximum level of Branch, Trading Day & Product.
	POFS 001	Prism	4.3	POL FS will be the auditable financial ledgers for Post Office Ltd Network.
	POFS 002	Prism/ Fujitsu	4.4	It shall be possible to audit movements within POL FS by branch back to Horizon
	POFS 003	Prism	4.4	It shall be possible to reconcile movements within POL FS by cash centre back to SAP ADS
	POFS 004	Prism/ Fujitsu	4.4	Technical requirement: to keep a copy of all bulk data files exchanged between Horizon domain and Prism domain. The data should be the raw (unprocessed) data.

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Program Req ID	Req ID	Supplier	X Ref to This CD	Description
	POFS 005	Prism	4.4	Technical requirement: audit records of user activity within the SAP application should be created by standard SAP functions and then stored in line with current Horizon practices
	POFS 006	Prism/ Fujitsu	4.4	Technical requirement: audit records of support activity on the POL FS host platforms should be created by standard Horizon functions and then stored in line with current Horizon practices
	POFS 007	Prism	4.6.1	The POL ledgers will be built in addition to and independent of other SAP systems
TEC - 001	TEC 001	All	4.5.2	The applications should be data driven
TEC - 002	TEC 002	All	4.5.2	The applications should be modular were ever possible thereby allowing components, such as the presentation layer, to be easily swapped out as more suitable modules become available.
TEC - 003	TEC 003	Prism	4.5.2	Minimisation of duplicate functions
TEC - 004	TEC 004	Prism	4.5.2	Consolidation of related processes, to minimise movements of data, reduce audit and reconciliation points
TEC - 005	TEC 005	Prism	4.5.2	Adoption of commodity platform products to minimise hardware and associated support costs and to maximise availability of skilled resources
TEC - 006	TEC 006	Prism	4.5.2	Usage of packages, where business requirements can be mapped onto generic product capabilities
TEC - 007	TEC 007	Prism	4.5.2	Clear separations of functional boundaries to retain flexibility in the future
TEC - 023	TEC 023	Prism	4.5	Integration with SAP ADS
TEC -025	TEC 025	Prism	4.5	Integration with ES-FS
TEC – 025a	TEC 025a	Prism Fujitsu	4.5	Integration with Horizon
	TEC-026	Prism	4.5	Integration with NRDS
	TEC 027			Integration with Yantra
	TEC 028			Interface with Girobank
	TEC 029			Interface with DNS
	TEC 030			Interface with NS&I
	TEC031	Prism	4.5	Integration with BACS
ACM-001	ACM 001	Prism	5.1	Any individual component of the programme must conform to the POL Strategic Data Model
CSH-001	CSH 001	Prism	6.3	To implement a client ledger that accurately identifies PO Ltd's liability to and from clients and enables accurate, auditable, and timely settlement in accordance with contractual requirements.
CSH-002	CSH 002	Prism	6.3	To receive a daily interface of summarised transaction data, from Horizon, by client or product.

Conceptual Design

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Program Req ID	Req ID	Supplier	X Ref to This CD	Description
CSH-003	CSH 003	Prism	6.3	To refer to information about transactions from clients in order to resolve any disputed items and determine true liability. Summary available from POL/FS detail from Data Warehouse
CSH-004	CSH 004	Prism	6.3	To receive a daily interface of summarised transaction data, from SAP/ADS, by client or product.
	CSH 005	Prism	6.3	To calculate, pay / receive and account for Client settlements based on the contractual data stream, being any combination of: - Horizon - SAP ADS (eg Corporate deposits) - Client data (eg Camelot) - Other existing contractual stream (e.g. BBC non bar coded licences) - Stock adjustments from NSSC
	CSH 006	Prism	6.3	To pay / receive settlements based on estimates and / or including standing deposits
	CSH 007	Prism	6.3	Settlement facility to be available by 7:30 am in support of client settlement terms
CS 001	CS 001	Prism	6.3	. A daily view of summarised balance (value and volume) by client, by product, by branch or cash centre, and by day.
CS 002	CS 002	Prism	6.3	Ability to split client balances, when a client has several products or contracts with different terms of payment, in order to map into different sub accounts in the ledger
CS 003	CS 003	Prism	6.3	The ability for each trading day to have a unique document entry
CS 004	CS 004	Prism	6.3	The ability for non-polled offices transaction data, once received, to be: - Accounted for in the current accounting period based on posting date - Recorded against the appropriate trading dates Settled to clients based on trading date
CS 005	CS 005	Prism	6.3	The ability for differentiation between trading date and posting date.
CS 006	CS 006	Prism	6.3	The ability to receive client summary reports, by volume and value, for Automated Payment clients. These will not be held in POL FS.
CS 007	CS 007	Prism	6.3	A mechanism to be able to trace disputed totals back to transaction level, on MIS, in order to resolve and correct information at the appropriate point to amend ledgers, and reporting or management information.

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Program Req ID	Req ID	Supplier	X Ref to This CD	Description
	CS 009	Prism	6.3	Ability to compare the values of settlement made based on client against actual data from Horizon for the equivalent period. POL FS will enable comparison at a daily branch and product level for all such clients. There will be the ability to perform detailed transaction comparison but this will not be on POL FS.
	CS 010	Prism	6.3	The ability to provide a generic solution for the main proportion of clients and only build exception processes when necessary
	CS 011	Prism	6.3	. To be able to settle (pay and receive) by contractually required methods of payment: • BACS • CHAPS • Swift • Cheque Direct Debit (payment receipt only)
	CS 012	Prism	6.3	The ability to track payments made on estimates to compare actual to estimates, via a holding account or similar solution for client related data.
	CS 013	Prism	6.3	The ability to provide client reports based on summary volume and value for each defined product.
	CS 014	Prism	6.3	The ability to provide contractual client reporting. This may be achieved by a mixture of POL/FS and Data Warehouse reporting.
	CS 015	Prism	6.3	The ability to adjust settlement and account for discrepancies identified from: • Client invoices or data mismatches with Horizon transactions • Transaction Corrections (covering customer, supplier and branch queries) • Banks (unpaid cheques & Data Reconciliation Service adjustments) • Estimating differences
	CS 017	Prism	6.3	Settlement process, to include adequate control procedures, and to pay amounts due in accordance with client's individual settlement terms.
	CS 018	Prism	6.3	The ability to amend settlement for non core charges such as commission and interest charges and account for these accordingly.
DRH- 001	DRH- 001	Prism	6.4	To implement a debtor's ledger (accounts receivable), which accurately identifies amounts owed to PO Ltd liability from agents, former sub postmasters, customers and clients in relation to transaction balances. If client balances are on an accounts payable ledger then to be able to identify and manage debit items within the overall creditor.

