

OPERATIONAL SERVICE MANAGEMENT

BA/POCL Programme

CONGO 4
(ICL Pathway Release 1c)

Horizon Service Report

Number 1

Period - December 1997

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1. Introduction

This report is produced by the PDA Operational Service Management team and provides a high level "in-flight" assessment of any threats to overall Business Continuity in the Congo 4 live service environment. The primary purpose is to identify any issues (actual or potential) that might threaten the Congo 4 roll-out or regression from ICL Pathway services.

The next 'the interim OSM service report' is scheduled for 13 February 98.

For ease of reference, the report utilises a traffic light system with the following keys -

-  = Immediate Threat to Business Continuity
-  = Potential Threat to Business Continuity
-  = No Threat to Business Continuity

The 'traffic lights' in section 5 of this report should be interpreted in respect of the perception to the 'end users' and how it will impact their environment.

2. Report Format

2.1 ABBREVIATIONS

| | |
|------|------------------------------------|
| BA | Benefit Agency |
| CAW | Cash Account Week for Post Offices |
| CRN | Change Request Notice |
| CSU | Card Support Unit |
| EDS | Electronic Data Systems |
| HSH | Horizon System Helpdesk |
| IGL | Initial Go-Live |
| OBCS | Order Book Control Service |
| OSM | Operational Service Management |
| PCHL | Payment Card Helpline |
| PDA | Programme Delivery Authority |
| POCL | Post Office Counters Ltd |
| RLM | Regional Liaison Manager |

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Post Office CAW

Post Office cash account weeks run from Thursday to Wednesday.
i.e: Week 32 = Thurs 30 Nov - 5 Dec 1997.

3. Headlines

Volumetrics.

| | |
|--|--------|
| • Payment card customers on CPRS = | 10,815 |
| • Number of active payment cards = | 3,645 |
| • Number of Post Offices = | 205 |
| • Number of Counter Positions = | 335 |
| • Offices De-Commissioned = | 0 |
| • Manual Foreign Encashment support Post Offices = | 1,492 |
| • Average number of encashments per week = | 1,552 |
| • Average value of each encashment = | £40 |

4. End to End Business Continuity



























Though the recent incidents involving the failure of Payment Authorisation and Customer Detail files have been resolved as far as the customer perspective is concerned and awaiting a Post Incident Review, there are still serious concerns over the volume of inactivated payment cards issued to customers which is still occurring. A software fix is being sought after as a matter of some urgency.

However, it should be stressed that although there has been many concerns in recent weeks, a great deal of work has been undertaken by all domains to resolve or minimise the impact of the problems.

Therefore the expectation is that the 'BPS' category should return back to yellow within the next month.

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5. Core Elements of the Live service

| Infra-structure | BPS | OBCS | CAS /PAS | CMS | ABED | Fraud & Security | Account ing |
|---|---|---|---|---|---|---|---|
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |

The BES category shown in the Business Continuity report has now been changed to BPS (benefit payment system), in this report, as it is believed this best describes this category.

5.1 INFRASTRUCTURE

Release 1c Printers

A software fix has now been developed by ICL Pathway and is currently undergoing operational tests. Initial reaction from ICL Pathway staff is very favourable and it is predicted that this will cure the problem once it has been implemented into the 'live' environment.

5.2 BPS & CAS/ PAS

Payment & Customer Detail File Failure

The customer impact for the aforementioned file failures has been resolved and both incidents are awaiting a full post incident review scheduled for Wednesday 04 February 1998.

Additional measures have been agreed between ICL Pathway and CAPS to prevent further instances of 'lost' files. CAPS will make a daily scan to establish which files they have not had returned successfully and the journal would be tidied to ensure failed

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file transfers could be returned quickly. ICL Pathway will ask CAPS/EDS for positive confirmation of which files had failed and request manual re-sends.

Lost Transactions

There has now been 46 lost transactions, 8 of which resulted in duplicate payments being made with a total value of £254.75. The responsibility and liability for these payments lies with ICL Pathway.

