

ICL Pathway
Bringing
Technology
to Post Office
Counters &
Benefit Payments

**Monthly
Progress
Report**



June 1998



POH - 386D



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Associated Documents:

	Reference	Vers	Date	Title	Source
[1]	PM/PRO/0002	1.0	26/09/96	Pathway Programme - Project Planning, Reporting and Control	

Approval Authorities:

Name	Position	Signature	Date
J. H. Bennett	Managing Director		



ICL Pathway Monthly Report

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Managing Director's Summary

MANAGING DIRECTOR'S SUMMARY

- Work has continued with the two sponsors to find a joint Programme Plan for the key events 1999 particularly for live trial and National Roll-out. Some progress has been made in that POCL now have a plan for roll-out starting in July 1999 and BA have modified their previous thoughts to come round to a view that September 1999 might be possible. Both these views however are still at a working level. The ICL Pathway position has been maintained and documented in our version of our own programme plans with roll-out starting in April 1999.
- The core of the programme activities centres around the testing of New Release 2. This has progressed well in the areas of business integration tests, direct interface testing and BPS system testing. All of which have progressed to forecast and all of which will enable the model office date of the 10th August to be maintained.
- We continue to support the DSS CAPS Model Office Testing which has progressed throughout the last month to a satisfactory level from our point of view. All data received from CAPS has been processed and returned without problem.
- The main stress point on NR2 testing continues to be with EPOSS system, testing together with POCL reference data. Resources have been reallocated within Pathway to bring more effort onto this area and extra skills are being brought in from elsewhere in ICL. There is a large backlog of software incidents and the plan is to tackle these aggressively during July.

Notwithstanding the above the forecast date to begin the full Model Office Test remains on schedule for the 10th August.

Whilst the focus of attention remains on NR2 then the work needed for NR2+ has suffered. Slow progress by both the two sponsors on completing their requirements definitions has also had an impact and we are now looking carefully at a process whereby we will issue a technical maintenance release on the NR2 baseline as an interim step prior to issuing the full NR2+ release. This latter, with sensible contingency, would be targeted for January 2000.

- The service performance of R1c live in 204 Post Offices continues to run well. We continue to out perform the service level requirements of the Benefits Agency in the key areas of reconciliation errors and their clearance times.

- Considerable work has been done on the acceptance task with now 22 of the 23 Acceptance Test Specification being progressed towards approval. The sponsors are in less good shape with their slow response to comment and sign off the specifications and then conduct their side of the test activity. Overall acceptance will be a long hard fight.

HM TREASURY REVIEW

- The report from the Treasury Expert Panel has not yet been published. We know a number of drafts have been produced but clearly there is difficulty with the wording for the final version. The Government Working Party of senior officials has been very active this last few weeks and they have the responsibility of producing their own report for Ministers which is now also being drafted. This report will use as input material the Treasury Expert Panel report.
- Although the key Ministers were due to meet week beginning 6th July this has not happened and is being rescheduled for week beginning the 13th July. A key meeting was held on Friday 3rd July with Frank Field, the Minister for Welfare Reform and attended by Keith Todd and John Bennett. This was a comprehensive discussion and allowed ICL to put across its key arguments for the programme, the use of the payment card, the move to banking services and the business case position for ICL in order that this programme can have our long term support. Although the Minister did follow the Benefits Agency line he did explain that his overriding objectives were to ensure best value for money for the British taxpayer, full support for the long term future of the Post Office and to look after the business interests of ICL.
- As a consequence of this meeting, Frank Field has requested a visit himself to Feltham on the 16th July to have a complete demonstration of the system we are developing and supporting in the field. This is now organised and we are in discussion with who else will accompany the Minister on this visit.
- There has been increased interest on all sides to understand how banking facilities and financial services can be accelerated within the business strategy of the Post Office. We have produced a number of discussion papers which we have shared with Post Office, DTI and the HM Treasury which points the way forward as we see it. These have generally been well received although with the lack of dialogue with the Post Office on this subject there is a danger that we are not fully joined up on this issue.
- Post Office are reluctant to discuss Financial Services with us at this stage since they have not yet completed their evaluation of the McKinsey's report and got internal sign-off to their strategy. Keith Todd will be talking to John Roberts, Chief Executive of Post Office group to accelerate and energise their commitment to banking and the absolute need to join in constructive and urgent dialogue with ICL to make this happen.

- A substantive decision on behalf of Government is still anticipated by the end of July.

ISSUES

- Reaching agreement on the programme plan with both sponsors covering live trial and national roll-out.
- Resolution of EPOSS/Reference data issues to allow Model Office to begin on 10th August.
- Obtaining an acceptable way forward with Ministers following the HM Treasury Review.

Systems Report



Systems Report

MONTHLY SUMMARY

- A very eventful month for the Programme and one in which we performed well in many areas. The Benefits Agency Model Office activity for Job Seekers Allowance, the final phase of the Direct Interface Testing (DIT) activity with POCL external systems and the second cycle of Business Integration Testing (BIT) all started on schedule. All three activities have proceeded according to plan and it has not been necessary to utilise any of the allotted schedule contingency.
- The weekly cash accounting functionality in EPOSS has been a source of concern. The problems identified in product system testing are proving very difficult and time-consuming to resolve.
- Discussions surrounding the start date, scope and duration of the Live Trial and subsequent start date and pace of National Roll-out continue to take place with the Sponsors. In the meantime, the programme forges ahead on the basis that live trial will commence in January 1999 and Roll-out in April 1999.
- The development team was again fully occupied fixing software errors and resolving issues raised by the testing teams and implementing approved changes. The level of A and B priority issues raised during the later stages of system and interface testing has created a large backlog of lesser priority incidents. These must be addressed next month if we are to begin the Horizon Model Office rehearsal activity planned for early August.
- The design team remains dependent upon a few key staff with no backup available in certain crucial areas. The recruitment campaign continues unabated but with only limited success. Although the team has succeeded in clearing a large number of PinICL's during the month, they are still faced with a significant number outstanding.
- The integration and test teams have had a very successful month which is some reward for all their hard work and commitment.

