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Accounting & Cash Management Programme

Conceptual Design

ROLE	NAME	AREA OF RESPONSIBILITY	SIGNATURE	DATE
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1. Document Control

1.1 Document Information

Horizon Release No:	S60,S70,S80,S90 + Back End Release to be determined
Document Title:	Accounting & Cash Management Programme Conceptual Design
Document Type:	Programme Conceptual Design
Abstract:	This document details the Business, & Operational Requirements for *Accounting & Cash Management* . 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*
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	
2.1	July 2003	Inclusion of Releases 2 & 3	
3.0	Aug 2003	Including Releases 2 and3 for formal review	
3.1	Aug 2003	Minor additions	

Table 2: Document History

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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)
2.1	• Releases 2 & 3 added
3.0	• Document separated into Release 1 and Releases 2 & 3. Minor Changes made to introductory paragraphs 1 – 4 to reflect the totality of scope. Minor changes also to sections 3.3, 5.4, 5.7.2, 5.7.4, 11.1 & 11.2. Other sections are new
3.1	• Amendments to information flows – 5.7.4.1 & 5.7.4.2 • Addition of an extra dependency : no 4. • Changes to high level plan to reflect current dates

Table 3: Changes in this Version

1.5. Key Contacts

Name	Position	Phone Number
David Parnell	Business Process Architect	07889 123305

Table 4: Key Contacts

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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
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, Neil Salter, Jack MacKenzie

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.

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1.8. Abbreviations/Definitions

Abbreviation	Definition
ACT	Automated Credit Transfer
AP Clients	Automated Payment Clients
BA Funding	Benefits Agency Funding
BOE	Bank of England
B De C MIS	Bureau de Change Management Information System
BS	Balance Sheet
BTA	Brought To Account
CACH	Cheque Authority Card Holders
Capita	TV Licensing (Formerly Subscription Services Ltd)
Cashiers (FICS)	Financial Information Cashiers System
CBDB	Counters Business Database
CLASS	Client Ledgering & Settlement System
CREDO	Redirections Mainframe System
DAVROS	Settlement control system used to summarise payments
DNS	Department of National Savings
DPU (Route 3)	Data Processing Unit
DTI	Department of Trade and Industry
EDS	Card Account Interface
ES-FS	Royal mail Group SAP Financial Ledger System
FICHE	Data archiving facility
FOSACS	FOrmer Subpostmasters ACcounting System
FS	Fujitsu Services
FX	Foreign Exchange
Girobank Errors Application	Database which receives error details from client
HMIS	Helpline Management Information System
Holding Account database	Used to hold details of unresolved errors
HORIZON MIS	Horizon Management Information System
HRSAP	System which manages Subpostmaster Remuneration
Intellect	Ad hoc on-line query facility
IRIS	Used to monitor stock returned to Hemel Hempstead
Issued Errors Database	Used to track progress towards error resolution
KLASS003	CLASS download containing details of error situations
LFS	Logistics Feeder Service
LID	Local Information Database
Local Schemes	System used to record supporting document information
Lotprize	Used to record details of cheque serial numbers for prize payment
MI	Management Information
MM	Materials Management – SAP module
NBSC	Network Business Support Centre
NNDB	National Network Database
NRDS	New Reference Data System
NRM	Network Reinvention Model
OBCS IR	Order Book Control Service Inland Revenue
ONCH	Overnight Cash Holdings
OPTIP	Operational TIP
P&L	Profit and Loss
PACSYS	Pensions Administration Centre SYStem

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PIVOT	Postmaster Information on Volume Of Transactions
POCA	Post Office Card Account
POCM	Post Office Customer Management
POL	Post Office Ltd
POLC	Post Office Local Collect
POLFS	Post Office Ltd Financial System
PPOP	Payments Processing Outsourcing Project
RDMC	Reference Data Management Centre
RDS	Reference Data System
RECALL	Regional Electronic Cash And Logistics Link
RFLS	Rod Fishing Licensing System
RLM	Retail Line Manager
RMG	Royal Mail Group
RMMI	Royal Mail Management Information
Sales MIS	Sales Management Information System
SAPADS	Systems Applications and Products Automated Distribution System
SPMR	Sub Postmasters Remuneration System
SAPHR	SAP – Human Resources
STAM	System for Transaction Accuracy Measure
TMS	Transaction Management System
UKPA	United Kingdom Passport Authority
WRDS	Warehouse Reference Data System

Table 7: Abbreviations/Definitions

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

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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 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*

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2.1. Purpose

This document is intended to detail the design for the whole 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 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
Releases 2 & 3 of the programme focus on Branch Liability, Branch, Client and Stock ledger plus stock reconciliation, further management information and decommissioning of the legacy estate.

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2.2.1. Exclusions

None

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
- Management information – Neil Salter
- Sales and Marketing – Jacky MacKenzie

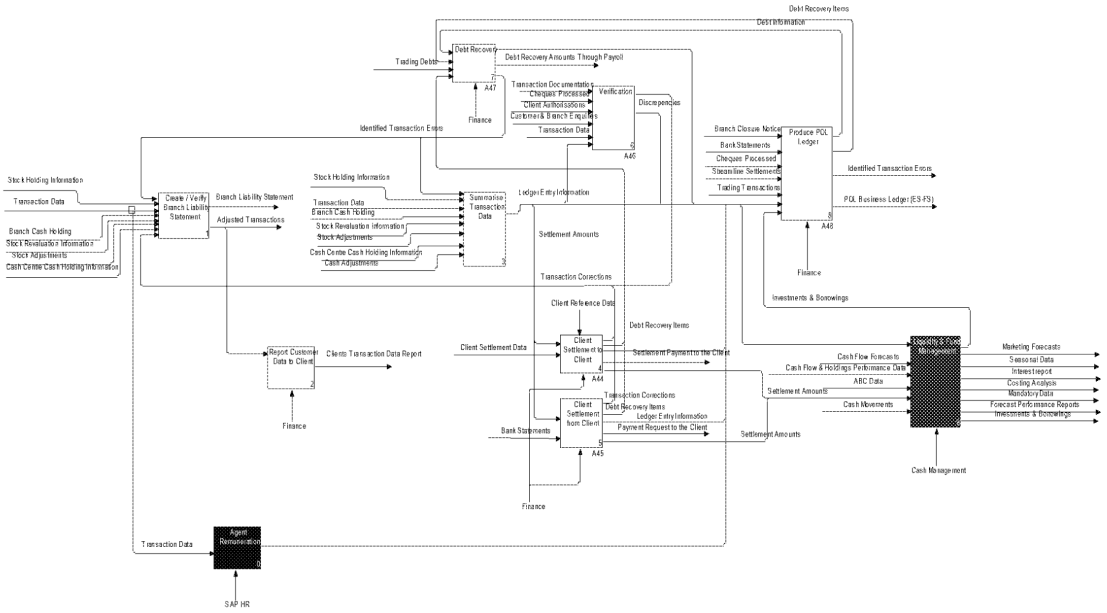
The High Level End-to-End Solution Architecture and Architecture principles should be provided by the Post Office™ Technical Architect, who should also provide the Technical Requirements and state the required Supplier Deliverables.

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]



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

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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 red are part of the overall process but deemed out of scope for this particular part of the design.

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.

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3. Programme Overview

3.1. Business Proposition

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The overall business proposition covers

- *Cash and Funds Management*
- *Branch, Client and Stock accounting – including branch liability*
- *Reference Data*
- *Management Information*
- *Decommissioning*

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:

- Cash flow
- Borrowings

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 cash flow and provide cohesive management to deliver cash flow 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 branch rather than overall cash which can include cash equivalents such as cheques.
- To be able to forecast and manage cash flow within the DTI target (£330m for 2002/03)
- To have a single, comprehensive view of cash (funds) in one place

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- To improve the integration of cash centre holdings into cash flow management

3.3. Accounting, Reconciliation and Settlement, including Debt Recovery and Branch Control

3.3.1. Scope

- Interface of data to RMG financial systems
- Management of PO Ltd Bank Accounts
- Capture, Validation, Verification and Correction of client transaction data from any channel where applicable
- Provision of validated client transaction data to int and ext recipients
- Responding to client/branch enquiries concerning transaction data
- Accounting at branches
- Branch control
- Recovering debt from branches, clients etc (inc non-transaction) debt

3.3.2. Key Priorities

- Make the identification of debt easier
- Reduce the amount of reconciliation required
- Increase the amount of debt recovered
- Put the emphasis on clients and customers to validate the data
- Simplify branch processes by reducing the amount of paper
- Centralise/consolidate agents debt
- Enable matching of cash at branches with settlement with client

3.3.3. Business Drivers/Issues

- Re-focus on Debt Recovery (financial recovery of money), target 95%
- Only 10% of discrepancies are actually debt
- Establish a central debt monitoring environment to enable the identification of debt with a high degree of accuracy.
- To report Business and Client information separately and accurately.
- To increase accounting control in branches
- Alignment of management and accounting information
- Establish an appropriate and flexible accounting hierarchy
- Performance measures of throughputs and the actual financial debt.
- Rationalise systems in place to report client and business information.
- To modify the method of recovering debt e.g. using payroll for agents.
- Enable proper accounting of cash and stock
- Improve timing, accuracy, granularity and summarisation levels.
- Avoidance of losses from remittances and client settlement
- Accounting and settlement on our data, not clients
- Manual journal documents and human intervention produce errors
- Accounting period alignment – branch Wednesday, business Sunday.
- Settlement estimating can produce positive or negative interest position
- Cash centre accounting is manual, weekly, therefore no through view from transaction to settlement.

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3.4. Reference Data

3.4.1. 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

3.4.2. 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

3.4.3. 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.

3.5. Management Information

3.5.1. 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

3.5.2. 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

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3.5.3. 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 eg. 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 eg. 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.

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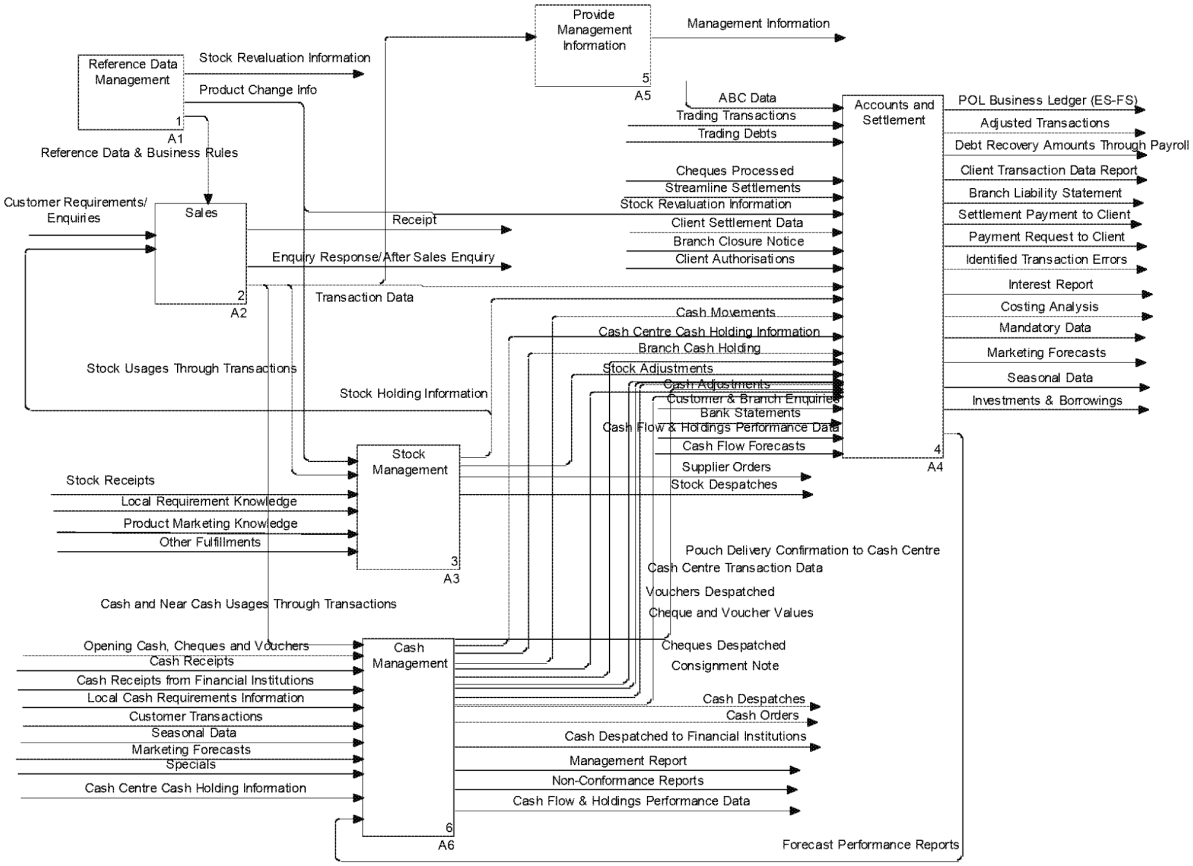
3.6. Functional Summary

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



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3.7. Systems summary

The following diagram depicts the end state architecture:

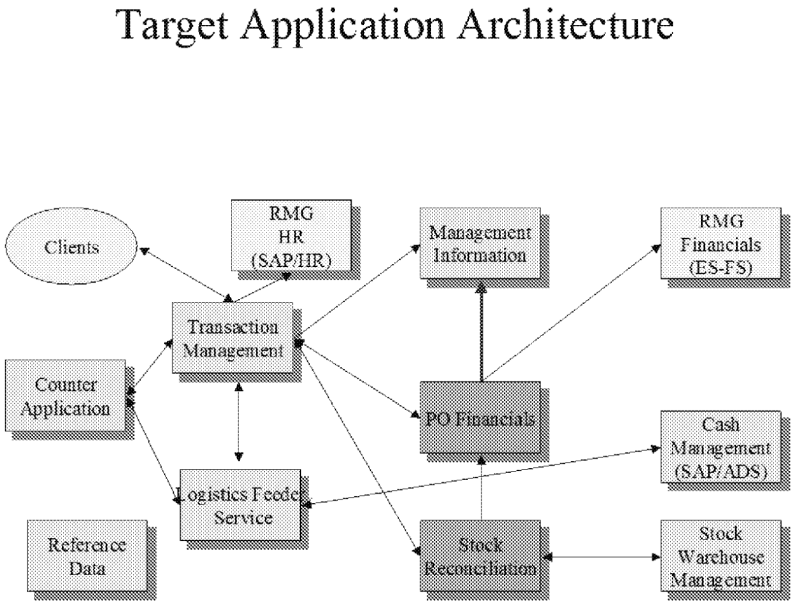

Figure 1 – End State Architecture

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

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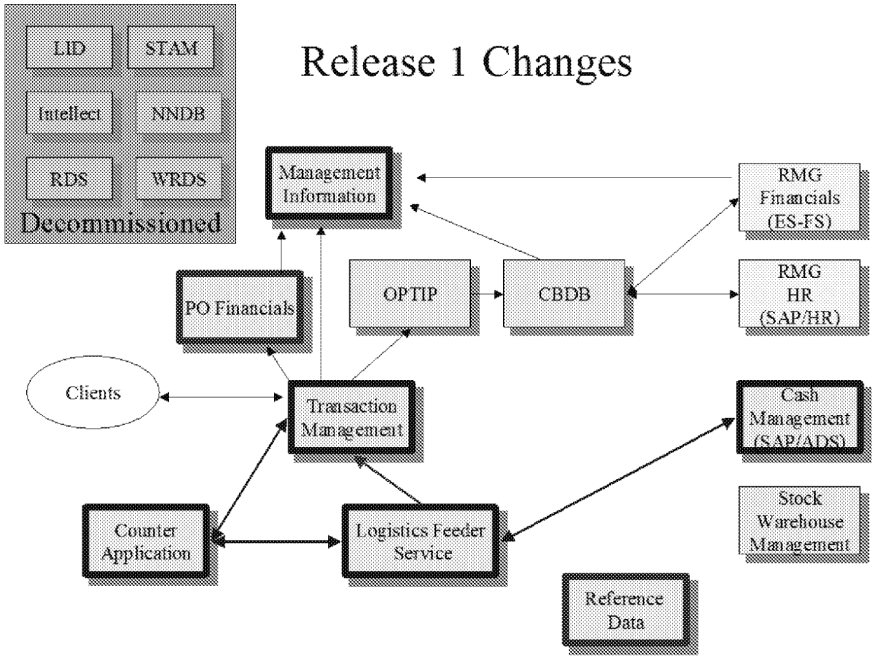
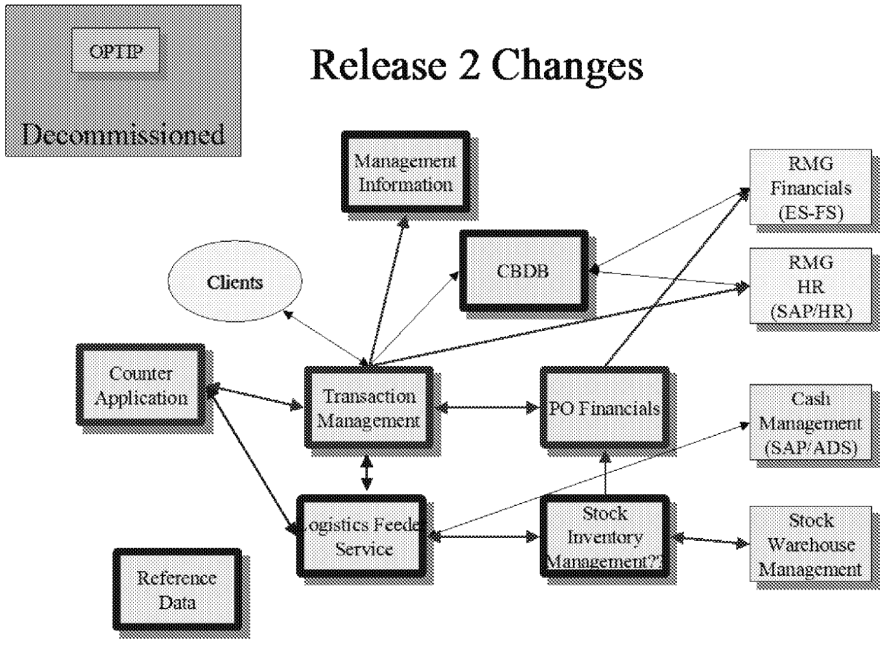


Figure 2 – Architecture at Release 1



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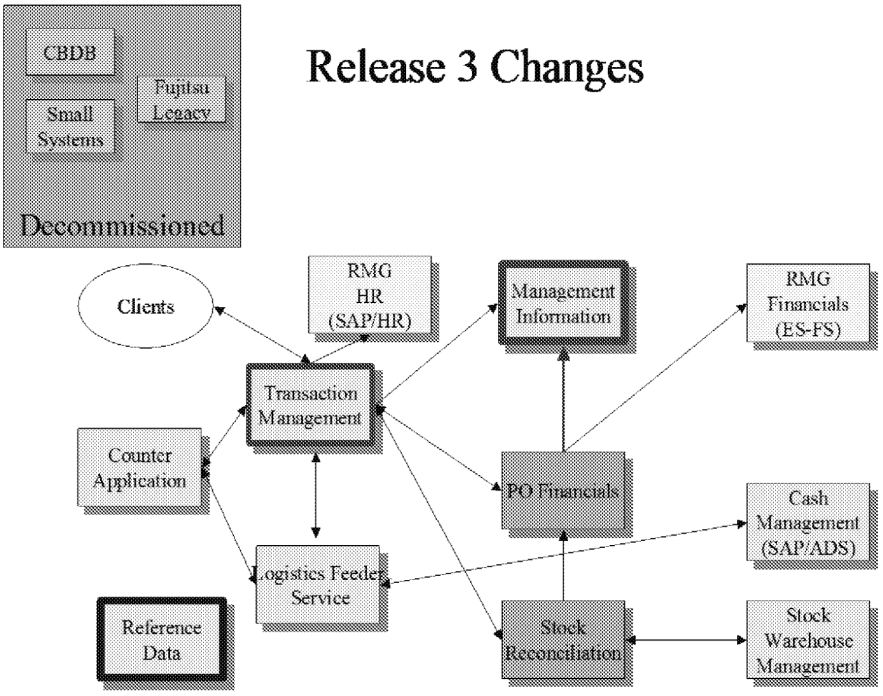

4.Programme Constraints

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

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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

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5. Design Principles

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

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5.1. Business Requirements

5.2. 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

5.3. Business Requirements – Release 1

5.3.1. 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 branch 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 generated figure.
AO 005	SAPADS to receive both daily system generated figure and daily denominational figure (if entered) – SAPADS to use the daily denominational figure as an override to the system generated figure
AO 006	Horizon to make available to the POL Financial System the daily movements which make up the system generated declaration for entry to the cash ledger. The daily movements must reconcile to the system generated cash declaration figure.

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5.3.2. 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

5.3.3. 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 branch.
AR 006	Central Inventory Management must be aware of branchs 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	Deleted
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 branchs and Central Inventory Management must be timely i.e. Delivery note should arrive at branch prior to the pouch.
AR 013	A confirmation of order details will be transmitted to the branch 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 branch
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 branch on delivery

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AR 020	The carrier's driver will be given a physical receipt from Horizon
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	Deleted
AR 024	Branches will be liable for discrepancies in unchecked orders after expiry of the checking period
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. Authorised Collectors Card
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	Deleted

5.3.4. Reference Data

Ref	High Level Requirement Description
RDH-001	To provide one new system which allows for the decommissioning of RDS, WRDS 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
RDH-005	To migrate existing data from the current reference data systems within POL to the new Reference data system
RDH-006	To migrate existing data extracts from the current reference data systems within POL to the new Reference data system
RDH-007	To support all reference data changes within the S60 release
RDH-008	To support the new reference data business process

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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.

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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.
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 rationalize the system with NSBC data bases that duplicate the same information, thereby removing the need for a separate NSBC

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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 data, such as 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.)
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 be maintained within the New Reference Data System
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 i.e. process performance monitoring

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RD-063	Access to the system will be by roles and users will be assigned to roles
RD-064	Both internal and external access will be required – eg 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
RD-067	The following interfaces will need to be migrated from the existing reference data systems to the new reference data system: 1. Feed to AP Clients (Mandatory) 2. Feed to ReCall (Mandatory) 3. Feed to RDMC (Mandatory) 4. Feed to EDS (Mandatory) 5. Feed to SAP HR (Mandatory) 6. Feed to SAP ADS (Mandatory) 7. Feed to Local schemes (Mandatory) 8. Feed to POLC (Mandatory) 9. Feed to POL Data Warehouse (Mandatory) The following feeds are also required: 10. Feed to NBSC (Desirable) 11. Feed to SPMR (Desirable) 12. Feed to NRM (Desirable) 13. Feed to Parcel Force (Desirable) 14. Feed to Pivot (Desirable) 15. Feed to National Savings (Desirable) 16. Feed to Class (Desirable) 17. Feed to RMMI (Desirable) 18. Feed to Local schemes (Desirable) 19. Feed to POCM (Desirable) 20. Feed to TIP (Desirable) 21. Feed to POL A (Desirable) 22. Feed to Regional Reference Data (Desirable)

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RD-068	The following processes as defined within the process maps need to be supported by the system. A11 Make Product Changes • Enter data Items A12 Make Branch and Organisation Changes • Initiate non-advance change • Initiate advance change • Log in branch/org. change • Perform impact assessment • Agree change • Enter data items • Send to Fujitsu A13 Reference Data Verification • Verify for completeness • Prioritise • Enter extra data items to send • Verify and authorise data • Update system • Provide reports A14 Data Verification • Perform validation and verification stage • Authorise release to live

5.3.5. Management Information and Reporting

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

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.

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MI-003	The system must be able to generate error reports, for example : {branch concerned, type of error, cash account week, number of errors of that type} from the following sources: - DVLA (around 4000 per month) (Presently supplied on paper. So details are keyed in.) "OBCS" (700 per month) (Supplied on disc.) 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.) GIRO (Around 1000 per month.) (Supplied on disc.) National Savings and Investments (although we do not currently receive data from NS&I)
MI-004	Removed
MI-005	Removed
MI-006	Removed
MI-007	Be able to supply the organization with appropriate summary details of the errors in their area.
MI-008	Removed
MI-009	To work out a notional cost for recorded errors for each branch by applying ABC.
MI-010	Removed
MI-011	Removed
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 branchs where error performance is worsening.
	LID (Mandatory)
MI-013	The business requirement is to be able to produce branch 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 branch based sales. "Notional" income. (i.e. "Income" calculated by multiplying branch value or volume of sales by a standing factor.) Network costs. Contribution. (i.e. Difference between notional income and costs.)
MI-015	It needs to be possible for reports to be able to show actual to budget or actual to plan comparisons. In addition, it must be possible to compare the results shown to the previous year.
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>CTT>Items **Client:** Market> client group> client **Network:** National Network>Executive Director> Head of Segment> Head of Area>RLM>Branch **Periodicity: (a)** Year>Accounting Period>Day **(b)** Year>Cash Account Period>Cash Account Week> Day **Branch Type** is in addition to the 4 main dimensions: (i.e. be able to analyze results into branch 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 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-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 e.g. non-polled offices.
MI-020	The system must hold for an appreciable time (35 days) a base record, compressed from the original transaction data, but still holding enough details to provide extensive and flexible analysis
MI-021	Removed
MI-022	Removed

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MI-023	Detailed (item/branch/date) historic data will needed to be available for at least 12 months. Summary level data may be held for up to 5 years.
MI-024	The system should be capable of reporting "flash" reports within next 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	Removed
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.
MI-029	Removed
MI-030	The system will provide a mixture of overnight reporting and ad-hoc enquiry 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)
MI-032	Removed - The Operation MIS reporting requirements as specified in the MI Workshop should be used as further detailed analysis. will be provided under the 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 for users to 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
	SALES & MARKETING ANALYSIS (Mandatory)
MI-042	Removed
MI-043	Removed
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 that sit within E2E
MI-046	Daily reporting by value, volume and margin (all products) as provided by ABC.
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.

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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.
MI-050	Provide the ability to carry out session analysis on products purchased within a session.
	Intellect (Mandatory) t. b. c.
MI-051	The system must provide functionality to analyze transactions and cost by the following 4 main hierarchical reporting dimensions: • Product • Client • Organization • Time
	Performance Indictors (Desirable)
MI-052	Development of the system to capture additional PI data to enable the system top become the one access point black box The key areas of performance that are currently being measured by the operations team in PO Ltd are: Sales Income Overheads Profit reporting Network Reinvention Migration - Data not yet available Have Your Say survey results - data is available from Group Customer Satisfaction Survey - This is currently under development and no details are available as yet PO Card Account - Data is received daily from EDS Mystery Shopper data - Covering Q of S, CSI and PK. Data from NOP monthly. Long term future of this reporting is under review. ONCH - Not sure how this will interface with the rest of E2E PISCES - Data on Post shops In addition there is a requirement captured at the feasibility stage re the reporting that takes place via NSBC. This is mainly around debt recovery so the question arises as with ONCH as to how this aligns with the rest of E2E.

5.4. Business Requirements – Release 2 & 3

5.4.1. Branch Liability Management and Central Reporting

Ref	High Level Requirement Description
BLH-001	There must be a legally acceptable declaration of Business undertaken incorporating - Business transacted - Holdings - Discrepancies
BLH-002	It must be possible to take a snapshot at a stated point at time

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BLH-003	There must be a point in time where the whole office is balanced off.
BLH-004	Confirmation of volume and value of business on which subpostmaster gets paid should be possible
BLH-005	There must be the ability to confirm liability to PO Ltd
BLH-006	There will be a set period of time to do the declaration – forced by the system.
BLH-007	There should be the ability to have override controls to be able to continue selling (if person responsible not available)
BLH-008	There should be a blind declaration but provide easier means of tracing discrepancies (semi-sighted)
BLH-009	There will be greater granularity of data to assist ease of operation
BLH-010	It must be possible to feed in non-customer facing data (ideally) on a daily basis
BLH-011	There will be the ability to capture non-accounting data (remuneration implications and management fees)
BLH-012	There will be the ability to identify loss by stock unit
BLH-013	Reporting from the system should not lose those useful reports which might now exist which aid the sub-postmaster
BLH-014	Deleted
BLH-015	Declaration/liability to be at close of business
BLH-016	Controls are required to instigate the process
BLH-017	Cut-off times will allow for trading days
BLH-018	There is a requirement to report the following information from the branch for the central systems. It can be broken down into a number of categories: ■ Transaction Data (to support enquiry, reconciliation and for passing to MIS) ■ Summarised Transactions Values (for posting to POL FS) ■ Summarised Transaction Volumes (for passing to SAP HR for Postmaster Remuneration)

Ref	Programme Requirement Description
BL-001	Accounting arrangements must use open item ledger principles.
BL-002	Transactions carried over should have the correct transaction date even if the posting date is recorded as the next period.
BL-003	To record counter transactions such as to create consistent views of the liability of agents to the Post Office and the Post Office to its clients by products.
BL-004	To record transactions such that views can be generated in arrears for any period. (e.g. daily, weekly, monthly, quarterly, annually.)
BL-005	Adjustments for errors need to be identified as a adjustment for a specified reason so settlement can be itemised accordingly. The date of the transaction needs to be captured as well as the posting date.
BL-006	The system must be able to give "instantly" accessible reports that show the total client debt view.
BL-007	Error corrections and adjustments need to be fed into the process at the same point as the originating error
BL-008	Branch liability to enable clerk, branch & centre to have a common view of branch liability.
BL-009	Liability data to be available quickly at all levels

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BL-010	Provide a traceable/audit trail of transactions to confirm balance and track errors.
BL-011	At stock check, a loss affects branch liability – depending on the product & agent & client contract details.
BL-012	Record gains/losses by product, which enables the liability to be derived and posted to a stock gain/loss suspense account, with a time & date stamp.
BL-013	Stock gain/losses and their quantity recognition at the branch is recognised/posted at stock declaration
BL-014	Value at loss may be different from sales value
BL-015	Discrepancy arising from stock declaration is not immediately converted to cash equivalent gain/loss in suspense account, (defined by business rules – product/total value).
BL-016	Stock check confirmation posts discrepancy quantity to stock gain/loss suspense account.
BL-017	Branch data should also be available at a national level for client losses / provisioning and probity purposes.
BL-018	Branches to be able to see sales and loss or gain values on stock declaration discrepancies, so they know their liability(loss) and can investigate value discrepancies (sales)
BL-019	Clear set of business rules for reversals & corrections which are able to be enforced
BL-020	System facilities must support putting notices to the right account - must be able to record transactions against different owners for the same branch.
BL-021	Retain accounting data at branch for 6years for legal purposes - method to be defined.
BL-022	To record errors identified by verification routines or by other system procedures (e.g. remittance errors/ stock take discrepancies) such as to create consistent views of the liability of agents to the Post Office for those errors and of the Post Office to its clients by product.
BL-023	To account for errors by date of original transaction as well as by posting date.
BL-024	To provide a means of adjusting errors that is compliant with the operating process.
BL-025	Deleted
BL-026	To be able to re-instate “excused” net losses.
BL-027	Reports must be available to provide individual an branch accountability.

