

AUDIT RECORD REQUESTS
(INCREASE IN LIMITS)

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date

AUDIT RECORD REQUESTS (INCREASE IN LIMITS)

old document CSISEE/016
replaced by SVM/SDM/SD/0017



Alan X Simpson
16/06/2008 09:59

To: John D Cole/e/POSTOFFICE: **GRO**
cc:
Subject: Fujitsu ARQ contract

John,

Following a voicemail that I left for Liz Tuddenham re the above, she has pointed me in your direction as I am trying to locate a copy of the FS/POL contract which covers the adhoc banking queries. These are submitted by both the POL Fraud team and the Network Banking teams to Fujitsu Services asking for FS to check the banking data for specific transactions.

I am afraid that I do not know the reference for the contract but it has been in place for at least 4 years, possibly longer. I have drawn a blank with FS and am hoping that you will be able to help.

We will shortly be holding workshops with the relevant teams to review the current situation as the volumes of requests are now far higher than the original agreement. So a copy of the original set up would be very useful to give us an idea of costs etc. to enable us to progress this.

Happy to discuss if necessary.

Many thanks

Alan Simpson

Security Incident Senior
Post Office Ltd
Operations

Speak to system ward

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----- Your Laptop - Your Responsibility - Leash It - Don't Lose It ----

Fujitsu Services

Service Description for the Security Management Service

Ref: CS/SER/016

Version: 1.0

COMMERCIAL IN-CONFIDENCE

Date: 06-JAN-2003

0.0 Document Control

0.1 Document History

Version No.	Date	Reason for Issue	Associated CP/PinICL
0.1	19/12/01	Initial Draft	
0.2	23/12/02	Masons' comments on v0.1	
0.3	31/12./02	Sue Lowther (POL) comments on version 0.2	
0.4	31/12/02	Graham Hooper / Masons' comments on Version 0.3	
1.0	6/01/2003	Issued for Approval	

0.2 Review Details

Review Comments by :	<i>Date</i>
Review Comments to :	<i>Originator</i>

Mandatory Review Authority	Name
Director of Customer Service	Martin Riddell
Post Office Information Security Manager	Sue Lowther
Optional Review / Issued for Information	

(*) = Reviewers that returned comments

0.3 Associated Documents

Reference	Version	Date	Title	Source
PA/TEM/001	7.0	2 nd April 2002	Fujitsu Services Document Template	PVCS
RS/POL/002			Security Policy	PVCS
RS/FSP/001			Security Functional specification	PVCS

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RS/FSP/003			Statements on Security Objectives and Methods for the Protection of Siemens Metering Code and Data	
BP/POL/002			Post Office Counters Information System Security Policy	Post Office Ltd
BP/ION/002			A code of Practice for Post Office Information Systems Security	Post Office Ltd
RS/CSD/001	dss/itstds		Departmental IT Security Standards	
RS/PRD/004			Security Incident Management	PVCS / Post Office
BP/SPE/nnn			NBS Definition	PVCS
RS/POL/003			Access Control Policy	PVCS

Unless a specific version is referred to above, reference should be made to the current approved versions of the documents.

0.4 Abbreviations/Definitions

Abbreviation	Definition

0.5 Changes in this Version

Version	Changes

0.6 Changes Expected

Changes

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1.0 Service Summary

This Security Management Service provides a wide range of security-related activities that assists the establishment and maintenance of an ISO17799 compliant infrastructure, supports legal and contractual obligations and minimises and controls liabilities to Fujitsu Services, Pathway and Post Office Ltd. The service monitors operations and introduces specific protective security controls on a risk assessment basis to maintain the integrity, availability and confidentiality of information used and produced by the various Services and the support environment.

Fujitsu Services's overarching obligations for delivering and continuing to provide a secure system are set out in Clause 8 of the Agreement.

The elements of the Security Management Services are as follows:

- Implementation and maintenance of security policy and procedures
- Compliance monitoring and audit
- Cryptographic key management
- Security event management and firewall event analysis
- System and physical access control
- Anti-Virus and malware management
- Security incident reporting and problem management
- System security change management
- Security awareness and training
- Audit data retrievals and prosecution support
- Subject Information Requests management

Each of these services are described in Section 3.

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2.0 Service Principles

2.1.1 The following service principles will apply in the provision of the Security Management Service. Security Management staff will:

- a) be appropriately trained to carry out the service;
- b) provide the appropriate balance between contractual and legal obligations and the need to maintain delivery of the various Services;
- c) be responsive to prevailing threats and vulnerabilities. Resource is therefore allocated on a flexible, risk management basis.

2.1.2 The Fujitsu Services' Information Security Manager shall be responsible (but may nominate a representative to act on his behalf) for:

- a) co-operating with the Post Office Information Security Manager in the development of Post Office's network banking automation security policy as specified in paragraph 7.3.1 of Schedule 2 (Policies and Standards);
- b) establishing Fujitsu Services's revised security policy as specified in paragraph 7.3.2 of Schedule 2 (Policies and Standards);
- c) Communicating to the Post Office Information Security Manager the identity of the persons authorised to receive sensitive security-related material (including cryptographic key components) on behalf of Fujitsu Services;
- d) receiving from the Post Office Information Security Manager the identity of the persons authorised to receive such security-related material on behalf of Post Office;
- e) liaising with the Post Office Information Security Manager in the manner described in the CCD entitled "*Security Incident Management*" and paragraph 7.4.2 of Schedule 2 (Policies and Standards); and
- f) liaising with the Post Office Information Security Manager and security representatives of other parties involved in the End to End Banking on such security-related matters as may be agreed.

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3.0 Service Definition

3.1 Security Organisation and Management

3.1.1 This element of the service provides a number of organisational and management activities required for compliance with ISO17799:

- Co-ordination of security activities and prioritises activities according to risk;
- Input to contractual and liability issues and assessments of the security impact of new service requirements and the associated processes necessary to implement them;
- Creation and maintenance of security-related procedural and process documentation to assist compliance and help maintain correct operation by staff;
- Regular reviews of other Pathway documentation to provide appropriate security input and compliance to the requirements of ISO9001;
- Management of ISO17799 gap analysis, preparation of plan for implementation in accordance with agreed TOR and monitoring of corrective actions.

3.1.2 Fujitsu Services's obligations for the establishment of an organised security infrastructure, compliant to ISO17799 are set out in Schedule 2 – paragraphs 4.1.1 to 4.1.3.

3.1.3 Fujitsu Services's obligations for compliance with Post Office security standards are set out in Schedule 2 – paragraph 4.1.4.

3.1.4 Fujitsu Services's rights and obligations with regard to the security and processing of Personal Data are set out in Schedule 2 – paragraphs 2.4 to 2.8.

3.1.5 Fujitsu Services's rights and obligations with regard to the processing of Personal Data are set out in Schedule 2 – paragraph 2.4.6.

3.2 Compliance monitoring and audit

3.2.1 This element of the service provides a number of compliance monitoring and audit activities required for compliance with ISO17799:

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- Undertaking of periodic physical security and system security audits of operational sites on a risk management basis to provide ongoing assurance of compliance to security policies and procedures. Activities include reviews of operational processes, provision of reports covering IT, environmental, physical, personnel security etc. and the monitoring of identified corrective actions;
- Provision of advice and guidance on issues affecting personnel security within Fujitsu Services including the investigation of personnel security issues and staff vetting queries.

3.3 Cryptographic key management

3.3.1 This element of the service provides a number of cryptographic key management activities:

- Management of the automated Key Management System (KMS) for the creation, distribution and installation of required cryptographic material to the live estate. Maintenance of periodic key replacement for all Branches;
- Operation of functionality & configuration changes to the automated service to optimise service;
- Management of KMS event logging and incident handling to assist 1st, 2nd, 3rd and 4th line support in error resolution and problem management;
- Management of the manual cryptographic estate by maintaining the creation, distribution, auditing and periodic replacement of cryptographic keys within agreed timescales;
- Supplier management of cryptographic key suppliers;
- Provision of contingency arrangements for Key Management Service to maintain continuation of service in the event of absence etc.

3.3.2 PIN Pads

The use of PIN Pads and the associated cryptographic management shall be supported by the NBS. PIN Pads shall comply with the requirements of ISO 9564. Fujitsu Services's key management for any key directly or indirectly protecting the

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secrecy of PIN values (together, "PIN Encryption Keys") shall comply with ISO 11568 Parts 1 to 3. The key management scheme used between each PIN Pad and the rest of the Post Office Service Infrastructure shall be the DUKPT scheme as described in section 4.7 and Appendix A of the ANSIX9.24-1998 standard. Moved to Schedule 2 paragraph 10.6.1 3.3.3

In the event of an actual or suspected key compromise in respect of a PIN Encryption Key used within the Post Office Service Infrastructure, Fujitsu Services shall implement key change mechanisms in accordance with the principles stated in ISO 11568 Parts 1 to 3. Where the actual or suspected compromise affects a key shared with the NBE the parties' obligations in respect of key change mechanisms shall be as documented in the CCD entitled "*NBE – Horizon Application Interface Specification*" (NB/IFS/008).