PROGRESS

- The menu hierarchy for the desktop has now been internally baselined after applying sponsor review comments. It is now being updated to reflect the changes included in the recent delivery of live reference data from POCL. The Style Guide has also been updated following sponsor comments but will not be reissued until the keyboard/screen button inconsistencies have been resolved. Several other documents are being updated to add more detail or to reflect recent changes, but most of this work is expected to be complete by the end of July.

- There has been progress on several fronts associated with release 2+. The second draft of the High Level Design (HLD) for Soft-EVP is being reviewed, the HLD for CAPS online enquires has been issued and enables development to commence and a number of reviews have been held to determine the scope of changes to BPS. APS Smart Design has progressed slower than expected due to illness.
- The development teams continue to be pre-occupied with clearing PinICL's and implementing approved functional changes to NR2. A number of product increments were released into integration testing, the most significant being the new Reference Data management and distribution systems. The counter development team are not having much success with reducing the EPOSS PinICL stack. Consequently, a number of parallel initiatives have been instigated to provide more 'bandwidth' during the next few weeks.
- The testing and integration teams have been working hard to ensure that the two externally visible testing streams (i.e. JSA model office [Benefits Agency] and DIT Cycle 2 [POCL]) progressed to a satisfactory conclusion. In addition, BIT Cycle 2 is nearing completion with very few incidents raised. These activities prove that the NR2 system is gradually stabilising although we are still nervous about the impact of changes in POCL Reference data.
- Progress on the technical, performance, security and systems management aspects of the system has slowed down again. Detailed investigations are being carried out to determine the exact cause of the delays.
- A new joint approach for the completion of the Process and Procedure Documents (PPD's) and the production of the User Guides is progressing well and we are confident that the appropriate documentation will be available for model office rehearsal.

CURRENT CRITICAL PROBLEMS

- The working group between Horizon, Pathway and POCL has met several times during June in an attempt to resolve the 'changing FAD code issue'. A report proposing a way forward is currently in production. We are hopeful that agreement will be reached within the next 4/6 weeks.
- A serious performance issue has been identified when attempting to deal with temporary post office closures. This must be resolved if we are to be compliant with the current contractual requirement.

ISSUES

- There are still issues outstanding regarding the delivery schedule for the updated version (2.5) of the RODB system. This facility is required to support the outlet installation activities during roll-out. It is now subject to close management scrutiny.

- The performance of the system and our ability to explicitly test certain areas is causing concern. Some believe that the hardware and time available is insufficient to confirm the behaviour of the system when fully loaded. There is also a concern that the sponsors will require 'proof' of compliant performance before giving 'Acceptance' rather than proof of scalability.
- We have received updated versions of the Reference Data from POCL but the quality is below that expected. Meetings have been arranged with POCL in an attempt to resolve these problems before the start of model office rehearsals.
- There are still a few unresolved issues associated with the end to end financial reconciliation requirement. The solution proposed to handle the reconciliation of benefit payments made by the help desk during loss of service has undergone several iterations. The problem has now been escalated to senior management within POCL for urgent resolution.
- The facilities provided to enable the migration of data from manual and semi-automatic(ECCO) outlets are not behaving in a satisfactory manner. ICL Pathway has suggested to POCL ways in which the migration process can be significantly improved but these require input and co-operation from POCL Chesterfield. Discussions continue to take place and it is hoped that agreement will be reached during model office rehearsals.
- The volume of system incidents (PinICL's) is perilously high. Clearance plans are being devised for all products.
- A number of inconsistencies between the touch screen buttons and the keyboard currently exist. We must move quickly to overcome these differences as the quantity of keyboards being assembled and stored is rising steadily.
- It is now clear that the interception of the Pentium 2 PC and the flat screen will have a beneficial impact on the ICL Pathway solution, in terms of performance and presentation. It is therefore crucial that the delivery and testing schedules fit neatly with the model office and roll-out plans.
- The current test strategy includes the concept of 'full case' tests being run in the Business Integration Test stream. This involves the amalgamation of several product/system tests e.g. benefit encashments, bill payments and the sale of stock items. This is now proving to be difficult to achieve but certain parts of 'Acceptance' depend upon this activity. Alternative approaches are now being sought.
- The current architecture for the TIP interface module may not be capable of supporting the entire network. The simulated tests suggest that it cannot harvest the daily transactions generated by EPOSS and send them to POCL in the overnight time slot available. Further work is being undertaken to improve the performance characteristics of the current product while an alternative architecture is being proven in parallel.

COSTS

- The budgets for the systems directorate continue to be refined and regularly reviewed but are now being used to monitor expenditure on a monthly basis.