	Conceptual Design				**Project:** Automated Ledgers
					Doc Ref: POL/IMPACT/DES/***

Program Req ID	Req ID	Supplier	X Ref to This CD	Description
DRH - 002	DRH 002	Prism	6.4	To receive, as part of the Horizon daily interface, details of debt recovery items and results of debt recovery action e.g. cash receipts by debtor from the POL ledger entries.
DRH - 003	DRH 003	Prism	6.4	To be able to record debt recovery plan decisions, and action taken so as to manage debt recovery and document stages of escalation taken.
DRH- 004	DRH 004	Prism	6.4	To be able to refer to information about transactions both in MIS and directly entered trading transactions with debtors, in order to resolve any disputed items and determine true amount recoverable NB If amounts owed to the PO but still under investigation are recorded outside of the debtors ledger but within the Transaction Correction area of POL FS, to be able to manage these as if they were on the debtors ledger i.e. • to accurately identity to branch, • to know which date they relate to and therefore which agent and the time outstanding ie age, • to refer to information for investigation purposes and • to record action taken by individual operator.
DRH - 005	DRH 005	Prism	6.4	To be able to generate identified transaction errors, to be fed back electronically to Horizon, if, as a result of investigation, debts need to be transferred and corrected within a branch liability statement.
DRH- 006	DRH 006	Prism	6.4	To be able to view debtor credit history in order to assess credit worthiness.
DRH - 007	DRH 007	Prism	6.4	To be able to assign appropriate credit terms to different debt items e.g. 30 days for counter transaction errors, 45 days for loans to SPMs
DRH - 008	DRH 008	Prism	6.4	To be able to assign different agents/branches to a central "head office" payment point in the instance of multiples who require a central authorisation for settlement to POL.
DR 001	DR 001	Prism	6.4	A daily view of outstanding debtor balances (or suspense items) and the history of management for live items
DR 002	DR 002	Prism	6.4	Ability to age debt (or suspense items) so as to manage over due items.
DR 003	DR 003	Prism	6.4	A mechanism to be able to trace disputed totals back to transaction level in order to resolve and correct information at the appropriate point to amend ledgers, and reporting or management information.
DR-004	DR 004	Prism	6.4	A flag needs to be set when it is known that an office is to be closed, and may this may be reported on. The information will come from NRDS.

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DR-005	DR 005	Prism	6.4	A flag needs to be set when a branch (or in the case of multiples the total of branches) has a debt of more than £5,000 this includes all debt, and may this may be reported on.
DR006	DR 006	Prism	6.4	To be able to produce debt recovery reporting such as – Debt Recovery Case Management By branch, by branch type, by Agent name, by product (by client), by age of debt High value debt (e.g. all outstanding debt which exceeds a defined limit, by branch) Debt Recovery repeat offenders (problem offices) Value of debt or credit by number, by branch, by branch type (to meet current organisational structure), by product, by method of payment, by age of debt Former Subpostmasters accounts held including Branch, Agent name, Age of debt, Dispute details, Losses (write off) Disputed debt by branch, by client (e.g. Giro) Non-recoverable debt – e.g. as a result of fraud or client negotiations, details to be held until written off. By network (national total of all branches), by branch, by product, by client
DR007	DR 007	Prism	6.4	Ability to search on a particular field (i.e. Agent name) and be able to track status, audit log entries
DR008	DR 008	Prism	6.4	Ability to produce invoices for transaction corrections to be sent to central "head office" for multiples in order for central settlement
DR009	DR 009	Prism	6.4	Ability to record details against individual exception (Debt Recovery Case Management) to track progress through investigation and towards resolution. Freeform text field plus CACM operator details, time and date stamp for audit requirements. Measurement against agreed timescales.
	DR 010	Prism	6.4	Ability to record Agent's debt from: • Actioned Transaction Corrections – automated from Horizon interface Other debts as identified – manually entered
	DR 011	Prism	6.4	Ability to record reductions in debt on agent's account based on: • Payment by Credit Card • Deductions from payroll
CHH-001	CHH 001	Prism	6.5	SAP/ADS to make available, by cash centre, to the POL Financial System the daily end of day cash position for entry into the cash ledger (Release 1)
CHH-002	CHH 002	Prism	6.5	SAP/ADS to make available, by cash centre, to the POL Financial System the detailed cash pouch data, for remittances into the cash centre, for entry into the cash ledger to enable Cash In Transit matching within the ledgers (Release 1)
CHH-003	CHH 003	Prism	6.5	SAP/ADS to make available, by cash centre, to the POL Financial System the summarised daily client related transactions, (value and volume), by client for entry into the client ledger

