POL00038866

Accounting & Cash Management Programme- Release 1

Conceptual Design

Version 2.0

ROLE	NAME	AREA OF RESPONSIBILITY	SIGNATURE	DATE
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[DATE \@ "dddd, dd MMMM yyyy"]

POL00038866

Table of Contents

POL00038866

1. Document Control

POL00038866

1.1 Document Information

Horizon Release No:	S60 + Back End Release to be determined
Document Title:	Accounting & Cash Management Programme Conceptual Design – Release 1
Document Type:	Programme Conceptual Design
Abstract:	This document details the Business, & Operational Requirements for *Accounting & Cash Management – Release 1*, 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 *Accounting & Cash Management – Release 1*.
Document Status:	Draft
Originator & Department:	*David Parnell* - Business Solutions.
Contributors:	Karen Hillsden, Helen Pedley, Luxmi Selvarajah, Paul Antunes, Gareth Jenkins, Jamie Dixon, Phil Boardman, Bob Gurney, Bob Cragg, Peter Flood, Stephen Hirst, Andrew Carter, Paul Uden, Ann Clarke, Julie Pope, Jeanette Brown, Bob Lammin, Keith Barney, Phil Stanton, Andy Corbett, David Anders, Matt Warren, Neil Salter and others
Post Office Distribution:	As per review details
Supplier Distribution:	As per review details
Client Distribution:	None

Table 1: Document Information

1.2 Document History

Version	Date	Reason for Issue	Associated WP / CT Nos
0.1	July 2003	First draft	CT0044a
0.2	July 2003	Second draft after review of Reference Data requirements	
0.3	July 2003	Addition of process descriptions	
1.0	July 2003	Following final draft amendments	
2.0	July 2003	Inclusion of Reference Data Process and clarification of work packages	

Table 2: Document History

POL00038866

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 issue
0.2	• Reference Data changes
0.3	• Addition of process descriptions
1.0	• Amendments to information flows, addition of Chart of Accounts
2.0	• Reference Data processes as a result of workshop and deletion of "Transaction Management" aspects for Projects 1 & 3 – now proper to Project 2 (section 9 refers)

Table 3: Changes in this Version

1.5. Key Contacts

Name	Position	Phone Number
David Parnell	Business Process Architect	GRO

Table 4: Key Contacts

POL00038866

1.6. Review Details

Review Comments to:	Name & Email David Parnell - mailto:dave.parnell@royalmail.com
Mandatory Review Authority	**Name**
Post Office Ltd:	
Head of Technical Architecture	Clive Read
Head of Business Architecture	Sue Harding
Technical Design Authority	Daniel Hawthorne
Business Design Authority	David Parnell, Karen Hillsden
Delivery Manager	Louis Prastitis
Release Manager	Ray Jackson
Supplier Review	Gareth Jenkins, Bob Gurney, Bob Cragg
Project Managers	Bill Reynolds, Peter Flood
Business Review	
POL	Stephen Hirst, Ruth Holleran, Vicky Noble, Ann Cruttenden, Ann Clarke, Bob Lammin

Table 5: Review Details

1.7. Associated Documents

Reference	Version	Date	Title	Source
	0.1	February 2001	Business Requirements - End to End Re-Architecting Post Office Product, Branch, Client, Cash and Stock Processes & Systems Feasibility Study	
AIS BPDES023.			LFS Application Interface Specification	

Table 6: Associated Documents

Unless a specific version is referred to above, reference should be made to the current approved versions of the documents.

POL00038866

1.8. Abbreviations/Definitions

Abbreviation	Definition
OPTIP	Operational TIP
CBDB	Counters Business Database
NNDB	National Network Database
ONCH	Overnight Cash Holdings
DTI	Department of Trade and Industry
LID	Local Information Database
STAM	System for Transactional Accuracy Measurement
SAPADS	SAP – Advanced Distribution System
ES-FS	Enterprise Systems – Financial System
SAPHR	SAP – Human Resources
RLM	Retail Line Manager
RDS	Reference Data System

Table 7: Abbreviations/Definitions

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

POL00038866

2. Introduction

This programme has emerged from the E2E Simplification feasibility study which has addressed the core processes of Post Office Ltd – Sales, Accounting, Cash Management and Stock Management plus the support processes of Reference Data and Management Information.

The major recommendation of that study is the need to take complexity out of the business both in process and systems terms making it simpler to work both at the branches and in central functions plus offering a reduction in IT systems costs through the simpler use of technology.

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The primary reasons for implementing this programme are to:

- Improve efficiency and eliminate duplicate processes and systems in the accounting and reference data areas specifically.
- Implement a simpler accounting model which supports the speed of change and product deployment and makes the job simpler and more flexible in branches.
- Account via a single authoritative transaction data source and thus create an effective debt management process decreasing debt write offs.
- Account separately for client and business funds to give a clear view of the actual assets and liabilities of each.
- Decrease operational cost

The programme has identified the following high level benefits.

There are benefits of £7.0m per annum from 2004/05 (full year 2005/06) arising from the closure of Optip (£4.8m), CBDB (£1.2m), Reference Data (£0.7m) and Small Systems (£0.3m).

There are benefits to be obtained from Fujitsu Services through the new Horizon contract of £2.8m from 2004/05 as a result of simpler accounting and reference data processes. Fujitsu have stated that they can reduce their resources if Post Office Ltd simplifies its processes. £2.8m represents an element of that reduction. These are over and above the current business plan.

Additionally, there is an opportunity to gain business benefits in the region of £4.4m through:

- Improving understanding of the cash cycle which will reduce interest payments
- Implementation of a new accounting model
- Creation of an effective debt management process so reducing bad debts
- Utilising a single authoritative transaction data source
- Improved reference data processes

There are other potential benefits which:

- Improve the understanding of the cash cycle to:
- Decrease holdings in cash centres by £15m
- Decrease the cash cushion at branches by £20m
- Increase the visibility of other cash items by £10m
- Provide a robust statement of cash to the DTI which consequently reduces borrowing costs
- Increase the capability to implement organisational change

The programme is primarily aimed at putting in new systems and processes to replace old systems and manual processes with the replacement of four major systems: OpTIP, CBDB, Reference Data, NNDB and a collection of small systems.

The current timetable and migration approach suggest a three phased approach to delivering the programme, with gradual build up of the ledgers, with a target completion date of March 2005. The following are the key implementation milestone within the business case:

- *Release 1 – April 2004*
- *Release 2 – October 2004*
- *Release 3 – March 2005*

2.1. Purpose

This document is intended to detail the design for the Deployment of Release 1 of the *Accounting and Cash Management Programme*. It is intended to act as a reference for those involved in the various stages of design, development, deployment and support for the Accounting

POL00038866

and Cash Management Programme. It is also intended to support the concurrence and approval process required for this system to be implemented.

Inputs

Feasibility Study and associated documents
Business Case

Outputs

Work Packages for detailed requirements phase of the programme.
Subsequent Supplier Design Proposals.
Subsequent Supplier Technical and Application Interfaces Specification documents.

2.2. Scope

The overall scope of the programme is as follows:

Cash Ledgers

- Overnight Cash (Project 1)
- Automated Cash Bank Ledgers (Project 2)
- Automated Cash Rems (Project 3)

Branch, Client & Stock Ledgers

- Branch Liability Management (Project 4)
- Client Settlement Ledgers (Project 5)
- Automated Ledgering of Stock (Project 7)

Complete Ledgers & Decommission

- Personal Agent Ledgers (Project 8)
- Simplification & Improvements Transaction Processing (Project 9)

Reference Data

- Reference Data (Project 10 & 18)

Management Information

- Management Information (Project 12)

Release 1 of the programme focuses on the Cash Ledgers, Reference Data and Management Information

2.2.1. Exclusions

Releases 2 and 3 of the programme will be the subject of a further Programme Conceptual Design – the whole then being integrated together. This approach is being employed due to the pressing timescales of the Horizon S60 release.

Releases 2 and 3 will cover

- Branch, Client & Stock Ledgers
- Complete Ledgers & Decommission

POL00038866

2.3. Document Explanations

2.3.1. Creation Process

Details of the Business Proposition and Requirements have been provided by the Post Office™ Business Sponsor and representatives and the Business Architecture Representatives.

The specific domains and owners are as follows:

- Accounting and Cash Management – Stephen Hirst
- Transaction Processing – Vicky Noble
- Network Operations – Ruth Holleran
- Cash and Logistics Supplies – Bob Lammin

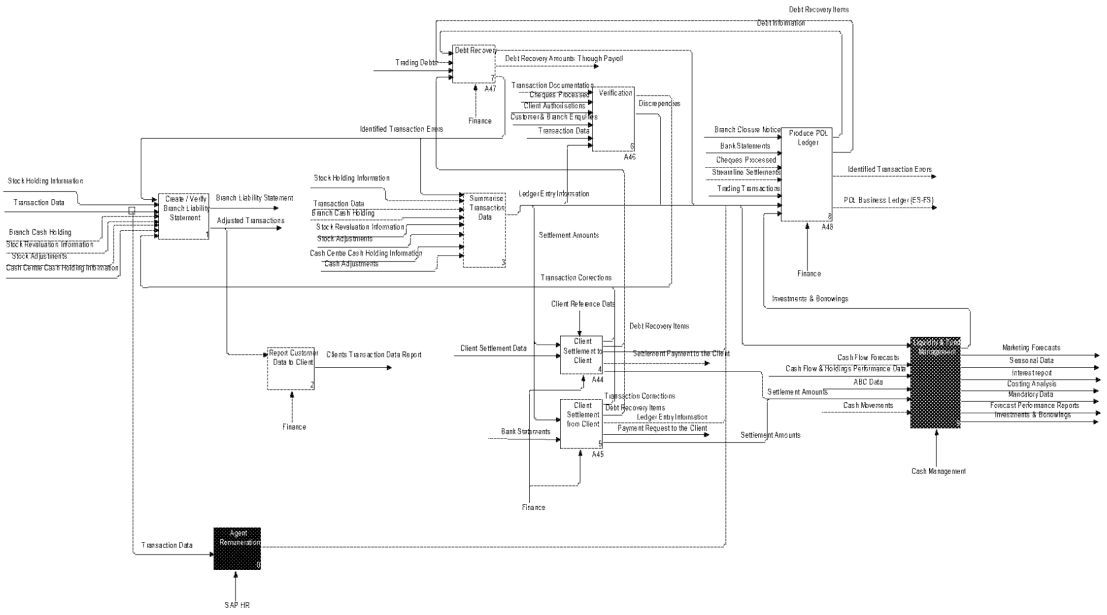
The High Level End-to-End Solution Architecture and Architecture principles should be provided by the Post Office™ Technical Architect, who should also provide the Technical Requirements and state the required Supplier Deliverables.

Once supplier domains have been identified assistance may be required from a number of suppliers with the above.

2.3.2. Business Process Models

Post Office's functional requirements are represented in the form of Process models using Business objects together with Process objects and supporting descriptions and information flow definitions. The common tool used for creating these Process Models is Popkin Systems Architect. An example of the high level process map is shown below.

Accounts and Settlement [IDEF0]



This depicts process boxes and information flows. Where appropriate each process box is then decomposed to a lower level process. Systems Architect will also capture and manage the inter-dependencies between processes and ultimately the data attributes required to create systems interfaces thus creating an overall IS architecture.

Boxes depicted in rd are part of the overall process but deemed out of scope for this particular part of the design.

POL00038866

Boxes depicted in black are processes which needed to be shown because of their relationship but are delivered elsewhere eg. Royal Mail Group

These requirements together with the non-functional requirements are also represented as individual statements to enable compliance and acceptance processes to verify that the delivered solution meets the Post Office requirements. Each requirement is individually numbered using the following syntax: -

???-xxx - where ??? is a fixed label corresponding to the project and xxx is the requirement number, starting at 001.

POL00038866

3. Programme Overview – Release 1

3.1. Business Proposition

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The business proposition for Release 1 covers Cash and Funds Management, Reference Data and Management Information. The scope, priorities and business drivers for each of these are specified below.

3.2. Cash and Funds Management

3.2.1. Scope

Management of physical cash within branches and cash centres including:

- Inventory Management
- Replenishment Planning
- Overnight Cash Holdings (ONCH) Control
- Distribution of Cash

Management of the overall liquidity of the business including:

- Cashflow
- Borrrowings

3.2.2. Key Priorities

2 fundamental changes have made Post Office Limited's funding position a critical business survival issue:

- The business is trading at a loss
- The migration of benefits to ACT will be accompanied by the loss of pre-funding by government departments of the necessary cash in the network

The business now has to borrow funds to fund its trading losses and to fund working capital needed in branches. Such borrowing is limited in availability and its costs add to the trading loss. From April 2003 DTI will provide a loan and will require a robust statement of cash holding as security.

3.2.3. Business Drivers/Issues

There is a requirement to:

- Drive down cash holdings and therefore reduce the DTI borrowing requirement, which in turn will reduce the level of interest paid.
- Bring together all the elements of cashflow and provide cohesive management to deliver cashflow targets.
- Improve management information, linked to financial statements, to support the management of cash (funds)
- To improve the financial controls for cash remittances, where there are losses of £5m per year
- To account separately for client and business funds to give a clear view of the actual assets and liabilities of each.
- To clearly show the overall indebtedness of clients.
- To be able to accurately identify physical cash at outlet rather than overall cash which can include cash equivalents such as cheques.
- To be able to forecast and manage cashflow within the DTI target (£330m for 2002/03)
- To have a single, comprehensive view of cash (funds) in one place
- To improve the integration of cash centre holdings into cashflow management

POL00038866

3.3. Reference Data

3.3.1. Scope

- The current reference data processes and systems within POL are complex, inflexible and inconsistent, therefore the quality of reference data is mistrusted.
- There are several systems within POL which master items of reference data and there are several more systems which key in their own reference data which exists in master systems.
- The process of making reference data changes is complex and lengthy leading to allegations that the business cannot get its products to market quickly enough. This is compounded by a boundary between POL and Fujitsu Services with various systems and process interfaces between the boundaries.
- The scope of this work includes the simplification of the processes operating at the boundary between POL and Fujitsu

3.3.2. Key Priorities

- To ensure consistency in reference data usage within Post Office and Fujitsu
- To simplify the current processes
- To allow changes, such as organisational changes, to be implemented in a more timely fashion

3.3.3. Business Drivers/Issues

- Support data driven change within the business where there is economic advantage to The Post Office
- Reduction in operation costs
- Removal of inconsistent reference data being used within the organisation
- Allow for new processes which effect a vastly improved speed to market
- Lack of a fully automated end to end process to capture reference data changes leads to delays and errors.
- Locally held reference data will need to be removed and made available from a central source.

3.4. Management Information

3.4.1. Scope

There is a four tiered scope:

- Replace current legacy MI systems – notably LID, STAM and Intellect – by building on the current data warehouse functionality and thus reduce operating costs to the business
- Provide a facility to enable basket analysis enquiry for Sales and Marketing
- Provide the capability to access management information through a single viewpoint
- Restructure and improve the current design

Currently the Sales MI deliverable has produced a first cut data warehouse with sales transactions from Horizon and reference data in order to:

- Deliver sales data into the operation in order to drive up sales
- Delivering sales data to Sales & Marketing for marketing purposes

3.4.2. Key Priorities

- Replacement of current management information systems which add to complexity
- Having systems which enable the quick production of MI to flexible organisation structures
- Generating a commercial based culture in the retail line via profit and loss
- Timeliness of information

POL00038866

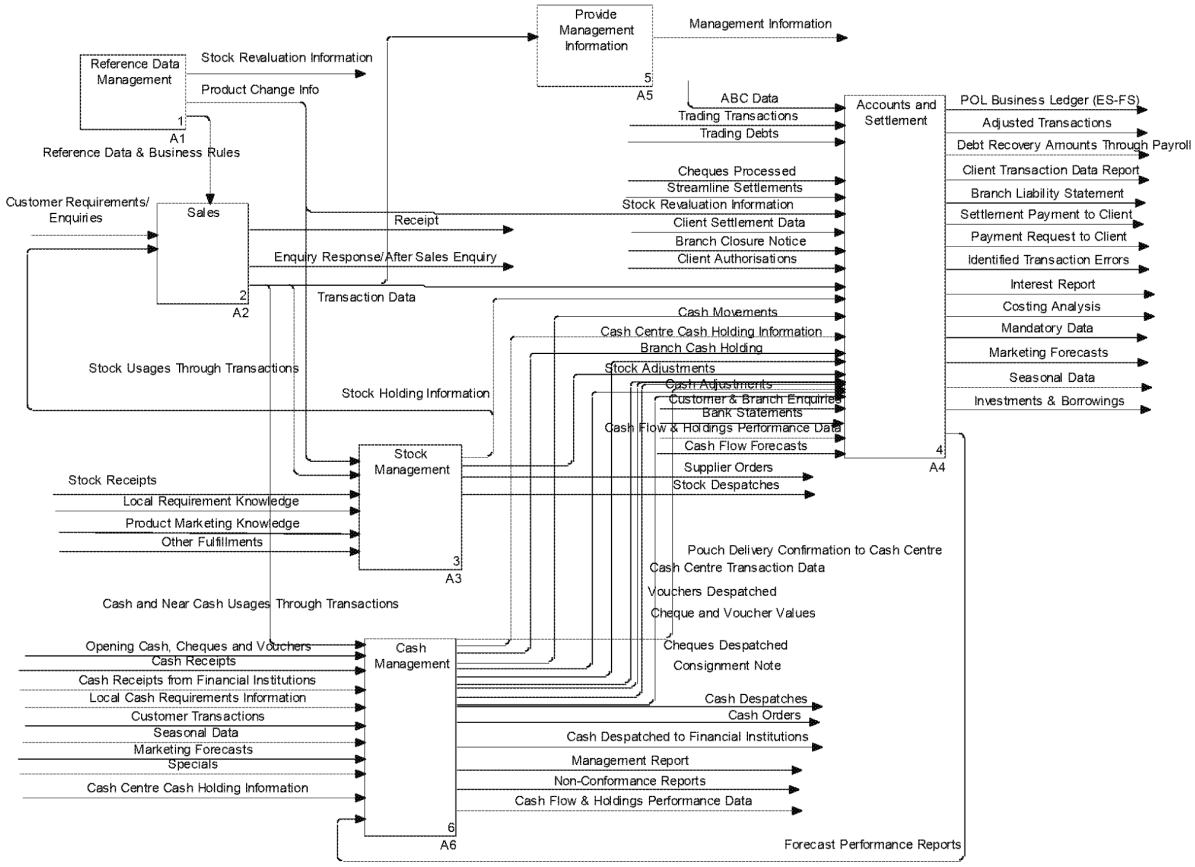
3.4.3. Business Drivers/Issues

- Sales MI has been delivered but its primary focus of gaining a quick view of what is happening has been obscured by demands to use the data for other things e.g. Settlement. The business has stated that this should not be the case, although the data can be used for providing interim figures
- There is lack of clarity between MI and operational reporting
- There is a need to be able to reflect current and ever changing organisational structures in the delivery of MI. Current systems cannot do this and are based around old organisational structures which means the data produced is of little value.
- Historical data needs to move with changes in the organisation so that it accompanies those changes. Currently this is not possible.
- The current granularity of the data used within Sales MI (Item/Branch/Day) is not deemed to be sufficient for future needs
- Potential gaps exist e.g. Data from other channels like internet transactions
- Business ownership of the data warehouse and the organisational structure required for MI
- Need to report out to the operation
- Use of staff hours as an efficiency measure
- Use of Mystery Shopper and report out results
- Need to have more robust costing data and break down overheads into their constituent components.

POL00038866

3.5. Functional Summary

The following depicts the high level processes and information flows between these processes.



POL00038866

3.6. Systems summary

The following diagram depicts the end state architecture:

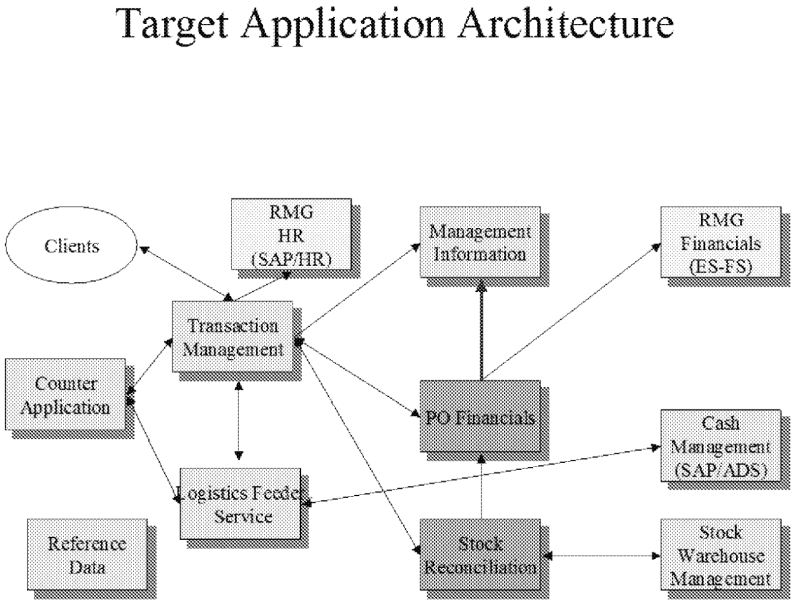


Figure 1 – End State Architecture

For Release 1 the new ledgering system (POL Financials) will need to operate alongside the current legacy estate with prime accounting still output from CBDB but with cash/funds management information available from PO Financials.