3.4 Security event management and firewall event analysis

3.4.1 This element of the service provides a number of security event management and firewall event analysis activities:

- Management of audit mechanisms to monitor detect and record events that might threaten the security of the Horizon system and associated services;
- Operation of the Security Event Management system utilising the Systems Management system to track and report events of security significance and daily monitoring of the system to identify relevant events and logging of details;
- Regular analysis of audit trails to identify new features and vulnerabilities introduced by new systems to facilitate trend analysis and to assist the investigation of security breaches;
- Reviewing security configurations of event filters to optimise efficiency and minimise security weaknesses;
- Undertaking risk assessments to establish adequate firewall policies / rulebases and the subsequent monitoring of events generated by the system;
- Analysis of firewall event logs using trend analysis software to identify the presence of any potential attacks or of areas of vulnerability and the provision of advice for any remedial action;

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- Prompt investigation and remedial action in order to minimise the impact of any security breach.

3.5 System and physical access control

3.5.1 This element of the service provides a number of system and physical access controls:

- Management of the process for validating that Users of the Horizon system are authorised before being permitted access to the live network;
- Management of the allocation and auditing of SecurID tokens where used to validate that Users who access the live system from locations remote from the Data Centres do so via secondary token authentication. Undertaking of supplier management of tokens and licencing costs.

3.6 Anti-Virus and malware management

3.6.1 This element of the service provides a number of anti-virus and malware management activities:

- Management of the distribution of updated anti-virus software across the live estate to maintain protection of the service from malicious software;
- Initial configuration of alerting mechanisms and event filters to provide automatic notification and prompt virus incident response;
- Provision of regular DAT updates to identify and cleanse new and emerging virus strains;
- Daily checks of emerging viruses and other malicious software to inform threats and determine the required defensive measures;
- Provision of event monitoring and incident response via normal incident handling procedures. Analysis of details to understand the threat and inform corrective actions.

3.6.2 Protection against malicious software for NBS

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Fujitsu Services shall provide protection against malicious software as set out in paragraph 8.1 of the CCD entitled “*NBS Definition*”.

3.7 Security incident reporting and problem management

3.7.1 This element of the service provides a number of security incident reporting and problem management activities:

- Provision of a central point of contact for all security-related issues;
- Investigation and reporting to Post Office of any actual or potential threats or breaches that may have a material effect on the Services in accordance with agreed procedures;
- Provision of ongoing liaison with Post Office and support to the Fujitsu Services’ Security Board as defined in the CCD entitled “*Pathway Security Policy*” (RS/POL/002).

3.8 System security change management

3.8.1 This element of the service provides a number of system security change management activities:

- Management of security compliance with agreed change processes and the assessment of the business and security impact of PinICLs and other problem management systems including the provision of options for resolution and containment of security and business risk;
- Assessment of the business and security impact of change proposals and the assessment and approval/rejection of security related operational change proposals.

3.9 Security awareness and training

3.9.1 This element of the service provides a security awareness programme for Fujitsu Services and relevant Post Office personnel. The service covers the provision of periodic awareness activities and training including induction training, presentations and briefing notes and input to magazines, journals and other periodicals.

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3.10 Information Retrieval and Audit

3.10.1 For the purpose of this paragraph 3.10

“**Banking Transaction Record Query**” means a Record Query in respect of a Banking Transaction which the Data Reconciliation Service has reconciled or has reported as an exception, the result or records of which are subsequently queried or disputed by Post Office or a third party;

“**Audit Record Query**” means a Record Query which is not a Banking Transaction Record Query and which relates to Transactions;

“**Old Format Query**” means the extraction of records created before commencement of NB Pilot (Soft Launch) relating to Transactions (other than Banking Transactions) meeting the Search Criteria, such extraction being limited to the following specific types of information/data fields: the ID for the User logged-on, Counter Position ID, stock unit reference, Transaction ID, Transaction start time and date, Customer Session ID, mode (e.g. serve customer), product number and quantity, and sales value;

“**Period One**” means, in respect of each Transaction the period of 90 days commencing on the date of that Transaction;

“**Period Two**” means, in respect of each Transaction the period commencing the day after expiry of Period One for that Transaction, expiring the earlier of the date:

- a) 18 months (in the case of Transaction records created before commencement of NB Pilot Soft (Soft Launch)) or 7 years (in the case of Transaction records created after commencement of NB Pilot Soft (Soft Launch)), after the records of that Transaction were first created; or
- b) of completion of transfer of Post Office Data (including the record of that Transaction) in accordance with Schedule 22.

“**Query Day**” means each date against which an Audit Record Query or an Old Format Query is raised;

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“**Record Query**” means the extraction of records created after commencement of NB Pilot (Soft Launch) in accordance with the terms of this paragraph 3.10 relating to Banking Transactions (and, in the case of Audit Record Queries relating to all Transactions) meeting the Search Criteria, such extraction being limited to specific types of information/data fields as follows:

- in the case of an Audit Record Query - the ID for the User logged-on, Counter Position ID, stock unit reference, Transaction ID, Transaction start time and date, Customer Session ID, mode (e.g. serve customer), product number and quantity, and sales value; and
- in the case of a Banking Transaction Record Query - Banking Transaction ID, Banking Transaction type, receipt date, receipt time, the reason code (in the case of a discrepancy) and DRSB sub-value(s) (eg C0 Confirmation, C1 Confirmation, NB Decline); and

“**Search Criteria**” means:

- in the case of an Audit Record Query or Old Format Query either of:
 - a) date or dates (not exceeding 31 consecutive days), time-range, Branch and PAN (or equivalent identifier); or
 - b) date or dates (not exceeding 31 consecutive days), time-range and Branch; and
- in the case of a Banking Transaction Record Query either of:
 - a) date, time-range, Branch and PAN; or
 - b) date, time-range and Branch,to be specified for each individual Record Query or Old Format Query (as applicable).

3.10.2 Fujitsu Services shall have access (such access being restricted to properly authorised Fujitsu Service staff) to records of each Banking Transaction during Period One and Period Two.

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3.10.3 Limits and target times for Record Queries

- a) The table below sets out the limits on Record Queries and/or Old Format Queries which Fujitsu Services shall be obliged to carry out and the target times for carrying out each Record Query and/or Old Format Query:

	(1) Limits on Banking Transaction Record Queries		(2) Aggregate Limits on Audit Record Queries and Old Format Queries	(3) Limits on Old Format Queries
	Period One	Period Two	Period One and Period Two	Period One and Period Two
Limits	900 per year (on a rolling year basis) with no more than 126 in any calendar month	100 per year (on a rolling year basis) with no more than 14 in any calendar month	Subject to paragraph 3.10.6 below, the limit per year (on a rolling year basis) shall be the first of the following to be reached: (i) 330 (in aggregate) Audit Record Queries and Old Format Queries; or (ii) 4620 Query Days, and the limit per calendar month shall be the first of the following to be reached (i) 46 (in aggregate) Audit Record Queries and Old Format Queries, or (ii) 650 Query Days	The limit per year (on a rolling year basis) shall be the first of the following to be reached: (i) 50 Old Format Queries; or (ii) 700 Query Days, and the limit per calendar month shall be the first of the following to be reached: (i) 7 Old Format Queries; or (ii) 98 Query Days.
Target Time	5 MSU Days	7 MSU Days	Subject to paragraph 3.10.4 below and applicable only in respect of Audit Record Queries, 7 working days (for queries of 14 or less days' duration) and 14 working days (for queries of greater than 14 days' duration).	Subject to paragraph 3.10.4 below, 14 working days (for queries of 14 or less days' duration) and 28 working days (for queries of greater than 14 days' duration).

- b) The limits set out in columns numbered 1 and 2 in the table above and the provisions of this paragraph 3.10 relevant in connection with the application of those limits shall apply with effect from commencement of NB Pilot (Soft Launch).
- c) The limits set out set out in the column numbered 3 in the table above and the provisions of this paragraph 3.10 relevant in connection with the application of those limits shall apply with effect from the date of approval by both parties of the CCN which introduces the NBS (CCN850) and shall cease to be applicable 18 calendar months after the commencement of NB Pilot (Soft Launch).

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3.10.5 For the avoidance of doubt, the limits set out in paragraph 3.10.3 in respect of Banking Transaction Record Queries shall not apply in respect of reconciliation incident management and settlement reporting carried out as a function of the Data Reconciliation Service.

3.10.6 Post Office may at any time on three months' notice (such notice expiring no earlier than commencement of NB Pilot (Soft Launch) vary the aggregate limits of Audit Record Queries and Old Format Queries which Fujitsu Services is required to carry out as specified in column numbered 2 in the table in paragraph 3.10.3,

3.10.6.1 between

- a) the limits specified in paragraph 3.10.3; and
- b) the following substitutes for those limits (applicable on the same basis): 550 Audit Record Queries or 7700 Query Days per year on a rolling year basis, and 77 Audit Record Queries or 1078 Query Days per calendar month;

3.10.6.2 and between

- a) the substitute limits set out in paragraph 3.10.6.1(b); and
- b) the following substitutes for those limits (applicable on the same basis): 800 Audit Record Queries or 11200 Query Days per year on a rolling year basis, and 112 Audit Record Queries or 1568 Query Days per calendar month,

and in each case Fujitsu Services's charges in respect of dealing with any Audit Record Queries and/or Old Format Queries up to the limits as varied in accordance with this paragraph shall be as specified in Schedule 10.

3.10.7 Post Office shall submit:

- (a) Banking Transaction Record Queries to the Horizon System Help Desk which will pass the Record Query to Fujitsu Services's customer service management support unit; and
- (b) Audit Record Queries and Old Format Queries to Fujitsu Services's customer service security prosecution support section.