Commercial and Financial Report



Commercial & Financial Report

MONTHLY SUMMARY

- The Treasury review has remained centre stage and will continue that way for some time yet. We have to hope that the process will result in a clear and acceptable resolution before the summer recess.
- The review has focussed increasingly on re-validating the direction of the programme in terms of the outputs which will deliver maximum benefit to the DSS and the Post Office, and to HMG in general. That has involved re-confirming the technical, customer service and economic advantages of the Payment Card as compared with ACT in the medium term.
- Release 1c operation continues perform well generally, and this remains an imperative.
- The full extent of CAPS difficulties is becoming more apparent, and with it BA's reluctance to support any significant roll out in 1999. The financial impact of additional delays and work aggravates the Business Case deficit pre renegotiation.
- POCL's lack of apparent entrepreneurial drive with respect to its other clients has raised questions about the realism of the transaction volumes previously assumed in the Business Case. These have been reduced as a result, with further implications for the bottom line.
- Our rate of CCN output with respect to both customer Change Requests and Agreements to Agree has increased. The approval rate by BA/POCL has improved slightly but continues to lag, which is good with respect to moral high ground but not so good in terms of establishing a clean NR2 baseline. We still need to do better. Progress on Acceptance is at least partly dependent on progress here.
- NR2+ progress remains painfully slow, delayed by lack of signed off specifications (and also, it has to be said, by effort being diverted on to NR2).
- Some progress has been made by the new Joint Programmes and Commercial Forum with respect to NR2 RCD caveats, casual agents, counter space, migration and training. We need to work hard with POCL to follow through on the initial promise.
- Cost forecasts for the year have now stabilised.

PROGRESS

- Treasury Review
- Creation of Joint Programmes and Commercial Forum
- Working relationships remain generally good despite the pressures

- CCNs and A2As getting better - but a lot still to do
- Flat screen solution 'qualified in' both technically and financially: this will help significantly with the counter space problem.

EXTERNAL, WITH POCL AND BA

CNT

- We have put on record that delay to the signing off of specifications (EVP, CAPS 4 DIDVR, Smart card specifications and LFS specification) is now causing day on day slippage to NR2+.
- Further, given that the Authorities are causing NR2+ to slip, it is unreasonable for them to impose restrictions on the effective life of NR2 (the 4000 post office limit).
- The arbitration approach for counter space costs has stalled. Differences remain over rights to appeal over a point of law, but the ball is in POCL's court to draft the agreement and lack of one is not yet holding up work on the ground.
- Agreement of a new and up-to-date version of the contract has moved forward one notch, and I hope to report real progress next month: the existing combination of originals plus CCNs is becoming unworkable. We will need a clean base from which to work when we renegotiate terms post Treasury Review.

Joint Programmes and Commercial Forum

- Topics in the frame remain: NR2 4000 limit, NR2+ functional baseline, Counter infrastructure including flat screens, Casual agents, FAD codes, in-office migration, Turnover training, and Acceptance process. Reconciliation has been added to the list.
- POCL have accepted that the incremental costs of flat screens will be treated as 'y' costs (which are the costs in dispute, to be settled by arbitration).

Finance and Commercial Forums

- The BA Forum is dealing with a number of CCN related issues.
- The POCL Forum meets again this week after a break of a number of weeks while POCL dealt with the specification backlog and the Treasury review.

Contract baselining and Acceptance

- CCN234: we have completed our actions on Requirements changes and continue to wait for BA/POCL agreement. We will increase the pressure at CNT tomorrow, citing unreasonable delay and imposition of risk.
- This risk extends to all contract controlled documents, A2As and CCNs outstanding. As of now, there is still too much scope for mismatches and therefore apparent faults which are not real.

- The form of the Acceptance process is still exercising Sponsors. They have yet to declare their proposals officially and there are likely to be issues when they do.
- The pace of script validation by the Authorities has picked up slightly under pressure from John Dicks' team but the absence of Test Managers raises concerns as to lack of ownership and hence ability to sign off. Unless addressed soon, this will become another cause of delay. Time to escalate to CNT.

EXTERNAL, WITH SUPPLIERS

- Subject to confirmation, it looks as though we have settled the man rate issue with Oracle (saving around £800k this year). However, we are likely to face a new man rate issue with CFM. CFM have committed to supply Oracle support to us at rates which are significantly lower than the newly agreed corporate rates under the ICL/Oracle Frame Agreement. These are approximately 75% higher than we have been paying Oracle under our own direct agreement.
- Internal charging within ICL is becoming less confused. Nevertheless we had to take time out to face down an attempt from one part of ICL to retrospectively increase charge rates for June. We happen to be that unit's largest customer by far and will spend close to £10m with them this year. Disciplines are still lacking and the lack of a 'valued customer' ethos a serious concern.
- More supplier tensions are probable over the summer as the likelihood of yet further delays becomes clearer. Some are getting twitchy about the press comments they read.

INTERNAL TO ICL PATHWAY

- Progress on A2A CCNs has accelerated.
- Reconciliation (specifically around BES fallback) may have moved forward - a customer meeting this Thursday will determine whether we have broken the back of it.
- The Forecast has stabilised but the recruitment lag continues, saving money but delaying work.
- The new intercompany charge rates are factored into the Forecast for Q3 and Q4 only.

CURRENT CRITICAL PROBLEMS

- The lack of any solid planning base - in terms of roll out timescales in particular (equipment and services supply)
- The continuing lack of definitive specification for NR2

- Baselining NR2 for Acceptance - CCN234 and A2A CCNs
- The high level of change: on the one hand, essential to conform to specification, on the other, destabilising and a serious management overhead.