5.4.2. Reporting Customer Data

Ref	High Level Requirement Description
CUH-001	To continue the functionality unchanged form the current system – This is the passing of AP Client Data to the AP Clients. NB this also includes any reporting to Banks (via NBE), Streamline and E-Pay.

5.4.3. Client Settlement

Ref	High Level Requirement Description
CSH-001	To implement a client ledger which accurately identifies PO Ltd liability to clients.

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CSH-002	To receive a daily interface of summarised transaction data, from Horizon, by client or product.
CSH-003	To refer to information about transactions from clients in order to resolve any disputed items and determine true liability
CSH-004	To receive a daily interface of summarised transaction data, from SAP/ADS, by client or product.

Ref	Programme Requirement Description
CS 001	A daily view of summarised balance by client, by branch or cash centre, and by day.
CS 002	Ability to split values, when a client has several products with different terms of payment, in order to map into different accounts in the ledger.
CS 003	The ability for each trading day to have a unique line.
CS 004	The ability for non-polled offices transaction data to be summarised into the relevant trading day when next polled.
CS 005	The ability for differentiation between trading date and posting date.
CS 006	The ability to receive client summary reports, by volume and value, for Automated Payment clients
CS 007	A mechanism to be able to trace disputed totals back to transaction level in order to resolve and correct information at the appropriate point to amend ledgers, and reporting or management information.

5.4.4. Verification

Validation/Verification – Range Checks

Ref	Programme Requirement Description	Proposed Application Area
VER 001	The requirement is for different levels of range checks to be applied to different types of branches (e.g. Main branches, Sub post offices & Cash Centres – exact spilt to be defined) to match current structure & be flexible enough to meet future organisational structures.	TMS
VER 002	Open/closure of products • E.g. transaction data/remittance activity not expected before X date • E.g. transaction data/remittance activity not expected after X date (Investigate current relationship between RDS and CBDB)	Counter/NRDS
VER 003	Volume of expected transactions per branch • Upper limit • Lower Limit	TMS
VER 004	Value of expected transactions per branch • Upper limit • Lower Limit	TMS
VER 005	Divisibility checks (front end driven by Reference data where possible). E.g. total value of sales of	NRDS

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	product per branch must be divisible by unit price	
VER 006	Geographical product checks – transactions received out of area. E.g. For a Reference Data core product where we are only expecting sales to be transacted within a certain geographical area (currently individual offices are not always defined).	NRDS
VER 007	Negative sales prompt • Front end driven check to ensure that the office has stock holdings of a particular value stock product to enable them to sell (currently Horizon enables an office to sell an item that they are not holding on their stock declaration – the result is a negative sale) • Ability to identify stock holding movements across products as part of stock declaration process	TMS
VER 008	Cross checks • Check to ensure that for a particular product both volume and value figures have been recorded (Front end driven by Reference Data driven if possible)	NRDS

Validation/Verification – Rota Checks

Rota checks involve the physical checking of 'foils' against total volume/value of transaction sales recorded for a particular branch. This process acts as a deterrent against fraudulent activity by agents and branches and is a Security and Audit requirement. It is likely in future that the number of these checks may reduce compared to those currently undertaken however from the system point of view the functionality is required regardless of the volume of checks required and products applied to.

Rota checks are currently applied to the following products within TP:
Money Orders
Postal Orders
Savings Stamps Redeemed
Vouchers to TP
Inland Revenue

As an example, currently 1,500 branches are picked per week and all rota check products are checked against these branches for 3 consecutive weeks. Then a new set of 1,500 branches is identified. This is not a random selection process, there is some logic applied to ensure that over a defined period of time all branches have been rota checked.

Ref	Requirements Description	Proposed Application Area
VER 009	The System should generate the list of rota check offices and then produce a summary report detailing each rota check branch and the volume and value of transactions to be checked against the physical 'foils'.	TMS
VER 010	Rota checks are also currently applied to Pensions & Allowances although the Client defines the exact offices each week (electronic feed received). Ability to receive the list of rota checks offices into the system and produce a summary report detailing each rota check branch and the volume and value of transactions to be checked against the physical 'foils'.	TMS

Validation/Verification – Other Exception Checks

Ref	Requirements Description	Proposed Application Area
VER 011	Supporting Document Matching • System functionality to match two streams of data, identify exceptions and provide details to enable investigation. For example matching a client supporting document stream against transaction information in terms of total volume and value of transactions per branch. Data	TMS

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	for matching could be received daily or weekly.	

Other Validation/ System Functionality

Ref	Requirements Description	Proposed Application Area
VER 012	Ability to perform data validation on files produced by TMS and supporting document files received into TMS. (e.g. data received from clients must be validated against a list of recognised branches).	TMS
VER 013	A unique ID to be automatically assigned to each exception identified.	TMS
VER 014	Workflow capability (Debt Recovery Case Management)– ability to pass exceptions across teams. Ability to identify from which area/ team the exception was issued to aid disputes process.	Identified in TMS Managed in POL FS
VER 015	Ability to define and apply stages to exceptions to enable tracking through process and area to which area or team the exception is currently assigned.	POL FS
VER 016	Ability to apply matching between data streams and create exceptions	TMS
VER 017	Ability to apply data validation/verification checks and create exceptions	TMS
VER 018	Ability to identify exceptions and gain access to relevant level of information to be able to investigate discrepancies.	TMS/ POL FS/ Data Warehouse
VER 019	Process to allow TP to manually make adjustments to transaction data (volume or value) or for TP to have the ability to send adjustment notices to branches. This information needs to flow into TMS in order to ensure that the amendments are reflected in POL FS – for debt recovery & client settlement, in HR SAP – for Agent Remuneration, and in Data Warehouse for Management Information capability. May need a separate process for closed offices.	Txn level data – via TMS Client level data – POL FS
VER 020	Ability to make supporting document adjustments (where a matching exception has been identified between supporting document information and transaction data stream).	Txn level data – via TMS Client level data – POL FS
VER 021	Where a matching exception has occurred one of the streams of data must be amended in order to clear the exception.	Txn level data – via TMS Client level data – POL FS
VER 022	Where a range check exception has occurred, TP must have the ability to clear the exception without making adjustments if the investigation has concluded that although the range was exceeded the information recorded is correct.	Via TMS
VER 023	Ability to apply wait times on supporting documents. This means that where supporting document information is received from the client and is known to be received late, the matching should not take place between the supporting document and transaction stream until a defined period of time has passed. This will avoid creation of exceptions that in reality are not true exceptions and therefore do not require investigation.	TMS
VER 024	Ability to make corrective adjustments across multiple branches by making adjustments within the ledgers for feeding back to branches	POL FS
VER 025	Ability for system to adjust discrepancies/ exceptions below a defined threshold for feeding back to branches, negating the need for TP to investigate and resolve.	TMS/POL FS
VER 026	Ability for system to recognise and correct exceptions where data is received late. (E.g. supporting document stream has been received, but transaction data is received late due to non-polling). Exception will have been created which can now be cleared. Functionality to Include comparison across accounting periods.	POL FS

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VER 027	Ability to record details against individual exceptions (Debt Recovery Case Management) to track progress through investigation and towards resolution. Freeform text field plus TP operator details, time and date stamp for audit requirements. Measurement against agreed timescales.	POL FS
VER 028	Process to allow TP to manage debt via direct link to branch (i.e. electronic flow of data rather than paper generated)	POL FS/TMS
VER 029	Monitoring of system rejections to ensure that data is resent and processed or accepted successfully	POL FS Data Warehouse
VER 030	System Management controls e.g. access levels, user ID's, passwords etc.	POL FS Data Warehouse
VER 031	Ability to monitor interfaces received and processed or rejected, and extracts produced including reconciliation of file interfaces across systems (i.e. data received by POL FS from TMS also received by Data Warehouse). Where rejections occur, error messages should be produced, indicating reason, to aid investigation.	TMS POL FS Data Warehouse
VER 032	Systems to record details of adjustments and hold within an audit log. Ability to view details on screen or produce reports by selecting specific criteria	Via TMS POL FS

Automated Reconciliation

Ref	Requirements Description	Proposed Application Area
VER 033	Ability to amalgamate the DRS reconciliation processes with POL Reconciliation processes	TMS
VER 034	To reconcile data against the accounting flows being ledgered by trading day	TMS

5.4.5. Debt Recovery

Ref	High Level Requirement Description
DRH-001	To implement a debtors ledger (accounts receivable) which accurately identifies amounts owed to PO Ltd liability from agents, former sub postmasters, customers and clients in relation to transaction balances. If client balances are on an accounts payable ledger then to be able to identify and manage debit items within the overall creditor.
DRH-002	Deleted
DRH-003	To be able to record debt recovery plan decisions, and action taken so as to manage debt recovery and document stages of escalation taken.

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DRH-004	To be able to refer to information about transactions both in Horizon and directly entered trading transactions with debtors, in order to resolve any disputed items and determine true amount recoverable ➢ NB If amounts owed to the PO but still under investigation are recorded outside of the debtors ledger but within the suspense area of POL FS (could be named discrepancies under investigation), to be able to manage these as if they were on the debtors ledger ie ➢ to accurately identify to branch, ➢ to know which date they relate to and therefore which agent and the time outstanding ie age, ➢ to refer to information for investigation purposes and ➢ to record action taken.
DRH-005	To be able to generate identified transaction errors if as a result of investigation debts need to be transferred and corrected within a branch liability statement.
DRH-006	To be able to view debtor credit history in order to assess credit worthiness.
DRH-007	To be able to assign appropriate credit terms to different products eg 30 days for trading transactions, monthly instalments by deduction
DRH-008	To be able to assign different agents to a central "head office" payment point in the instance of multiples who require a central authorisation for cash to be sent to the PO.

Ref	Programme Requirement Description
DR 001	A daily view of outstanding debtor balances (or suspense items) and the history of management for live items
DR 002	Ability to age debt (or suspense items) so as to manage over due items.
DR 003	A mechanism to be able to trace disputed totals back to transaction level in order to resolve and correct information at the appropriate point to amend ledgers, and reporting or management information.
DR-004	A flag needs to be set when it is known that an office is to be closed. The information will come from the branch closure notice
DR-005	A flag needs to be set when a branch (or in the case of multiples the total of branches) has a debt of more than £5,000 this includes all debt

5.4.6. Cash Centre Cash Management

Ref	High Level Requirement Description
CHH-001	SAP/ADS to make available, by cash centre, to the POL Financial System the daily cash movements by for entry into the cash ledger
CHH-002	SAP/ADS to make available, by cash centre, to the POL Financial System the detailed cash pouch data, for remittances into the cash centre, for entry into the cash ledger to enable Cash In Transit matching within the ledgers
CHH-003	SAP/ADS to make available, by cash centre, to the POL Financial System the summarised daily client related transactions by client for entry into the client ledger
CHH-004	SAP/ADS to undertake the summarisation of required data, to an agreed level, prior to entry into the cash and client ledgers.

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CHH-005	The interface will provide all transactions which affect cash values of the cash centre. For example :- Inward and Outward to POL Inward and Outward to FI's Inward and Outward to Customers/Clients Inward and Outward to 3rd Party Cash centre adjustments Cash centre discrepancies
CHH-006	The interface will provide a snapshot of all transactions at approx midnight and must be available within the POL FS by 07:00 the following day

Ref	Programme Requirement Description
CH –001`	The Cash Centre Trading Statement will replace the current cash account process. The statement is an internal document for the cash centre only and will not be forwarded to an independent area unless security and audit determine that that is essential. The actual data within the trading statement will have already populated the ledgers by the daily interface outlined above and therefore no data from the statement will populate the interface. The trading statement will encompass a snapshot of cash and stock and also any current discrepancies or suspense items. It will also enable the cash centre to view what business has been transacted over the last period. The cash centre manager will be required to "sign off" the trading statement as a true and accurate position at specified points in time. It is possible that the SAP/ADS system can produce the level of information required which would satisfy both control issues and security and audit requirements. There is workshop being planned to establish the actual requirements, and the SAP/ADS capability, which will feed into the detailed requirements phase of end to end.

5.4.7. Stock Reconciliation

Following the removal of the cash account it is essential that stock control is maintained and enhanced where possible.

There are several stock types held within the branch and the central stores locations

1. Transaction stock – this is stationery and is out of scope

2. Purchased stock – This is stock which is purchased prior to distribution. The point of purchase of the stock creates a balance sheet entry (Dr Stock, Cr Bank) and the point of sale creates cost of sale (Dr Cost of Sales, Cr Stock). The stock of these items will be held within the balance sheet.

3. Sale or Return – This stock is not purchased and therefore has no value until sold or lost. There is no balance sheet value and no cost of sales attributed to these items when sold. If stock item is lost there may be a penalty payable to the client which may or may not equal the sale value.

4. Hybrid (known as consignment stock in SAP) – This stock is a combination of 2 and 3 above as the stock is purchased later than the point of receipt but paid for prior to the sale of the stock item. For example on activation of phone card packs.

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All the above items of stock(except 1) must be monitored in order to maintain end to end control and integrity. This must include movements of stock such as receipt from supplier into the National Secure Stock Centre remittances into and out of branches and the sale of stock in order to establish the current stock holdings within the Business.

To gain an end to end view of the stock within PO Ltd an interface with the central stock system will be required. Currently the National Secure Stock Centre produces a stock account which is similar to the branch cash account and P16/P20D equivalents for remittances.

Currently Horizon provides a feed to OpTip and SAP/ADS with details of some stock items however it is not clear which items this includes. *This needs further investigation during the detailed requirement gathering stage.*

There is a requirement during detailed requirement gathering and solution design to investigate the most effective way to ensure that this data is captured correctly and for investigations to be undertaken on that data at branch and stock item level.

Ref	High Level Requirement Description
SRH-001	To provide end to end visibility of the stock movements from point of entry (whether direct to branch or via the National Secure Stock Centre) until sale, loss or return.
SRH-002	To provide a daily feed to the stock control system of stock sales in order to maintain accurate link between stock movements and stock sales.
SRH-003	To provide a system generated periodic declaration of stock at the branches, identifying stock discrepancies, for despatch to the stock control system
SRH-004	To provide an interface of stock at National Secure Stock Centre, identifying stock discrepancies, for despatch to the stock control system
SRH-005	To provide auditable balances of stock for probity and audit purposes

Ref	Programme Requirement Description
SR 001`	The Horizon system to make available details of identified stock discrepancies by volume and value , where relevant, at a given point in time, as defined by the Branch Trading Statement.
SR 002	The Horizon system to make available to the stock control system the daily movements of stock into and out of branches by volume and value. These must include both internal and external remittances.
SR 003	The Horizon system to maintain link between stock movement and stock sales and make available to the stock control system the daily sales of stock.
SR 004	The National Secure Stock Centre to make available details of identified stock discrepancies by volume and value, where relevant, at a given point in time in order to identify stock to the stock control system.
SR 005	The National Secure Stock Centre to make available to the stock control system the daily movements of stock into and out of the central stock unit by volume and value, where relevant. These must include both internal and external movements.
SR 006	The stock control system to hold information by stock type in order to inform POL FS of all balance sheet impacts.
SR 007	POL FS to hold value of all stock, which has a balance sheet impact, by stock item.
SR 008	To identify instances of obsolete stock which should have been returned to National Secure Stock Centre

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5.4.8. Financials

Ref	High Level Requirement Description
FIH-001	Introduction of a new financial system (POL FS) to produce the financial ledgers for Post Office Ltd (POL) to report to Royal Mail Group using simplified business processes and reduced duplication and requirement for reconciliation
FIH-002	Introduction of a Client Ledger and Agent Ledger to enable standard procedures for Debt Recovery and monitoring. To enable the capture, validation, verification and correction of client transaction data.
FIH-003	Produce POL Ledgers to report P&L and BS for POL in so far as the transactions are handled within the POL environment with a stream of data from branches and cash centres

Ref	Programme Requirement Description
	Create client ledger
FI-001	A daily view of summarised balance by client, by branch or cash centre, and by day.
FI-002	Ability to split values, when a client has several products with different terms of payment, in order to map into different accounts in the ledger.
FI-003	The ability for each trading day to have a unique line.
FI-004	The ability for non-polled offices transaction data to be summarised into the relevant trading day when next polled.
FI-005	The ability for differentiation between trading date and posting date.
FI-006	Auditable transaction postings
FI-007	To be able to determine the amount due to a client using payment terms agreed with client
FI-008	To provide information of aged balances
FI-009	To enable payments to/from clients with functionality for matching and closing paid items to leave open items for management of debtors/creditors
FI-010	To be able to produce correspondence to chase outstanding items e.g. statements, reminder letters
	Create agent ledger
FI-011	To process agent debt items
FI-012	Allow matching to enable management of open items
FI-013	To be able to produce correspondence to chase outstanding items e.g. statements, reminder letters
FI-014	To provide information of aged balances
	Create POL Accounts
FI-015	To produce a set of auditable accounts within the framework of the Chart of Accounts specified in the appendix
FI-016	To enable matching of suspense items for debt recovery purposes and error handling
FI-017	To enable the reporting of stock values in the relevant balance sheet accounts (this will cover the Stock Ledger)
FI-018	To consolidate information from SAP ADS financials to report the POL accounts
FI-019	To account for business transactions which will populate the trading ledger
FI-020	To have visibility of branch transactions by day (this will cover the Branch Ledger)

5.4.9. Decommissioning and Fujitsu Rationalisation

Ref	High Level Requirement Description
DEH - 001	There is a requirement to ensure that where functionality and outputs exists in current legacy systems which are required in the future that they should be catered for in the new systems environment.
DEH - 002	There is a requirement to simplify the Horizon estate as a result of the changes made to business processes contained within this document

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DE-001	Each interface, function and output contained in POL legacy systems due for decommissioning will be catered for in the future where this is justified. Section 11.2 describes this in greater detail.
DE-002	There is a requirement to simplify the reconciliation processes performed within the Horizon central host systems by 31st March 2005. Verification that this requirement has been met will be evidenced by the removal of support for the processes handling reconciliation between TPS/DRS and TPS/APS such that Fujitsu Services can realise the SI cost savings detailed in Schedules 10 and 12 of the Post Office/Fujitsu Services Agreement.
DE-003	There is a requirement to simplify the Horizon estate to reflect the removal of support for legacy accounting processes (e.g. those involving Cash Account) and legacy systems by 31st March 2005. Verification that this requirement has been met will be evidenced by simplification of the Horizon estate such that Fujitsu Services can realise the SI cost savings detailed in Schedules 10 and 12 of the Post Office/Fujitsu Services Agreement.
DE-004	There is a requirement to remove the Horizon data warehouse, which is currently used for the maintenance of transaction data, by 31st March 2005. Verification that this requirement has been met will be evidenced by the removal of support for the Horizon data warehouse such that Fujitsu Services can realise the SI cost savings detailed in Schedules 10 and 12 of the Post Office/Fujitsu Services Agreement
DE-005	There is a requirement to simplify Post Office requirements relating to Horizon system boundaries by 31st March 2005 as detailed in Schedule 12 of the Post Office/Fujitsu Agreement. Verification that this requirement has been met will be evidenced by Fujitsu Services being able to reduce their operational costs sufficiently to enable Post Office to realise the savings in Operational Charges detailed in Schedules 10 and 12 of the Post Office/Fujitsu Agreement

5.4.10. Management Information – Additional to Release 1

Client Reporting (Contractual Agreements)

Ref	Requirements Description	Business Area	Category	Report/ Functionality	Proposed Application Area
MI 100	Information required by Audit for issued error details, errors BTA and errors not Network Reinvention offices	Data Exceptions	Client	Report	POL FS
MI 101	Information to Multiples Partners regarding outstanding, issued and BTA errors.	Data Exceptions	Client	Report	POL FS
MI 102	Ability to produce data reports for Sales and Marketing. Volume and value of transactions by branch, top sellers and worst sellers for a particular product, write off and wastage details.	Data Preparation	Client	Report	Data Warehouse
MI 103	Ability to pull off a full list of available data fields to enable clients to define specific reporting requirements.	Data Preparation	Client	Report	Data Warehouse
MI 104	Ability to produce data files or reports for clients as defined within contractual agreements.	Data Preparation/ Data Exception	Client	Report	TMS/POL FS

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	For example volume and value of transactions, customer details if applicable, product breakdown by volume and value, details of adjustments made, data mismatches between client supporting document stream and transaction stream, method of payment details. Example clients are Local Schemes, Department of Work and Pensions, Girobank, NSB, UKPS, AON, First rate, DVLA, Department of Health, Inland Revenue.				
MI 105	Provision of Information regarding office openings, closures and relocations to various internal parties and clients (current TP 129 process)	Support	Client & Operational	Report	RDS

Management Reporting (Performance Control)

Ref	Requirements Description	Business Area	Category	Report/ Functionality	Proposed Application Area
MI 106	Budget and performance information in order to calculate real unit cost. Includes capacity planning capabilities.	All	Management	Report	Data Warehouse
MI 107	Total volume and value of exceptions produced	Data Exceptions	Management	Report	Data Warehouse
MI 108	Volume and value of exceptions produced against data matching (supporting document stream against transaction stream)	Data Exceptions	Management	Report	Data Warehouse
MI 109	Volume and Value of exceptions produced against data validation/verification checks (ranges checks etc.)	Data Exceptions	Management	Report	Data Warehouse
MI 110	Exceptions by product or client as a percentage of total transactions	Data Exceptions	Management	Report	Data Warehouse
MI 111	Volume and value of exceptions cleared to be reported by product, client or all exceptions.	Data Exceptions	Management	Report	Data Warehouse
MI 112	Volume and value of exceptions cleared split between system cleared and manually cleared (TP intervention/adjustment)	Data Exceptions	Management	Report	Data Warehouse

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MI 113	Volume and value of exceptions cleared by TP by individual team member	Data Exceptions	Management	Report	Data Warehouse
MI 114	Volume and value of outstanding exceptions by branch, by age, by value	Data Exceptions	Management	Report	POL FS
MI 115	Volume and value of issued errors by product or branch	Data Exceptions	Management	Report	POL FS
MI 116	Ability to pull off statistics to enable identification of trends for exceptions produced and their causes. Historic data will need to be retained for up to 2 years.	Data Exceptions	Management	Report	Data Warehouse
MI 117	Number and value of maintained errors and write offs by product	Data Exceptions	Management	Report	POL FS
MI 118	Ability to pull off statistics regarding team performance (exceptions created, exceptions issued, exceptions cleared, exceptions outstanding etc). Ability to remove from one teams statistics and add to another team as the exception passes through the process.	Data Exceptions/ Debt Recovery	Management	Report	POL FS
MI 119	Ability to measure individual TP staff and whole unit (TP) against process set timescales	Data Exceptions/ Debt Recovery	Management	Report	Data Warehouse
MI 120	Measurement of manually keyed supporting documentation including keyed to timescale and keying errors.	Data Preparation	Management	Report	DPU/ TMS
MI 121	Information on data entry failures (file interfaces and data rejections), reasons for failure or rejection, identification of interfaces received and not expected, and identification of interfaces expected but not received. Including transaction or sup doc data not received, by branch.	Data Preparation	Management	Report	DPU/ TMS
MI 122	Debtor days by client and product and trend analysis monitoring	Debt Recovery	Management	Report	POL FS
MI 123	Creditor days by organisation and product and trend analysis monitoring	Debt Recovery	Management	Report	POL FS
MI 124	Errors produced for creditors and debtors – issued or resolved, number and value, by client and product.	Debt Recovery	Management	Report	POL FS

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MI 125	Progress of exception handling measured against target (failures to issue or clear in x number of days)	Debt Recovery	Management	Report	POL FS
MI 126	Aged debt profile by number and value	Debt Recovery	Management	Report	POL FS
MI 127	Debt as a percentage of sales/transactions by product	Debt Recovery	Management	Report	POL FS/Data Warehouse
MI 128	Monitoring of percentage of debt recovered and outstanding	Debt Recovery	Management	Report	POL FS
MI 129	Bad debt provision monitoring	Debt Recovery	Management	Report	POL FS

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

Ref	Requirements Description	Business Area	Category	Report/ Functionality	Proposed Application Area
MI 130	Ability to pull off ad hoc reports selecting required data fields from available list and defining format as required.	All	Operational	Functionality	Data Warehouse POL FS
MI 131	Ability to run batch reports to defined timescales and formats as required.	All	Operational	Functionality	Data Warehouse POL FS
MI 132	Volume and value of transactions and sup doc information to be reported in a variety of ways (e.g. by transaction, by product, by product breakdown (e.g. postal order bands) by branch, by client, by group of branches, by method of payment). Require the ability to identify negative sales (volume and value, by branch, by product).	Data Exceptions	Operational	Report	Data Warehouse
MI 133	All created exceptions to be reported by transaction, by product, by branch. All outstanding exceptions to be reported by transaction, by product, by branch.	Data Exceptions	Operational	Report	Data Warehouse
MI 134	Details of cleared exceptions to be archived but still accessible to provide a rolling 12 month view.	Data Exceptions	Operational	Report	POL FS/ Data Warehouse
MI 135	Non polled data – missing transactions from branches shown by branch and days since last polled, also shown as percentage of overall network	Data Exceptions	Operational	Report	TMS
MI 136	Ability to flag branches on exception reports that require priority attention or specific action (e.g. A = Network	Data Exceptions	Operational	Functionality	POL FS

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	Reinvention Office). Ability to increase the number of flags applied at any one time (max 10) and redefine criteria as necessary to enable prioritisation of exception handling.				
MI 137	Error/exception information to branches – currently produced by STAM	Data Exceptions	Operational	Report	Data Warehouse
MI 138	Ability to identify multiple transactions (e.g. same barcode scanned twice)	Data Exceptions	Operational	Report	Data Warehouse
MI 139	Ability to report Debt Recovery Case Management By branch, by branch type, by Agent name, by product (by client), by age of debt.	Debt Recovery	Operational	Report	POL FS
MI 140	Report on high value debt (e.g. all outstanding debt which exceeds a defined limit, by branch)	Debt Recovery	Operational	Report	POL FS
MI 141	Report on Debt Recovery repeat offenders (problem offices)	Debt Recovery	Operational	Report	POL FS
MI 142	Value of debt or credit by number, by branch, by branch type (to meet current organisational structure), by product, by method of payment, by age of debt	Debt Recovery	Operational	Report	POL FS
MI 143	Former Subpostmasters accounts held including Branch, Agent name, Age of debt, Dispute details, Losses (write off). Ability to search on a particular field (i.e. Agent name) and be able to track status, audit log entries	Debt Recovery	Operational	Functionality	POL FS
MI 144	Ability to identify specific types of debt e.g. Invoices debt – Licence fee, ISIS, Shortages, by agent, by branch, by age of debt	Debt Recovery	Operational	Report	POL FS
MI 145	Disputed debt by branch, by client (e.g. Giro)	Debt Recovery	Operational	Report	POL FS
MI 146	Non-recoverable debt – e.g. as a result of fraud or client negotiations, details to be held until written off. By network (national total of all branches), by branch, by product, by client	Debt Recovery	Operational	Report	POL FS
MI 147	Data archiving ability	Support	System	Functionality	POL FS Data Warehouse
MI 148	Ability to access archived data easily	Support	System	Functionality	POL FS

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	and run reports by transaction, by branch, by product, by client as required				Data Warehouse
MI 149	Where a file has been interfaced successfully (e.g. data received from client), the system should identify details of any invalid records (e.g. unknown FAD code) and be able to produce a report to aid investigation of the invalid records requiring correction.	Support	System	Functionality & Report	TMS
MI 150	Transaction level data to be held for 2 years	Support	System	Functionality	Data Warehouse
MI 151	Ability to schedule regular report production. Ability to monitor production of scheduled reports.	Support	System	Functionality	POL FS Data Warehouse
MI 152	Report showing transaction, supporting document or client level adjustments. By branch, by product, by value, by number. To include date of adjustment, user details and reason code for adjustment.	Data Exceptions	Operational	Functionality & Report	TMS/POL FS

Cash Management Requirements

Ref	Requirements Description	Business Area	Category	Report/ Functionality	Proposed Application Area
MI 153	Ability to undertake trend analysis in order to aid forecasting of the future value of transactions (e.g. DNS, Girobank, DVLA)	Cash Management	Operational	Functionality & Report	POL FS
MI 154	Ability to undertake trend analysis in order to aid prediction of client for ESFS	Cash Management	Operational	Functionality & Report	POL FS
MI 155	Ability to identify and report the current outstanding balance within each ledger.	Cash Management	Operational	Functionality & Report	POL FS
MI 156	Ability to report the total volume and value of transactions by client including product breakdown. Ability to adjust settlement figures for some clients to account for payment net of commission (management fees) and VAT.	Cash Management	Operational	Functionality & Report	Data Warehouse
MI 157	Ability to identify and report stock holdings by client, by product, by	Cash Management	Operational	Report	Data Warehouse

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	denomination (e.g. Vodaphone phonecards, £5, £10 etc.)				
MI 158	Volume and value of transactions required by Sales and Marketing to inform management fees/commission charged to clients	Cash Management	Operational	Report	Data Warehouse
MI 159	Ability to produce reports to aid reconciliation of ledgers and substantiate ledger balances	Cash Management	Operational	Functionality & Report	POL FS
MI 160	Deleted				
MI 161	Ability to provide verification of accounts – Erst & Young Audit requirement	Cash Management	Operational	Functionality	POL FS
MI 162	Ability to identify details of new products and new clients including mapping of products to clients (browse access to Reference Data information)	Cash Management	Operational	Functionality / Report	Data Warehouse
MI 163	Ability to settle on sales for some clients (current contractual agreements)	Cash Management	Operational	Functionality/ Report	POL FS ?
MI 164	Ability to identify cash and stock holdings by product, by branch	Cash Management	Operational	Functionality/ Report	POL FS ?
MI 165	Ability to produce statement of accounts for each client including brought forward figures, sales, settlements made and a closing balance.	Cash Management	Operational	Functionality/ Report	POL FS
MI 166	Access to transaction data (volume and value) for all products on a daily basis by product (RDS item codes) grouped into clients – extension of current CTS report. Information to be spilt into Giro and non giro clients, including country split where applicable. Exact content and format to be defined but to include product descriptions and summarised totals by product and client for settlement purposes (including late transactions). Preferred option would be for a file to be produced and FTP'd to Future Walk server by 07:30 on a daily basis. Ability to pre-define daily, weekly and monthly file contents and specify clients to match settlement agreements.	Cash Management	Operational	Functionality/ Report	TMS/Data Warehouse
MI 167	Ability to identify cash remittance in	Cash	Operational	Functionality &	POL FS

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	transit values by product.	Management		Report	
MI 168	Summary report of data posted to ledgers and interfaced to ESFS by value of debits/credits against each ledger code.	Cash Management	Operational	Report	POL FS
MI 169	Summarised transaction data at branch level, by cash centre area Ability to produce comparisons across periods/years.	Cash Management	Operational	Report	Data Warehouse
MI 170	Deleted				
MI 171	Daily, National summary of transactions, by client, by product, by method of payment. Split by deposits and withdrawals (rather than net position).	Cash Management	Operational	Report/ Functionality	POL FS
MI 172	Updated transaction data received from Non polled offices to have indicator flag applied.	Cash Management	Operational	Functionality & Report	POL FS & Data Warehouse
MI 173	Ability to pull cash holding data and transaction data from a single source.	Cash Management	Operational	Functionality & Report	POL FS/ Data Warehouse