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- d) For the purpose of applying the limits in column 3 from the date of approval by both parties of the CCN which introduces the NBS (CCN850), the equivalent of Old Format Queries (and associated Query Days) carried out in the 12 months prior to that date shall count towards the annual limit (on a rolling year basis) and the equivalent of Old Format Queries carried out in the calendar month in which the NBS CCN is approved (prior to the date of such approval) shall count towards the limits for that month.
- e) For the purpose of applying the limits in columns 2 and 3 after commencement of NB Pilot (Soft Launch), any Old Format Queries (and associated Query Days) carried out in the 12 months prior to commencement of NB Pilot (Soft Launch) shall count towards the annual limits (on a rolling year basis) and Old Format Queries carried out in the calendar month in which NB Pilot (Soft Launch) commences (prior to that commencement) shall count towards the limits for that month.

3.10.4 Where:

- a) a new Audit Record Query or Old Format Query is received by Fujitsu Services or Post Office requires analysis of an existing Audit Record Query or Old Format Query; and
- b) a member of Fujitsu Services's personnel is needed to deal with that new or existing Audit Record Query or Old Format Query; but
- c) that person is unavailable due to his or her attendance at court or other proceedings in connection with an Audit Record Query or Old Format Query,

the target times specified in paragraph 3.10.3 shall not apply to that new or existing Audit Record Query or Old Format Query referred to in paragraph 3.10.4 (a) which Fujitsu Services shall instead deal with as soon as reasonably practicable.

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Fujitsu Services shall accept Record Queries and Old Format Queries only from properly authorised Post Office staff.

3.10.8 Litigation Support

Where Post Office submits an Audit Record Query or Old Format Query, at Post Office's request Fujitsu Services shall, in addition to conducting that query:

- a) present records of Transactions extracted by that query in either Excel 95 or native flat file format, as agreed between the parties; and
- b) subject to the limits set out below:
 - (i) analyse:
 - the appropriate Fujitsu Service's Help Desk records for the date range in question;
 - Branch non-polling reports for the Branch in question; and
 - fault logs for the devices from which the records of Transactions were obtained

in order to check the integrity of records of Transactions extracted by that query;

- (ii) request and allow the relevant employees of Fujitsu Services to prepare witness statements of fact in relation to that query, to the extent that such statements are reasonably required for the purpose of verifying the integrity of records provided by Audit Record Query or Old Format Query, and are based upon the analysis and documentation referred to in this paragraph 3.10.7; and
- (iii) request and allow the relevant employees to attend court to give evidence in respect of the witness statements referred to in (ii) above,

provided that:

- (iv) Fujitsu Services's obligations set out in (i) and (ii) above shall be limited, in aggregate, to dealing with a maximum of 150 (in aggregate) Record Queries and Old Format Queries per year (on a rolling year basis); and
- (v) Fujitsu Services's obligations in the case of provision of witnesses referred to in paragraph (iii) above shall be to provide

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witnesses to attend court up to a maximum (for all such attendance) of 60 days per year (on a rolling year basis).

For the avoidance of doubt the target times set out in paragraph 3.10.3 for dealing with Audit Record Queries and Old Format Queries shall not apply in respect of Fujitsu Services's obligations under paragraph 3.10.7.(b).

3.10.9 Any information requested beyond that available by Record Query and/or any witness statements or witness attendance beyond that available in accordance with this paragraph 3.10 shall be agreed on a case by case basis and shall be dealt with in accordance with the Change Control Procedure.

3.10.10 Sensitive Card Data included in records of Banking Transactions extracted by Record Query and provided to Post Office (but, for the avoidance of doubt, not that included in records for Transactions extracted for Audit Record Queries in respect of any other Post Office Service) shall be in the encrypted form in which they are held by the NB System.

3.10.11 Audit Access

Reasonable access to the audit trail of Banking Transactions for Post Office auditors for audit purposes shall be by request (and reasonable notice to) Fujitsu Services's Audit Manager.

3.11 Subject Information Requests

3.11.1 The management and provision of responses in respect of Subject Information Requests will be as defined in Schedule 2.

4.0 Service Availability

4.1 The Service will be available between the hours of 08:00 to 17:30 Monday to Friday excluding all Bank and public holidays.

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5.0 Service Levels And Service Targets

- 5.1 Relevant SLA targets relate primarily to Audit Record Queries, which are defined in Section 3 of this document and Subject Information Requests which are defined in Schedule 2.

6.0 Service Dependencies & Post Office Responsibilities

6.1 Service Dependencies

- 6.1.1 The dependencies on the provision of Information Retrieval and Audit are set out in Section 10 of this document CS/SER/016.
- 6.1.2 The dependencies on the provision of Subject Information Requests are set out in Schedule 2 - paragraph 2.4.10.

6.2 Post Office Responsibilities

- 6.2.1 Post Office's security – related responsibilities as set out in Schedule 16.
- 6.2.2 Post Office's authority and obligations with regard to compliance with the Data Protection Act are set out in Schedule 2 – paragraphs 2.4 to 2.5.
- 6.2.3 Post Office responsibilities with regard to Subject Information Requests are set out in Schedule 2 - paragraphs 2.4.9 and 2.4.12.6.2.4 Post Office responsibilities with regard to the provision of an Information Security Manager are set out in Schedule 4.

7.0 Documentation

- 7.1 The CCDs applicable to the service are:
- a. Security Policy (RS/POL/002);
 - b. Security Functional Specification (RS/FSP/001);
 - c. Security Incident Management (RS/PRD/004);
 - d. Statements on Security Objectives and Methods for the Protection of Siemens Metering Code and Data (RS/FSP/003);
 - e. Post Office Counters Information System Security Policy (BP/POL/002);
 - f. A code of Practice for Post Office Information Systems Security (BP/ION/002);
 - g. Departmental IT Security Standards (RS/CSD/001).

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Impact Assessment Due Date: **3 September 2004**

Programme Impact Assessment Form	Change Control Note No: 1135						
CCN Title: Exercising Option to Increase Volume of Audit Record Queries							
Business Owner: John D Cole	Tel:						
Fax:							
Impact Assessment: <div style="text-align: right;"> No impact on my area <input type="checkbox"/> <i>(If no impact tick the box, sign and date the form and return)</i> </div> <div style="display: flex; justify-content: space-around; margin-top: 20px;"> Accept <input type="checkbox"/> Reject <input checked="" type="checkbox"/> </div> <p style="margin-top: 20px;">Provide estimates for your area to make the change</p> <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="padding: 5px;">Man days effort to implement the change</td> <td style="border: 1px solid black; width: 100px; height: 20px;"></td> </tr> <tr> <td style="padding: 5px;">Cost (£k)</td> <td style="border: 1px solid black; width: 100px; height: 20px;"></td> </tr> <tr> <td style="padding: 5px;">Earliest possible implementation date</td> <td style="border: 1px solid black; width: 100px; height: 20px;"></td> </tr> </table> <p style="margin-top: 20px;">Dependencies</p>		Man days effort to implement the change		Cost (£k)		Earliest possible implementation date	
Man days effort to implement the change							
Cost (£k)							
Earliest possible implementation date							
Other Documentation: <i>(If you know of any additional documentation that could be affected by the change please specify)</i>							
Additional Comments: <div style="text-align: right;"> Documents/papers attached <input type="checkbox"/> <i>(Tick box if additional papers or documents attached to your impact)</i> </div> <p style="margin-top: 20px;">This CCN is rejected, as a separate CCN is required, which will allow for the increase in Audit Record Queries as per Colin Lenton-Smith's letter of 9 June 2004, but excluding the proposed increase for DWP queries. It is also expected that should any DWP queries arise these will be dealt with on an ad-hoc basis, and will be charged separately.</p>							
Impact Assessor Signature Date	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Horizon Contract Author</td> </tr> <tr> <td style="padding: 2px;">John Cole</td> </tr> <tr> <td style="padding: 2px;">03/09/04</td> </tr> </table>	Horizon Contract Author	John Cole	03/09/04			
Horizon Contract Author							
John Cole							
03/09/04							

Return completed form to the Change Control 2nd floor, Calthorpe House, 15-20 Phoenix Place, London WC1X 0DG

Commercial Team

In Commercial Confidence

 Post Office Ltd Change Request Form		Change Request Number: POLCC_FSL_ <i>(Allocated by PSO)</i>
Confidentiality: <i>(Any constraints on access to the Change Request)</i>		
Project: N/A <i>(Project against which change is raised)</i>		
Change Request Title: Exercising option to increase volume of Audit Record Requests, (but dealing with any queries for DWP on ad-hoc basis). <i>(A few words to identify the change)</i>		
Authorised Person: Keith Baines	Originator John Cole	Business Owner: John Cole
Date Change Request Raised: 03/09/04	Date issued to Supplier:	
Are there any attachments to this Change Request? Yes	Summary of attachments: <i>(A summary list of attached documents)</i>	
Description of Change: <i>(A full description of the context of the change and the required change outcome – with any business or technical detail needed to clearly interpret I</i> To provide a new annual total of Audit Record Requests of 720, within The Agreement, but dealing with any requests for DWP on an ad-hoc basis , (this means that should a DWP query arise a separate work order and purchase order will be raised for this specific activity).		
Required Outputs from Change: <i>(Specific items to be delivered to satisfy the change requirement)</i> To provide a new annual total of Audit Record Requests of 720, within The Agreement.		
Required Implementation Date or Release: New totals to be available from 1 st September 2004		
Priority: HIGH <i>(Show stopper / High / Medium / Low with supporting explanation)</i>		
Business Reason for Change Request: <i>(A brief description of the business reason for raising this change; identified benefits; dependencies; and impact if the change is not implemented)</i> Current contractual limits are not adequate to meet mandatory requirements from PO Security Team and Clients		
CRS Reference Number: N/A <i>(Reference number of the initiative from the Common Radar Screen)</i>		
Business Case Title: N/A <i>(Title of the business case under which this change is justified)</i>		
Business Case Log Number: N/A		Business Case Authority Number: N/A
Budget Holder: <i>(for any costs incurred)</i> Keith Baines Tel.No.	Finance Analyst: <i>(for budget area)</i> Liz McKinstry Tel.No.	Cost Centre Code: <i>(for budget area)</i>
Urgent: Yes <i>(Yes/No)</i>	Reason for Urgency : New limits required from 01/09/04.	