ISSUES

- Outcome of HMT review - programme impact and commercial terms - the time it will take to finalise the details once the principles have been agreed - uncertainty in the meantime.
- Roll Out Timescales - NR2 versus NR2+, the caveats, BA's latest position on end-to-end testing, Acceptance delay, etc. - how to plan
- Factoring the probable new timescales, business volumes and costs into the Business Case has had a further damaging effect (although this has reduced the Risk Register 'overhang').
- The need to raise more funding this year: we start meeting the banks in three weeks time, before the outcome of the Treasury Review is likely to be clear.

COSTS

- The Controller's report follows.

Customer Requirements Report



Customer Requirements Report

MONTHLY SUMMARY

- The team continued to drive the Acceptance task forward.
- There are now 22 of the 23 Acceptance Test Specifications (ATSs) produced and being progressed towards approval. The large EPOSS ATS was output and the last ATS, for Audit, is due this period.
- The first ATSs have achieved recommendation signatures. Getting the full approval signatures will be interesting test of customer will.

DETAILED PLAN ACTIVITIES**RELEASE NEW 2 / 2+**

- Dave C has revised and re-issued for approval the APS Service Overview and produced a proposal for linking to the HAPS contingency site. There is a commercial issue over who should bear the cost of imprints (zip-zaps) used in AP fallback operation.
- There has been a minor panic concerning keyboard layouts. Design has raised a CP seeking various changes, changing some keys and adding new ones. The key mappings were agreed with POCL in 1996.
- Tony H and Dave H have continued to support the joint CAPS/PDA/Pathway reviews. These represent a good process for clearing issues. All known NR2 issues have been resolved or documented for entry in the RCD or KPR and the meetings' focus is moving to NR2+. CAPS have issued new levels of interface specification (DIDVRs) for both CAPS Release 3 and CAPS Release 4.
- Tony H has output definitive versions of specifications for Post Office Closures and Foreign Encashments. There are issues just below the surface on encashment business rules as BA attempt to reinterpret the rules to extend requirements for newly recognised possibilities. Tony has also produced a functional specification for CAPS Contingency.
- New drafts of the SADD for NR2+ were produced.

CARS

- No CAR work this period.

A2AS

- Customer Requirements has no actions.

CCNS / CRS / CPS

- CCNs 117 and 234 remain unapproved.

- Dave H has engineered an agreement to resolve how the Requirements and Solutions will be straightened out after their having been deranged by the introduction of reusable Temporary Tokens. No discussion took place on Temporary Customer / Agent definition but it is apparent that DSS and Horizon are accepting the Temporary Agent as a payee class with its own specific encashment rules.
- Dave H produced CCNs for removing the clerk id from impound and nil receipts and including Temporary Agents in MIS encashment reports, and a pre-CCN response for single signature on BES continuation receipts.
- Dave H produced CPs for suppression of card re-orders, fundamental checks of card security data, and improved handling of card re-issues after impound.

ACCEPTANCE

- The customer has not published the scoping study, which is supposed to be the basis for raising his game. Meetings are imminent to address issues of process, boiler plate text etc. – all coming too late to be more than irritants. The customer wants more trials than the contracts provide for.
- Our intent is to force out approval-level ATSs and put pressure on the customer staff not to cause “unreasonable delay”.
- Implementation: Pam Barlow has achieved recommendation signatures on two out of the three ATSs.
- Help Desks: Peter Burden has forced through a first round of response resolutions. Change Control will be needed to match up agreed Solutions with Requirements.
- MIS: Peter Robinson has secured agreement to all his responses.
- Customer Education: Anna Campopiano has drafted Change Control material for the customer to allow the ATS to go forward for signatures.
- APS: The ATS was issued in final form and Dave C expects to get this recommended within days.
- OBCS: This is down to the last issue, the prevention of OBCS being configured for Northern Ireland offices.

POCL Infrastructure: This area required two sessions to go over all the responses. The outstanding issues are the continued insistence on performing technical assurance, essentially vetting our and our suppliers’ designs and developments, performance analysis and seeking to redraw service/system boundaries.
- EPOSS: John P has achieved output of the large ATS. However, review work is currently single-threaded through one person in POCL. We are pressing for the customer to put more people on the job.
- TIP: The official comments to the ATS, which was recast at their insistence to be trials-oriented, were received and responded to.

- Reference Data: No comments yet and now well overdue.
- John C and Dave J have successfully come to grips with the Bracknell based Acceptance activities and ICL and Customer personnel, JC taking responsibility for Performance, Integrity, and Systems Management and DJ for Security.
- The two related ATs are Service Levels, which in fact means future performance measurement and modelling, and Security, with significant contributions to POCL Infrastructure.
- Security: The responses review meeting was completed with far fewer issues than had been expected. Only two issues remain: fulfilment of a commitment to provide trials material based on delegated third party test plans (CFM and Girobank); and a demand to fold penetration testing into Acceptance. This is not justified by the contract and will be refused.
- Service Levels: The ground is being prepared for this responses meeting, which is expected to pose the same "assurance quest" difficulties as that for POCL Infrastructure.
- PAS and CMS: Tony H has progressed these to the point where all responses were accepted.
- DSS Interface: Our responses to comments are being digested.
- All associated HLTPs have been revised to cover marginal required tests.
 - BES: A second late tranche of detailed comments on BES was received from DSS and was responded to. The first tranche responses were reviewed. The major unresolved issues concern the treatment of split requirements, cases where both BES and PAS elements form part of the Solution, and testing BES recovery processing.
 - The comments just in on Reconciliation are extreme, and the interim ones against the interim ATS for Audit are only slightly less so.
- An interim version of the Acceptance Test database for NR2 has been constructed using Excel and a number of the ATs have been populated into it.