5.5. 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**
1.	Sales	All references to Prompts and Help in the sales process are not included
2.	Inventory Management	All references to 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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5.6. High Level Process Models

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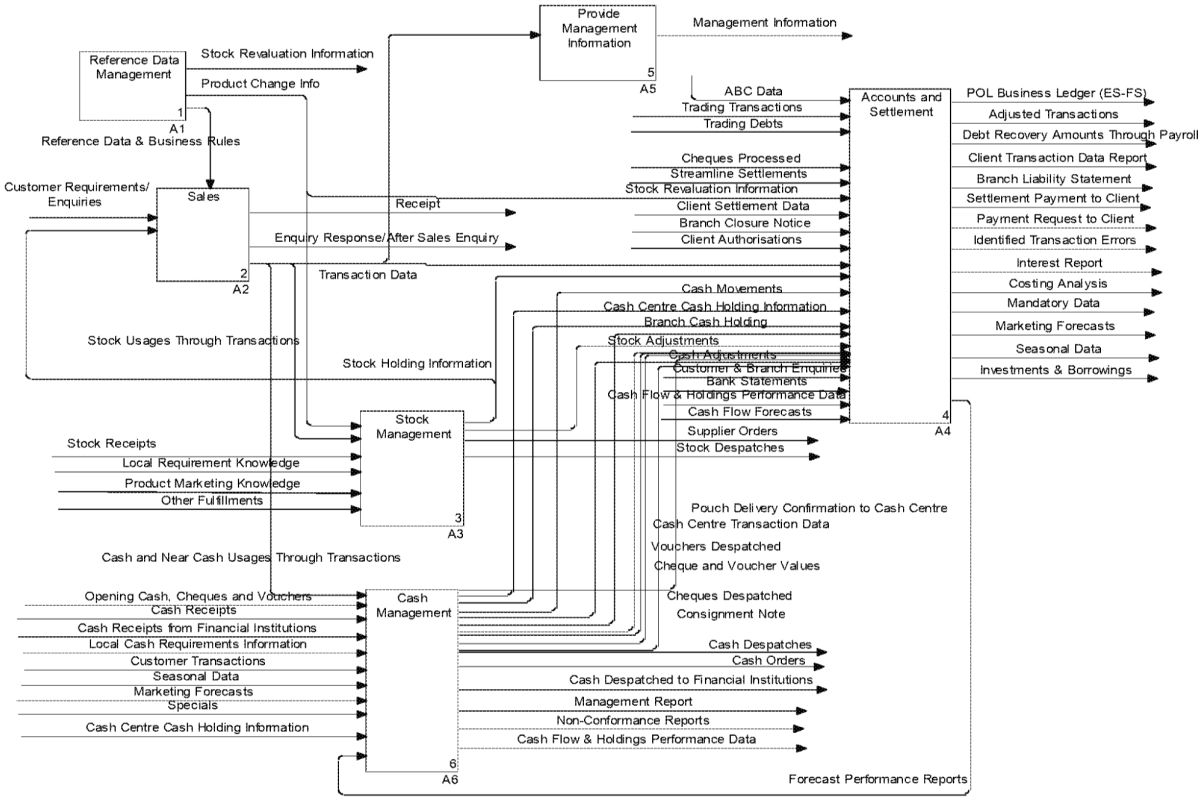
A0 - Post Office Processes in Scope



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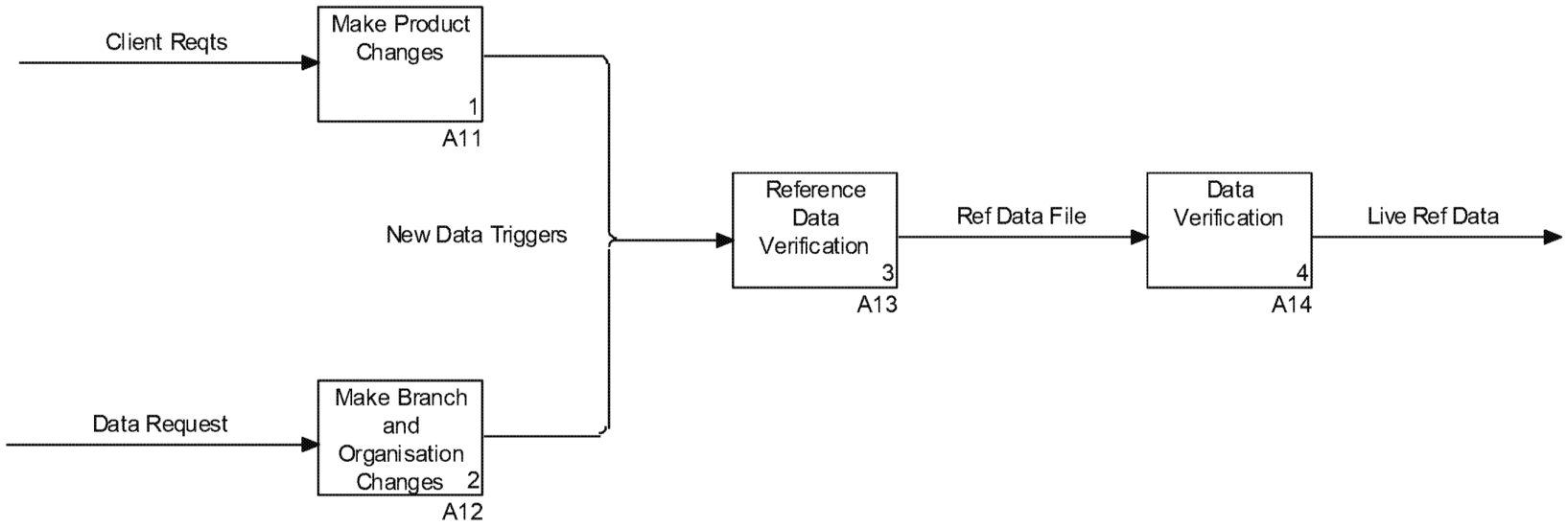
A1 - Reference Data Management



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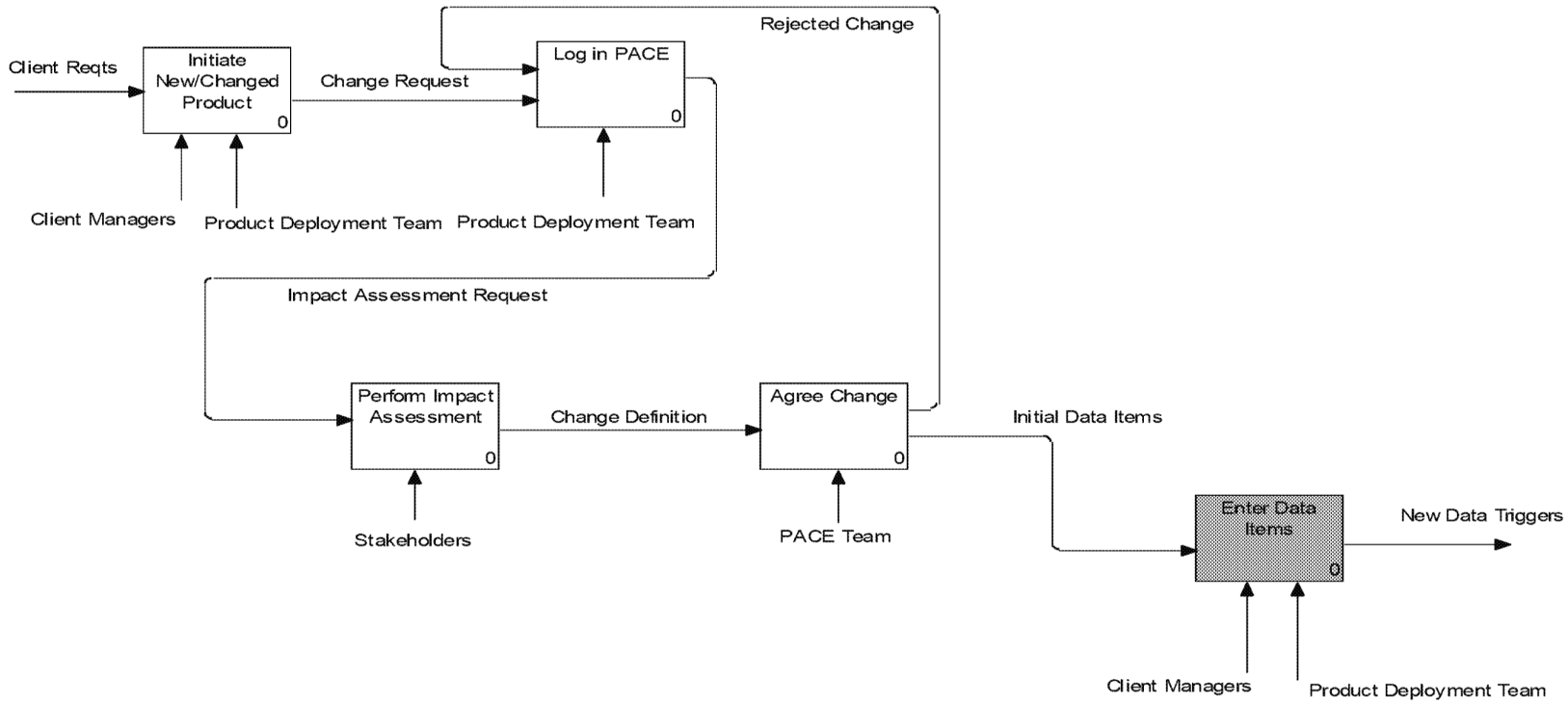
A11 Make Product Changes



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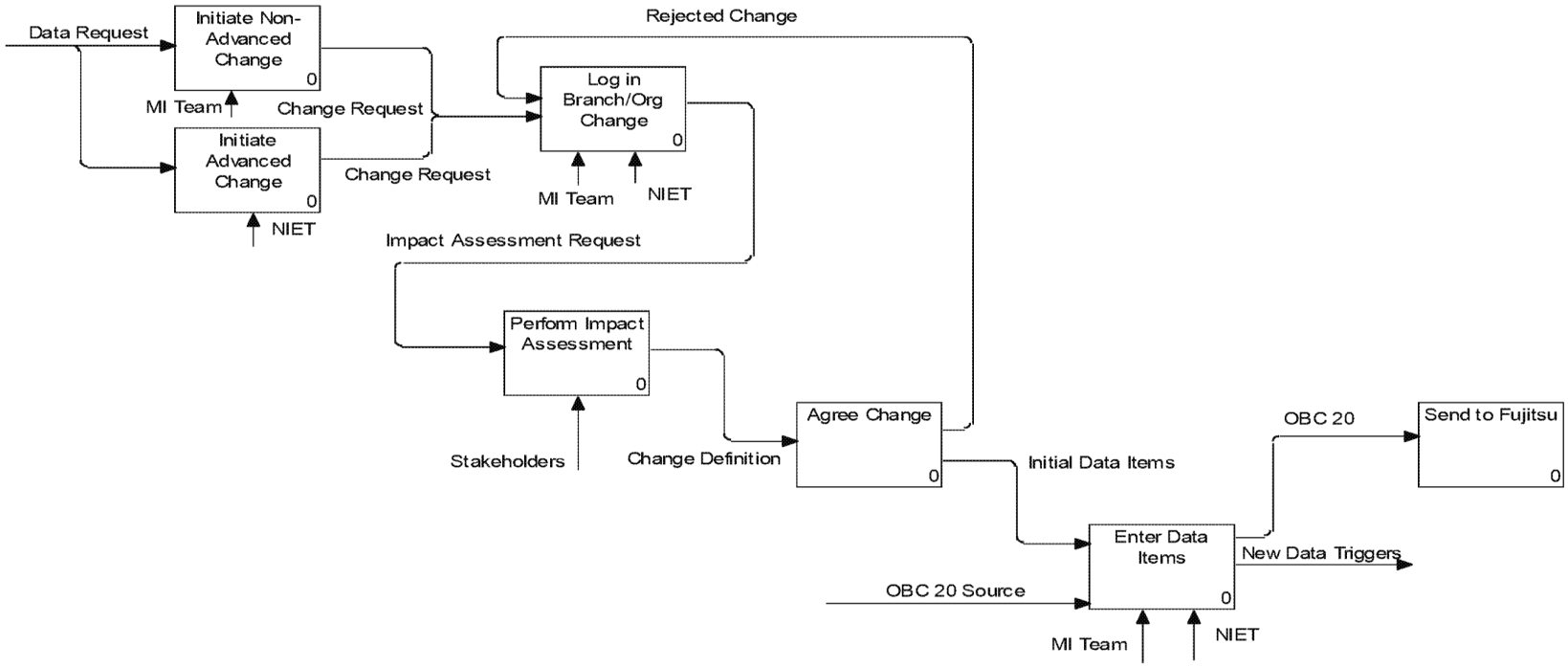
A12 Make Branch and Organisation Changes



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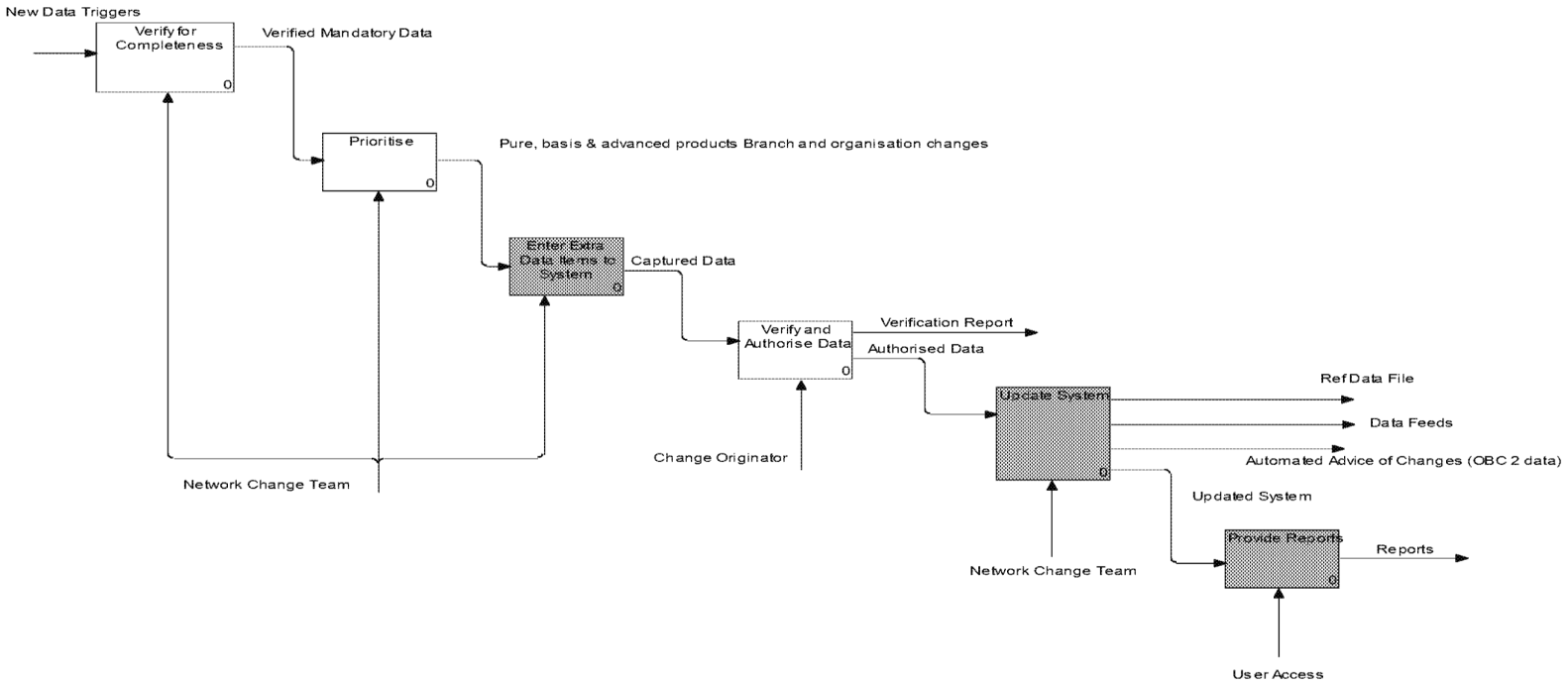
A13 Reference Data Verification



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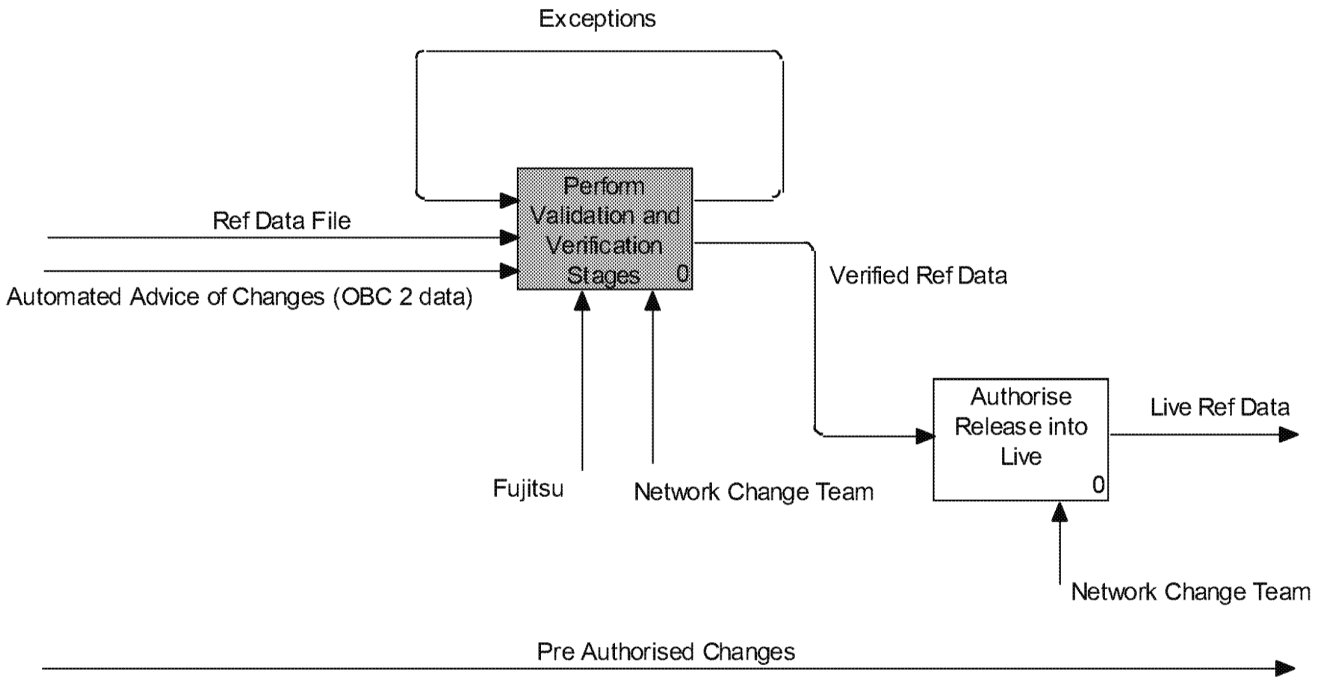
A14 Reference Data Authorisation



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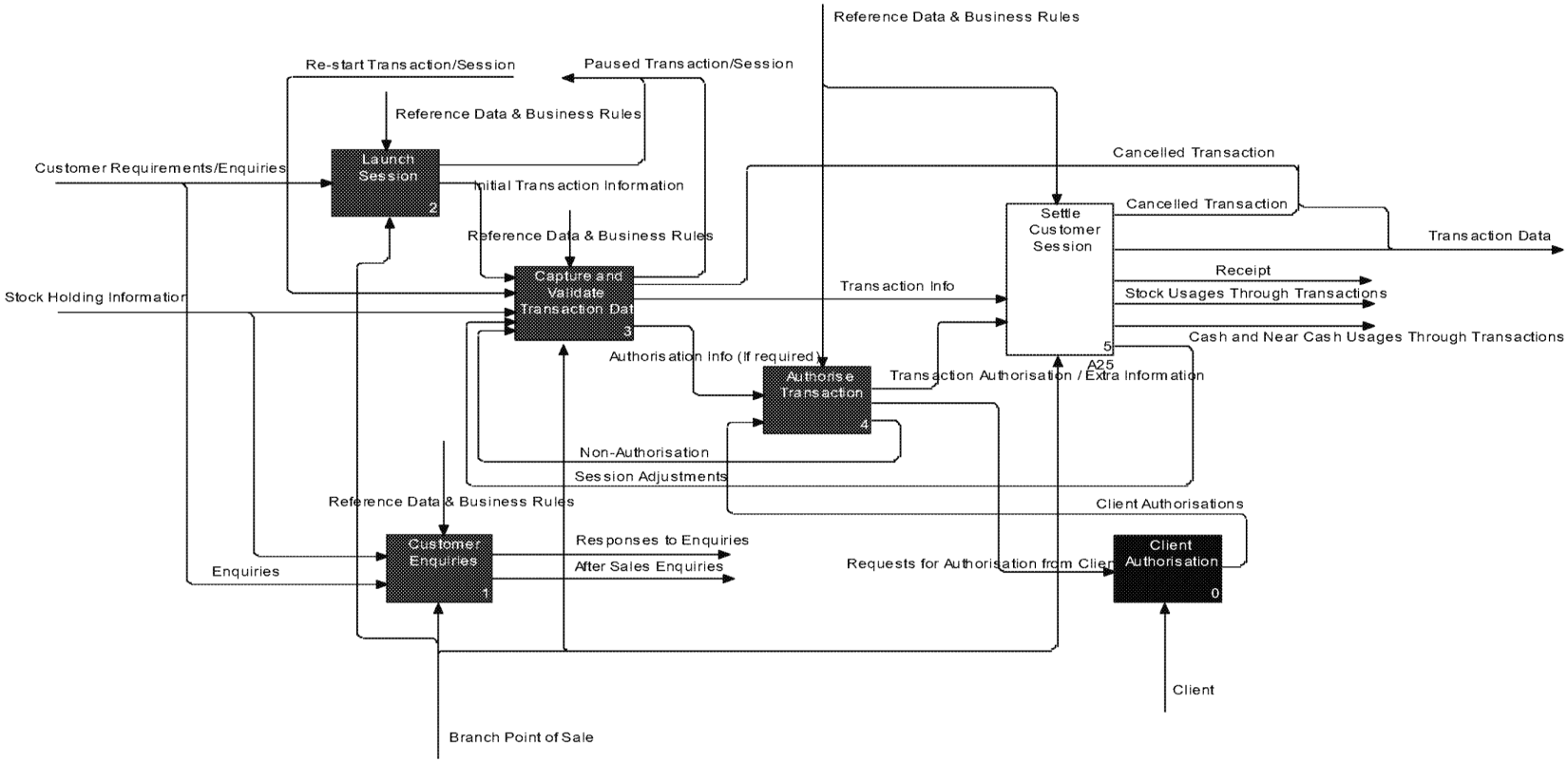
A2 – Sales



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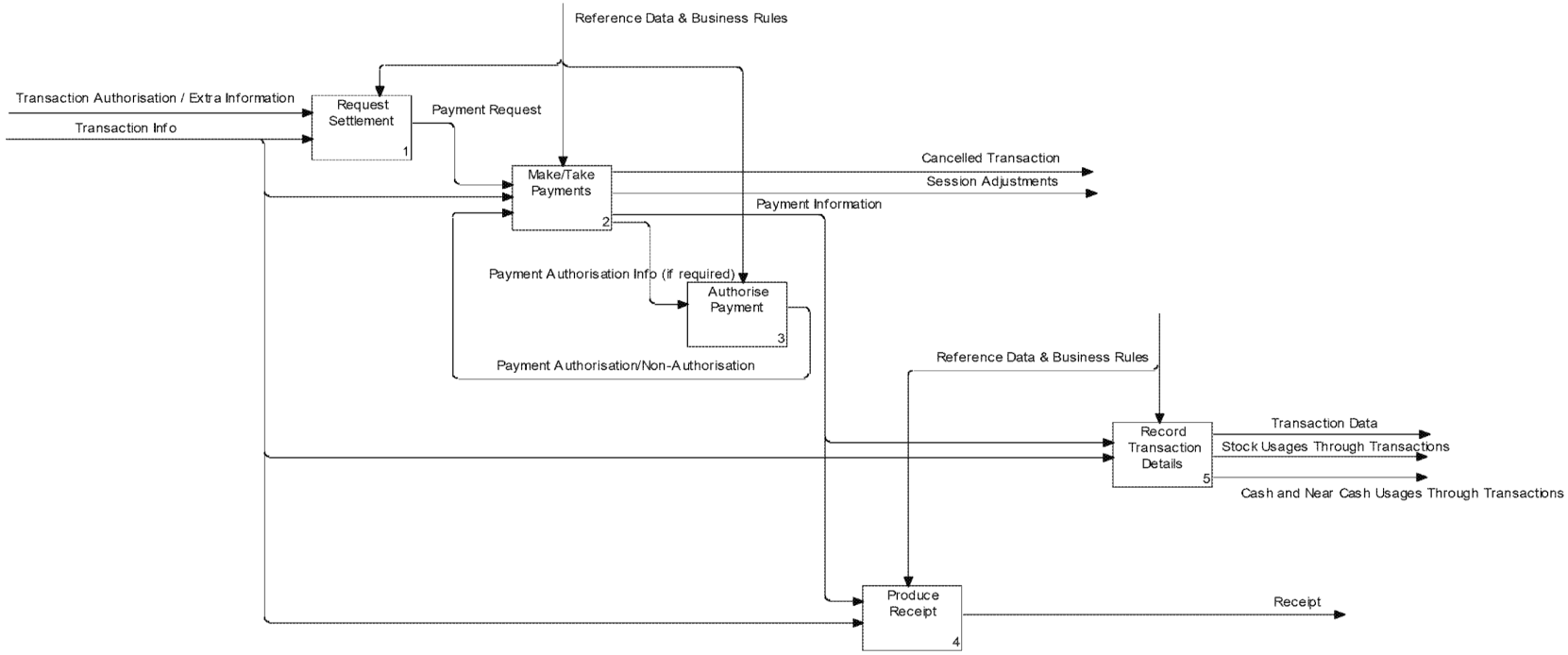
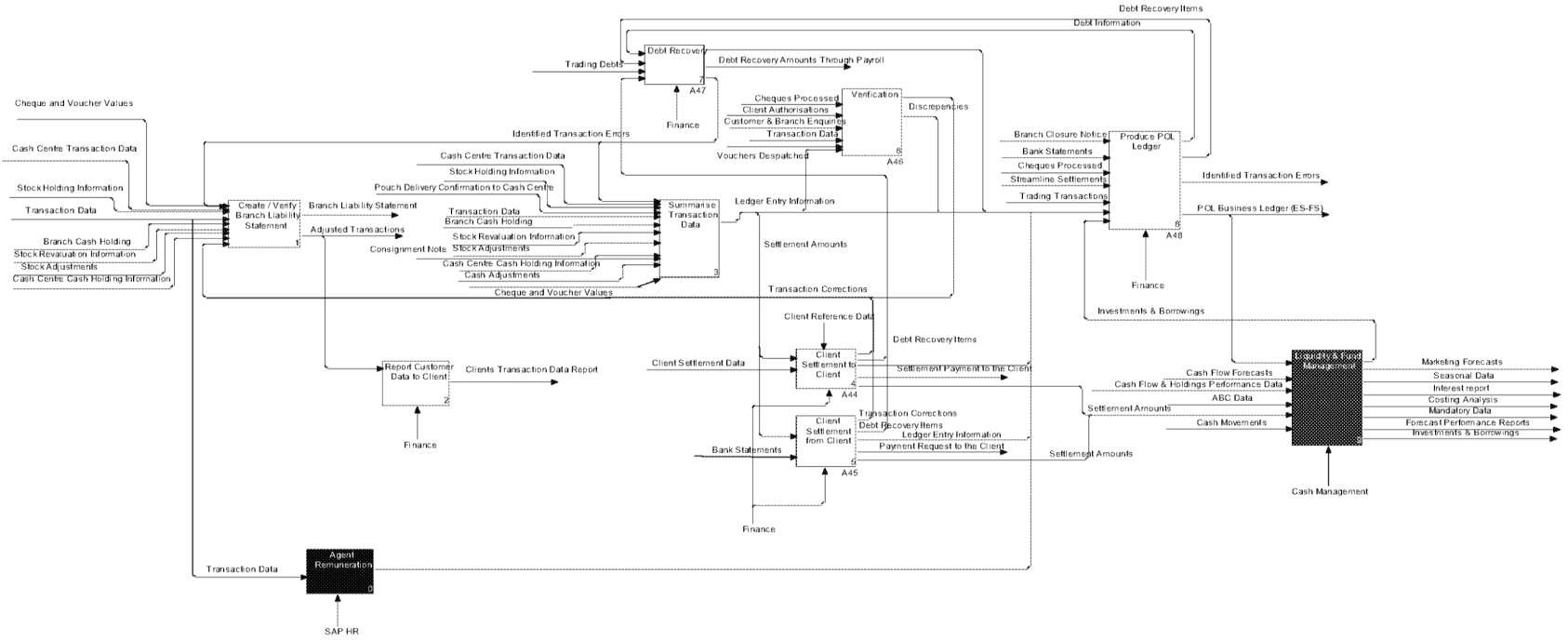
A25 - Settle Customer Session