Should the Change be sent to External Suppliers without Initial Sponsor / Business Assessment? <i>(If 'Yes' state reason why)</i>			
Suppliers impacted by change <i>(Circle Yes / No / Not Known)</i>			
PO Ltd	Yes	Alliance & Leicester	Yes / No / Not Known
Fujitsu	Yes	Streamline	Yes / No / Not Known
IBM	Yes / No / Not Known	Royal Mail Group	Yes / No / Not Known
EDS	Yes / No / Not Known	Prism Alliance	Yes / No / Not Known
Government	Yes / No / Not Known	Other (please state)	
LINK	Yes / No / Not Known		
PO Ltd Change Plan: Will the change require a revision to the current PO Ltd Change Plan?			Yes No Uncertain
<i>(If yes, provide details including details of any authority)</i>			

Document(s) Affected: <i>(e.g. Product Description – NB It may not be possible to identify documents at this stage)</i>	<i>(Give full document title, reference and version number / date.)</i>
---	---

Change Impacts: <i>(Information on the potential impacts of the change to ensure that all relevant activities and dependencies are understood and addressed – see guidelines)</i>
<ul style="list-style-type: none"> . FS charges will increase by circa £93k (plus VAT) in year 2004/05, this will be covered by other savings on other FS charges . There will be recurring costs of £160k, plus VAT per annum, PO Security will need to bid for this money. (Financial Year 2005/06)

Assumptions: <i>(List any assumptions that have been used to document this change)</i>
--

memo

S. Jee to Graham Wood regarding anticipated volumes of DWP enquiries, (he estimated that would probably be no more than 6 cases between now and the end of the year (March 2005) ..

He also informed that Pol were undertaking all enquiry work for DWP since January '04.

It was expected that the enquiries will

"dry up" by the spring of 2005.

With regard to tracking missing ^{Brodeur} ₁ this was a more difficult task as there were no individual markings to level of tension books.

I asked his thoughts on charging DWP, he thinks it might be a right for an ongoing process, but on balance as the current arrangement ends in 6 months time, he thought it wiser not to pass on charges.

GRO

1/9/04

Keith K Baines
27/08/2004 17:40

To: John D Cole/e/POSTOFFICE GRO
cc:
Subject: CCN1135 (Audit Queries)

John - (you will need to refer to the email from Chris with the CCN in it)
On the extra DWP queries - I had expected that these would be priced separately as an optional extra, so that we could bill DWP for them if used; it seems to be bundled in as one price which we pay whether the DWP extras are used or not, and with no identifiable price that we can recharge.
Can you check and investigate please.
Regards,
Keith

Issue is how to 'charge' for DWP enquiries
is this how Tony Utting & Co see the 'additional'
arrangements
is TU expecting to re-charge additional
enquiries

It is anticipated that whilst order books (as we check item) will cease day end of Mar 2005.
The volume of Gro cheques to be processed will increase to the levels they were 10 years ago

Current estimates (from Seamus Scollia)

2003/04	-	24M	Giro's		
04/05	-	39M	11	+58%	
05/06	-	77M	11	+205%	
06/07	-	84-96M	11		
					350% - 400%

Colin Lenton-Smith
Commercial and Finance Director, Post Office Account Team
Fujitsu Services Limited
Forest Road
Feltham
MIDDLESEX TW13 7EJ

26.07.04



“an essential part of everyday life” www.postoffice.co.uk

Dear Colin

Re: Audit Record Queries

Further to your letter of 9th June 2004, in which you outlined the principles relating to an increase in the annual limits and the increased costs in the number of Audit Record Queries.

I can now confirm that Post Office wish to exercise the option to increase the number of Audit Record Queries as per your letter, and by this letter is giving you notice that we want the new arrangements to apply from 1st September 2004..

From that date we also expect that the volume of additional queries and charges will be pro rata (e.g. 7/12 of those quoted in your letter) for the remainder of this financial year.

I can also confirm that the 'counting period' for queries and charges will run from April – March each year.

Yours Sincerely

GRO

Page 1 of 2

Post Office Ltd
Registered in England and Wales number: 2154540
Registered Office: 80–86 Old Street
London EC1V 9NN

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Page 2 of 2

Keith Baines
Contract Manager



Post Office Ltd
IT Department
IT Commercial
Calthorpe House
15-20 Phoenix Place
LONDON WC1X 0DG

Telephone:
Facsimile:
Mobile:
E-mail: keith.k.baines

Keith K Baines
26/07/2004 15:47

To: John D Cole/e/POSTOFFICE@GRO
cc:
Subject: Re: Horizon data requests

----- Forwarded by Keith K Baines/e/POSTOFFICE on 26/07/2004 15:46 -----

Ian O'Driscoll
26/07/2004 08:08

To: Keith K Baines/e/POSTOFFICE@GRO
cc:
Subject: Re: Horizon data requests

For info

----- Forwarded by Ian O'Driscoll/e/POSTOFFICE on 26/07/2004 08:08 -----



David X Smith
26/07/2004 07:54

To: Ian O'Driscoll/e/POSTOFFICE@GRO
cc:
Subject: Re: Horizon data requests

As spoken,
Dave

Acting IT Director
Post Office Ltd
Directorate

4th Floor, 80 Old Street, LONDON, EC1V 9NN

Postline: GRO STD Phone: GRO Fax: GRO Mobex: GRO Mobile:
GRO

External Email: david.x.smith@GRO

----- Forwarded by David X Smith/e/POSTOFFICE on 26/07/2004 07:54 -----

Tony Marsh
23/07/2004 11:00

To: David X Smith/e/POSTOFFICE@GRO
cc: David W Miller/e/POSTOFFICE@GRO, Ruth
Holleran/e/POSTOFFICE@GRO, Tony R
Utting/e/POSTOFFICE@GRO
Subject: Re: Horizon data requests

Dave

Many thanks for your support with this "between two stools" problem.

As you can see John Cole is forecasting approximately £100k for the remainder of the FY.

If we do not have a more flexible solution in place for 05/06 Tony U will make sure that the requisite budget is bid for and obtained.

Regards

Tony

----- Forwarded by Tony Marsh/e/POSTOFFICE on 23/07/2004 10:56 -----

John D Cole
22/07/2004 15:46

To: Tony R Utting/e/POSTOFFICE@GRO
cc: Graham C Ward/e/POSTOFFICE@GRO, Tony
Marsh/e/POSTOFFICE@GRO, Keith K
Baines/e/POSTOFFICE@GRO
Subject: Re: Horizon data requests

Tony, Thank you for this information.

Firstly, the total number of Audit Record Queries, under the proposed increase available for a "complete" year is 720 (or 15,000 query days) , which ever is reached first.
This equates on a monthly basis to 60 per month (or 8750 query days)
Secondly, as we have to give 1 months' notice to bring the revised limits into operation, we would be able to have 7 months at the new levels until the end of the financial year (March 2005). This means that the quoted amount of £170k, per annum, equates to approx £100k for the 7 months until the end of the financial year.

I should also mention that for DWP queries an additional 84 queries can be accommodated, equivalent to 7 per month, although 10 per month could be accommodated provided the annual total does not exceed 84.

Finally, FS are asking that if the proposed new limits are agreed, could we regularise the "query year" (currently based on calendar years), with the financial year and run in future with the fiscal year.

Regards. John Cole.

Tony R Utting

Tony R Utting
22/07/2004 14:39

To: John D Cole/e/POSTOFFICE (GRO)
cc: Graham C Ward/e/POSTOFFICE (GRO), Tony Marsh/e/POSTOFFICE (GRO)
Subject: Horizon data requests

As discussed, we are looking at achieving 50 requests per month for the remainder of the year, at present End of December, but from what you were saying potentially end of March.

Can you just confirm that the incremental step process is the only avenue open to us and that we will have the required request numbers using this process. If you could give us the exact figures, it would be most helpful, as we will use whatever requests are available.

As you can imagine, with the changes taking place in the business at present, we are in increasing need of Horizon data and are still avoiding asking for it wherever possible in order to preserve our requests. This means that we will inevitably be looking for further increased access in due course and I will be preparing a blueprint to gain direct access in the next few weeks.

Thanks again for all of your help

Tony Utting

----- Forwarded by Tony R Utting/e/POSTOFFICE on 22/07/2004 14:34 -----



Graham C Ward
22/07/2004 12:36

To: Tony R Utting/e/POSTOFFICE (GRO)
cc:
Subject: Horizon data requests

Tony

this year we have submitted the following:

Jan	44
Feb	46
March	51
April	41
May	46
Jun	42
July	40
Aug	20 ??
Total	330 (our annual limit)

predicting how many we will want isn't straightforward as people in our own team / RLM's / NBSC / Legal Services are aware of the problems/restrictions in obtaining these logs and thus don't bother asking for them. If we had greater access, I am sure once the 'word' got around, we would use up whatever was available.

