









From: Rodric Williams [GRO]
Sent: Fri 28/06/2013 6:09:10 PM (UTC)
To: Hugh Flemington [GRO]; Jarnail A Singh [GRO]
Subject: RE: Fwd: Local Suspense Incident

Via Andy Parsons:

the effects of the 14 Bug on branch accounting were notified to POL by a few SPMRs in around January 2012. However, POL did not identify Horizon as the root cause until January 2013

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From: Hugh Flemington
Sent: 28 June 2013 18:05
To: Rodric Williams; Jarnail A Singh
Subject: Fw: Fwd: Local Suspense Incident

Rod W - have we more detail from rod ismay as to when we spotted this?

From: Lesley J Sewell
Sent: Friday, June 28, 2013 05:03 PM
To: Hugh Flemington
Subject: Fwd: Local Suspense Incident

Apols as I hadn't copied you.

L

Sent from my iPad
Begin forwarded message:

From: Lesley J Sewell [GRO]
Date: 28 June 2013 16:19:18 BST
To: Paula Vennells [GRO]
Cc: Alwen Lyons <[GRO]>, Martin Edwards [GRO], Mark R Davies [GRO], Simon Baker [GRO]
Subject: RE: Local Suspense Incident

Paula

A brief update following the call with Rod Ismay this afternoon.

The problem was identified by P&BA earlier this year due to aged items in the Local Suspense, this was further supported by the two larger amounts detailed below that had been raised by the SPMR. At this point P&BA raised through their usual process to Fujitsu as detailed below for investigation.

The two SPMR accounts:

Willen Village: -£9,799 - the SPM was not disadvantaged.

Bowness Road: £3,186 - This was a gain to the SPMR and we have paid over a two year period £6k to this SPMR.

Out of the 14 branches we had:

- 4 Crowns
- 4 Multiples and
- 6 SPMR's

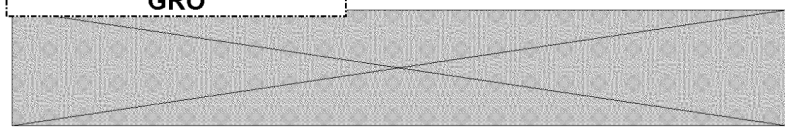
Apart from Willen and Bowness above the remaining SPMR's were:

- Lower Regent Street: £3.34
- Dundas: £5.84
- Gilford: £11.55
- Wardles Lane: -£0.51

Regards Lesley

Lesley J Sewell
Chief Information Officer

148 Old Street, LONDON, EC1V 9HQ
Direct [GRO] Postline [GRO]
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From: Lesley J Sewell
Sent: 28 June 2013 14:57
To: Paula Vennells
Cc: Alwen Lyons; Martin Edwards; Mark R Davies
Subject: Local Suspense Incident

Paula

I have Rod chasing down some information for me on what we have done internally on this incident and have a call with him at 3.

What we have on the incident:

Termed: Local Suspense Incident

Timeline:

First Raised to NBSC at 4:51pm on 25th February (awaiting details from P&BA)

Problem diagnosed by Fujitsu on 28th February.

Final detail on accounts to POL from FJ on 15th March.

Affected 14 branches and 16 transactions. 5 branches had losses and 7 had gains, and 2 had a loss and a gain. One loss was for £9,800, one gain for £3,100 and the rest were less than £161.

Letters currently being reviewed by Legal/P&BA.

Root Cause

When calculating the office balance gains and losses of stock units for a branch are pulled together into one place (this is called the Local Suspense). This is temporary data which is held in the system until the end of the Trading Period and the branch balances. After each Trading Period this data should be cleared so that the opening balance is zero at the start of the next trading period.

For the 14 branches this temporary data was not cleared which resulted in it reappearing in the same trading period the following year. This only affected two trading periods TP9/10. This would have affected the SPM balance as his opening figure would have been incorrect for that period.

What the SPMR would have seen:

Any gains or losses from each stock unit are rolled up to a net amount for the Branch at the end of each Trading Period and presented on the Trading statement.

If the SPMR wanted the breakdown this number there is a report which they can reference which provides the detail.

How we know there aren't any more:

Fujitsu have interrogated the Local Suspense data and only found these 14 cases.

The temporary records have now been deleted so that they will not reappear at the next Trading period.

Monitoring going forward:

A system change is planned for 8th October which will monitor the local accounts for data which has not been deleted when it should have.

It is not necessary to implement this change prior to this date as it only affected trading periods 9 and 10. All others have been checked.

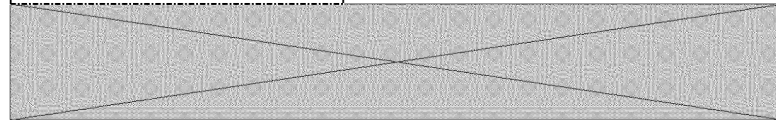
I will provide a further update following the conference call with Rod.

Regards Lesley

Lesley J Sewell
Chief Information Officer

148 Old Street, LONDON, EC1V 9HQ

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