ICL Pathway's preferred option for resolving this problem, is to enforce the commitment of transactions at the point of terminal time-out. The disadvantage of this approach is that there is a chance that a transaction is forcibly committed although the clerk intended to void the transaction. If this were to happen then a repudiation would inevitably be made by the beneficiary who would be initially denied payment because the system had falsely registered an encashment. Historical data suggests void transactions are minimal.

Further analysis is in progress to determine whether there is any impact on other processes and a Change Proposal will be submitted to secure final approval from BA and POCL.

Payment Card Activation

There has been continued occurrences of incorrectly activated payment cards at the Post Office / ChB customer interface, which if allowed to continue will seriously undermine the credibility of the 'Horizon' system with its target customers.

Changes have been identified which, when implemented, will modify the prompts at card activation and check for confirmation of the operator's intention should the process be incomplete. ICL Pathway will raise a CRN for impact by POCL

As an immediate work around, OSM has requested that all card enabled Post Offices retain the PUNs at the card activation stage, for one month, this will be a contingency to correct any inactivated cards when next presented.

Correspondence Server Failure

A technical review of the recovery process has been carried out and recommendations are to be published shortly, with a full rehearsal and operational test to be scheduled at Bootle.

ICL Pathway will be discussing the status of all recovery processes at a service review on 26 January 1998 with CFM Operations.

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Incorrect Cash Account Weeks

The proposed software fixes applied to the system on 10 January were tested out on two (ex IGL) Post Offices. At this point it reported the fix was not functioning. However, on the 15 January a Post Office communicated that a weekly report had been successfully completed. Another test was run on 20 January, which proved to be successful. Further test have now been proposed for 21 January, if successful the Post Offices will be asked to resume weekly reporting.

It would appear the failure on 10 January may have been erroneous, this is being investigated further.

Late Polling of Release 1c Post Offices

The monitoring of outlet polling to the data centres has now been improved with all connections checked on a daily basis and a report produced of outlet 'end-of-day' messages. ICL Pathway have agreed to notify OSM of any Post Office which has not harvested for two days, this in turn will be cascaded to all interested domains within CAPS and POCL. At release 2, this process will be automated.

Complaint from a Housebound Disabled Customer

A house bound disabled customer who's order book is to expire on 26 January, has complained to the local BA office, having received her PUN to collect her new payment card she realises there is no facility for an 'Agent'. BA subsequently offered the ACT facility, however the customer stated that she will still have the same problem of gaining access to her monies. The customer has complained that the 'level of service has gone down and that her and other disabled customers are persecuted and penalised. The customer has stated that she will write to her MP.

This particular customer will be regressed to an order book. CAPS COLS are resolving the issue.

5.3 ABED

In general the have not been any reduction in the areas giving reason for concern noted in the previous interim report. However, with the scheduled software fixes to the aforementioned problems and the positive initiatives from respective POCL regions, it is hopeful that improvements are to be seen in the next few weeks.

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5.4 Fraud & Security

PDA Fraud & Security are to have a meeting with ICL Pathway to perform a risk assessment of the problem of 'Authentication of users to the PCHL'. Further details will be reported in the next Interim Business Continuity report.

5.5 Accounting & Reconciliation

Appendix 'A' details an agreed summary of accounting & reconciliation for the December period