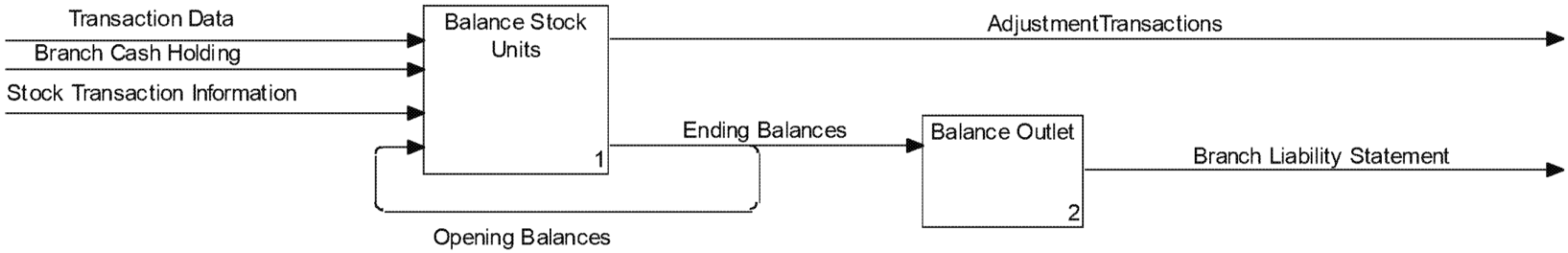
POL00038867

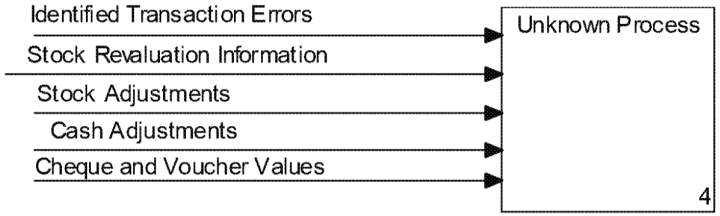
A4 - Accounts and Settlement



POL00038867

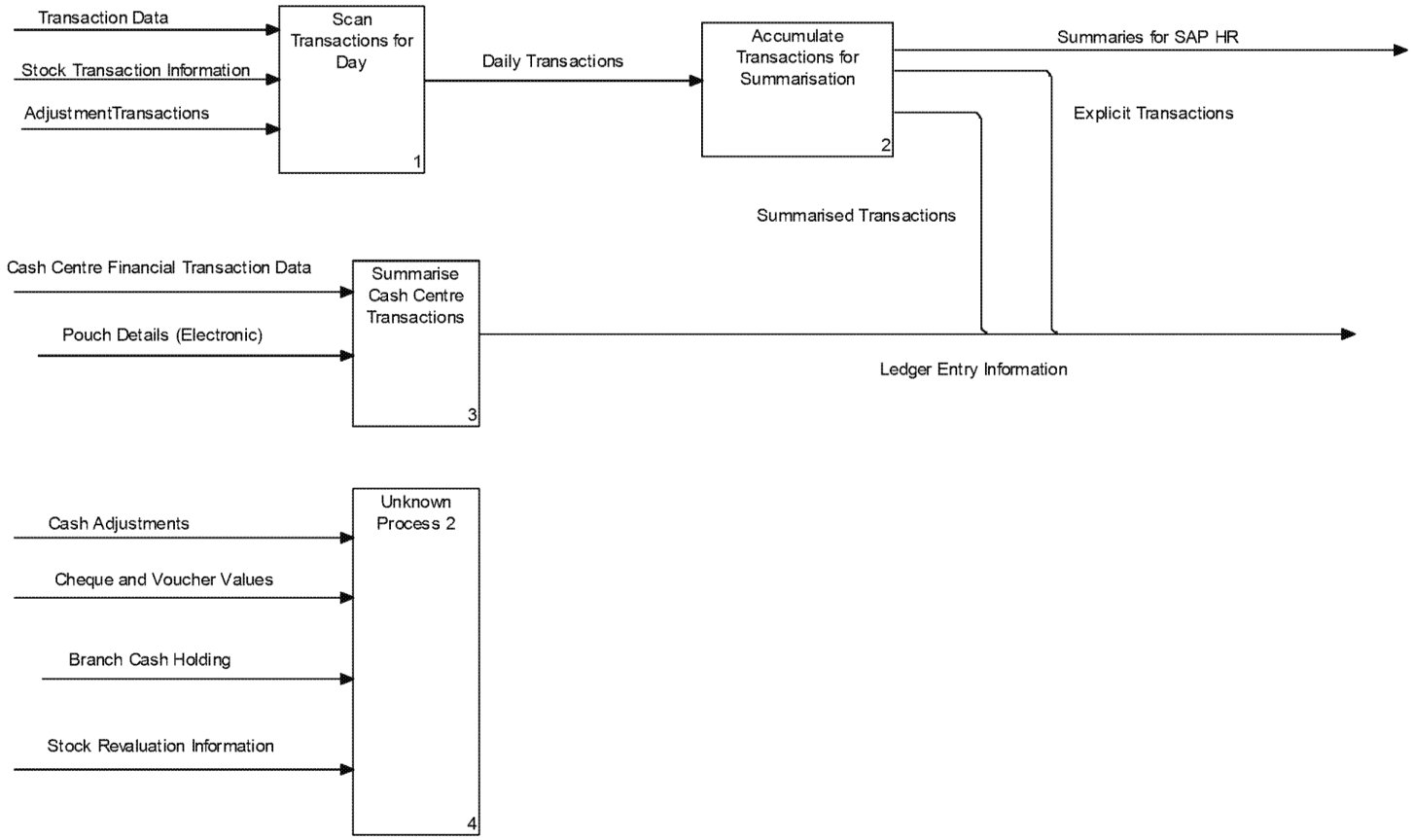
A41 Create / Verify Branch Liability Statement





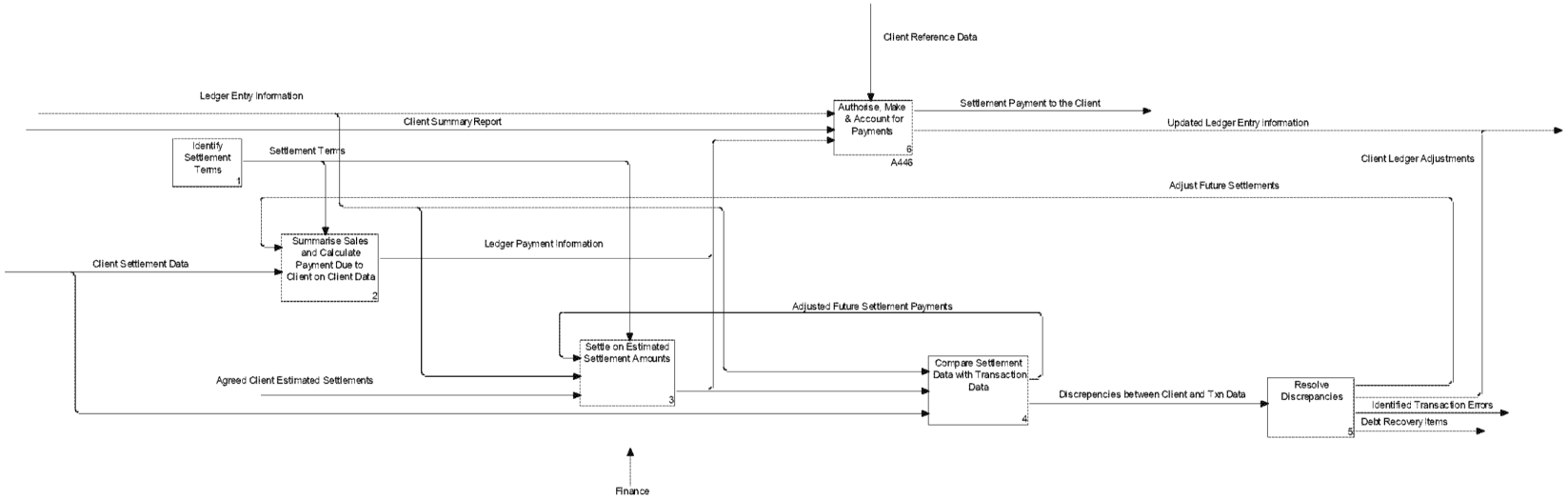
POL00038867

A43 Summarise Transaction Data



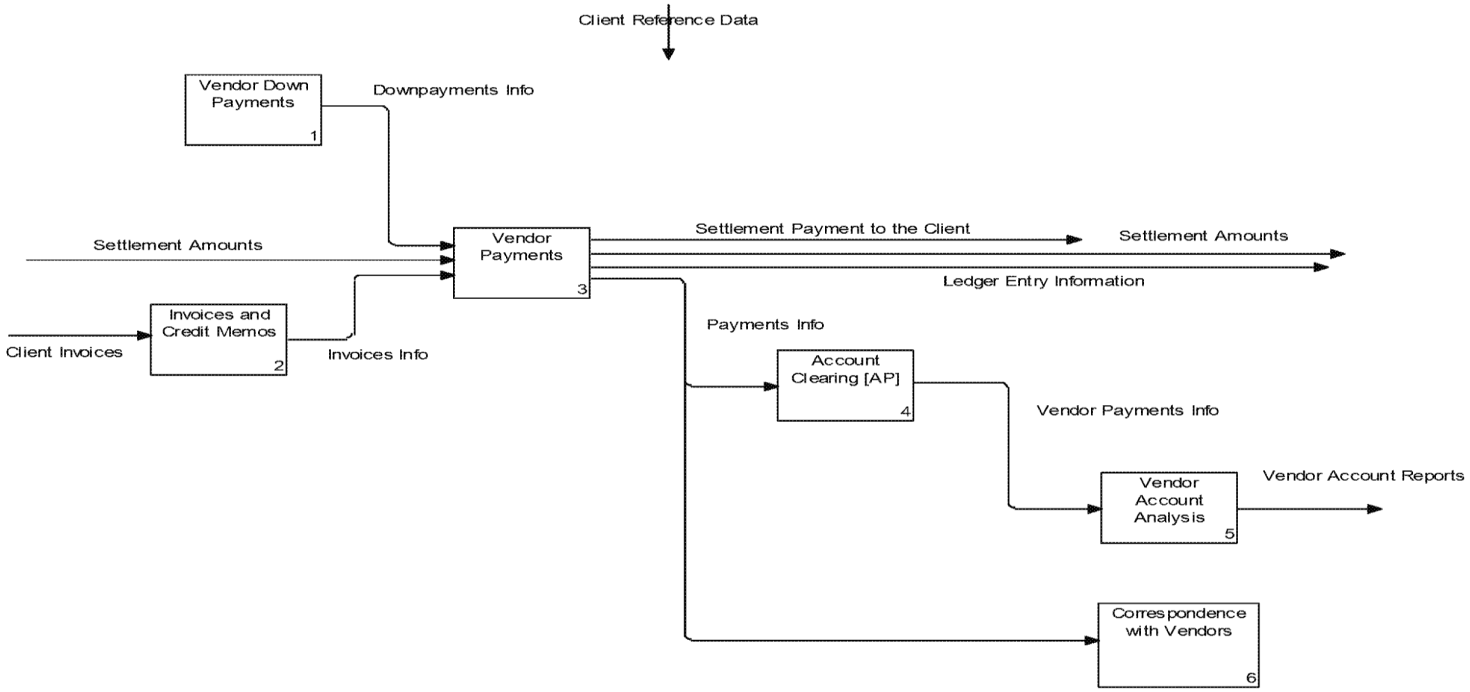
POL00038867

A44 Client Settlement to Client



POL00038867

A446 Authorise, Make & Account for Payments



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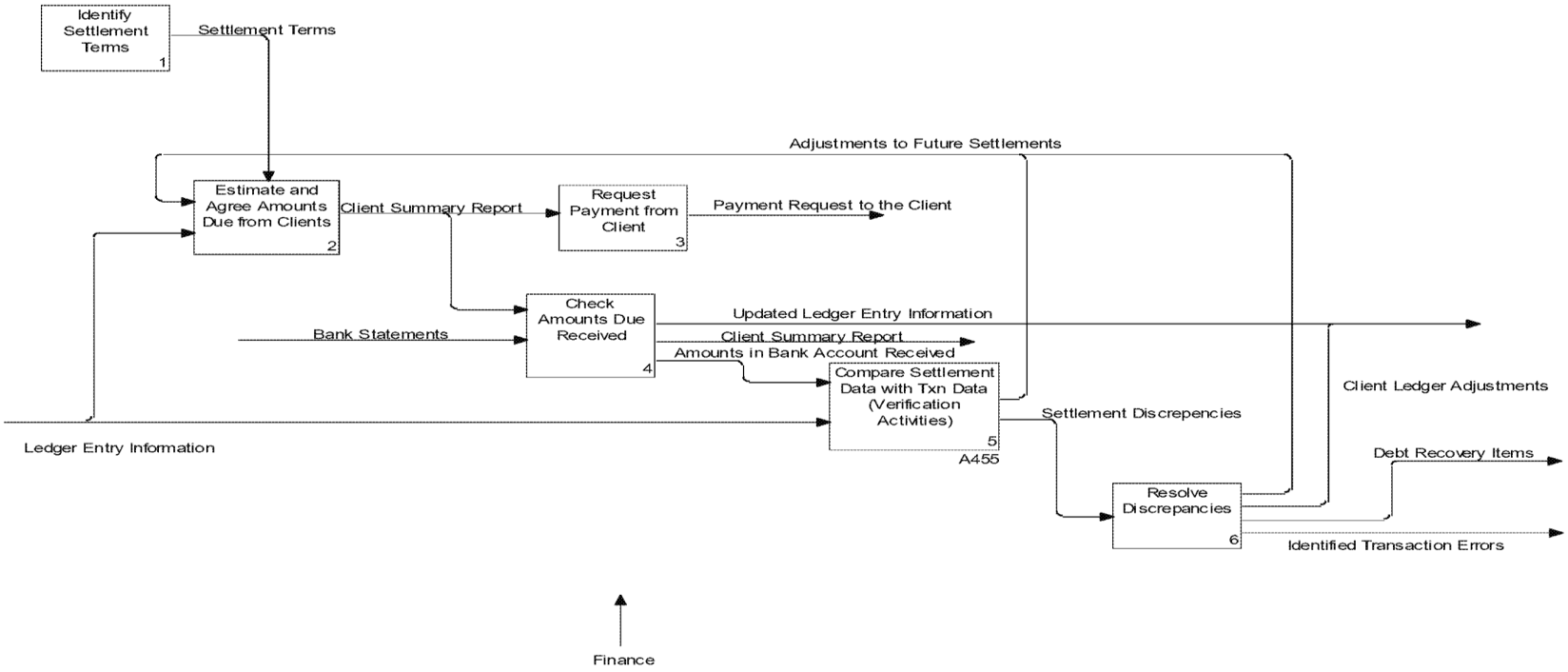
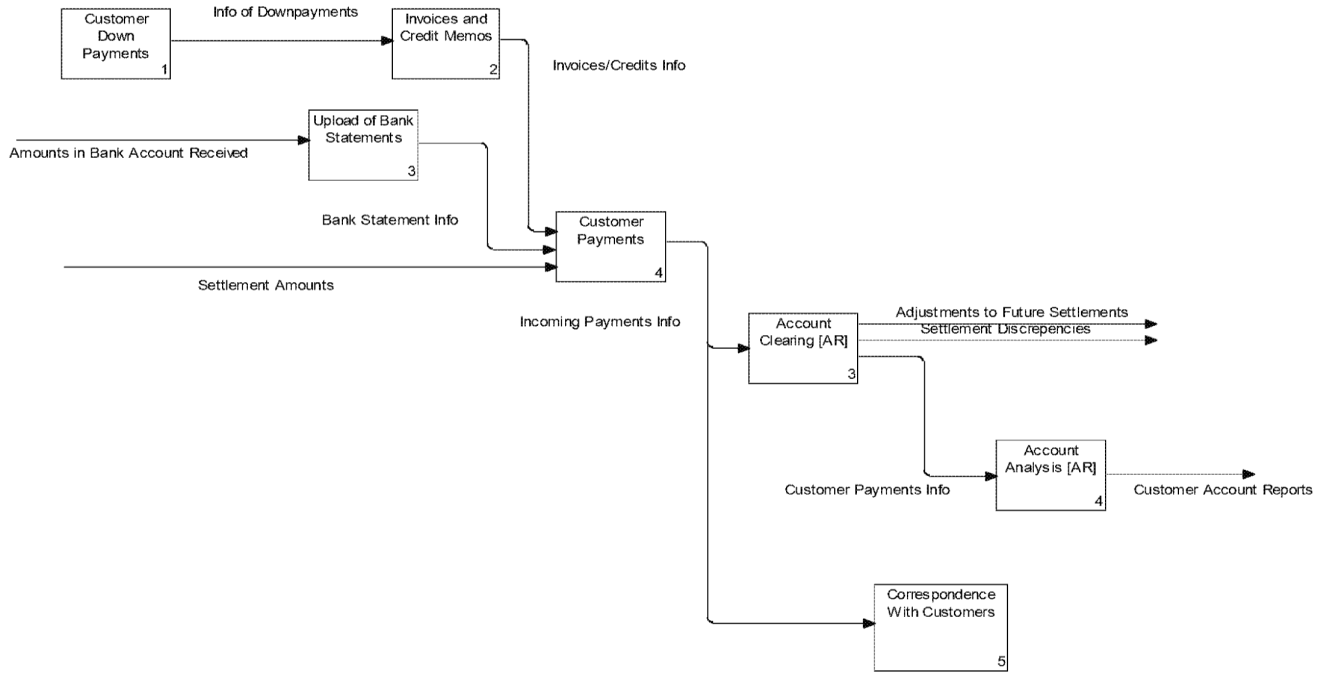
A45 Client Settlement from Client



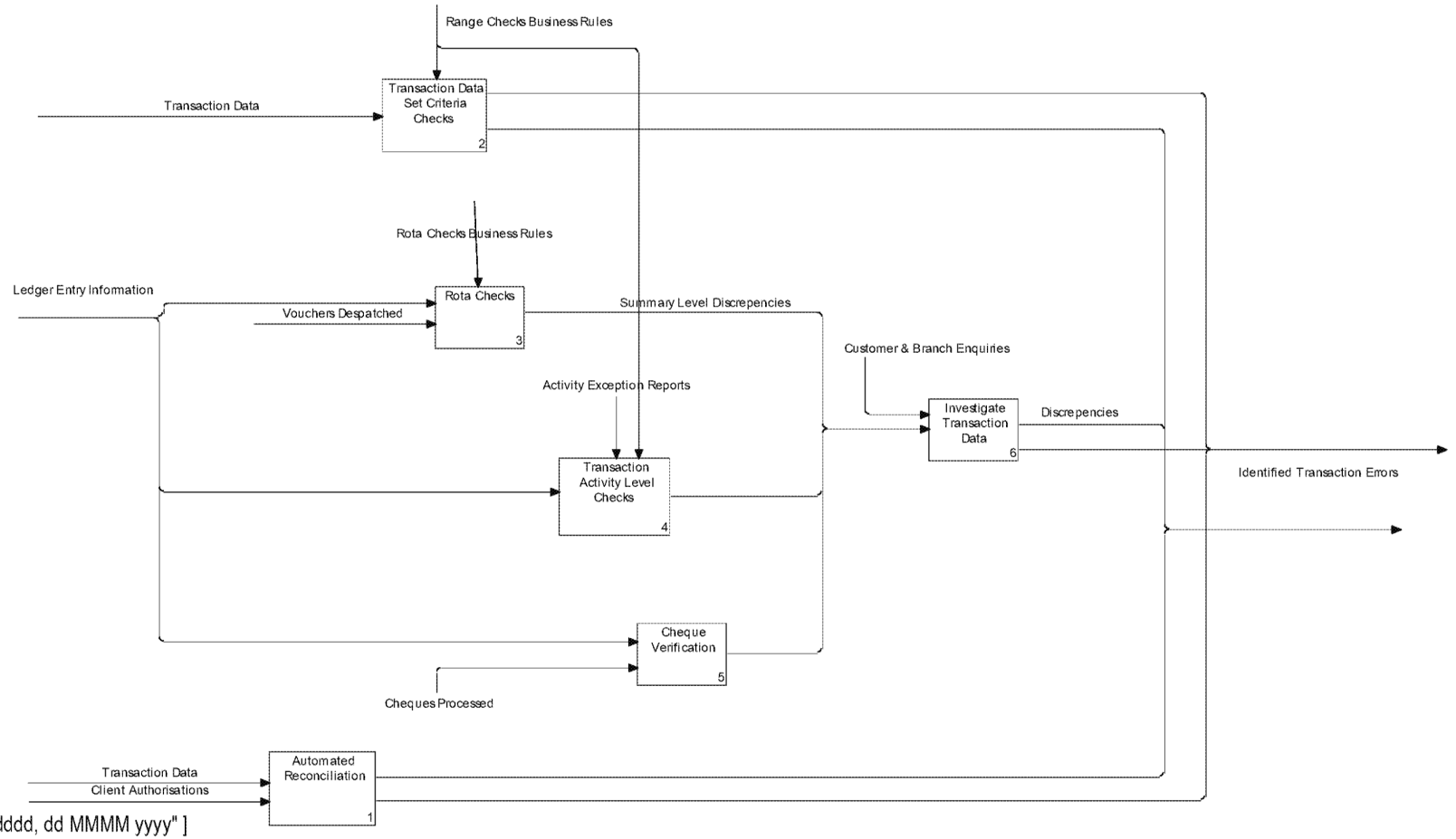
POL00038867

A455 Compare Settlement Data with Txn Data (Verification Activities)



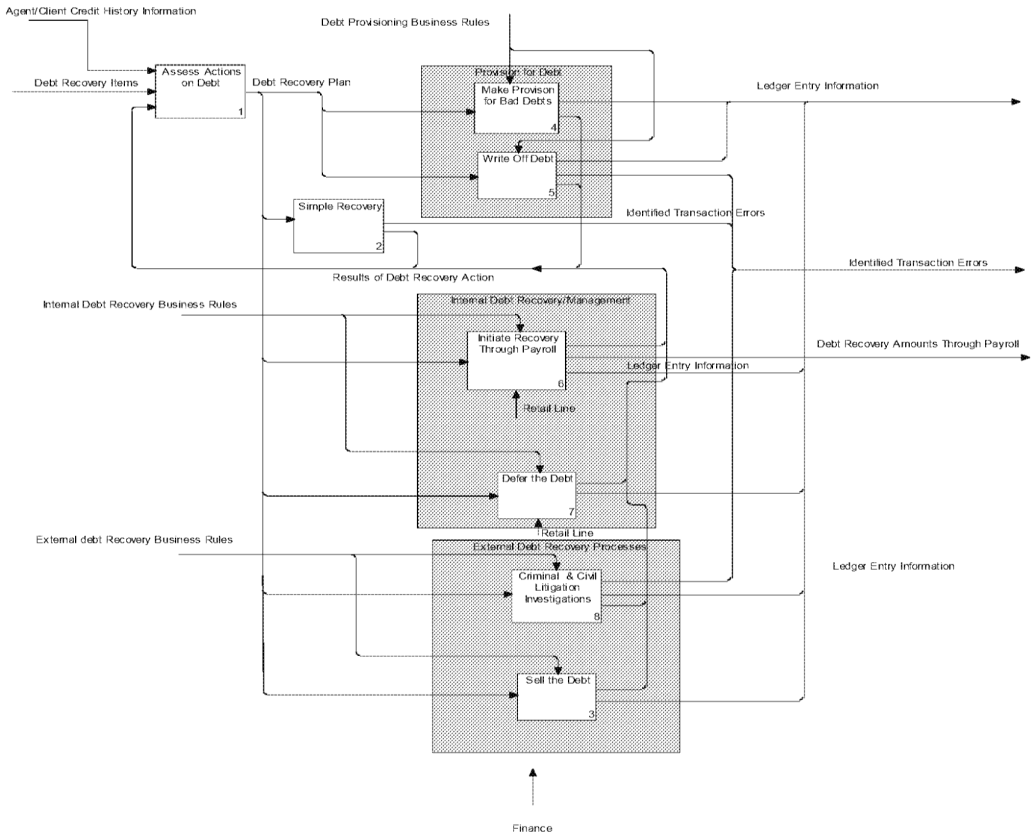
POL00038867

A46 Verification



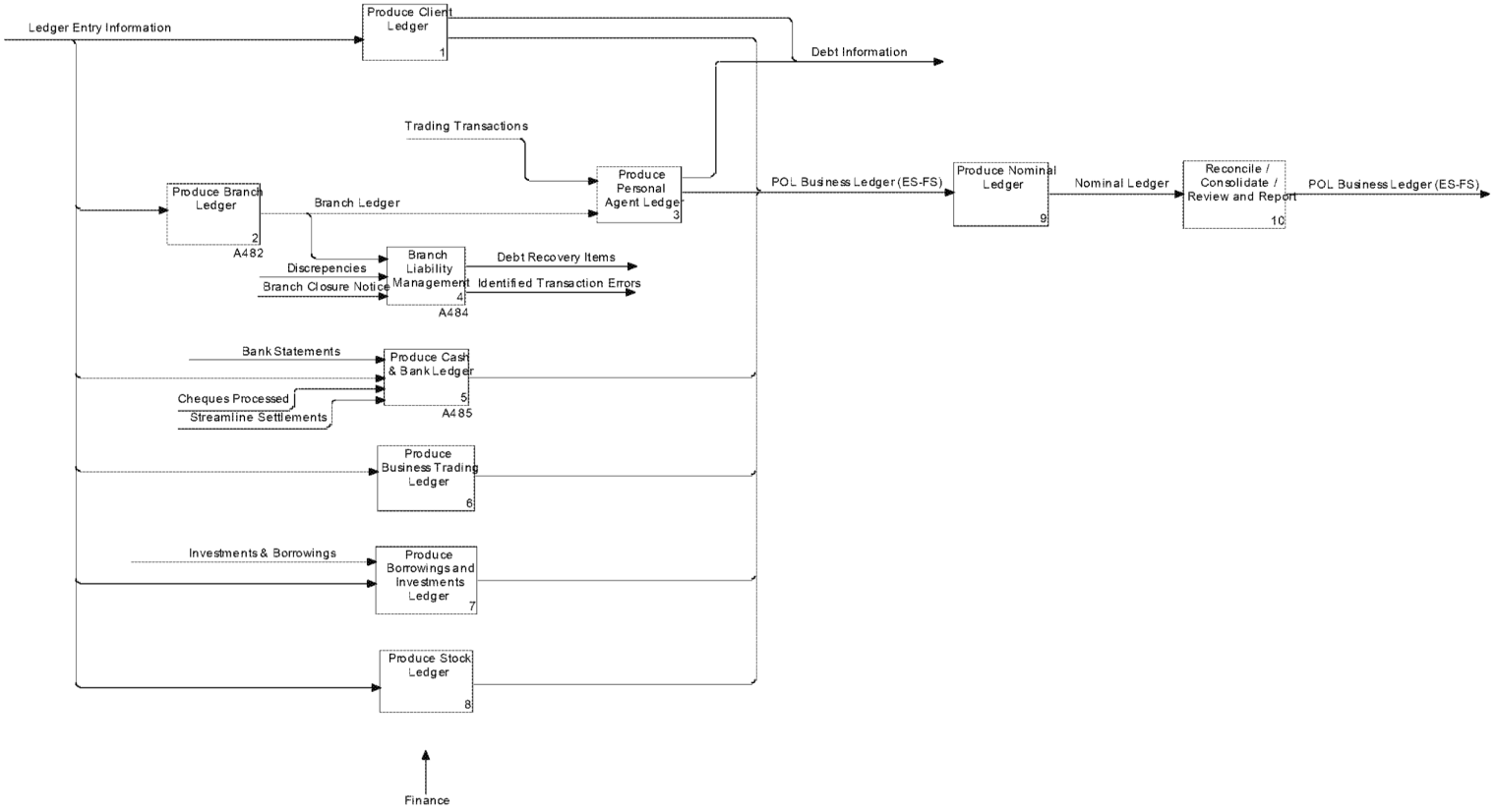
POL00038867

A47 Debt Recovery



POL00038867

A48 - Produce POL Ledger



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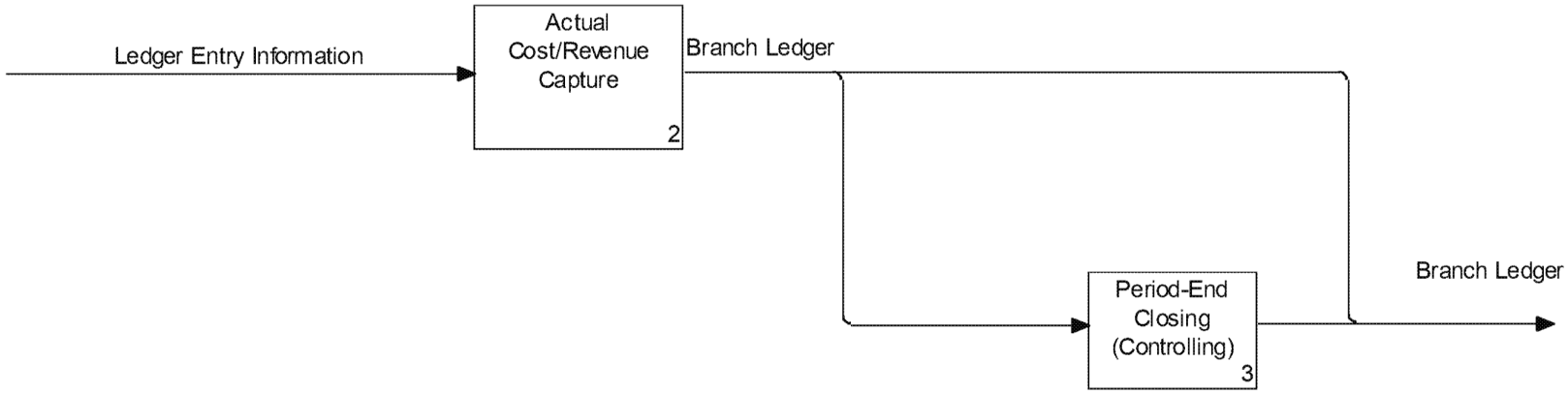
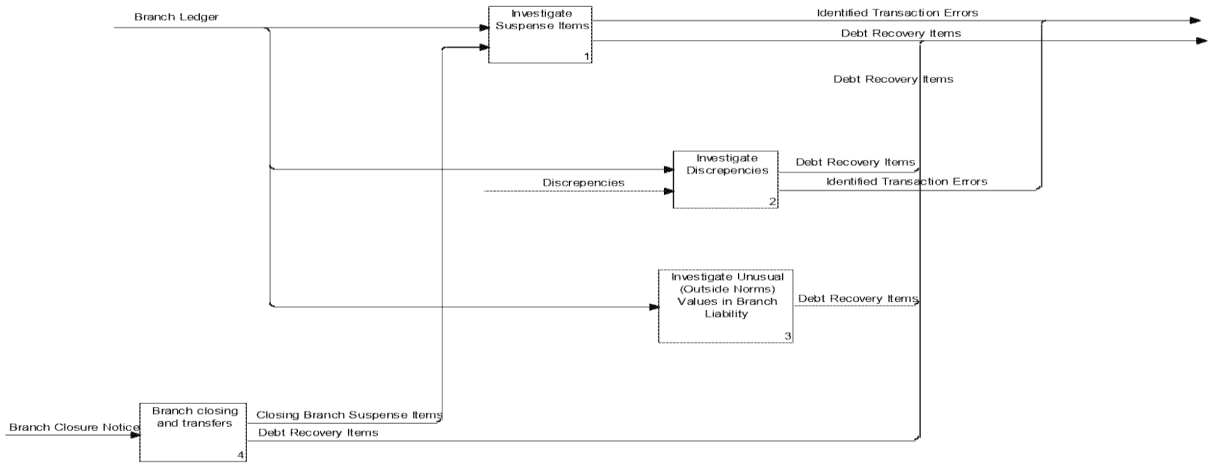
A482 Produce Branch Liability Ledger



