POST OFFICE HORIZON IT INQUIRY

First Witness Statement of Stephen Muchow

In response to 'Request for information pursuant to Rule 9 of the Inquiry Rules 2006

– Request number 1, regarding matters falling within Phases 2 and 3 of the Inquiry',

I, Stephen Muchow, will say as follows:

Professional background

1. I joined ICL in 1979 as a VME Operating Systems Consultant and participated in the performance testing of the Computerisation of PAYE project.

2. Between 1985 and 1990 I worked in ICL Customer Services Division (CSD), developing Service Management Systems, Knowledge Based Systems for ICL's mainframe diagnostic processes, CSD's call management system, and CSDs strategy for automated field resource management.

3. Between 1990 and 1993 I was CSD's West Midlands Area Manager and then South East Region Manager.

4. In 1993 I led CSD's IT Development and Business Process Engineering team.

5. In March 1995 I joined the Bid Team of ICL Pathway Ltd. as Service Definition Manager and was appointed Customer Service Director in November 1996.

6. In March 2001 I was appointed Business Director, Pathway.

7. I left Pathway in January 2003 to lead Fujitsu's bid for Inland Revenue's ASPIRE business in partnership with Capgemini.

8. From 2005 to 2007, I led Commercial Business Unit's Bid Engagement and Service Solution Design teams and its Utilities Business Unit.

9. I later had senior roles in the UK and abroad until my retirement from Fujitsu in December 2009.

Role in relation to Pathway and Horizon

10. I joined ICL Pathway's bid team as Service Definition Manager in March 1995.
My role was to define Operational Service solutions for BA and POCL and
provide ICL's response to their requirements as described in the Codified
Agreement Schedule A15 (document WITN0459_01/1 - FUJ00000071). This
required my knowledge of ICL Customer Service organisations and partners,
their processes, and service delivery capabilities.

11. In November 1996, I was appointed Customer Service Director.

12. In March 2001, I was appointed Business Director.

Customers and Users

13. My customers were Post Office Counters Ltd. and the Benefits Agency.

14. I had no formal involvement with end users although I did occasionally meet
some Post Masters and Counter Staff at BA/POCL's communications events
where they demonstrated the Horizon System and Infrastructure to them. Some
trained Counter Staff were also involved in the testing of Horizon during Model
Office Rehearsals (MOR), e.g., MOR1 which completed satisfactorily on
26 August 1998 as reported in Bob Burkin's letter on 11 September 1998 in
document WITN0459_01/2 - POL00028100.

1997 – 1998

Role

15. During this period, I was Customer Service Director.

16. I established the CS team to manage the definition, supply, and delivery of
Pathway's service proposal, and develop CS Operating Procedures.

CAPS Board

17. The CAPS (Customer Accounting and Payments Strategy) Board represented the Benefits Agency in the integration and delivery of Benefits Encashment Service into the Horizon Programme.

18. I cannot recall details of specific occasions when I attended a CAPS Board. My involvement would only have been to present Pathway's Customer Service processes and performance i.e., Incident Management and Service Levels.

Incomplete Transactions

19. The issue of Incomplete Transactions (originally known as Lost Transactions) was a major concern.

20. As described in my correspondence with Vince Gaskell, document WITN0459_01/2 - POL00028100, eleven causes of this issue were identified. Most cases were due to unexpected user action, i.e., the user provided input that was different to that which was expected by the system. Most of these errors were subsequently mitigated by improvements to the user interface making it more resilient. Advice was also given to POCL, Post Masters and Counter Clerks to reinforce correct operating procedures.

21. By August 1998, the number of Incomplete Transactions had reduced to less than 3 in 10,000 transactions and by November they had further reduced to 1.6 in 10,000, as reported in document WITN0459_01/3 - POL00028415.

Relevance of Incomplete Transaction issue to the Inquiry

22. This issue was regarded by BA and POCL as a potential indicator of improper conduct or as a risk to the financial integrity of the accounts and was seen as being of extreme importance by all parties.