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CHH-004	CHH 004	Prism	6.5	SAP/ADS to undertake the summarisation of required data, to an agreed level, prior to entry into the cash and client ledgers.
CHH-005	CHH 005	Prism	6.5	The interface will provide all transactions which affect cash and near cash values of the cash centre. For example: - Inward and Outward to POL Inward and Outward to FI's Inward and Outward to Customers/Clients Inward and Outward to 3rd Party Cash centre adjustments Cash centre discrepancies Cheque remittances Cheques on hand
CHH-006	CHH 006	Prism	6.5	The interface will provide a snapshot of all transactions at approx midnight and must be available within the POL FS by 07:30 the following day
CH001	CH 001	Prism	6.5	The Cash Centre Trading Statement will replace the current cash account process. The statement is an internal document for the cash centre only and will not be forwarded to an independent area unless security and audit determine that that is essential. The actual data within the trading statement will have already populated the ledgers by the daily interface outlined above and therefore no data from the statement will populate the interface. The trading statement will encompass a snapshot of cash and stock and also any current discrepancies or suspense items. It will also enable the cash centre to view what business has been transacted over the last period. The cash centre manager will be required to "sign off" the trading statement as a true and accurate position at specified points in time. It is possible that the SAP/ADS system can produce the level of information required which would satisfy both control issues and security and audit requirements. The Trading Statement is being developed independently of POL FS by CL&S.
SRH-001	SRH 001	Prism	6.6	To provide end to end visibility of the stock movements from point of entry (whether direct to branch or via the National Secure Stock Centre) until sale, loss or return.

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SRH-002	SRH 002	Prism	6.6	POL FS MM module to accept a daily interface of stock sales in order to maintain accurate link between stock movements and stock sales.
SRH-003	SRH 003	Prism	6.6	POL FS MM module to accept a daily interface of stock adjustments at the branches, from stock declaration process hence identifying stock discrepancies.
SRH-004	SRH 004	Prism	6.6	To provide an interface of stock at National Secure Stock Centre, identifying stock discrepancies, for despatch to POL FS MM module.
SRH-005	SRH 005	Prism	6.6	To provide auditable balances of stock throughout the network for probity and audit purposes
SR 001	SR 001	Prism	6.6	The Horizon system to make available to the POL FS MM module details of identified stock discrepancies by volume, and value, (where relevant).
SR 002	SR 002	Prism	6.6	The Horizon system to make available to the POL FS MM module the daily movements of stock into and out of branches by volume. These must include both internal and external remittances.
SR 003	SR 003	Prism	6.6	. The Horizon system to maintain link between stock movement and stock sales and make available to the POL FS MM module the daily sales of stock.
SR 004	SR 004	Prism	6.6	The National Secure Stock Centre to interface identified stock discrepancies by volume, and value (where relevant) in order to identify stock adjustments in the POL FS MM module.
SR 005	SR 005	Prism	6.6	The National Secure Stock Centre to make available to the POL FS MM module the daily movements of stock into and out of the central stock unit by volume, and value, (where relevant). These must include both internal and external movements.
SR 006	SR 006	Prism	6.6	The POL FS MM module to hold information by stock type in order to inform POL FS of all balance sheet impacts.
SR 007	SR 007	Prism	6.6	POL FS MM module to hold value of all stock, which has a balance sheet impact, by stock item.
SR 008	Not included in S80 CD			To identify instances of obsolete stock which should have been returned to National Secure Stock Centre

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	BDC 001	Prism	6.7	Individual calculated stock values to be held on POL FS by Branch, on Day B: • Day A's individual currency value (quantity, e.g. $500) – these can be up to 14 characters long; and • Day A's Sterling equivalent value (e.g. £250) at Day A Spot Rate. The daily movement in foreign currency held will be received as part of the daily interface from Horizon.
	BDC 002	Prism	6.7	Stock quantities (e.g. $300) of Travellers cheques, by currency and branch to be held within POL FS in MM module (not valued)
	BDC 003	Prism	6.7	Margins and Commissions on transactions (Sell and Buy) are to be posted to an appropriate settlement account for the Bureau Joint Venture.
	BDC 004	Prism	6.7	Stock revaluations to be recorded separately in POL FS. Stock revaluations will be driven by sending systems. The current build for Horizon triggers revaluation from the running of the trial balance.
	BDC 005	Prism	6.7	Currency transfers between the Cash Centre Network and the Client are to be included within the POL FS Balance Sheet, with postings to a Client Settlement Account where appropriate.
	BDC 006	Prism	6.7	Management information in support of individual inventory management capability will be available within POL FS (e.g. stock : sales ratios by Branch; stock holdings by branch or branch hierarchy)
	BDC 007	Prism	6.7	POL FS reporting capability to be accessible within the Cash Centre Network.
	BDC 008	Prism	6.7	Stock adjustments to be recorded separately in POL FS.
	NRDS 001	Prism	6.8	NRDS to provide reference data shared by multiple systems to POL FS
	NRDS 002	Prism	6.8	NRDS to accept reference data mastered in POL FS that is required for interface data mapping
	NRDS 003	Prism	6.8	NRDS to provide a data mapping facility to enable interfaces between significant systems to be controlled using reference data rather than hard coding
	NRDS 004	Prism	6.8	NRDS interface to Horizon to be enhanced with various data objects including interface data mapping logic.
FI-001	Covered by CS001	Prism	6.3	A daily view of summarised balance by client, by branch or cash centre, and by day.
FI-002	Covered by CS002	Prism	6.3	Ability to split values, when a client has several products with different terms of payment, in order to map into different accounts in the ledger.