That said, with a monthly limit of 46 I didn't have to turn many away, so I would guess that having 50 per month for the rest of this year would see us through until the contract is amended. Therefore my **guesstimate** for the remaining year (up till the end of December) would be **220** (50 x 4 months with a few extra to cover the likely queue in September due to the limited number available for August)

Regards

Graham

John D Cole
22/07/2004 15:46

To: Tony R Utting/e/POSTOFFICE@GRO
cc: Graham C Ward/e/POSTOFFICE@GRO, Tony Marsh/e/POSTOFFICE@GRO, Keith K Baines/e/POSTOFFICE@GRO
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Regards

Graham

Nice space to Tony Utting 21/July 9.45, in the office case.

John D Cole
13/07/2004 15:22

To: Tony R Utting/e/POSTOFFICE@GRO
cc: Keith K Baines/e/POSTOFFICE@GRO
Subject: Fujitsu Contract changes - email1

Tony, As you know, our earlier deliberations were based on the proposal to increase the number of audit record queries, this still needs financial approval to progress, can you confirm that this proposition is still required, please?

Moving to your new proposal to allow POL to have 'direct access to process Horizon Data', I can confirm that this is not something we have broached with Fujitsu Services. You will need to progress the Business Solutions team (contact Karen Molloy) Regards. John Cole.
Keith K Baines

Keith K Baines
13/07/2004 09:44

To: John D Cole/e/POSTOFFICE@GRO
cc:
Subject: Fujitsu contract changes - email 1

John,
Can you let me know the current state of play please.
Keith

----- Forwarded by Keith K Baines/e/POSTOFFICE on 13/07/2004 09:43 -----

Tony R Utting
08/07/2004 09:20

To: Keith K Baines/e/POSTOFFICE@GRO
cc: Tony Marsh/e/POSTOFFICE@GRO Dave
Pardoe/e/POSTOFFICE@GRO
Subject: Fujitsu contract changes - email 1

Please see the email below from Tony Marsh, Can you please give an update to what activity has been undertaken with regard to gaining direct access to Horizon data for use within the business.

I believe Tony raised the idea of us having our own access to the audit data from within the business via a terminal (probably at Chesterfield) via which, we would be able to obtain data for all parts of the business and remove the need for us to make data requests of Fujitsu. I understand that Alan Barrie was aware of this suggestion and had been supportive of our approach. We had considered the download tat Tony mentions, but had felt that this would simply be a recreation of the data warehouse and probably cost more than simply gaining access to our own data via the existing one.

This issue has become considerably more important recently, as investigators are finding it increasingly difficult to pursue criminal cases without having access to audit data. Defence team have also identified this as a means of delaying and in some cases potentially ceasing prosecution activities and as you can see from Tony's email this has meant that we have had to increase our use of audit requests to a point whereby we will run out at the end of August, with potentially serious consequences thereafter.

A further complication will come next year when much of the paper based evidence that the business uses to prove events that have taken place at branches will disappear. This will require even more data requests, possibly including requests from elsewhere in the business, almost certainly in excess of the agreed increase we have been allocated, albeit nobody seems to have the money to pay.

I would be happy to meet up and discuss our options and opportunities in respect of this issue and would be happy to assist in developing a business case to support our gaining greater access to the data warehouse.

Regards

Tony Utting

----- Forwarded by Tony R Utting/e/POSTOFFICE on 08/07/2004 09:07 -----

Tony Marsh
06/07/2004 10:05

To: David W Miller/e/POSTOFFICE@
cc: Tony R Utting/e/POSTOFFICE@
Subject: Fujitsu contract changes - email 1

GRO

GRO

Dave

The circumstances detailed in the email chain below, which I understand made a significant contribution to the overall cost reductions in the renegotiated Fujitsu contract, and the reply in the email immediately following this one, now appear likely to curtail effective investigation activity from next month for the remainder of the calendar year.

I felt with my highlighting the issue in January 2003 (4th entry down) I had done enough to gain IT and Operations buy-in to the Security position whilst behaving in a business-focussed manner in not demanding a high-cost comfort zone or safety net.

John Cole's reply in the accompanying email suggests otherwise. I'd be grateful if you'd take a look and decide whether you concur with his reading of decision making and consequent responsibilities.

Very briefly, it is not now possible to conduct an enquiry involving branch trading, Post Office Ltd or client products without making an information request to Fujitsu. As we still do not own our own data or the tools to analyse it we cannot circumvent Fujitsu in any way on this. Although IT (Keith Baines) have been asked to look at the possibility of a data download for Security use this request has not been progressed as a priority, I have asked Tony Utting to get this moving again with IT.

I am awaiting a breakdown of costs, I understand the cost of buying a further 420 information requests (i.e. to bring the annual total to 750) will be £170k.

Tony

----- Forwarded by Tony Marsh/e/POSTOFFICE on 06/07/2004 09:33 -----

Tony R Utting
05/07/2004 15:07

To: John D Cole/e/POSTOFFICE@
cc: Tony Marsh/e/POSTOFFICE@
Subject: Fujitsu contract changes

GRO

GRO

I have received your reply and would contest that the decision to reduce our request numbers was made in the Operations Directorate. The email below records that when I spoke to Keith Baines, he suggested to me that the decision was made by the EC.

We now have 22 requests left to last us until January next year and are currently utilising them at a rate of over forty per month in the expectation that the business was going to find funding for this. Should we run out, then we there will be an impact on our ability to investigate crimes against the business and in at least one case we may be in breach of a contractual obligation to investigate fraud against a client product.

Has this issue been raised within the business from you side, as I have not been notified until today that the extra requests were not going to happen.

Thanks

Tony Utting

----- Forwarded by Tony R Utting/e/POSTOFFICE on 05/07/2004 15:00 -----

Tony R Utting
15/06/2004 09:03

To: John D Cole/e/POSTOFFICE (GRO)
cc: Dave Pardoe/e/POSTOFFICE (GRO), Manish
Patel/e/POSTOFFICE (GRO), Tony
Marsh/e/POSTOFFICE (GRO), Graham C
Ward/e/POSTOFFICE (GRO)
Subject: Fujitsu contract changes

As discussed, there are reams of emails about this (as you can imagine). This appears to be the most succinct.

As discussed, we have no money to pay for this.

Tony Utting
----- Forwarded by Tony R Utting/e/POSTOFFICE on 15/06/2004 09:01 -----

To: David W Miller/e/POSTOFFICE (GRO)
cc: S&A SMs
bcc:
Hard Copy To:
Hard Copy cc:
Date: 16/01/2003 12:38
From: Tony Marsh
Subject: Fujitsu contract changes

Dave

This refers to the reduction, without any prior reference to anyone in my team, of the number of pre-paid audit and investigation information requests agreed in the contract from 500 to 330. I had previously agreed with Mike Hannon that our original figure of 750 (itself reduced from a rather comfortable 1000) could be reduced to 500 provided that our bid for funding to cover any additional requests would be met. We have a bid in for £50k for this purpose.

With the introduction of banking and the proposal to remove the hard copy cash account facility (which I am disposed to endorse despite resistance from both my own investigators and Legal Services provided that the retail line agrees to enforce compliance around Horizon passwords) every investigation, whether full or preliminary, may require access to data held by Fujitsu.

I was surprised that such a change was made without any reference to the primary stakeholder. Provided I have your commitment that POL will meet any additional costs which may be caused as a result of this decision however I am comfortable if this has contributed to the reduction in the overall Fujitsu contract costs.

Tony

----- Forwarded by Tony Marsh/e/POSTOFFICE on 16/01/2003 12:17 -----

Tony R Utting
15/01/2003 16:54
To: Duncan McFadyen/e/POSTOFFICE (GRO)
cc: Laury Callan/e/POSTOFFICE (GRO), Martin
Ferlinc/e/POSTOFFICE (GRO), E, Phil
Gerrish/e/POSTOFFICE (GRO), Tony
Marsh/e/POSTOFFICE (GRO)
Subject: Re: SALT ACTION POINTS

I think I have disposed of my action point from SALT as follows.

I have today spoken with Keith Baines The Client Manager for Fujitsu, who tells me that the proposed reduction in requests has been agreed at EC level (Dave Miller and co) and that the business is aware, that should we exceed the number of requests in the contract, further resources will have to be found by the business to pay for them.

The rationale behind the decision was that it was felt that we should not pay for anything in the contract we did not use and there was no certainty that we would reach the previously agreed numbers.

Hope this clarifies matters

Tony U

John D Cole
06/07/2004 07:57

To: Tony R Utting/e/POSTOFFICE
cc:
cc:
Subject: Re: Fujitsu contract changes

Tony, Regarding the costs, yes the amount for the additional queries is still £170k. Please see small table below, of how this was arrived at:

Increased No of Queries	390
Increased Price	£170,000.00
Price per query	£ 435.90
C2 Daily Rate*	£ 1,039.00
C2 Hourly Rate	£ 129.88
No of hours per query	3.36

The new annual limits will be 720 queries or 15,000 query days, which ever is reached first.

