



Faculty of
Information Technology

3 February 2006

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Dear Sirs,

**Transformational Government
Enabled by Technology
Cm 6683**

This response is on behalf of the Technical Committee of this Institute's Faculty of Information Technology Faculty. The Faculty helps chartered accountants to make best use of IT, represents their interests and expertise and contributes to public affairs.

Business management now depends on information technology, which has been one of the drivers of businesses become increasingly complex. Business computer systems have become critical to the success or failure of the business. Chartered accountants, in business, in practice as advisers and in the public sector, exercise a powerful influence over the investment decisions associated with IT and in the management and control of computer applications.

Policy

We agree with the suggestion in the consultation paper that policy should be inspired by IT, as well as IT facilitating policy, so that IT is an enabler of more ambitious or different government policies than would otherwise be possible. We do have the reservation, as stated in this Institute's recent report on "Digital Reporting", that technology may also sometimes frustrate change, rather than enable it, particularly if the technology is promoted as a means of achieving improvements that do not materialise as quickly as potential users expect. In addition, people will not use systems that are inflexible or otherwise inhospitable, nor will they be keen to use systems, however good, that may replace systems that they have previously disliked.

Another factor is that technology can sometimes be regarded, somehow by definition, as a source of improvement in business performance, even when the business case for its use is a long way short of convincing. Over-confidence that the effects of IT will be beneficial can sometimes seriously retard progress in the longer term because the adverse effects of the new technological 'solution' have to be rectified. This can be a very painful process.

System Complexity and Standards

We fully support your aim, stated in paragraph 21(2) of the consultation paper, of releasing efficiencies by standardisation and simplification. Indeed, the ultimate “grand challenge” of computer science, according to Ambuj Goyal, as quoted in “Digital Reporting” is simplicity of design. The economics of computing has changed dramatically over the last two decades, says Dr Goyal, so that the complexity of computing now dominates the costs of computing, not the efficiency of the base architecture or the software that exploits it. Our own view is that there is still a long way to go before the use of IT achieves the objective of making tasks simpler as well as quicker and more co-ordinated and that continuing research into this matter will be extremely valuable.

Standardisation is clearly one of the ways forward in achieving this greater simplicity. This is why we have been working, within a consortium of organisations and agencies including the Revenue and Customs and Companies House, towards the development and adoption of the XBRL standard for financial reporting and other business reporting. We are delighted to see this digital reporting standard beginning to bring positive benefits within the public sector.

On the other hand, the very process of developing, implementing and maintaining technical standards is itself fraught with both technical and procedural complexity that should not be underestimated. There are issues for many organisations, not just the government, arising from their use of a variety of platforms and systems which cannot ‘talk’ to each other. Producing organisation-wide data and ensuring genuine data comparability is often a huge problem. A possible danger for the government is that its systems will become increasingly dependent on proprietary standards developed by market leaders and that government policies for the use of IT will therefore tend to converge with the commercial interests of those companies to the detriment of possible competitors.

In addition, complications in information systems are not by any means always at the technical level. They are often the result of complications in the transactions which they are designed to process. If the requirements of the system are not simple, the system itself will not be simple. This has, arguably, been the problem in connection with many of the public sector systems that have in recent years been subject to the criticisms noted in the consultation paper. We believe that this aspect of the issue has not been sufficiently emphasised in the consultation paper.

Systems Design

There are potential pitfalls in relation to the government’s movement towards systems “designed around the citizen or business” and around different “customer groups”, such as older people, within the population. As the consultation paper says, “individuals often associate themselves with different groups at different times depending on their particular need” (Para 25). This is actually quite a powerful argument, from a systems point of view, in favour of differentiated systems for some purposes, rather than integrated systems based on possibly artificial customer groups. The requirements of many systems (as a simple example, renewing a TV licence) are in most cases identical whatever the group(s) with which you associate yourself. There is actually not much to say against individual systems for transactions with government when the relevant legislation is unconnected with any other aspect of government and is the same for nearly everyone.