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Program Req ID	Req ID	Supplier	X Ref to This CD	Description
FI-003	Covered by CS003	Prism	6.3	The ability for each trading day to have a unique line.
FI-004	Covered by CS004	Prism	6.3	The ability for non-polled offices transaction data to be summarised into the relevant trading day when next polled.
FI-005	Covered by CS005	Prism	6.3	The ability for differentiation between trading date and posting date.
FI-007	Covered by CS 018	Prism	6.3	To be able to determine the amount due to a client using payment terms agreed with client
FI-008	Covered by DR 013	Prism	6.4	To provide information of aged balances
FI-009	Covered by CS19	Prism	6.3	To enable payments to/from clients with functionality for matching and closing paid items to leave open items for management of debtors/creditors
FI-010	Covered by DR 012	Prism	6.4	To be able to produce correspondence to chase outstanding items e.g. statements, reminder letters
FI-011	Covered by DR001	Prism	6.4	To process agent debt items
FI-012	Covered by DR004	Prism	6.4	Allow matching to enable management of open items
FI-013	Covered by DR009	Prism	6.4	To be able to produce correspondence to chase outstanding items e.g. statements, reminder letters
FI-014	Covered by DR015	Prism	6.4	To provide information of aged balances
FI-015	FI 015	Prism	6.2	To produce a set of auditable accounts within the framework of the Chart of Accounts specified
FI-016	FI 016	Prism	6.2	To enable matching of suspense items for debt recovery purposes and error handling
FI-017	FI 017	Prism	6.2	To enable the reporting of stock values in the relevant balance sheet accounts (this will cover the Stock Ledger)
FI-018	FI 018	Prism	6.2	To consolidate information from SAP ADS financials to report the POL accounts
FI-019	FI 019	Prism	6.2	To account for business transactions which will populate the trading ledger
FI-020	FI 020	Prism	6.2	To have visibility of branch transactions by day (this will cover the Branch Ledger)
	FI 021	Prism	6.1	Monitoring of system rejections to ensure that data is resent and processed or accepted successfully
	FI 022	Prism	6.1	System Management controls e.g. access levels, user ID's, passwords etc.

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	FI 023	Prism	6.1	Ability to monitor interfaces received and processed or rejected, and extracts produced including reconciliation of file interfaces across systems (i.e. data received by POL FS from TMS also received by Data Warehouse). Where rejections occur, error messages should be produced, indicating reason, to aid investigation.
	MI 100	Prism	8.9.2	Information required by Audit for issued error details, errors BTA and errors not Network Reinvention offices
	MI 101	Prism	8.9.2	Information to Multiples Partners regarding outstanding, issued and BTA errors.
	MI 104	Prism	8.9.2	Ability to produce data files or reports for clients as defined within contractual agreements. For example volume and value of transactions, customer details if applicable, product breakdown by volume and value, details of adjustments made, data mismatches between client supporting document stream and transaction stream, method of payment details. Example clients are Local Schemes, Department of Work and Pensions, Girobank, NSB, UKPS, AON, First rate, DVLA, Department of Health, Inland Revenue.
	MI 114	Prism	8.9.2	Volume and value of outstanding exceptions by branch, by age, by value
	MI 115	Prism	8.9.2	Volume and value of issued errors by product or branch
	MI 117	Prism	8.9.2	Number and value of maintained errors and write offs by product
	MI 118	Prism	8.9.2	Ability to pull off statistics regarding team performance (exceptions created, exceptions issued, exceptions cleared, exceptions outstanding etc). Ability to remove from one teams statistics and add to another team as the exception passes through the process.
	MI 122	Prism	8.9.2	Debtor days by client and product and trend analysis monitoring
	MI 123	Prism	8.9.2	Creditor days by organisation and product and trend analysis monitoring
	MI 124	Prism	8.9.2	Errors produced for creditors and debtors – issued or resolved, number and value, by client and product.
	MI 125	Prism	8.9.2	Progress of exception handling measured against target (failures to issue or clear in x number of days)
	MI 126	Prism	8.9.2	Aged debt profile by number and value
	MI 127	Prism	8.9.2	Debt as a percentage of sales/transactions by product

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	MI 128	Prism	8.9.2	Monitoring of percentage of debt recovered and outstanding
	MI 129	Prism	8.9.2	Bad debt provision monitoring
	MI 130	Prism	8.9.2	Ability to pull off ad hoc reports selecting required data fields from available list and defining format as required.
	MI 131	Prism	8.9.2	Ability to run batch reports to defined timescales and formats as required.
	MI 132	Prism	8.9.2	Volume and value of transactions and sup doc information to be reported in a variety of ways (e.g. by transaction, by product, by product breakdown (e.g. postal order bands) by branch, by client, by group of branches, by method of payment). Require the ability to identify negative sales (volume and value, by branch, by product).
	MI 133	Prism	8.9.2	All created exceptions to be reported by transaction, by product, by branch. All outstanding exceptions to be reported by transaction, by product, by branch.
	MI 134	Prism	8.9.2	Details of cleared exceptions to be archived but still accessible to provide a rolling 12 month view.
	MI 136	Prism	8.9.2	Ability to flag branches on exception reports that require priority attention or specific action (e.g. A = Network Reinvention Office). Ability to increase the number of flags applied at any one time (max 10) and redefine criteria as necessary to enable prioritisation of exception handling.
	MI 139	Prism	8.9.2	Ability to report Debt Recovery Case Management By branch, by branch type, by Agent name, by product (by client), by age of debt.
	MI 140	Prism	8.9.2	Report on high value debt (e.g. all outstanding debt which exceeds a defined limit, by branch)
	MI 141	Prism	8.9.2	Report on Debt Recovery repeat offenders (problem offices)
	MI 142	Prism	8.9.2	Value of debt or credit by number, by branch, by branch type (to meet current organisational structure), by product, by method of payment, by age of debt
	MI 143	Prism	8.9.2	Former Subpostmasters accounts held including Branch, Agent name, Age of debt, Dispute details, Losses (write off). Ability to search on a particular field (i.e. Agent name) and be able to track status, audit log entries