23. BA and POCL could have been seen as being responsible for the improper distribution of public funds.

24. Pathway's reputation for System Integrity and Security could be impeached.

25. Public confidence in the Post Office and Horizon could be damaged.

Helpdesks and Customer Services

26. CS worked with BA and POCL and ICL Partners to define the Horizon System Helpdesk processes and procedures and its interfaces with third parties and with POCL National Business Support Centre (NBSC).

Horizon System Helpdesk (HSH)

27. The HSH provided the first point of contact for all users requiring assistance or fault resolution and was always available (except on Christmas day).

28. It was operated by ICL Operational Services Division (OSD) and provided 1st Level (HSH) and 2nd Level (SMC) support.

29. Some 2nd Level support was also provided by the ICL Pathway System Support Centre (SSC).

30. The HSH also provided a single point of contact for information in respect of the operational status and performance of Horizon infrastructure.

31. Three levels of fault resolution service were provided:

   • Level 1 for simple calls that could be resolved within 5 minutes

   • Level 2 for more complex or hardware calls that could be resolved within 30 minutes

   • Level 3 for calls that required support from one of the technical support or development teams

32. A 4th Level of support was provided by Development teams who would review issues and recommendations forwarded by the SSC. Ultimately, all code errors would be resolved by Development and incorporated into a software maintenance release or, with POCL's agreement, a future major release.

Level 1 Support

33. At Level 1, Helpdesk staff recorded details of the problem being reported, and the circumstances in which it arose, into the PowerHelp System. They were able to determine if there had been an infrastructure (hardware or network) failure or an operational error.

34. Helpdesk staff had been trained in POCL's operating procedures and documented scripts were available that enabled them to check the caller had followed the procedure accurately. If the problem could not be resolved at Level 1 it was escalated to Level 2.

Level 2 Support

35. At Level 2, more experienced SMC staff would either resolve the problem or, if not, gather any diagnostic evidence required before escalating to Level 3 or dispatching a Field Support Engineer to the Post Office.

36. Level 2 staff also had access to the Knowledge Base (KEL) which could be searched to identify if this problem had been reported before and if a solution or workaround had already been found.

Level 3 Support

37. Level 3 was provided by the Systems Support Centre (SSC) whose staff dealt with new and more complex issues - problems that had not been seen before that may have indicated faults in the software, infrastructure, or configuration reference data. All such problems were recorded in the PINICL system.

38. The SSC worked with product development and test teams to ensure that they had as much information as possible to replicate the problem and design a fix.

39. The SSC would determine if a temporary solution, such as a procedural workaround, was available. All recommendations involving procedural

workarounds had to be approved by POCL National Business Support Centre (NBSC).

POCL National Business Support Centre (NBSC)

40. The NBSC provided a helpdesk that was the first point of contact for Post Masters for PO business related enquiries and complex incidents such as

   - Non-core product transactions

   - Requests to extend their Cash Account Period

   - Security problems

   - PO procedural problems

   - Complaints about the Horizon System

41. There were clearly defined responsibilities and interface processes between the HSH and NBSC as described in document WITN0459_01/4 - FUJ00080406.

Evolution of Helpdesks

42. The HSH and NBSC were new organisational units being established from scratch and as such evolved organically through gathering knowledge and experience during the initial release phases of the Horizon System.

43. Regular meetings were held between HSH, NBSC and Pathway to discuss processes, procedures, and improvement plans.

Complaints Procedure

44. The Customer Service Complaints Procedure, and the Fujitsu teams involved, are described in documents WITN0459_01/5 - FUJ00079861, WITN0459_01/6 - FUJ00079826, and associated documents referenced therein.

45. Complaint calls could be received both by the HSH and NBSC Helpdesks and were dealt with according to the agreed procedures.

46. Written complaints could also be received. Sometimes these were submitted on a Feedback Card that had been given to the SPM following a visit by an ICL Engineer attending a hardware fault.

Helpdesk IT Systems

PowerHelp System

47. PowerHelp was the logging system used by HSH to log incidents at the Stevenage and Manchester call centres. The incidents were recorded into PowerHelp by 1st Level Support staff and were accessible by 2nd and 3rd Level support.

KEL Database

48. The KEL was a searchable Knowledge Database that was designed and maintained by the SSC. It contained descriptions of problems that had been reported both by customers and by support staff. It documented anything and everything that the SSC staff found to be useful in diagnosing causes, potential solutions, or workarounds.