6. BES: Volumetrics

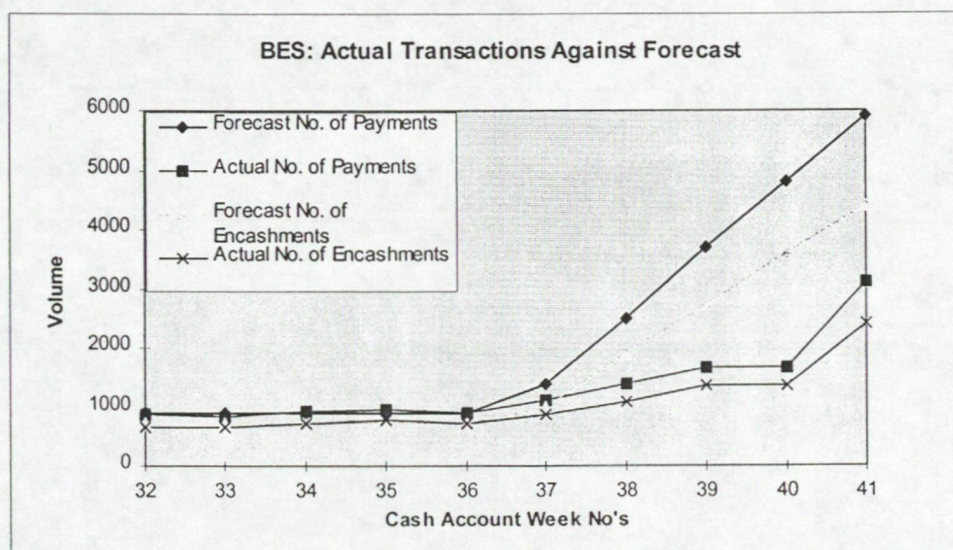
Definitions for the purpose of this report.

A **transaction** is a broad description of a customer session.

A **payment** is the Child Benefit allowance money due for one week, or for four weeks (in case of a four- weekly allowance).

An **encashment** is a measure of the work effort in a customer session from the clerk accepting the payment card to returning the card with monies, i.e. one customer is paid all due Child Benefit allowance. Thus, a customer may save several payments before visiting their PO. During such a transaction there will be one encashment of several payments.

6.1 BES Transactions against Forecast since Release 1c



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6.2 Volumes of BES transactions

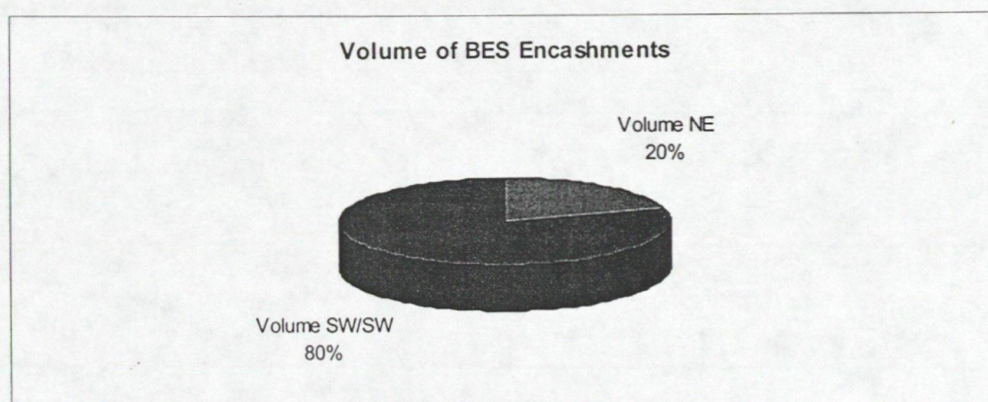
| Transaction | CAW 36 | CAW 37 | CAW 38 | CAW 39 | CAW 40 | CAW 41 |
|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Number of payments | 886 | 1110 | 1376 | 1656 | 1652 | 3093 |
| Customer encashments | 695 | 852 | 1062 | 1342 | 1369 | 2407 |

6.3 BES Encashments by POCL Region for December 1997 (calendar month)

| Region | North East | South West / South Wales |
|-----------------------|------------|--------------------------|
| Volume of Encashments | 1361 | 5366 |
| Value of Encashments | 45,949.95 | 226,722.30 |

NB: CAW data will not match calendar data.

Percentage split of Encashments



NB: The 80% volume in the SW/SW region is due to the 10 ex IGL offices already having a customer base.