NEW BUSINESS SUPPORT

- LFS: The progress towards completion of the schedules was very slow. Final drafts exist for the Service Definition and Service Levels Schedules - we are awaiting the printed versions. POCL have actions to produce the rest of the schedules.
- Some design work has progressed, but we are dependent on POCL identifying people with whom our teams can work with.

OTHER TEAM ACTIVITIES

- Discussions with CAPS on possible application of Hopewiser to generate delivery point suffix data have not progressed; there may be a possibility to run within CAS as an alternative.
- Dave H published a Workflow paper in The Systems Journal.
- John D did three subpostmaster interviews in NE region.

CURRENT CRITICAL PROBLEMS

- None.

ISSUES

- None.

Customer Service Report



Customer Service Report

MONTHLY SUMMARY

- Service performance in June was generally very good marred only by a file system failure at Wigan.
- We continue to beat the BA target of 0.1% for transaction reconciliation errors - lost transactions are currently the main cause of concern. Again we achieved the target of 100% of reconciliation errors cleared within 5 days.

RELEASE 1C VITAL STATISTICS

- Installed base : 204 Post Offices, 334 counters
- Number of Cards issued 34,033
- Number of Active Cards in use 28,958
- Total number of BES Counter Transactions 361,022
- BES Counter Transactions in June 74,007
- Total value of Benefit Payments received £11.3m
- Value of Benefit Payments received in June £2.1m
- Total value of Benefit Encashments made £10.8m
- Value of Benefit Encashments in June £2.3m
- Total number of OBCS Transactions 4.5m
- Number of books impounded 13,942
- Potential fraud avoided £1.5m

PROGRESS**OPERATIONS**

- Release 1C has generally performed very well save for a series of problems with the Sequent SE70 host file system at Wigan. Sequent did not perform well, suffering problems ranging from 'Wrong Part In Box' to simple human error. We have since held a review and identified several remedial actions to improve their quality of service. A full report from Sequent is expected identifying the reasons for the unexpectedly high failure rate and their improvement plan. Throughout this problem the SSC received excellent support from Oracle to ensure the integrity of our data.

- We have experienced a single recurrence of the 'Half screen' problem. The Release Management Forum decided to increase the frequency of the workaround fix and send a reload instruction to the counters twice each week. It is very important that the root cause of this and other R1c problems is identified and confirmed to be eliminated from NR2.
- Martin Riddell is to present, jointly with CAPS Support, to the CAPS Board next month the results of the operational interface improvement plan. The important point here is that progress has been made on all of the concerns expressed earlier this year and that an agreed position has been reached between ICL Pathway and CAPS Operations.

BUSINESS SUPPORT

- The BSU is maintaining a good relationship with the BA and has now achieved a 'to the penny' reconciliation every day for 2 complete months - an excellent achievement!
- In stark contrast, POCL have still failed to agree our proposed design of the transaction fallback and recovery solution. This has created frustration and uncertainty all round and consumed a large amount of time and effort, which has had an adverse effect on the end-to-end process development.

BA & POCL SERVICES

- RML have agreed to reconsider their view on the process for RML/POCL card package hand-over and are taking further action to understand the impact of the process.
- There have been further instances of "Freepost ICL Pathway" letters being delivered by RML to the wrong location! RML are to issue a nation-wide bulletin to address the issue.
- No more benefit cards will be produced by De La Rue in 1998.
- The programme of visits by HSH staff to Post Offices, to improve their understanding of life in a Post Office, has begun.

CUSTOMER SATISFACTION

- The first visits on the Management Care Visit Programme have been undertaken. I am delighted that all of the management team has accepted the invitation to participate in this important programme.
- An analysis and commentary relating to service visit reply cards is available. The percentage of satisfied responses was 94.5%.

SYSTEM SUPPORT

- We have experienced a marked increase in the number of network problems for which Energis has provided inadequate or no explanation. Work is being done to improve diagnostic information and Energis is being asked to provide a formal report.

INFRASTRUCTURE SERVICES

(MIS / PROCESS ENGINEERING / PERFORMANCE / IT)

- The long awaited Volumetric information from CAPS has been received. The profiles are drastically different from current plan ratios and timetable and will need to be carefully considered and extrapolated before we can accept them.
- Work is nearing completion on NR2 EPOSS benchmark transaction times and is almost complete on card issue times. NR2 BES, OBCS and APS transaction times are with POCL for comment.
- The IT infrastructure upgrade will be completed in early July. All user data which is located on the new server is now secure and backed up automatically.

CURRENT CRITICAL PROBLEMS

- None

ISSUES

- None



Quality and Risk Report



Quality & Risk Report

MONTHLY SUMMARY

- FRM progress. FCMS progress made in documenting procedures and testing. A potential fraud issue has been identified, regarding card detail checking at the counter.
- Risk Management. The Programmes Risk Register for June shows a reduction in the overall score of 20%, largely as a result of the replan. Major risks still remain around the level of design gaps, and the potential impact on Release 2. Acceptance risks are being identified, mainly in the will / ability of POCL to sign off and resource the activity. NRO Risk register has been issued with a Mitigation Action plan.
- System Security. Significant progress has been made with development of procedures and preparation for Release 2. However, security design exposures have been identified with passwords (consistency of length in the system and expiry at the counter) and SMC caller identification.
- Audit. Progress is being made with developing standards and procedures for Release 2. Design concerns have been raised about consistency of time through the system and data archiving / back up.
- Year 2000 Conformance. The changes to the timetable for Release 2 (and implications for 2+) may cause POCL to insist on 1c being compliant, which needs to be vigorously resisted. Product issues continue to be identified; an approach for service providers has been developed.
- Cross Government Fraud. A Fraud component model and expertise map has been produced - the next effort is to produce input for the Green Paper.