49. 2nd Level Support and above were able to access the KEL.

PINICL System

50. PINICL was the system used by 2nd and 3rd Level Support (SSC) and 4th Level Support (Development) to record and manage fault incidents. The source of input to PINICL was the PowerHelp incident logged by HSH 1st Level Support.

PEAK System

51. I am not familiar with PEAK other than it was developed by the SSC to replace the PINICL system.

Helpdesk Training

52. All Helpdesk staff received in-depth training in advance of roll out from Pathway's training partner ICL Training Services Ltd. who developed the training programme in conjunction with POCL for delivery to Post Office staff.

53. Scripts were developed to enable helpdesk staff to determine whether the correct operating procedure for each transaction type had been followed.

54. Helpdesk scripts were reviewed and agreed by POCL.

55. Issues, such as those identified by the NBSC regarding incorrect advice given by the HSH in respect of the Cash Account, were reported through the Service Review Forum.

Systemic Issues

56. Systemic Issues i.e., those affecting all installations were detected by 3rd Level Support and were reported to the NBSC and escalated to Development.

57. These were treated with the highest priority since they represented a potential business continuity risk.

Effectiveness of Helpdesk and Complaints Procedures

58. The procedures were effective and, with growing confidence and familiarity with Post Office business, Helpdesk staff individually improved their performance over time.

59. There were three complex and challenging factors that were the main causes of anxiety for all parties. These were:

    1. HSH SLA Performance:

       Here, the ability of OSD to recruit sufficient of the right staff and managers for the helpdesk was of concern. Their continuous failure to meet Service Levels would cause Pathway to incur financial penalties or even contract termination.

2. Incomplete Transaction issues:

   Misunderstandings of the correct procedures to be followed by Counter Staff when transactions were interrupted and resumed or not completed caused issues that posed a real risk to the financial integrity of the accounts and could potentially damage Public perception of Horizon and BA/POCL.

3. Cash Account issues:

   Automation of the weekly Cash Account process was a key performance benefit of Horizon, both to POCL and to Post Masters. Did HSH staff properly understand the importance and complexity of the Cash Account process from a Post Masters perspective? Were the call scripts accurate and unequivocal in the advice to be given when diagnosing Cash Account problems?

60. NBSC and Pathway teams worked hard together to improve their operating procedures and incident handling scripts – particularly in respect of Cash Account issues. Extra training was provided to HSH and their access to counter infrastructure hardware was improved. Most of the causes of Incomplete Transactions were mitigated through modifications to the software making it more resilient to unexpected user input.

Relationship with POCL

61. I met with most members of the Horizon management team at one time or another. Most of my meetings were with Andy Radka, Head of Business Service Management, and Keith Baines who represented POCL Contract Management.

62. The relationship between Pathway and BA/POCL was always very cordial and professional. Pathway was held to account for its failures, and we were acutely aware of the potential impact upon BA and POCL of not meeting our Service

Level Agreements (SLAs). There was a financial penalty imposed on Pathway when SLAs were not met. It was therefore of mutual interest and benefit to cooperate to get the new automated processes working to specification.

63. I was comfortable with the division of responsibilities between POCL and Pathway. Detailed explanations of which are documented in the Interface Agreement for the NBSC and HSH document WITN0459_01/7 - FUJ00080405 and in the Interface Agreement for Problem Management document WITN0459_01/8 – FUJ00079886.

64. In my experience, the POCL Horizon Management Team was always diligent, professional, and courteous. I had no concerns regarding their ability to represent POCL effectively.

Relationship with Development Teams

65. Relationships within Pathway were good with everyone sharing a common goal to deliver Horizon. We would often meet socially after work to relax.

66. We worked long hours, and the pressure to deliver was intense and this sometimes resulted in moments of tension.

67. Plans for delivering our respective pieces of the programme did not always converge in the right place at the right time and sometimes there were disagreements about relative priorities and responsibilities, for example between achieving a software release deadline, completing a test schedule, or diagnosing and fixing bugs in the live estate. That is the nature of this type and scale of programme development.