Systems with a blue border are current systems which will have changes made to them.

Systems with a red border are new systems

POL00038866

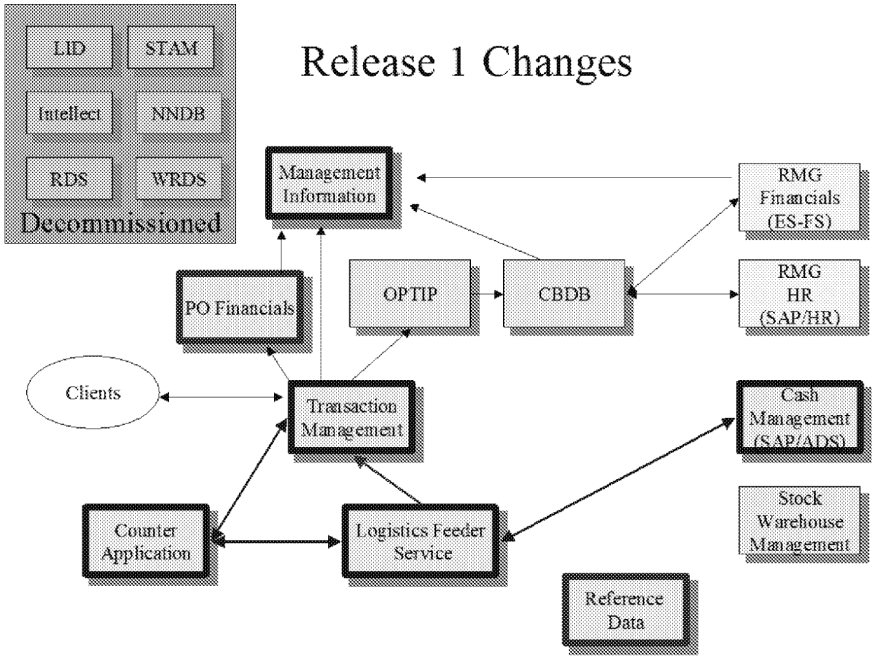


Figure 2 – Architecture at Release 1

POL00038866

4. Programme Constraints

4.1. Architectural

4.1.1. Post Office™ Strategic Direction

Ref	Requirement Description
TEC - 001	The applications should be data driven
TEC - 002	The applications should be module 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

4.1.2. Integration with Other Systems

Ref	Requirement Description
TEC - 023	Integration with SAP ADS
TEC - 024	Integration with SAP HR
TEC -025	Integration with ES-FS

4.1.3. Post Office™ Approved Technology

Ref	Requirement Description
TEC – 026	Refer to Royal Mail Group list of Approved Technology

4.1.4. Post Office™ Approved Components

Ref	Requirement Description
TEC - 027	Refer to Royal Mail Group list of Approved Components

POL00038866

5. Design Principles

State the general design principles and Generic Common requirements of the Project/System Name e.g. such as will not degrade existing services. This should not be confused with Architecture Principles, which should be detail in section (8.2).

Ref	Requirement Description
ACM-001	Any individual component of the programme must conform to the POL Strategic Data Model
ACM-002	The solutions should meet the business design assumptions as stated in the Business Requirements Specification (Feasibility Report) vsn 0.1

POL00038866

6. Business Requirements

6.1. Overview

The business requirements are separated into their current component projects. Within these component projects there is:

- A small number of high level requirements which define the scope – prefixed XXH-XXX
- More detailed individual requirements to support that scope

6.2. Business Requirements

6.2.1. Automated ONCH

Ref	High Level Requirement Description
AOH-001	To provide a system generated daily declaration of cash for despatch to SAPADS and movements making up that declaration for despatch to the POL Financial System
AOH-002	To provide the ability to accurately identify cash & near cash items as part of the customer session

Ref	Programme Requirement Description
AO 001	The Horizon system to derive a total of cash and near cash items on a daily basis and make this available to SAPADS on a daily basis at the end of business
AO 002	The Horizon system to maintain a record of accurate cash and near cash items as conducted during a customer session – options for achieving this to be investigated
AO 003	An up-to-date inventory (cash) position must be available to the outlet at any time.
AO 004	The Horizon system to maintain the current process of allowing an agent to make daily denominational level declarations with no reference to the system derived figure.
AO 005	SAPADS to receive both daily system derived figure and daily denominational figure (if entered) – SAPADS to use the daily denominational figure as an override to the system derived figure
AO 006	Horizon to make available to the POL Financial System the daily movements which make up the system derived declaration for entry to the cash ledger. The daily movements must reconcile to the system derived cash declaration figure.

POL00038866

6.2.2. Cash & Bank Ledgers

Ref	High Level Requirement Description
CBH-001	To implement a cash ledger which accurately identifies cash and near cash items
CBH-002	To receive a daily interface of cash movement data and cash centre sales data for population of the cash ledger
CBH-003	To provide a daily interface of cash movement data and branch sales data for population of the ledgers
CBH-004	To provide the facilities to input directly at the centre other cash transactions eg. bank account details
CBH-005	To provide the facility to identify and manage financial discrepancies as a result of errors in the cash movement process

Ref	Programme Requirement Description
CB 001	A daily view of cash and near cash items to be maintained in a central ledger as delivered from Branches and Cash Centres
CB 002	Ability to capture all transactions contained in the Bank Statements into POL Financials.
CB 003	Ability to input the necessary information to produce the Borrowings and Investments Ledger from the POL financials
CB 004	Capture all transactions relating to manual adjustments of the ledgers to establish the final reporting position for POL FS.
CB 005	A daily view of all cash movements to be maintained in the ledger – movements derived from both Branches and Cash Centres
CB 006	Ability to produce DTI reporting requirements
CB 007	Ability to maintain integrity between CBDB and the new cash ledgers until such time as CBDB is decommissioned

6.2.3. Automated Remittances

Ref	High Level Requirement Description
ARH-001	To enable the automatic booking in of cash at a branch on receipt from the carrier
ARH-002	To enable the automatic booking out of cash from a branch on hand over to the carrier

Ref	Programme Requirement Description
AR 004	Receipts will be printed for completed transfers. Delivery & Collection receipts for driver and rem in receipt for outlet.
AR 006	Central Inventory Management must be aware of outlets where the system or connectivity is down
AR 008	Records will be produced for each inward order activity i.e. 2 receipts produced at time of delivery containing value, file sent to SAPADS
AR 009	Inventory items will be replenished by denomination
AR 010	All inward orders will include details of the content and planned delivery date i.e. Planned Order and Delivery Note
AR 011	Messages between outlets and Central Inventory Management must be timely i.e. Delivery note should arrive at outlet prior to the pouch.
AR 013	A confirmation of order details will be transmitted to the outlet prior to despatch i.e. Delivery Note.
AR 014	Tokens will be used for all inward orders i.e. Pouch Barcode
AR 015	Each order must contain a picking list/delivery note giving the order number and content details
AR 016	Goods receipt token swipe must be linked to the delivery notification message at the outlet
AR 018	The verification process at delivery will not allow an office to receive an incorrect remittance. i.e. a rem intended for another office.
AR 019	The details of receipt will be automatically booked into the outlet on delivery

POL00038866

AR 020	The carrier's driver will be given a physical receipt
AR 021	Confirmation of the order receipt will be transmitted to Central Inventory Management i.e. via pouch delivery file
AR 022	All deliveries will be automatically booked into holdings with the onus on the branch to identify and declare discrepancies when applicable
AR 023	All inward orders must be counted by the end of the trading day following the day of rem receipt
AR 024	Outlets will be liable for discrepancies in unchecked orders after expiry of the checking period above
AR 027	Pouch contents will be printed onto the delivery receipt
AR 030	Inward order discrepancies will be transmitted to Central Inventory Management
AR 031	A facility will be available to raise discrepancies where the clerk / postmaster enters the correct amount and the system automatically generates the discrepancy.
AR 032	Receive and update cash holdings as a one stage process
AR 034	Accountability of "unplanned orders", i.e. the facility to book-in the remittance value – ability to remit cash when the branch is disconnected
AR 035	The process must support unplanned orders, i.e. a pouch that is rec'd prior to electronic notification record
AR 036	Deleted
AR 037	Tokens will be used for all outward orders i.e. Pouch Barcode
AR 038	The verification process at make-up of an outward rem will identify the cash centre to which it is to be delivered
AR 039	The details of an outward rem will remain visible within the stock unit until it is collected by the carrier but flagged as "unusable cash"
AR 040	Holdings will be reduced when the outward rem is despatched to the carrier via token swipe of the carrier
AR 041	The carrier's driver will give the branch a physical receipt

6.2.4. Reference Data

Ref	High Level Requirement Description
RDH-001	To provide one new system which allows for the decommissioning of RDS and NNDB
RDH-002	To develop the new system to cater for organisational flexibility
RDH-003	To provide new business processes which eliminate duplication across the POL and Fujitsu domains
RDH-004	To provide new business processes which allow for the capture of data at source

POL00038866

Ref	Programme Requirement Description
RD-001	Reference data maintenance should be brought within the direct control of the data owners.
RD-002	The need for duplicated data entry should be eliminated by replacing current legacy systems (RDS and NNDB – and others) with a single master reference data source.
RD-003	Groups of detailed reference data changes comprising a single business change to be viewed and managed as a single integrated business change
RD-004	Reference Data must enable any combination of the following events to be active concurrently: different users carrying out data maintenance tasks on separate business changes simultaneously simultaneous enquiries from other users data extracts for data transfer to other systems
RD-005	Mechanisms must be provided to allow the entry, verification, authorisation and distribution of detailed data changes to be permanently associated with the business change they are part of, and with other detailed changes comprising the same business change.
RD-006	Workflow messaging should be provided to allow any business change to be progressed and it's progress to be tracked. The workflow processes must be configurable, and it must be possible to change the workflow life cycle and introduce new additional life cycles.
RD-007	Provision must be made for the allocation of reference data maintenance tasks to be changed and reorganised to allow the business to improve it's manual processing systems, reducing duplicated data handling and improving change implementation times.
RD-008	A bulk upload facility to allow the update of large volumes of similar changes.. A typical example would be the linking of products to all the outlets it will be offered in.
RD-009	Facilities for authorised users to produce standard report sets and user defined ad hoc reports using a reporting tool
RD-010	Provide for the introduction and amendment of standard and ad hoc reports by authorised users using a reporting tool
RD-011	Provide information on the progress and processing of reference data changes so that the update process can be monitored and improved
RD-012	Data structures must apply business rules directly to ensure the integrity and quality of data.
RD-013	A single master repository for reference data should be provided so that errors due to replicated data entry in multiple systems are eliminated.
RD-014	The data must be held in data structures that accurately reflect the Post Office business.
RD-015	The closure or deletion of any reference data object in the database must automatically cause the closure or deletion of all its children
RD-016	All versions of reference data objects should be recorded and be able to show the changes to the object and the user who made them The system must be able to apply reference data changes from or to specific dates and times.
RD-017	Deleted
RD-018	Deleted
RD-019	It must be possible for administrators to create files from the database without the need for modification or addition to the system software. Administrators must be able to define search criteria for the user interface for a reference data object on any of it's fields.
RD-020	Must ensure that the implementation technology does not impose technical limitations on the implementation of business change.

POL00038866

RD-021	Deleted
RD-022	Must provide facilities to integrate with the automatic scheduling of file extracts and batch interfaces, automatic generation of control files, and the automatic transfer of extract \ interface files to the target system. It must also provide facilities for the automatic receipt and processing of any incoming files, including the generation of control files. This process must be configurable.
RD-023	Deleted
RD-024	Must provide automatic means by which new extract or upload file formats will become effective at a scheduled date and time and old interface formats will cease to be valid at a specific date and time
RD-025	Must use standard screen layouts and consistent designs for finding, adding, changing and logically deleting reference data.
RD-026	Must provide drill down functionality through hierarchies of reference data objects
RD-027	Must be capable of supporting agreed service levels for enquiry, update and batch processing functions concurrently – SLAs to be defined.
RD-028	The system must be able to perform all batch processing within the required batch schedules
RD-029	The system must be implemented without disruption to the service provided to the Post Office business or to other systems supporting Post Office Automation.
RD-030	The implementation process must include adequate fallback provision to prevent service disruption in the event of unexpected problems. Fallback provisions must remain in place until the system is proven.
RD-031	Adequate training and support must be given to users of the system and to users supporting fallback provisions during the implementation process.
RD-032	Source data for the system must be validated and errors in the data corrected prior to implementation
RD-033	The system must provide adequate help facilities in the context of the overall business process.
RD-034	In implementing the system the overall quality of data must be improved, and the Business Change Process improved and extended to ensure the quality of Reference Data does not regress.
RD-035	The process and the system will provide data ownership mechanisms which will allow these responsibilities and accountabilities to be enforced. In implementing the process and system formal data ownership must be allocated to the appropriate business users to ensure accountability for data quality.
RD-036	NBSC need access to accurate records of outlet closures, re-openings and contact telephone numbers. to support their customer and internal support services. The quality of the information held in current systems is not adequate for this purpose.
RD-037	The interface must pass a complete, accurate data set to all current interfaces.
RD-038	Operations staff need to have direct access and visibility to the system to enable them to maintain network records
RD-039	Operations staff should have access to ad hoc reporting tools accessing reference data
RD-040	It should be possible to rationalise the system with NSBC data bases that duplicate the same information

POL00038866

RD-041	Increase the scope of data held in the in the system, particularly: • to replace the shared reference data elements of Smartpost • to replace local systems and spreadsheets that are currently used and maintained by regions • to support requirements such as configuration management and outlet equipment that require more detailed information on objects currently held as reference data • to support reference data for other Post Office Ltd units such as C&LS • to replace any other reference data update that is carried out independently of the system.
RD-042	NBSC require some data, particularly the OOH contact list to be available 24 hours per day.
RD-043	Any data that is not actually used should be removed from the scope of reference data. (It is suspected that there are examples in NNDB of data that is maintained, but never used. It would require some investigation to ensure only unused data is removed)
RD-044	Deleted
RD-045	Deleted
RD-046	Some outlets have different opening hours in summer to those in winter. Currently the opening hours have to be changed twice a year (if they get notification). The system should be able to cope with this change automatically.
RD-047	The system should provide facilities to group objects, particularly products & outlets into structures to provide an effective means of managing similar products as a block
RD-048	Improved Product and Outlet Management must be provided
RD-049	The implementation of product and outlet structures must substantially reduce the need to apply high volume changes to reference data
RD-050	Facilities must still be retained to allow large volume "one off" changes (e.g. an external restructuring of telephone codes) to be implemented by special processes
RD-051	The change process should cover the complete range of reference data changes that occur within the Post Office A unique change control number should be allocated automatically to each business change, and this should be linked automatically to all consequential data changes
RD-052	Deleted
RD-053	The new business process must provide for changes to be built up over a period of time as information about the change becomes available, allowing amendment to the data by authorised staff at any time up to the release of the data for implementation
RD-054	The business process must have clear ownership of data enforced by the process and system, with effective responsibilities and accountability for the accurate maintenance of the data. Data ownership must be applied to each element of data
RD-055	The system will allow changes to be entered into a product or outlet record up to the time that the record is authorised for release to Pathway.
RD-056	PACE change number needs to be held and tracked for verification purposes in the new system
RD-057	The system must be able to support the ability for a number of process steps in parallel pertaining to an individual change
RD-058	Addresses held in the database should be generated by the same PAF facility being used for Advanced Data Capture
RD-058	OBC forms to be replaced by an electronic data stream from POL to Fujitsu
RD-059	Remote access for data entry is required
RD-060	The system must be able to handle business rules
RD-061	FAD codes will remain

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RD-062	The system must be able to calculate the timings of different process steps in relation to the end date required for the whole process
RD-063	Access to the system will be by roles
RD-064	Both internal and external access will be required – e.g. POL and Fujitsu
RD-065	Simple reporting facility needs to be available against the system
RD-066	Analysis which utilizes reference data should be achieved via MI Data Warehouse

6.2.5. Management Information

Ref	High Level Requirement Description
MIH-001	To restructure and improve the design of the data warehouse
MIH-002	To provide one new system which allows for the decommissioning of LID, STAM and Intellect
MIH-003	To provide a mechanism which will deliver basket analysis requirements to Sales and Marketing
MIH-004	To provide the mechanism for a single view of management information irrespective of the number of sources
MIH -005	To capture the current outputs of the various legacy systems, assess their usage and, if still required, determine their new source
MIH-006	To provide performance based analysis

POL00038866

Ref	Programme Requirement Description
	Overall MI (Mandatory)
MI-001	Outputs and interfaces which currently exist must be given a home in the future – following justification of their existence
	STAM (Mandatory)
MI-002	The business requirement is to be able to feed back to branches details on the errors they make.
MI-003	The system must be able to accept error details {branch concerned, type of error, cash account week, number of errors of that type} from the following sources: - 1. DVLA (around 4000 per month) (Presently supplied on paper. So details are keyed in.) 2. "OBCS" (700 per month) (Supplied on disc.) 3. Benefits Agency (other than OBCS) (Around 1300 per month) (Mostly supplied on disc, but one error type—"BA11"—details are supplied on paper. About 30-50 BA11's a month.) 4. GIRO (Around 1000 per month.) (Supplied on disc.) National Savings and Investments (although we do not currently receive data from NS&I)
MI-004	A person with appropriate system authority should be able to amend any of the entered errors. (i.e. Reverse error completely, alter number, error type, or cash account week.)
MI-005	It should be possible to enter, amend, and delete the following standing data: - • Error type details • Management Hierarchy details to allow summary reports to be available for each level of the management hierarchy. • Calendar details. (So that reports can be available for a specific cash account period, quarter, half year, year, or a range of accounting periods such as periods 2 to 5 for 2002/03.)
MI-006	Each branch should be informed of the errors it has made.
MI-007	Be able to supply RLM's, Heads of Area, Heads of Segment with appropriate summary details of the errors in their area.
MI-008	Make it easy to feed in extra error information in the future.
MI-009	To work out a notional cost for recorded errors for each branch.
MI-010	Include appropriate branch error information on outlet contribution statement
MI-011	RLM, Head of Area, Segment, and National level summary reports. (Either for direct access by relevant RLM, Head of Area, etc. or make it easy for reports to be sent electronically.)
MI-012	Ability to support analyses to: - a/ Reveal branches and RLM areas where error record is particularly good or bad, compared to business transacted b/ Reveal branches or outlets where error performance is worsening.
	LID (Mandatory)
MI-013	The business requirement is to be able to produce outlet contribution statements. These statements should be capable of a very high degree of accuracy..
MI-014	The system must be able to provide reports on: - • Volume and value of outlet based sales. • "Notional" income. (i.e. "Income" calculated by multiplying outlet value or volume of sales by a standing factor.) • Network costs. • Contribution. (i.e. Difference between notional income and costs.)

POL00038866

MI-015	It needs to be possible for reports to be able to show actual to budget or actual to plan comparisons.
MI-016	The system must provide functionality to interrogate sales transactions, notional income, and cost by the following 4 main hierarchical reporting dimensions: • **Product:** Markets> >Product Groups>Items • **Client:** Market> client group> client • **Network:** National Network>Executive Director> Head of Segment> Head of Area>RLM>Outlet • **Periodicity: (a)** Year>Accounting Period>Day **(b)** Year>Cash Account Period>Cash Account Week> Day **Outlet Type** is in addition to the 4 main dimensions: (i.e. be able to analyse results into outlet types such as large, medium and small sub scale payment offices.)
MI-017	The system will provide the following report types • On screen • Flat file electronic download. In particular, it should be easy to schedule "standing" reports, and output them to a particular directory, so that they may be easily transmitted by e-mail. • Paper
MI-018	The system must provide the flexibility around reporting dimensions. It should be possible to "Pick and mix" from the 4 reporting dimensions.
MI-019	The reports sent to users will either identify any offices not included, or identify the level of offices not included
MI-020	The system must hold for an appreciable time (3 months or over) a base record, compressed from the original transaction data, but still holding enough details to provide extensive and flexible analysis
MI-021	Outlet level data will be available, at a "higher level of periodicity" than a day (e.g. Outlet week or outlet month) for an appreciable time.
MI-022	Daily level data, at a organisation level higher than the outlet (e.g. RLM area or segment) will also be available for an appreciable time
MI-023	Detailed (item/outlet/date) historic data will needed to be available for at least 3 months. Summary level data may be held for up to 5 years.
MI-024	The system should be capable of reporting "flash" reports within 4 working days of the original transactions. Users should be are aware of: - • Level of missing offices, if material, when reports are run. • Missing data streams when reports are run
MI-025	The system should be capable of taking error notices issued to outlets into account.
MI-026	The system will provide the functionality to accept and store information from a range of appropriate sources. e.g. Ability to accept forecast data from an Excel spreadsheet.
MI-027	The system and the systems reporting parameters must be driven using reference data to maintain the integrity of the data and to ensure consistency with the Operational systems.
MI-028	System reporting parameters must deal with the historic changes in reference data appropriately.
MI-029	The system will provide the functionality to output the results of a report to initially screen and optionally to printed copy or CSV file format, for import into Excel, Access etc. It should be possible to schedule frequent "standing reports" to run over-night for subsequent dispatch.
MI-030	The system will provide a mixture of overnight reporting and ad-hoc enquiries to be returned during the day. Present POLMIS times will be acceptable as long as these are not degraded due to greater system usage.
MI-031	The system must be available, as a minimum, Monday to Friday 8AM –7PM
	OPERATIONAL MI (Desirable)

POL00038866

MI-032	The system should meet the Operation MIS reporting requirements as specified in the MI Workshop by providing reports, summarization and drill down facilities
	CURRENT DESIGN IMPROVEMENTS (Desirable)
MI-033	The organisational hierarchy which is currently referenced on RLM etc. name not the numeric identifier. The latter is required
MI-034	'CTT Sub Group' table needs to be renamed 'CTT Number'
MI-035	A table for CTT number descriptions is require
MI-036	'CTT Group Desc' table need to be renamed 'Sales Reporting Group'
MI-037	The option to for users create further custom groups of branches that fall outside the network structure within the system would be useful, for example all Asda
MI-038	The facility to report from the Data Warehouse is available to a limited extent via the service contract with Parity carrying out reporting. We need to understand the feasibility/costs of brining this functionality into PO Ltd.
MI-039	A front end user tool to create product / expenditure groupings easily and without the need for constant system updates such as is required at present.
	PORTAL ACCESS (Desirable)
MI-040	Development of the system to capture additional PI data to enable the system to become the one access point black box
MI-041	Development of portal for access of results by retail line
	BASKET ANALYSIS (Mandatory)
MI-042	Daily reporting on sales across all product categories
MI-043	Daily reporting across all branches and segments
MI-044	Weekly and monthly reports by branch and operator (each operator must have a reference and must use this as they log on for each session).
MI-045	Daily reporting across all channels
MI-046	Daily reporting by value, volume and margin (all products)
MI-047	Ability to track sales generated in one channel and executed in another (i.e. where a consumer takes an application form with a FAD code from a branch and then completes this on line or via telesales – the objective would be to ensure that the branch and the segment is rewarded for their part in the sale and that we can track the success of multi-channel campaigns.
MI-048	Provide the reporting basis for targeting product categories on their overall sales by volume, margin, value and mix.
MI-049	Identify the progress of the business against target – volume, value, margin, mix: for all products.