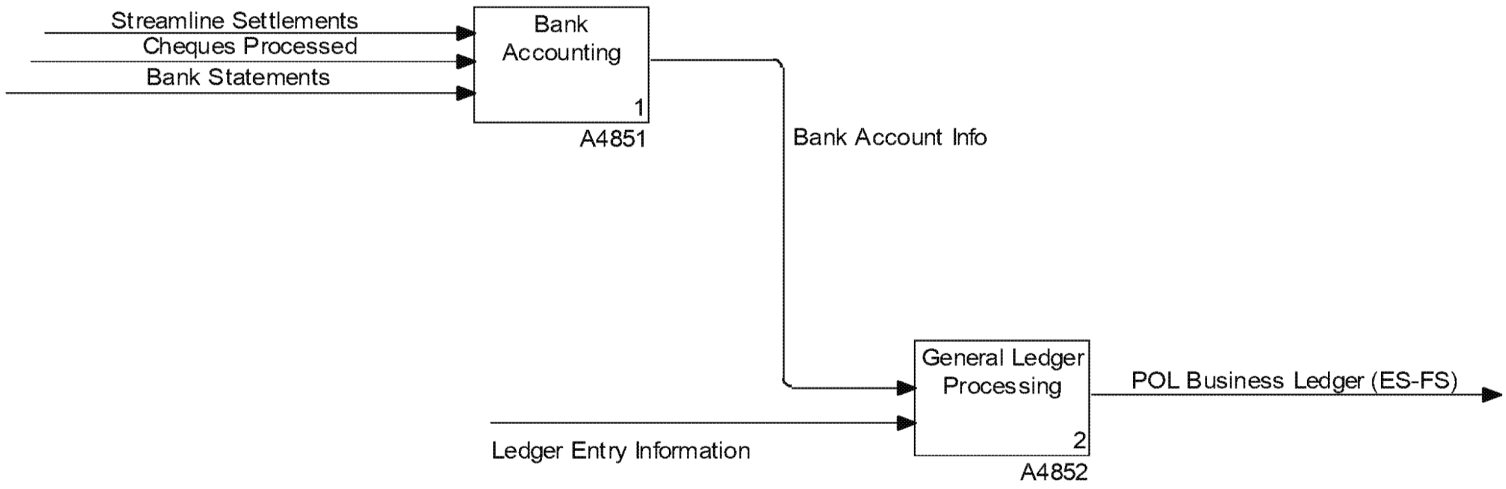
POL00038867

A484 Branch Liability Management



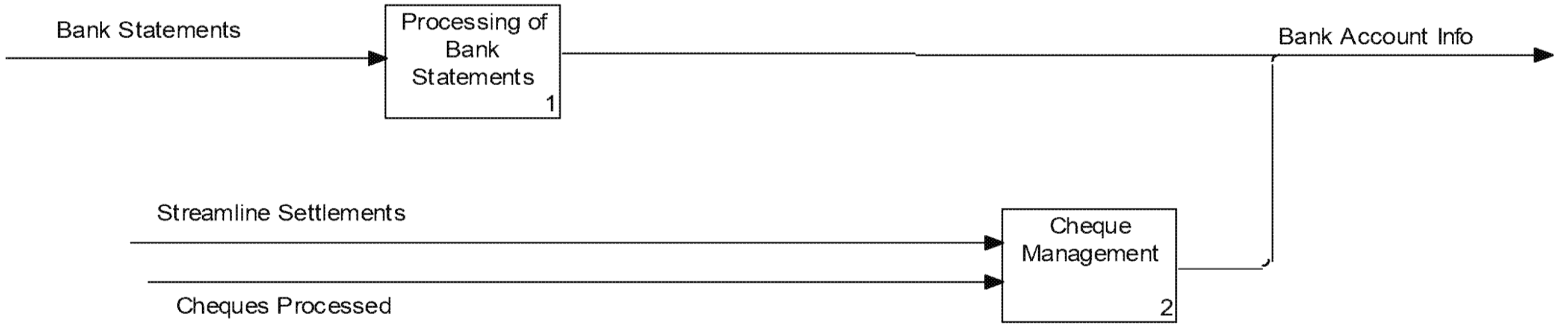
POL00038867

A485 - Produce Cash & Bank Ledger



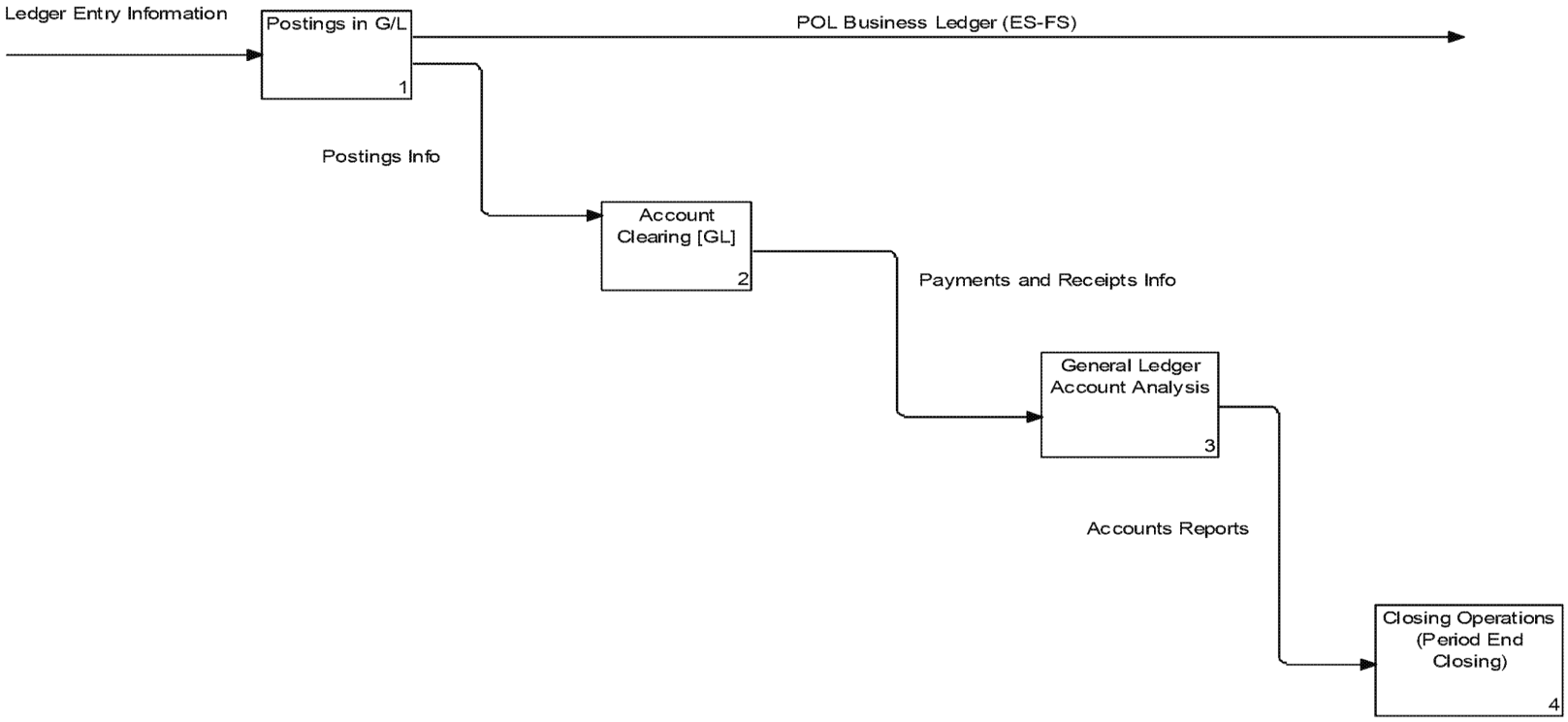
POL00038867

A4851 - Bank Accounting



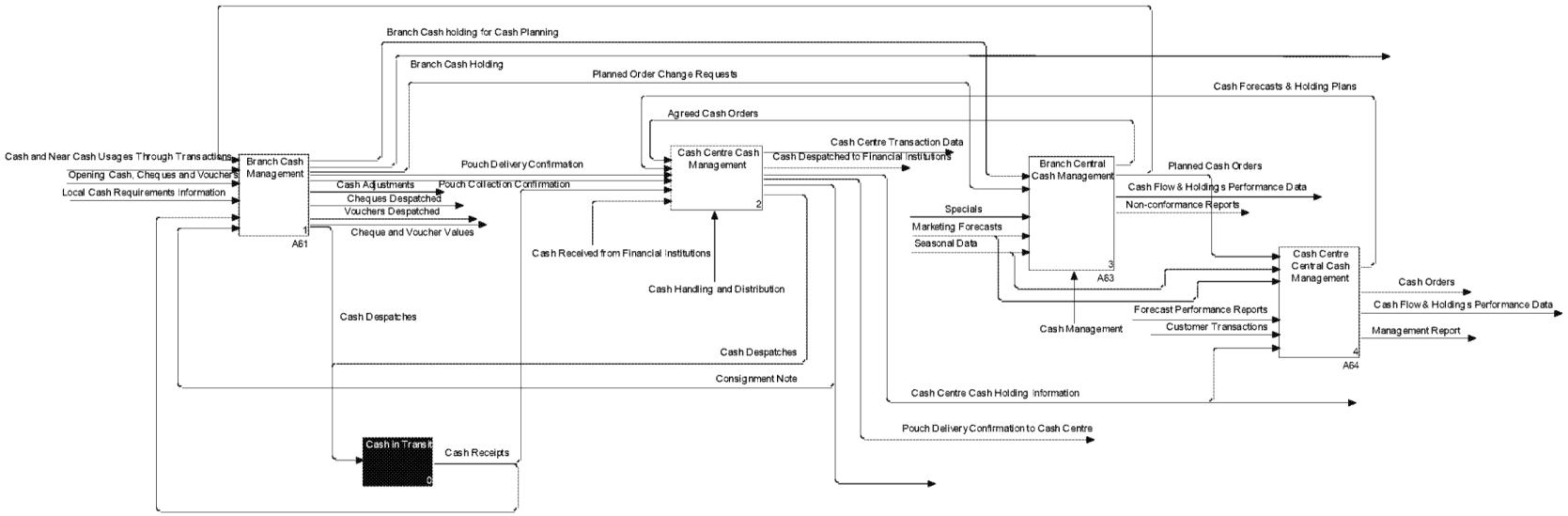
POL00038867

A4852 - General Ledger Processing



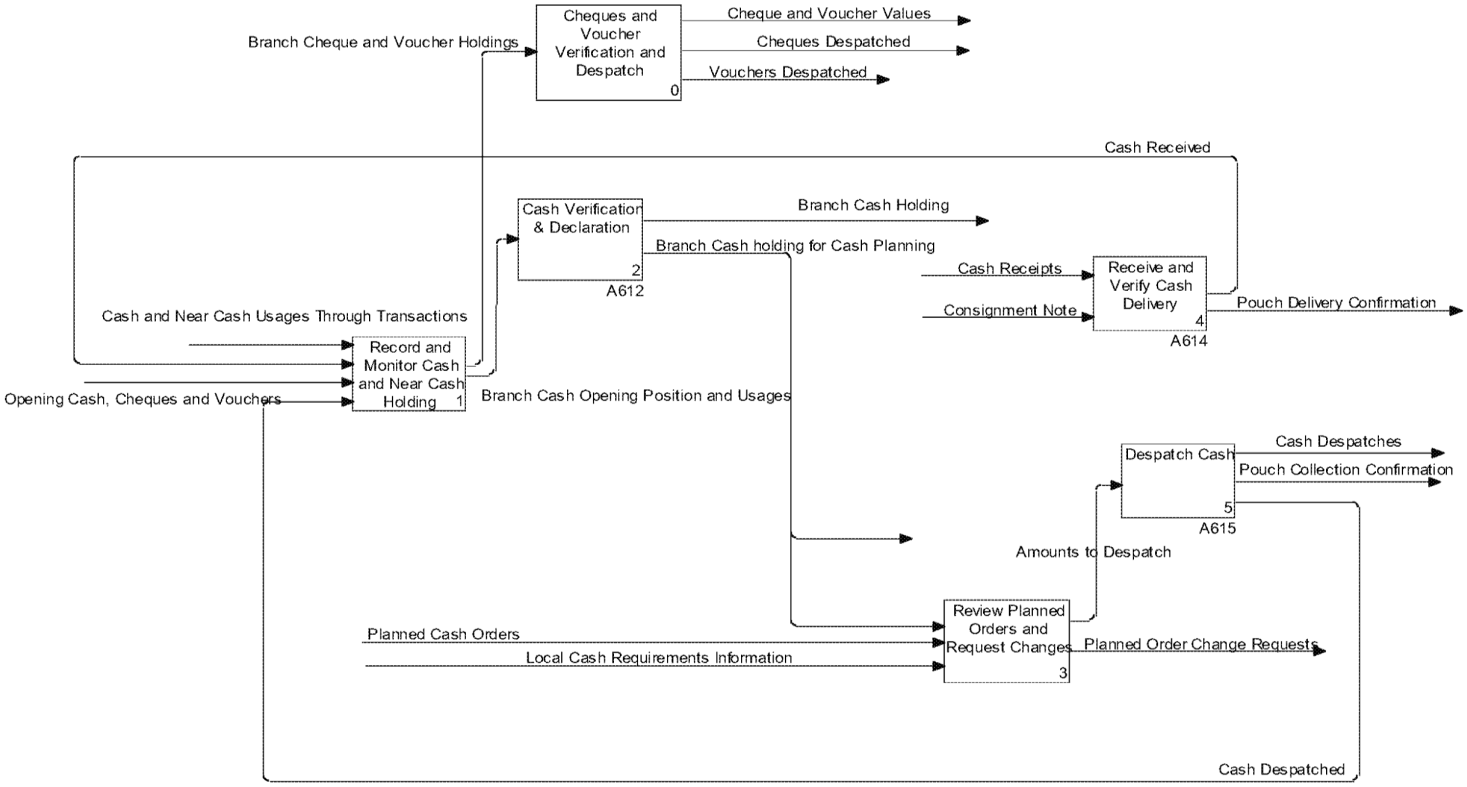
POL00038867

A6 - Cash Management



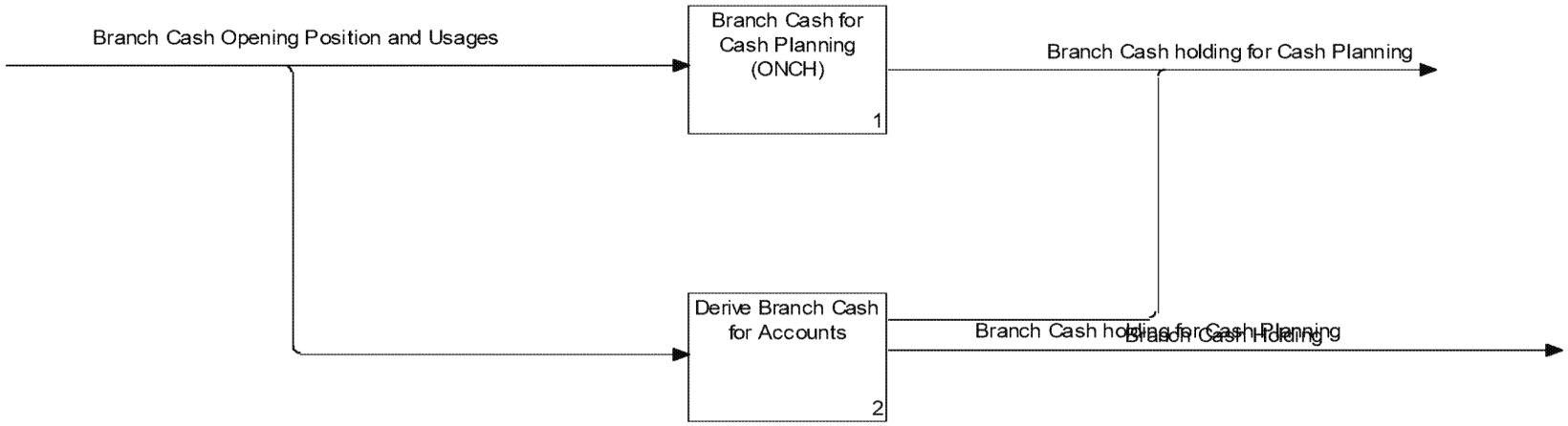
POL00038867

A61 - Branch Cash Management



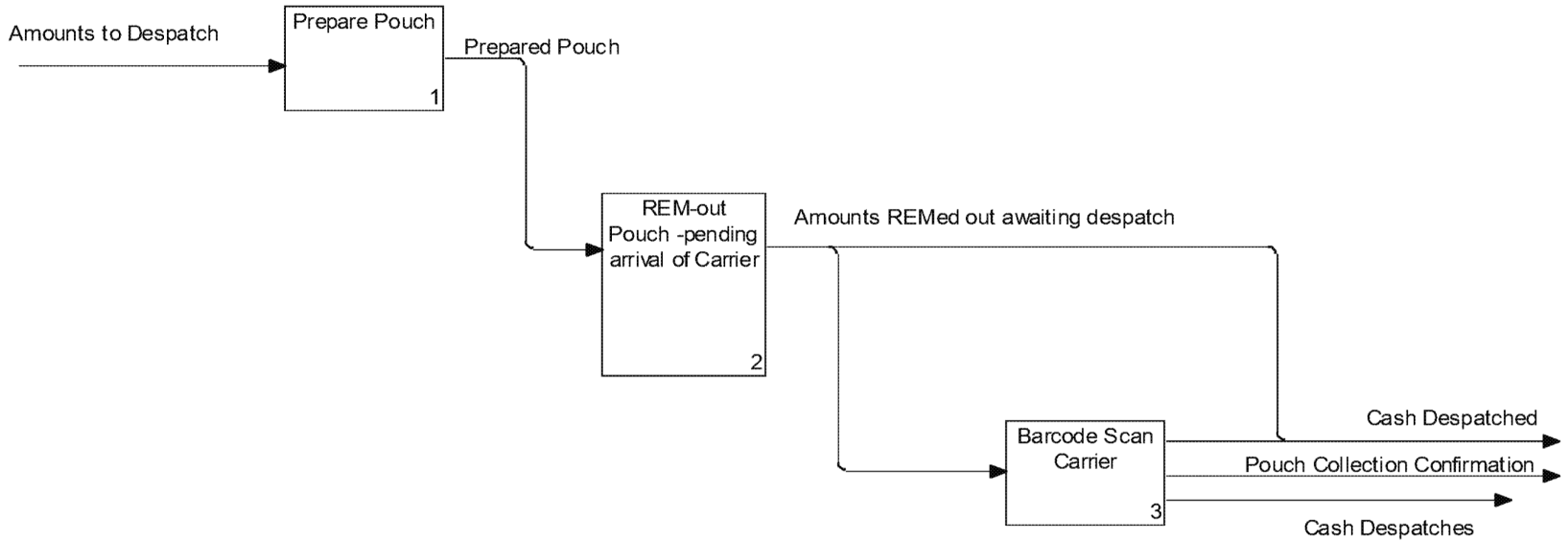
POL00038867

A612 - Cash Verification & Declaration



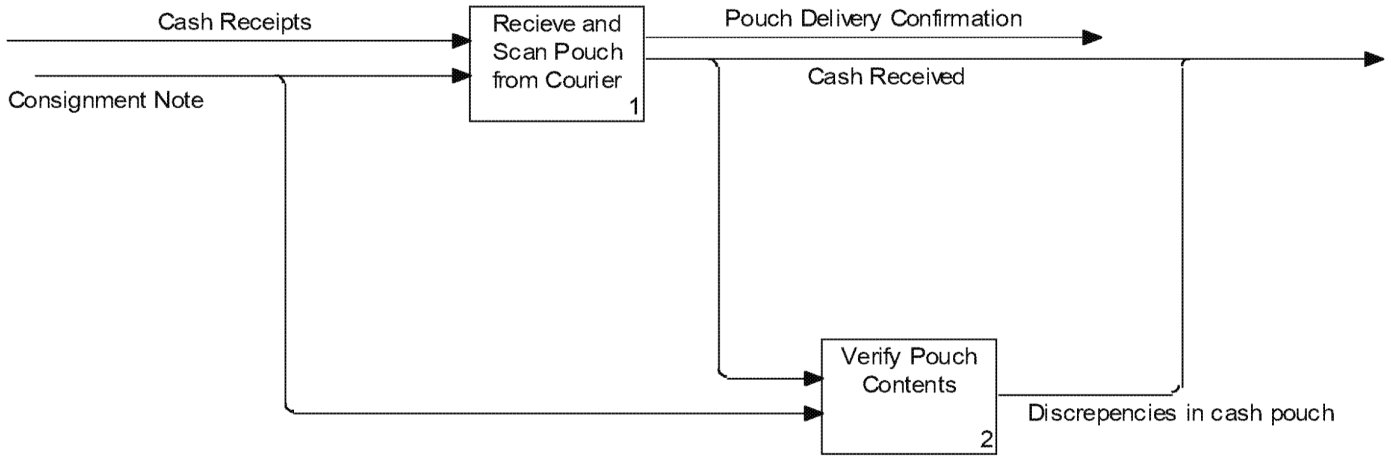
POL00038867

A614 – Barcode Scan Carrier



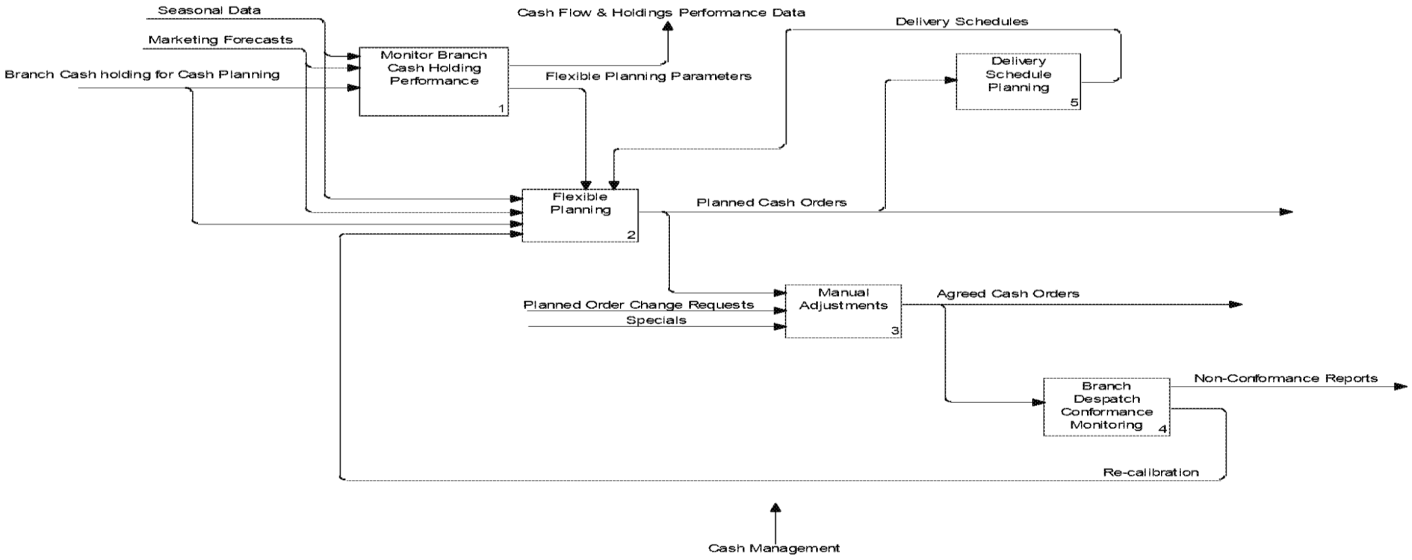
POL00038867

A615 - Receive and Scan Pouch from Carrier



POL00038867

A63 Branch Central Cash Management



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5.7. Business Area Processes

5.7.1. Process Descriptions – Release 1

5.7.1.1 Receive and scan pouch from carrier

Process Map Reference: A 615
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 pouch details 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 on a daily basis) 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 solutions design.
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 pouch details, 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 and to POL FS to allow for Cash In Transit tracking
- 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 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
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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5.7.1.2 Barcode Scan Carrier

Process Map Reference: A 614
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 Pouch Collection Confirmation 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
- Pouch Collection Conformation – 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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5.7.1.3 Cash Verification and Declaration

Process Map Reference: A 612

Description: This process provides the accounting system (POL_FS) with a 'generated' 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 generated figure along with the currently declared ONCH figures, and should enable them to more accurately plan cash deliveries to the branches and POL-FS will recive the movements which have created the genereated figure
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 generated cash figure for each branch for use in POL financials. (may be a cash movement figure, as oppose to a total figure)
- A generated 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 generated the previous day should be used. If the generated 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 will use the figure for its cash planning activity

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5.7.1.4 Summarize Transaction Data

Process Map Reference: A43
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 financial 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 branchs are held within Fujitsu's domain, and may be used for information.

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5.7.1.5 Bank Accounting

Process Map Reference: A4851

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

Bank Statement processing

POL uses five 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 EDS daily.. 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 the branch to EDS who clear the cheques on behalf of POL
2. EDS inform POL of the cheques – quantities and values which have been presented to the bank
3. The bank statement is checked against the value of cheques reported to POL by EDS that are due to clear that day"

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.

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The requirement is to show Streamline amount if process in the ledger as a debtor 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
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.

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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.

Fall back procedures: Manual process. No fallback.

5.7.1.6 Produce Borrowings and Investments Ledger

Process Map Reference: A487 (not shown)

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

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**)

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- 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.

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.

5.7.1.7 General Ledger Processing

Process Map Reference: 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.

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

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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.

5.7.1.8 Make Product Changes

Process Map Reference: A 11
Description: This process defines the introduction of a new or changed product. This enters the PACE process for impact assessment and, if approved through this process the initial data items are entered into the system by the Product Deployment Team.
Triggers: It is triggered by a client requirement being generated and by entering the PACE process (which is outside the scope of Reference Data Change but initiates the necessary data for it)
Frequency of operation: Every time a new product is introduced or an existing one is changed
Volumes:
Automation: This will commence after the PACE process and the data items are entered into the system. Validation routines will support this data entry and once entered automatic triggers will alert the Reference Data Verification process.
Locations: Product Deployment Team (London)
Input requirements at the WP boundary: The only input is client requirements for a new or changed product
Output requirements at the WP boundary: The outputs are the triggers from the entered data to alert
Time Constraints: None
Fall back procedures: None

5.7.1.9 Make Branch and Organisational Changes

Process Map Reference: A 12
Description: This process defines the introduction of new or changed branch details including organisational hierarchies. A new process operates for branch and organisational change which is similar to the PACE process for products. Once the change is agreed initial data items are entered into the system by either the MI Team (for organisational hierarchy change) or the National Implementation Equipment Team for branch details.
Triggers: Every time new or changed branch details are required or organisational hierarchies are changed.
Frequency of operation: As required
Volumes:
Automation: This will commence after the branch change approval process and the data items are entered into the system. Validation routines will support this data entry and once entered automatic triggers will alert the Reference Data Verification process.
Locations: MI Team (Bristol) and NIE Team (Chesterfield)

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Input requirements at the WP boundary: Requests from field project managers to request changes to data into both the MI team and the NIE Team
Output requirements at the WP boundary: The outputs are the triggers from the entered data to alert
Time Constraints: None
Fall back procedures: None

5.7.1.10 Reference Data Verification

Process Map Reference: A 13
Description: This process is operated by the Network Change Team acting as reference data administrators. The process commences when the system is alerted with new or changed data items and allows for the entry of further data items (where required) to build on those already previously entered. It also allows for a feedback loop to change originators for verification purposes prior to authorising the data to update the system. The process also allows for wide user access to the data.
Triggers: New data items entered into the system
Frequency of operation: As required.
Volumes:
Automation: Workflow is used to move the data items into this process where further data items are required. Validation will support that data entry process. Automation will also support the verification process and the user access to information.
Locations: Network Change Team (currently Farnborough – but likely to move)
Input requirements at the WP boundary: New data items entered in previous processes.
Output requirements at the WP boundary: Reference data files and data feeds to wherever required plus reports where appropriate
Time Constraints: Driven by when data elements are required
Fall back procedures: None

5.7.1.11 Reference Data Authorisation

Process Map Reference: A 14
Description: This is a joint process to be performed by the Network Change Team and Fujitsu to ensure that the data is suitable for release into the live environment. This process will only operate where the data items indicate that the process required authorisation as some items are pre-authorised.
Triggers: Update reference data items which require this type of validation and verification
Frequency of operation: As required
Fall back procedures: None
Volumes:
Automation: This should be a fully automated process where possible from the identification of those items requiring this process through to the validation and verification
Locations: To be determined
Input requirements at the WP boundary: A file of reference data
Output requirements at the WP boundary: A file of reference data which is now authorised for distribution to the live environment
Time Constraints: Driven by effective dates of the data items
Fall back procedures: None

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5.7.2. Process Descriptions – Releases 2 & 3

5.7.2.1 Branch Liability At Branch

Process Map Reference: not shown

Description:

The purpose of Branch Liability Management is to enable the Postmaster to assess his / her overall liability to POL and ensure that any necessary checks have been carried out and discrepancies have been resolved or recorded as suspense items.
This is currently handled with the Function "Create / Verify Branch Liability Statement" within "A4 - Accounts and Settlement

There are actually two separate purposes for the BLS and if we separate them and perhaps have two separate processes and reports, then we may end up with a much simpler system. The purposes are:

- To force the Postmaster to accept the current position regarding his Liability based on a snapshot holding of Cash and Stock and also any current Discrepancies / Suspense items. (This is in effect a Balance Sheet.)
- To enable the Postmaster to see what business he has transacted over the last period and thus predict his pay. (This is in effect a Receipts and Payments or Trading report.)

In order for the Branch Liability Statement (BLS) to have any meaning, then it is necessary to go through a Balancing Process similar to that which is used for the current Cash Account. This is represented in the diagram as "Balance Stock Units". In particular it is necessary to Balance each Stock Unit within the Branch and then when all Stock Units have been Balanced it is possible to see the overall picture of the Branch and so produce the BLS. This is represented in the diagram as "Balance Branch". The current process for Balancing (either a Stock Unit or the Branch) often involves producing a Trial Balance which is then checked and then a number of adjustments (ie AdjustmentTransactions) are made and another Trial Balance is produced.

In particular, there is no direct flow to the POL FS except in the summarised transaction flows – albeit that the Adjustment Transactions will be captured within these summarisations.

A separate sub-process "Handle Error Transactions" has also been included. This represents the process by which a Postmaster is informed of a centrally identified error and is requested to create a correcting transaction in the Branch which is then handled in the same way as any other Transaction in the Summarisation and Balancing processes. This is the equivalent of the current "Error Notice" process.

Triggers.

It is expected that an End of Day trigger will be required in the future. The current assumption is that the rules for defining the time at which it takes place would not change, however changing the rules should not be too difficult. The reason for the 19:00 override is to ensure that Fujitsu can meet its current SLAs for delivering all AP data to clients and transactional data to OPTIP. Changing those SLAs might allow the EOD time to be moved back (though there are other considerations on the overnight schedule too).