1998 – 1999

Quality of Support

68. During this period, our service performance was not good enough, and Pathway was subject to SLA penalties.

Main Challenges for CS

69. The main challenges facing CS remained as before but were exacerbated by the larger estate and higher call volumes.

70. Hardware Engineers were a shared resource, and I wondered if their response times were sometimes extended due to them delivering service to other customers – this was the responsibility of the SMC to manage.

71. I was concerned that a higher proportion of calls were escalated (handed off) by the HSH to the SSC than should have been, particularly during times of high call volumes.

72. It was planned that Postmasters and their Counter Staff should receive their training no more than five days before installation of their counter systems. This was not always the case and there was sometimes either a delay to the rollout schedule or training had to be brought forward thus extending the five-day gap. I wondered if during this period of waiting, some of their training had been forgotten and consequently they relied more heavily than we had expected on the Helpdesk.

73. Cash Account Calls remained a particular concern and some complaints were received about the accuracy of advice given to Postmasters by the Helpdesk. This required urgent action to reinforce staff training and improve call scripts.

74. Call handling and resolution times did improve over time but not quickly enough to avoid SLA performance penalties.

75. Reference Data processes were fragile and there were several issues in respect of missing, incomplete, or incorrect data supplied to Pathway by POCL which caused major disruption.

76. There was an issue of unnecessarily high volumes of reference data being transferred. It made no sense to process data that reflected 'no-change' changes to the estate e.g., Updating the price of a stamp from 80p to 80p.

77. ISDN network interfaces were also problematic. I recall that system errors were caused because of faults in the network that remained undiagnosed. Permanent corrective action was impossible without pinpointing the root cause, but these faults were often transient and appeared to correct themselves without apparent intervention.

PINICLs

78. I have no recollection of the number of PINICLs generated nor the relative urgency with which they were treated during this period, but I believe that all PINICLs were discussed with the business owner (BA, POCL or Pathway) and their relative importance, impact and priority for action assessed.

Staffing Levels

79. In the start-up phase of any complex system programme, proportionately more staff are needed than are expected to be required once a system has achieved steady state maturity.

80. I do not remember staff turnover in CS being an issue. The programme had a good reputation and attracted and retained some of the best people both from within ICL and from external IT Contractors.

81. I was always concerned about the ability of OSD to provide sufficient staff to operate the HSH and SMC effectively and this was borne out by their persistent failure to meet SLAs. On two occasions I requested that OSD should raise a

Red Alert to secure assistance from the company to help them resolve their recruitment issues.

82. I had no concerns about the ratio of SSC to Development staff during my time with Pathway nor was I concerned about their competence or ability to do their job.

Relationship with POCL/POL

83. The relationship with BA/POCL remained professional and cordial throughout, although they were justifiably annoyed and anxious that we were still not achieving our SLAs.

Post Rollout

Quality of support

84. Disappointingly slow progress was being made by HSH and SMC. They were still failing to meet their SLAs and urgent action was required.

85. Post Masters were still experiencing difficulties with the Cash Account and Cash Account calls on Wednesdays remained high.

Customer Feedback

86. A Help Desk Forum was established between ICL OSD, Pathway CS and POCL NBSC. This forum provided the opportunity to discuss problems and complaints and share ideas to improve overall service performance.

Main Challenges for CS

87. To ensure that ICL OSD were providing enough trained staff in the HSH and SMC and were able to achieve their SLAs.

88. To ensure that all new HSH staff were familiarised with call scripts and gave callers confidence that they were being provided with accurate information.

CS Audits 1998 - 2000

89. These audits were an indicator of our state of readiness for National Rollout and were taken very seriously.

90. All recommended corrective actions and improvement suggestions were prioritised and addressed.

Service Performance – June 2000

91. The Service Review performance statistics from June 2000, (documented in WITN0459_01/9 - FUJ00058228) report that when there were 8,500 live outlets there were approximately 17,000 calls for advice and guidance, 5,200 calls related to Cash Account, and 7,600 calls related to software.

92. I cannot recall the level of calls by category or whether they were in line with expectations, but the June statistics show the average number of calls received per outlet was consistently less than those received relating to the prior release.