6.3. Exclusions

A number of facilities or implementation methods are described in the Feasibility Study ref: . E2E Simplification – Business Requirements Specification (Vsn 2.0) Post Office confirms that that the following items are not required in the *Accounting & Cash management Programme* solution: -

	Feasibility Study ref: E2E Simplification – Business Requirements Specification (Vsn 2.0) Process Area	**Comment**

POL00038866

	Feasibility Study ref: E2E Simplification – Business Requirements Specification (Vsn 2.0) Process Area	**Comment**
1.	Sales	All references to Prompts and Help in the sales process are not included
2.	Inventory Management	All references to Cash and Stock inventory management are not included – eg. electronic ordering and management of stock inventory items Local destruction of stock is not included Printing of virtual and transaction stock is not included

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6.4. High Level Process Models

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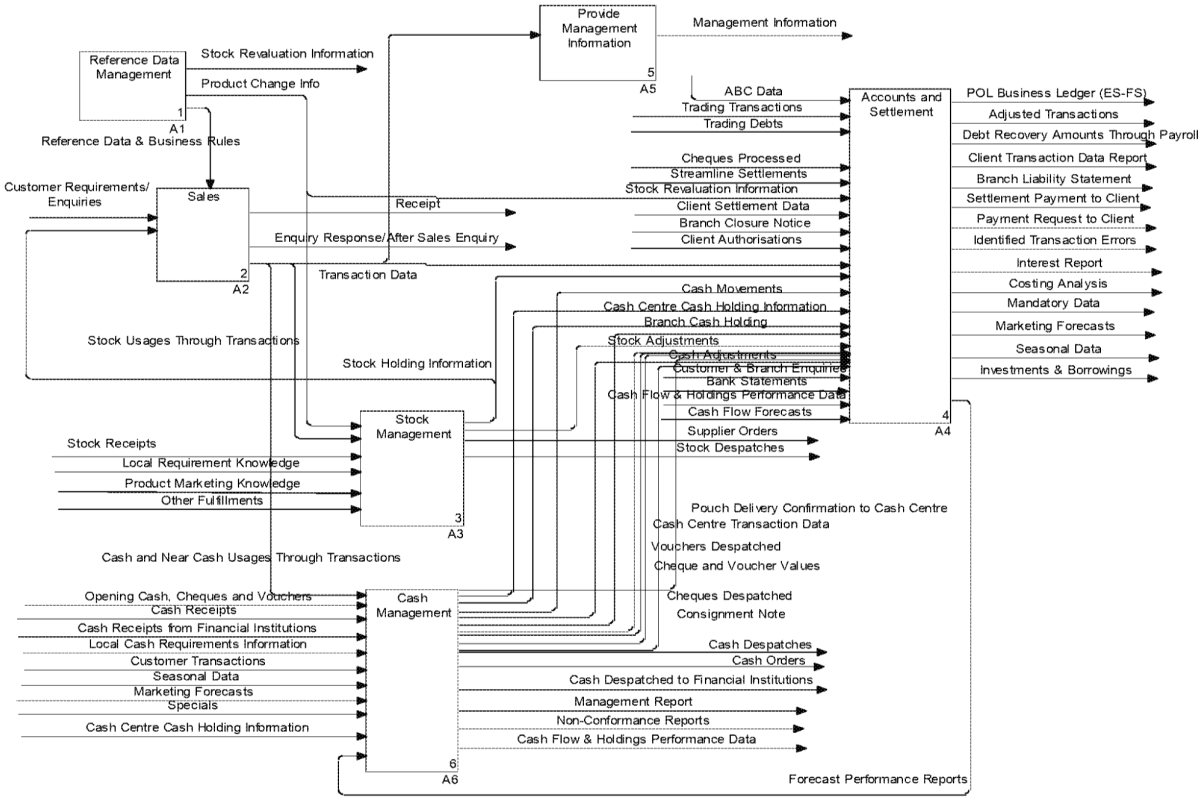
A0 - Post Office Processes in Scope



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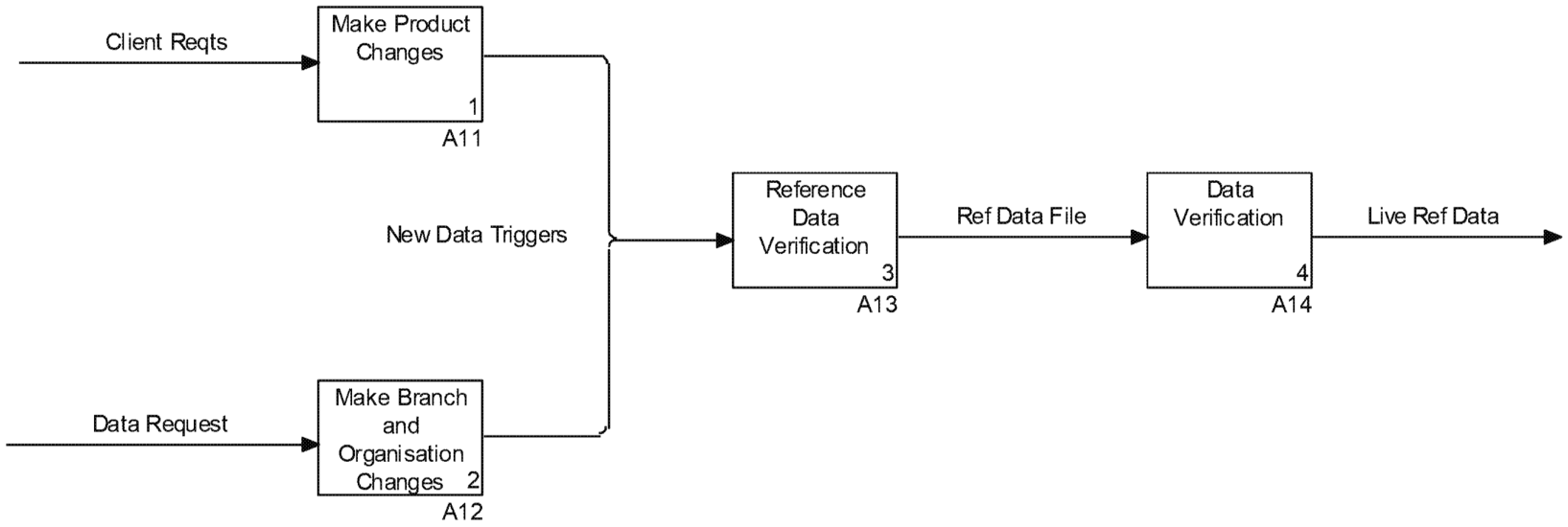
A1 - Reference Data Management



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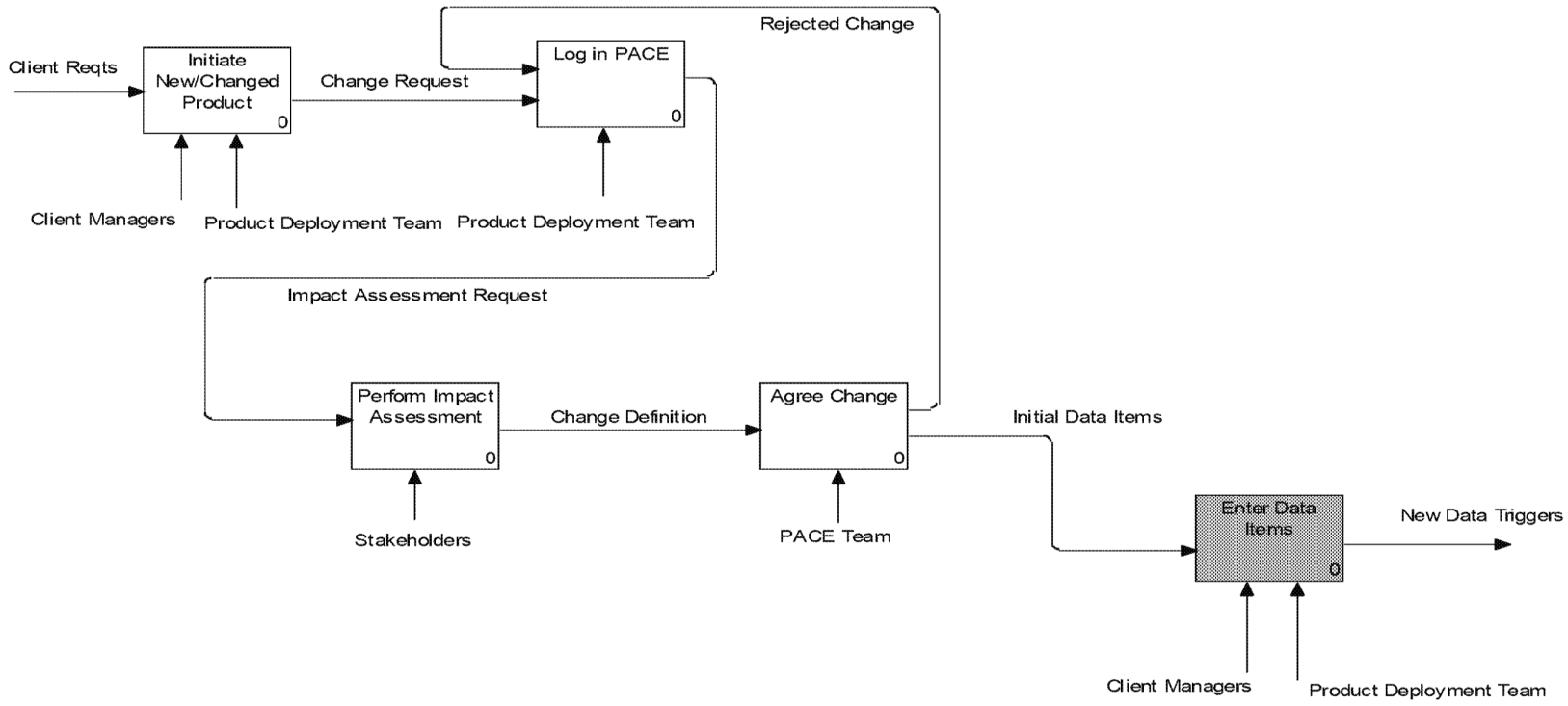
A11 Make Product Changes



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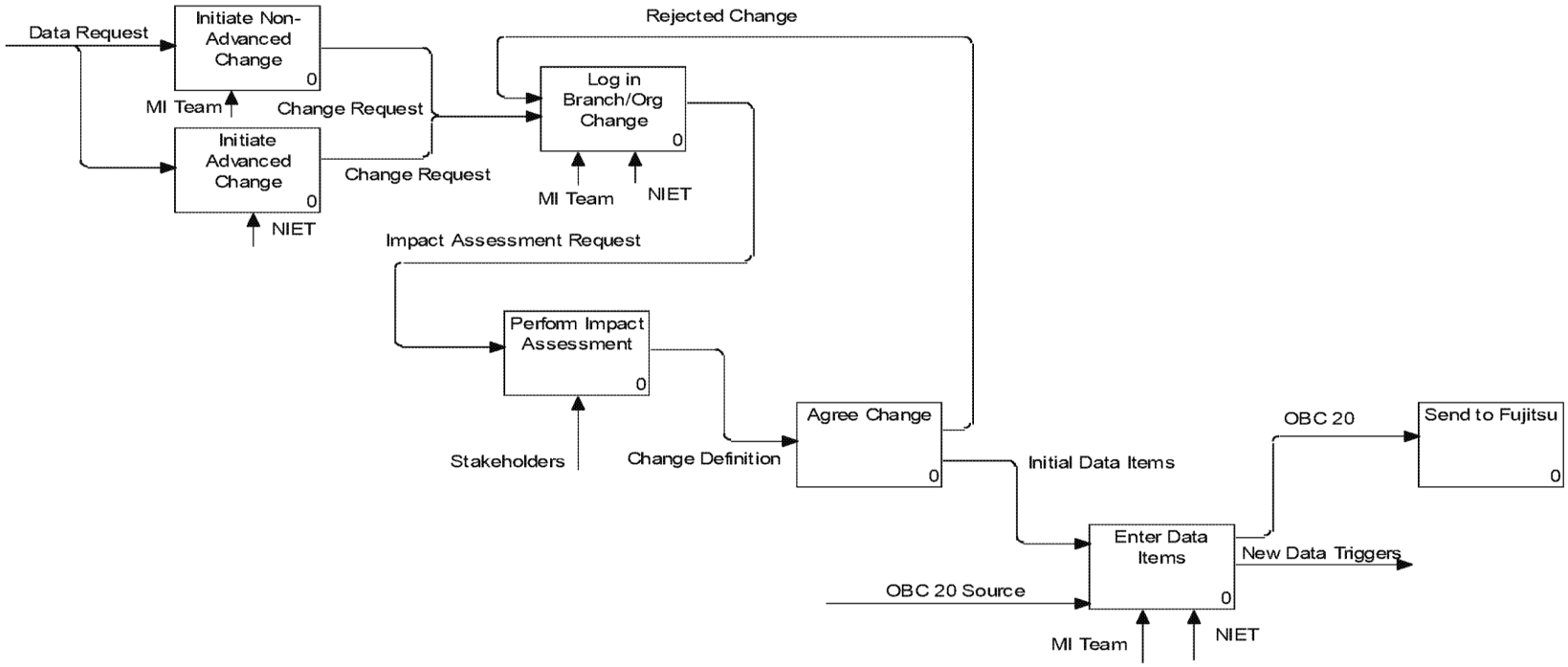
A12 Make Branch and Organisation Changes



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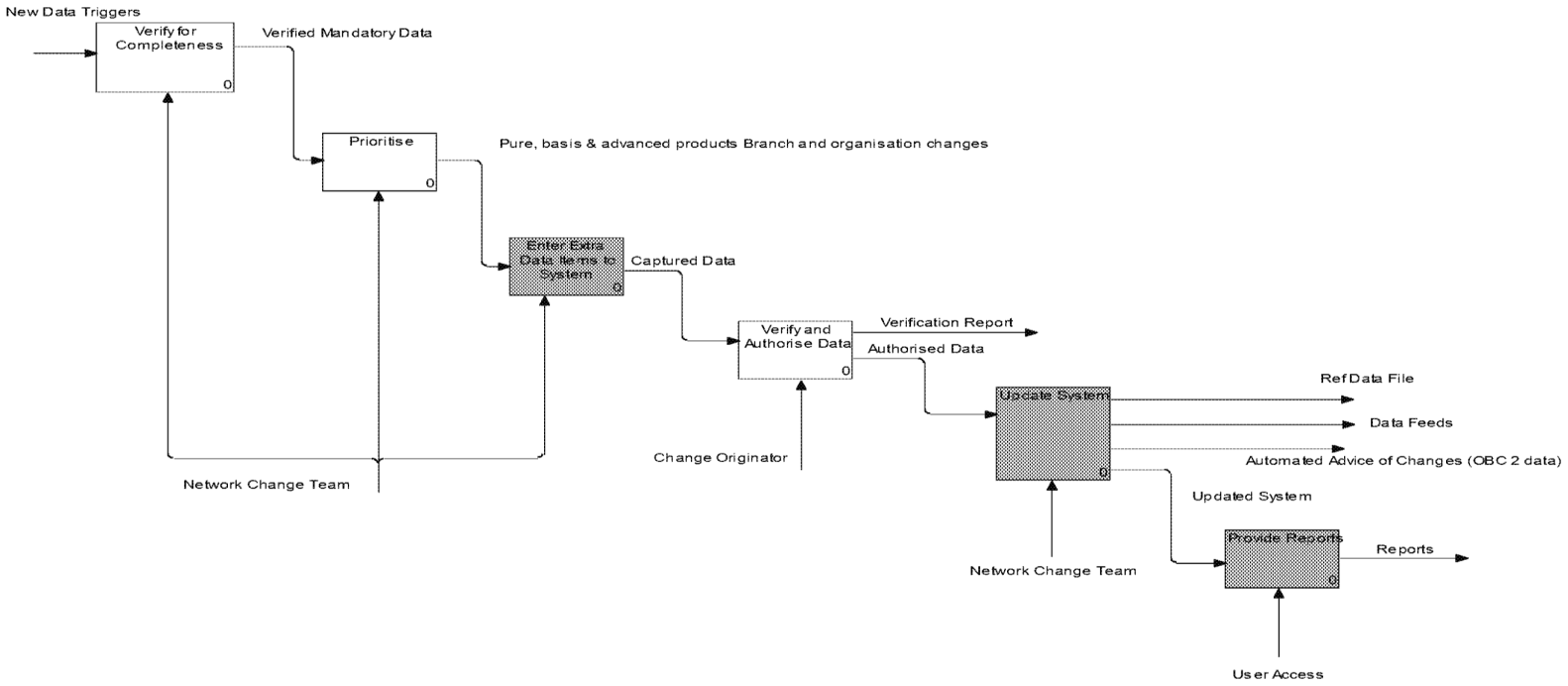
A13 Reference Data Verification



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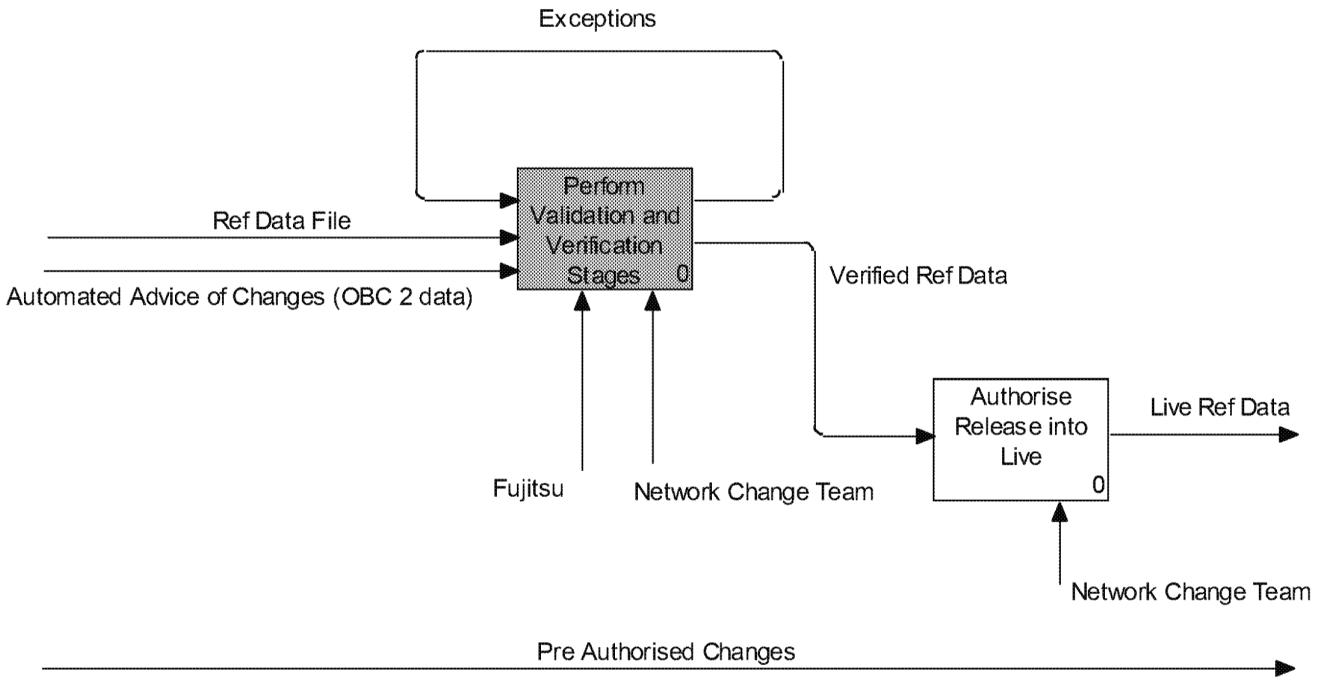
A14 Data Verification