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6.4 BES: Foreign Encashment Transactions for December 1997

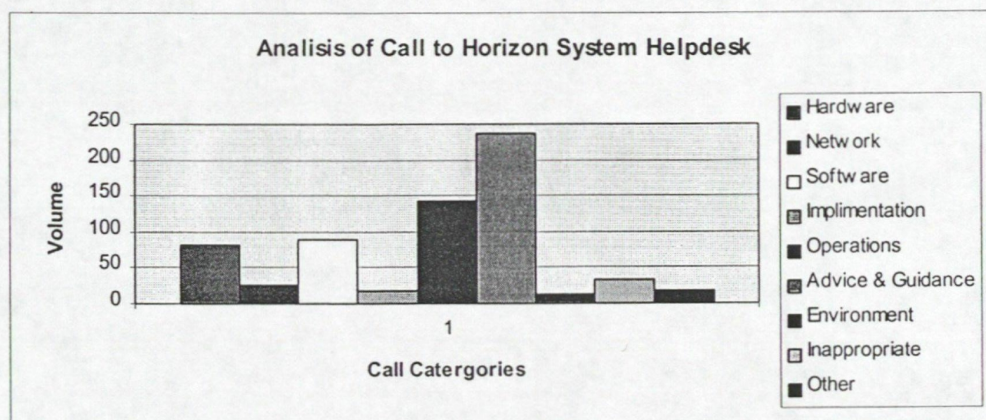
| | Volume | Value |
|---------------------------------|--------|----------|
| BES | | |
| Foreign Encashment Transactions | 23 | £ 886.30 |

7. OBCS

ICL Pathway are forecast to supply OBCS data in January 1998.

9. Horizon System Helpdesk Volumetrics

9.1 Profile of calls to HSH during December 1997.



NB: The above graph details profiles from POCL, BA & ICL Pathway inclusive.

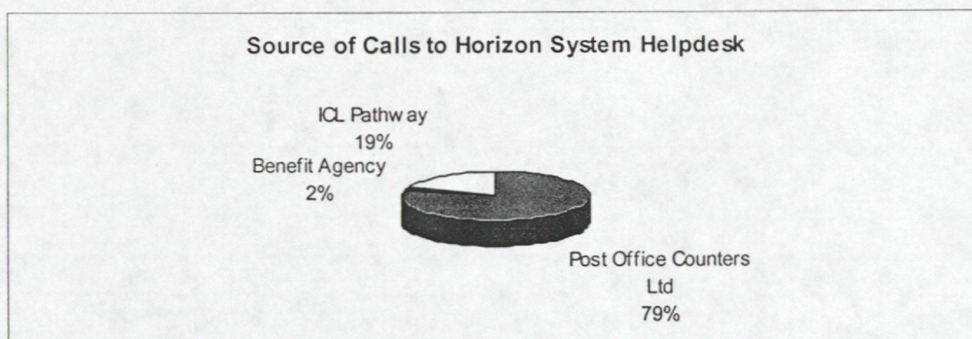
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Breakdown of calls to HSH

| Category | Volume |
|-------------------|--------|
| Hardware | 82 |
| Network | 26 |
| Software | 89 |
| Implementation | 19 |
| Operations | 143 |
| Advice & Guidance | 236 |
| Environment | 14 |
| Inappropriate | 32 |
| Other | 19 |

NB: There are no major differences in volumes from the previous month.

9.2 Source of Calls to HSH

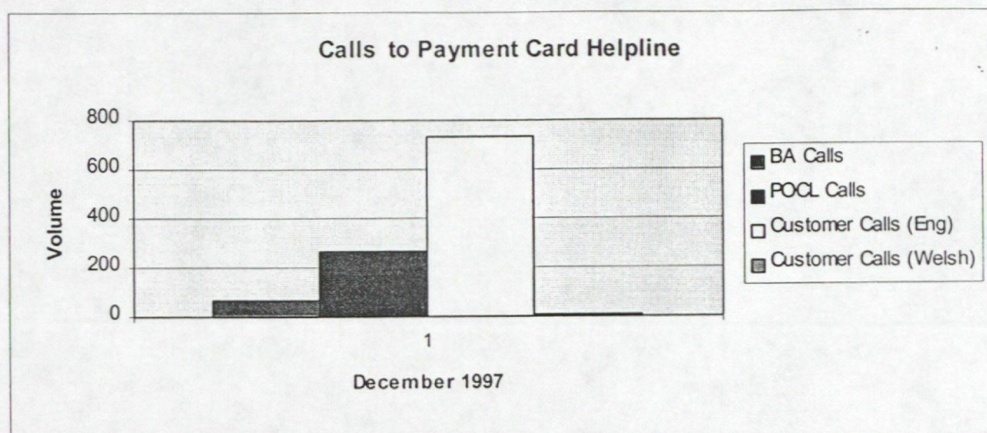


Calls for December 1997

| Business | Volume |
|--------------------------|--------|
| Post Office Counters Ltd | 523 |
| Benefit Agency | 13 |
| ICL Pathway | 124 |

