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STATISTICS DIRECTORATE

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Topic (i): IT governance in statistical offices

INFORMATION TECHNOLOGY GOVERNANCE @ ONS - DO WE NEED IT GOVERNANCE IN A STATISTICAL OFFICE?

Invited Paper

Submitted by the Office for National Statistics, United Kingdom¹

Summary

I. INTRODUCTION

1. Availability of and access to sound, relevant statistics enable timely and effective decision making by government, community and business. This in turn provides competitive advantage in economic performance, political and social stability and cultural development. Technology plays a critical role in this scenario by providing an environment for the creation of quality data and the subsequent means of its dissemination as valuable information to stakeholders.
2. At the Office for National Statistics (ONS) we believe that we need to achieve and maintain the above demands by *improving public confidence in the integrity and validity of our outputs*. We have embarked on a modernization programme of our statistical processes, which will provide us with a high degree of process systematization and statistical integration.
3. The demand for reviewing and renewing our governance processes for our technology environment is a direct result of this programme. As we seek standardization of our processes, we are more and more reliant on our technology and its management.
4. In March 2002, **Alan Greenspan**, Chairman of the US Federal Reserve Board suggested how ephemeral vital elements of a statistical office's brand can be when he commented that: *"A firm is inherently fragile if its value emanates more from conceptual as distinct from physical assets. Trust and reputation can vanish overnight. A factory cannot!"*.

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5. The reputation of any statistical office – and trust of those who contribute data to it – are of paramount importance. As technologists, we should therefore ensure we take steps to safeguard these and minimise risk to existing statistical and technology environments. That is the rationale for IT Governance within ONS.

II. DO WE NEED IT GOVERNANCE @ ONS:

6. Increased complexity of demands made on statistical outputs, speed of communications and the consequent demand for providing our information without delay to a large audience of stakeholders, mean that information technology (IT) accounts for a large proportion of ONS's costs as well as engendering significant risks that we need to manage. For organizations such as national statistical offices (NSOs), whose main production environments are based on computers, IT offers extraordinary opportunities to enable and transform the way we provide statistical information. Cost, risk and opportunity make IT strategic for our agency's growth and render it essential for our long-term survival.

- **Challenge 1:**

7. ONS is currently in the midst of a radical overhaul of its systems and processes to achieve its goal of becoming a world-class provider of statistics in the 21st century. This means that existing systems, processes and procedures are being overhauled in a manner that was not even dreamt of a few years ago. The challenges facing the organization are many: within the statistical businesses, new business process are being created; within the Information Management (IM) function, new technology is being implemented, new models are being established for services, and new development techniques are being introduced – all at the same time as managing the existing systems and processes that needs to be maintained without failure until the new systems come 'on stream'.

8. The target for displacing a substantial amount of existing processes, and thereby, achieving 'statistical modernization' is March 2008.

- **Challenge 2:**

9. Over the last year, a government-based investigation concluded that there are too many civil servants situated in the south east of England. In order to distribute the public-sector workforce throughout the country, and thereby strengthen regional economies, the government set targets for each and every department. ONS has been tasked with relocating a significant proportion of its London-based staff (approx 500) to its offices in Newport, South Wales. This has also meant that ONS's head office will relocate to South Wales.

10. The target date for completing this exercise is March 2008.

- **Challenge 3:**

11. Whilst the relocation and the modernization is progress, the IM function will need to modernize its skills, play a crucial role in developing the new systems and, finally, provide efficiencies derived from the modernization investments.

III. INFORMATION TECHNOLOGY GOVERNANCE @ ONS:

12. IT Governance is concerned about the following responsibilities:

- (a) Ensure strategic alignment;
- (b) Demonstrate value delivery;
- (c) Assess, investigate and reduce IT related risks;
- (d) Optimize resources;
- (e) Measure performance.

13. In the area of delivering value for money, we will go into detail on the processes and procedures put into place over the last two years, and explain our continuing strategy for being vigilant and maintaining demanding targets in this area.
14. In the area of enabling the business, we will discuss the role we have played in the modernization process - introducing new technologies, techniques and standards to speed up the business transformation.
15. When we discuss the reduction of overall IT risks to ONS we will look at new strategic partnerships, new work-planning processes, and management frameworks.
16. We shall look at the overall impact of IT Governance within ONS and our implementation of a framework to deal with the issues stated above that are specific to ONS and perhaps applicable to other NSOs.

IV. THE ONS PROPOSITION

17. In conclusion, the full paper will examine the wider issues of effective IT governance within ONS as well as the IM function's own responsibilities. Especially:

- Responsibility of the executive management and the board of directors;
- Protection of shareholder value;
- Ensuring risks are understood and made transparent;
- Direction and control of IT investment, to leverage opportunities, obtain benefits and mitigate risks;
- Aligning IT with the business, accepting IT is critical to ONS and a component of the strategic plan, and influencing strategic opportunities;
- Sustaining current operations (business as usual) and preparing for the future with proper planning;
- Being integral to the government-wide governance structure in the UK.