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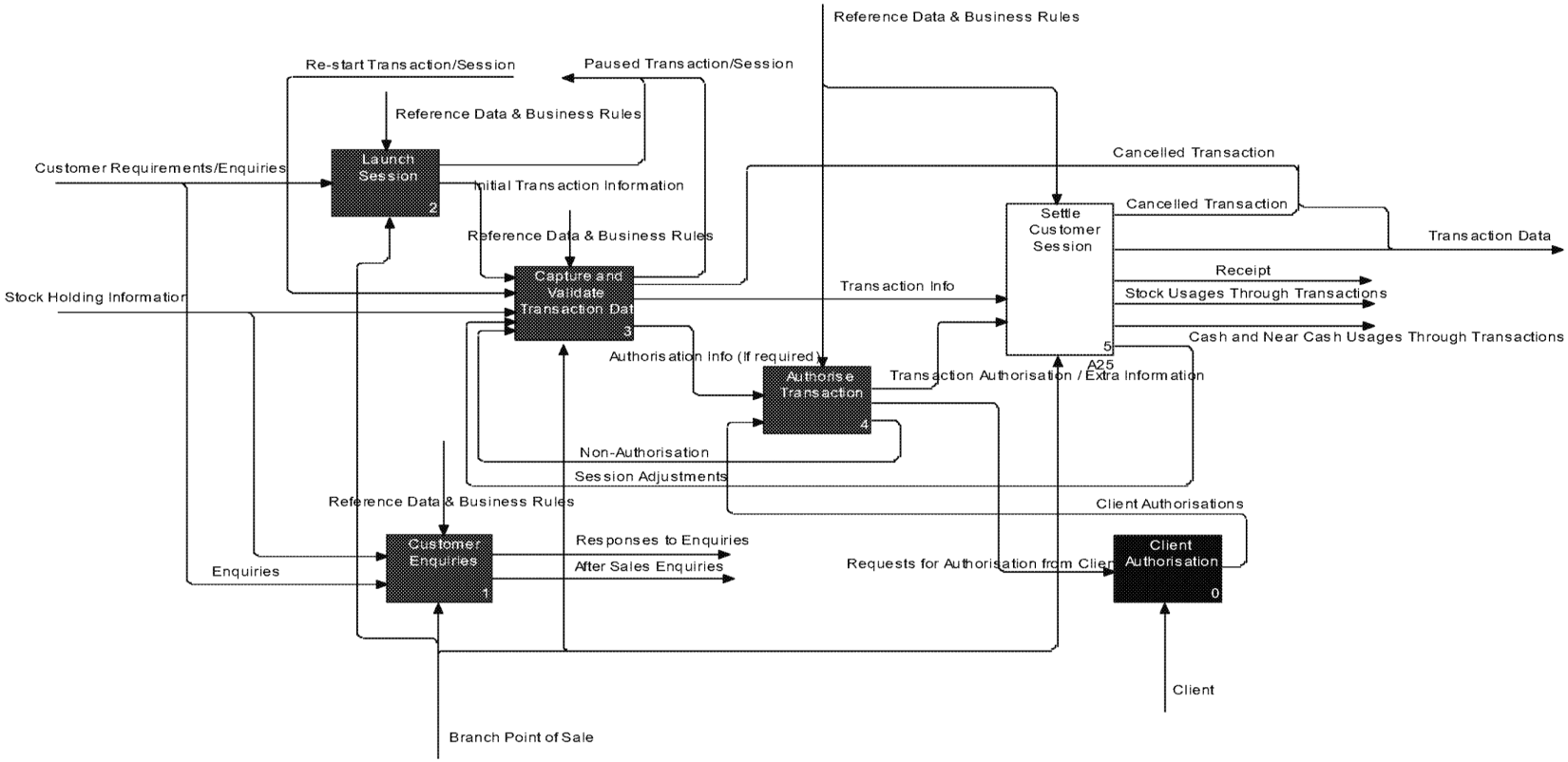
A2 – Sales



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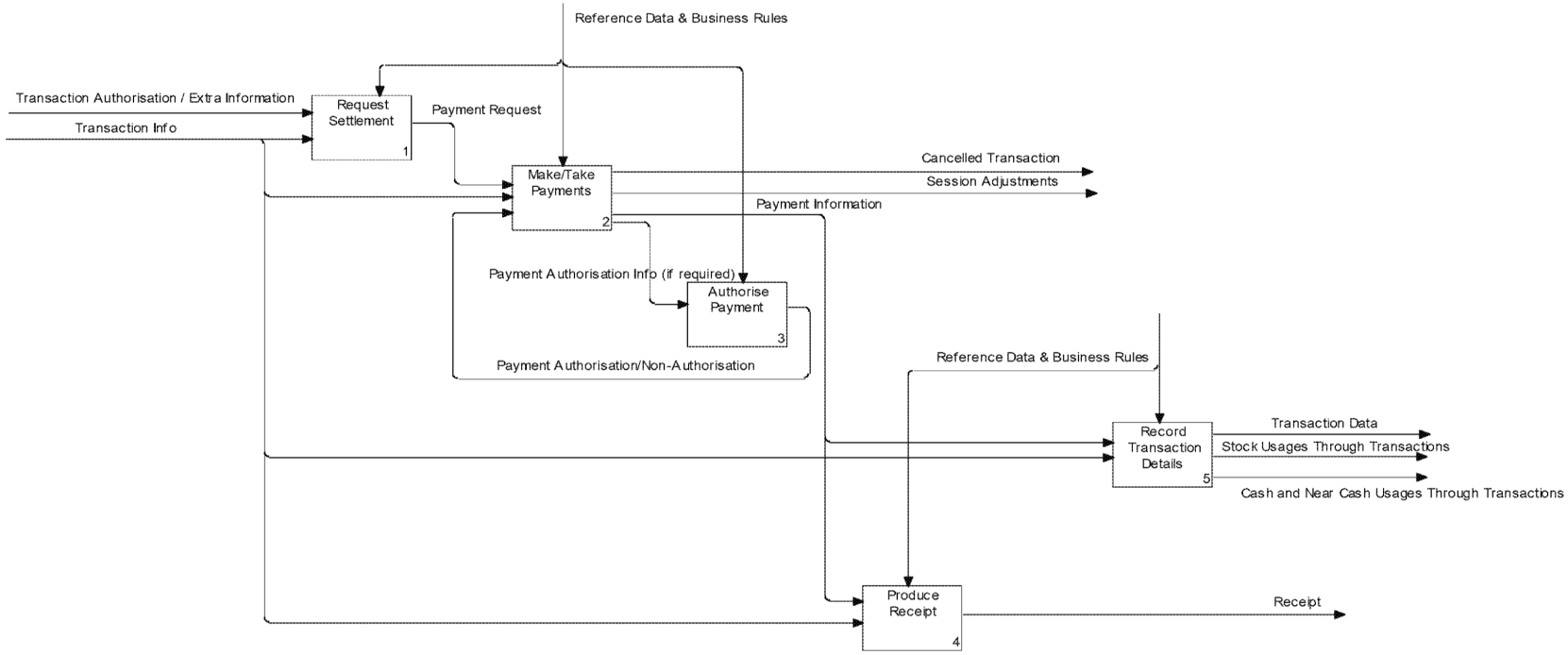
A25 - Settle Customer Session



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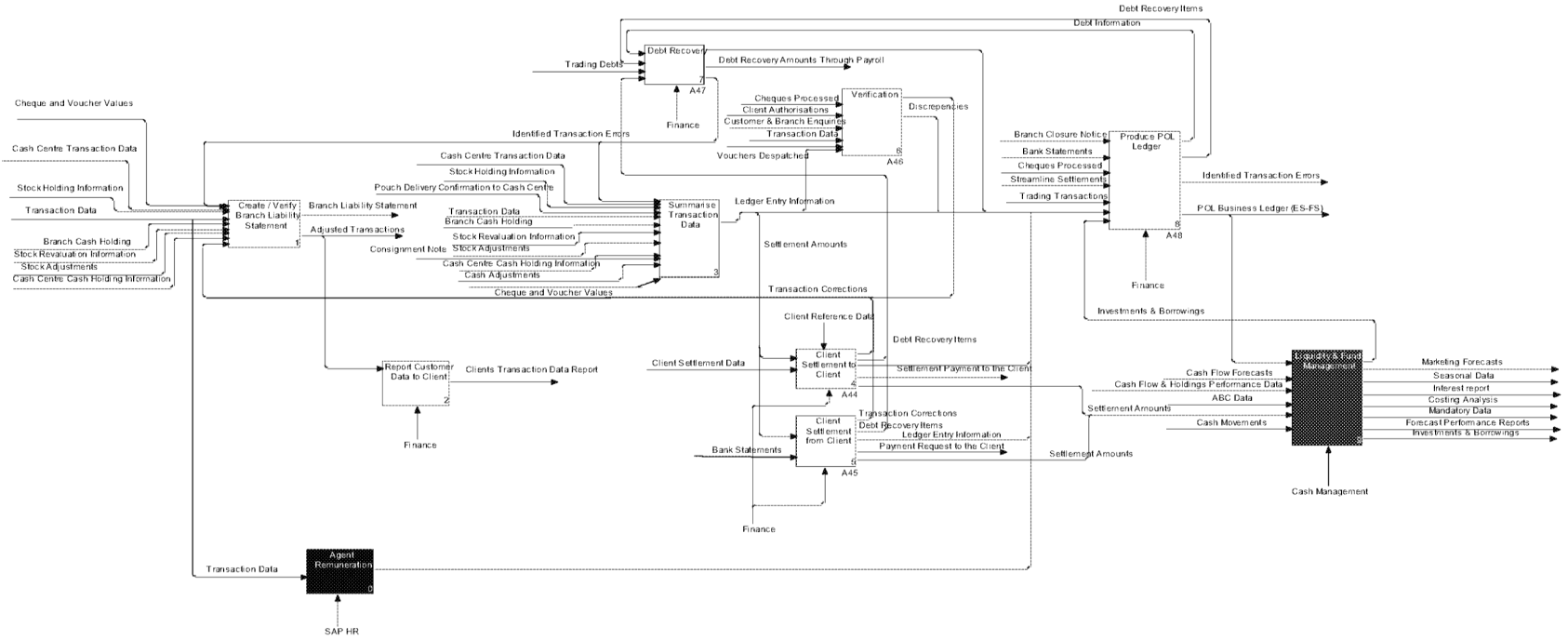
A4 - Accounts and Settlement



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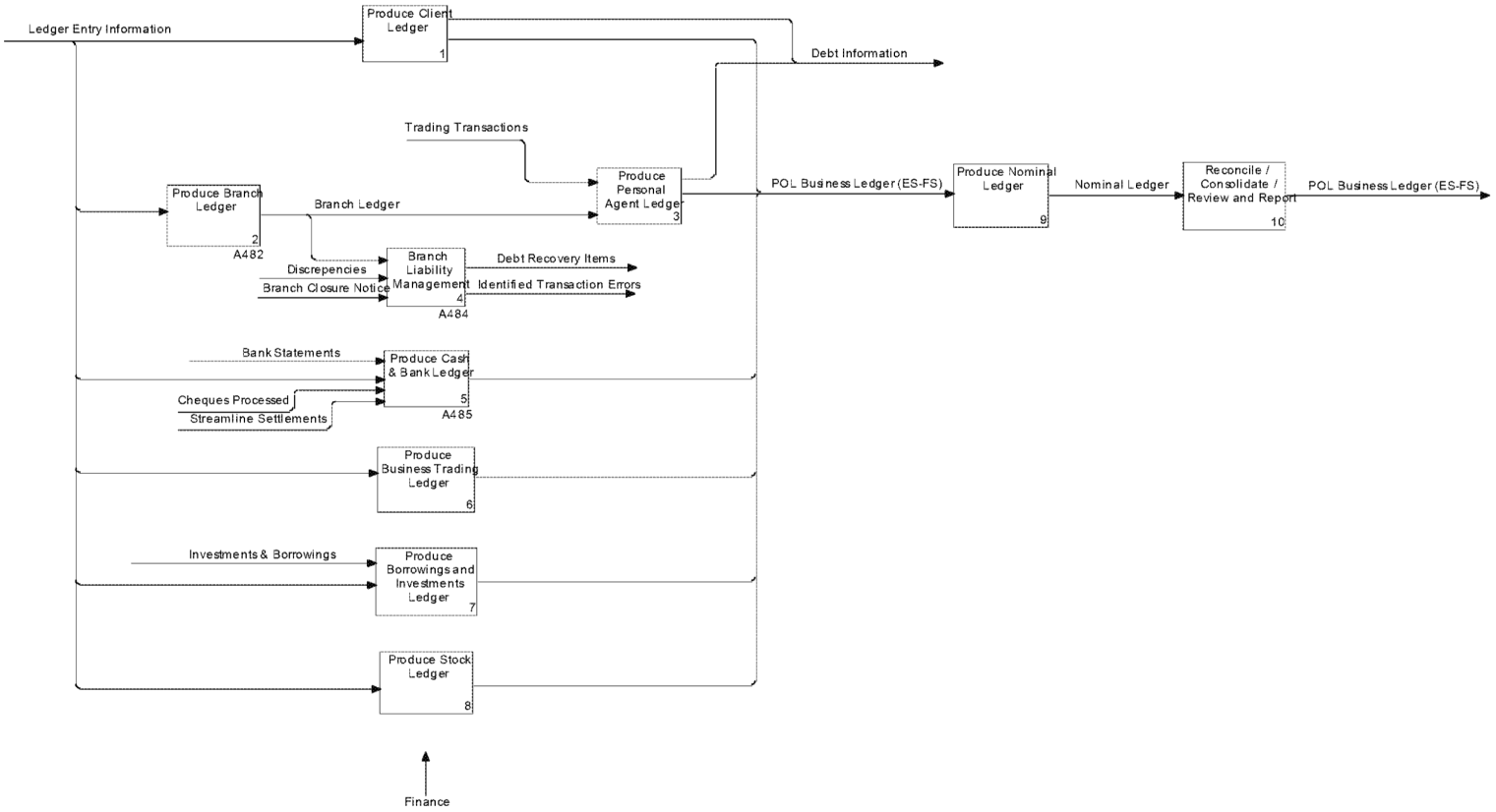
A48 - Produce POL Ledger



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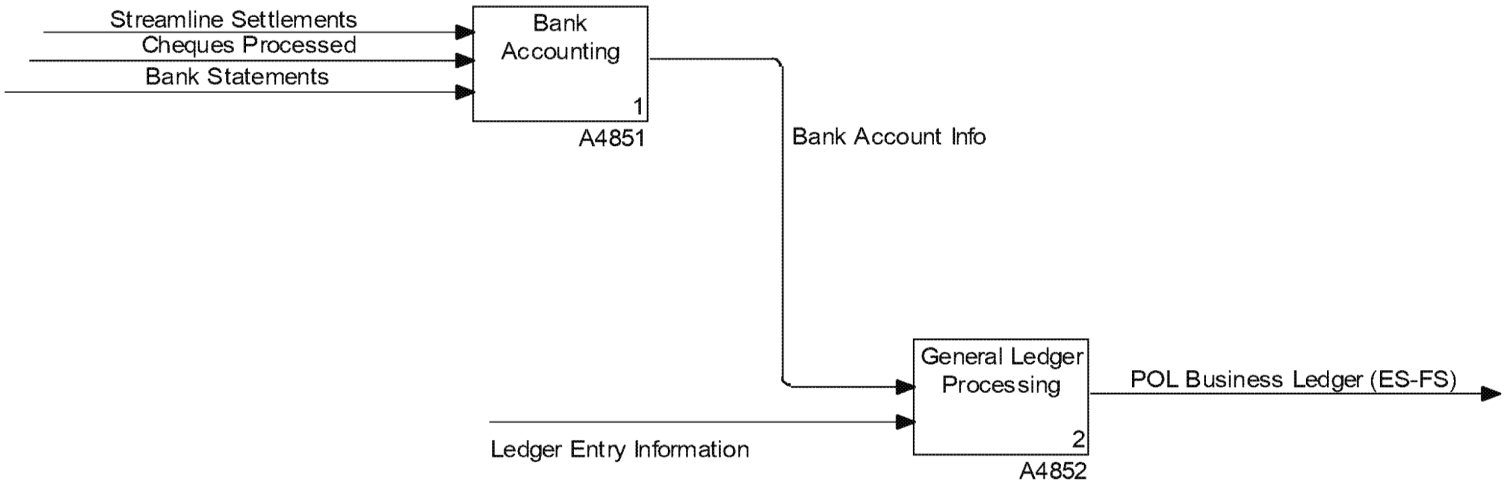
A485 - Produce Cash & Bank Ledger



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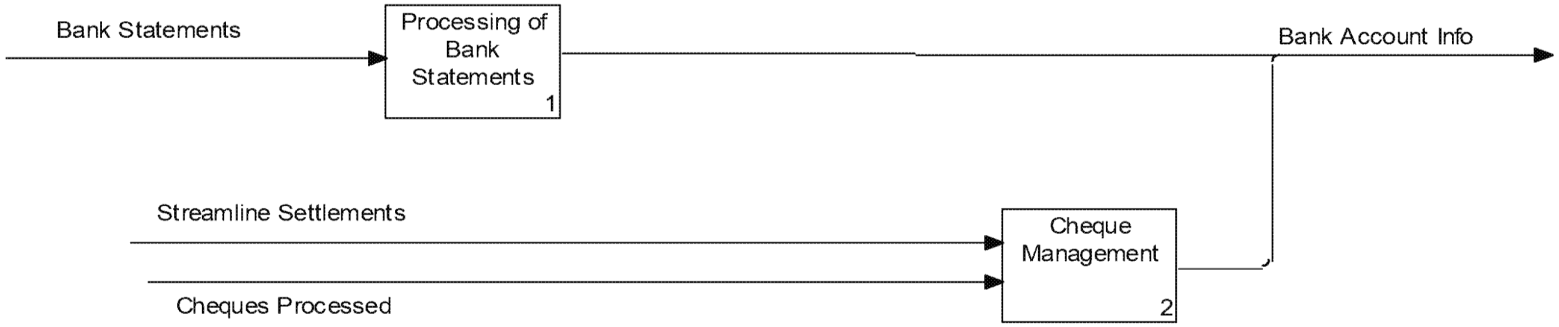
A4851 - Bank Accounting



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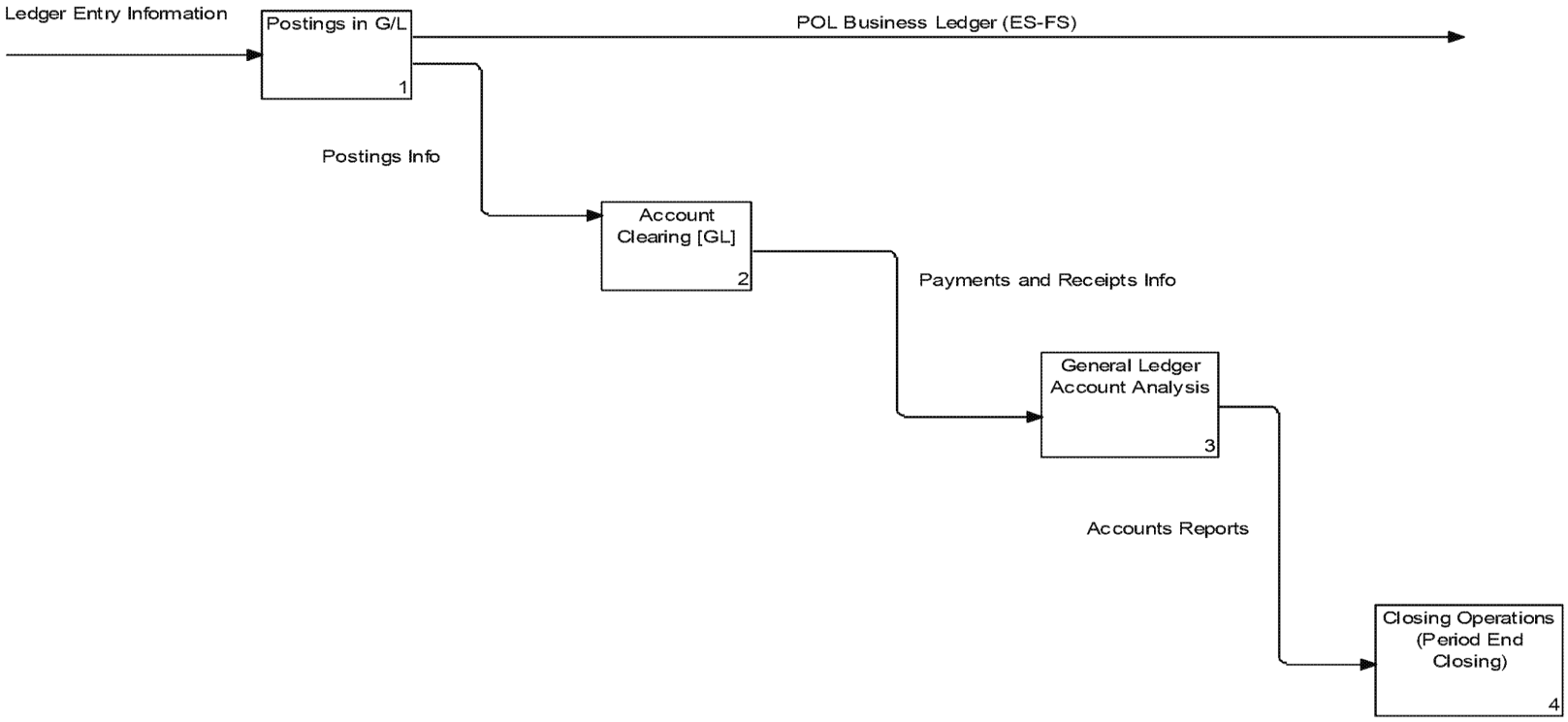
A4852 - General Ledger Processing