PROGRESS**FRAUD RISK MANAGEMENT****RELEASE 1C**

- During June no suspected fraud incidents were reported.
- The FRM PC's in Bootle currently cannot produce CD's. Remedial action to restore the PC's to full operation is underway. In addition, all previous analysis performed by Girobank and stored on the PC was lost.

NEW RELEASE 2

- Issues regarding card detail checking at the counter have been identified. This is under investigation to identify the full impact and solution.

- FCMS. The procedure to document FCMS administration has been drafted and sent out for review. Testing of the FCMS is going well and implementation of the system is being discussed.
- Modelling of the Girobank Fraud Analyst tasks has been completed. Scenario analysis is required.
- The location of the Horizon Programme FCMS PC's has been confirmed as Quarry House in Leeds, and a CP raised to implement.
- Comments were incorporated in Incident Categorisation and Information Interchange procedures which were distributed for sign off.

RISK MANAGEMENT

- Programme Risks. A risk report for June has been completed and reviewed by the management team. The overall risk rating has decreased by 20%, largely as a result of the replan. However the major risks for Release 2 are still the continuing level of CPs, associated with identification of gaps in the system design. There is also a high risk of significant impact on Release 2+. Acceptance risks include primarily the will / ability of POCL to sign off Test Specifications and resource the acceptance activity.
- NRO beat rate risk analysis. Version 3.1 has been issued together with the Mitigation Action plan. Major risks include office modification and acceptability, sub-postmaster availability and rescheduling, reference data mapping, migration processes, and training attendance. Progress will now be monitored against this baseline and exceptions reported monthly through the 300 Club Meetings.

SYSTEM SECURITY

RELEASE 1C

- A post implementation security review of the SSC and cryptographic key generation facilities in Bracknell was undertaken with the Horizon FSG. Similar visits to LSA, STE and Belfast are planned.
- The fix to modify the password expiry parameter in the live post offices is fundamentally flawed. If the password expiry manifests when a user session is timed-out, the machine locks permanently and requires to be swapped-out. Horizon is insisting that the 30 day parameter is implemented in all live outlets by July 31st - CS are raising the PinICL priority to 'A'.
- A CP was raised to introduce a list of excluded passwords throughout the solution, to address a current PinICL and to intercept many potential PinICL's.

NEW RELEASE 2

- The Admiral Management Services Penetration Test & Scoping report has been discussed with the Horizon FSG and joint testers. Their formal responses are due 8th July.
- Meetings have been held with ICL Commercial & Legal to arrange an export license for 'Red Pike' to the De La Rue contingency site in Sittard, Holland.
- All three meetings have now taken place with providers of managed services to Pathway regarding their security testing. A test manager will assume responsibility for the third parties.
- The first of a series of reviews of the Access Control Policy was held with members of the SSC to ensure that the document reflects current practice.
- Significant progress has been made with developing Security procedures for R2:
 - Draft procedures for the creation of SecurID accounts and deployment of tokens have been written and distributed internally for review.
 - The scope and responsibility for key expiry processes at the counter have been agreed. Customer Service have responsibility as they are viewed as normal Post Master housekeeping activities.
 - A procedure for cryptographic key loading at Huthwaite has been drafted for comment prior to presentation to the Horizon.
- The agreed standard for user identifiers (userid) is seven characters: 5 alpha + 2 numerics. This information gets truncated to six characters by CAPS and by certain internal Oracle applications. Design are trying to find a way forward but will meet significant resistance from the Horizon FSG who agreed the seven character length and expect it for TIP.
- There is a requirement for authenticating callers to the SMC using the One Shot Password (OSP). This problem has been exacerbated because the OSP facility has been nominated as the authentication solution for HFSO's during office migrations. A solution is being sought.

NEW RELEASE 2+

- A technical walkthrough of the VPN CCN was given to the Horizon FSG and Technical Assurance team in order to facilitate formal impacting.
- Meetings have continued throughout June to agree the design for the Key Management Application and associated database for Release 2+.

QUALITY

- An audit of WTL head office processes was conducted. Issues were raised regarding processes for selecting competent 3rd party surveyors / contractors, monitoring their performance and for handling complaints, claims and H&S incidents. WTL's reaction was that that Pathway are not entitled to audit their activities to this degree. Subsequent review of the WTL contract confirmed that Pathway has the right to audit WTL and its sub-contractors.
- Further support for Masons! A 11/95 Report of visits to Stroud POs was forwarded to support their review of our pre-contract knowledge of the condition of the PO estate.
- Analysis of monitor failures indicates that an unacceptable failure rate still remains following remedial actions. PPC is negotiating a trial with Microtouch to determine whether recent product deliveries meet specification.
- Acceptance: The ATS for TT1 has been redrafted to reflect R2 test strategy and circulated for internal review / comment.

PROCESS MANAGEMENT

- The Common Charging System process has been reviewed and a draft of the procedure is in hand.
- Definition of the Asset Management Process has raised issues regarding the complexity of the system and options are being considered.