In addition, paragraph 14 of the consultation paper says that hitherto the underlying assumption has been that “customers will fill in forms”. This, by and large, continues to be the underlying assumption even though the forms are computerised, so this makes less difference to the “customer” than government agencies sometimes seem to suppose. The

potential advantage of a computerised system is that the customer can return the form to the government agency more quickly and get an acknowledgement, and indeed an acceptance of the information or a rejection, with reasons, more quickly. If these potential advantages are not obtained, the customer will be unimpressed, however superficially attractive the front-end processing and however effective the system in linking different aspects of government activity.

A further potential advantage of a computerised system, as paragraph 14 goes on to say, is that government agencies can process information by risk-managed exception. The more systems are unified, the harder this becomes to achieve.

In addition, paragraph 39(8) of the consultation paper says that “legacy systems will be progressively refreshed ...”. Again, we applaud this intention but do not fully understand the implication that, simply by taking advantage of open standards and commercial off-the-shelf products, this progressive refreshment will be any easier (as opposed perhaps to quicker) to achieve in future than it has been in the past. Government agencies may also still find it difficult to cope with the co-existence at any given time, as technology improves at an exponential rather than a linear rate, of widely different stages of IT development and take-up by different businesses and different individual citizens and with the use of different levels of technology by different businesses or individuals to achieve the same outcome. We consider that more emphasis may need to be placed on the ramifications of these issues than appears in the consultation paper.

Professionalism and the role of government

We do agree, very much, with the concept of professionalism (paragraph 21(3) of the consultation paper) in the development, procurement, maintenance and operation of systems in the public sector and as a professional organisation we are doing and shall continue to do all we can to support and promote it. This is a vital aspect of achieving the best systems, the most appropriate systems for purpose and the systems that people will want to use.

Nevertheless, we believe that too much reliance should not be put on IT-related professionalism, of itself, to ensure the delivery of effective systems. This requires not just IT-related professionalism but also a sound overall strategy for the use of IT. The consultation paper observes that “Using customer insight, government will drive take-up of the best digital channels and exploit mobile technologies ...”. It is worth noting that the most pervasive information technology developments of the past ten years (e-mail, the mobile phone and the internet search engine), “emerged”, as paragraph 19 of the paper puts it, from the market without any significant need for government “driving” at all. Indeed, as the paper admits, in some cases the government has been slower than the commercial sector to exploit these technologies. Against the background of these developments, the idea that customers may have “insights” that a particular technology is useful, but then require government to promote take-up of that technology, is unconvincing.

We consider therefore that government IT strategy should be more directed towards the government’s own use of IT, rather than being too concerned with a quasi-educational role in relation to businesses and citizens (except in particular respect of security, as mentioned below). As the consultation paper goes on to say, the government itself intends to “innovate its services to take swift advantage of new technologies as they emerge.” We fully support this intention, though we believe there is also a significant risk that government systems might therefore have to be replaced more frequently and that the cost of government systems might therefore rise.

There is, however, one particular area in which a more educational role for the government is likely to be very useful. The various problems caused by ineffective security, particularly in

relation to the use of the internet, have a grave economic impact, inhibit the use of e-commerce and continue to be underestimated. We appreciate the efforts that the government has already made and continues to make to help users overcome the problems and we consider that more emphasis needs to be placed in discussion of this issue on the economic consequences of insecure systems. We wish to support the undertaking in the consultation paper (paragraph 39(6)) that the government will play its part in a campaign to promote internet safety and to deliver a wider availability of assured products and services.

Data Protection, Information Assurance and Identity Management

The consultation paper does not go into any detail on these issues but they will clearly be of immense importance to the future of transformational government. People will not use systems they do not trust unless they are forced to do so and if they are in certain cases forced to use government systems they mistrust they will not use other government systems of which the use is voluntary. We look forward to participating in the ongoing debate about the many facets of developing efficient government without compromising personal privacy.

Thank you for the opportunity to comment on the government's approach to these important issues for the future.

Yours faithfully

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