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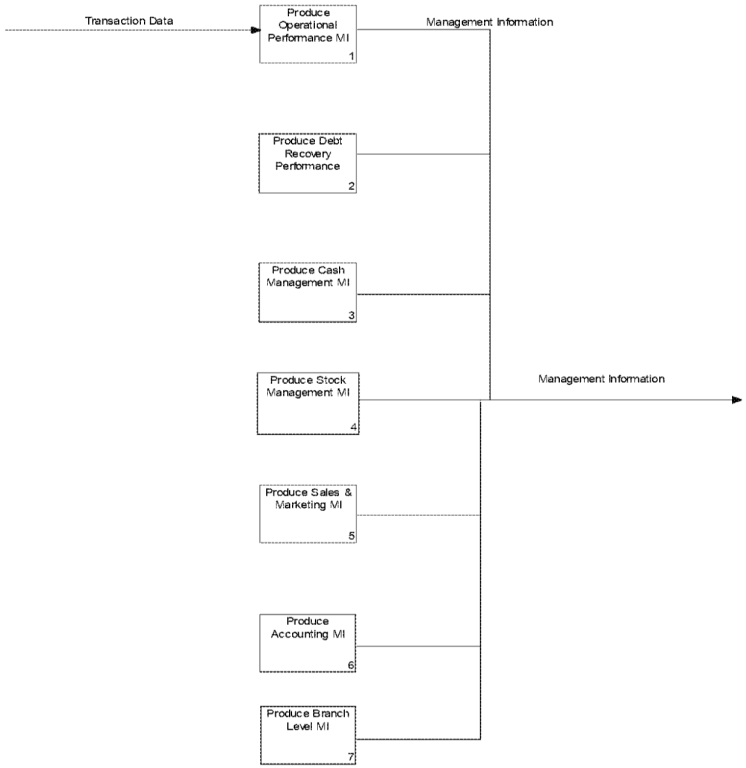
A5 - Provide Management Information



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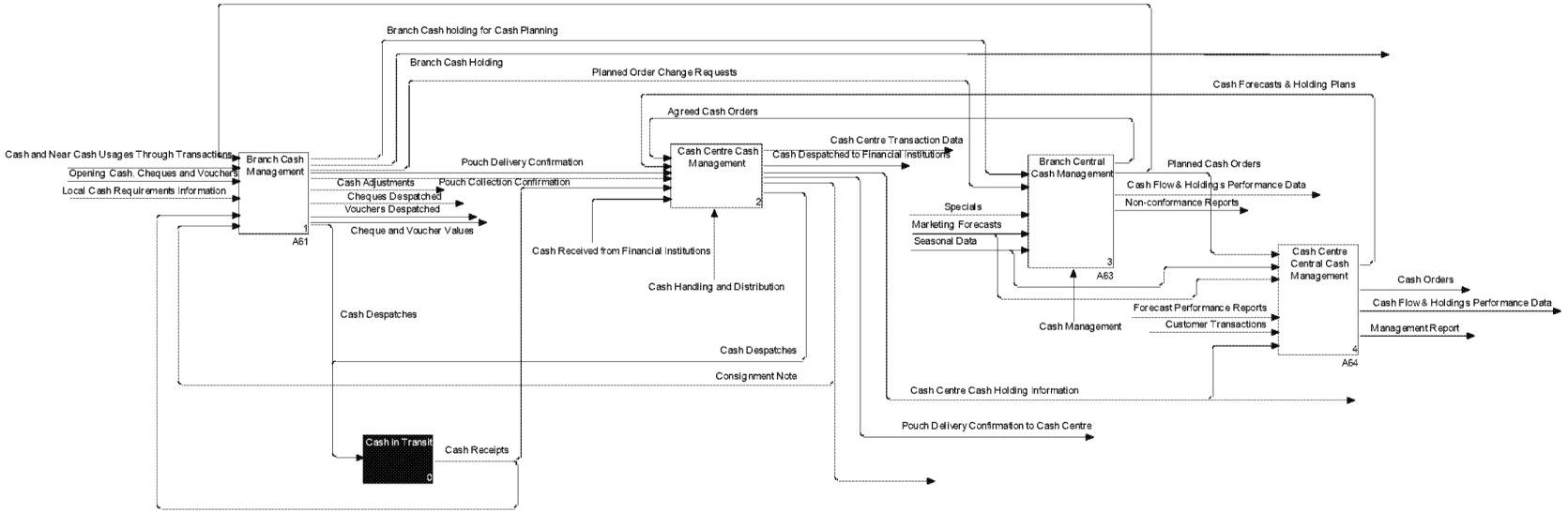
A6 - Cash Management



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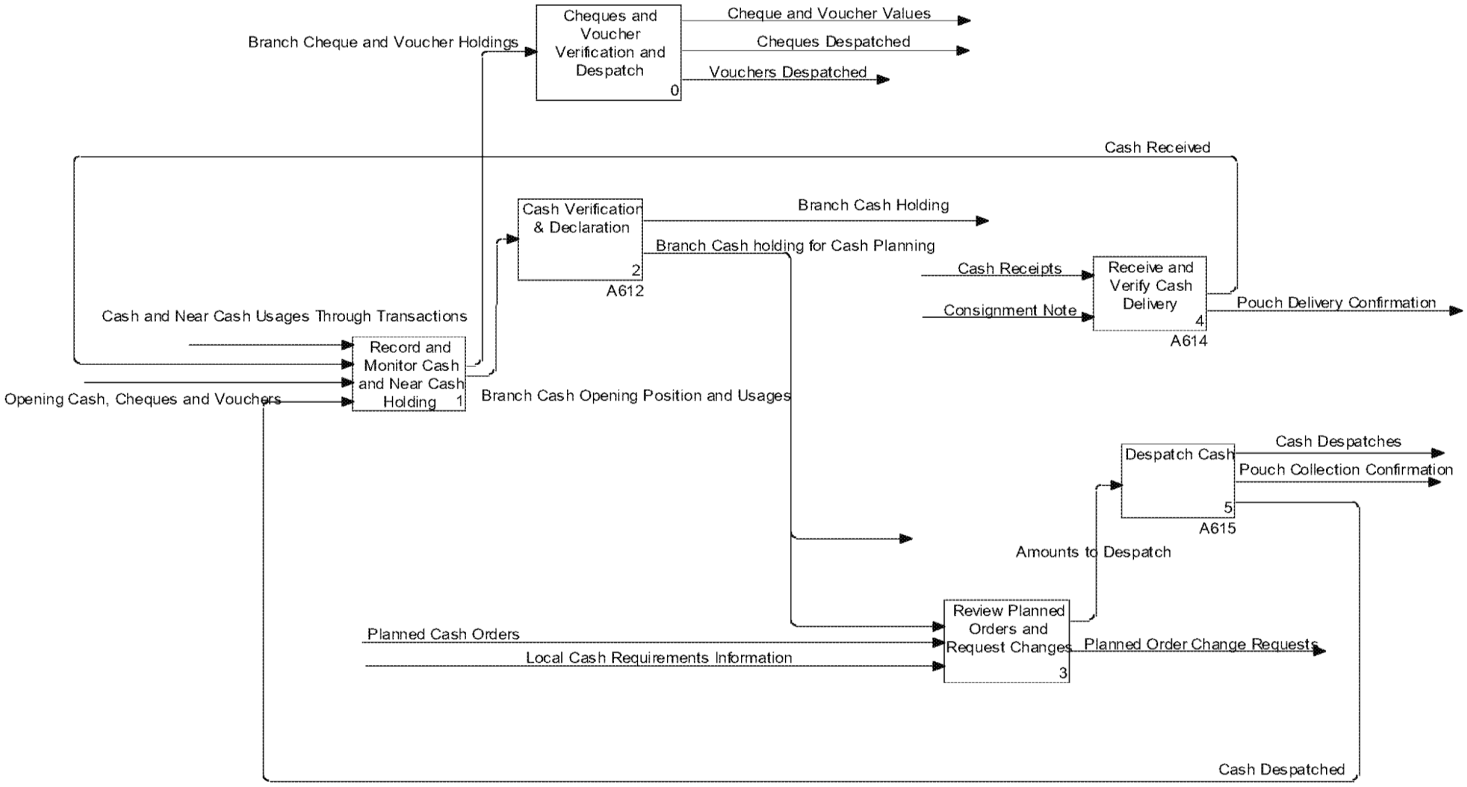
A61 - Branch Cash Management



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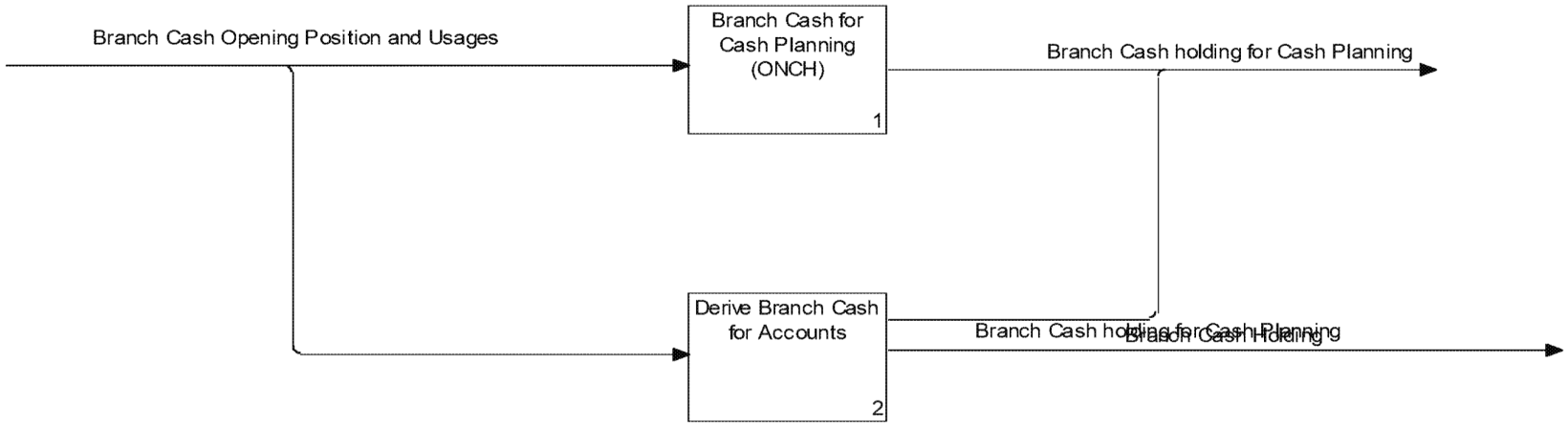
A612 - Cash Verification & Declaration



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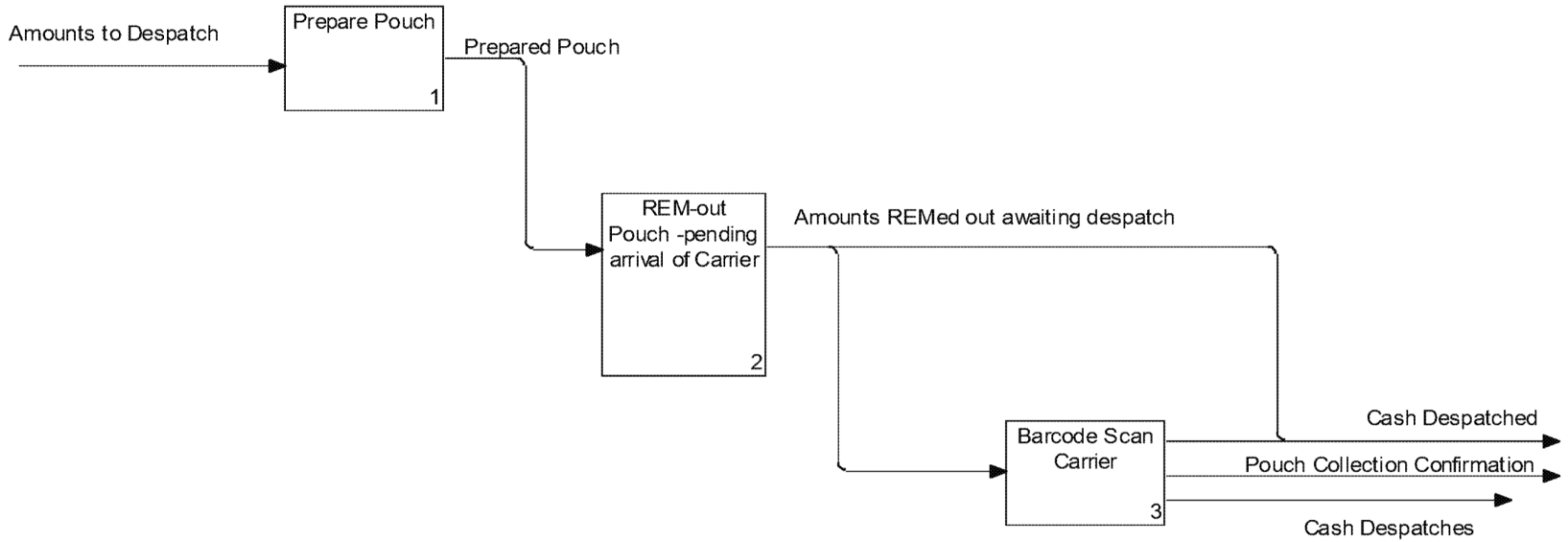
A614 - Despatch Cash



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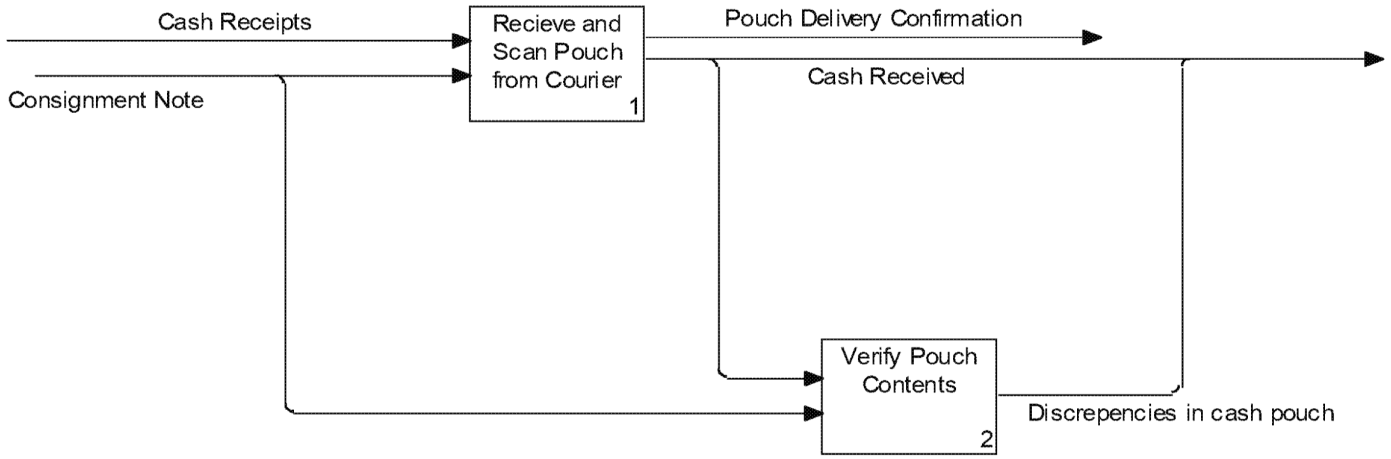
A615 - Receive and Verify Cash Delivery



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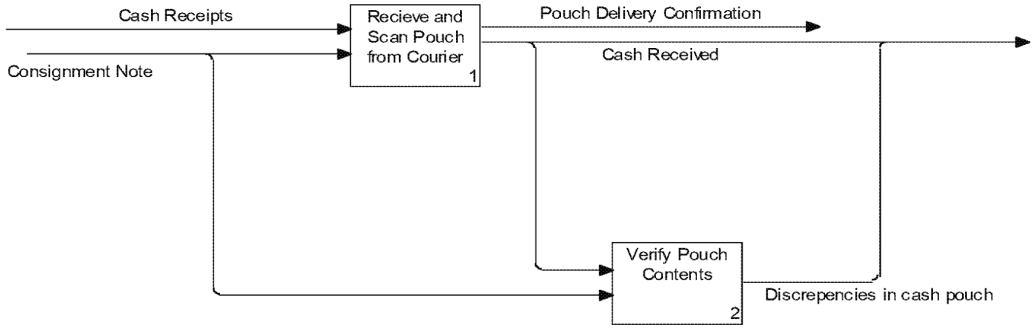
6.5. Business Area Processes

6.5.1. Process Descriptions

6.5.1.1 Receive and scan pouch from carrier



Description: This process provides a constraint between the physical delivery of cash, by the carrier, and the updating of the information in the various accounting systems of the liability for the cash. It is designed to remove the possibility that system updates may not transfer liabilities for sums of cash when the cash has physically transferred location but not recorded as received by the postmaster. This, therefore, supports the production of a more robust statement of cash holding.
On arrival of the carrier the agent would enter a part of the counter system which will demand some token data (barcode on pouch). The system would then verify the delivery, and obtain remittance data from the consignment note sent by cash handling. Once verified, the system will produce the paperwork (receipt) and update the cash figure within the stock unit.

As a result of running this process; the branch accounts will be updated with the liability of the value of the cash in the pouch (the branch accounts will then provide the onward updates of the overall POL accounts) and the delivery confirmation information should be prepared and transmitted to the Cash Centre accounts system, via LFS.
Triggers: The agent choosing the function within the Horizon counter system, on arrival of the carrier, triggers the process
Frequency of operation: On average the cash is delivered to a branch twice a week.
Volumes: The process is operated once per cash delivery, per pouch.
Automation: Once the process has been selected from the counter system the process should operate with minimal intervention from the agent, who should only be required to enter the token data, ideally by bar code scan or some other token reading function. Requirements for instigating the counter transaction by the token read are to be investigated as part of the detailed requirements analysis.
Locations: To be performed at all branches where the Horizon counter system is available
Input requirements at the WP boundary: Apart from the trigger to instigate the process the only information flowed in to this process is; the consignment note, containing a specified value of cash.
Output requirements at the WP boundary: The process outputs the following information;

- Pouch delivery confirmation –a piece of information flowing to the cash management system to inform its accounts that this cash has now transferred liability.
- Discrepancies in cash – a piece of information flowing to the Physical Cash Management system to inform its accounts that there is/was a discrepancy noted within the cash delivery.
- Receipt – a physical receipt printed part of which is signed by the carrier and the agent, part of which is taken with the pouch by the courier.
- Remittance Slip – A physical printed slip which contains details of the value that has been remitted into the stock unit, for checking purposes.

Time Constraints: None

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Fall back procedures: In case the counter system is unavailable when the courier arrives or the pouch token data is unreadable (bar code doesn't scan) it should be possible for the agent to manually enter the pouch token code. Each occurrence of this happening should be recorded for management information. In case the consignment note has not been delivered to the branch, the pouch should contain a physical advice note, upon which is a token who's data contains the value to be remitted into the stock unit. Each occurrence of this happening should be recorded for management information and subsequent investigation.

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6.5.1.2 Barcode Scan Carrier

Description: This process provides a constraint between the physical collection of cash, by the courier, and the updating of the information in the various accounting systems of the liability for the cash. It is designed to remove the possibility that system updates may transfer liabilities for sums of cash when the cash has not physically transferred location, as may happen when an agent REMs out a pouch of cash some time(days) before the arrival of the courier in preparation for despatching the cash. This, therefore, supports the production of a more robust statement of cash holding.
On arrival of the courier the agent should be able to enter a part of the counter system which will demand some token data (anticipated to be a token held by the carrier such as an authorised collectors card) which will uniquely identify the courier and/or verify that the courier is present (it is anticipated that the code will be of a verifiable value. requirements for managing/changing the valid set of courier codes are to be investigated as part of the detailed requirements analysis). Only on validation of this token data will the counter system proceed to produce the paperwork (receipt) to allow the despatch of the pouch of cash.
As a result of running this process; the branch accounts will be updated with the reduced liability of the value of the cash in the pouch (the branch accounts will then provide the onward updates of the overall POL accounts) and the Branch Consignment Note information should be prepared and transmitted to the Cash Centre accounts system.
Triggers: The agent choosing the function within the Horizon counter system, on arrival of the courier, triggers the process
Frequency of operation: On average the cash is despatched from the branch to the cash centre once every 2 weeks. However cash positive branches (where cash receipts > cash pay outs), of which there are around 150, can despatch cash as frequently as twice per week.
Volumes: The process is operated once per cash despatch.
Automation: Once the process has been selected from the counter system the process should operate with minimal intervention from the agent, who should only be required to enter the token data, ideally by bar code scan or some other token reading function. Requirements for instigating the counter transaction by the token read are to be investigated as part of the detailed requirements analysis.
Locations: To be performed at all branches where the Horizon counter system is available
Input requirements at the WP boundary: Apart from the trigger to instigate the process the only information flowed in to this process is; the information that a pouch, containing a specified value of cash, has been made up in preparation of being despatched and the courier token data value.
Output requirements at the WP boundary: The process outputs the following information;

- Cash Despatches -Value of cash despatched to update the branch accounts, from where the overall POL accounts will be updated
- Branch Consignment Note – a piece of information flowing to the Physical Cash Management system to inform its accounts that this cash has now transferred liability to it, This should also carry the courier token data for subsequent verification and analysis.
- Receipt – a physical receipt printed part of which is signed by the courier and retained by the agent, part of which is taken with the pouch by the courier.