It is anticipated that the EOD event will result in a change of Trading day in the Branch and also be used to trigger the Summarisation Processes and any period reporting. It is possible within the current system to run various processes as part of the EOD task including weekly processes (these are currently used for Cash Account reconciliation for example), so a weekly Trading Report could be triggered or delimited by EOD once per week.
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Frequency of operation

Potential daily cash declaration process to ensure accurate daily position is reported with periodic production of trading statements (to be defined)

Volumes:

To be determined

Automation:

The declaration process and production of trading statements will be fully automated through the selection of appropriate parameters by the user

Locations

Every branch

Input requirements at the WP boundary:.

The Inputs are:

- Transaction Data

  A number of the other flows can be considered to be specialisations of this. They are:

  - Cheque and Voucher Values
  - Stock Transaction Information
  - Stock Revaluation Information
  - Stock Adjustments
  - Cash Adjustments
  - Branch Cash Holding
  - Identified Transaction Errors

Output requirements at the WP boundary:

The Outputs are:

- Branch Liability Statement
- Adjustment Transactions

  Note that this is treated just as if it is a flow of Transactions.

Time Constraints:

Current time constraints are as follows which need to be assessed in more detail in the new regime:

The time at which EOD occurs varies between Branches. It is intended that EOD will normally happen when the Branch is inactive. The rules for deciding when EOD should occur are as follows:

- Read the Branch Reference Data for the scheduled Closing Time of the Branch for the given day of the week

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- If there is no scheduled closing time (which is normal on a Sunday when the Branch is closed all day), then EOD is 19:00 (ie 7pm)
- If the scheduled closing time is 18:30 or later, then EOD is 19:00
- Otherwise EOD is 30 mins later than scheduled closing time (in most branchs this means 18:00 except Wednesdays and Saturdays when it is likely to be about 13:30)

Fall back procedures

In the event of the system being unavailable at balancing and trading statement production time it must be possible to recover to the position immediately prior to unavailability.

It must be possible for the user to pull off reports to assist in manual balancing processes. However, there is no specific fallback if the system is down.

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5.7.2.2 Central Reporting from Branch

Process Map Reference: not shown

This is currently handled with the Function "Summarise Transaction Data" within "A4 - Accounts and Settlement".

hNote that this document is only concerned with summarisation of Branch transactions. Summarisation of Cash Centre Transactions is covered elsewhere. In particular it has been agreed that any such summarisation will be done within SAP ADS.

Description

For Branch Transactions there is a two stage process, namely finding the relevant Transactions and then Summarising those Transactions that need to be summarised into "Summarised Transactions" and retaining those Transactions that don't require Summarising as "Explicit Transactions". These are both sub-flows of "Ledger Entry Information".

5.7.2.3 Report Customer Data to Client#

Process Map Reference: A42

This is currently handled with the Function "Report Customer Data to Client" within "A4 - Accounts and Settlement".

The process is the current process

5.7.2.4 Client Settlement to Client

Process Map Reference: A44
Description: This process is the process by which clients are paid based on the value of their inpayments taken over the branch counters as a result of customer transactions or based on agreed estimates or on client derived data. In some cases this may be a net payment where the client products include outpayments e.g. National Savings and Investments deposits and withdrawals are paid net each day.

For Girobank only values are paid on a Day A basis therefore paid prior to the transactional data being available.

There are several types of settlement to client based on individual client contract.

- Settlement on client data
- Settlement on transaction data
- Settlement on mixture of client and transaction data
- Settlement on estimates followed by corrections when transaction data is available

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- Settlement based on AP report

Once value of payments are calculated they are checked at various stages throughout the process before the funds are transferred to the client bank account. Payments are made via the banking system usually by BAC's or CHAP's and occasionally by cheque.

Differences between the settlement data and transaction data need to be resolved by determining which stream is correct. This may entail making enquiries of the branch or the client from where the alternative source was derived. Corrections will be made to the transaction data stream or the client data stream (and thereby settlement) if the cause can be determined. If not this may result in a loss or a gain to the Business.

Triggers: Process triggered by the settlement terms within each client contract. Most clients are paid either daily or weekly.

Frequency of operation: Daily

Volumes: 30 – 40 payments per day using BAC's and CHAP's transfer. Occasional cheque payment.

Automation: Both automatic via client ledger and manual journal vouchers where payments are made on estimates and subsequently corrected when transaction data is known

Locations: Centrally in the client settlements team in Chesterfield

Input requirements at the WP boundary:
- Summarised transaction data from ledger
- Client Summary report
- Client Settlement data
- Agreed estimated values

Output requirements at the WP boundary:
- Ledger entry information
- Settlement payment to client
- Identified transaction errors
- Client ledger adjustments (feeds into ledger entry information)
- Client settlement forecasts

Time Constraints: Payments must be made by 12 noon or penalties may be invoked dependant on client contractual terms

Fall back procedures;

5.7.2.5 Client Settlement from Client

Process Map Reference: A45
Description:
Receive payments from clients who prefund the value of outpayments to be made to customers made on their behalf over the branch counters. For example Dept. of Work and Pensions and Asylum Seekers payments. Prefunding involves using estimates in the first instance. The estimate is negotiated and agreed with the client based on historic trends, current market and seasonal factors and results in PO Ltd sending the client a request for payment.

The request for payment is in the form of a statement of account, rather than a traditional sales invoice, containing the following months agreed estimates.

The cashier function is informed of the value of expected payments and monitors whether the value has been received.

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Differences between the settlement data and transaction data need to be resolved by determining which stream is correct. This may entail making enquiries of the branch or the client from where the alternative source was derived. Corrections will be made to the transaction data stream or the client data stream (and thereby settlement) if the cause can be determined. If not this may result in a loss or a gain to the Business.

Triggers: Process triggered by the settlement terms within each client contract.

Frequency of operation: Daily

Volumes: 2-5 payments received per day

Automation: Both automatic via client ledger and manual journal vouchers where payments are made on estimates and subsequently corrected when transaction data is known

Locations: Centrally in the client settlements team in Chesterfield

Input requirements at the WP boundary:

- Bank Statements
- Summarised transaction data from ledgers
- Agreed estimated values

Output requirements at the WP boundary:

- Payments request to clients
- Updated ledger entry information
- Identified transaction errors
- Client ledger adjustments (feeds into ledger entry information)
- Client settlement forecasts

Time Constraints: Payments must be received by 12 noon or penalties may be invoked dependant on client contractual terms

Fall back procedures

5.7.2.6 Rota Checks (possible rem out txn)

Process Map Reference: A463

There are currently a number of cut-off reports that are produced each week as part of the Cash Account Rollover process. These are passed together with the supporting evidence to Chesterfield where some are checked by the Rota Checks. Currently the electronic values are derivable from the Cash Account report, however with the move to the Branch Liability Statement, there will no longer be this information available centrally.

An alternative approach is to allow the supporting documents to be "Remmed Out" of the Branches periodically and the Rem Out Transactions can be used to check the supporting documents if required.

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To ensure that this mechanism works, it is also necessary to ensure that the amounts Remmed out match those of the Transactions undertaken. This check could be made as part of the production of the Branch Liability Statement.

5.7.2.7 Investigate Transaction Data

Process Map Reference: A465
Description
The purpose of this process is to allow users to trace information back to the individual transaction component. This is for a number of reasons eg. responding to a number of internal or external enquiries for various reasons.
Triggers
On a day-to-day basis, Transaction processing receives transaction enquiries from various sources that require them to investigate transaction data in order to resolve the enquiries. These can be received from Clients, Customers, or Branches and can be in relation to a variety of different products.

Volumes
The main product areas that receive enquiries are Personal Banking, Automated Payments, TV Licencing and Cheques. On average, Transaction processing deals with approximately 950 enquiries per week relating to these products. The breakdown can be summarised as follows:

- Automated Payments average 500 per week
- Personal banking average 200 per week
- TL Licensing average 150 per week
- Cheque average 100 per week

Transaction processing may also need to investigate transaction data when investigating exceptions that have been created. This includes mismatches between transaction data and supporting documents and range check thresholds that have been exceeded.

Currently, on average approximately 11,000 exceptions are created each week that require investigation. In order to investigate these, Transaction Processing refer to either summary level transaction data by Branch, or if the query is relating to a product where we capture customer specific details, (e.g. Automated Payments & Personal Banking transactions where we capture customer reference number or account details), TP will use transaction level data to investigate.

Transaction Processing also acts as an enquiry point for the Human Resources Service Centre for queries relating to Subpostmaster Remuneration. Summary transaction data by branch is used to investigate these queries.

On average, Transaction Processing receive approximately 10 to 15 Subpostmaster Remuneration queries (re-checks) each month. The majority of these are received within the first few days following payment of monthly remuneration. They can be for multiple products across varying periods of time. For example a simple re-check may consist of a query for a branch for one product for one week. Transaction Processing have also received queries across multiple products going back across a period of 12 months.

Automation
The proposal is for Transaction Processing to use a combination of sources for investigation purposes in future. If enquiries are relating to client level data then POL FS could be utilised. If enquiries are relating to transaction level data then the Data Warehouse could be utilised.

5.7.2.8 Cheque verification

Process Map Reference: A466
Description :

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This process provides a control to ensure that cheques used to pay for transactions do actually deliver funds for the full value into the PO Ltd bank account. It is designed to remove the possibility that a customer's account with a client can be regarded as paid when the customer's cheque is lost prior to processing. NB If after processing the cheque is returned from the bank unpaid eg due to lack of funds, the issue will be identified in the cheque management process within the Banking process, when the bank statements are received. It minimises the cash flow impact when PO Ltd has settled the cash to the client but has not received value from the customer's cheque.

Cheques are sent by branches to EDS for processing at the end of each day. The details of the transactions to which the cheques relate are recorded on the Horizon terminal, and the summarised total amount sent to EDS flows through at the end of day processing. The ledger receives the total value of the batch whilst the detail of individual transactions stays in Horizon. EDS process the cheques and advise TP of the value passed to the bank daily, via a spreadsheet electronic format. This gives total values by branch by day, which can be matched against the total value of cheques sent by branch by day in the ledger. Differences identified can then be resolved by office eg missing mail bags, missing cheques, inaccurate values recorded, timing differences. This information is then passed to the investigate transaction data process.

Triggers:
The branches despatch cheques to EDS daily i.e. a six day week.

Frequency of operation: Once per despatch, usually daily but only 5 processing days. Saturday cheques are processed with Fridays' and the two day figure is sent as the fifth day.

Volumes :
Usually each office despatches once per day, the number of cheques per office varies and can be cyclical, dependent on transaction eg more at month end for items such as licence renewal. Approx 280k per day but peaks at 560k for the two day figure. Equates to value of £110m.

Automation:
Once the information has been received from EDS comparison of the two branch daily totals ie that processed by EDS against the ledger entry information of that sent to EDS by the branch , should require no intervention from the TP clerk. The system should highlight those branch days which do not match.
Locations: The team in TP dealing with cheque processing from EDS is based in Chesterfield.
Input requirements at the WP boundary:
The information flows are Cheques processed, and ledger entry information

Output requirements at the WP boundary:
The process outputs summary level discrepancies by branch to the investigate transaction data process

Time Constraints:
Daily, to predict bank account movements and increase likelihood of successful resolution of investigation should discrepancies occur.

Fall back procedures
If the electronic spreadsheet does not arrive the minimum fall back would be verbal or fax information from EDS of the value. Individual office verification could be delayed until the input is received.

5.7.2.9 Debt recovery

Process Map Reference: A47
Description :

This process requires judgment to be made about the likelihood of existing action resulting in the receipt of cash to recover the debt, and whether firmer action through a new debt recovery plan should be instigated. It is designed to maintain momentum in the recovery of debt so that debtors pay their debts quickly with minimal additional administration costs, so that the cash flow impact of the debt on PO Ltd is minimised.

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The debt recovery team in TP receive information on debts which have been assigned to agents, or customers, or clients, and have not been cleared immediately when the initial notification "an identified transaction error" was sent.

The primary process is to assess action on the debt by reviewing the credit history of the debtor to determine total outstanding liability, and previous payment records before deciding what additional action to take. *NB It is assumed that the need for total outstanding liability will result in the moving of debt currently residing on POL ESFS onto the new POL FS system so that only one account for each debtor holds the total liability. This requires Operational Finance who operate the debt recording and recovery function on POL ESFS on our behalf to instead perform the activity in POL FS. This should be confirmed as part of detailed requirements analysis.* This additional action could result in one of four other processes being initiated and is described as a debt recovery plan which should be recorded to know which route has been selected. The results of the debt recovery action are fed back to the update the debtor history. If the debt is paid then ledger entry information about the cash receipt will be generated and the item will no longer be included in the next assessment. If it is not, the cycle repeats itself and a different option would be selected. This could result in the debt being re assigned to a different debtor through an identified transaction error e.g if a client identified error can be refuted by the agent as correctly treated at the original transaction. Ultimately if not recoverable, ledger entry information to write off the debt will be generated to clear the accounts, record a loss and remove from the debtors ledger.

The four options resulting from the assessment described in more detail are;
Simple recovery: used when there is no adverse information about previous repayment and when there is no other outstanding amount or other amounts are low. A reminder telephone call is made by the debt recovery team in TP to prompt repayment of cash using the usual method of settlement. The content of the call varies depending on the debtor. For existing agents this uses a script, which repeats the instruction to repay via the till, for customers of TVL and DVLA to pay via credit card or debit card or cheque, for clients to pay by amendments to settlement. For former sub-postmasters it is usually by letter. Amendments to client settlement is also used to clear customer debts due to unpaid (bounced) cheques for all products except TVL and DVLA. Here we know the customer account but not their personal details so deduction is made from the client who then reinstates their own debt from the customer. For lost cheques letters are sent to customers via the client, again because we have an account number but not their address. These again request repeat payment.
Internal debt recovery: used for existing agents when simple recovery has failed. A second telephone call is made by the debt recovery team in TP, using a script that informs the agent that recovery will be achieved via deduction from pay. This can either be in the next month, or, if the retail line agree, it may be partially deferred for a period and paid through a series of instalments over several months. Different terms are set as appropriate for different segments of the network eg commercial and community. Some of these may require VAT or NI to be charged and accounted for too. If the debt is for transaction related errors the contract permits deduction from pay without agreement. If the debt is for trading transactions, by law, the agent's agreement must be obtained for the deduction to proceed.
External debt recovery: used particularly for trading transactions and when the agent is no longer under contract i.e. former subpostmasters. TP instruct solicitors to take civil or criminal proceedings up to a certain cost ceiling, before referring back for new instruction. In cases of fraud or robbery it can be from former employees too, and can take several years for cases to be heard. Costs may be awarded, attachment of earnings orders may be gained which would generate further ledger entries but in general the information is used to assist in debt provisioning process. Eg tracing agents could be used to identify whereabouts of debtors but would not be cost effective for debts under £500. The debt could also be sold to factors who would then recover the debt. This would involve ledger entries depending on the terms of the service provided e.g with or without recourse, and method of charging for fees or costs.
.Provision for debt : used whenever 100% recovery is thought doubtful. Usually this is when simple and internal actions have failed, and almost always in parallel when external debt recovery is chosen. Provision can be partial and temporary, reassessed regularly or in litigation cases at half year and year end according to business rules. It is initially formulated by the debt recovery team in TP but can be varied by subsequent judgment from the Finance team as part of the probity process which ensures debts are legitimate assets to be recorded in the balance sheet. This results in entries on the business trading ledger but the debt on the accounts receivable personal account remains. Ultimately a permanent write off decision of the unrecoverable amount in the accounts receivable personal account would be made by TP when debt recovery action would finally cease.

Triggers:
The accounts receivable ledger should identify items which are overdue compared against the assigned credit terms for the various types of transaction. For an identified transaction error on line this could be "next day", or day after normal credit terms expire for trading debt. Debt recovery team in TP periodically review overdue reports and aged debtors

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listings, this could be daily or within a week, and/or check on debtors credit history using diary triggers if a particular action was agreed eg agent on holiday for two weeks, so chase as soon as return to work date is reached. If previous action has not resulted in payment this triggers the process. Unfavourable advice from external debt recovery on the progress of litigation would trigger the process as soon as it was received.

Frequency of operation:
Daily

Volumes:
Transaction related debts are currently measured by issued error notices not yet brought to account. There were 8723 of these debts which had not been repaid three weeks after issue. There is no information on how these are spread amongst the offices eg what proportion of agents do not have an error notice, and how many have more than one at any point in time.

There are also approximately 1600 agents with debts relating to trading transactions, where debt is mainly just one invoice. There is no information as to whether these are different agents to those with transaction related debts. These debts currently reside on POL ESFS, (using SD - Supply & Distribution -functionality not AR – Accounts Receivable) and are managed on behalf of POL by Operational Finance in Farnworth.

Currently there are approximately 1200 former subpostmaster accounts, but with network reinvention programme this could increase in the short term, and will vary dependent on rate of turnover in offices.

The number of customer debtors for each of TVL and Vehicle Excise unpaid cheques varies but is consistently in the hundreds rather than thousands.
The number of customer debtors due to cheque losses varies eg a missing mail bag from a city centre could have the cheques from a large number of offices, each having say 100 cheques.

The upper number of overdue debts would therefore be in the order of 20000 accounts; the lower say 13000.

Automation:
Once the debt recovery plan has been decided, the process to initiate recovery from payroll, or to make provision should operate with minimum intervention from TP. Instructions to/advice received from external debt recovery parties would probably be in letter format and required to be manually entered onto the credit history information .

Locations:
To be performed by TP in Chesterfield, and also Leeds. It is not yet determined whether Operational Finance, who currently recover trading transactions on behalf of TP through the ESFS ledger will continue to provide this service. They are based in Farnworth. This should be confirmed as part of detailed requirements analysis.

Input requirements at the WP boundary:
Apart from the triggers the only information flows into the process are
the debt provisioning judgments both in the form of business rules and reporting judgments on asset recovery.
the judgments of the retail line on the terms to apply for internal debt recovery management. These are both in the form of business rules for debt recovery but could be individual decisions in certain circumstances.

Output requirements at the WP boundary:
The process outputs the following information
Letters requesting payment to customers by name, customers identified only as account holders of clients, former sub postmasters.
Letters instructing external parties to commence legal proceedings and the terms on which they are to pursue, including time and cost limits.
Instructions to the personnel and payroll department to make deductions from pay through HRSAP.
Ledger entry information –Value of debt to be written off against relevant losses code, or if provision is reversed written back as a gain against the original losses code. Value of debt to be removed from debtor account
Identified transaction error – message to agent through Horizon terminal to make adjustments as instructed to correct the debt recovery item or transfer it to another agent/client account.

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Time Constraints:
Results of debt recovery action should be fed daily by end of day so that agent credit history is as accurate as possible. This would avoid unnecessary calls if payment was received, and quicken further action if it is not.

Fall back procedures:
In the case of system unavailability in the short term, or failure to update cash received on any particular day, recovery could be pursued from previous days information. If system remained unavailable for a lengthy period, another method of updating balances for recent cash receipts, and new debt recovery items would need to be devised.

5.7.2.10 Cash Centre Cash Management

Process Map Reference: A62
Description

- Planning of cash remittances to branches
- Changes to planned orders.
- Dispatch of cash remittances to branches
- Receipt of cash remittances from branches
- Cash replenishment from BOE
- Cash disposal to BOE
- External customer cash deliveries
- External customer cash collections
- Cash withdrawals at cash centre
- Cash Deposits at cash centre
- Warehouse management of the stock of cash
- Discrepancy processing
- Trading statement

These processes describe the physical cash management area defined in the process maps as cash centre cash management. Not all areas are fully relevant for the E2E programme but have been included for completeness. It is not considered a requirement to expand the process box further at this point.

Planning of cash remittances to branches
This automated process is run nightly, after the receipt of the Cash on Hand file from Horizon. The process is carried out for the majority of the 18,000 branches. Only a small number are not eligible to be flexibly planned. The function is provided by the central SAPADS system.
The planning system produces two outputs. The first is a file of planned orders, which contains the details of the planned remittances that will be dispatched to branches. This is in the form of a text file, which is transmitted to FS, for onward transmission to the branches. The second is a table of orders, which require picking, and packing, this is the actual remittance, which is processed and dispatched to the branch.
The receipt process and transmission of the planned order file must be completed for the branches to see the planned orders by 8:00 on the day before the planned rem. This gives time for the branch to request changes.
The Cash centres hold a copy of the standard remittance for each branch. This is used in the case of a total systems failure.

Changes to planned orders.
The POL branch realising that the planned order does not meet their requirements triggers this process. The review of planned orders is carried out at the branch whenever they receive notification of a planned order e.g. at some branches this is daily. On average 7,000 changes are received per week. This process consists of a manual review and a phone call and results in the system being manually updated. The process is carried out either in local inventory teams, Cash Centres, or the help desk facility in Hull (soon to be moved to Newcastle). The information used in the process is as follows: FAD code, delivery date and details of the amended planned order. The branch history is also utilised in the decision making process.

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On saving the change a success message will be received. The document number created is recorded for reference. The only time constraint will be the cut off time employed at the cash centre to ensure that there is sufficient time for the order to be made up and despatched to ensure delivery is made on time. This varies from cash centre to cash centre, and it will also vary within a cash centre. There are contingency programmes available for any system failures.

Dispatch of cash remittances to branches

This is a daily process, which is triggered by the printing of a bulk-picking list. This contains the details of all the orders (rems) that are required for that day. These are picked and packed. The packing details are entered on the SAPADS system. This process is carried out throughout the day. There are up to 8,000 rems to be processed each day. The production of paper work is requested manually but the process is supported by the SAPADS system. This process is carried out at each of the cash centres.

The process must be completed in time for the driver to commence the route. Fallback is to use the standard rem, which is held as a hard copy at each of the cash centres.

At the point of packing it is occasionally necessary to split the packing between pouches. In this case it is necessary to create a manual contents slip for each of the pouches. This is because the picking detail, which is printed on an advice note, does not record the information down to individual pouch level. The advice note will be included in the last pouch packed but will be stapled to the contents slip. Please note that the contents slip is only for use in the case of systems failure.

Receipt of cash remittances from branches

This process is prompted by presence of a pouch for collection. Once received at the cash centre it will be scanned which records the fact that the pouch has been received at the cash centre. The next step is to open and count the contents. At this step it is scanned again and the system populated with the value of the pouch. The fall back at this stage is to simply count the content. This process is carried out throughout the day. The majority of pouches received are processed within one working day.

Cash Replenishment from BOE

This process is triggered by the forecast received from CFF (cash flow forecasting). The additional cash is requested 10-14 days in advance. CFF is run weekly to forecast the cash requirements. The process is manual but utilises the stock control functionality of SAPADS. The process is carried out centrally on behalf of each cash centre and the delivery is direct to the affected cash centre. The delivery is by agreed carrier. On delivery the load is subject to authorisation and checking and is booked into SAPADS stock.

Cash Disposal to BOE

This process is the reverse of the above, and is again triggered by CFF. The collection is again via agreed carrier and utilises standard SAPADS functionality.

External customer cash deliveries

The receipt of the delivery into the cash centre triggers the process. This process operates very frequently (details of frequency and volumes requested). The process operates in all cash centres. In the main, a pouch number, customer details, and breakdown of the delivery, however there are variations within the process depending upon where it is performed, and what is actually received. The output requirements vary, depending on where the process is performed and what is actually received. Cut off times are used to ensure that same day processing is achieved. Each cash centre will operate differently. There is a contingency programme available at all sites.

External customer cash collections

The process is initiated by a telephone call, fax or set order from the customer. The frequency of this will vary from cash centre to cash centre but the vast majority will take place in coin centres. Although SAPADS is used to record the details it is largely a manual process mainly operated at coin centres, but will also operate in cash centres. A clerk will input the customer number, delivery date and order details. A sales order number is generated, which the input clerk records. The orders must be received in time to meet the variety of cut off times utilised to ensure that it is delivered on time. Manual contingency processes will be employed if necessary.

Cash withdrawals at cash centre

This process is only available for existing customers e.g. Giro customers. The trigger can be a phone request, a fax, or a standing order. This happens throughout the week at each cash centre. The process is supported by standard SAP functionality. The standard SAP system failure fallback procedures apply.

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Cash Deposits at cash centre
This is the reverse of the above process and largely supports Giro change customers who are depositing cash into their Giro A/C via the cash centres.

Warehouse management of the stock of cash
This contains all the normal warehouse management activities of stock movement and processing (including checking processes). It is carried out by all the cash centres through out the working day (24hours). It should be noted that remote coin stores (held at a dept) are considered to be remote stores and part of the parent cash centre. All transactions however are communicated to the cash centre where they are entered onto the system.

Discrepancy processing
The reporting of Rem discrepancies is a manual process. This is an "as required" process that is carried out within 24 hours of receipt of a pouch at a branch. Discrepancies for cash centre receipts are raised "usually" within one working day after receipt. The details are recorded manually on SAPADS. Suspense items are cleared, as issues are resolved. The information is recorded manually within ESFS.

Trading Statement
The statement is an internal document for the cash centre only and will not be forwarded to an independent area unless security and audit determine that that is essential. The actual data within the trading statement will have already populated the ledgers by the daily interface outlined above and therefore no data from the statement will populate the interface.

The trading statement will encompass a snapshot of cash and stock and also any current discrepancies or suspense items. It will also enable the cash centre to view what business has been transacted over the last period. The cash centre manager will be required to "sign off" the trading statement as a true and accurate position at specified points in time.

It is possible that the SAP/ADS system can produce the level of information required which would satisfy both control issues and security and audit requirements.

There is workshop being planned to establish the actual requirements, and the SAP/ADS capability, which will feed into the detailed requirements phase of end to end.

Triggers: There are numerous triggers for the above processes.

Frequency of operation: Daily

Volumes: Not relevant in this context

Automation: In the main the processes are automated within SAP/ADS however there are also manual flows such as JV's and phone calls.

Input requirements at the WP boundary:
- Pouch delivery confirmation
- Pouch collection confirmation
- Cash receipts

Output requirements at the WP boundary:
- Cash centre transaction data
- Cash centre financial transaction data
- Pouch details (electronic)
- Cash despatches

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***

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Fallback procedures:

5.7.2.11 Produce POL Ledger

Process Map Reference: A48

Description:
This process encompasses the production of the POL FS P&L and BS, which combines the following information:

- Client Ledger
  - Open items relating to outstanding client debtors and creditors
  - Aged debts and credits
- Personal Agent Ledger
  - Open items relating to Agent Debt
  - Aged debts
- Branch Ledger
  - Cash balances by Branch
  - Summarised Branch transactions
- Cash and Bank Ledger
  - Cash and near cash balances
- Business Trading Ledger
  - This holds business transactions that do not relate to the client but do not include the fees relating to client 'sales'
- Borrowings and Investments
  - This holds the balances for Borrowings and Investments accounts
  - This should be broken down by Business and Client
- Stock Ledger
  - Financial stock values in the balance sheet representing the value of purchased stock represented in the financial ledger

The balances relating to these 'ledgers' go to make up the BS and P&L for POL to feed into the ES-FS accounts. These are driven by the accounts specified in the release 2 skeleton chart of accounts, the detail of which will need to be established during detailed analysis.

Triggers: There is no trigger as such, the accounts will be produced by regular reviews and a final monthly review before the month end close.

Frequency of operation: Monthly

Volumes: N/A

Automation: Manual process to review and produce the final reporting.

Locations: Various – Chesterfield and London

Input requirements at the WP boundary: This relies on information flowing into the ledgers from the Horizon and SAP ADS interfaces plus:

- Trading Transactions
- BFPO accounts
- Discrepancies
- Branch closure notices

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- Bank statements
- Cheques processed
- Streamline settlements
- Investments and Borrowings
- Other Stock information **(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.

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5.7.3. Information Flows – Release 1

5.7.3.1 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:

5.7.3.2 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 –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

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- Cash in transit transactions sourced from the LFS messages created in Branches and in the Cash Centres. This will be summarised within the SAP/ADS interface.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.

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5.7.3.3 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:

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 branch 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.

5.7.3.4 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

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

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.

5.7.3.5 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.

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5.7.3.6 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
- Generated 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:

Data volumes:

Time Constraints:

Fall Back Procedures:

Security risks:

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

5.7.3.7 Flow – Pouch Collection Confirmation

Description:
This remains the same as is from the Branch to the Cash Centre.

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

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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:

5.7.3.8 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.

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.

5.7.3.9 Flow – Pouch Details

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

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

Contains details:

- Value by denomination
- By pouch – unique barcode number

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- 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

5.7.3.10 Flow - Reference Data to Branch Transactions and Management and Transaction Management

Description:
This will remain broadly the same in the initial stages. However changes will be made in line with removing the cash account at a later stage and ledger mappings will be required to allow for summarisation of data.

This is the main reference data required to run the Horizon system. Additionally there is other Type B data interfaced to Horizon.

This interface contains:

- File Header
- File Trailer
- Change Request Header
- Organisational Unit Type
- Organisational Unit History
- Organisational Structure Type
- Organisational Structure
- Org Unit Calendar
- Branch Default Opening Times
- Client Account
- Item Type
- Item History
- Item Structure Type
- Item Structure
- Branch and Non-core Items
- AP Token Type
- Automated Payment Token
- AP Token Element Type
- AP Token Element
- Check Digit Method
- Item Additional Field
- Organisation Financial Year
- Accounting Day

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- Accounting Period
- Accounting Week
- Accounting Node
- Organisational Unit
- Item
- VAT Code
- Look up Type
- Look up Value
- Transaction Mode
- Item Transaction Mode
- Cash Account
- Cash Account Table
- Cash Account Sub Table
- Cash Account Table Line
- Cash Account Code
- Cash Account Line Code
- Item Transaction Mode Code

New Items

- Ledger Mappings

Nature of interface: Automated as per RDP/AIS/014 with minor amendment

How many instances of the interface are likely to exist:

Frequency of use:

Data volumes:

Time Constraints:

Fall Back Procedures:

Security risks:

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5.7.3.11 Flow - Reference Data to Physical Cash Management

Description:
The data will remains broadly the same as is with the addition of ledger mappings. However, this needs to become a fully automated interface as opposed to the current situation.

This is the reference data required to run the SAPADS system

This interface contains:

- File Header
- File Trailer
- Organisational Unit Type
- Organisational Unit History
- Organisational Structure Type
- Organisational Structure
- Item Type
- Item History
- Item Structure Type
- Item Structure
- Transaction Mode
- Item Transaction Mode
- Branch and Non Core Items
- Organisation Financial Year
- Organisation Unit Calendar

New Items

- Cash Centre Ledger Mappings

Nature of interface: Needs to be fully automated as per the content of RDP/AIS/009 with minor amendments.

How many instances of the interface are likely to exist: One refreshed interfaced for each group of data changes within a given time period

Frequency of use:

Data volumes:

Time Constraints:

Fall Back Procedures:

Security risks:

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5.7.3.12 Flow - Branch Transactions and Management and Transaction Management to MIS

Description:
This flow will be all transactions and components of transactions captured at the branch For Release 1 this will replicate the current feed to OpTIP. But thereafter the expectation is that there will be additional data required which is not currently on the OpTIP interface but which is captured at the branch. Examples of this are:

- Banking
- Bureau de Change
- Mails

This data is required so that the data warehouse can become the one logical place where MI is derived from.