AUDIT

- Background information on R1c PinICLs requiring R2 action and on the operation of the Release Management Forum is being reviewed as a basis for audit of the process whereby R1c patches are implemented in R2.
- Reconciliation Exception Database audit has been completed and discussed with CS. Improvements have been agreed and are being implemented.
- NR2 Process Improvement Programme. The Corrective Action Plan was reviewed and agreed actions documented. It has been formally issued to the Management Team and actionees.
- Develop Audit Function. A matrix of 'audit' requirements to Acceptance Specs and their supporting Business Threads and High Level Test Plans has been provided to POCL and BA to aid their understanding of Audit acceptance. Progress has been made in developing standards and procedures, including Audit Policy, Internal Audit Manual and Horizon System Audit Manual for NR2.
- Audit Design. There are some concerns about system design implications for audit which are being addressed:

- Consistency of application of time through the system (also potential implications for PACE)
- Tape/Silos and space requirements in the Data Centres
- Data Archive overlap with data backup requirements.

YEAR 2000 CONFORMANCE

- R1C is not specified to be a Year 2000 compliant release. However there is a risk that, following the recent programme re-scheduling, POCL may request that it is made Year 2000 compliant.
- 3rd Party products:
 - NT4 Service Pack 4 has been delayed, and a recommendation has been made to systems as to way ahead.
 - Tivoli sign off of target build baseline for NR2 is still dragging .
 - Sequent have advised us that the Unison compliance statement is wrong and that we need to move to Version 5.2 for compliance
 - SQL-Server v6.5 (used in Roll Out Data Base) has declared defects; one fix will not be available until Q3/1998.
 - The baselined version of the Firewall Design specifies Solaris 2.6; the firewall software has not been tested on this release and is not yet on the market.
- A questionnaire has been developed as a basis for discussing service providers Year 2000 compliance programmes.
- A Year 2000 Risk assessment update has been circulated.
- Release 2+. A review of APS specifications has revealed 2 issues: calendar software is required to translate date formats, and compliance of current POCL software (cards may be in circulation which are not compliant).

CROSS GOVERNMENT FRAUD

- A component model and matrix of available expertise (inside ICL and partners) has been produced with TSC Local Government and Experian. Effort is now directed to producing fraud input to the Green Paper response.

CURRENT CRITICAL PROBLEMS

ISSUES

- A number of operational issues are arising as a result of system defects, correction of which is being deferred. This impacts QRM, in that they must be impacted and workarounds produced and operated. These include:
 - System time inconsistencies
 - User password inconsistencies
- Card detail checking at the counter.
- Audit; archiving design and extraction.
- Authentication of SMC callers using One Shot Password.

Business Development Report



Business Development Report

MONTHLY SUMMARY

- We continue to keep Marketing Comms under very close attention. The most active organisation this month has been Computing who ran one article and may follow up again. This was focusing on the Treasury review. The agreed (between sponsors) approach is to keep our head down until after the review.
- Finalising our advertising approach is being kept on hold until post Treasury review.
- A proposal on Government communications has been circulated to relevant ICL personnel without any comments and therefore this strategy is now being implemented.
- Prime focus on Business Development has been preparing presentations and papers on Banking via the Post office. These have been given to Treasury and Dri and been shared with POCL. It continues to be utterly frustrating that POCL want to keep us at arms length. One view is this is to not annoy BA (as if they were not annoyed now). The other is POCL are trying to identify a potential way forward if the Treasury report came out negative.
- Work continues on LFS (Logistics Feeder Service). I have now had to write yet again to POCL stressing they are missing yet another set of agreed dates for submission of schedules for LFS. This continues to be a grind and we must use these examples as learning points for the future.
- While work has concentrated on Financial Services, we must not lose sight of two other major thrusts for volume business in the future - Government Services and Mails. Given the Escher developments on Mails. I want to re-focus our efforts and direct these towards Royal Mail rather than via POCL although we will, of course, keep POCL informed.
- The marketing suite plan is prepared and ready to go. This will ensure we have a full demonstration suite of products - current offerings, household budgeting, mails, Internet services and kiosk offerings.
- I am concerned that following the demise of the PDA Board as a top level group, that top level of communication has now fallen to Dave Miller and Mike Coombs. I think we need to re-investigate a board-to-board level group or at least a subset to take a wider view of life for mutual benefit.

PROGRESS

- Customer Education Media & SIG roll-out. Activities in terms of planning and pre-production work have started - the objective is to bring work forward to accommodate the time shift of the advertising (and to use resource better) the problem is that activities here are also effected by the Review and the Nile replan.
- Internal Comms - ICL Pathway: much progress - sterling work from Chrissie. Excellent new corporate presentation and a number of social activities to maintain staff morale and raise money for our agreed charities.
- Sponsor internal Comms: Where we can influence communication we make progress (in terms of us placing stories in internal publications). Realistically good internal comms needs managerial support - managers within the sponsor organisations need to say good things about this project - we must continue to apply pressure.
- Treasury Review and Nile replan has caused all contractual communication activities to stall - at least a two months delay on current plans is envisaged in this area. Sponsors have been told that they can no longer afford to prevaricate. All advertising, proactive media and SIG activities are therefore stalled. Despite the stall, sponsor approval is still being sought for the ideas currently on the table. This has caused a lot more work than anticipated as POCL have changed their mind at the last moment - causing additional costs of £1000 and time wasting.
- Future ICL Pathway media communications: ideas on how we should do this following the Review are coming together. Communicating will not be difficult: agreeing the lines we take and messages we intend to use will be - as will be managing the sponsor fall-out. I remain hopeful that POCL and CAPS will partner us with positive communication of the Review outcome.
- The Future of European Postal Services conference in Brussels was attended. A useful session concentrating on Mails but giving a good view of the directions of the different Postal Authorities.
- The first Escher Riposte User Conference took place in Boston attended by 'names'. Again a successful event in terms of networking, looking at potential joint activity, learning about new Escher products and hearing some new ideas from MIT.
- Generics Progress: Analysis is underway to determine the proportion of re-engineering requirements which can be satisfied by the four generic functions which we have proposed - this is due to be completed by the end of July. In addition, we are in the process of producing a detailed requirement specification for Supplementary Details Capture - this is also due to be completed by the end of July