Time Constraints: None
Fall back procedures: In case the counter system is unavailable when the courier arrives or the courier token data is unreadable (bar code doesn't scan) it should be possible for the agent to manually enter the courier token code. Each occurrence of this happening should be recorded for management information. In case the courier does not have the token data or the token data available is deemed invalid an emergency option (to be used only in these (rare) circumstance) should be made available which would allow the agent to despatch the pouch to the courier without the token data. Each occurrence of this happening should be recorded for management information and subsequent investigation.

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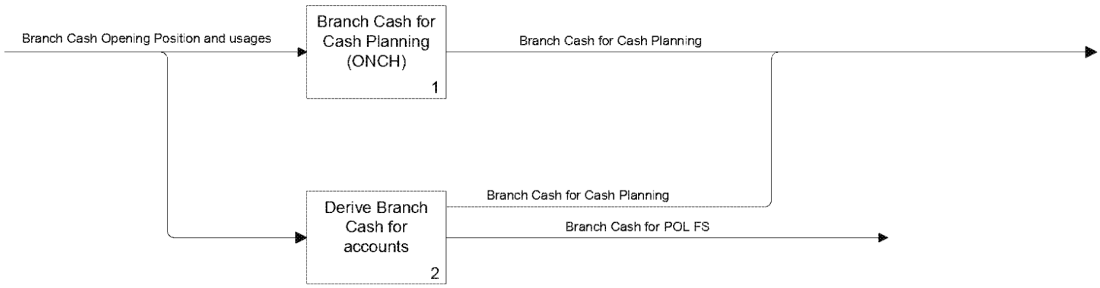
6.5.1.3 Derive Branch Cash for Accounts & Cash for Planning



Description: This process provides the accounting system with a 'derived' cash figure for each branch within the post office estate. It is designed to ensure that a more robust cash figure is available each day for both the accounts and SAPADS. The system will gather the data from all stock units within the branch, and output these figures as a total branch figure.

As a result of running this process SAPADS will receive the derived figure along with the currently declared ONCH figures, and should enable them to more accurately plan cash deliveries to the branches.
Triggers: Scheduled automated run.
Frequency of operation: It is anticipated that this process will be run once, at the end of every business day.
Volumes: 1 file per branch, per run
Automation: This process would be fully automated, and would run at the end of each day, as part of the end of day process.
Locations: To be performed at all branches where the Horizon system is available
Input requirements at the WP boundary: Branch cash opening figures and usage figures will be required for this process to function.
Output requirements at the WP boundary: The process outputs the following information;

- A derived cash figure for each branch for use in POL financials. (may be a cash movement figure, as oppose to a total figure)
- A derived cash figure for each branch, for use within cash planning.
- A declared cash figure for each branch which have made complete declarations.

Time Constraints: Must be within POL financials and SAPADS at the start of business the next day.
Fall back procedures: Should there be a communications failure with a branch, the figure derived the previous day should be used. If the derived figure fails, and there is no communications failure, the same should apply for the accounts, however, if a branch has completed the daily ONCH figures, SAPADS could use this figure for its cash planning activity.

POL00038866

6.5.1.4 Summarize Transaction Data

Description: This end of day process summarises all the transactions performed at the branch throughout the business day, and would then output the Ledger Entry Information. The ledger entry information will be defined as part of the detailed requirements analysis. This is really an enhancement of the current process, which summarises the transactions from the branch, and compares the data to that of the previous day, for reconciliation purposes.
Triggers: Scheduled automated run.
Frequency of operation: It is anticipated that this will run once per business day
Volumes: 1 summary per branch
Automation: This process would be fully automated, and would run at the end of each business day, as part of the end of day process.
Locations: To be performed at all branches where the Horizon system is available.
Input requirements at the WP boundary: The information that flows into this process are;

- Cash centre transaction data
- Stock holding information
- Pouch delivery confirmation
- transaction data
- branch cash holding
- stock revaluations
- stock adjustments
- cash centre cash holdings
- cash adjustments
- cheque and voucher values

Output requirements at the WP boundary: The process outputs the following information;

- Ledger entry information.

Time Constraints: None
Fall back procedures: Should the end of day process not run at a branch due to the terminal being switched off, the process would not run until the next end of day process. the information would then be retrospectively fitted to the correct accounting days reports. Details of the non-polling outlets are held within Fujitsu's domain, and may be used for information.

POL00038866

6.5.1.5 Cash Centre Cash Management

Description: This process is the day to day cash handling process. The process will take the information fed to it, and output transaction data and cash figures for the accounting function. The process will also output the consignment notes for transmission to the branches
Triggers: There would be some manual interaction to produce the consignment notes, as any planned order changes would need to be manually input. Automated interface at the WP boundary.
Frequency of operation: This is a continual process leading to an interface at the WP boundary.
Volumes: TBC
Automation: There will be the need for some manual interaction, which will be defined as part of the detailed requirements analysis.
Locations: All cash centres
Input requirements at the WP boundary: The information that flows into this process are;

- Pouch Delivery Confirmations.
- Pouch Collection Confirmations.
- Cash receipts.
- Cash from Financial Institutions.
- Cash Orders.
- Cash Forecast and Holdings.

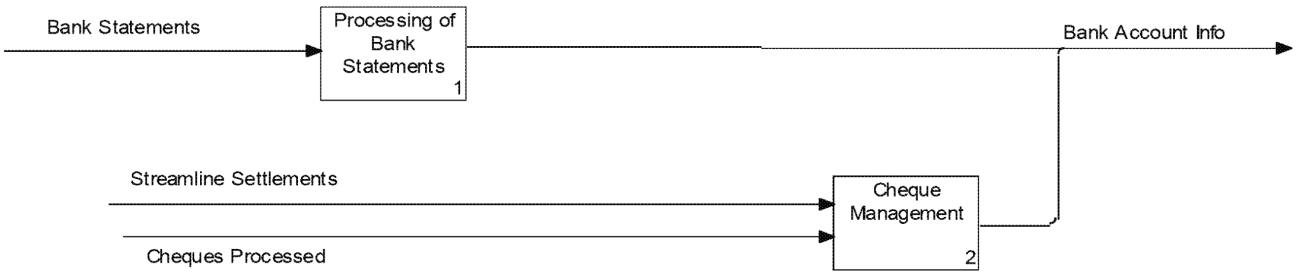
Output requirements at the WP boundary: The process outputs the following information;

- Cash Centre Transaction Data.
- Cash to Financial Institutions.
- Cash Holdings.
- Pouch delivery Confirmations.
- Consignment Note.

Time Constraints: None
Fall back procedures: ?

6.5.1.6 Process – Bank Accounting

The process diagrams below show where this process is within the process model:



Flow Chart - Diagram A4851

Description: This process aims to capture all transactions contained in the Bank Statements into POL Financials.

POL00038866

Bank Statement processing

The initial assumption is that POL only used one bank account , however after the initial requirements gathering exercise it has been established that POL uses at least 5 different accounts . The Banks so far identified are the Bank of England and the Co-Operative Bank.

Business processes for each of these accounts are completely different in the way they are processed, in most cases for legitimate business processes, even if the use of the account itself has transactions of a similar nature e.g. Client settlement.

Within this process the transactions on the Bank Statements are reconciled to the ledger entries in the Bank accounts and any further entries required are journalled manually into the ledgers as required.

Cheque Management

Cheques are logged as a method of payment during the counter session. The cheques are counted and the value noted and these are 'Remmed Out' to the Centre on an agreed periodicity. When the cheques are 'Remmed Out' a message is sent via the Horizon system and the Transaction Management System (TMS), which results in a posting to the financial system (SAP). The summarisation for cheques sent to the centre is recognised as a special transaction and will be treated as such when creating the follow on postings to SAP.

The main steps of the proposed process are :

1. The cheques are remmed out of the branch to the centre
2. The cheques are sent to EDS who clear the cheques on behalf of POL
3. EDS inform POL of the cheques – quantities and values which have been presented to the bank
4. The bank statement is received with the cleared cheques.

Further detailed analysis is required , to tie up the entire process from Counter to EDS and SAP Financials.

Streamline Settlements

Debit Cards are used in certain Branches to pay for transactions i.e. DVLA. This is captured into Horizon at the Counter and submitted to POL Financials via the TMS interface.

The current point of discussion is the treatment of this transaction. Currently it is being treated as cash, when in fact the monies are not physically transferred into POL's account until the next business day.

The requirement is to show the Streamline amount in process in the ledger until the amount is cleared by Streamline in the form of a payment into POL's bank account the following day. The processing of the bank statement will be offset against the unpaid Streamline transactions. This will enable POL to have a constant and daily view of the outstanding funds from Streamline and provide forecasts to Cash Planning based on actual data.

Development of Horizon Transaction Management systems is required.

Further detailed analysis is required, to ensure business is in agreement with proposed process including the reconciliation between Streamline and the Banks, Streamline (Emus File) and the Fujitsu Systems of "DRS and EPOS" , error management process arising out of differences in this E2E process as well as the clearing of Streamline debt within POL FS arising out of Bank Statement processing.

Potential sources of errors are:

1. Fujitsu Domain
2. Streamline
3. PO Counters

POL00038866

4. POL

- Streamline – Foreign Exchange Process

Main points around process :

- Customer pays for Forex using debit card
- Only used at approximately 700 Branches
- Currently deemed to be a Cash Transaction

There are 2 bank accounts relating to Bureau and non-Bureau transactions for Streamline.

This process although identified needs to be reviewed and agreed in its entirety, as the flow of information is a new process with regard to Bureau.

- Pre – Ordering of Foreign Exchange via 1st Rate

Main Points around process:

- Customers Pre Orders Forex
- Zip Zap File sent to 1st Rate
- 1st Rate deliver stock to Branch and process debit card transaction
- Counter deliver Forex to customer

- Other Debit Card Transactions

- TP do some central debit card transactions for bounced cheques where they ask for payment over the phone. These will be settled in the same way via the bank account.

More detailed analysis is required to establish details of any other Debit Card transactions.

Further detailed analysis is required for total process.

Triggers: Receipt of Bank statements, Cheque processing information from Horizon and EDS, Streamline settlement information.

Frequency of operation: Daily/Weekly processes.

Volumes: Unknown, this to be confirmed through detailed requirements analysis.

Automation: Manual processes.

Locations: Performed centrally at POL Finance, Cashiers. There is a similar process required in the Cash Centres for Bank account reconciliation and processing and this information will be captured in POL FS via the nightly feed from SAP ADS to POL FS. In this case the Cash Centres have 2 banks each – one commercial bank account and one Girobank account.

Input requirements at the WP boundary:

- Bank Statements from the banks.
- Streamline Settlements
- Cheques Processed via Horizon and EDS (external)

Output requirements at the WP boundary: Reports, which may be required. Bank account information.

Time Constraints: Receipt of Bank Statement and other information required to carry out this process.

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Fall back procedures: Manual process. No fallback.

6.5.1.7 Process – Produce Borrowings and Investments Ledger

The process diagrams below show where this process is within the process model:

Flow Chart - Diagram A487

Description:
This process is required in order to input the necessary information to produce the Borrowings and Investments Ledger from the POL financials.

The Treasury function is managed by Royal Mail Group currently but would eventually be moved to POL. The requirements reflect the move of the Investment and Loan reporting into POL FS but not the management of the Treasury function.

The following accounts are required in the POL FS COA to enable journal entries to be made on a daily basis to reflect the Investments and Loans in POL. These need to be a visible split by Business and Client funds.

The business balances are not funded by the DTI – this is why there needs to be visibility between the 2.

There is no automatic feed from group to POL.

The accounts required are as follows:

Deposits
- DTI Loan Surplus
- Money Market Fund
- National Loan Fund
- Debt Management Office
- Local Authority Deposits
- Gilts

Loans
- DTI Loan
- Client/Business (Intra business funds movements – **TBC**)
- Bank Loans
- Royal Mail Surplus

There may be more P&L accounts required to reflect the change in information logged in POL FS – further analysis required at the detailed analysis phase for Rel 1.
The interest calculation within POL FS is not required at the moment.

Triggers: Information received from Group Treasury.

Frequency of operation: Daily.

Volumes: Up to 1-10 journals per day **(TBC)**.

Automation: Manual process.

Locations: Performed centrally at POL Finance.

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Input requirements at the WP boundary: Information received from Group Treasury – **Spreadsheet (TBC)**

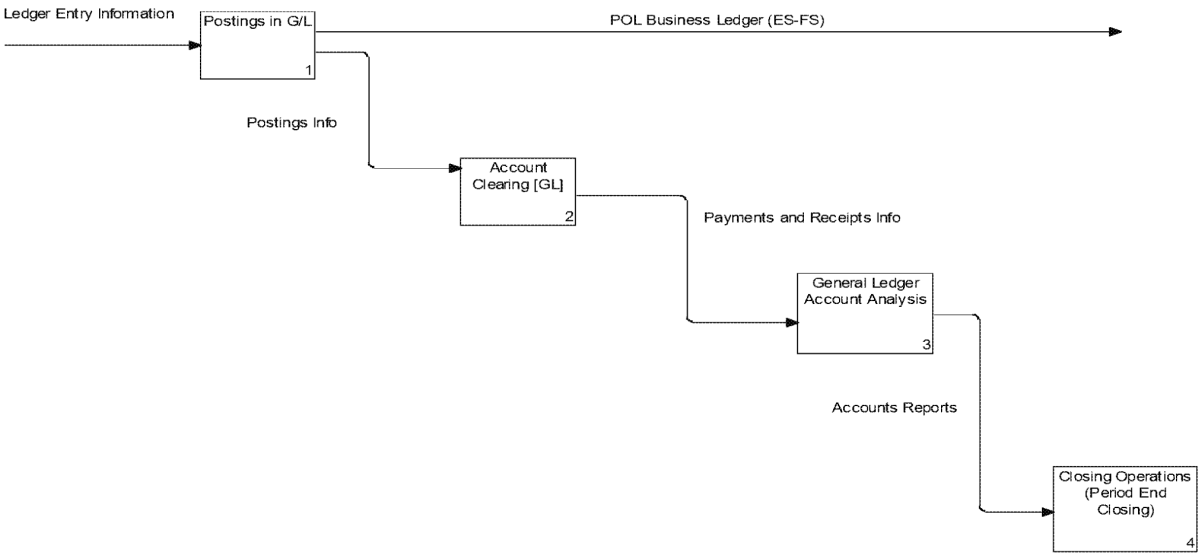
Output requirements at the WP boundary: Reports, which may be required. Feed to ES-FS of closing ledger balances at month end.

Time Constraints: None.

Fall back procedures: Manual process. No fallback.

6.5.1.8 Process – General Ledger Processing

The process diagrams below show where this process is within the process model:



Flow Chart - Diagram A4852

Description: This process aims to capture all transactions relating to manual adjustments of the ledgers to establish the final reporting position for POL FS. The process involves reviewing various accounts periodically and doing the necessary investigations to make the journal adjustments where required. The periodicity varies with the type of account under review.

This process also covers the running of automatic matching processes before the review of certain accounts e.g. Cash in Transit.

Cash In Transit

Visibility of Cash in Transit by Pouch/Coin Bag is required within POL FS. The matching of receipts from Cash Centres with despatches from Branches and vice versa is required. The automatic matching of these transactions should be available in the ledger such that the ledgers can be used to investigate potential theft/fraud.

Cash reporting

The balances of Cash by branch/cash centre should be available in order to investigate where there may be an opportunity to reduce the amount of cash at the branches.

Triggers: Periodic review of POL Ledgers to ensure that the accounts reflect a true view of the current status.

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Frequency of operation: Daily/Weekly/Monthly reviews depending on the accounts being reviewed.

Volumes: Unknown, this to be confirmed through detailed requirements analysis.

Automation: Manual processes.

Locations: Performed centrally at POL Finance.

Input requirements at the WP boundary: Bank Accounting information plus the Ledger Entry information from the Branches and the Cash Centres.

Output requirements at the WP boundary: Reports, which may be required. Feed to ES-FS of closing ledger balances at month end.

Time Constraints: The ledgers should have been updated with all the automatic feeds in order to be reviewed. The constraints are therefore dependent on the automatic flows being updated.

Fall back procedures: Manual process. No fallback.

POL00038866

6.5.2. Information Flows

6.5.2.1 Flow – Pouch Delivery Confirmation to Branch

Description:
This remains the same as is.

This is the pouch delivery confirmation of a remittance of cash into the Branch.

This interface contains:

- Consignment delivery ID – unique identifier by delivery
- Date and time of delivery
- Transaction date and time
- Pouch ID

Nature of interface: Automated as per AIS BPDES023.

How many instances of the interface are likely to exist:

Frequency of use:

Data volumes:

Time Constraints:

Fall Back Procedures:

Security risks:

6.5.2.2 Flow – Ledger Entry Information

Description: This flow carries information of the transactions processed and summarised through TMS into the POL FS. For release 1 the transactions required to be processed are as follows:

- Cash transactions sourced from the Branches via Horizon (including corrections to cash due to discrepancies flowing from Branches via TMS). The information required in this flow includes:
  - Cash at branch summarised from the end of day cumulative transactions
  - Cheques at branch showed on a separate line
  - Cheques sent out of the branch to the centre to enable the transaction in the ledgers to transfer the balance to EDS processing account or into an interim account dependent on what information is available throughout the cheque handling process
  - Commemorative coins are treated as stock when reported from Hemel or Branches and Cash when reported from the Cash Centres.
- Cash Centre Transactions:
  - Movements at cash centres relating to the 'Cash Ledger' accounts specified in appendix A. This should be summarised (unless the volume of data is not excessive to the extent that the ledger can accept transaction level information – ***Volumes TBC BC***) The data should be sourced from the end of day transactions on SAP ADS to produce Cash Centre updated balances per relevant account in the POL FS totals. The cut off point for the end of day has not yet been defined. NB: The split of notes and coins is not required to flow to POL FS – this will be handled in SAP ADS.
  - Cash pouch information, for remittances into cash centres, by pouch number to be transferred by transaction to POL FS to enable matching within the ledgers
- Cash in transit transactions sourced from the LFS messages created in Branches and in the Cash Centres ***(Sourced from SAP ADS outbound interface – consignment note)***

POL00038866

- Cash pouch information, for remittances out of cash centres and branches, by pouch number to be transferred by transaction to POL FS to enable matching within the ledgers
- Coin bag information by value and by barcode number ***– whether this detail is captured for bags dropped at coin depots is still TBC – BC***

- Streamline data from external (Assumed Manual)
  - Matched data to be journalled into cleared cash at bank
  - Discrepancies to create an appropriate entry in the POL FS
- Foreign Currency information
  - Foreign currency to be reported by branch in sterling
  - There is a requirement to report FX in transit ***– to be confirmed how this is captured. (TBC)***
  - Foreign currency to be reported by stock management centre (Hemel) - this is currently reported using a cash account on a weekly basis from Hemel. This feed would need to be capture and fed to POL FS.
- ATM information
  - ATM notes for Cashtek in Transit required to be reported separately in the ledgers
  - Girobank ATM Bank Notes required to be reported separately in the ledgers
  - There is no requirement to report Branch ATM balances on a separate account in the ledgers

The content of the interface depends on the reporting requirement from the POL FS. ***Further analysis is required to confirm most of these requirements in more detail.***

Nature of interface: Automatic interface, which creates IDOCS, which post transactions/documents in the POL FS that, contributes to the information required to produce the POL Ledgers, using a single stream of data from Horizon and other sources.

How many instances of the interface are likely to exist: If each type of flow of information is regarded as an instance there will be several instances producing several types of IDOCS in the POL financials in order to produce the complete POL Ledgers. For release one the number of instances of this interface are less than for release 2 when the Client, Branch and Agent Ledgers will be produced in more detail.

Frequency of use: Daily overnight. The cutoff times for end of day in the branches will determine at what point the flow is triggered from the Branch to TMS

Data volumes: ***Unknown, this is to be confirmed through detailed requirements analysis.***

Time Constraints: Known constraints are the volumes of data being processed. Increasing the processing power of the servers can mitigate the time constraints, however this has a hardware cost implication. ***This will be confirmed through detailed requirements analysis***

Fall Back Procedures: This flow is the crux of the ledgers being produced using a single automatic stream of data via the TMS. There is no fall back position to this flow. Resilience needs to be built into the system in order that the interface can be recovered as quickly as possible.