93. What is not shown in the statistics is the distribution of calls amongst Post Offices. The concerns that possibly should have been raised either by Pathway or POCL are:

94. Of the 8500 live outlets only 5200 Cash Account calls were raised

    • Which POs were having difficulties - how could they have been helped?

    • Why were the other POs not having difficulties – was there a training anomaly?

    • Was there any common denominator?

95. Given that all 8500 Post Offices were using the same software:

    • Why did they all not encounter the same software problems?

    • Could this have been due to differences in Reference Data?

96. POCL and Pathway performed extensive end-to-end testing before any new software version was released into the live estate:

   - Why were these software problems not discovered during testing?

Involvement in Roll-Out?

97. I was not involved, the Implementation Director managed Roll-Out.

Pathway Board Meeting May 2000

Acceptance Incidents

98. I cannot remember what the three major acceptance incidents were, and I cannot find any reference to them in the documentation provided to me.

Red Alert

99. A Red Alert signalled to the ICL Board and to the wider company that the Alerting Division was experiencing a potentially business-critical issue. This required a mandatory response from all other company Divisions to offer whatever help and resources they could to remedy the cause of the alert. The responsibility remained with the Alerting Division to manage the alert to a successful conclusion.

100. This was the second occasion that Pathway had requested OSD to raise a Red Alert.

101. The critical issue in both cases was that SLAs were being missed and service performance, specifically of HSH, was deteriorating.

102. The business-critical situation was that failure to meet SLAs for three quarters gave POCL the right to terminate our contract.

103. Finding and retaining enough of the right kind of helpdesk staff and managers was the main problem.

104. The quality of customer support was unacceptably poor.

The PINICL system

105. I was not directly involved in the use of PINICL, it was the system used by the SSC and Development teams to log and maintain records of faults.

106. Occasionally I would be requested either by CS or by Development to intervene on their behalf with POCL to establish or gain clarification on actions that were being considered.

107. PINICL was an effective system for resolving issues.

108. It met the needs of 3rd and 4th Level Support, and it was flexible in that it was a relatively free format text-based system, and it enabled conversations to take place between multiple support staff cooperating to resolve an incident.

109. I am sure it also had limitations and it was subsequently enhanced and replaced by PEAK.

Incident Closure SLAs

110. There was always a sense of urgency to resolve and close incidents accurately and in time to meet SLAs. However, at no time during my employment was there any pressure to attribute issues to User Error rather than any other cause.

111. In cases where User Error was identified as the root cause this would have been recorded as such in PINICL and the KEL.

112. I do not think User Errors impacted on SLAs adversely.

113. Over time, commonly reported issues that were User Errors would have tended to improve overall SLA performance since they would have been easier to recognise and resolve more quickly, lowering the response and resolution times. They would also help reinforce correct operating procedures.

114. One potential adverse effect may have been the unnecessary engagement of Helpdesk staff at times of high demand, but these events would have been expected to diminish as users gained experience and confidence.

SLA Steering Group

115. I cannot find a reference to the SLA Steering Group other than in the text of PINICL PC005973 in document WITN0459_01/10 - FUJ00077521, in which it may have been misnamed.

116. I do not recall if such a Steering Group existed, although it may have been an internal Pathway forum to define the functionality of SLAM (Service Level Agreement Management) software which was part of Pathway's Data Warehouse suite of programmes.

117. SLAs were negotiated at Contract Review meetings between POCL and Pathway Contract Management teams.

118. Keith Baines (POCL) and Tony Oppenheim (Pathway) led these meetings.

119. I consider the Contract Review Meetings worked well. SLAs are an essential part of any service contract. They set the expectation and ground rules for service delivery and help build trust between customer and supplier and encourage improvements in service quality. We agreed an appropriate set of SLAs that were understandable and challenging but achievable.

Specific cases

PINICL Call Reference PC0041910 (WITN0459_01/18 - FUJ00066911)

120. The issue in this case was that the Gateway counter at each of three Post Offices was unable to receive inbound communications from the datacentre.

121. They were able to connect to the datacentre and successfully transfer transaction data. They were unable to produce their weekly cash account.

