Witness Statement

*(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a)
and 5B, MC Rules 1981, r 70)*

Statement of	Gareth Idris Jenkins
Age if under 18	Over 18 (If over 18 insert 'over 18')

This statement (consisting of 07   pages each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe true.

Dated the   3rd   day of   October   2005

Signature

I have been employed by Fujitsu Services, working on the Post Office Account, formally ICL Pathway Ltd., since 1996 as a Customer Solutions Architect, involved in many aspects of design and implementation of the computer system known as Horizon, which is a computerised accounting system used by Post Office Ltd.

Horizon's documented processes relate to each Post Office outlet. They state that at each Post Office, there are counter positions which each have a computer terminal, a visual display unit and a keyboard and printer. This individual system records all transactions input by the counter clerk working at that counter position. Each clerk logs on to the system by using their own unique password. The transactions performed by each clerk, and the associated cash and stock level information are recorded by the computer system in a stock unit. Once logged on, any transactions performed by the clerk must be recorded and entered on the computer and are accounted for within the user's allocated stock unit.

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(CJ Act 1967, s9; MC Act 1980, ss 5A(3)(a) and 5B, MC Rules 1981, r 70)

Continuation of statement of   Beatrice Neneh Lowther

The Post Office counter processing functions are provided through a series of counter applications: the Order Book Control Service (OBCS) was one of these applications and it ascertained the validity of DWP order books before payment was made. The counter desktop service and the office platform service on which it ran provides various common functions for transaction recording and settlement as well as user access control and session management.

Note that the Order Book Control Service was withdrawn from Live use in June 2005.

Information from counter transactions was written into a local database and then replicated automatically to databases on all other counters within a Post Office outlet. The information was then forwarded over Internet Services Digital Network (ISDN) (or other communication service) to databases on a set of central Correspondence Servers at the Fujitsu Services data centres. This was undertaken by a messaging transport system within the Transaction Management Service (TMS). Various systems then transfered information to Central Servers that controled the flow of information to various support services. Details of outlet transactions were normally sent at least daily via the system. Details relating to the outlet's stock holding and cash account were sent weekly. Details were then forwarded daily via a file transfer service to the Post Office accounting department at Chesterfield and also, where appropriate,

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to other Post Office Clients. In this respect DWP was a Post Office Client.

The Order Book Control System (OBCS) software, linked to the Horizon system was developed in conjunction with the DWP. OBCS provided details of DWP order books on the national stop payment list, and, enabled data regarding the movement of order books, and, encashments to be captured on their behalf. Each Horizon terminal at a Post Office counter had access to the national stop list through OBCS, when a barcoded DWP order book was scanned at the Post Office counter, or the order book details were manually keyed into Horizon at the Post Office counter. Each night, the national stop payment list was updated from information supplied electronically from the DWP computer centre. National stop payment list data was held centrally within the Horizon system, and was available to all Post Offices. However, certain information from the national stop payment list was also downloaded to individual Post Offices for faster access; this download process is called polling. The polling of individual Post Offices also involved receiving details of order book movements and encashments at Post Offices, centrally within Horizon, for onward transmission to the DWP.

All OBCS transactions were normally initiated by scanning in the barcode from the Order Book. Each Order Book was associated with a National Insurance Number (NINO) which identifies the person to whom the Order

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Book had been (or was about to be) issued. The Horizon Central database maintained a list of every Post Office outlet at which that NINO had been used by the OBCS application. This information was also held in the local outlet database. All information received from DWP associated with withdrawn or stopped Order Books was passed to all branches at which the associated NINO hasdbeen used (if any). If an OBCS transaction was carried out in an outlet and the NINO associated with the Order Book was not found in the local database, an enquiry was made to the Central database as to the state of all Order Books associated with the NINO. That outlet was then registered as being associated with that NINO for all future Order Book control information. Thus over a period of time a number of branches became associated with each NINO. If the NINO was not found in the local system the enquiry for OBCS information associated with that NINO was carried out in real time. Such an enquiry would only happen once for any NINO in a given outlet. All other OBCS transactions were batch.

Post Office outlets are identified by Post Office Ltd with a FAD Code. These identifiers are passed from Post Office Ltd to Horizon when a Branch is first Opened (or migrated to Horizon in many cases). When a Branch is first opened (or migrated to Horizon), Post Office defines the number of Counter Positions required (including any Back Office positions). These are then allocated Counter positions from 1 (which is the

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gateway counter used to communicate to the Data Centre) up to the number of counters. The Counter position is fixed and is associated with a Physical terminal when it is installed in an outlet.

Post Office branches are mainly connected to the BT public wide area network using either the Analog Digital Subscriber Line (ADSL) or Internet Services Digital Network (ISDN) technologies. In addition there are a number of branches connected to the Hughes satellite dish network using Virtual Satellite (VSAT) technology. The ADSL, ISDN and VSAT traffic is then transported across the Energis network. The Energis network traffic is delivered via dedicated links to Fujitsu's datacentres in Wigan and Bootle. Sites are linked into the datacentres across Zirgo boxes using Ramputan encryption. The algorithms, encryption devises and techniques used are those approved by Her Majesty's Government's (HMG) Communications Electronic Security Group (CESG). Hardware and software based encryption technology is used, where appropriate, to provide integrity and confidentiality protection on links between the Horizon system and its partners. Software encryption is used for all traffic between outlets and the campuses. The key used to encrypt traffic to and from a particular outlet has the additional benefit of acting as an authentication of the outlet. Encryption is also used to 'seal' important data items that may be transferred over several links, and where the end-to-end of the data is important. The recipient can then verify the integrity of the sealed data by

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using an appropriate public key. Most file transfers are sent from Wigan and Bootle datacentres across authenticated ISDN connections directly to Fujitsu servers in the destination buildings. The data is then passed across a local area network to the recipient's server.

A check is carried out at the end of the day in each Post Office Outlet, that all counters are communicating with the "gateway" counter that communicates with the datacentre. Should this check be successful an End of Day record is written to the local database identifying all records associated with that day's trading. The Horizon Central systems will only process data from Post Office outlets for which an End of Day record has been successfully replicated to the datacentre. Missing End of Day records can occur for one of two reasons:

1/ The End of Day record was not produced in the outlet – usually due to the gateway being unable to communicate with one of the other counters – for example it has failed or been switched off.

 2/ The end of Day record has not been successfully replicated from the Post Office outlet to the datacentre – usually due to a communications problem.

End of Day Records will eventually be generated and communicated to the datacentre when the initial problems are resolved and the transactions associated with these "late End of Day" records will be communicated to

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other systems when they are available. In such cases the data transmitted to clients (such as DWP) will be more than 24 hours old. Such transactions will have the original timestamps from when they took place.

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