X We have examined the proposed additional costs and consider this is not unreasonable, compared to the charges for the existing facility (which is 330 queries for the annual cost of £670k) X

* C2= Consultant 2 rates,(this is because all Fujitsu Services costs are based on consultancy charges)

Tony R Utting

Tony R Utting
05/07/2004 16:51

To: John D Cole/e/POSTOFFICE@GRO
cc:
Subject: Re: Fujitsu contract changes

I think you have hit the proverbial nail on the head. I don't know if there ever was a formal response.

I have contacted Tony Marsh and one of us will raise it with Dave as a matter of urgency. We are going to have problems if we don't sort it soon.

Were you able to discover why the costs were so high when you last went back to Fujitsu? and are we still looking at £170k for this

Thanks for your help to date

Tony U

John D Cole

John D Cole
05/07/2004 16:33

To: Tony R Utting/e/POSTOFFICE@GRO
cc: Keith K Baines/e/POSTOFFICE@GRO
Subject: Re: Fujitsu contract changes

Tony, Further to your latest reply, I think the principal point in the various e-mails is Tony Marsh's statement to Dave Miller in which he asks;"**Provided I have your commitment that POL will meet any additional costs which may be caused as a result of this decision however I am comfortable if this has contributed to the reduction in the overall Fujitsu contract costs**".What was Dave Millers reaction to this statement?.

I still believe the additional funding is an operational matter which needs to be pursued with Dave Miller by yourselves, we are as keen as you are to see resolution of this issue so that the you can carry out your contractual obligations. Thanks John Cole.

Tony R Utting

Tony R Utting

To: John D Cole/e/POSTOFFICE@GRO
cc: Tony Marsh/e/POSTOFFICE@GRO

05/07/2004 15:07

Subject: Fujitsu contract changes

I have received your reply and would contest that the decision to reduce our request numbers was made in the Operations Directorate. The email below records that when I spoke to Keith Baines, he suggested to me that the decision was made by the EC.

We now have 22 requests left to last us until January next year and are currently utilising them at a rate of over forty per month in the expectation that the business was going to find funding for this. Should we run out, then we there will be an impact on our ability to investigate crimes against the business and in at least one case we may be in breach of a contractual obligation to investigate fraud against a client product.

Has this issue been raised within the business from you side, as I have not been notified until today that the extra requests were not going to happen.

Thanks

Tony Utting

----- Forwarded by Tony R Utting/e/POSTOFFICE on 05/07/2004 15:00 -----

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15/06/2004 09:03

To: John D Cole/e/POSTOFFICE([GRO])
cc: Dave Pardoe/e/POSTOFFICE([GRO]) Manish
Patel/e/POSTOFFICE([GRO]) Tony
Marsh/e/POSTOFFICE([GRO]) Graham C
Ward/e/POSTOFFICE([GRO])
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As discussed, there are reams of emails about this (as you can imagine). This appears to be the most succinct.

As discussed, we have no money to pay for this.

Tony Utting

----- Forwarded by Tony R Utting/e/POSTOFFICE on 15/06/2004 09:01 -----

To: David W Miller/e/POSTOFFICE([GRO])
cc: S&A SMs
bcc:
Hard Copy To:
Hard Copy cc:

Date: 16/01/2003 12:38
From: Tony Marsh

Subject: Fujitsu contract changes

Dave

This refers to the reduction, without any prior reference to anyone in my team, of the number of pre-paid audit and investigation information requests agreed in the contract from 500 to 330. I had previously agreed with Mike Hannon that our original figure of 750 (itself reduced from a rather comfortable 1000) could be reduced to 500 provided that our bid for funding to cover any additional requests would be met. We have a bid in for £50k for this purpose.

With the introduction of banking and the proposal to remove the hard copy cash account facility (which I am disposed to endorse despite resistance from both my own investigators and Legal Services provided that the retail line agrees to enforce compliance around Horizon passwords) every investigation, whether full or preliminary, may require access to data held by Fujitsu.

I was surprised that such a change was made without any reference to the primary stakeholder. Provided I have your commitment that POL will meet any additional costs which may be caused as a result of this decision however I am comfortable if this has contributed to the reduction in the overall Fujitsu contract costs.

Tony

----- Forwarded by Tony Marsh/e/POSTOFFICE on 16/01/2003 12:17 -----

Tony R Utting
15/01/2003 16:54

To: Duncan McFadyen/e/POSTOFFICE@ [GRO]
cc: Laury Callan/e/POSTOFFICE [GRO] Martin
Fertinc/e/POSTOFFICE [GRO] Phil
Gerrish/e/POSTOFFICE [GRO] Tony
Marsh/e/POSTOFFICE@ [GRO]
Subject: Re: SALT ACTION POINTS []

I think I have disposed of my action point from SALT as follows.

I have today spoken with Keith Baines The Client Manager for Fujitsu, who tells me that the proposed reduction in requests has been agreed at EC level (Dave Miller and co) and that the business is aware, that should we exceed the number of requests in the contract, further resources will have to be found by the business to pay for them.

The rationale behind the decision was that it was felt that we should not pay for anything in the contract we did not use and there was no certainty that we would reach the previously agreed numbers.

Hope this clarifies matters

Tony U

Increased No. of Queries	390
Increased Price	£ 170,000.00
Price per query	£ 435.90
C2 Daily Rate	£ 1,039.00
C2 Hourly Rate	£ 129.88
No. of hours per query	3.36

Tony R Utting

01/07/2004 17:14

To: John D Cole/e/POSTOFFICE@GRO
cc:
Subject: Horizon requests

John

I am sure that it is nothing to do with your team and you may not be aware, but due to problems with Horizon MIS, we have just had our first (hopefully not of many) request to provide audit data to the Retail Line.

We are also currently issuing 46 requests per month, which will take us past our current yearly limit somewhere around August, so can you confirm that we will be moving to the new increased levels as discussed recently.

Should this not be the case, then we have a serious risk that we will be unable to undertake investigative activity where Horizon data is required for a considerable period, until we are allowed a new set of requests.

Thanks for you help

Tony Utting

Keith K Baines
21/06/2004 09:14

To: John D Cole/e/POSTOFFICE [GRO]
cc:
Subject: Forest Gate & Urmston - Reported Issues

----- Forwarded by Keith K Baines/e/POSTOFFICE on 21/06/2004 09:14 -----



Graham C Ward
15/06/2004 12:03

To: Keith K Baines/e/POSTOFFICE [GRO]
cc:
Subject: Forest Gate & Urmston - Reported Issues

Keith

Further to the e mail below, Fujitsu have now finished checking all previously submitted ARQ's (only those that have proceeded to prosecution) and have found errors (i.e. incomplete transaction/event logs) in data supplied for another 4 offices. I am in the process of ascertaining at what stage these prosecutions are at and the potential impact on the evidence. Hopefully, as with Forest Gate & Urmston, we can overcome the problem with a supporting statement, but I am aware that one of the cases has already been completed with a successful prosecution.

Regards

Graham

Casework Manager
Operations
Post Office Ltd Security
PO BOX 1
Croydon
CR9 1WN

STD Phone: [GRO] Fax: [GRO] Mobex: [GRO] Mobile: [GRO]
External Email: graham.c.ward [GRO]

----- Forwarded by Graham C Ward/e/POSTOFFICE on 15/06/2004 11:48 -----



Graham C Ward
01/06/2004 09:05

To: Keith K Baines/e/POSTOFFICE [GRO]
cc: Dave Pardoe/e/POSTOFFICE [GRO] Tony R
Utting/e/POSTOFFICE [GRO]
Subject: Forest Gate & Urmston - Reported Issues

Keith

please see the e mail below from Bill Mitchell, Fujitsu Security Manager. Basically, some of the transaction log requests we have submitted have been returned 'incomplete' due to human error on their part. This could invite some criticism from Defence counsel in cases where the logs have been used in evidence. Fujitsu are submitting 'complete' data with a supporting statement, so hopefully the issue will not be a great problem.

This is forwarded to you for your information and any action you deem appropriate from a commercial / contractual perspective.

Regards

Graham

Casework Manager
Operations
Post Office Ltd Security
PO BOX 1
Croydon
CR9 1WN

STD Phone: [GRO] Fax: [GRO] Mobex: [GRO] Mobile: [GRO]
External Email: graham.c.ward@[GRO]

----- Forwarded by Graham C Ward/e/POSTOFFICE on 01/06/2004 08:58 -----



Mitchell William
<William.Mitchell@uk.fujitsu.com>
27/05/2004 08:57

To: graham.c.ward@[GRO]
cc: "Sewell Peter (FEL01)" <[GRO]>, Thomas Penny <[GRO]>
Subject: Forest Gate & Urmston - Reported Issues

Graham,

With reference to your emails dated today 25th May, I've noted the request for statements for ARQ 137 & 138 (St Kew Highway), the linking with ARQ 231 - 233 and the court date which is scheduled for 4th Sept 2004, I've ask Penny to contact you directly regarding these.

I've prepared the following update on the issues with ARQ for Forest Gate and Urmston, I have also as far as is possible quantified the scale of the problem and actions we have already taken to restore confidence in the quality of the information normally provided. The overall cause for the data being omitted is regrettably operator error. I've detailed each FAD and corresponding ARQ below together with an update as to the root cause.

Forest Gate: This request is split over 3 ARQ, No's 198, 199 & 200

ARQ 198 - The ARQ covers the period 14/10/02 to 13/11/2002, totalling 31 query days. The root cause for the omission of data from this ARQ is that the retrieval was executed as a single task with the resultant data retrieval exceeding the available 1Gb limit of the Message Store area on the Audit Server. This forced the Audit Server to randomly drop 11,135 data entries. A total of 10 days have been affected these dates are:

16/10 - Partial, no end of day

17/10 - Partial, no end of day

19/10 - No data retrieved.