122. I do not specifically recall being involved in this incident but have no reason to doubt the information recorded in the PINICL. My interpretation of the PINICL text is as follows: NBSC was alerted, and I agreed with Bernadette O'Donnell that the post offices concerned would continue in the same Cash Account

Period until new software and reference data had been committed. This would enable the three Post Offices to continue to operate until the problem had been resolved.

123. The matter was dealt with appropriately.

124. The SSC intervened to keep open the inbound connections from the Post Offices to the datacentre so that those connections could be used to distribute new software and reference data to all three Post Offices.

125. Without any reported intervention, the problem in one Post Office disappeared within four hours. No explanation was ever given by our supplier Energis (or their supplier BT).

126. The problem at Wisbech Post Office similarly disappeared after five days, again without any reported intervention.

127. The remaining fault at Northampton was cleared one day later.

128. None of the faults had been fully explained by Energis or BT even after five months of monitoring and remained a mystery.

PINICL Call Reference PC0026997 (WITN0459_01/11 - FUJ00075627)

129. This PINICL was used to progress two related issues concerning the presentation of SLA performance figures and the formulae that calculated them, and the reference data that matched transaction types to service measures.

130. The matter was dealt with appropriately.

131. I cannot remember the nature of any alleged disputes, but I know that all SLAs were agreed through negotiation. Occasionally, clarifications were sought to eliminate ambiguities and misunderstandings.

132. As part of contract renegotiation, the mechanism by which Counter Transaction Performance SLAs were reported changed completely, making this issue irrelevant. Therefore, this issue was closed.

Call References PC0039331, PC0052342, (WITN0459_01/12 -FUJ00050428,

WITN0459_01/13 - FUJ00050952, WITN0459_01/14 - FUJ00065661,

WITN0459_01/15 - FUJ00066108)

133. These PINICLs were used to resolve a code error in the Contract
Administration System (part of the Data Warehouse Management Information
System) that had been discovered and which caused the transaction counts of
Fallback Transactions to be counted twice.

134. CS initially requested for a fast-track fix, i.e., it was requested to be fixed during
live trial.

135. The matter was dealt with appropriately.

136. The entry *"Terry Austin & Steve Muchow have agreed that no Counter
Transaction PinICLs will be fixed until complete agreement reached with POCL"*
relates to an agreement that Terry Austin and I had with POCL that we would
not change code affecting Counter Transactions without their express
permission. Post Office was in the process of revising their requirements for
Transaction analysis and wanted to ensure that we did not make changes that
would no longer be required.

137. The code at fault was in the process of being redeveloped, to incorporate new
requirements so applying a fast-track fix to live trial may have caused a delay to
the testing and implementation of the next release of software. Avoidable
delays to the start of the roll-out programme were unacceptable.

138. POCL were always attentive and pragmatic in dealing with such issues. The
accurate recording of Counter Transactions in Post Offices was paramount.

139. As always, our relationship with POCL in respect of these issues was cordial,
and professional.

140. Counter Transactions are the core of Post Office business, and POCL was
determined that Horizon should perform and record them accurately.

**Call Reference PC0059753 (WITN0459_01/16 - FUJ00077521), (WITN0459_01/17
- FUJ00075368)**

141. This PINICL was used to resolve a Reference Data issue.

142. There was an error in the Reference Data that linked products to transaction
types. This caused SLA performance measures to be incorrectly calculated.

143. There was no error in the software, per se, but the Reference Data, which
provided the parameters for the code to calculate the performance of each
transaction type was incorrect. Think of this as though it were a formula error in
an Excel spreadsheet.

144. The matter was not dealt with appropriately. It could have been resolved
following Elaine Knott's entry on 5th February 2001 @ 10:27:00 in which she
asserts the system had been tested and had reported correctly with the
amended reference data.

145. The 'hot issue' contained in the entry of 13 March 2001 was one of accounting
integrity, reporting accuracy and trust. Monthly invoices were due to begin in
April and it was certain that POCL would examine them forensically. It was
essential that we did not make any mistakes.

General

146. At no time during my employment with Pathway was there any contractual or
other pressure to attribute issues to User Error rather than to the product.