This interface contains:

- Session Id
- Transaction Id
- Product Id
- Sale value
- Sale Quantity
- Additional data items

Nature of interface: Automated as per …….. with additional data items added

How many instances of the interface are likely to exist:

Frequency of use:

Data volumes:

Time Constraints:

Fall Back Procedures:

Security risks:

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5.7.3.13 Flow – Reference Data to Accounts

Description:
This is a new flow of data of data to provide the SAP accounting system with reference data that is required by both the accounting system and other systems. Some reference data which is accounts specific will be sourced within the SAP domain eg. Chart of Accounts

This interface should contain the following entities but will require more work to finalise the exact nature of this interface.

-
- Organisational Unit Type
- Organisational Unit History
- Organisational Structure Type
- Organisational Structure
- Agent Code
- Agent Contract Type
- Org Unit Calendar
- Client Account
- Client Type
- Item Type
- Item History
- Item Structure Type
- Item Structure
- Bank Type
- Bank Account

Nature of interface: Automated interface sourced from Reference Data processes as and when required**How many instances of the interface are likely to exist**: One per day.

Frequency of use: Daily overnight.

Data volumes: Unknown at present. To be determined in detailed requirements analysis.

Time Constraints: The timings need to be driven by the data warehouse load schedules.

Fall Back Procedures: There is no fallback. Resilience needs to be built into the Reference Data system as this is business critical.

Security risks:

None

5.7.3.14 Flow – Accounts to Reference Data

Description:
It is unclear whether any SAP specific reference data is required by other systems. The assumption is that if data is required by more than one system then this should be held in the reference data system. Only parameters specific to a particular application should be held in that application.

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The one exception to this MAY be the Chart of Accounts. As yet there is no requirement for this to be accessed elsewhere. However, this flow leaves the possibility open for an extract of the Chart of Accounts to be lodged in Reference Data. There is no intention to hold Chart of Accounts anywhere other than SAP.

5.7.4. Information Flows – Releases 2 & 3

5.7.4.1 Flow – Central Reporting from Branch

Transaction Data

Description: Transaction data is a primary data flow detailing the interactions with a customer and is used comprehensively throughout the process

The main attributes for each Transaction are:

- Session Id
- Transaction Id

> *There is currently a potential issue here as to what is a Transaction. The Desktop currently considers the sale of a Postal Order and its associated fee as a single Transaction (with a single Transaction ID) even though it gives rise to two separate Transaction records for separate products. There are a number of additional complexities in the current system to get around this.*

- Product Id
- Sale value
- Sale Quantity

Some transactions also have additional data that identifies the Customer (eg AP, Banking and Debit Card Transactions).

Nature of interface: A file of Transactions passed from Horizon to MIS. Initially it will be based on the current OpTip interface but may be enhanced as more detailed requirements are captured.

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

Frequency of use: A single file of Transactions each day

Data volumes: Current peak is 20Million per day

Time Constraints: Current requirement is to deliver the data by 3am the following day.

Fall Back Procedures: None.

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Security risks: None.

Cheque and Voucher Values

This is a flow out of Function "Cheques and Voucher Verification and Despatch" within A61 "Branch Cash Management".

It is subsequently used by "Create / Verify Branch Liability Statement" and "Summarise Transaction Data" within A4 "Accounts and Settlement".

Stock Transaction Information

This is a flow out of Function "Central Stock Management & Replenishment" within A3 "Stock Management".

It is subsequently used by "Capture and Validate Transaction Data" and "Customer Enquiries" within A2 "Sales" and also by "Create / Verify Branch Liability Statement" and "Summarise Transaction Data" within A4 "Accounts and Settlement".

Stock Revaluation Information

This is a sub-flow of "Product Change Info" coming from "Reference Data Management". It is subsequently used by "Create / Verify Branch Liability Statement" and "Summarise Transaction Data" within A4 "Accounts and Settlement".

Stock Revaluation result in transactions which will then look like normal Transaction Data

Cash Adjustments

Cash Adjustments result in transactions which will then look like normal Transaction Data

This is a flow out of Function "Branch Cash Management" within A6 "Cash Management".

It is subsequently used by "Create / Verify Branch Liability Statement" and "Summarise Transaction Data" within A4 "Accounts and Settlement".

Stock Adjustments

Stock Adjustments result in transactions which will then look like normal Transaction Data

This is a flow out of Function "Branch Stock Management" within A3 "Stock Management".

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It is subsequently used by "Create / Verify Branch Liability Statement" and "Summarise Transaction Data" within A4 "Accounts and Settlement".

Branch Cash Holding

This is part of Release 1 and should be unchanged at Release 2.

5.7.4.2 Flow – Customer Data to Client

Overall Description:

This flow comprises of transaction data plus a summarised report of that data informing the client of business undertaken at the counter

Transaction Data

Description: Transaction data is a primary data flow detailing the interactions with a customer and is used comprehensively throughout the process

The main attributes for each Transaction are:

- Session Id
- Transaction Id

> *There is currently a potential issue here as to what is a Transaction. The Desktop currently considers the sale of a Postal Order and its associated fee as a single Transaction (with a single Transaction ID) even though it gives rise to two separate Transaction records for separate products. There are a number of additional complexities in the current system to get around this.*

- Product Id
- Sale value
- Sale Quantity

Some transactions also have additional data that identifies the Customer (eg AP, Banking and Debit Card Transactions).

Nature of interface: A file of transactions passed to individual clients on a daily basis

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

Frequency of use: A single file of Transactions each day

Data volumes: Current peek is 20Million per day

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Time Constraints: Current requirement is to deliver the data to client specifications

Fall Back Procedures: None.

Security risks: None.

Client Summary Report

This is a flow from "Report Customer Data to Client" within A4 "Accounts and Settlement" and is used by "Client Settlement to Client" within A4 "Accounts and Settlement".

Description: The client summary report is currently a daily interface into OpTip which reports the value and volume of the AP client data.

In order for Client Settlements and the client to have a consistent view of the settlement required each day the information which is currently sent to OpTip must be sent to the client settlements team daily.

The current flow consists of the following information:

- Record Type Identifier
- Client Identifier Code
- Version Number of Client Identifier
- Item Id
- Version Number of Item
- Client Trading Date
- Total Number of Transactions
- Total Value of Transactions

This data must not be ledgered as the transaction management system will feed financial data daily therefore if this data is ledgered there would be duplicate values within the financial ledger system.

Further investigation is required during the detailed requirements analysis to decide on the most suitable medium however it is assumed that this will be via reporting direct to Client Settlements team.

How many instances of the interface are likely to exist: There is currently a record for each Client Product for each Trading Day for which Transactions were carried out for the client.

The report sent on Sunday 13th July comprised 1977 records covering 812 products for 485 separate clients.

Frequency of use: Daily

Data volumes: Each record is currently 71 bytes. The file for Sunday 13th July comprised 1977 records and was 142Kb.

Time Constraints: Reports must be available daily at start of day - 07.30 at the latest

Fall Back Procedures: None

Security risks: None

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5.7.4.3 Flow – Automated Reconciliation

Overall Description:

This flow comprises of transaction data plus authorisations to effect an automated reconciliation where required

Transaction Data

Description Transaction data is a primary data flow detailing the interactions with a customer and is used comprehensively throughout the process.

The main attributes for each Transaction are:

- Session Id
- Transaction Id

> *There is currently a potential issue here as to what is a Transaction. The Desktop currently considers the sale of a Postal Order and its associated fee as a single Transaction (with a single Transaction ID) even though it gives rise to two separate Transaction records for separate products. There are a number of additional complexities in the current system to get around this.*

- Product Id
- Sale value
- Sale Quantity

Some transactions also have additional data that identifies the Customer (eg AP, Banking and Debit Card Transactions).

Nature of interface: There is a requirement to match transactions against authorisations

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

Frequency of use: A single file of Transactions each day

Data volumes: Current peek is 20Million per day

Time Constraints: Current requirement is to deliver the data by 3am the following day.

Fall Back Procedures: None.

Security risks: None.

Client Authorisations

This is an external flow into Function "Automated Reconciliation" within A46 "Verification".

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However a flow with the same name is also used by "Authorise Transaction" and "Client Authorisation" within A2 "Sales". NB I don't believe that these are really the same flow.

The flow into "Automated Reconciliation" represents the information flows into the DRS from the NBE, Streamline or e-Pay in order to perform reconciliation (NB each is different). They don't need to change as a result of E2E and so don't need to be described further here.

5.7.4.4 Flow – Client Settlement Data

Description: This flow carries detail of the settlement to be paid to clients. This is solely for clients whom PO Ltd settle with on the basis of their information rather than the transaction data via Horizon. The flow will include volume and value of data by FAD code. There are approx 10 clients paid on client settlement data.

This flow will not update the ledgers.

Nature of interface: Manual either via e-mail, report or floppy disk. There are both daily and weekly interfaces.

How many instances of the interface are likely to exist: Up to 20 per week

Frequency of use: Daily

Data volumes: Up to 17,500 lines per interface

Time Constraints: Timings will vary according to individual client contract

Fall Back Procedures: If an interface does not arrive usually telephone contact is made.

Security risks: None

5.7.4.5 Flow: Identified transaction error

Description:
This flow carries information about transaction errors which have resulted from investigations and verifications. And will also include transaction exceptions identified as a result of range check defined thresholds being exceeded.The current assumption is that these errors reside in a suspense account which can be identified by cost centre to a branch. An identified transaction error is therefore not the posting of a data discrepancy but relates to a discrepancy which has been researched to understand why it occurred, how it can be corrected and carries the necessary information to prompt actions to undertake correction. Identified transaction errors can flow from any one of the following processes as seen on the accounts and settlement process model A4:

Verification – where differences have been found between individual transaction streams and summary totals and the correction must be made in Horizon to update the branch liability statement and in the ledger

Client settlement from and to client – where differences can be found between PO Ltd data and client data and the correction must be made in Horizon to update the branch liability statement and in the ledger

Debt recovery – where debt recovery items initially assigned to one debtor e.g an agent may be disproved and need further verification or assigning to another party e.g a client, and the correction must be made in Horizon to update the branch liability statement and in the ledger

Declaration adjustment – where a transaction has been logged in the financials as a result of a declared difference in the branch and the resulting investigation requires an action in the branch to adjust the transaction.

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Where an adjustment is needed to the ledgers, which does not require an adjustment to the branch liability and should not result in a transaction flow to the client, then this may utilise a mechanism other than Horizon, and so avoid agent input. Currently this is done by central adjustment in TP. However the need to ensure the client ledger and settlement flows are adjusted and the MIS data for reporting value on client contracts etc is correct must be addressed in terms of accuracy requirements and the cost/ benefit of the alternative mechanism and process. ' this also should include the Subpostmaster remuneration process. *This should be done as part of detailed requirements analysis.*

The identified transaction errors flow to the process "create/verify branch liability statement."

This interface is provided to enable the various functions above in the accounts system to request that a Postmaster carries out a "correcting transaction" to resolve some earlier error / discrepancy. It is the equivalent of the current Error Notice. The flow must be in a form so that the time spent by the agent to understand, decide on action and if accepted, complete the error type processing on the Horizon till, is a minimum. The flow should minimise the possibility of incorrect processing eg pressing the wrong buttons, or entering the wrong value, or not updating the theoretical cash figure.

Currently for most clients it is not possible to settle items which have not been made good by the agent. If the agent is able to accept the flow so making a transaction entry for a client, but does not make the subsequent cash or suspense adjustment, this will result in cash flow implications for PO Ltd. Either this situation should be avoided so that the full entries must be made or none at all, or to maintain current practice the item could be flagged so that it is not settled with the client until debt recovery is made, or PO Ltd must manage the cash flow implications through other means eg debt recovery.

The quantification of the impact on cash flow vs the cost of preventing the change in current practice must be carried out as part of the detailed requirements analysis.

If the agent does not understand or decides not to accept the flow then the client data remains unamended and the debit/credit entry is not on the client ledgers, nor is the debt from/due to the agent recorded. The current assumption is that it remains as a suspense account entry recorded against the branch cost centre. This requires some functionality for the exception team in TP to manage the age of suspense account entries and pursue if they are not cleared. E.g The ability to report age of entries in suspense.

If suspense account items are then deemed debt recovery items they must be manually removed from suspense and posted against the agents account in the accounts receivable ledger in order for debt recovery to be initiated.

The alternative to the current assumption is that discrepancies could be ledgered in the agents account automatically but this would require increased reference data to map branch to agent, may result in unused agents accounts for those agents who do not defer payment, and more complex mapping of accepted adjustment transactions. It would reduce the need for manual posting of unpaid items to the agent's ledger.

The cost / benefits of the current assumption vs the use of the agent's ledger should be undertaken as part of detailed requirements analysis, and may depend on expected volumes of disputed discrepancies.

The flow consists of the following information:

- Branch
- Date of original transaction

> *Note that Identified Transaction Errors can only be routed to a Branch. If the Error is the responsibility of an Agent who is no longer at the Branch (eg a former sub postmaster, or one suspended), a separate mechanism is required to correct the ledgers and clear the error by matching the identifier (including Branch if needed by client) without affecting the transactions and subsequent branch liability statement of the new agent currently at the Branch. Errors requiring*

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cash collection from the former agent must have a separate mechanism to amend the former agent's account in debt recovery to pursue the debt with the Agent wherever (s)he may be. The date of original transaction is required in order to run against the reference data to determine whether the agent is still in post and so determine which mechanism must be invoked..NB This mechanism may also need to be invoked if for some reason the agent refuses to accept and action the identified transaction error, in order to correct the ledgers and set up the debt recovery item without his agreement.

- Error Type – This needs to map onto a Product or Button against which the Transaction is to be recorded so as to subsequently affect the correct adjustment for the client ledger and the POL ledger.
- Adjustment value for each error type eg One orange phonecard £10, should have been two £5 O2 phonecards. NB adjustment values could be either £value only, value and volume as above, or volume only, but will all require adjustment.
- Subsequent value of funding adjustment to correct the cash position. This should be a prompt to make a physical cash movement (either put into the till or removed), or to check the suspense account and match to a previous entry therein and remove it. NB if the agent does not make the subsequent funding adjustment then this will result in the accounting package identifying a cash shortage at the next cash declaration.
- Matching Identifier – This is an identifier that is to be associated with the Transaction to allow it to be matched against the original error / discrepancy when it is processed in POL FS.

Nature of interface: This will be a daily file of Transactions generated from POL FS to be processed by Horizon and distributed to the appropriate Branches. There must be a daily report of transactions not accepted by the branches by the end of day. This should include both those transactions which were not received by the branch and those received but not actioned/accepted in full. *Dependent on design it could come either from POL FS eg report from suspense account or TMS and costs vs benefits should be included in the detailed analysis of options.*

How many instances of the interface are likely to exist: There will be a single Interface.

Frequency of use: Daily.

Data volumes: It is very difficult to quantify the data volumes for the new flow as many result from Cash account errors which are paper discrepancies but will not require correction in the ledgers. Currently estimates of errors produced in an average week are 20000 representing approx £90m value per week. These are expected to reduce, however the number of issued errors remaining outstanding after 3 weeks (see debt recovery flow) is estimated at approx 9000 so it is unlikely that the volume of identified transaction errors would fall below 10000 per week.

Further analysis of volumes including maximum peaks eg when new products are introduced, will be necessary as part of the detailed requirements analysis. This could assist in determining whether the assumption of suspense account or the alternative agent's ledger is most cost effective.

Time Constraints: Overnight Delivery. Although the time taken for investigation may result in delay in formulating the identified transaction error, investigations are prioritised by value and seriousness. Once they are complete it is crucial that delivery of the message is quick to avoid impacting on PO Ltd cash flow and to correct the client balances.

Fall Back Procedures: None.
Security risks: None.

5.7.4.6 Flow : Debt recovery plan and Results of Debt recovery action

Including debt recovery amounts through payroll

Description:

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These flows both carry information about the decision resulting from the assess action on debt process to the various options of the Debt recovery process. They carry instructions to a person as to action to take - often self contained in the thought process of the clerk in TP operating the debt recovery process, but can be by letter to external legal advisors, or by phone to agents. The plan of what to do, and result of action is recorded on the accounts receivable ledger to update the credit history file of the relevant debtor with actions taken.

Nature of interface:
Not automatic interface from SAP. No new accounting entries are made. This is a documenting action: recording text only into the Accounts Receivable module of SAP and instructing action through one of the following media:

Verbal - clerk personally makes simple reminder call to debtor
- clerk telephones retail line to initiate process of agreeing terms of repayment in instalments or defer
- clerk discusses with team leader the application of rules and initiates process of provisioning

Letter - clerk writes to debtor or external legal advisor to recover cash
-clerk writes to debtor confirming terms of repayment by instalments

Amend credit terms in AR ledger – if new terms are agreed eg by instalments through HRSAP the AR ledger could record these as reference data to assist in aging and re classifying debt so that it no longer appears overdue if repayment terms are met in future.

Spreadsheet – clerk records amounts per repayment and number of instalments with commencement date to provide an upload into HRSAP, and sends to Operational Finance in Salford. If this could be done as a download report from SAP AR of the amendments made to credit terms it would avoid miskeying errors: if not then keying the same information twice would be the alternative.

How many instances of the interface are likely to exist:
Once per repetition of the "assess action on debt" process for each of plan and record result of action.

Frequency of use:
Ability to record an update to credit history as a result of decision should be available at any time of working day.

Data volumes:
As per debt recovery items – say 13000 to 20,000 accounts decisions to be recorded when taken.

Time Constraints:
Real time so as to avoid other clerks re assessing action without up to date knowledge.

Fall Back Procedures:
None long term. Short term, paper records could be used but would need to be input to update credit history as soon as system was restored.

Security risks:
Personal information subject to Data Protection Act.

5.7.4.7 Flow : Agent Client Credit History information

Description:
This flow carries information to the Debt recovery process using functionality within the accounts receivable ledger. It comprises the previous history of debt with the relevant debtor to use as background information when assessing the particular debt recovery item which is now live in the process. For example, are there other debt recovery items still outstanding currently being paid through extended terms? When was the last incidence of debt and was it cleared promptly and in full, or did it take several repetitions of recovery and escalations of action to receive the cash? Was cash received from deduction via HRSAP? Etc.

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For clients it will be in respect of transactions in dispute within the client settlement balances in the accounts receivable or payable ledger.

Nature of interface:
This is a look up/ reference only. Visual either from screen of Accounts Receivable module of SAP, or from report out of AR module. No entries are made.

How many instances of the interface are likely to exist:
Visual references should be available at any time of working day.

Frequency of use:
Once per debt recovery item in the "assess action on debt" process

Data volumes:
As per debt recovery items – say 13000 to 20,000 accounts available for view as required.

Time Constraints:
None

Fall Back Procedures:
None

Security risks:
Personal information subject to Data Protection Act.

5.7.4.8 Flow - Cash Centre Financial Transaction Data to Accounts

Description:

This flow carries information of the relevant transactions or summaries to POL FS via TMS from the Cash Centres. Any summarisation that is required will be carried out within SAP/ADS or within the interface routine.

- Movements at cash centres relating to the 'Cash Ledger' accounts specified in appendix A.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

- External customers deposits. Currently held as an overall total in the SAP/ADS FI module. The overall total will need to be broken down to client level by transaction for settlement purposes. If this is deemed necessary this could be established by "drilling down" into the movement types within the MM module in order to capture the client information by transaction.

- External customers withdrawals such as change giving. Currently held as an overall total in the SAP/ADS FI balance sheet account, and not broken down by individual client account. Further analysis needs to be undertaken as to whether each debtor needs to be identified separately within POL FS. If this is deemed necessary this could be established by "drilling down" into the movement types within the MM module in order to capture the client information by transaction.

- All other financial transactions, summarised by POL FS account, relating to adjustments and non-client transactions and any other transactions which make up the financial postings in SAP ADS for each day.

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The content of the interface depends on the reporting requirement from the POL FS.

The requirement for Release 1 of the programme is for the cash and pouch information to feed into the POL FS. The requirement for Release 2 is for the client related data to feed into the POL FS.

If the full interface can be addressed in release 1 for both sets of requirements this would be the preferred way forward. The client related data would not be utilised until release 2 but by creating the full interface at release 1 there would be cost savings.

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. Must be available by 07:00 following the day which the transactions relate to.

Data volumes: Total volumes of transactions for cash pouches are approx 10,000 per day.
Client based transactions will be summarised due to the volume of information approx 200,000 lines per day.

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.

5.7.4.9 Flow – Ledger Entry Information Release 2

Description: This flow carries information of the transactions processed in Horizon and SAP ADS and passed through TMS into the POL FS. Some of these transactions are summarised and some are not. For release 2 the transactions required to be processed are as follows:

- Summarised Information
  - Cash transactions sourced from the Branches via Horizon The information required in this flow includes:
    - Transactions at branch summarised from the end of day cumulative transactions including client information and other transactions mapped to the financials as determined by the Chart of Accounts defined in appendix A The branch transactions are summarised by branch by day by client (dependent on the product summarisation requirements to the client ledger). Also described below under client ledger information.
    - Cheques at branch showed on a separate line, summarised by value
    - 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

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what information is available throughout the cheque handling process (the process in under development)
        - Commemorative coins are treated as stock when reported from Hemel or Branches. They are treated as Cash when reported from the Cash Centres. The value for commemorative coins will be included in the summarised cash value.
    - Cash Centre Transactions summarised by day by account and passed to the accounts at the appropriate level of detail:
        - External customers deposits. Currently held as an overall total in the SAP/ADS FI module. The overall total will need to be broken down to client level by transaction for settlement purposes. If this is deemed necessary this could be established by "drilling down" into the movement types within the MM module in order to capture the client information by transaction.
        - External customers withdrawals such as change giving. Currently held as an overall total in the SAP/ADS FI balance sheet account, and not broken down by individual client account. Further analysis needs to be undertaken as to whether each debtor needs to be identified separately within POL FS. If this is deemed necessary this could be established by "drilling down" into the movement types within the MM module in order to capture the client information by transaction.
        - All other financial transactions relating to adjustments and non-client transactions
    - Foreign Currency information
        - Foreign currency to be reported by branch in sterling
        - There is a requirement to report FX in transit between Hemel and Branches – investigation to be carried out to ensure that SSC captures Cash in Transit values on a daily basis...***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. ***How this gets into the system is yet to be established – is this a new flow or should this be included in the stock flow? The other option is to input this as a journal. Does this include the balance of Stock in Hemel or just the transactions? What about FX stock movements to and from branches (see CIT requirement for FX).***
    - 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
    - Client Ledger information
        - Summarised balances by client, by branch, by day
        - In the event that a single client has several products with different terms of payment then the summarisation should be split accordingly to be mapped into different accounts in the Client Ledger in POL FS
        - Unique line by trading day
        - For off-line branches this information is summarised into the relevant trading day when the branch is back on line
        - There should be differentiation between trading date and posting date to the ledgers
        - Cash Centre Client transactions – level of detail required to be confirmed dependent on the number of transactions for Girobank –summarised by Client by Day. Further analysis required in this area.
    - Business Trading Ledger information
        - This will hold information which are either sourced from automatic transactions from the counter e.g. postal order fees – included in the summarised data from branches, or from P&L affecting items e.g. debt write-offs which are sourced from manual journals
        - This holds business transactions that do not relate to the client but do not include the fees relating to client 'sales'.

- Detailed Information

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- Electronic pouch confirmations with the pouch number and value to enable matching of Cash in Transit
- Error handling information to be processed into suspense accounts by item to enable matching of errors on closure. Some error information requires product level information – further analysis required
- 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 pouch information, for remittances into 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***

➢ **Stock Ledger Information TBC**

- Stock Transaction Information from Horizon sales transactions
  - Including adjustments relating to error notices. All stock errors are treated as cash discrepancies as is currently the case.
  - Including adjustments due to stock losses (where cash from agent required)
  - Rems in and out of stock at the branches volumes (and values) as appropriate need to flow into the stock control and value for financials.
- Stock Revaluation Information

The content of the interface depends on the reporting requirement from the POL FS chart of accounts and reporting requirements to determine the level of detail required on the flow. ***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 SAP ADS.

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 2 instances (Horizon and SAP ADS) producing several types of IDOCS in the POL financials in order to produce the complete POL Ledgers.

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 and from the Cash Centres 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.

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5.7.4.10 Flow – Investments and Borrowings

Description: This flow carries information on Investments and Borrowings, which is a manual flow of information from the RMG Treasury function into the POL FS Investments and Borrowings Ledger.

The information on this flow will be required to populate the following accounts in POL FS:

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.

Nature of interface: Manual

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

Frequency of use: Daily

Data volumes: Up to 10 journals per day

Time Constraints: The information being received from Treasury, but in order to get a daily position this should be processed each day.

Fall Back Procedures: N/A

Security risks: The content of the information is sensitive, but as this is an internal flow within the group and is manual, it is subject to the internal security risk of any e-mail or paper flow within the business. The appropriate level of security should be put in place to protect this manual flow.

5.7.4.11 Flow – Accounts to MIS

Description:
This is a new flow of data from SAP into the MIS system via the TMS so that a total view of transactional information can be lodged in the data warehouse

This data is required so that the data warehouse can become the one logical place where MI is derived from.

This interface should contain:

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

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- Central Write Offs
-

Nature of interface: Automated interface sourced from the SAP end of day processes.

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

Frequency of use: Daily overnight.

Data volumes: Unknown at present. To be determined in detailed requirements analysis.

Time Constraints: The timings need to be driven by the data warehouse load schedules.

Fall Back Procedures: There is no fallback. A certain amount of resilience needs to be built and SLAs specified as to recovery periods. The data warehouse is a business critical system but recovery times are not as critical as for operational systems.

Security risks:

5.7.4.12 Flow – Cash Centre Cash Management to MIS

Description:
This is a new flow of data from SAPADS into the MIS system via the TMS so that a total view of transactional information can be lodged in the data warehouse

This data is required so that the data warehouse can become the one logical place where MI is derived from.

This interface should contain:

- Session Id
- Transaction Id
- Product Id
- Sale value
- Sale Quantity
- Additional data items

Nature of interface: Automated interface sourced from the SAPADS end of day processes.

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

Frequency of use: Daily overnight.

Data volumes: Unknown at present. To be determined in detailed requirements analysis.

Time Constraints: The timings need to be driven by the data warehouse load schedules.

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Fall Back Procedures: There is no fallback. A certain amount of resilience needs to be built and SLAs specified as to recovery periods. The data warehouse is a business critical system but recovery times are not as critical as for operational systems.

Security risks:

5.7.5. User Interfaces

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

5.7.6. Reconciliation

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

5.7.7. 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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5.7.8. Business Blueprint Implications

5.7.8.1 Strategy

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

5.7.8.2 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.

5.7.8.3 Customer Experience

There will be no impact on the customer experience.

5.7.8.4 Facilities & Layout

There will be no impact on facilities and layout.

5.7.8.5 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
- Removal of the cash account process and replacement with Trading Statements and Declaration processes

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

Finance
- Changes to central accounting functions
- Changes to the way TP and the new debt recovery function operate

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

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5.7.8.6 Performance

There is likely to be an impact on performance, particularly in the initial stages to take account of learning curves against new systems & processes as well as activity required during parallel run etc.

5.7.8.7 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, cash holding declarations, removal of the cash account processes
- New central management information processes for the access to data
- New reference data processes to ensure the capture of data at source
- New financial processes both at the branch and centrally

5.7.8.8 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

5.7.8.9 Equipment

New hardware is required to run the SAP environment.

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5.7.9. 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 branchs must not be accessible by unauthorised individuals

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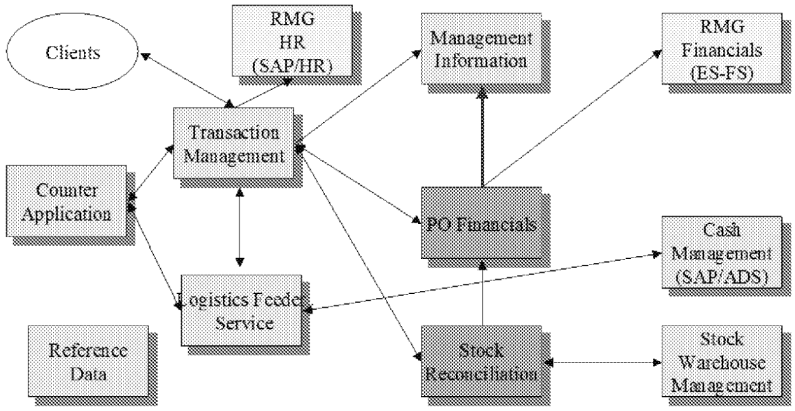
6. Programme Technical Requirements

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
- OPTIP
- CBDB
- NNDB
- RDS

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- 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.

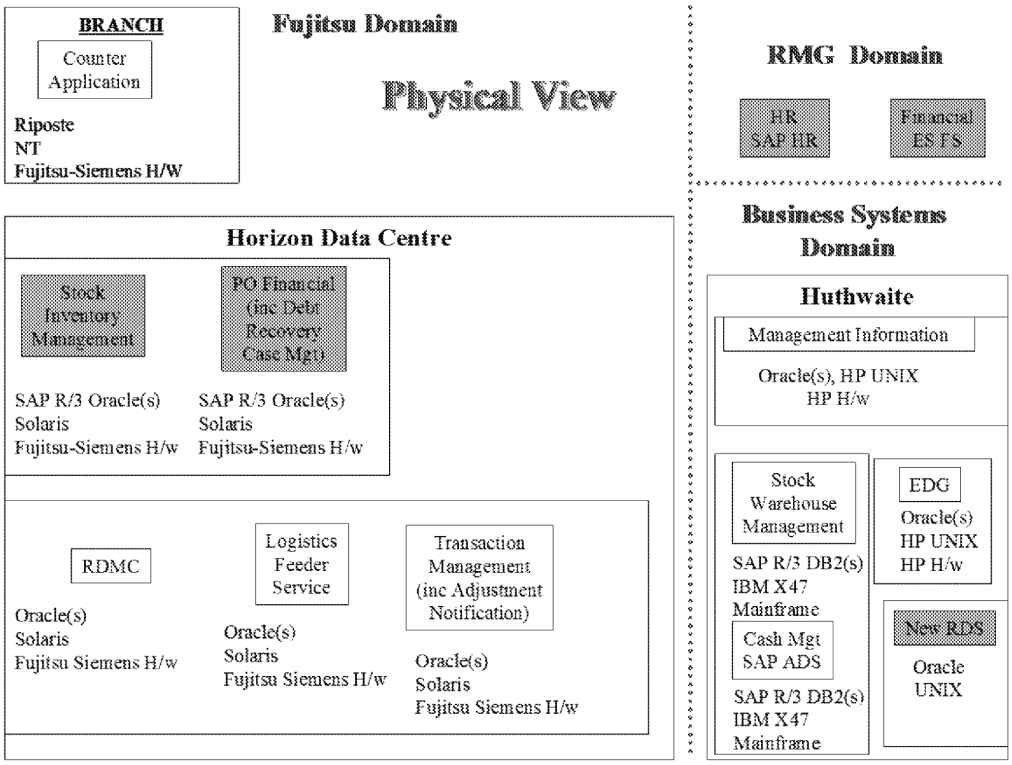

Figure 3 : End-to-End Architecture Diagram

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6.1. Architecture Principles

6.1.1. 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

6.1.2. Resilience

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

6.1.3. Performance

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

6.1.4. 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.