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	MI 144	Prism	8.9.2	Ability to identify specific types of debt e.g. Invoices debt – Licence fee, ISIS, Shortages, by agent, by branch, by age of debt
	MI 145	Prism	8.9.2	Disputed debt by branch, by client (e.g. Giro)
	MI 146	Prism	8.9.2	Non-recoverable debt – e.g. as a result of fraud or client negotiations, details to be held until written off. By network (national total of all branches), by branch, by product, by client
	MI 147	Prism	8.9.2	Data archiving ability
	MI 148	Prism	8.9.2	Ability to access archived data easily and run reports by transaction, by branch, by product, by client as required
	MI 151	Prism	8.9.2	Ability to schedule regular report production. Ability to monitor production of scheduled reports.
	MI 152	Prism	8.9.2	Supporting document or client level adjustments. By branch, by product, by value, by number. To include date of adjustment, user details and reason code for adjustment.
	MI 153	Prism	8.9.2	Ability to undertake trend analysis in order to aid forecasting of the future value of transactions (e.g. DNS, Girobank, DVLA)
	MI 154	Prism	8.9.2	Ability to undertake trend analysis in order to aid prediction of client for ESFS
	MI 155	Prism	8.9.2	Ability to identify and report the current outstanding balance within each ledger.
	MI 157	Prism	8.9.2	Ability to identify and report stock holdings by client, by product, by denomination (e.g. Vodaphone phonecards, £5, £10 etc.)
	MI 159	Prism	8.9.2	Ability to produce reports to aid reconciliation of ledgers and substantiate ledger balances
	MI 161	Prism	8.9.2	Ability to provide verification of accounts – Erst & Young Audit requirement
	MI 164	Prism	8.9.2	Ability to identify cash and stock holdings by product, by branch
	MI 165	Prism	8.9.2	Ability to produce statement of accounts for each client including brought forward figures, sales, settlements made and a closing balance.

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Program Req ID	Req ID	Supplier	X Ref to This CD	Description
	MI 167	Prism	8.9.2	Ability to identify cash remittance in transit values by product.
	MI 168	Prism	8.9.2	Summary report of data posted to ledgers and interfaced to ESFS by value of debits/credits against each ledger code.
	MI 171	Prism	8.9.2	Daily, National summary of transactions, by client, by product, by method of payment. Split by deposits and withdrawals (rather than net position).
	MI 172	Prism	8.9.2	Updated transaction data received from Non polled offices to have indicator flag applied.
	MI 1002	Prism	8.9.3	Ability to identify top sellers, worst sellers write-off, wastage for particular products by time and organisation.
	MI 1004	Prism	8.9.3	Provision of information regarding office opening hours, closures and relocations to various internal parties and clients, replacing report 'TP 129'
	MI 1005a	Prism	8.9.3	Ability to track KPIs for the Cash Accounting and Cash Management teams, by individual against • individual target, • team target and • group target. Broken down by • Exception type. • By product, • Resolution reason In addition it must be possible to determine the • Error clearance rate (per person per week) • Average time spent at each stage of the process by product by the individual. The targets must be parameter driven and it must be possible to group products together and report as above against targets.

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Program Req ID	Req ID	Supplier	X Ref to This CD	Description
	MI 1005b	Prism	8.9.3	Ability to track KPIs for the Cash Accounting and Cash Management teams, by team against • team target and • group target. Broken down by • exception type. • By product, • Resolution reason In addition it must be possible to determine the • Error clearance rate (per team per week) • Average time spent at each stage of the process by product by the team. The targets must be parameter driven and it must be possible to group products together and report as above against targets.
	MI 1005c	Prism	8.9.3	Ability to track KPIs for the Cash Accounting and Cash Management teams, by group against group target. Broken down by • exception type. • By product, • Resolution reason In addition it must be possible to determine the • Error clearance rate (per group per week) • Average time spent at each stage of the process by product by the group. The targets must be parameter driven and it must be possible to group products together and report as above against targets.

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Program Req ID	Req ID	Supplier	X Ref to This CD	Description
	MI 1006	Prism	8.9.3	Ability to produce value and volume of exceptions (transaction corrections) for historic reporting and trend analysis • By transaction type • By product, • By organisational unit, • By exception status (e.g. created, cleared, outstanding), • Period Against total
	MI 1010	Prism	8.9.3	Ability to identify and report on multiple transactions (e.g. multiple AP transactions carried out against the same customer reference). Based on an OPTIP report that provides information of this nature (1958 - Multiple Transactions Report).
	MI 1015	Prism	8.9.3	Ability to browse details of all products and all clients including mapping of products to clients.
	MI 1016	Prism	8.9.3	Ability to carry out Rota Checking. The rota checks must be data driven and the outlets selected will vary over time. This is in support of Rota Checking Process.
	MI 1017	Prism	8.9.3	Ability to carry out Range Checking of aggregate total. This is in support of the Range Checking process.
	MI 1018	Prism	8.9.3	Interface to allow investigation of transaction data by the Cash Accounting and Cash Management teams in support of the following processes: • A44 Client Settlement to Client • A45 Client Settlement from Client It must be possible to load client transaction level data for investigation and compare to the POL transaction data stream for that client.
	MI 1101	Prism	8.9.3	Ability to work out a notional cost for recorded errors for each branch by applying ABC (Activity Based Costing). To support product P & L analysis
	MI 1102	Prism	8.9.3	Daily reporting by value, volume and margin (all products) as provided by ABC, giving Product Profit & Loss. To support branch P & L analysis
	MI 1103	Prism	8.9.3	Data feed required to produce the Recall report. This is based on an existing AIS.