Security risks:
The risks involved in this data flow are high because of the complexities involved. The fewer the variants in terms of differences in treatment between different types of data the more easily mitigated these risks will be. There will be a certain level of matching of summarised totals within the TMS for some of the data flows.

There is also the possibility that attempts to create transactions in SAP may fail due to a change in the source data, which has not been carried forward into the logic of the interface. It is critical for the reference data updates to be done in a timely manner in order that these transactions do not fail for that reason.

Further analysis of the process required before all risks are identified and a solution agreed.

6.5.2.3 Flow - Streamline Settlement

Description: This flow carries information of the Streamline settlements of Branch transactions to POL Financials. In release 1 this will be fed into both CBDB and POL FS.

Key Components of process:

[DATE \@ "dddd, dd MMMM yyyy"]

POL00038866

1. Debit Cards transactions at Branch flowing into TMS and into POL FS as a debtor through the main Transaction Data flow (not necessarily aligned to trading day)
2. Tracking of outstanding payments through to Clearing and Matching in TMS.
3. Tracking of End to End process in SAP Financials, including the handling of reconciliation differences identified in the TMS matching process. ***Reconciliation errors are currently identified in DRS (TMS in the future) and passed to TP. TBC. Ann Clarke. NB the future process needs to include the clearing of TMS as well as POL FS.***

This flow is the external settlement data flow of information from Streamline which results in the matching of transactions in TMS (step 2) and a resulting log of reconciliation differences produced by the TMS and processed manually into the financials (step 3).

This therefore indicates that this process and flow needs further definition before confirming the required flow of information to the ledgers/TMS from external sources i.e. Streamline.

Nature of interface: Manual currently with information flowing simultaneously into DRS and Central Cashiers, ***further analysis required – this flow may only be required to flow into the TMS process, in the future, rather than direct into the POL FS and we may not need to change from the current flow. Additional TMS summarisation may be required to handle the discrepancies into the ledgers.***

How many instances of the interface are likely to exist: Though this data must flow from Streamline and is currently in place to do the matching for all transactions in the Banking process, the implementation of the TMS system would channel this flow to one consistent route from Streamline for all outlet transactions. Matching against Branch transactions are carried out in DRS/TMS.

Frequency of use: Daily (working days – 5 days assumed)

Data volumes: One value daily.

Time Constraints: Information received by 3pm from Streamline. Reconciliations received by 8am the same day (before Streamline data flows in).

Fall Back Procedures: N/A

Security risks: The matching of Streamline Debt against actual payments is something that is currently done outside the Financial System and how we manage this in future may reduce the time taken in the matching process, however the level of detail required may mean that at this stage the Clearing process is done on a daily basis total rather than at branch level. ***The process of matching in the POL FS will need to be agreed.***

Further analysis of the process required before all risks are identified and a solution agreed.

6.5.2.4 Flow –Cheques Processed

Description: This flow carries information of the Cheques Handled by EDS and submitted to the bank.

Key Components of the overall process:

1. Cheques are sent from branch to EDS
2. EDS submit cheques to bank and sends information to POL at this point
3. Cheques are cleared at the bank and the bank statement, showing cleared cheques is sent to POL and processed. This can be seen as a separate flow.

This flow is expected to come in either as an Excel file or on paper and will be manually analysed and journalled into POL FS as required.

Nature of interface: Manual – the detail is not yet finalised dependent on the nature of the information coming from EDS if any. ***TBC (expected to be as with current flow in Data Central – daily summary by day e.g. Day A vs Day B)***.

How many instances of the interface are likely to exist: We would expect this to be a single communication from EDS.

Frequency of use: Daily ***(5, 6 or 7 days to be confirmed – assume 5?- Marie Cockett)***

Data volumes: ***Unknown, this to be confirmed through detailed requirements analysis.***

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Time Constraints: ***Unknown, this to be confirmed through detailed requirements analysis.***

Fall Back Procedures: N/A

Security risks: The ability to track the process of cheque handling from end to end is vital and would substantially reduce the ability of cheques dropping out of the system either due to error or fraud. The risk associated with this flow is minimal as it is information regarding cheques being presented to the bank. It is information for tracking and matching only.

Further analysis of the process required before all risks are identified and processes established to manage risk.

6.5.2.5 Flow – Bank Statements

Description: This flow carries information of the Bank Statements to be processed in Central Cashiers department.

Key Components of the process:

- Bank Statement processing into the ledgers

The bank transaction details will flow through from the banks as is currently the case. The information will be used in analysing and journaling transactions onto the ledgers as well as matching transactions cleared through the banks with control accounts such as cheques. The content of the information in this flow is determined by the bank and will be used for a manual process as is the current requirement.

Nature of interface: Manual, but ***much more detailed requirements analysis is required to confirm the detail of this data flow e.g. journal voucher types.*** NB this will need to be replicated into CBDB/ES-FS as well during the implementation of Release 2.

How many instances of the interface are likely to exist: At least five***, but further detailed analysis is required***

Frequency of use: Daily or weekly

Data volumes: Unknown, ***this to be confirmed through detailed requirements analysis***.

Time Constraints: Volume of transactions against staff numbers, and timely receipt of Bank Statements

Fall Back Procedures: N/A

Security risks: This is an SAP internal process therefore the new process will not reduce any risk that exists in the current process. The current risk is all business risk with regards to transmission of bank statements to POL on an open fax line and ensuring that there is sufficient segregation of duties in the Finance department.

6.5.2.6 Flow – Branch Cash Holding for Cash Planning

Description:
This is the Overnight Cash Balances report from Branches to Cash Centres. This information will be used for the stock planning of cash in the cash centres.

There is a current interface in place which will need minimal change.
The interface contains:

- The optional declared position at the denominational level
- Derived position at the total cash level (this is the additional information)

Nature of interface: Automated as per AIS BPDES023 with minor amendment. There is a separate record by denomination so the additional information will flow as an additional record with a special flag to differentiate it.

How many instances of the interface are likely to exist:

Frequency of use:

[DATE \@ "dddd, dd MMMM yyyy"]

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Data volumes:

Time Constraints:

Fall Back Procedures:

Security risks:

6.5.2.7 Flow – Cash Centre Cash Holding Information

Description: This flow carries information of the relevant transactions or summaries to POL FS via TMS from the Cash Centres.

- Cash Centre Transactions:
  - Movements at cash centres relating to the 'Cash Ledger' accounts specified in appendix A. This should be summarised (unless the volume of data is not excessive to the extent that the ledger can accept transaction level information – ***Volumes TBC BC***). The data should be sourced from the end of day transactions on SAP ADS to produce Cash Centre updated balances per relevant account in the POL FS totals. The cut off point for the end of day has not yet been defined. NB: The split of notes and coins is not required to flow to POL FS – this will be handled in SAP ADS.
  - Cash pouch information, for remittances into cash centres, by pouch number to be transferred by transaction to POL FS to enable matching within the ledgers

The content of the interface depends on the reporting requirement from the POL FS. There is requirement to hold 'client' information on these transactions for release 2. If this interface can be addressed in release 1 for both sets of requirements this would be the preferred way forward. ***Further analysis is required to confirm most of these requirements in more detail.***

Nature of interface: Automatic interface, which creates documents in POL FS that contribute to the information required to produce the POL Ledgers, using a single stream of data from Cash Centres.

How many instances of the interface are likely to exist: This will be one interface from SAP ADS via TMS to POL FS.

Frequency of use: Daily overnight. ***Time schedule TBC***

Data volumes: ***Unknown, this is to be confirmed through detailed requirements analysis.***

Time Constraints: Known constraints are the volumes of data being processed. Increasing the processing power of the servers can mitigate the time constraints, however this has a hardware cost implication. ***This will be confirmed through detailed requirements analysis***

Fall Back Procedures: Manual journal if summarised, however if all transactions are sent to POL FS then this is not an option. In this instance there is no fall back position to this flow. Resilience needs to be built into the system in order that the interface can be recovered as quickly as possible.

Security risks:

The risk involved in this data flow is corporate fraud.

There is also the possibility that attempts to create transactions in SAP may fail due to a change in the source data, which has not been carried forward into the logic of the interface. It is critical for the reference data updates to be done in a timely manner in order that these transactions do not fail for that reason.

Further analysis of the process required before all risks are identified and a solution agreed.

6.5.2.8 Flow – Branch Consignment Note

Description:
This remains the same as is from the Branch to the Cash Centre.
[DATE \@ "dddd, dd MMMM yyyy"]

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This is the pouch collection confirmation of a remittance of cash out of the Branch.

This interface contains:
- Branch FAD code
- Collection ID (for a number of pouches)
- Collection Date and Time
- Pouch ID
- Pouch content
  - Item ID
  - Qty
  - Value etc.

There are currently 2 events (which may have a time lag)
- The Rem out – this currently updates financials via the cash account
- The collection at which point the record gets created for transmission to SAP ADS

The preferred option is the rem out would transfer to a dummy stock unit (within Horizon) and then transfers to financials at the point of collection.

Nature of interface: Automated as per AIS BPDES023.

How many instances of the interface are likely to exist:

Frequency of use:

Data volumes:

Time Constraints:

Fall Back Procedures:

Security risks:

6.5.2.9 Flow – Planned Orders

Description:

NB: This will remain as is.
File contains details of the planned delivery to the branches.

- By order – next order only
- What, by denomination
- When
- Text format

Nature of interface: Automated interface. Electronic file. Automated as per AIS BPDES023

How many instances of the interface are likely to exist: One

Frequency of use: Once per night.

Data volumes: Ave = 3200 transactions/planned orders per night

Time Constraints: To be received by Horizon by 6am and counter by 8am.

Fall Back Procedures: If no planned order received by day before delivery is due – the Branch calls the cash centre.

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Security risks: The risk is that if this information is captured for fraudulent purposes this could result in the delivery being intercepted and lost. The security of this interface is critical to the safety of the delivery. All messages are encrypted and the link between data centre and SAP ADS is encrypted.

6.5.2.10 Flow – Consignment Note

Description:
Contains actual delivery details which are picked and packed and sent to the Branch.

Consignment note – Electronic notification of the actual POL delivery details (per pouch)

Contains details:
- Value by denomination
- By pouch – unique barcode number
- Branch ID
- Cash Centre ID

NB If this interface is to be used for the feed of CIT information to the financials, then the Cash Centre information is required on this message. The alternative is that there is a change in the way CIT is accounted for in SAP ADS.

Nature of interface: Electronic (LFS)

How many instances of the interface are likely to exist: One

Frequency of use: Regular feeds required – ***frequency to be confirmed***. This enables same day delivery. ***The cost benefit to be ascertained***. The requirement is that the message arrives at the Branch before the physical delivery.

Data volumes: As per planned orders

Time Constraints: See above

Fall Back Procedures: This is a manual process based on the physical piece of paper in the pouch.

Security risks: As per planned orders

6.5.3. User Interfaces

State the requirements of the HCI/User Interface e.g. "will provide Clerk prompts"

Ref	Requirement Description
ACM-003	The solutions should be fully intuitive such as to assist the operator in his/her operational activities
ACM - 004	Data entry should be supported by robust validation routines

6.5.4. Reconciliation

Ref	Requirement Description
ACM-005	The solutions must be fully reconcilable where there is an explicit need for this

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6.5.5. Audit

Ref	Requirement Description
ACM -006	The solutions must meet the auditing standards required by Post Office Ltd both internal and external to the business

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6.5.6. Business Blueprint Implications

6.5.6.1 Strategy

The Accounting and Cash Management Programme conforms to one of the key business focuses – simplification of our processes

6.5.6.2 Organisation & Structure

There will be minimal impacts in Release 1 with the deliverables fitting into current organisation and structure. However, the new Reference Data processes will enable greater organisational flexibility than currently exists.

6.5.6.3 Customer Experience

There will be no impact on the customer experience.

6.5.6.4 Facilities & Layout

There will be no impact on facilities and layout.

6.5.6.5 Our People

There will be impacts in a number of areas:

Network – changes to processes at the branch to:
- Accept remittances into the branch through use of token technology
- Despatch remittances from a branch through use of token technology
- Depending on chosen option – more accurate recording of MOP at time of customer session

Network – changes to retail line to:
- Access management information

Network Support – changes to:
- The way Reference Data processes are delivered

Central Cash Management – changes to:
- The way cash is reported
- Information is accessed

Cash Handling & Distribution – changes at the cash centre to:
- Use more accurate cash holding information in the replenishment planning process
- The rem despatch process to deal with required token technology

6.5.6.6 Performance

There will be no impact on performance

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6.5.6.7 Process & Data

There will be changes to business processes and the data required to operate:

- New central cash management processes
- Changed processes at the branch to deal with automated remittances and cash holding declarations
- New central management information processes for the access to data
- New reference data processes to ensure the capture of data at source

6.5.6.8 Application Software

The following systems will be modified:

- Horizon
- SAPADS
- POL Data Warehouse

The following will be a new system:

- POL Financial System based on SAP
- A new reference data system

6.5.6.9 Equipment

New hardware is required to run the SAP environment.

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6.5.7. Business Risk

Ref	Requirement Description
ACM-007	It is essential that systems and connectivity have a high degree of resilience
ACM-008	Message between suppliers, Central Inventory Management and outlets must not be accessible by unauthorised individuals

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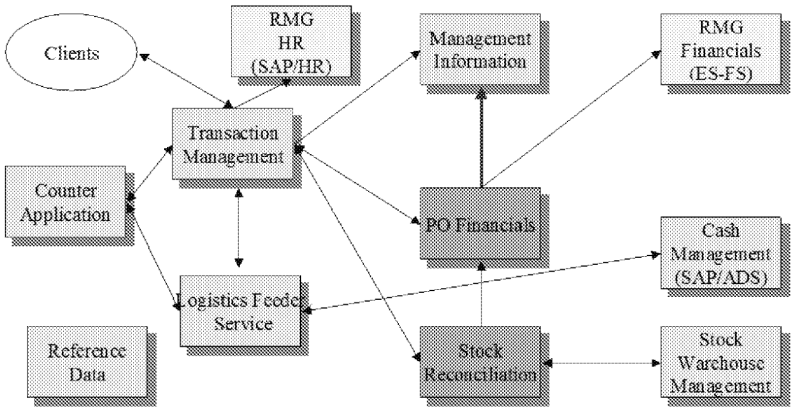
7. Programme Technical Requirements

This section should detail end-to-end architecture and provide an overview of the technical interfaces and architectural principles.

The programme will deliver the future state architecture over a series of releases, the diagram below is an overview of the end state architecture.

Target Application Architecture



The above diagram shows the high level inter connectivity within the systems, the Reference Data System feeds all of the systems shown above.
The following are new systems introduced by the programme:

- PO Financials
- Reference Data

The following are systems that will be modified by the system

- Transaction Management
- Counter Application
- Management Information
- Cash Management
- Logistics Feeder Services

The following systems will be decommissioned as a result of the programme

- LID
- STAM
- Intellect
- CBDB
- NNDB
- RDS
- WRDS
- TP small systems

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The following diagram shows a physical view of the above solution. Within the diagram the hosting domain is also clearly shown.

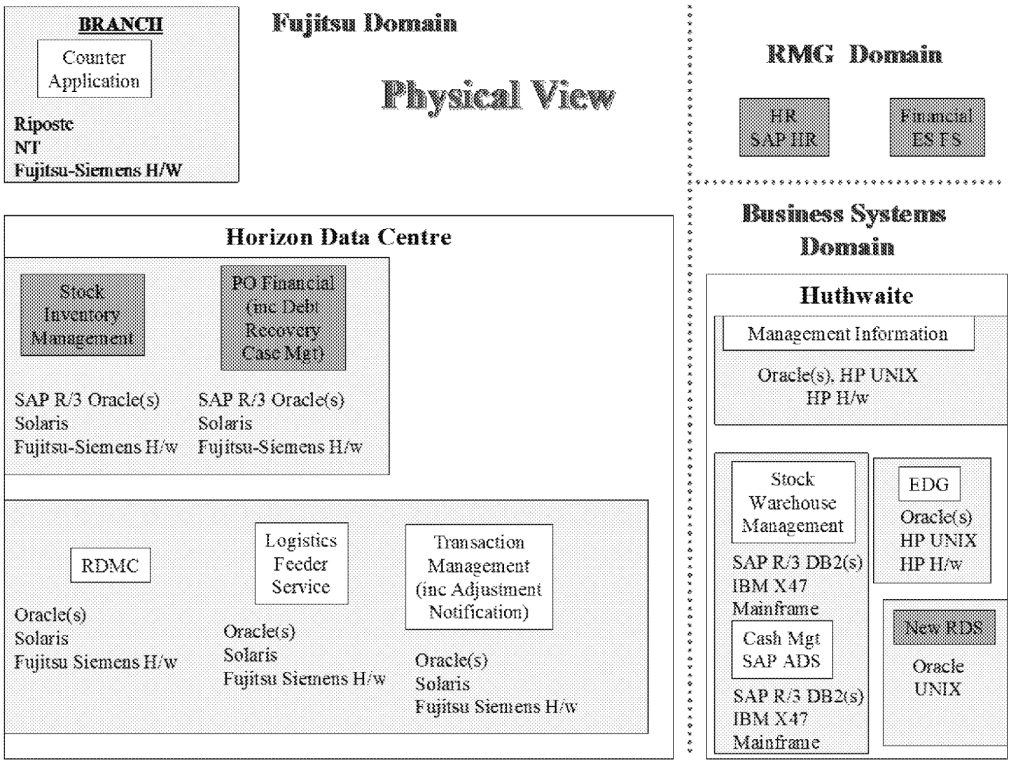

Figure 3 : End-to-End Architecture Diagram

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7.1. Architecture Principles

7.1.1. Application

Ref	Requirement Description
TEC - 001	The applications should be data driven
TEC - 002	The applications should be module 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

7.1.2. Resilience

Ref	Requirement Description
TEC - 008	It is essential that systems and connectivity have a high degree of resilience

7.1.3. Performance

Ref	Requirement Description
TEC - 009	The new systems will at least match the performance achieved by the current system

7.1.4. Communications

Ref	Requirement Description
TEC - 010	TCP/IP is the predominant and strategic data communications protocol
TEC - 011	Checkpoint Firewall-1 is the strategic firewall product.

7.2. Architecture Building Blocks

Provide descriptions of the Building blocks detailed in the above diagram.

Ref	Requirement Description
TEC - 012	Transaction Management – this system will hold transaction level information, this system will feed the accounts, Clients and MI. In addition to sending data to SAP HR.

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TEC - 013	LFS – this is the mechanism by which SAP ADS communicates with the Horizon counters.
TEC - 014	SAP ADS – this system controls the physical movements of cash around the network.
TEC - 015	Reference Data – this is a new system which supports the maintenance and distribution of reference data.
TEC - 016	Counter Application – this is the Horizon Counter terminal application
TEC - 017	Management Information – this is the POL Data Warehouse and Data Marts.
TEC - 018	ES-FS - a system managing a set of ledgers representing the full Royal Mail trading position.
TEC - 019	Stock Reconciliation - this is used to reconcile and control stock volumes across the network
TEC - 020	Stock Warehouse Management –this is used to manage the physical movement of stock throughout the network.
TEC - 021	SAP HR – this is the Royal Mail group personnel systems.
TEC - 022	POL Financial – a system managing a set of ledgers representing the full Post Office Ltd trading position. The ledgers will include accounting for branch transactions by client, and account for cash and stock.

8. Programme Security Requirements

The security requirements are as outlined in the PO Ltd IS Security approach. This assesses each component and produces a security classification. This is done where new systems are being implemented. There is no change to security requirements in the following systems:

- Counter Application (Horizon)
- Transaction Management
- Logistics Feeder Service
- SAPADS
- Group systems (eg. SAPHR, ES-FS, Stock Warehouse Management)

Security arrangements for Stock Reconciliation are to be determined.

POL00038866

Application/System Name:

POL Financial

Application Scope

	YES	NO
System freely available for use by all, including General Public	☐	☑
System available for use by Post Office Ltd/Royal Mail employees and agents only	☑	☐
System restricted to approved users only, including General Public	☑	☐

Application Type

	YES	NO
System processes personal information (as defined within the Data protection Act 1998)	☐	☑
Information processed by the system unclassified ie public domain	☐	☑
Information processed by the system classified as INTERNAL	☑	☐
Information processed by the system classified as CONFIDENTIAL	☑	☐
Information processed by the system classified as STRICTLY CONFIDENTIAL	☑	☐
System provides information to other applications/systems	☐	☑

Application Risks

	YES	NO
Is there a fraud risk?	☑	☐
Would a compromise of the system cause Post Office Ltd/Royal Mail public embarrassment?	☑	☐
Would a compromise of the system cause severe business disruption?	☑	☐
Could a compromise of the system cause legal/regulatory penalty?	☑	☐

Access Control

		YES	NO
Nature of user base	Internal Employee or agent	☑	☐
	Third Party (existing contractual arrangement)	☑	☐
	Third Party (no contractual arrangement)	☐	☑
	Public	☐	☑
What access will users have to the system?	Information Change	☑	☐
	Information Insertion	☑	☐
	Information Browsing	☑	☐
	Direct Access to DBMS / Operating Systems	☑	☐
Is personalisation of content required?		☐	☑
Can users request access to personal information about themselves held on the system?		☐	☑

POL00038866

Maintaining Data Security

Is access required by

	Individuals	☑
	Groups of users	☐

Are physical security measures low? (eg LIW, offsite workers, laptop accessors)	**YES/NO**	☐	☒
Is an access control systems available to control access to permanent data?	**YES/NO**	☑	☒
Is dial-up connectivity required?	**YES/NO**	☐	☒
Is extranet connectivity required?	**YES/NO**	☐	☒

Data transmissions	Do data transmissions occur		☑	☒
	Over untrusted networks (eg Internet)		☐	☒
	Over trusted (infrastructure) network (eg RM WAN)		☑	☒
Transmission nature	**(Many-to-many) / (One -to-one or One -to-many)**		☐	☑
Frequency	**Frequent/Infrequent**		☑	☐
Volume	**High or Medium or Low**	☐	☑	☐
Email transmissions	**YES/NO**		☐	☒
Recipients has Notes	**YES/NO**		☐	☒
Source and destination trusted?	**YES/NO**		☐	☒

Binding non-repudiation required?	**YES/NO**	☐	☒

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Systems Classification Result: SENSITIVE

tScheme Level3 Identity Validation will be required by support staff requiring direct access to DBMS or Operating System. No direct access at this level should be granted to users of applications

Standard User Identity Validation Level:

perform face to face identity checks, securely record shared secret information, and issue Single Sign-on credentials on a hardware device and publish the credentials in the Enterprise Directory.

