

**AI 211 - Receipts and Payments Mismatch**

1.    **Dispute**  
Severity Assessment:      Pathway: Closed      POCL: Medium  
Rectification Plan:      Not agreed

2.    **Description of the Deficiency**

A large number of incidents have been reported during the live trial period whereby the receipts and payments totals do not balance on the outlet weekly Cash Account. This exposes a lack of integrity in the double entry accounting functions of the Horizon system, contrary to requirement 803.

Initially this problem was assumed to be related to migration errors, however the symptoms have persisted beyond outlets' migration weeks. A rectification plan was agreed and implemented for identified occurrences. It was thought that this had cured the problem, but on-going monitoring identified a further incident in the first week of August. This incident is thought to be due to outlet equipment swap-out introducing pre-LT2 software. It was agreed at the MR session on 12<sup>th</sup> August that, should the underlying cause be due to Pathway problems with configuration management, that this should continue to be considered under this Acceptance Incident.

3.    **Severity Rating**

Pathway's Severity Rating:      Closed  
POCL's Severity Rating:      Medium

The severity is still assessed by POCL as medium because of the continued occurrences of incidents following the introduction of LT2 and that the cause of the replacement equipment incident is not yet understood.

4.    **Business Impact (these are generic impacts and lack quantification, however, given the status, Ruth may not wish to invest too much effort. (JM)**

The business impact of continued occurrences of receipts and payments mis-balances, in addition to the lack of confidence in the accounting information provided by Horizon threatening the integrity of the Post Office overall accounts, can be summarised as:

- POCL's ability to settle with clients in a timely and accurate way is threatened, leading to a lack of confidence and a consequent reduction in business.
- POCL are likely to have to write off an increased value of errors.
- Increased resource requirements in TP to investigate and record incidents.
- NBSC and BSM would require additional resource to handle a greater number of calls and problems.
- Users would spend a greater amount of time resolving incidents with the helpdesks and with TP during balancing.
- Additional resource would be required to maintain audit records and to perform audits.

The business impact of configuration management problems at the outlet depends on the differences in the release content. In the specific circumstances of the LT2 release, they would be those for receipts not equalling payments, together with all other deficiencies which were rectified by LT2.

## 5. Rectification Status

Prior to the introduction of LT2 Pathway identified a number of root causes to the problem:

- Errors entered during the migration process;
- Single sided sales transactions in certain circumstances;
- Print preview corrupting the carried forward figure;
- Restarting an interrupted balancing process corrupting the brought forward figure
- Newly created stock units corrupting the brought forward figure.

Pathway have upgraded the migration software to identify a misbalance at migration time and to provide HFSSOs with limited correction facilities. POCL have accepted that some errors may still occur during migration.

Fixes were introduced into the LT1 system to correct the single sided sales problem and the print preview corruption. The revised balancing process introduced at LT2 addressed the two other identified causes.

Prior to the introduction of LT2 incident were occurring at a rate of around 30-50 outlets per week. Following LT2 it was anticipated no further incidents would arise, other than the accepted migration problem.

Since the introduction of LT2 there have been some re-occurrences of the incident although at a much reduced rate (less than 10 in three weeks). Some of these have been attributed to migration errors which are accepted, other were caused by the software corruption on the LT2 upgrade (which has now been fixed, but does raise questions over the upgrade process see AI 373).

The remaining incident was related to an office where Horizon equipment was replaced during the Cash Account period. The reason for the imbalance in this last case is the reason why this Acceptance Incident cannot be closed. Pathway are pursuing the latest incident whereby Pathway will investigate the incident, agree the cause and rectification plan with POCL. The status therefore at Acceptance is Medium should we receive and agree the rectification plan.