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Program Req ID	Req ID	Supplier	X Ref to This CD	Description
	MI 1104	Prism	8.9.3	Data feed required to produce the NRM report. This is based on an existing AIS.
	MI 1111	Prism	8.9.3	Data feed required to existing Horizon MIS
	MI 1106	Prism	8.9.3	Data feed required to support Risk Model
	MI 1107	Prism	8.9.3	Ability to monitor and take action on the completion of Branch Trading Statements There is a requirement to produce summary reports based on the existence and data contained within the following events flowing from the Horizon system; "Trading Statement Created", "Trading Statement Period Rolled", "Trading Statement Period Roll Abandoned". The reports will also use Trading Statement Calendar information from NRDS to summarise those branches which have not completed their Trading Statement within the correct timescales. There is a further requirement to enquire on existence and data contained within these events, to allow further investigation of Branch Trading Statement production activity.
	MI 1108	Prism	8.9.3	Ability to monitor and take action on amounts made good and/or amounts removed with associated values There is a requirement to produce summary reports based on the existence and data contained within the following events flowing from the Horizon system; "Excess Cash Removed", "Cash Shortage Made Good". The reports will summarise the activity by branch and by volume of events and value of amounts made good, over defined time periods. There is a further requirement to enquire on existence of and data contained within these events, to allow further investigation of Cash Make Good activity.
	MI 1109	Prism	8.9.3	Ability to monitor the usage of Cash Variance reports There is a requirement to produce summary reports based on the existence and data contained within the following events flowing from the Horizon system; "Cash Variance Report Previewed", "Cash Variance Report Printed". The report will summarise the existence of such events over defined time periods. There is a further requirement to enquire on existence of and data contained within these events, to allow further investigation of Cash Variance Reporting activity.

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Program Req ID	Req ID	Supplier	X Ref to This CD	Description
	MI 1110	Prism	8.9.3	Ability to monitor and take action the number of outstanding Transaction Corrections at a branch There is a requirement to produce summary reports based on data from POL-FS and on the existence and data contained within the "Outstanding Transaction Correction Reminder Displayed" event flowing from the Horizon system. The report will summarise and highlight, transaction corrections by branch, by age outstanding and by volume and value. There is also a requirement to enquire on existence of and data contained within the "Outstanding Transaction Correction Reminder Displayed" events, to allow further investigation of Transaction Correction activity.

19 Appendix B – Impact Stakeholder Forum Design Principles

Principles/ Working Assumptions for discrepancies

- All discrepancies under £250 should be made good at point of identification. It should not be possible to key a value of less than £250 into the suspense account. Therefore the quantity of discrepancies flowing up to the ledger should be significantly reduced

- Transaction corrections required by the branch will be automatically sent to Horizon via a flat file from POL/FS. This will contain information regarding the correction to be made and how to carry out the correcting transaction

- The correction should be automatic or with minimal intervention (this needs to be confirmed with FJS and may not be possible)

- Transaction corrections which are not undertaken within stipulated timescales will create an exception report from POL/FS in order to aid any further investigation

- Transaction corrections supplied by client e.g. Girobank should be automatically communicated to branch irrespective of value if evidence is available

- Errors identified by client, such as gas bill not paid, should be automatically communicated to branch irrespective of value if evidence is available

- If the agent request for the value to be taken from salary the Horizon system should have an icon which would move into "recovery account" therefore clearing the agent suspense. This would flow into agent debt in the ledger and remove from suspense in the ledger

- For multiples it should be possible to "clear" the error in the same way as above in order for the debt recovery teams to invoice the "nominee" direct.

- For directly managed branches the transaction correction will always adjust from suspense to recovery account and then be written off in the ledger.

- The use of a recovery account within Horizon will reduce, or potentially remove, the need for write off vouchers and REM vouchers. This will lead to efficiencies.

- The differing scenarios for transaction corrections e.g. multiples, directly managed will be managed by reference data.

- Former subpostmaster debt will be held as agent debt in the ledger. At the point of resignation any value in suspense will be moved to agent debt.

Principles/ Working Assumptions for stock

- Horizon will record volumes/ quantities only for all transactions, except on sale, or loss, transactions when it will additionally record value.

- For Balance Sheet Stock – SAP will record data at lower level product information (example Orange £ 5, £ 10…) whereas for Non-Balance Sheet Stock – Higher level product information should suffice. Hence, Horizon will need to provide this level of information. (Yet to investigate this for Hemel)

- We have assumed rem-in and rem-out for all products and no products/ stock items will be excluded.

- Line item (product level) details will be available (yet to investigate this for Hemel) to report on stock in transit (both -stock from Hemel and stock to branches) Tracking of stock in transit is out of scope for Impact programme.

- Unit of Measure for all transactions on Horizon will be the retail sales unit of measure.

Principles/ Working Assumptions for settlements

- Vendor accounts should be set up using standard SAP functionality

- For clients paid on estimates the principle of a "holding" account will apply

- For client paid on their data, currently matched via OpTip, will only be matched if deemed high risk eg Lottery. Low risk clients will be paid on their data however the variances will be recorded at a high level and if variances reach tolerance limit further investigation will take place

- Any client data matching will take place outside of POL/FS

Principles/ Working Assumptions for verification

- Verification will take place at the branch and within MI not within POL/FS

20 Appendix C: Transaction examples

Branch Processes:
- Sale of a Service in Branch – e.g. Alliance & Leicester withdrawal
- Sale of Non Balance Sheet Stock Product – e.g. MVL
- Sale of Balance Sheet Stock Product – e.g. Orange Phone card

Transaction Corrections
- Agent "Discrepancies"
- Cheque Process Errors
- Unpaid Cheques
- Client/Customer Discovered Errors

Cash Centre Process:
- Sale of Service in Cash Centre - e.g. Giro Deposit

Other Processes:
- Delivery of Cash to Branch
- Delivery of Stock to Branch

20.1 Process: Sale of a Service in Branch

- **Joe Public withdraws £100 from A&L account**
- **Recorded on Horizon as A&L Withdrawal and reduction in Branch Cash value**
  - Information also sent to A&L electronically

- **Nightly interface summarises transactions – sent to POL FS**

- **Effective Accounting on POL FS - Withdrawal Service**
  - Debit A&L Client a/c; service Withdrawal   £100
  - Credit Cash in Hand GL a/c   £100   (Totalled by branch)

20.1.1 Settlement to/from Client

- **Settlement to/from A&L**
  - When settlement due Payment Process subtotals Withdrawals & Deposits and totals to a final settlement value – based on Horizon feed

- **Accounting from Settlement – Assume Net Receipt from A&L**
  - Credit A&L Client a/c
  - Debit Bank Receipts Clearing GL a/c