User Access Authority:

	Update/Delete	*Insert/Read*	*Insert*
Identity Validation Required by Access Level:	Level3	Level2	Level1

Confidentiality Controls: Confidentiality Services must be provided by Access Control (Authorisation)

Data Transmission Controls:

Strictly Confidential Data should not be transmitted unless both Source and Destination are trusted.

Strictly Confidential may be transmitted over trusted (infrastructure) networks without encryption

Integrity Controls: Integrity services must be provided by Access Control (Authorisation).

Data modifications require audit logging

Read access requires audit logging

Adequate integrity controls for data transmissions can be assumed.

POL00038866

Application/System Name:

Management Information System

Application Scope

	YES	NO
System freely available for use by all, including General Public	☐	☑
System available for use by Post Office Ltd/Royal Mail employees and agents only	☑	☐
System restricted to approved users only, including General Public	☑	☐

Application Type

	YES	NO
System processes personal information (as defined within the Data protection Act 1998)	☐	☑
Information processed by the system unclassified ie public domain	☐	☑
Information processed by the system classified as INTERNAL	☑	☐
Information processed by the system classified as CONFIDENTIAL	☑	☐
Information processed by the system classified as STRICTLY CONFIDENTIAL	☐	☑
System provides information to other applications/systems	☐	☑

Application Risks

	YES	NO
Is there a fraud risk?	☑	☐
Would a compromise of the system cause Post Office Ltd/Royal Mail public embarrassment?	☑	☐
Would a compromise of the system cause severe business disruption?	☑	☐
Could a compromise of the system cause legal/regulatory penalty?	☐	☑

Access Control

		YES	NO
Nature of user base	Internal Employee or agent	☑	☐
	Third Party (existing contractual arrangement)	☑	☐
	Third Party (no contractual arrangement)	☐	☑
	Public	☐	☑
What access will users have to the system?	Information Change	☐	☑
	Information Insertion	☐	☑
	Information Browsing	☑	☐
	Direct Access to DBMS / Operating Systems	☐	☑
Is personalisation of content required?		☐	☑
Can users request access to personal information about themselves held on the system?		☐	☑

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Maintaining Data Security

Is access required by

	Individuals	☑	
	Groups of users	☐	
Are physical security measures low? (eg LIW, offsite workers, laptop accessors)	**YES/NO**	☑	■
Is an access control systems available to control access to permanent data?	**YES/NO**	☑	■
Is dial-up connectivity required?	**YES/NO**	☑	■
Is extranet connectivity required?	**YES/NO**	☐	■
Data transmissions	Do data transmissions occur	☑	■
	Over untrusted networks (eg Internet)	☐	■
	Over trusted (infrastructure) network (eg RM WAN)	☑	■
Transmission nature	**(Many-to-many) / (One -to-one or One -to-many)**	☑	☐
Frequency	**Frequent/Infrequent**	☑	☐
Volume	**High or Medium or Low** ☑	☐	☐
Email transmissions	**YES/NO**	☑	■
Recipients has Notes	**YES/NO**	☑	■
Source and destination trusted?	**YES/NO**	☑	■
Binding non-repudiation required?	**YES/NO**	☐	■

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Systems Classification Result: SENSITIVE

Standard User Identity Validation Level:

perform face to face identity checks, securely record shared secret information, and issue Single Sign-on credentials on a hardware device and publish the credentials in the Enterprise Directory.

User Access Authority:

	Update/Delete	*Insert/Read*	*Insert*
Identity Validation Required by Access Level:	Level3	Level2	Level1

Confidentiality Controls: Confidentiality Services must be provided by Access Control (Authorisation)

Data Transmission Controls:

Trusted network provides sufficient confidentiality controls for Confidential data - encryption not necessary

Integrity Controls: Integrity services must be provided by Access Control (Authorisation).

Data modifications require audit logging

Read access requires audit logging

Adequate integrity controls for data transmissions can be assumed.

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Application/System Name:

Reference Data System

Application Scope

	YES	NO
System freely available for use by all, including General Public	☐	☒
System available for use by Post Office Ltd/Royal Mail employees and agents only	☑	☐
System restricted to approved users only, including General Public	☑	☐

Application Type

	YES	NO
System processes personal information (as defined within the Data protection Act 1998)	☐	☒
Information processed by the system unclassified ie public domain	☐	☒
Information processed by the system classified as INTERNAL	☑	☐
Information processed by the system classified as CONFIDENTIAL	☑	☐
Information processed by the system classified as STRICTLY CONFIDENTIAL	☐	☒
System provides information to other applications/systems	☑	☐

Application Risks

	YES	NO
Is there a fraud risk?	☑	☐
Would a compromise of the system cause Post Office Ltd/Royal Mail public embarrassment?	☑	☐
Would a compromise of the system cause severe business disruption?	☑	☐
Could a compromise of the system cause legal/regulatory penalty?	☐	☒

Access Control

		YES	NO
Nature of user base	Internal Employee or agent	☑	☐
	Third Party (existing contractual arrangement)	☑	☐
	Third Party (no contractual arrangement)	☐	☒
	Public	☐	☒
What access will users have to the system?	Information Change	☑	☐
	Information Insertion	☑	☐
	Information Browsing	☑	☐
	Direct Access to DBMS / Operating Systems	☐	☒
Is personalisation of content required?		☐	☒
Can users request access to personal information about themselves held on the system?		☐	☒

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Maintaining Data Security

Is access required by

	Individuals	☑	
	Groups of users	☐	

Are physical security measures low? (eg LIW, offsite workers, laptop accessors)	**YES/NO**	☑	☐
Is an access control systems available to control access to permanent data?	**YES/NO**	☑	☐
Is dial-up connectivity required?	**YES/NO**	☑	☐
Is extranet connectivity required?	**YES/NO**	☑	☐

Data transmissions	Do data transmissions occur		☑	☐
	Over untrusted networks (eg Internet)		☐	☐
	Over trusted (infrastructure) network (eg RM WAN)		☑	☐
Transmission nature	**(Many-to-many) / (One -to-one or One -to-many)**		☐	☑
Frequency	**Frequent/Infrequent**		☑	☐
Volume	**High or Medium or Low**	☐	☑	☐
Email transmissions	**YES/NO**		☐	☐
Recipients has Notes	**YES/NO**		☐	☐
Source and destination trusted?	**YES/NO**		☑	☐

Binding non-repudiation required?	**YES/NO**	☐	☐

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Systems Classification Result: SENSITIVE

Standard User Identity Validation Level:

perform face to face identity checks, securely record shared secret information, and issue Single Sign-on credentials on a hardware device and publish the credentials in the Enterprise Directory.

User Access Authority:

	Update/Delete	*Insert/Read*	*Insert*
Identity Validation Required by Access Level:	Level3	Level2	Level1

Confidentiality Controls:

Confidentiality Services must be provided by Access Control (Authorisation)

Data Transmission Controls:

Trusted network provides sufficient confidentiality controls for Confidential data - encryption not necessary

Integrity Controls:

Integrity services must be provided by Access Control (Authorisation).

Data modifications require audit logging

Read access requires audit logging

Adequate integrity controls for data transmissions can be assumed.

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9. Current Phase Deliverables

9.1. Post Office™

1. Programme Conceptual Design
2. Detailed Project Conceptual Designs as a result of this document
    a. ONCH/ Automated Remittances
    b. Cash/Bank Ledgers
    c. Reference Data
    d. Management Information
3. Work Packages to suppliers

9.2. Work Packages

The following work packages will be given to suppliers

9.3. Fujitsu Services

1. Project Conceptual Design – Professional Services to assist Post Office Ltd
    a. ONCH/Automated Remittances
    b. Cash/Bank Ledgers
    c. Reference Data
2. Detailed Project Solutions Designs
    a. ONCH/Automated Remittances

9.4. PRISM Alliance

1. Project Conceptual Design – Professional Services to assist Post Office Ltd
    a. ONCH/Automated Remittances
    b. Cash/Bank Ledgers
    c. Reference Data
    d. Management Information

2. Detailed Project Solutions Designs
    a. ONCH/Automated Remittances
    b. SAPADS changes to support Cash/Bank Ledgers

9.5. Supplier to be determined

1. Detailed Solutions Designs

POL00038866

a. Cash/Bank Ledgers
b. Reference Data
c. Management Information

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10. High Level Programme Planning

10.1. Timescales

The following plan depicts the whole of Accounting & Cash Management Programme with Release 1 milestones show as based on the business case:

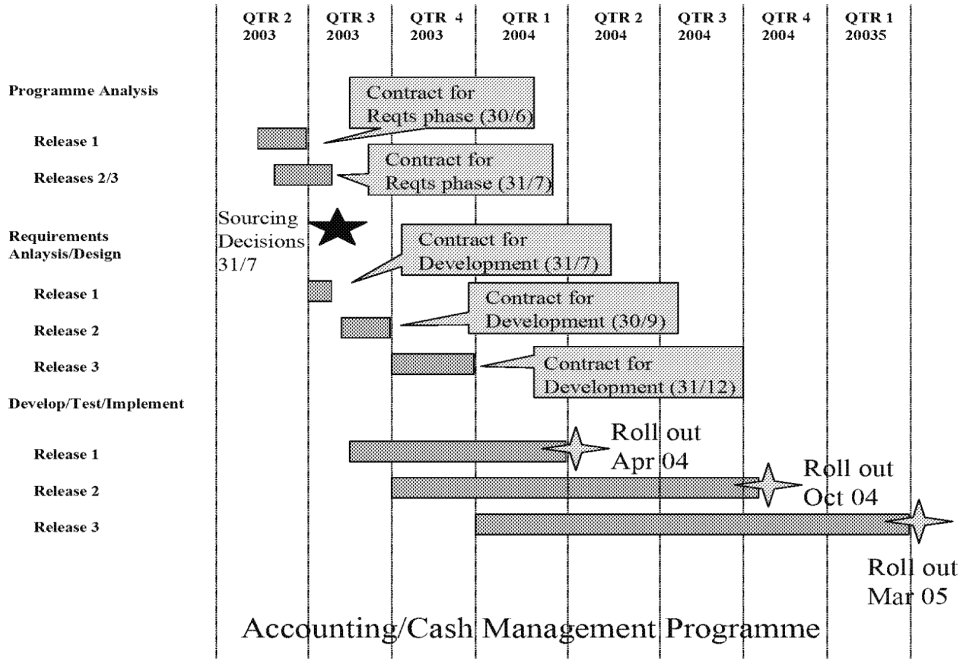

Figure 4 – Programme Plan

10.2. Dependencies

List the project dependencies both outside the project and within it.

1. The three Cash Ledger projects are mutually dependent the combination of which gives the overall visibility of cash
2. Reference Data is dependent upon having the detailed requirements of the Cash Ledger projects known
3. There is a dependency on Horizon release timescales not slipping and there being sufficient capacity in the releases at the appropriate times

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11. Programme Acceptance Strategy

High high-level set of acceptance strategy for Project/System Name should be documented here based upon the requirements detailed within this document.

Ref	Description
ACM-009	A separate work strand will be initiated which defines the acceptance strategy and the detailed acceptance criteria
ACM-010	Acceptance tests must cover: Functional and direct interface tests Non-functional tests for disaster recovery
ACM-011	Successful completion of direct interface tests between POL, Fujitsu and PRISM Alliance are required to confirm satisfactory system acceptance.
ACM-012	Where appropriate, acceptance tests may be based on the outcome of design walkthroughs.
ACM-013	Fujitsu Services and PRISM Alliance must support such validation/inspection of the design and implementation as necessary for stage testing and acceptance.

12. Programme Implementation & Migration Strategy

Ref	Description
ACM-014	A separate work strand will be initiated which focuses on business and technical migration
ACM-015	There must be integrity between CBDB and the cash ledgers during the migration period
ACM-016	Cash adjustments made in Horizon must flow through to the cash ledgers
ACM-017	Bank statements and cheques will need to be processed in both CBDB and the new system during migration
ACM-018	Reporting of cash will be via the new system but all other accounting reporting will continue via CBDB during migration
ACM-019	Existing reference data feeds need to be maintained during migration until switched over to the new source or no longer required

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Appendix A – Chart of Accounts

The following Chart of Accounts is for Release 1 only (Cash elements) and will be extended to incorporate the remainder of Release 2/3 aspects later

POL Chart of Accounts

Current Source of Data	Class Item Code	New Source of Data	New Proposed POL	Proposed Account Names, Grouped under major headings	COMMENTS ON LOGIC BEHIND CODE, AND OUTSTANDING QUERIES	[illegible]
				BANK ACCOUNTS		[illegible]
Bank Statement	CLA 0001T	Bank Statement	1	BANK OF ENGLAND		[illegible]
-	CLA 0002T	-	2	~~OTHER BANKS CHEQUES GIRO ACCOUNT~~	Account not required - PU/HP	[illegible]
Bank Statement	CLA 0006T	Bank Statement	2	DATA CENTRAL /EDS BANK ACC CLEARED CHQ - OLD ACCOUNT 0006T	See note below - Contact Person : Debbie Shirley	[illegible]
Bank Statement	CLA 0008T	Bank Statement	2A	NAT WEST CLEARED CHQS BANK ACCOUNT - NEW ACCOUNT 0008T	Are there two bank accounts for cleared cheques or just one - if two then need new code.	[illegible]
					There are currently 2 accounts, one only will remainj once migration is complete.	
					0006T is the old one 0008T is the Natwest Account in POL's Books	
Central JV	CLA 0011T	Central JV	3	DVLA UNPAID CHEQUES BANK ACCOUNT	Contact Person : Pete Jepson - TP	[illegible]
Emus File	CLA 0040T	Emus File	4	STREAMLINE BUREAU DEBIT CARD BANK ACC	Funds received from Streamline as settlement of Funds collected at Outlet for Bureau transactions	[illegible]
Emus File	CLA 0039T	Emus File	5	STREAMLINE NON BUREAU DR CARD ACCOUNT	Funds received from Streamline as settlement of Funds collected at Outlet for Non Bureau transacti	[illegible]
Bank Statement	CLA 0041T	Bank Statement	6	LOTTERY BANK FUNDING ACCOUNT		[illegible]
Horizon/SAP ADS	RFP 0007T/09T/031T	Horizon/SAP ADS	7	CASH CENTRE BANK ACCOUNTS	Contact Person : Ian Wilson/Alvin West/Luxmi	[illegible]
				PHYSICAL CASH AT SITES		
Horizon/SAP ADS	CLA 0031T	Horizon/SAP ADS	20	CASH BALANCES (Branches, CHD, ATMS, MOD)	As SH requested, includes NSF cash, though best practice would be net	[illegible]
Central JV	CLA 0033T	Central JV	21	NSF DEMONITISATION	As SH requested though best practice would be netted off 9, cash balances	[illegible]
Horizon/SSC JV	*New Account*	Horizon/SSC JV	22	FOREIGN EXCHANGE CURRENCY	Separate to enable reporting of foreign exchange	[illegible]
	CLA 0032T	JV from Finance	20A	BFPO Account	BFPO treated as another site identified by Profit Centre, will be included in Account 9	[illegible]
			23	~~Travellers Cheques~~	Was going to be travellers cheques but PU states have no value so not needed	[illegible]
				NEAR CASH AT SITES		
Horizon/SAP ADS	CLA 0031T	Horizon	30	CHEQUES AT SITES (Branches/CHD/ Secure Centres)		[illegible]
Horizon/SAP ADS	CLA 0031T	Horizon/SAP ADS	31	Other Near Cash Items	List of all other "Near cash items" still being compiled	[illegible]
				IN TRANSIT initiated in POL	This whole group enables tracking of items where POL instigates physical transfer of cash	
Horizon/SAP ADS/SSC C	RFP 0021T/28T/29T	Horizon/SAP ADS	40	CASH - notes and coin	Most rems mixed. NSF lost opportunity(Cash centre to cash centre notes) as exception report	[illegible]
Horizon/SAP ADS/SSC C	RFP 0021T	Horizon/SSC JV	41	Foreign Exchange Currency - In Transit	Separate to enable reporting as foreign exchange with code 11	[illegible]
		-	-	~~FOREIGN EXCHANGE T Cheques~~	Is now not needed per Paul U as like code 12	[illegible]
SAP ADS/Central JV	CLA 0038T	SAP ADS	42	ATM NOTES FOR CASHTEC	Separate because we need to identify in transit transaction with 3rd party	[illegible]
Horizon/Data Central	RFP 0024T	Horizon/EDS	43	NEAR CASH - CHEQUES TO EDS	Separate to enable reporting as near cash with code 13	[illegible]
				IN CLEARING	This whole group enables tracking of items where 3rd party settles to our bank a/c on their data	
Data Central	CLA 0026T/46T	Bank Statement/EDS	50	CHEQUES PROCESSED not yet settled	Separate to enable reporting of near cash with code 13	[illegible]
SAP ADS-Cash Account	RFP 0014T/15S/16T/17S	SAP ADS	51	COIN CLUB TRANSACTIONS Not yet settled	Separate for control - should clear same day and have zero balance. R2 AP/AR issue	[illegible]
	CLA 0048T	Horizon/Streamline	52	STREAMLINE BUREAU DEBIT CARD - IN PROCESS	Separate for control - should clear next day :	[illegible]
	CLA 0049S	Horizon/Streamline	53	STREAMLINE NON BUREAU DR CARD ACCOUNT - IN PROCESS	Separate to enable tracking of Streamline Non Bureau In Transit FundsFunds into separate bank a	[illegible]
TBC	RFP 0034T/35S/36T/37S	To be Agreed - R2	54	GIROBANK ATM MOVEMENTS not yet settled	Separate to enable reporting of non POL ATMs with code 17. R2 AP/AR issue	[illegible]
SAP ADS/SSC CA	CLA 0031T	SAP ADS/SSC CA	55	BRANCH/SSC/CASH CENTRES SHORTAGES AND SURPLUS SUSPENSE ACCOUNT	POL to provide further details of nature of transaction and data source for these accounts - PU	[illegible]
SAP ADS/SSC CA	CLA 0031T	SAP ADS/SSC CA	56	CASH SHORTFALL/SURPLUS SUSPENSE ACCOUNT	POL to provide further details of nature of transaction and data source for these accounts - PU	[illegible]
				BORROWINGS AND INVESTMENTS		
				Deposits		
	Not Applicable	CFF/Central JV	60	DTI Loan Surplus	Surplus funds reinvested back with DTI until maturity date	[illegible]
	Not Applicable	CFF/Central JV	61	Money Market Fund		[illegible]
	Not Applicable	CFF/Central JV	62	National Loan Fund		[illegible]
	Not Applicable	CFF/Central JV	63	Debt Management Office		[illegible]
	Not Applicable	CFF/Central JV	64	Local Authority Deposits		[illegible]
	Not Applicable	CFF/Central JV	65	Gilts		[illegible]
				Loans		[illegible]
	Not Applicable	CFF/Central JV	66	DTI Loan	What we draw down from the DTI.	[illegible]
	Not Applicable	CFF/Central JV	67	Client/Business (intra business funds movements)	Under investigation may require a Client and Business accounts both for loans and deposits	[illegible]
	Not Applicable	CFF/Central JV	68	Bank Loans		[illegible]
	Not Applicable	CFF/Central JV	69	Royal Mail Funding	Funding received/sent from RMG on a daily basis	[illegible]
				BALANCING FIGURE		
Not Applicable	Not Applicable		100	BALANCING ACCOUNT FOR R1		
				Outstanding Issues to be agreed with POL	**Notes**	
	CLA 0023T	N/A	-	~~Other Banks Cheques Encashed - Product Seized~~	Not sure why this is not covered by code 2 - account no longer required as per PU	
	CLA 0047T	N/A	-	CHX Control Account	This is covered in accounts 18 and 19 ; currently data central but EDS by Mar 04	
		Horizon	n/a	UNCLAIMED PAYMENTS - CASH AFFECTING	}Both Uc and Ur may be improved by the automated rems and be in code 14 or code 9	
		Horizon	n/a	UNCHARGED RECEIPTS - CASH AFFECTING	}If cash of a different type, may require a new code and identification at branch on till	
					Treatment of UPUR transaction still being defined	
				Missing Accounts -Non Polled Branches	POL to provide further details of nature of transactions	
		Central JV		Central Adjustments	These are just journal entries - no account required	