Written evidence from David Chassels¹ (IGA 23)

Public Administration and Constitutional Affairs Committee
Inquiry into Government Accounts

Executive Summary

- This overview will try to emphasise the power of people and process related to being able to understand the operational activity in any Government department recognising the context of creation of “Accounts”.
- Government need to keep up to date with industry developments and to do research on emerging capabilities in order to truly understand just how reliable reports on operational activity can be created.
- It will take a change of attitude even culture to move forward.

1 Background

Accounts in Government are a formalised historical summary of “Income and Expenditure” created to set of accounting rules and likely emerge from a “book keeping system”. Operational activity in delivering a service is all about “People and Process” where ALL information is created. This sits outside any book keeping systems which are feed by summaries of costs and of course data used as required. Operational reports should be real time to support people delivering the service and give decision makers one version of the truth to make good decisions. In contrast Accounts are summaries of activity produced many months after a period end.

Over 40 years of IT has seen a growing disconnect between operational activity and centralised recording and Accounting systems which only now is being recognised. Government senior officials (including politicians) are no different from most business people in respect of really not understanding IT. Despite political pressures Government still remains to achieve Intelligent customer status as "requested" by previous PASC inquiries.

This is a good perspective on what being an “intelligent customer” means from industry thought leader Naomi Bloom who articulates very well the issues “Writing less code to achieve great business applications was my focus in that 1984 article, and it remains so today. Being able to do this is critical if we’re going to realize the full potential of information technology” “...how those models can become applications without any code being written or even generated”. Naomi goes on to say “It really matters how your vendors build their software, not just what they build”. As can be seen this has been a challenge for many decades but now the industry recognises change must come with the business understanding just what they are buying and how it works not the vendor marketing message in what they claim it does. This aspect is important in being able to move forward to build reliable systems to support reporting on operational activities.

2 UK Government current position

¹ David Chassels Scottish trained CA, and currently “retired” but is Director of Procession Technology Ltd a company formed to prepare to commercially exploit software technology following many years R&D by predecessor companies. He has written a number of papers about the importance of technology aligning people and their processes. Previously David was a Partner in International Accounting firm BDO and spent 20 years with ICFC/3i where he was actively involved with many early stage companies and advising on fund raising and M&A transactions. Currently is working with a group preparing set up the distribution of global funds allocated for humanitarian purposes with an emphasis on new water technologies and disruptive innovations.
The very fact such an inquiry has been instigated suggests dissatisfaction with the flow of reliable up to date information. Indeed a member of the Committee summed it eloquently “What we need are clearer and more easily understandable communications not just in this area but across the board. Every little bit helps demystify the process of government and allow the necessary democratic checks and balances.”

“Digital” and “user needs” have been easy headline tags for frankly shallow expressions by many in Government of how to move forward. I have seen no evidence of any Government person truly understanding what is required to support users, internal and external, to enable interaction with systems to use or create new information/data. This has been at the core of serious R&D by the UK company I have nurtured waiting for the market to be ready. So I do understand just how the challenge can be addressed and it is proven within a UK Government unit UK Sport as an early adopter. Yet despite many well documented attempts to “educate” Government on this step change “innovation” nobody was able to take forward. This failure was despite clear responsibility to seek such cost saving innovation being recognised and allocated. Understanding why innovation initiatives failed might add useful knowledge to address how to change such a culture?

3 Some thoughts on Government moving forward

I contributed to inquiries into Government governance in IT in 2011 and one on Procurement in 2013 and frankly there has been little progress. So with knowledge I have gained how would Government now move forward to start to “demystify” what government department actually achieve in their day to day operations and importantly support even empower people delivering the service and improve their inter-actions with government “systems”. Here is how I see the market now moving and in a joined up way to put the customer i.e. Government in control and supporting their customers to deliver and report on services.

There are 3 aspects

1. “BPM” (Business Process Management) is the discipline on how to think and work out what is required to create an outcome putting people first. This has been a movement in existence since late 90s as some in “IT” recognised the gap between people and large inflexible “silo” based systems (including Accounts). BPM applies to “digitisation” evidenced by webinars titled “mastering digital transformation with BPM technologies”. This [http://bpm.com/](http://bpm.com/) has active forum where knowledge and views accessible. I am one of the top contributors.

2. “MDE” (Model Driven Engineering) that allows build with “no or low code” direct with users in their language. This is now being recognised as important exampled in this [http://modeling-languages.com/mda-dead-long-live-mde-according-garner/](http://modeling-languages.com/mda-dead-long-live-mde-according-garner/) Gartner is the leading industry analyst who at last begins to understand. This a research paper I was asked to write based upon our 20+ years R&D and published 2014 as contribution to this subject [http://www.igi-global.com/chapter/object-model-development-engineering/78620](http://www.igi-global.com/chapter/object-model-development-engineering/78620)

3. “Adaptive” solutions are the desired outcomes with custom solutions capable of quick build and easy change. It also ensures the presentation and collection of data adapts to specific user and instance delivering real time data supporting all required reports including accounts. This may sound rather obvious but it is not how big systems including accounting systems
actually work but this Adaptive capability is now recognised as a must for the future.

Again I see no evidence that those responsible in Government (such as GDS) for either giving advice on digitisation or in procurement are recognising this significant shift in supporting software which will deliver that transparency and accountability on day to day operations.

In order to move forward it is vital that the priority is to do research on the software capabilities to both deliver real time operational reports and build direct from user input which is what MDE delivers. This knowledge will then facilitate just how to collect and articulate your requirements for custom build and the BPM discipline will give a structure to this exercise. The resultant applications would be a future proof investment into “Adaptive” solutions.

4 The Challenge

Business software has evolved over some 40 years as very complex and thus costly in both build and maintenance. There are large vested interests in the supply chain (including internal ones) that will resist or not want to believe that such simplicity and thus dramatic cost reduction can be delivered. Legacy which includes Accounting systems should now be the slave to this new Adaptive capability and over time many old systems could be retired.

A consequence of placing emphasis on this people centric approach with real time feed back is the empowerment of those delivering a service thus fewer managers. It creates a bottom up approach but with transparent accountability

We have proven and early adopter UK Sport running now for over 15 years with constant change total cost £2m (equivalent such as Rural Payments Agency over £300m) with some 75 MDE models with 500 user interfaces which includes reports. A few comments from them will give comfort;

“we need to be able to introduce and modify processes very rapidly, and we liked the friendliness of the software”
“UK Sport is able to produce live reports on a range of data at a touch of button.”
“We have therefore benefited from having a very flexible product that can adapt to our changing needs with little disruption to our operations.”
“…one auditor commenting that it was the best audit trail he had seen on an IT system.”
“It captures all my weird and wonderful ideas and all done without telling me that I am expecting too much!”

And from 2011 DCMS report “UK Sport was the most efficient of the statutory funders in all criteria groups”

What is extraordinary despite many invites to visit UK Sport nobody from Government has visited? That sums up the Challenge the PACAC face to effective a meaningful change to deliver greater transparency; it requires a change in attitude in Government’s approach to “IT”.

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