- **Accounting from Bank Statement – receipt from A&L**
  - Credit Bank Clearing GL a/c
  - Debit Bank GL a/c

20.2 Process: Sale of Non Balance Sheet Stock Product

- **Joe Public buys a M.V.L. with a cheque**
- **Recorded on Horizon against MVL product and cheque payment.**
  - In Branch the number of MVL's is reduced by 1
- **By end of day cheques sent to EDS for Processing**
  - Cheques "Remmed-out" of Branch
- **Nightly interface summarises data and sends to POL FS**

- **Effective Accounting on POL FS – MVL sale**
    - Cr DVLA Client a/c   "Comparison a/c"
    - Dr Cheques to EDS GL a/c   value per branch & day
- **Stock Recording**
    - Stock document reduces stock of MVLs in Branch
    - Stock document identifies movement as a sale
    - No finance impact

20.2.1 Cheque process

- **Accounting for Cheques – processed by EDS**
    - Cr Cheques to EDS GL a/c   Value by branch and day
    - Dr Cheques in Clearing GL a/c   Daily value
    - Clear Cheques to EDS GL a/c by branch, day and value – identify differences by branch.

- **Accounting for Cheques Banked**
    - Cr Cheques in Clearing GL a/c   Daily value
    - Dr Bank Account GL a/c
    - Clear Cheques in Clearing GL a/c by day and value – identify differences by day

20.2.2 Settlement to Client

- **When settlement due**
    - Payment Process subtotals all DVLA products due and totals to a final settlement value – Based on Estimated data
- **Accounting from Settlement – Payment to DVLA**
    - Debit DVLA Client a/c
    - Credit Bank Payments Clearing GL a/c
- **Accounting from Bank Statement Processing**
    - Debit Bank Payments Clearing GL a/c
    - Credit Bank GL a/c
- **Comparison Estimate to Actual**
    - Adjust future estimates based on differences

20.3 Sale of Balance Sheet Stock Product

- **Joe Public buys Orange Phone card for cash**
- **Recorded on Horizon - sale of Orange Phone card**
    - In Branch the number of Orange phone cards is reduced by 1
- **Nightly interface summarises data and sends to POL FS**
- **Effective Accounting on POL FS – sale of phone card**
    - Credit Card Revenue GL a/c
    - Debit Cash
- **Recording and Accounting for Stock**
    - Stock document reduces stock of Orange Cards in Branch
    - Stock document identifies movement as sales and creates a finance document
        - Debit Cost of Sales; Orange Cards GL a/c
        - Credit Stock GL a/c

20.4 Transaction Corrections

- **Replaces the Error Notice**
- **Electronic Message to Horizon**

- **"Intelligent" Interface on Horizon**
- **Processing control from Chesterfield**
- **Monitor status – actioned or not**

20.4.1   Agent "Discrepancies"

- **General Suspense no longer used for Cash Discrepancies**
- **Loan Applications**
- **Transaction Correction to move Cash Discrepancy to Agent Debtor**

- **Create Transaction Correction journal on POL FS against Agent account – references Cash**
- **Scenario: £1000 Cash shortage in Branch.**
  - Dr Agent   £1000   Agent owes PO difference
  - Cr Transaction Correction a/c ;Product Cash; Branch Code   £1000
    - + Text Instructions

- **Nightly interface extracts new Transaction Corrections and sends to Horizon.**

- **Horizon sends to identified branch.**
- **Agent "Accepts with Hardship"**
- **Horizon reduces cash in hand by £1000 and shows £1000 against a "Hardship" product**

- **Actioned Transaction Corrections flow up the nightly interface from Horizon to POL FS**
- **Correct Cash Position & set up debtor for collection**
  - Dr Agent £1000
  - Cr Cash in Hand £1000
- **Reverse Transaction Correction because actioned**
  - Dr Transaction Correction a/c £1000
  - Cr Agent   £1000

20.4.2   Errors From Cheque Process

- **Difference between value of cheques processed by EDS and value remmed out of a Branch**
- **Identified by unmatched items in Cheques to EDS GL a/c**
- **Scenario:**
  - Branch Remmed out £1000
  - EDS processed £1100
- **Potential effect in Branch**
  - Cheque Rem out value understated by £100
  - Agent/Manager transferred £100 too little out of cash to cover cheque rem out.
  - Cash in branch overstated by £100

- **Create Transaction Correction on Agent/Branch**
  - Cr Agent   £100   PO "owes" agent surplus
  - Dr Transaction Correction a/c ;Product Cheques to EDS; Branch Code £100
    - + Text Instructions
- **Nightly interface extracts new Transaction Corrections and sends to Horizon.**
- **Agent/Manager is given option to "Make Good"**
  - Action on Horizon will reduce Cash in Hand and move value to a "Product" represent Cheques to EDS
- **Actioned Transaction Corrections flow up the nightly interface from Horizon to POL FS**

- **Correct Cash Position & EDS Cheque a/c**
  - Dr Cheques to EDS GL a/c £100

- Cr Cash in Hand GL a/c   £100
- **Reverse Transaction Correction because actioned**
    - Dr Transaction Correction a/c £100
    - Cr Agent   £100
- **Clear Open items for Branch in Cheques to EDS GL a/c**
    - Dr Branch Rem Out   £1000
    - Cr EDS Processed   £1100
    - Dr Branch TC   £ 100

20.4.3   Unpaid Cheques

- **Unpaid Cheque in Bank Account**
    - Credit Unpaid Cheques Bank GL A/c £100
    - Debit Unpaid Cheques Recoverable GL A/c £100
- **Unpaid Cheques may be the liability of the Agent**
- **Agent owes Post Office for value of cheque**
- **Assumption that Agent will Make Good value of cheque**