147. The role of the Helpdesk was to provide advice and guidance on the operation
of the Horizon system and to identify and record any faults or issues. I do not
believe it was equipped to respond to the wider concerns of SPMs and their
staff other than to refer their call to the NBSC or register a complaint.

148. I had no knowledge of the reasons for the prosecution of post office staff.

149. Looking back, I believe that most incidents were closed appropriately. My belief is that software incidents were closed only once a solution had been identified and incorporated into a software release schedule, or it had been agreed with POCL that no action was necessary. Hardware and Network incidents were closed only once full functionality had been restored.

150. Looking back, I can only speculate that the Board of ICL/Fujitsu were not aware of concerns raised by SPMs, managers and assistants relating to the operation of Horizon. Board members were regularly updated with Pathway's progress. They were made aware of Pathway's performance failures, the reasons for those failures and any ensuing financial penalties. They focused on Pathway meeting its contractual commitments and the Horizon System achieving the contracted acceptance criteria agreed with POCL. I am not aware that any specific concerns, raised by Post Office SPMs, Managers and Assistants were ever communicated to the ICL/Fujitsu Board either directly or by POCL.

151. Looking back, I can only speculate about the extent to which POL was aware of concerns raised by SPMs, managers and assistants relating to the operation of Horizon. The NBSC operated a Help Desk for post office staff, and they had access to Pathway's problem management system, PINICL, and the KEL which documented all the problems raised by post office staff through HSH. POCL conducted their own tests of the Horizon System in both a model office and a live environment. I do not know if, during their own tests, they encountered similar issues with Cash Account and Incomplete Transactions. If they did, then I do not know what, if anything, was done to alert and reassure SPMs.

152. At this moment, I know nothing of other matters that may assist the Chair.

Statement of Truth

I believe the content of this statement to be true.

Signed: GRO

Dated: 12 September 2022

Index to First Witness Statement of Stephen Muchow

No	Exhibit Number	Description	Control Number	URN
1	WITN0459_01/1	Information Technology Services Agreement for bringing Technology to Post Offices.	POINQ0006242F	FUJ00000071
2	WITN0459_01/2	Post Office Horizon Programme, Brief and Documents for CAPS Board meeting on 18 September 1998	POL-0024582	POL00028100
3	WITN0459_01/3	Letter from Bob Burkin to Tim Cutts, re Input into CAPS Board Report	POL-0024897	POL00028415
4	WITN0459_01/4	ICL Pathway/POCL Interface Agreement for the NBSC and HSH Interface	POINQ0086577F	FUJ00080406
5	WITN0459_01/5	ICL Pathway Ltd Customer Services Complaint Procedure	POINQ0086032F	FUJ00079861
6	WITN0459_01/6	ICL Pathway - End to End Customer Complaint Process v1	POINQ0085997F	FUJ00079826
7	WITN0459_01/7	ICL Pathway Interface Agreement for NBSC and HSH Interface	POINQ0086576F	FUJ00080405

No	Exhibit Number	Description	Control Number	URN
8	WITN0459_01/8	Interface Agreement between Fujitsu Services and POL	POINQ0086057F	FUJ00079886
9	WITN0459_01/9	Service Review - Performance Statistics for July 2000	POINQ0064399F	FUJ00058228
10	WITN0459_01/10	PinICL report PC0059753	POINQ0067109F	FUJ00077521
11	WITN0459_01/11	PEAK PC0026997	POINQ0085225F	FUJ00075627
12	WITN0459_01/12	PinICL report PC0039331	POINQ0056599F	FUJ00050428
13	WITN0459_01/13	PinICL PC0052342	POINQ0057123F	FUJ00050952
14	WITN0459_01/14	PEAK Bug Log PC0039331	POINQ0073568F	FUJ00065661
15	WITN0459_01/15	PEAK report PC0052342	POINQ0074114F	FUJ00066108
16	WITN0459_01/16	PinICL report PC0059753	POINQ0067109F	FUJ00077521
17	WITN0459_01/17	PEAK report PC0059753	POINQ0084957F	FUJ00075368
18	WITN0459_01/18	PEAK report PC0041910	POINQ0075305F	FUJ00066911