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10. Payment Card Helpline



Calls for December 1997

| Source of Calls | Volume |
|--------------------------|--------|
| Post Office Counters Ltd | 270 |
| Benefit Agency | 69 |
| Customer Calls (English) | 733 |
| Customer Calls (Welsh) | 5 |

11. Key Incidents / Problems during Release 1c

- ICL Pathway 'maestro' scheduler failed over a weekend period, affecting 10 ex IGL offices
- Release 1c printers not performing to standard required
- Release 1c payment receipts are lower specification to that of IGL
- Files sent to ABED with wrong creation date
- ISDN line problems affecting release 1b offices
- Authentication of users to the HSH & PCHL
- Duplicate payments at Bath Road, due to office unable to harvest
- PMSR report received in ABED did not pick-up Bath Road Duplicate payment
- BES transactions not being committed and subsequently lost after 'full log-out'
- Transactions being lost after experiencing printer failure
- Stop payment not confirmed back to CAPS, following a customer transferring from a BES office to a non-automated office
- Payment cards not activated at Post Offices in NE Region, prior to their issue to the customers
- Disabled customer complaint concerning lack of 'agent' facility at Release 1c
- Increased cash account errors

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APPENDIX 'A'

BROUGHT FORWARD

Two incidents were brought forward: the marooned stops and the Bath Road duplicate due to a failed recall/re-issue for Mrs. Feist. Both remain unresolved at 31 December.

RELEASE 1C STATISTICS AND SETTLEMENT ADJUSTMENTS

There were 29 new reconciliation incidents. All were cleared. One was a failed recall /re-issue (a "Known Problem"). Pathway wrongly authorised one payment that was not available on the system (due to card not activated) when the customer complained. Pathway has undertaken to refund £180.60 to POCL and £11.05 to BA as a result.

| Exception Type | B/fwd | New | C/fwd | POCL | BA |
|--|-------|-----|-------|--------|-------|
| | | | | £s | £s |
| Duplicate due to failed recall/re-issue | 1 | | 1 | | 29.05 |
| Stops not confirmed to CPCS ("marooned") | 1 | | 1 | | |
| Transaction data lost - Duplicated | | 5 | | 165.55 | |
| Unactivated card payment authorised by P'way | | 1 | | 20.05 | |
| Duplicate due to failed recall/re-issue | | 1 | | | 11.05 |
| Transaction data lost/recovered: forced log-out | | 13 | | | |
| Transaction data lost/recovered: printer failure | | 2 | | | |
| Reporting Errors: Common Basis of Settlement | | 7 | | | |
| Totals | | 29 | | 185.60 | 40.10 |

GENERAL RECONCILIATION PERFORMANCE

General performance of reconciliation work remained good as volumes increased.

IMPROVEMENTS:

- the monthly operational review meeting will be fed by routine reconciliation summary reports;
- PDA Service Management will run the meetings in future;
- software fixes are scheduled for January to clear and prevent "marooned stops" and to correct Common Basis of Settlement Reporting errors.

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CONCERNS:

- absence of the agreed, apparently critical, CPCS:PAS interface File Summary Report and that its absence was not noticed in testing or live running;
- Christmas / New Year holiday resourcing proved inadequate in more than one area and all operational parties must ensure full support is available in future.
- a process must be established for agreeing fixes that impact service behaviour or to agree that a fix does not impact behaviour.
- the overall exception rate (1 per 233 encashments) remains a concern if scaled up to full Release 1c volumes (factor 25) and an issue if scaled to full roll-out (factor thousands).