21/10 - Partial, no end of day

22/10 - Partial, no end of day

23/10 - Partial, no end of day

25/10 - Partial, no end of day

26/10 - No data retrieved

29/10 - No data retrieved

30/10 - Partial, no end of day

ARQ 199: The ARQ covers the period 14/11/02 to 11/12/2002, totalling 28 query days. The root cause for the omission of data from this ARQ is when an ARQ is retrieved it is necessary to add additional days to the end of the requested date span to ensure a full and complete capture of the data which may have been harvested at different times. The operator should then confirm that an end of day log off is present and extract only the required data files. In this case the operator added two additional days to each ARQ, which is normally sufficient, but it appears did not confirm that an end of day log off was present, consequently an additional 235 data entries were not included in the data extraction. The affected dates are:

ARQ 198 - 27/11/2002 - Partial, no end of day

ARQ 200: The ARQ covers the period 12/12/2002 to 08/01/2003, totalling 28 query days. The root cause for the omission of data from this ARQ was the same as ARQ 199 above and 679 additional data entries were not included in the data extraction. The affected dates are:

ARQ 200 - 03/01/2003 - Partial, no end of day

We are currently repeating the exercise to extract the ARQ for Forest Gate and these will be forward as soon as is practicable.

Rumson: This request equates to ARQ 320 only

ARQ 320 - The ARQ covers the period of the 03/01/2003, totalling 1 query days. The root cause for the omission of data from this ARQ was the same as ARQ 199 above consequently an additional 235 data entries were not included in the data extraction. The affected date is:

ARQ 320: The ARQ covers the period 03/01/2003, totalling 1 query days. The root cause for the omission of data from this ARQ was the same as ARQ 199 and 200 above and 796 additional 796 entries were not included in the data extraction. The affected dates are:

ARQ 299 - 03/01/2003 - Partial, no end of day

The extraction of data for Rumson has already been repeated and dispatched to you. This ARQ is now correct and only requires an additional statement to complete the task.

In addition to the above we have checked the following other ARQs for which statements have been requested. No discrepancies have been found

Ashford - ARQ 213 - 215

Borehamwood - ARQ 155 - 159, 201, 259 - 262, 278 - 281, 346 - 349

Carbis Bay - ARQ 231 - 233

Chigwell - ARQ 132

East Grimstead - ARQ 236 & 283

Eastern - ARQ 284, 253 - 283

Rimswell - ARQ 427 - 432 & 411
Ruscote - ARQ 255 & 289
City of London - ARQ 210
Kingshurst - ARQ 381 - 382
Heathway - ARQ 169
Leyton - ARQ 221 - 224
Marchington - ARQ317 - 319
Marchmont - ARQ 238

Newport - 160 - 162,193 - 229

Shobnall - 228

I am out of the office tomorrow (Wednesday 26th May), but should be available on 0208 730 4561, which will be diverted to my mobile automatically if you need to discuss the above details.

Regards

Bill Mitchell

Security Manager

Post Office Account

FUJITSU

Forest Road, Feltham, Middlesex, TW13 7EJ

Tel: Internal:

Mob:

Fax: Internal:

E-mail: william.mitchell@fujitsu.com

Web: <http://uk.fujitsu.com>

Fujitsu Services Registered in England no 96056, Registered Office 26, Finsbury Square, London, EC2A 1SL

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Tony R Utting
15/06/2004 09:03

To: John D Cole/e/POSTOFFICE@GRO
cc: Dave Pardoe/e/POSTOFFICE@GRO Manish
Patel/e/POSTOFFICE@GRO Tony
Marsh/e/POSTOFFICE@GRO Graham C
Ward/e/POSTOFFICE@GRO
Subject: Fujitsu contract changes

As discussed, there are reams of emails about this (as you can imagine). This appears to be the most succinct.

As discussed, we have no money to pay for this.

Tony Utting
----- Forwarded by Tony R Utting/e/POSTOFFICE on 15/06/2004 09:01 -----

To: David W Miller/e/POSTOFFICE@GRO
cc: S&A SMs
bcc:
Hard Copy To:
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Date: 16/01/2003 12:38
From: Tony Marsh

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Ferlinc/e/POSTOFFICE@GRO Phil
Gerrish/e/POSTOFFICE@GRO Tony
Marsh/e/POSTOFFICE@GRO
Subject: Re: SALT ACTION POINTS

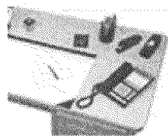
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Hope this clarifies matters

Tony U



Darryl Judd

28/07/2004 11:50

To: PostOfficeAccountChangeManagement@**GRO**
cc: John D Cole/e/POSTOFFICE@**GRO**, Chris
Rendora/e/POSTOFFICE@**GRO**
Subject: POLCC_FSL_CR0032_CCN - Exercising option to increase volume
of Audit Record Requests

Ken,

I have been asked to raise the attached Post Office Ltd Change Request,
POLCC_FSL_CR0032_CCN - Exercising option to increase volume of Audit Record Requests, with
Fujitsu Services Ltd with a request that a Contract Control Note (CCN) is produced to meet the work
requirement.



POLCC_FSL_CR0032_CCN.c POLCC_FSL_CR0032_CCNatt1.c

The change provides for the increase in the number of Audit Record Requests as per attachment.

The output required from this change will be for Fujitsu Services to provide a new annual total of Audit
Record Requests of 720, and reflected within The Agreement

The POLtd business contact for this change is John Cole. Any enquiries on its development should be
addressed to him **GRO**

Please get back to me if you have any concerns or queries about this change.


Regards

Darryl Judd

Commercial Change
Post Office Ltd
IT Directorate

2nd Floor, Calthorpe House, 15-20 Phoenix Place, LONDON, WC1X 0DA

Postline: **GRO** STD Phone: **GRO** Fax: **GRO**
External Email: darryl.judd@**GRO**

 Post Office Ltd Change Request Form		Change Request Number: POLCC_FSL_CR0032_CCN <i>(Allocated by PSO)</i>	
Confidentiality: No <i>(Any constraints on access to the Change Request)</i>			
Project: N/A <i>(Project against which change is raised)</i>			
Change Request Title: Exercising option to increase volume of Audit Record Requests <i>(A few words to identify the change)</i>			
Authorised Person: Keith Baines		Originator: John Cole	Business Owner: John Cole
Date Change Request Raised: 28/07/04		Date issued to Supplier: 28/07/04	
Are there any attachments to this Change Request? Yes		Summary of attachments: "Audit Record Queries" correspondence between FS/POL dated 09/06/2004 <i>(A summary list of attached documents)</i>	
Description of Change: <i>(A full description of the context of the change and the required change outcome – with any business or technical detail needed to clearly interpret it)</i> To increase the number of Audit Record Requests as per attached letter			
Required Outputs from Change: <i>(Specific items to be delivered to satisfy the change requirement)</i> To provide a new annual total of Audit Record Requests of 720, within The Agreement.			
Required Implementation Date or Release: New totals to be available from 1 st September 2004			
Priority: High <i>(Show stopper / High / Medium / Low with supporting explanation)</i>			
Business Reason for Change Request: <i>(A brief description of the business reason for raising this change; identified benefits; dependencies; and impact if the change is not implemented)</i> Current contractual limits are not adequate to meet mandatory requirements from PO Security Team and Clients			
CRS Reference Number: N/A <i>(Reference number of the initiative from the Common Radar Screen)</i>			
Business Case Title: N/A <i>(Title of the business case under which this change is justified)</i>			
Business Case Log Number: N/A		Business Case Authority Number: N/A	
Budget Holder: <i>(for any costs incurred)</i> Keith Baines Tel.No.	Finance Analyst: <i>(for budget area)</i> Liz McKinstry Tel.No.		Cost Centre Code: <i>(for budget area)</i>
Urgent: Yes <i>(Yes/No)</i>		Reason for Urgency: New limits required from 01/09/04, FS require 1 months notice to implement new limits.	
Should the Change be sent to External Suppliers without Initial Sponsor / Business Assessment? <i>(If 'Yes' state reason why)</i>			
Suppliers impacted by change <i>(Circle Yes / No / Not Known)</i>			
PO Ltd Fujitsu IBM EDS Government LINK	Yes Yes / <input checked="" type="checkbox"/> / Not Known Yes / <input checked="" type="checkbox"/> / Not Known Yes / <input checked="" type="checkbox"/> / Not Known Yes / <input checked="" type="checkbox"/> / Not Known	Alliance & Leicester Streamline Royal Mail Group Prism Alliance Other (please state)	Yes / No / Not Known Yes / No / Not Known Yes / No / Not Known Yes / No / Not Known

PO Ltd Change Plan: Will the change require a revision to the current PO Ltd Change Plan? <i>(If yes, provide details including details of any authority)</i>	Yes No Uncertain
--	-------------------------------

Document(s) Affected: <i>(e.g. Product Description – NB It may not be possible to identify documents at this stage)</i>	<i>(Give full document title, reference and version number / date.)</i> The Agreement
---	--

Change Impacts: <i>(Information on the potential impacts of the change to ensure that all relevant activities and dependencies are understood and addressed – see guidelines)</i>
<ul style="list-style-type: none">• FS charges will increase by circa £100k (plus VAT) in year 2004/05, this will be covered by other savings on other FS charges.• There will be recurring costs of £170k, plus VAT per annum. PO Security will need to bid for this money. (Financial Year 2005/06)

Assumptions: <i>(List any assumptions that have been used to document this change)</i>
--

FUJITSU SERVICES

Forest Road, Feltham, Middlesex TW13 7EJ
Tel: { **GRO** } Fax: { **GRO** }
Email: askfujitsu@ **GRO** } Web: services.fujitsu.com

9 June 2004

Keith Baines
Contract Manager (FS)
Post Office Limited
Change & IS
Calthorpe House
15-20 Phoenix Place
London WC1 ODA

Our Ref: CLS/jla/549

Dear Keith,

Audit Record Queries

At the Commercial Forum held on 28 April 2004 you asked for information on increase costs if Post Office Ltd were to exercise the option of increasing the number of Audit Record Queries.