- **Create Transaction Correction journal on POL FS against Agent account – references Cheque**
    - Dr Agent   £100   Agent owes PO
    - Cr Transaction Correction a/c ;Product Unpaid Cheque; Branch Code   £100
        - + Text Instructions
- **Horizon sends to identified branch.**
- **Agent has opportunity to Accept & Make Good; Accept & Plead Hardship; Request Evidence.**
- **Agent/Manager must action all Transaction Corrections before completing Trading Period**
- **Actioned Transaction Corrections flow up the nightly interface from Horizon to POL FS**
- **Scenario: Agent Accepts & Makes Good**
    - Correct original error
        - Cr Unpaid Cheques Recoverable GL A/c £100
        - Dr Cash in Hand £100
    - Reverse Transaction Correction debtor on Agent
        - Dr Transaction Correction a/c £100
        - Cr Agent   £100   Agent no longer owes PO

20.4.4   Client/Customer Discovered Error

- **Error identified by Client/Customer/POL**
- **Verification of error from data on Management Information System and any other sources available**

- **Create Transaction Correction journal on POL FS against Agent account – references appropriate client Product/Service**
- **Scenario: Miss-keying of Gas bill payment on Horizon – typed £300 instead of £30. Appears as if there is a cash shortage in Branch.**
    - Dr Agent   £270   Agent "owes" PO difference
    - Cr Transaction Correction a/c ;Product Gas Bill; Branch Code   £270
        - + Text Instructions

- **Nightly interface extracts new Transaction Corrections and sends to Horizon.**
- **Horizon sends to identified branch.**
- **Agent/Manager has opportunity to Accept & Make Good; Accept & Plead Hardship; Request Evidence.**
- **Agent/Manager must action all Transaction Corrections before completing Trading Period**

- **Actioned Transaction Corrections flow up the nightly interface from Horizon to POL FS**
- **Scenario: Agent Accepts & Makes Good**

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- Correct original error
  - Dr Gas Client £270   corrects future settlement
  - Cr Cash in Hand £270
- Reverse Transaction Correction debtor on Agent
  - Dr Transaction Correction a/c £270
  - Cr Agent   £270   Agent does not owe PO

20.5 Sale of Service in Cash Centre

- **GIRO Bank Customer Deposits Cash in Cash Centre**
- **Deposit recorded in SAP ADS against Customer**
- **Nightly interface summarises data and passes to POL FS**

- **Accounting on POL FS**
  - Credit Girobank Client a/c (this may also identify customer)
  - Debit Cash in Hand GL a/c

- **Settlement to GIRO bank is based on Estimated Values**
  - Credit from SAP ADS interface is not to same part of Client a/c as Estimated Values for settlement
  - Compare estimated values to actual values
  - Adjust future estimates to correct for previous differences

20.6 Delivery of Cash to Branch – S60

Cash Centre makes up pouch of cash and sends to Branch
  - Despatch of cash recorded on SAP ADS & pouch info sent to Horizon
  - Nightly interface sends information to POL FS
Accounting on POL FS – Cash Centre Despatch
  - Credit Cash in Hand GL a/c   by cash centre
  - Debit Cash in Transit GL a/c   by pouch
Branch receives pouch and scans in
  - Auto remittance of cash (new at s60); Cash in branch increases
  - Nightly interfaces sends information to POL FS
Accounting on POL FS – Branch Receipt
  - Credit Cash in Transit GL a/c   by pouch
  - Debit Cash in Hand GL a/c   by Branch
Clear Cash in Transit GL a/c
  - Match by pouch and value to identify missing pouches

20.7 Delivery of Stock to Branch

- **Hemel NSSC creates a stock pouch and sends to Branch**
  - Stock pouch information recorded on Yantra.
  - Nightly interface to POL FS

- **Recording and Accounting for Hemel Stock in POL FS**
  - Stock document reduces stock of products in Hemel
  - Stock document identifies movement as a despatch to Branch
  - If Product has an intrinsic value
    - Credit Credit Stock GL a/c   by Hemel
    - Debit Stock in Transit GL a/c   by pouch
Branch receives pouch
  - Not Automatically remitted in; manually entered onto Horizon

- Nightly interface to POL FS

Recording and Accounting for Branch Stock in POL FS
- Stock document increases stock of products in Branch
- Stock document identifies movement as a receipt from Hemel
- If Product has an intrinsic value
  - Credit Stock in Transit GL a/c   by pouch
  - Debit Stock GL a/c   by Branch

20.8 Foreign Currency Remittance – Cash Centre to Branch

- **Hemel Cash Centre creates pouch/envelope of $2000**
- **$2000 in pouch valued at £1330**
- **Accounting on POL FS**
  - Stock Document indicating outward Remittance
  - Reduce volume of $ in Hemel by 2000 and value of £1330
  - Debit Forex in Transit   £1330
  - Credit $ in hand   £1330

- **Branch accepts Pouch and scans in. (No Auto Rem)**
- **Branch enters quantity and value of product received in pouch**
- **Accounting on POL FS**
  - Stock Document indicating inward Remittance
  - Increase volume of $ in Branch by 2000 and value of £1330
  - Credit Forex in Transit   £1330
  - Debit $ in hand   £1330

20.9 Sale of Foreign Currency in Branch

- **Joe Public wishes to buys $1000**
- **Rates in Branch on day of transaction are: Sell £1: $1.60 ; Mid-market Rate: £1:$1.55**
- **Record on Horizon as:**
  - Sell 1000 product $ value 1000/1.60 = £625
  - Margin on sale   £20.16
  - Joe Public pays £645.16 recorded as increase in Cash in hand
- **Effective Accounting on POL FS – sale of phone card**
  - Credit Revenue on Bureau   £625
  - Credit First Rate Client a/c (margin)   £20.16
  - Debit Cash in hand   £645.16
- **Recording and Accounting for Stock**
  - Stock document reduces stock of $ in Branch
  - Stock document identifies movement as sales and creates a finance document
    - Debit Cost of Sales; $ £625
    - Credit Stock GL a/c $625