6.2. Architecture Building Blocks

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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.
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 and also manages subpostmaster remuneration
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.

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7. 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.

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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?		☐	☑

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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

(Scheme 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.

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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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8. Current Phase Deliverables

8.1. 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
    e. Overall Financials
    f. Branch Liability
    g. Transaction Management
    h. Systems Decommissioning
3. Work Packages to suppliers

8.2. Work Packages

The following work packages will be given to suppliers

8.3. Fujitsu Services

1. Project Conceptual Design – Professional Services to assist Post Office Ltd
    a. ONCH/Automated Remittances
    b. Cash/Bank Ledgers
    c. Reference Data
    d. Branch Liability
    e. Transaction Management
    f. Decommissioning Fujitsu Estate
    g. SAP Financials
2. Detailed Project Solutions Designs
    a. ONCH/Automated Remittances
    b. Branch Liability
    c. Transaction Management
    d. Decommissioning Fujitsu Estate

8.4. PRISM Alliance

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

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d. Management Information
e. SAP Financials

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

8.5. Supplier to be determined

1. Detailed Solutions Designs
   a. Cash/Bank Ledgers
   b. SAP Financials
   c. Reference Data
   d. Management Information

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9. High Level Programme Planning

9.1. Timescales

The following plan depicts the whole of Accounting & Cash Management Programme milestones shown as based on the business case:

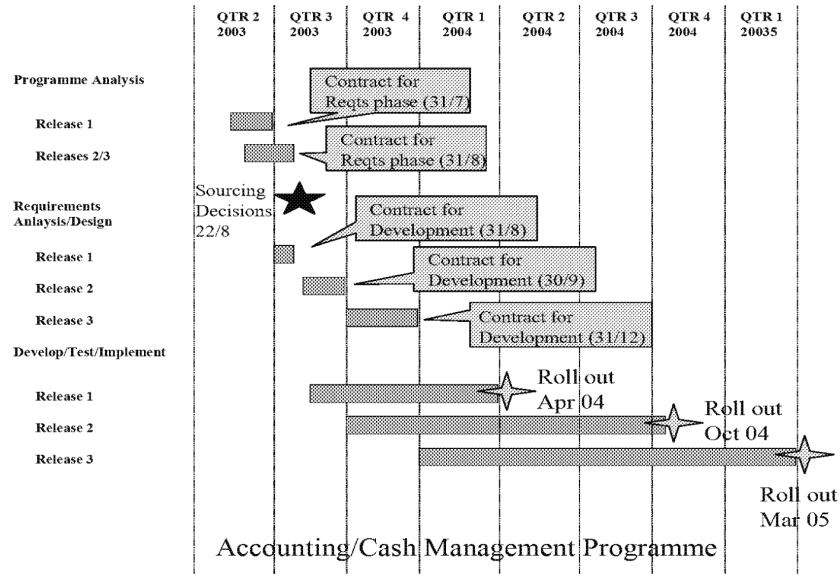

Figure 4 – Programme Plan

9.2. Dependencies

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

1. The Cash Ledger projects is dependent on changes made to branch processes - 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
4. There is a dependency on the overall POL delivery plan.

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10. Programme Acceptance Strategy

Ref	Description
ACM-009 A separate work strand will be initiated which defines the acceptance strategy and the detailed acceptance criteria including where and how these will be proven	A separate work strand will be initiated which defines the acceptance strategy and the detailed acceptance criteria including where and how these will be proven
ACM-010	Acceptance tests must cover: Document reviews Procedural walkthroughs Internal test phases Functional and direct interface tests Non-functional tests for disaster recovery, volume's, security, technical,
ACM-011	Successful completion of the various test phases both internally and 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 document and 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.

11. Programme Implementation & Migration Strategy

Ref	Description
ACM-014	A separate work strand will be initiated which focuses on business and technical migration

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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
ACM-020	There Will need to be a cutover strategy developed to move from CBDB accounting through to accounting from SAP
ACM-021	There will need to be a cutover strategy developed to migrate a branch from the current cash account process to the new Trading Statement

11.1. Considerations for Migration of Financials and related interfaces

Introduction

This section deals with the considerations required for the migration between Releases 1 and 2 for the financials to POL FS.

It should be noted that although the Cash Ledger will be implemented to establish more accurate cash reporting from Release 1, it will not replace the legal reporting and monthly cycle reported from CBDB to ES-FS until after Release 2.

Branches

It should be noted that it takes at least 6 weeks to roll out new branch software and it has been decided that the ledger will not be updated with the branch data until all branches are able to report via the interfaces. This is the soft launch method whereby the branches received the functionality but it will not be used until the final branch is updated. The initial load for Cash Balances at Release 1, will be facilitated by a data flow of summarised balances from the branches using the same interface as for the on-going movements, but with different summarisation criteria for the initial load. Thus enabling the balances to be established and be agreed back to Horizon from Release 1 for the Cash Balances.

From Release 2 the other balances will need to be uploaded in addition to the Cash. Assuming that the Cash balance on POL FS is correct at the point of cutover for Release 2, there may be discrepancy in the closing balance for cash registered on POL FS vs. that reported on CBDB. As this may not be reconcilable because of the nature of the information on CBDB, preparation of the auditors is advised.

Branches should be prepared for cutover by completing all necessary transactions required to be included in the opening balances by the close date. This should be communicated in adequate time for the branches to plan this activity e.g. there should be no outstanding Rems to be processed.

SAP ADS

The initial load from SAP ADS will need to be planned separately. The interface will not be used for the initial load of information for Release 1 or Release 2. In Release 1 the cash balances can be loaded manually using the declared position at the agreed cutover date. The closing balances in CBDB will be used for Release 2, which is assumed to hold the closing balances via the Cash Account flow as with all other financial data. This will need to be separately uploaded due to the nature and timing of the updating of CBDB with the cash account information. This will need further

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investigation and planning. The open items for Release 2 relating to SAP ADS balances for Debtors and Creditors will be taken from CBDB and will need to be considered separately for reconciliation purposes.

Error handling

For errors open in debt recovery during the cutover for Release 2, these will need to be written off into the new ledgers after the cutover and go-live. This is assuming that these items are not accounted for until the decision is made whether to claim them back from the agent, the client or whether to write them off. It is assumed that the open errors will not be entered into the suspense account as open items at the cutover and that they have not been accounted for in the closing ledgers already. If the cutover happens over a year-end these will need to be input as prior year adjustments.

11.1.1. Migration considerations Releases 1 & 2

- Change management
  - Ensure the roles and responsibilities of all staff are clear for the introduction of the new processes
  - Ensure all staff are fully trained and prepared for the changes in their area and the new business processes
- Cutover plan
  - Ensure the cutover plan fits with the overall programme
  - Establish detailed cutover plan by data type
  - Establish closing assumptions for all closing balances
  - Establish closing rules for all closing balances e.g. open items
  - Stock takes required for Release 2 cutover?
  - Contingency for non-year-end close – consider the implications on the P&L reporting for the year for Release 2
  - Plan hardware preparation rollout for SAP GUI and technical preparation
  - Agree reconciliation methodology, plan and document for cutover
  - Establish 'System Acceptance Criteria' for go-live
- Data loads
  - Establish closing balances on legacy systems and Horizon at specific planned close date
  - Agree closing balances and open items to be migrated
  - Prepare data load methodology to establish opening balances
  - Release 1 will need to consider Cash and Near Cash in Branches, Cash Centres and at the Centre, plus Cash in Transit
  - Release 2 will need to consider Debtors, Creditors, Stock and other balance sheet items
- Reconciliation
  - List reports required for reconciliation of data loads
  - Ensure any technical requirements are put in place in advance of the close for migration specific reports
  - Ensure staffing available to carry out reconciliation for closing and opening balances
  - Reconcile balances relating to SAP ADS open items 2 ways? To CBDB and to SAP ADS?
- Auditors
  - Request auditor approval for approach
  - Request auditor involvement in closing balances sign-off
- Establish Productive system environment
  - Ensure all necessary licences are in place
  - Ensure all new users have been set up on SAP with the required, role-based authorisations
  - Put in place system technical administration capability and procedure
  - Establish helpdesk facility and handover for go-live

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- Communicate support procedure to end users
- Go Live Sign Off
  - Review system acceptance criteria and sign off

11.1.2. Parallel running during Release 2

- Bank statements processed in both new and old systems. (Assumed manual)
  - Pragmatism required for new system processing – summarised as required by cash ledger entries in POL FS. Detailed as required after Migration to Release 2.
- Centrally made cash adjustments which are not captured in Horizon
- Loans and Investments journals – these are assumed to be reversing journals when posted into POL FS and therefore should be straightforward.

11.1.3. Decommissioning of legacy systems in Releases 2 & 3

- Identify systems to be decommissioned
  - Ensure that any small systems are captured
- Existing interfaces
  - Ensure all in-bound and out-bound interfaces are identified
  - Identify which interfaces are required to be continued and which are redundant
  - Ensure all required data flowing through legacy systems are either 'redundant' or captured by a new system
- Archiving requirements
  - Archiving
    - What
    - How
    - When
    - Where
    - For how long
  - Access to legacy data requirements
    - Nature of access
    - Frequency of access
    - Location of data

Assumptions

- Legacy data will not be migrated except where the detail is required in the new system of matching and clearing of open items or monitoring of opening balances on the balance sheet
- Systems will be decommissioned once the acceptance criteria for the system has been signed off and any additional, critical reports have been put in place to cover the decommissioned systems
- No automatic loads have been assumed for the upload of opening balances from CBDB or SAP ADS. This will need to be addressed during the detailed requirements gathering phase

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11.2. System Decommissioning

OPTIP

Current Interfaces into OPTIP & Proposed Future State

Source	Description	Frequency	Proposed Future state
Fujitsu TMS	Cash Account Files - numerous TMS Transaction Files - numerous CTS (Client Transmission Summary File) – one	Daily	Transaction & CTS files sent from TMS direct to: • POL FS • Data Warehouse
RDS	Details of applied reference data changes	1 file Mon to Fri	Reference Data changes to be sent direct to: • POL FS (via RDMC) • Data Warehouse
DPC/EDS	Supporting document information, 1 file for each of the following: Cheque Personal Banking TV Licensing	Mon to Fri	DPC/EDS files to be sent direct to: • TMS
Camelot	Supporting document information Daily file – 1 file Weekly files • Settlement file – 1 file • Retailer file – 1 file	7 days a week Sunday night Sunday night	Camelot files to be sent direct to: • TMS
CBDB	2/3 Week C/A File	Friday night	Not required in future state

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	Weekly Error file (details of outstanding errors)	Sunday night	
Horizon MIS	Details of offices to be reported within the Horizon MIS extract	7 days a week	Horizon MIS Details to be sent direct to : • TMS

Current extracts produced from OPTIP & Proposed Future State

Output	Description	Frequency	Proposed Future state
CBDB	Cash Account files produced daily split into Scottish & English offices	7 days a week	Transactional data to sent from TMS direct to: • POL FS • Data Warehouse
CBDB	Supporting document extracts Camelot Type 10 – weekly, Wednesday night TVL Type 10 – weekly, Wednesday night Chq Type 24 – weekly, Thursday night AP Type 23 – weekly, Friday night	1 file for each weekly	Supporting document information to be sent from Camelot & DPC/EDS direct to: • TMS ○ TMS to forward to POL FS & Data Warehouse
OBCS	Details of OBCS transactions FTP'd to Network Support Server at Dearne	1 file weekly on Sunday	OBCS transaction file to be produced by TMS & FTP'd to: • Network Support Server at Dearne
Horizon MIS	Details of transactions for offices as received within file from Horizon MIS FTP'd to server in Bristol	6 days a week (excluding Sat)	Horizon MIS file to be produced by TMS & FTP'd to: • Server in Bristol

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RMMI	Details of Royal Mail transactions extracted from transaction files received from TMS. File FTP'd to Future Walk Server & System Support team then e-mail to a contact within Royal Mail.	1 file weekly on Tuesday	RMMI file produced by TMS and sent direct to Royal Mail
Martins	Details of Camelot transactions for Martins branchs. File is currently produced by OPTIP and FTP'd to Future Walk Server. The System Support team than e-mail file to Martins and telephone to confirm that the file has been sent.	1 file weekly on Tuesday	Camelot transaction details received by TMS and file produced by TMS to be sent direct to Martins
EPOSS	To be implemented shortly – weekly report and csv file to be produced containing EPOSS transaction details for specific products (P & A, Inland Revenue, Promotions, Local Schemes)	Weekly	Transaction details to be sent from TMS to Data Warehouse. Access details via ad hoc query or set up production of scheduled report.
CTS	Copy of CTS file is FTP'd to Future Walk Server to enable Cash Management Team to perform daily settlement with AP clients (Mon to Fri)	6 days a week (excluding Sat)	TMS to forward copy of CTS file direct to: • Future Walk Server
Fiche	Supporting Document information received from DPC/EDS is accessible for users to view via Cendris Alchemy Web once data reaches a certain age within OPTIP (used as data archive facility)	Weekly on Monday	TMS sends supporting document details to: • Data Warehouse *Retentions periods and archive facility to be defined.*
Sales MI	Copy of transaction files received from Fujitsu	7 days a week	Date Warehouse to receive transaction files direct from: • TMS

OPTIP Reports

The current OPTIP reports have been reviewed and future requirements within this area for TP and Cash management have been captured within the Programme Management Information requirements.

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CBDB

Current Interfaces into CBDB & Proposed Future State

PIVOT

Source	Description	Frequency	Proposed Future state
DNS	Tapes received from DNS for: • Bonds & Stock Transactions • National Savings bank Transactions	 Wkly on Thurs Wkly on Friday	Tapes received from DNS and processed by: TMS TMS
DPU	Supporting document details and manually keyed cash accounts	Daily Mon – Fri	Cash accounts will not exist. DPU to have a route into TMS for Supporting Document information. Due to contractual requirements with Clients it is likely that additional details will still need to be captured via this route.
EDS	Volume of Enlivened Card Accounts and volume and value of Card Account transactions to be forwarded to HR SAP for Agent remuneration purposes	Monthly	EDS send to TMS and TMS to feed details direct to HR SAP
OPTIP	Supporting document information (TVL, Chq, AP, Camelot) and Cash Account data	7 days a week	Received into TMS and details forwarded to POL FS & Data Warehouse
PACSYS	Amended P & A pick list for PACSYS	6 days a week (excluding Sun)	Received into TMS or Data Warehouse from PACSYS

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RFLS	Supporting document details for RFLS transactions	Wkly on Friday	RFLS file to be sent direct to TMS

CLASS

Source	Description	Frequency	Proposed Future state
N/A			

Current extracts produced from CBDB & Proposed Future State

PIVOT

Output	Description	Frequency	Proposed Future state
Capita	Branch details, equipment types and transaction details	6 days a week (excluding Sun)	Branch details & equipment types from NRDS Transaction details from TMS or Data Warehouse
ESFS	Ledger Postings	Monthly	Link from POL FS direct into ESFS. May still be a need for some manual JV's.
Girobank	Details of Co-op Bank Cheque encashments. File FTP'd to Future Walk Server & System Support Team e-mail to Girobank.		Details extracted from TMS or Data Warehouse & sent to Girobank
HMIS	Branch details and addresses	Weekly on Sat	File to be produced by NRDS
HRSAP	Summarised sales details by branch (volume and value)	Twice monthly	TMS link direct to HR SAP
Intellect	Various tables copied to Intellect	Weds & Sun	Intellect to be de-commissioned in Release 1
Local Schemes	Branch details	Monthly	File to be produced by NRDS

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NRM	Branch & Transaction details	Monthly	Branch details from NRDS Transaction details from TMS or Data Warehouse
OPTIP	2/3 week cash account details Details of outstanding cash account errors	Weekly on Fri Weekly on Sun	OPTIP to be de-commissioned in Release 2
PACSYS	P & A Supporting document details	6 days a week (excluding Sun)	Details extracted from TMS or Data Warehouse and sent to PACSYS
DPI	Parcelforce Transaction details	Mon to Fri	To be provided by TMS or Data Warehouse
RECALL	Branch and cash account details	Weekly on Sat	Branch details to be provided by NRDS Transaction details to be provided by TMS or Data Warehouse
RFLS	Branch details	Monthly	To be provided by NRDS
RMMIS	Sales details for Royal Mail Products	Monthly	RMMIS to be de-commissioned ?
SPMR	Stock in hand values	Weekly on Sat	SPMR to be de-commissioned ?
STAM	Average daily volume of transactions	Monthly	STAM to be de-commissioned ?

CLASS

Output	Description	Frequency	Proposed Future state
TP	A number of CSV files showing CLASS errors over various periods	Monthly	Information regarding exceptions to be available within Data Warehouse and POL FS
DNS	• Cash account values for DNS lines, current &		Transactions details to be provided by TMS or

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	previous week • Late input cash account report (KLASS 101) FTP'd to Future Walk Server & System Support e-mail to DNS • Cash Account Adjustment report (KLASS 022) FTP'd to Future Walk Server & System Support e-mail to DNS		Data Warehouse (including late transactions ?) Adjustment details to be provided by POL FS or Data Warehouse depending on level of data adjusted.
FOSACS	Paper outputs - Journal Vouchers, KLASS 110 & KLASS 117 Late Account Adjustments/ Reversed Report	Weekly, Sat	FOSACS functionality to be replaced by POL FS and system de-commissioned
Girobank	• Cash account values for Girobank lines • Late input cash account report (KLASS 100 - paper) • Cash account adjustment details. FTP'd to Future Walk server & System Support team e-mail to Girobank		Transactions details to be provided by TMS or Data Warehouse (including late transactions ?) Adjustment details to be provided by POL FS or Data Warehouse depending on level of data adjusted.
Intellect	Copies of various tables for use in Intellect	Weds & Sun	Intellect to be de-commissioned in Release 1
KLASS003	Error situations report	M, T, W, Th, Sat	KLASS 3 Download functionality regarding exceptions to be replaced by POL FS and/or Data Warehouse depending on level of detail required.
SAPADS	Cash account line values for Girobank, P & A & Inland Revenue Tax Credit lines	Weekly	Transaction detail to be provided by TMS if individual transaction detail required or Data Warehouse if Summary level information required
Settlement	Various paper reports are used for settlement with clients	Various	Captured within MI requirements
DVLA Extract	Volume and value of barcoded licence renewal transaction	Weekly	Transaction details to be provided by Data

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	by office. File is FTP'd to Future Walk Server.		Warehouse

CBDB Reports

The current CBDB (PIVOT and KLASS) reports have been reviewed and future requirements within this area for TP and Cash management have been captured within the Programme Management Information requirements.

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System Migration

The following table identifies those systems that currently exist and those that will be in place in April 2005.

Ref. No.	Current System	Future System	Future Domain
1	AP Clients	AP Clients	External
2	Benefits Agency Funding	Benefits Agency Funding	Prism
3	Bureau De Change MIS	Bureau De Change MIS	Prism
4	CACH	CACH	Prism
5	Camelot	Camelot	External
6	Capita	Capita	External
7	Cashiers (FICS)	POL FS	Fujitsu
8	CBDB	POL FS	Fujitsu
9	CLASS	POL FS	Fujitsu
10	CREDO	CREDO	PRISM
11	DAVROS	POL FS	Fujitsu
12	DNS	DNS	External
13	DPU (Route 3)	Route into TMS	Fujitsu ?
14	EDS	EDS	External
15	ES-FS	ES-FS	External (Group)
16	FICHE	Data Warehouse	PRISM
17	FOSACS	POL FS	Fujitsu
18	Girobank	Girobank	External
19	Girobank Errors Application	POL FS ?	Fujitsu
20	Holding Account database	POL FS	Fujitsu
21	HORIZON MIS	Data Warehouse ? (ext to TP)	PRISM
22	HRSAP	HRSAP	External (Group)
23	Intellect	Data Warehouse	PRISM
24	Internet	Internet	PRISM
25	IRIS	POL FS ?	Fujitsu
26	Issued Errors Database	POL FS	Fujitsu
27	KLASS003	POL FS	Fujitsu
28	LID	Data Warehouse ?	PRISM
29	LINK	LINK	External
30	Local Schemes	Local Schemes	PRISM

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31	Lotprize	Lotprize	PRISM
32	Network Banking	Network Banking	IBM
33	NNDB	NRDS	PRISM
34	NRM	NRM	PRISM
35	OPTIP	TMS	Fujitsu
36	PACSYS	PACSYS (Jointly owned with client)	PRISM
37	PIVOT	Data Warehouse & NRDS	PRISM
38	POCA	POCA	PRISM
39	POCM	Removed ? (ext to TP)	Removed
40	POLC	POLC	PRISM
41	Powerkeys	Powerkeys	PRISM
42	PPOP	EDS	External
43	RECALL	RECALL	PRISM
44	Regional Ref. Data	NRDS	PRISM
45	RFLS	RFLS	PRISM
46	Sales MIS	Data Warehouse	PRISM
47	SAP ADS	SAP ADS	PRISM
48	SPMR	Removed	Removed
49	STAM	Data Warehouse	PRISM
50	UKPA	UKPA	Fujitsu
51	WRDS	NRDS	PRISM

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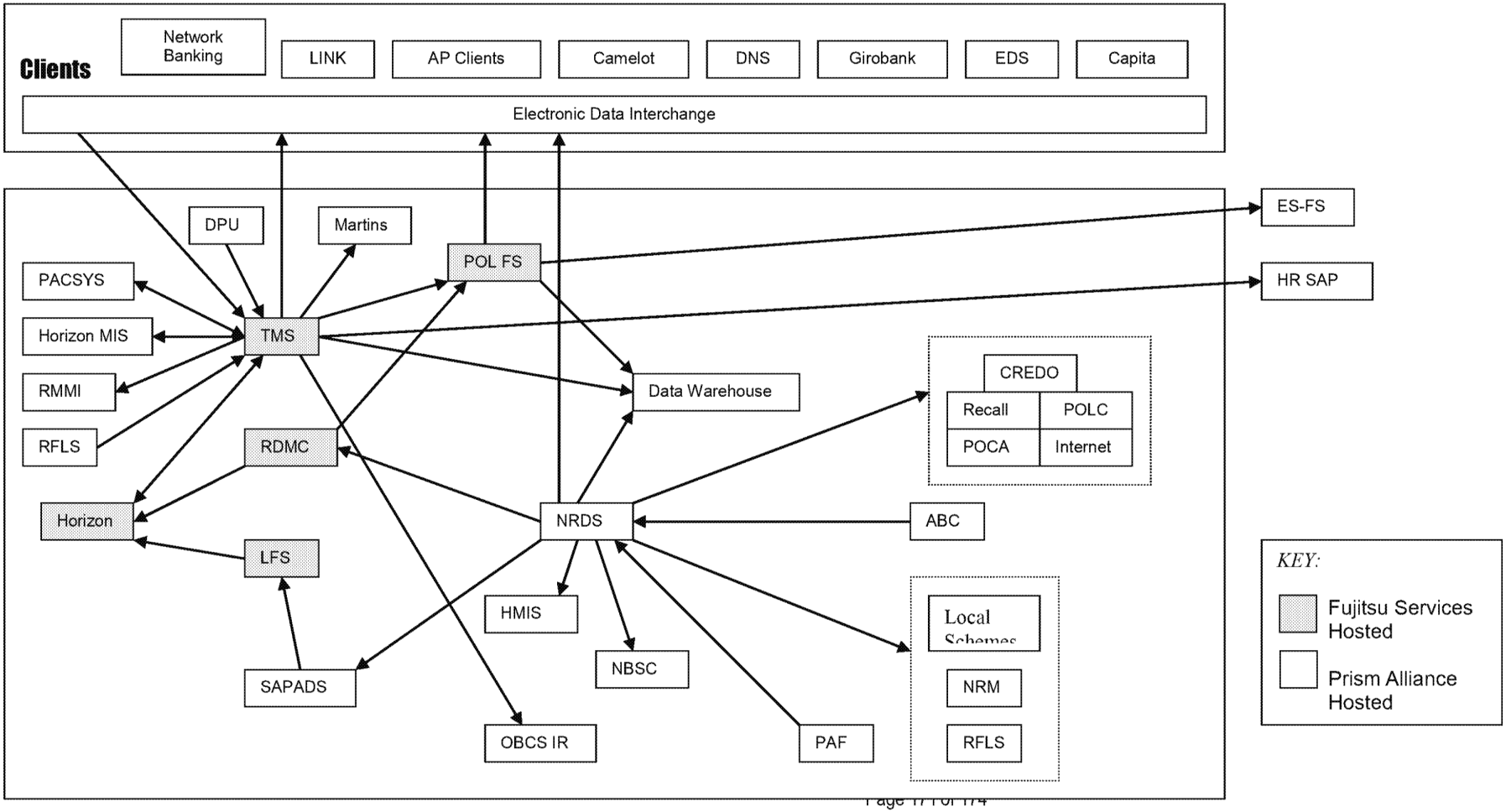
Proposed Future System Architecture



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Appendix A – Chart of Accounts

The following Chart of Accounts divided into two parts - Release 1 (Cash elements) and releases 2/3

Release 1

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Programme Conceptual Design

COMMERCIAL IN CONFIDENCE

Project: Accounting & Cash Management Programme

Doc Ref: AccCM-PCD

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	Mapping to E.S.S.N. Chart of Accounts
				BANK ACCOUNTS		
Bank Statement	CLA 0001T	Bank Statement	1	BANK OF ENGLAND		10600
-	CLA 0002T	-	2	~~OTHER BANKS CHEQUES CRO ACCOUNT~~	Account not required - PU/HP	10600
Bank Statement	CLA 0006T	Bank Statement	2	DATA CENTRAL (EDS BANK ACC CLEARED CHQ - OLD ACCOUNT 0006T	See note below - Contact Person : Debbie Shirley	10600
Bank Statement	CLA 0008T	Bank Statement	2A	NAT WEST CLEARED CHQS BANK ACCOUNT - NBW ACCOUNT 0008T	Are there two bank accounts for cleared cheques or just one - if two then need new code. There are currently 2 accounts, one only will remain once migration is complete. 0006T is the old one 0008T is the Natwest Account in POL's Books	10600
Central JV	CLA 0011T	Central JV	3	DVLA UNPAID CHEQUES BANK ACCOUNT	Contact Person : Pete Jepson - TP	10600
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	10600
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	10600
Bank Statement	CLA 0041T	Bank Statement	6	LOTTERY BANK FUNDING ACCOUNT		10600
Horizon/SAP ADS	RFP 0007T/08T/031T	Horizon/SAP ADS	7	CASH CENTRE BANK ACCOUNTS	Contact Person : Ian Wilson/Alvin West/Luxmi	10600
				PHYSICAL CASH AT SITES		
Horizon/SAP ADS	CLA 0091T	Horizon/SAP ADS	20	CASH BALANCES (Branches, CHD, ATMS, MOD)	As SH requested, includes NSF cash, though best practice would be net	10600 & 10610 & 10620 & 10630 & 10640
Central JV	CLA 0093T	Central JV	21	NSF DEMONITISATION	As SH requested though best practice would be netted off 9, cash balances	10600
Horizon/SSC JV	*New Account*	Horizon/SSC JV	22	FOREIGN EXCHANGE CURRENCY	Separate to enable reporting of foreign exchange	10600
	CLA 0092T	JV from Finance	23A	BFPO Account	BFPO treated as another site identified by Profit Centre, will be included in Account 9	10600
			~~23~~	~~Travellers Cheques~~	Was going to be travellers cheques but PU states have no value so not needed	10600
				NEAR CASH AT SITES		
Horizon/SAP ADS	CLA 0091T	Horizon	30	CHEQUES AT SITES (Branches/CHD/Secure Centres)		10600
Horizon/SAP ADS	CLA 0091T	Horizon/SAP ADS	31	Other Near Cash Items	List of all other "Near cash items" still being compiled	10600
				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/26T/29T	Horizon/SAP ADS	40	CASH - notes and coin	Most rems mixed. NSF lost opportunity(Cash centre to cash centre notes) as exception report	10600
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	10600
		-	-	~~FOREIGN EXCHANGE T Cheques~~	Is now not needed per Paul U as like code 12	10600
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	10600
Horizon/Data Central	RFP 0024T	Horizon/EDS	43	NEAR CASH - CHEQUES TO EDS	Separate to enable reporting as near cash with code 13	10600
				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	10600
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	10600
	CLA 0048T	Horizon/Streamline	52	STREAMLINE BUREAU DEBIT CARD - IN PROCESS	Separate for control - should clear next day	10600
	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 ac	10600
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	10600
SAP ADS/SSC CA	CLA 0091T	SAP ADS/SSC CA	55	BRANCHSSCACASH CENTRES SHORTAGES AND SURPLUS SUSPENSE ACCOUNT	POL to provide further details of nature of transaction and data source for these accounts - PU	10600
SAP ADS/SSC CA	CLA 0091T	SAP ADS/SSC CA	56	CASH SHORTFALLS/SURPLUS SUSPENSE ACCOUNT	POL to provide further details of nature of transaction and data source for these accounts - PU	10600
				BORROWINGS AND INVESTMENTS		
				Deposits		
	Not Applicable	OFF/Central JV	60	DTI Loan Surplus	Surplus funds reinvested back with DTI until maturity date	10600
	Not Applicable	OFF/Central JV	61	Money Market Fund		10600
	Not Applicable	OFF/Central JV	62	National Loan Fund		10600
	Not Applicable	OFF/Central JV	63	Debt Management Office		10600
	Not Applicable	OFF/Central JV	64	Local Authority Deposits		10600
	Not Applicable	OFF/Central JV	65	Gilts		10600
				Loans		10600
	Not Applicable	OFF/Central JV	66	DTI Loan	What we draw down from the DTI.	10600
	Not Applicable	OFF/Central JV	67	Client/Business (intra business funds movements)	Under investigation may require a Client and Business accounts both for loans and deposits	10600
	Not Applicable	OFF/Central JV	68	Bank Loans		10600
	Not Applicable	OFF/Central JV	69	Royal Mail Funding	Funding received/sent from RMG on a daily basis	10600
				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	

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CLIENT LEDGER CODE HIERARCHICAL STRUCTURE

The following pages detail the current Ledger Code Hierarchy existing on the CLASS database sub-ledger as at July 2003. The list is sub-divided in order to illustrate the groups of codes relating to various sections of the POCL Balance Sheet code structure forming part of the main Business Ledger (ESFS).

Each page is split into various columns:

(a) The first column on the left shows allocated Cash Account Line numbers for Receipts/Payments and Cash/Stock tables.

(b) The second and third columns show the Posting Level 3 ledger code (to which any related Cash Account line is linked).

(c) The fourth and fifth columns show the intermediate Summary Level 2 ledger code into which totals from groups of Level 3 codes are summarised.

(d) The final two columns on the right detail the Summary Level 1 ledger code to which Level 2 codes are summarised to form the Balances for interface into ESFS.

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