- The key business development activities are targeted at client retention, bill payment and personal banking services. However, looking to the future, the opportunities we are keen to investigate include multi-channel (expanding the infrastructure to support kiosks, web sites, digital TV sites, and call centre) and ticketing (travel, hotels and leisure events).
- Analysis is underway to determine the proportion of re-engineering requirements which can be satisfied by the 4 generic functions which we have proposed - this is due to be completed by the end of July. In addition, we are in the process of producing a detailed requirement specification for Supplementary Details Capture - this is also due to be completed by the end of July.

CRITICAL PROBLEMS

- Getting POCL to open up with the output from McKinseys and taking us into their confidence on how we can implement some of the new ideas.
- To progress Generics we require input from the Design function. Design do not have the resource to support this activity.

International Sales Report



ICL Pathway

**Pathway Programme Monthly Report
International Sales Report**

Ref: PA/REP/026
Version: 1.0
Date: 10/07/98

International Sales Report

SUMMARY

PROGRESS

CURRENT CRITICAL PROBLEMS

ISSUE



Organisation & Personnel Report

Organisation and Personnel

MONTHLY SUMMARY

- Another excellent month in terms of resourcing, but also some very useful work completed on a remuneration survey

PROGRESS

- The heavy emphasis on resourcing continues with strong overall success in recruiting permanent staff. This is demonstrated by the figures below, but of particular significance is the fact that 52 permanent staff have been recruited this year. These have nearly all been individual campaigns.

Permanent appointments in June	16
Currently under offer	7
Appointment YTD	52
Current requirements	19

86% of vacancies (in 1998) have been filled within the benchmark target of 3 months, and 64% within two months.

- The roadshow recruitment campaign to address difficult vacancies will take place in September, timed to coincide with the most buoyant time in the recruitment market place. This campaign methodology is now being worked up with Hays IT recruitment. In particular we are aiming to make in-roads into Development and Testing recruitment. There are also plans to attend VISIT - an IT recruitment fair - in London during the second week in July, creating a strong ICL Pathway presence on the generic ICL stand.
- Due to earlier success, ICL Pathway has committed to 11 industrial trainee placements for the next academic year. Selection events at both Southampton and Leeds Universities have been successful in identifying appropriate people. Given the numbers of people to be employed on this basis, the scheme is being strengthened and will be coordinated by Sandra Houghton.
- The salary survey has now been completed and the data is being analysed. The initial message is that we are well positioned within the market place with competitive, if not high end, packages. A full report will be made and this will be central to decisions about ICL Pathway's future remuneration strategy. This has been a key piece of work.

- The above work has also enabled the mapping of all permanent roles in ICL Pathway. This has enabled a first stage analysis of the likely shape of moving staff into the Professional Community framework and we are working with Group Personnel to identify the most appropriate way of achieving this.

CURRENT CRITICAL PROBLEMS

- None.



Post Office Client Report

The Post Office - Client Director's

MONTHLY SUMMARY

- Following final presentations to Post Office IT Services in Chesterfield ICL has been invited to negotiate the contract for supply of technical skills under a framework contract.

PROGRESS

TREASURY REVIEW

- Following the completion and submission of the ICL Pathway input papers to the Treasury Panel in May/June, the feedback presentation from Treasury was positive for ICL and the final written report has been submitted by the Panel to the cross-departmental working group - we await sight of a copy. The ministers' meeting to review the report has been postponed until, we believe, week beginning 13 July. A new presentation was prepared for the meeting called by Frank Field with TKT and JHB 3 July, resulting in the Minister requesting a demonstration of the system, now scheduled for 16th July. The BA position appears to have softened very recently, possibly as they have found themselves a lone voice on some issues.

It is now distinctly possible that the negotiation of whatever outcome is agreed by ministers will stretch into August.

DESKTOP

- This Contract, won by ICL Multivendor Computing Division, now well under way with 500k pounds shipped in May and over 1m pounds in June.

TECHNICAL CONSULTANCY

- The bid to PO IT Services for supply of ad-hoc technical skills in distributed systems, networks and database has been won subject to contract. This bid has been run by ICL Government Services Supply Unit, under Client Management direction from FEL01. Final presentations on 10th June with John Bell fronting resulted in an invitation to proceed to negotiate a preferred supplier contract. Although this is not large business (less than £1m pa, shared) its importance lies in the access it will give to the key technical IT managers across Post Office.

POCL STRATEGY REVIEW

- The McKinsey study is complete and CEC have made their decisions - appointments are now being made (but not announced) to run 60 day implementation planning exercises for each of the identified programmes. We expect these to include Financial Services, Government, SmartCard, Organisation, Partnerships amongst others. The Government Programme will become a PO Group wide Programme once a Group level Director is appointed - POCL are managing in the interim.

OTHER ACTIVITIES

- A further bid has been submitted for supply of Applications Development and Maintenance, again the bid being run by the ICL Government SSU under Client Management direction. ICL has been shortlisted for this substantial framework contract, with individual contracts under the framework expected to be valued between 200k and 20m. Applications software skills are a key element of the requirement. Owing to the potential value, this bid will be reviewed at ICL Group level on 29 July, prior to tender submission 3 August.