Further to the update I provided to Commercial Forum held on the 26 May 2004 Office Ltd and action point 17.07 I can confirm the following principles:

1. Fujitsu Services would be able to accommodate a "one step" increase to revised annual limits of 720 queries or 15,000 query days, which ever is reached first;
2. Old Format Queries and New Format Queries can be included in the above revised limits, but with the differential Target Times remaining;
3. For DWP an additional 84 queries per annum can be accommodated, equivalent to 7 queries per month with a burst rate of 10 queries per month provided the annual total doesn't exceed 84;
4. The increase in the Security Management Service would be £170,000 per annum.
5. A notice period of 1 month is required to establish the new limits.

At present the number of queries is counted on a calendar year basis whilst the charge is on a financial year basis ending 31 March. I would suggest that if the change to the revised principles are agreed the query count period be changed to a financial year basis.

All other elements comprising the Security Management Service remain unchanged.

Please let me know if you require any further information.

Yours sincerely,

Colin Lenton-Smith

FUJITSU SERVICES

Forest Road, Feltham, Middlesex, TW13 7EJ
Tel: **GRO** Fax: **GRO**
Email: askfujitsu@**GRO** Web: services.fujitsu.com

9 June 2004

Keith Baines
Contract Manager (FS)
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Calthorpe House
15-20 Phoenix Place
London WC1 ODA

Our Ref: CLS/jla/549

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Please let me know if you require any further information.

Yours sincerely,

Colin Lenton-Smith

Tony R Utting
04/06/2004 13:59

To: John D Cole/e/POSTOFFICE@
cc:
Subject: Horizon data via Fujitsu

GRO

As you can see we are in a difficult position this month and if something really serious were to happen (as happened in April) we would be in severe difficulties.

Has there been any progress on getting us extra requests etc.

Thanks

To ny Utting

----- Forwarded by Tony R Utting/e/POSTOFFICE on 04/06/2004 13:57 -----



Graham C Ward
04/06/2004 13:37

To: Investigation All
cc: Tony R Utting/e/POSTOFFICE@, Dave
Pardoe/e/POSTOFFICE@
Subject: Horizon data via Fujitsu

GRO

GRO

All

Just to let you all know that we have already taken up all of our limit for this month, so no further requests can be processed until the 01st July.

Regards

Graham

Tony R Utting
10/05/2004 16:35

To: John D Cole/e/POSTOFFICE@GRO
cc: Charles Brown/e/POSTOFFICE@GRO, Graham C
Ward/e/POSTOFFICE@GRO
Subject: DWP requests Horizon data

John

You may recall we spoke a couple of weeks ago regarding our limited access to Horizon data and the pressure we are being out under to provide ever larger volumes in support of ongoing prosecutions being undertaken by DWP.

To illustrate the point, please see below the schedule of requests we have received from DWP investigators over the past year, which shows that they are making increasing demands on this resource. Some of the requests are dated as 1 June as that is when we are next able to request data under the current contract.

We discussed previously asking Fujitsu to deal with all DWP requests separately and charge for each individually, has this been progressed at all, as there is an opportunity here to relieve some of the current pressure and we could find that they become more reasonable in their requests if they are charged. At present, despite our own opinions about the possible validity of what they are asking for, it is very difficult to argue in a court of law that the data is not necessary, when the prosecuting counsel is the person who has asked for it to be provided. *agreed*

Bearing in mind the negative publicity that we and DWP regularly receive in the press, if one of these cases were to fail because we could not, or would not provide the data as requested, then we would be in the firing line. ✓

Please get back to me if you need to discuss further

Thanks

Tony Utting

----- Forwarded by Tony R Utting/e/POSTOFFICE on 10/05/2004 16:26 -----



Graham C Ward
10/05/2004 14:28

To: Tony R Utting/e/POSTOFFICE@GRO
cc:
Subject: DWP requests Horizon data



DWP requests.xls

Tony R Utting
26/04/2004 16:05

To: John D Cole/e/POSTOFFICE@postoffice.ltd.uk [GRO]
cc: Tony Marsh/e/POSTOFFICE@postoffice.ltd.uk [GRO], Graham C
Ward/e/POSTOFFICE@postoffice.ltd.uk [GRO]
Subject: Horizon data

Thanks for the call now for the more difficult task of deciding how much we need to increase our request numbers by.

You will see below some figures provided by Graham Ward from our casework team here at Croydon. Graham manages the data requests from Fujitsu for ourselves and fends off as many as he can to ensure that we do not go over our limits.

Estimating our requirements is difficult for a number of reasons, not least because we have asked investigators to be selective in what they ask for due to the low number of requests we have available to us.

Just for your information we raise something in the region of 1000 investigations each year, most of which are never likely to get to a point whereby Horizon data becomes necessary, but potentially many more will if we have the data available to us to examine (bearing in mind resource limitations etc).

The figures below relate to both our own and DWPs requests for this year and so far about a third of the requests are from DWP. This has caused Graham to hold back, or refuse requests for our own investigators and for other areas of the business.

We are also looking at the reduction in paperwork exercise currently in progress and estimate that in the absence of some of the paper documentation we have relied upon in the past, that we will require more data in the future in order to provide sufficient evidence to prove dishonesty. It is also possible that the business may need to obtain audit data in order to refute claims, that transactions that have caused errors to be raised did not take place as described in those errors.

From our experiences of the numbers of requests received from our team and the wider business we estimate that to be sure of not hitting our limits in the future the request number should be raised to 720 per year and the number of days to 15000. This would not include the DWP requests, as they should only have a need for data for the next year or so and so to include their requests may be an unnecessary cost which could be easily dealt with by taking them out of our numbers and asking Fujitsu to deal with and charge for them separately, on an ad hoc basis.

I can't promise that the figures we have given are in any way more than a guesstimate, as we discussed earlier but I do believe that the numbers quoted above would allow us the flexibility to ensure that we do not have to close down cases early simply because we cannot obtain the evidence we require.

We are of course seeking a longer term solution of having direct access to all audit data, but understandably that will take a little longer to achieve.

Thanks for your help, it was nice to have such a positive response to a problem that has grown steadily more of an issue in recent months

I would be happy to meet up and discuss further if you think it would be helpful

Regards

Tony Utting
Internal Crime Policy and Standards Manager
Post Office Limited

Mobex [GRO]
mobile [GRO]

----- Forwarded by Tony R Utting/e/POSTOFFICE on 26/04/2004 15:12 -----



Graham C Ward
23/04/2004 16:01

To: Tony R Utting/e/POSTOFFICE@GRO
cc:
Subject: Horizon data

Tony

as discussed & following the latest DWP request for 6 months data (which was originally 13 months and may still be depending on the Judge's order), here is a forecast predicting likely numbers for the year. If we continue at this rate we will use up all our requests within 7 months.

Thus far we have 54 requests in place totalling 694 days, 41 submitted and 13 waiting to go on the 01 May. This does not include the further 6 requests for the DWP which cover 182 more days. Adding all these together comes to 60 requests - 876 days as of the 23/04/04.

If we continue at this rate we will be submitting approx : 952 requests this year which is 622 over the contractual limit. We will also likely exceed the numbers of days (4620 per year), but this more difficult to predict as some people want 31 days per request, others just a single day.

It is difficult to predict, but I would think that exercising the clause in the contract allowing Post Office Ltd to increase its numbers of requests, would be a sensible option at this point in time.

Regards

Graham

Casework Manager
Operations
Post Office Ltd Security
PO BOX 1
Croydon
CR9 1WN

STD Phone: GRO Fax: GRO Mobex: GRO Mobile: GRO
External Email: graham.c.ward@GRO



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23/04/2004 16:01

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cc:
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PO BOX 1
Croydon
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see paragraph 5.2 of schedule 10
which says if Post Office exercises its
option pursuant to para 3.10.6 of the CCP
entitled Service Description - - - (cs/sec/d/b)
to vary the maximum number of Audit Record
Queues and Old format queries which FS is
required to carry out, the portion of the
* Security Management charges that relate
to NBS Audit Record Queues shall be
varied pro-rata to reflect that revised
maximum, with effect from the same date
that the revised maximum becomes
effective

2 This is found in table 2.2 - operational
charges table, line called Security Mgr Service

Note: if there is to be a charge, FS need
to be given sufficient notice to accommodate
share eq dev existing will need to be

re-deployed

(less than £700k)
a month notice

current time is ~~900~~ per year

330

550

800

on the contract

8750

720

330

390

cost £170,000

extra
—

£435 per query

£500 per

charged at cost = (1039

3-4 NS per query //